GOVERNANCE AND LEADERSHIP

IAN MEAKINS
Chair of the Board

Members

At the date of this Report the following are members of the Board:

- Ian Meakins (Chair)
- Dominic Blakemore
- Palmer Brown
- Gary Green
- Carol Arrowsmith
- Stefan Bomhard
- John Bryant
- Arlene Isaacs-Lowe
- Anne-Francoise Nesmes
- Sundar Raman
- Nelson Silva
- Ireena Vittal

At least half the members of the Board, excluding the Chair, are independent non-executive directors. Directors' biographies can be found on pages 54 to 57.

Meetings

The Board held six scheduled meetings during the year. The Board and committee meeting attendance table can be found on page 65.

Matters reserved for the Board

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

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

The matters reserved for the Board are reviewed annually to ensure that they continue to be fit for purpose. They were last reviewed in September 2022. The Board concluded that the Matters Reserved for the Board continued to be fit for purpose, and no changes were made. Full details can be found on the Company's 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 2022. Throughout this and other parts of the Annual Report, we aim to provide investors and other stakeholders with an insight into the governance activities which have supported our performance during the year.

The Board's priorities remain consistent, with a continued focus on developing and implementing the Group strategy, succession planning, maintaining a strong governance framework and risk oversight.

The directors believe that the Board is well placed to perform its stewardship role to ensure that the Company continues to deliver long-term sustainable success. We will continue to adapt our approach where necessary and to promote and safeguard the interests of the Company and its shareholders into the future.

Board changes, succession planning and talent pipeline

Several changes were made to the Board during the year. Karen Witts stepped down as Group Chief Financial Officer (CFO) and John Bason retired as a non-executive director after almost 10 years on the Board. We appointed Palmer Brown as Group CFO, and Arlene Isaacs-Lowe and Sundar Raman as non-executive directors. These changes ensure that as we refresh the Board, we have the appropriate blend of skills and experience to promote the long-term sustainable success of the Company and to deliver on our commitment to Board diversity.

In the coming year, we plan to continue our work around succession planning to ensure that the Board comprises a majority of independent non-executive directors with the capability, skills and experience necessary to objectively challenge executive management, balanced with the need to ensure continuity on the Board. We will also endeavour to meet the new requirements prescribed by LR 9.8.6(9) of the Financial Conduct Authority's (FCA) Listing Rules which applies to Compass from the financial year ending 30 September 2023, and to continue our support of the aims of the FSTE Women Leaders Review in relation to gender diversity and of the Parker Review to improve ethnic diversity in UK business leadership.

As announced on 21 November 2022, Carol Arrowsmith will step down as the Chair of the Remuneration Committee following the conclusion of the Annual General Meeting to be held on 9 February 2023 and will be succeeded by John Bryant, Senior Independent Director. To ensure that there is continuity and an orderly transition, Carol will remain a member of the Committee. John has been a member of the Remuneration Committee since his appointment in 2018. He has significant experience in business and finance and is considered by the Board to have the appropriate experience, skills and attributes to be an effective Chair of the Remuneration Committee. On behalf of the Board, I would like to thank Carol for her dedication and invaluable service as Chair of the Remuneration Committee.

During the year, a number of changes were also made to the Group's Executive Committee. Shelley Roberts was appointed Group Chief Commercial Officer and joined the Committee in January. Kathinka Friis-Møller was appointed Regional Managing Director, Europe & Middle East in February, and became a member of the Executive

Committee on appointment. On 1 October 2022, Gaétan de L'Hermite was appointed Regional Managing Director, Asia Pacific and also joined the Executive Committee. Biographies of the members of the Executive Committee can be found on pages 58 to 60.

BEIS consultation

During the year, the Company participated in the Department for Business, Energy & Industrial Strategy (BEIS) consultation process related to the UK government's proposals for wide-ranging audit and corporate governance reforms that will introduce several fundamental changes to the corporate governance and reporting landscape. The precise nature of the proposed reforms has yet to be determined and will be delivered through a variety of mechanisms over a period of several years. In July 2022, the Financial Reporting Council (FRC) published a summary of how they plan to take forward the activities in their remit with a further consultation during the first quarter of 2023.

We will continue to monitor developments to ensure Compass remains well positioned to comply with any new statutory or regulatory changes.

Board effectiveness

This year, an independent formal external evaluation of the Board and its committees was conducted in accordance with the UK Corporate Governance Code 2018 (the Code). The evaluation concluded that the Board and its Committees continue to be effective, but as ever, we will continue to challenge ourselves. More details of the evaluation process can be found in the Nomination Committee report on pages 84 and 85. In the coming year, we will build on the progress we have made to date, strengthening our existing governance structure and contributing to the ongoing success of the business, focusing on the priorities identified by this year's evaluation process.

IAN MEAKINS
Chair of the Board

21 November 2022

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE 2018

Compliance statement

It is the Board's view that for the financial year ended 30 September 2022, the Company has been compliant with the principles and provisions set out in the UK Corporate Governance Code 2018 (the Code), with the exception of provision 38 (alignment of executive director pension contribution rates with those available to the workforce), for which phased arrangements are in place to ensure compliance by 31 December 2022, as detailed in the Remuneration Report on page 88. The Board considers it appropriate that there is a phased transition of existing pension benefits for executive directors in line with the Remuneration Policy which was approved by shareholders at the Annual General Meeting on 3 February 2022. The Policy also provides that, for directors appointed since the Policy was approved, the annual maximum pension allowance or contribution will be aligned to the maximum rate available to the majority of the wider UK workforce.

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 FCA's Listing Rules and to report if it does not reflect such compliance. No such report has been made.

Our commitment to corporate governance

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

This Corporate Governance Report, together with the Directors' Remuneration Report set out on pages 86 to 113, 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.

Throughout the Governance and Directors' Report, we have set out how we have applied the main principles and complied with the relevant provisions of the Code.

This Corporate Governance Report on pages 52 to 113 and the Other Statutory Disclosures on pages 114 to 117 together with the Directors' Responsibilities Statement on page 118 and the Strategic Report on pages 2 to 51, which have been incorporated into this Report by reference, make up the Directors' Report.

1 Board leadership and company purpose

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

Read more on pages 52 to 73.

2 Division of responsibilities

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

Read more on pages 62 to 64.

3 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.

4 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 74 to 78.

5 Remuneration

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

Read more on pages 86 to 113.

BOARD OF DIRECTORS

IAN MEAKINS (66)
Chair of the Board

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

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

Current external appointments: Ian is non-executive Chair of Rexel SA.

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

DOMINIC BLAKEMORE (53)
Group Chief Executive Officer (CEO)

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

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

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

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

PALMER BROWN (51)
Group Chief Financial Officer (CFO)

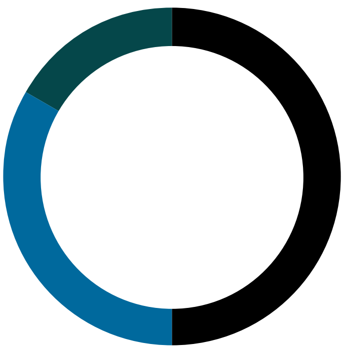
Appointment: Appointed to the Board in October 2021, having joined the Group in 2001. Assumed the role of Group CFO in November 2021.

Key skills and competencies: Palmer joined Compass in 2001. During his tenure, he has held a variety of senior finance, strategy and legal positions and played a central role as a member of the Executive team in North America. He also coordinated many of the acquisitions and disposals for the Group. Palmer has degrees in business and law and is a certified public accountant.

Current external appointments: None.

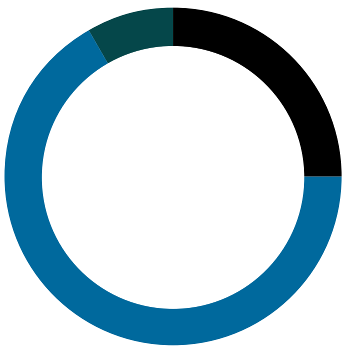
Previous experience: Palmer is a former Group Commercial Director and Chief Strategy Officer, Compass Group North America. Prior to that, he served as General Counsel and Executive Vice President of Corporate & Legal Affairs for the Group's US business.

BOARD TENURE[1]



0-5 Years	6
5-10 Years	4
> 10 Years	2

BOARD BALANCE[1]



Executive directors	3
Non-executive directors	8
Chair of the Board	1

1. Data shown as at 30 September 2022.

COMMITTEE MEMBERSHIP KEY

- A Audit Committee
- C Corporate Responsibility Committee
- N Nomination Committee
- R Remuneration Committee
- Chair
- Senior Independent Director
- Designated NED for workforce engagement
- Secretary

GARY GREEN (65)
Group Chief Operating Officer (COO), North America

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

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

Current external appointments: None.

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

A C N R

JOHN BRYANT (57)
Senior Independent Director (SID)

Appointment: Appointed to the Board in September 2018. Appointed SID in February 2021. Will succeed Carol Arrowsmith as Chair of the Remuneration Committee following the conclusion of the AGM on 9 February 2023.

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

Current external appointments: Non-executive director of Coca-Cola Europacific Partners plc, Ball Corporation and Macy's Inc.

Previous experience: John is a former Executive Chair and CEO of global consumer goods company Kellogg. Prior to joining Kellogg in 1998, John held strategic and operational roles in several companies, worldwide.

A C N R

CAROL ARROWSMITH (68)
Non-executive director

Appointment: Appointed to the Board and as Chair of the Remuneration Committee in June 2014. Will step down as Remuneration Committee Chair following the conclusion of the AGM on 9 February 2023.

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

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

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

Diversity of skills and experience

Director	CEO experience	Finance	Strategy & M&A	Remuneration	Health & Safety	HR/People	Operations	Sales & Marketing	Consumer Goods & Retail	Food & Beverage	Art, Culture & Charity	Sustainability
Ian Meakins	●		●		●		●	●	●	●		
Dominic Blakemore	●	●	●		●		●	●	●	●	●	
Palmer Brown		●	●		●		●	●	●	●		●
Gary Green	●	●	●		●		●	●	●	●		
Carol Arrowsmith				●		●					●	
Stefan Bomhard	●		●		●		●	●	●	●		
John Bryant	●	●	●	●	●		●	●	●	●		
Arlene Isaacs-Lowe		●	●			●		●				●
Anne-Francoise Nesmes		●	●		●				●	●		
Sundar Raman	●		●				●	●	●			
Nelson Silva	●		●		●		●	●			●	●
Ireena Vittal			●	●		●			●	●	●	

BOARD OF DIRECTORS CONTINUED

A C N R

STEFAN BOMHARD (55)
Non-executive director

Appointment: Appointed to the Board in May 2016.

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

Current external appointments: CEO of Imperial Brands PLC.

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

A C N R

ARLENE ISAACS-LOWE (63)
Non-executive director

Appointment: Appointed to the Board in November 2021.

Key skills and competencies: Arlene brings over 20 years' executive experience in sustainability, finance, strategy and sales across the US, Europe, the Middle East and Africa.

Current external appointments: Non-executive director of Equitable Holdings, Inc. and Xenia Hotels & Resorts, Inc., member of the Advisory Board of Agbanga Karite LLC and member of the advisory board of Howard University School of Business.

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

A C N R

ANNE-FRANCOISE NESMES (51)
Non-executive director

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

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

Current external appointments: CFO of Smith+Nephew PLC.

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

COMMITTEE MEMBERSHIP KEY

A Audit Committee
C Corporate Responsibility Committee
N Nomination Committee
R Remuneration Committee
Chair
Senior Independent Director
Designated NED for workforce engagement
Secretary

A C N R

SUNDAR RAMAN (47)
Non-executive director

Appointment: Appointed to the Board in January 2022.

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

Current external appointments: Global CEO of Procter & Gamble's Fabric and Home Care business and a member of the Board of the National Underground Railroad Freedom Center.

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

A C N R

NELSON SILVA (67)
Non-executive director

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

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

Current external appointments: Non-executive director of Nutrien Ltd, Altera Infrastructure L.P. (private company) and an adviser to Appian Capital Advisory LLP and HSB Solomon Associates LLC.

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

A C N R

IREENA VITTAL (54)
Non-executive director and Designated NED for workforce engagement

Appointment: Appointed to the Board in July 2015. Appointed Designated NED for workforce engagement in October 2019.

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

Current external appointments: Non-executive director of Diageo plc, Godrej Consumer Products Limited, WIPRO Limited and Housing Development Finance Corporation Limited and an independent director of UrbanClap Technologies India Private Limited.

Previous experience: Ireena is a former non-executive director of 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 Head of Marketing and Sales at Hutchinson Max Telecom and partner at McKinsey and Company.

A C N R

ALISON YAPP (57)
Group General Counsel and Company Secretary

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

Key skills and competencies: Alison has more than 25 years' international experience in FTSE and NYSE listed companies across the services, industrial and engineering sectors. She has significant experience in strategic M&A, crisis and change management. Alison is a solicitor.

Current external appointments: None.

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

EXECUTIVE COMMITTEE

EXECUTIVE COMMITTEE

G

DOMINIC BLAKEMORE (53)
Group CEO

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

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

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

D G

ALISON YAPP (57)
Group General Counsel and Company Secretary

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

Key skills and competencies: Alison has more than 25 years' international experience in FTSE and NYSE listed companies across the services, industrial and engineering sectors. She has significant experience in strategic M&A, crisis and change management. Alison is a solicitor and holds an LLB (Hons) from Bristol University.

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

D G T

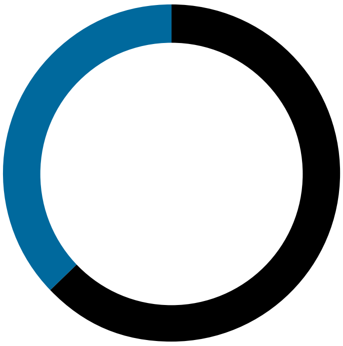
PALMER BROWN (51)
Group CFO

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

Key skills and competencies: Palmer joined Compass in 2001. During his tenure, he has held a variety of senior finance, strategy and legal positions and played a central role as a member of the Executive team in North America. He also coordinated many of the acquisitions and disposals for the Group. Palmer has degrees in business and law and is a certified public accountant.

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

DIRECT REPORTS TO EXECUTIVE COMMITTEE[1]



Male	63%
Female	37%

1. Data shown as at 30 September 2022.

COMMITTEE MEMBERSHIP KEY

D Disclosure Committee   G General Business Committee   T Treasury Management Committee

DEBORAH LEE (48)
Group Chief People Officer

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

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

Previous experience: Deborah started her career at BT as a graduate in 1997, where she spent almost 20 years in various senior leadership roles across HR and learning and development.

In 2016, she joined a luxury Italian online fashion retailer as Chief People Officer before joining Compass in 2019 as Group Engagement Director. Deborah possesses a wealth of global experience, having studied and worked in the US, Europe and the UK.

G

GARY GREEN (65)
Group COO, North America

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

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

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

SHELLEY ROBERTS (47)
Group Chief Commercial Officer

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

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

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

EXECUTIVE COMMITTEE CONTINUED

COMMITTEE MEMBERSHIP KEY

D Disclosure Committee   G General Business Committee   T Treasury Management Committee

ROBIN MILLS (55)
Managing Director, UK & Ireland

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

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

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

KATHINKA FRIIS-MØLLER (47)
Regional Managing Director,
Europe and the Middle East

Appointment: Appointed to the Executive Committee in February 2022, having joined the Group in 2012.

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

Previous experience: Kathinka has led the Group's Nordic business since 2017 and was instrumental in successfully integrating Fazer Food Services into the Group following its acquisition. She joined Compass in 2012 as Operations Director for Norway, later serving as MD of Norway from 2016 to 2020. Prior to joining Compass, Kathinka's career included a number of senior roles, including Operations Manager at a Nordic facilities management company.

JAMES MEANEY (58)
Regional Managing Director,
Latin America

Appointment: Joined the Group and appointed to the Executive Committee in 2017.

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

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

GAÉTAN DE L'HERMITE (49)
Regional Managing Director, Asia Pacific

Appointment: Appointed to the Executive Committee in October 2022, having joined the Group in 2002.

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

Previous experience: Gaétan started his career in audit with accounting firm Mazars before moving to management consulting at Deloitte where he specialised in large scale outsourcing projects. Gaétan holds an MSc in Management from Emlyon Business School.

DIVERSITY

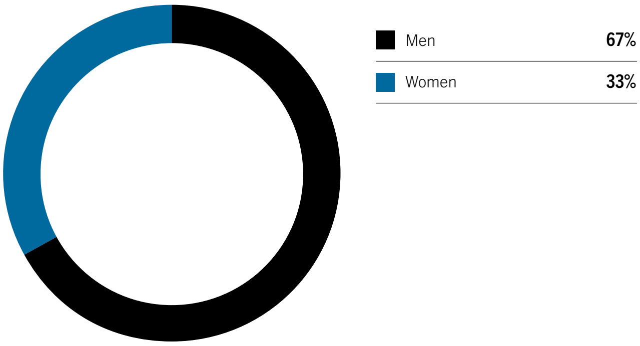
In accordance with LR 9.8.6(9) of the FCA's Listing Rules, the tables below set out details of the diversity of the individuals on the Board and Executive Committee at the date of this Report.

Gender Identity or Sex	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	8	67%	4	6	60%
Women	4	33%	–	4	40%
Other categories	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

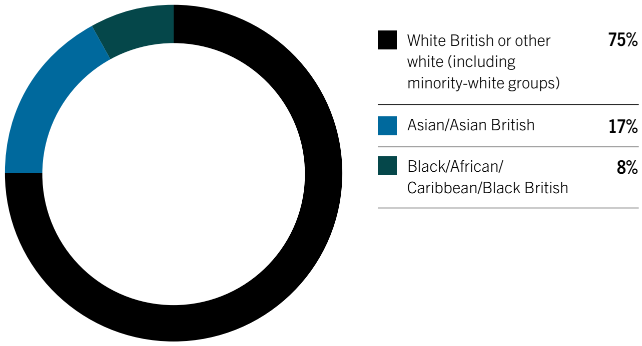
Ethnic Background	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other white (including minority-white groups)	9	75%	4	9	90%
Mixed/Multiple ethnic groups	–	–	–	1	10%
Asian/Asian British	2	17%	–	–	–
Black/African/Caribbean/Black British	1	8%	–	–	–

Board

GENDER IDENTITY OR SEX

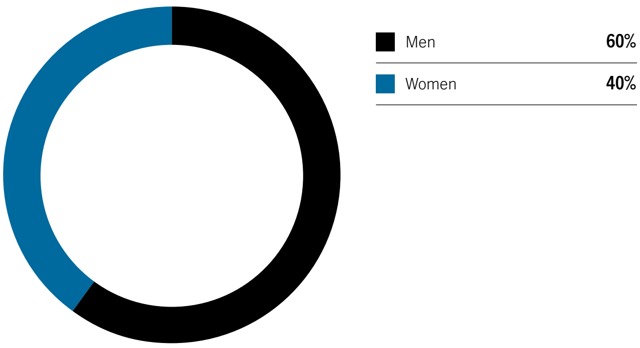


ETHNIC BACKGROUND

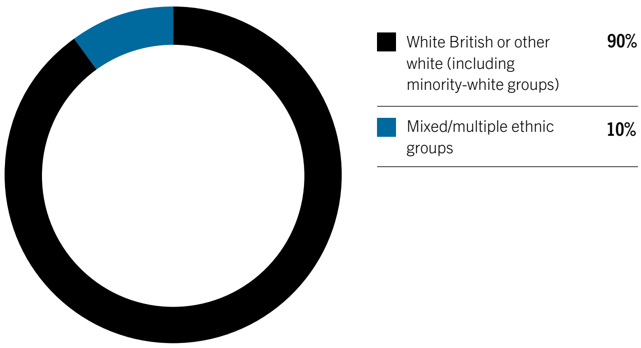


Executive Committee

GENDER IDENTITY OR SEX



ETHNIC BACKGROUND



Notes to tables

LR 9.8.6(9) of the FCA's Listing Rules does not apply to Compass until the financial year ending 30 September 2023. However, in the interests of transparency, the Company has chosen to disclose the above information in this year's Annual Report.

1. The information above is stated as at the date of this Report. The date of disclosure has been chosen to reflect the most up to date membership of the Executive Committee, which includes the appointment of Gaétan de L'Hermite in October 2022.
2. The information above for both the Board and the Executive Committee contains data for three executive directors, Dominic Blakemore, Palmer Brown and Gary Green who are members of both the Board and the Executive Committee.

DIVISION OF RESPONSIBILITIES

The Board leads the Group's governance structure

The Board is responsible for establishing the Group's purpose, values, strategy and objectives to generate and preserve value over the long term for shareholders and to contribute to wider society. In carrying out its responsibilities, the Board considers opportunities and risks to the future success of the business, the sustainability of the business model and the Group's governance. The Board is responsible for monitoring progress made against strategic objectives, approving proposed actions, ensuring that the appropriate internal controls are in place, and reviewing their effectiveness. The Board is assisted by four principal committees (Audit, Corporate Responsibility, Nomination and Remuneration), each of which is responsible for reviewing and dealing with matters within its own terms of reference.

THE BOARD

The Board comprises the Chair, executive directors and non-executive directors. It is responsible for establishing the Group's purpose, values, strategy and objectives, and for overseeing the performance of the Company, including health and safety, leadership, strategy, values, standards, controls and risk management.

AUDIT COMMITTEE

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

CORPORATE RESPONSIBILITY COMMITTEE

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

NOMINATION COMMITTEE

Ensures the Board has the necessary balance of skills, experience and diversity to oversee the delivery of strategy.

REMUNERATION COMMITTEE

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

The Company also has a number of other executive management committees: Disclosure, Executive, General Business and Treasury Management. These have been established to consider various matters for recommendation to the Board and its principal committees or to 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 Disclosure Committee oversees the disclosure of market-sensitive information and other public announcements (as necessary), while the Treasury Management Committee oversees the implementation of the treasury policies approved by the Board.

RESPONSIBILITIES OF THE BOARD

Leadership

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

Purpose, values and culture

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

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

The Group CEO and other members of the executive management team take an active lead, providing encouragement and support to colleagues to ensure that ethical standards are maintained, and good governance is put into practice.

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

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

Cultural indicators

Health and safety

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

People

- results of the global employee engagement survey and pulse surveys
- gender pay gap disclosures
- Diversity, Equity and Inclusion (DE&I) statistics

Ethics and integrity

- Internal Audit reports
- annual confirmation of compliance and pledge to continue complying with the Code of Ethics and Code of Business Conduct by senior managers
- Speak Up, We're Listening statistics and trends

Clients and suppliers

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

Sustainability

- greenhouse gas emissions
- waste reduction
- sustainable sourcing

Workforce engagement

The Designated Non-executive director for workforce engagement provides a communication channel between the Group's workforce and the Board to ensure that the employee voice is represented in the boardroom. This year, as part of a structured programme of engagement designed and supported by the Group Chief People Officer, the Designated Non-executive director for workforce engagement, Ireena Vittal, met with a diverse section of employees representing different sectors, countries and cultures. In total, four meetings were held, and the outcome of the discussions was reported back to the Corporate Responsibility Committee.

Read more about these workforce engagement sessions on page 69.

Governance and risk

The Board is responsible for oversight of risk and for setting risk appetite. It ensures that the necessary resources are in place for the Company to meet its objectives and measure its performance. A robust governance and risk management framework is in place to ensure that each business is being operated and managed appropriately, and that prudent and effective controls are in place to identify emerging and principal risks and to manage and mitigate those risks. Read more about risk management on pages 22 to 28.

Group strategy

The Board's approval, effective oversight and monitoring of the implementation of strategy are vital to the long-term sustainable success of the Group. The Board considers and approves the Group's strategic aims over the short, medium and long-term. The implementation of strategy is monitored and evaluated on an ongoing basis. Food service remains at the core of Compass' strategy. The market for food service continues to provide significant structural growth opportunities. To ensure Compass remains well placed to capture future market opportunities, the business will continue to create innovative, bespoke offerings that meet the needs of clients and consumers. More details of Compass' business model and strategy can be found on pages 2 to 51.

Accountability to shareholders and consideration of other stakeholders

The Board ensures that the Company continues to operate in the best interests of its shareholders as a whole and is collectively accountable to them for its success. In exercising its duty to promote the success of the Company, the Board 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 is described on pages 68 to 72. The Company's Section 172 statement can be found on page 4.

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 to be independent. The Chair was considered to be independent on appointment. The roles and responsibilities of Board members are detailed below and demonstrate a clear division between the roles and responsibilities of the Board and executive management. The role descriptions of the Chair of the Board, Group CEO and SID are reviewed annually by the Board and are updated as necessary to reflect changes in legislation or best practice. These documents were last reviewed in September 2022. It was concluded that the documents in their current form continue to be fit for purpose and no changes were made.

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

Non-executive Chair 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 in order to understand their views on governance and performance against strategy
Independent Non-executive directors Ensuring that no individual or small group of individuals can dominate the Board's decision-making	– independent non-executive directors meeting the independence criteria set out in the Code comprise more than half of Board membership – providing constructive challenge, giving strategic guidance, offering specialist advice and holding executive management to account
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
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
Group CEO and Executive directors Leading the implementation of the Group's strategy set by the Board	– Group CEO: leads the Executive Committee and is responsible for ensuring its effectiveness in managing the overall operations and resources of the Group and 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 Supports the Chair of the Board and ensures 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 meetings

Board meetings are held through a combination of physical and virtual attendance. Each year, the Board aims to hold one or two meetings overseas. This year, the Board visited the Group's largest business in the US. These visits provide an opportunity to assess local management performance and potential, to gain further insight into how the business works on a day-to-day basis and to speak face-to-face with local management and listen to their views.

By visiting operations, directors meet with a diverse group of colleagues including regional and country management and high potential employees on a more informal basis, which supports the succession planning process.

The format of visits often comprises a macroeconomic overview of the country, its social and political systems, challenges and opportunities facing the business, combined with a review of the competitive landscape, and a detailed review of the relevant sectors in which the business operates, its people, and three-year plan.

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

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

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

Scheduled Board and committee meeting attendance table[1]

	Board		Audit Committee		Corporate Responsibility Committee		Nomination Committee		Remuneration Committee	
	Eligible to attend[2]	Meetings attended	Eligible to attend[2]	Meetings attended	Eligible to attend[2]	Meetings attended	Eligible to attend[2]	Meetings attended	Eligible to attend[2]	Meetings attended
Carol Arrowsmith	6	**6**	3	**3**	3	**3**	5	**5**	3	**3**
John Bason[3]	2	**2**	–	–	1	**1**	1	**1**	–	–
Dominic Blakemore	6	**6**	–	–	3	**3**	–	–	–	–
Stefan Bomhard	6	**6**	3	**3**	3	**3**	5	**5**	3	**3**
Palmer Brown	6	**6**	–	–	3	**3**	–	–	–	–
John Bryant	6	**6**	3	**3**	3	**3**	5	**5**	3	**3**
Gary Green	6	**6**	–	–	–	–	–	–	–	–
Arlene Isaacs-Lowe	6	**6**	3	**3**	3	**3**	5	**5**	3	**3**
Ian Meakins	6	**6**	–	–	3	**3**	5	**5**	–	–
Anne-Francoise Nesmes	6	**6**	3	**3**	3	**3**	5	**5**	3	**3**
Sundar Raman[4]	5	**5**	2	**2**	2	**2**	4	**4**	2	**2**
Nelson Silva	6	**6**	3	**3**	3	**3**	5	**5**	3	**3**
Ireena Vittal	6	**6**	3	**3**	3	**3**	5	**5**	3	**3**
Karen Witts[5]	–	–	–	–	–	–	–	–	–	–

1. In addition to the scheduled meetings above, there were a number of out of schedule Board and committee meetings held during the year to deal with specific ad-hoc matters.
2. Maximum number of scheduled meetings a member was eligible to attend.
3. Ceased to be a member of the Audit and Remuneration Committees on 2 February 2021. Retired as a director at the conclusion of the 2022 AGM.
4. Appointed to the Board on 1 January 2022.
5. Stepped down from the Board on 31 October 2021.

BOARD ACTIVITIES

DURING THE FINANCIAL YEAR, THE KEY ACTIVITIES OF THE BOARD WERE:

Strategy and operations	46%
Business reviews	17%
Financial performance	14%
Governance and investor relations	11%
Risk	12%

Strategy and operations

- holding a dedicated Group strategy meeting which focused on the current contract catering industry, global trends and opportunities, digital and other strategic priorities
- approving the Group strategy
- reviewing the individual strategies for each of the regions
- receiving regular reports from the Group CEO on progress against the Group strategy
- considering and approving numerous projects, including the decision to launch a sustainable financing framework to enable the Group to issue green, social and sustainability bonds, as well as other types of financing in support of its ESG objectives, including its net zero commitment
- receiving updates on initiatives to further the Group's climate net zero commitments
- receiving a presentation on ESG as a commercial differentiator
- regularly reviewing the M&A pipeline and approving acquisitions and disposals as required, including the permanent exit from the Group's Russian business and the move away from all known Russian suppliers
- receiving an in-depth presentation from the Chief People Officer, North America, outlining the People strategy for the region

Business reviews

- visiting the Group's US business in the year and meeting with senior management and receiving presentations on, amongst other matters, risks and opportunities and financial and operational performance against strategy
- receiving updates on sector performance from several country managing directors (MDs) and sector heads
- receiving updates from the Asia Pacific, North America and Europe and the Middle East Regional MDs and their leadership teams

Financial performance

- approving the Group's budget and three-year plan, and reviewing global trends, risks and opportunities, strategic framework and priorities including M&A and reward alignment
- receiving regular reports from the Group CFO and presentations from each of the Group's regional managing directors (RMDs) on performance
- receiving 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
- approving the half-year and full-year financial statements and other trading updates

Governance and investor relations

- reviewing the recommendations of the Nomination Committee following the external Board and committee evaluation
- reviewing directors' independence and any conflicts of interest
- reviewing and approving the Modern Slavery Act statement, matters reserved for the Board, committee terms of reference, individual role specifications for the CEO, Chair of the Board and SID and other key Group policy documentation, including the Board Diversity Policy
- holding the AGM, subsequently, discussing any issues arising from the AGM
- receiving reports on investor relations activities, including feedback from roadshows and directors' meetings held with institutional investors
- considering investor sentiment towards Compass
- attending the AGM to respond to shareholder questions about the Group and to meet on an informal basis with the Company's shareholders
- approving recommendations from the Nomination Committee in relation to changes to the Board composition
- receiving reports from Ireena Vittal, Designated Non-executive director for workforce engagement on her roundtable meetings with colleagues from across the businesses – see further details on page 69

Risk

- considering the biannual reviews of the material financial and non-financial risks facing the Group's businesses, including new and emerging risks, and agreeing the Group's principal risks at the half and full year
- 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

BOARD ADMINISTRATION

Information and support

All directors have access to the advice of the Group General Counsel and Company Secretary, who helps to ensure that Board procedures are followed, and good corporate governance and compliance processes and practices are adhered to. Together with the Group CEO and the Group General Counsel and Company Secretary, the Chair of the Board ensures that the Board is kept properly informed and is consulted on all matters reserved for it and that Board papers and other information are distributed in a timely fashion to allow directors to be properly briefed in advance of meetings.

The Board has established a procedure for directors, if deemed necessary, to take independent professional advice at the Company's expense in the furtherance of their duties.

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.

Board effectiveness, induction, training and development

A formal and rigorous annual evaluation of the Board, its committees, the Chair of the Board and individual directors is conducted every year. The Nomination Committee is responsible for overseeing the evaluation process. The Chair of the Board is responsible for acting on the evaluation's results, recognising strengths and addressing any areas for action that have been identified. The details of this year's external evaluation process can be found on page 84.

The Chair of the Board addresses the developmental needs of the Board. All directors are required to refresh and update their skills, knowledge, expertise, and familiarity with the Company on an ongoing basis; ensuring that the Board continues to operate as an effective team. A formal, comprehensive and tailored induction is provided to all directors following their appointment, including access to external training courses where appropriate, visits to key locations within the Group, and meetings with members of the Executive Committee, other senior executives and functional heads. The induction also covers a review of the Group's governance policies and structures, including details of the risks and operating issues facing the Group.

As part of ongoing training, the Board and its committees receive regular updates from expert external advisers such as the Group's auditors, external legal counsel, remuneration advisers and internal subject matter experts. The Chair of the Board, supported by the Nomination Committee, considers the training needs of directors as part of the annual evaluation process. Where a training need is identified by the Nomination Committee or the director, this is facilitated by the Group General Counsel and Company Secretary.

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 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 and to apply other provisions to allow conflicts of interest to be dealt with. 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 2022. It also considers any changes on an ad-hoc basis throughout the year. Any authorised conflicts are reviewed at least every 15 months.

STAKEHOLDER ENGAGEMENT

Compass is a geographically and culturally diverse business with operations in around 40 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. 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 day-to-day operational management and implementation of Group strategy has been delegated to the Group Executive Committee, led by the Group CEO.

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 is present.

The Group operates on a decentralised basis to ensure the effective day-to-day running of the Group's businesses which are managed by local country management teams. Practically, this involves a high level of delegation of communication with stakeholders to local management. As a result, stakeholder engagement primarily takes place at an operational level, and the Board relies on management to keep it informed of the impact of the Group's operations on its stakeholders.

During the year, the Board and the CR 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 described on page 73.

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

CLIENTS

Why we engage

By understanding what is important to clients, Compass can ensure that its solutions are tailored to support their individual business objectives.

How we engage

Compass maintains open and transparent relationships based on honesty and respect. Engagement with clients occurs in many ways, including:

- updating clients through quarterly business reviews
- creating targeted strategies to meet their sustainability goals
- hosting sustainability advisory councils
- gathering insights from social and print media
- collecting feedback from surveys
- hosting online events, podcasts and teaching kitchens
- utilising net promoter scores (NPS) in some markets

Areas of focus

- talent recruitment and retention
- on-trend technology solutions
- DE&I
- clean, safe environments
- sustainability commitments: climate net zero, plant-forward menus, reduction of food waste and single-use plastics, supporting local communities
- providing cost effective, quality food solutions to our clients

Engagement in the year

- Sustainability Advisory Council with key B&I clients in the Group's largest business in the US
- Stop Food Waste Day
- Chef Appreciation Week
- working as part of a global collaborative network for leading innovators in the food space
- developing custom solutions by consulting with clients
- webinars, roundtables and factsheets on topical issues, including inflation and the living wage

How the Board has oversight

The Board is kept informed of business performance by the RMDs, who provide an overview of operations at a regional, country and sector level. The RMDs are supported by their senior leadership and marketing teams, who can offer further analysis of the client base. From these reports and those of the Group CEO and Group Chief Commercial Officer, the Board can form a view of the interests of the Group's clients and what is important to them.

PEOPLE

Why we engage

People are at the heart of the Group's strategy for growth. Compass wants employees to thrive in a fair and inclusive work environment. Understanding their needs and motivations helps to drive business performance and to provide a great place to work.

How we engage

Employee engagement is primarily conducted through the Group's supportive management structure. A policy of honesty and openness facilitates feedback for discussion. Engagement takes many forms including surveys, roundtables, townhall meetings, Speak Up, We're Listening reports, internal social media channels and consultative bodies.

Areas of focus

– health and wellbeing
– DE&I
– recognition and careers
– executive remuneration

Engagement in the year

– hosting the global leadership conference in London
– global engagement survey
– virtual townhalls
– roundtables with the Designated Non-executive director for workforce engagement, Ireena Vittal
– DE&I Be the Difference conference in the US
– Respectful Behaviours programme in Australia
– launching several mobile apps to better connect with front-line colleagues

How the Board has oversight

During the year, the Group CEO, Group CFO, Group Chief People Officer 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. These sessions included a Q&A session for employees to ask questions about the Group's performance and the challenges and opportunities facing the business. A proportion of the time was also allocated during the sessions to celebrate and draw attention to the achievements of front-line colleagues and other employees, who were able to share their experiences of working at Compass.

For the first time in two years, the Board was able to travel to the Group's largest business in the US. During the visit, the Board received presentations from senior management and met with them on an informal basis. The Board also visited two client sites and one operational site and met with local management and their operational teams, which enabled the directors to engage directly with front-line employees.

Designated Non-executive director for workplace engagement

During the year, Ireena Vittal, the Designated Non-executive director for workforce engagement, engaged directly with employees across the Group to understand their views and experiences of working at Compass, what could be improved and taking feedback on our approach to remuneration.

Four roundtable meetings were held with employees from a variety of sectors and businesses across the Group.

Sessions held	Countries represented		
2 March	UK	Australia	
4 March	Denmark	France	Japan
22 August	USA	Colombia	
23 August	Colombia	UK	Luxembourg

These roundtables provided Ireena 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.

Participants 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 were reported to the CR Committee. The main themes arising from the roundtables included:

– positive sentiment about how Compass considers the wellbeing of its employees and the importance of maintaining focus in this area, particularly in the current climate
– increased pride in our brands and offerings has enabled new business wins and strong retention. Market conditions remain challenging, but through innovation and adaptability, the growth opportunity remains significant
– retention of our people across the business is critical for delivering ongoing success
– communication at all levels across the organisation has been effective in cascading messaging locally

How the Board has considered the Group's employees in its decision making during the year is set out on page 73.

GOVERNANCE AND DIRECTORS' REPORT CONTINUED

CONSUMERS

Why we engage

Compass serves people nutritious food and drink, which improves learning, helps them work better and recover better. As an organisation, Compass wants its consumers to thrive and creates environments to help them do that.

How we engage

Compass uses a variety of methods to engage with consumers including:

- gathering external consumer research and trends
- conducting internal surveys, comment cards, and focus groups
- front-line staff
- providing demonstrations through chefs' tables and teaching kitchens
- executing global campaigns e.g. Stop Food Waste Day
- promoting virtual teaching kitchens, podcasts and social media posts

Areas of focus

- clean and safe environments
- technology enabled solutions including apps to speed up service and alternative payment methods such as frictionless payment or payroll deduction
- safe, delicious and healthy food with a variety of offerings, including local and global flavours at a competitive price
- on-trend offers specifically around wellness and sustainability
- excellent service

Engagement in the year

- climate-friendly menus
- Stop Food Waste Day
- Chef Appreciation Week
- spotlighting local farmers and producers
- engaging with diverse suppliers

How the Board has oversight

The Board receives updates on trends from sector leaders, including details of opportunities, challenges and developments in consumer food services, e.g.,product innovation and consumer interest in brand responsibility and sustainability. Understanding what is important to the Group's consumers and responding to evolving consumer trends and changes in consumer behaviour is essential to the success of the business. Management has well-established processes and solutions for capturing market information on changes in consumer trends. These are reported to the Board by the Executive team, particularly through the Group CEO's reports and through presentations provided by the regional management teams and country managing directors.

SHAREHOLDERS

Why we engage

Compass' philosophy is to engage in regular, open, transparent dialogue with existing and prospective shareholders. Their views and opinions are valued by and are shared with the Board which reviews the feedback and, where considered appropriate, takes action to address any concerns.

How we engage

Compass engages with existing investors through one-to-one and group meetings, webcasts, presentations, conference calls and the Company's AGM.

Areas of focus

- financial performance
- competitive positioning
- strategy and outlook
- ethical business practices and sound governance
- leadership and succession planning
- debt and liquidity
- sustainability and ESG

Engagement in the year

This year, as part of its proactive engagement programme organised by the Group's Investor Relations team, the Company held 332 meetings (virtually and in person), with representatives from 429 institutional investors through a mix of group and one-to-one appointments, of which more than 70 were attended by the Group CEO and/or Group CFO. The Chair of the Board and the Remuneration Committee Chair and other members of the Group's management such as the Group General Counsel and Company Secretary, Group Chief People Officer, Group Reward Director and Group Chief Commercial Officer, as appropriate, also engaged with investors on a wide range of matters including governance, people, remuneration and sustainability. The Company also conducted a perception study with its top 25 ESG investors to understand their views and welcomed the positive feedback.

The 2022 AGM was held at Twickenham Rugby Football Union stadium and was the first time in two years that the Company was able to hold a physical AGM. In light of the possibility of continued social distancing measures, the Company also offered shareholders the opportunity to watch the live meeting online and to ask the Board questions through a virtual chat facility in real time. Shareholders were also encouraged to submit questions in advance of the meeting. All questions and answers and footage of the AGM were posted on the Company's website.

How the Board has oversight

The Chair of the Board ensures that the Board maintains an appropriate dialogue with shareholders. The Group CEO, Group CFO and Director of Investor Relations and Corporate Communications meet regularly with institutional investors to discuss strategic issues and to make presentations on the Company's results. Committee Chairs are available to engage with major shareholders regarding their areas of responsibility. Non-executive directors develop an understanding of the views of major shareholders through regular updates from the Director of Investor Relations and Corporate Communications and from external advisers. The Group General Counsel and Company Secretary also acts as an important focal point for communications on corporate governance matters throughout the year, particularly around shareholder meetings. All shareholders are invited to attend the Company's AGM, which provides a forum where they can put questions to the Board and meet with individual directors and senior executives after the AGM.

SUPPLIERS

Why we engage

Compass engages with its suppliers to collaborate on building resilient and sustainable supply chains through mutually beneficial, lasting partnerships; to address shared challenges in responsible and sustainable sourcing; and to communicate the Group's supply chain standards, expectations and commitments.

How we engage

The Group's businesses regularly communicate with their suppliers. Examples of how they engage include:

- regular open dialogue
- formal supplier surveys, reviews and audits
- hosting annual summits in large markets with senior operators, and with culinary and marketing leaders
- creating client roundtables for targeted sustainability initiatives
- utilising NPS
- attending conferences with key suppliers and NGOs involved in supply chain monitoring

Areas of focus

- food safety and provenance
- workplace health and safety
- supply chain integrity
- human rights
- environmental impact
- food inflation
- labour shortages in the supply chain

Engagement in the year

- plastic-free pilots with well-known soft drinks brands
- supplier collaboration to achieve centre of the plate sustainability commitments: e.g. cage-free eggs
- roundtable participation with ethical suppliers: Responsible Soy Association, Sustainable Palm Oil, Seafood Watch, Global Coalition for Animal Welfare
- supplier conferences organised by Foodbuy, the Group's procurement arm

How the Board has oversight

The Board is kept informed about supply chain initiatives through the CR Committee, which receives reports from the Group Chief Commercial Officer, the Sustainability team and the Group Head of E&I, including work to identify and prevent modern slavery and human trafficking in the Group's businesses and supply chains.

NON-GOVERNMENTAL ORGANISATIONS (NGOs)

Why we engage

Compass engages with NGOs to ensure it stays up to date and develops effective action plans to enable it to have a positive impact on key social, environmental and economic issues relevant to our business.

How we engage

Dialogue with NGOs is maintained through regular communications, interactions and meetings, as well as through industry association memberships and at forums and conferences.

Areas of focus

- human rights
- climate change
- animal welfare
- social issues

Engagement in the year

- contributed to ReFED Insights Engine (an NGO with a focus on food waste reduction) in the US
- key presenter at ReFED Food Waste Solutions summit in the US
- World Business Council for Sustainable Development workstreams, plus Asia Pacific culinary training programme
- Food Tank Chief Sustainability Officer roundtable
- founding member of and annual presenter at Menus of Change in the US
- regular dialogue with animal welfare NGOs

How the Board has oversight

The Board is kept up to date on interactions with NGOs which support Compass with their knowledge and expertise. The CR Committee receives reports from the Group Chief Commercial Officer and the Group Sustainability team on key areas of focus, such as human rights, climate change and farm animal welfare.

COMMUNITIES

Why we engage

Compass engages with the communities in which it operates in order to build trust by operating responsibly and sustainably; by addressing issues that are important to the communities; and by providing training opportunities, careers and support to local people, particularly those who are not in education, training or employment.

How we engage

Compass operates many local employment programmes to recruit and develop local people to work at its sites. This includes partnering with local charities and organisations to raise awareness and donating funds to help local causes. Surplus food is also donated to various organisations that pass it on to people in their communities who need it. Through The Compass Group Foundation, we engaged community organisations in the US, UK, Turkey, India and Spain to fund training opportunities for the most under-privileged groups.

Areas of focus

- fair employment and equal opportunities
- local causes and issues

Engagement in the year

We provided funding via The Compass Group Foundation and a number of employees volunteered their skills and expertise to amplify our impact:

- our Indian business is partnering with the Sai Swayam Society and Unnati to train young people with speech and hearing disabilities, and from very low-income backgrounds, respectively, in hospitality, computer, life and soft skills
- our Spanish business is working with Fundacion Integra to train women from disadvantaged groups, including victims of domestic violence, and will provide them with free access to hospitality certification via Compass Group Spain's Women's Academy
- our Turkish business engaged with the Down's Syndrome Association to train and place people with Down's Syndrome in jobs in the food and hospitality sector and raise awareness of the contribution of people with Down's Syndrome in the job market
- our UK business engaged with Foodcycle to recruit and train project leaders to undertake the running of community kitchens to support local communities' food security and tackle isolation
- our US business is supporting the Carolina Farm Stewardship Association to provide advice and support to small farmers in food safety planning and certification, focusing on sustainable farming practices and climate resiliency

How the Board has oversight

Compass aims to enrich the communities in which it operates and to minimise its impact on the environment. Our companies operate in culturally diverse communities with differing characteristics and needs. Community engagement is primarily achieved by liaison with local organisations and representatives and through initiatives sensitive to cultural differences. The Board is kept informed of activity through the CR Committee, which receives regular reports from the Group Chief Commercial Officer and the Sustainability team, and through presentations given by the regional and country management teams.

GOVERNMENTS AND REGULATORS

Why we engage

It is important to engage with governments and regulators so as to communicate Compass' views to those who have the responsibility for implementing policy, laws and regulations relevant to our business.

How we engage

Compass views are made known through a series of industry consultations, forums and conferences.

Areas of focus

- 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

Engagement in the year

- engagement with government departments responsible for environment, food and rural affairs
- consultation on food waste
- consultation on public sector procurement legislation
- changes to nutritional standards in the public sector
- participated in the BEIS consultation on audit and corporate governance reform

How the Board has oversight

The Group General Counsel and Company Secretary, Group Head of Tax and other subject matter experts regularly update the Board and its committees on regulatory developments affecting the Company and the Group.

CONSIDERATION OF STAKEHOLDER INTERESTS DURING THE YEAR

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

Key decision	
Climate change and environmental sustainability *All stakeholders*	In October 2021, Compass published its commitment to be carbon neutral worldwide on its scope 1 and 2 greenhouse gas emissions by 2030, and a further commitment to reach net zero greenhouse gas emissions across its global operations and value chain by 2050. This made Compass the first international company in the contract catering industry to announce a global commitment to a 2050 net zero emissions economy. The decarbonisation strategy will be delivered through collaboration with clients, industry associates, governments and suppliers, through innovation and investments across its global operations, and by encouraging sustainable consumption from clients and consumers. The commitment was made in recognition of the major role that the international food industry has to play in reaching climate net zero, and the belief that driving the transition to a healthy and sustainable food system through sustainable sourcing and eliminating food waste will transform the environmental impact of the Group’s businesses. The global food supply chain is complex, and the scale of the commitment has not been underestimated. The Board is supportive of the Group’s sustainability agenda and believes that the Group’s global reach and scale provide a unique opportunity to influence positive change, which will protect the interests of shareholders and benefit all stakeholders over the longer-term. *More information on Compass’ sustainability initiatives can be found on pages 36 to 50.*
Return of cash to shareholders *Shareholders*	In May 2022, in recognition of the continued positive momentum that has allowed the Group to rebuild its revenues and margins, supported by the strong cash generation of the business, a strong balance sheet and excellent growth prospects, the Board approved a share buyback programme of up to £500 million consistent with the Company’s capital allocation framework. More details of the share buyback programme can be found on pages 115 and 183. *The Board will continue to monitor the Group’s performance and the potential for rewarding shareholders with further returns. Details of the Group’s performance can be found on pages 2 to 51.*
Principal risks *All stakeholders*	During the year, the Board took the decision to include geopolitical risk, including the conflict between Russia and Ukraine, as a new principal risk on the basis that the conflict represents a heightened national security threat to countries particularly in Europe and NATO, and its disruption to the global energy market has contributed to the elevation of the existing cost inflation, economic and cyber security risks. As stated earlier in the Strategic Report, Compass has exited the Russian market and moved away from all known Russian suppliers. *The Board will continue to monitor the threat of these risks to the Group’s businesses and to assess the effectiveness of mitigating actions. Details of the other principal risks and mitigating actions can be found on pages 22 to 28.*

ANNE-FRANCOISE NESMES
Chair of the Audit Committee

Members

At the date of this Report the following are members of the Audit Committee (the Committee):

- Anne-Francoise Nesmes (Chair)
- Carol Arrowsmith
- Stefan Bomhard
- John Bryant
- Arlene Isaacs-Lowe
- Sundar Raman
- Nelson Silva
- Ireena Vittal

All members of the Committee are independent non-executive directors, whose biographies can be found on pages 55 to 57.

Meetings

The Committee held three scheduled meetings during the year and the meeting attendance table can be found on page 65.

Main responsibilities

In accordance with its terms of reference the Committee's main responsibilities include:

- monitoring the integrity of the Company's and the Group's published financial statements and related disclosures
- monitoring any formal announcements relating to the Group's financial reporting issues, and key accounting and audit judgements related to the preparation of the Company's and the Group's financial statements
- reviewing arrangements for the Group's workforce/ stakeholders to raise concerns in confidence about possible improprieties in financial reporting or other matters (via Speak Up, We're Listening), and ensuring that they are investigated
- reviewing the adequacy and effectiveness of the risk management and internal control systems, including the going concern and viability statements, and providing assurance to the Board
- 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
- 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

AUDIT COMMITTEE REPORT

Governance

Anne-Francoise Nesmes has chaired the Audit Committee since February 2021. She is the serving Chief Financial Officer of Smith+Nephew PLC, 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. The Chair of the Committee reports to the Board on Committee activities and 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 to respond to any shareholder questions on the Committee's activities.

Members of the Committee are appointed by the Board and Committee membership comprises all of the independent non-executive directors. The Committee meets at least three times a year. The quorum necessary for a meeting is two members. Only members of the Committee have the right to attend Committee meetings. Other individuals, such as the Chair of the Board, the Group CEO, Group CFO, Group Financial Controller, Director of FP&A , Group Director of Risk and Internal Audit, Group Chief Information Officer and external advisers, may be invited to attend all or part of any meetings, as and when appropriate. The Group General Counsel and Company Secretary, who acts as Secretary to the Committee, attends all meetings. The external auditor also attends all meetings of the Committee. Other members of senior management are invited to present such reports as are required for the Committee to discharge its duties. At the end of every meeting, Committee members hold private discussions with the external auditor, without executive management and other invitees being present. Committee members also have discussions with the Group Director of Risk and Internal Audit without executive management and other invitees being present. The Committee is authorised to seek external legal and independent professional advice as it sees fit.

Each member of the Committee has appropriate financial and commercial experience in multinational and/or complex organisations, combined with a sound understanding of the Company's business, and is therefore considered by the Board to be competent in the Company's sector. The expertise and experience of the directors are summarised on pages 55 to 57. The Board considers each member of the Committee to be independent within the definition set out in 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 has an annual agenda which is aligned to the key events in the Company's financial calendar. The agenda is flexible enough to allow 'deep-dives' into topics of particular importance to the Committee or to allow it to respond to emerging issues. The terms of reference of the Audit Committee were last reviewed in September 2022. Several changes were made to the Committee's terms of reference to simplify the language, remove repetition and more closely align elements of the terms of reference with the model terms published by the Chartered Governance Institute UK & Ireland, which were approved by the Board. A copy of the updated terms of reference can be found on the Company's website, www.compass-group.com.

Committee activities during the year

The key priorites of the Committee are described below.

Financial Reporting and Accounting matters

Monitoring the integrity of the Company's and Group's financial statements and associated announcements is a key responsibility of the Committee. During the year, the Committee reviewed the interim and annual financial statements and considered the following:

- 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
- the clarity of disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements and guidelines, including Alternative Performance Measures
- the accounting policies adopted in the Group's financial statements, any proposed changes to them and the adequacy of their disclosure
- the significant transactions, accounting matters, and key judgements and estimates used in preparing the 2022 Annual Report and Accounts and the interim financial statements and in particular management's assumptions underpinning the going concern and viability statements
- 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 KPIs
- consideration of the potential implications of the BEIS White Paper: Restoring Trust in Audit and Corporate Governance

The Committee is responsible for considering the significant areas of complexity, management judgement and estimation in relation to the financial statements. Set out in the table below are the significant areas of accounting judgement or management estimation and a description of how the Committee concluded that such judgements and estimations were appropriate.

Areas of significant accounting judgement and estimation	How each was addressed by the Committee
Carrying value of goodwill The Group undertakes a formal goodwill impairment exercise for its cash-generating units at least once a year in accordance with IAS 36 'Impairment of Assets', based on the most recent approved budget and financial plan.	The recoverability of the carrying value of goodwill involves the use of assumptions, including operating cash flow forecasts (revenue and operating margins), growth rates and discount rates. The Committee reviewed the key assumptions used to assess the recoverability of goodwill, and concluded that these were appropriate. The Committee noted that the headroom in the UK cash-generating unit is sensitive to reasonably possible changes in key assumptions. The Committee reviewed the goodwill impairment assessment disclosures and concluded that these were appropriate.
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 oversaw the development and reporting of the Company's and the Group's tax strategy. It assessed the impact of changes in the approach of governments to tax and discussed with management the key judgements made. The Committee also reviewed the disclosures relating to the contingent tax liabilities. The external auditor reported on all provisions to the Committee. On the basis of the above, the Committee was satisfied that the level of tax provisioning for the Group remained appropriate.
Post-employment benefits The Group's defined benefit pension schemes are assessed annually 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 considered management's valuation of the liabilities of the Group's post-employment benefit schemes, which is based on advice taken from independent actuaries. The Committee noted that the value of the liabilities is sensitive to actuarial assumptions, including discount rates, inflation, pension and salary increases and mortality and other demographic assumptions. The Committee considered the external auditor's assessment of the reasonableness of the assumptions, together with a comparison of the assumptions to those made by other companies, and was satisfied that the assumptions made with respect to post-employment benefits were appropriate.
Going concern and viability The going concern and viability statements were reviewed in detail.	Notwithstanding the recovery in the Group's performance this year, the assumptions and evidence supporting the going concern and viability statements were reviewed and challenged by the Committee. Financial models of scenarios prepared by management over the assessment periods were considered by the Committee, as well as the liquidity position of the Group, the principal risks, the level of headroom against committed facilities and compliance with financial covenants attached to issued debt. Having considered in detail the analysis undertaken and the assessment of the external auditor, the Committee was satisfied that the going concern and viability statements were appropriate.

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 2022 Annual Report and Accounts to determine whether it considered that the document, 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 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, including the impact of macroeconomic and geopolitical factors, the identification of new principal risks and emerging risks and actions to mitigate risks; and the findings from internal audits and the status of resultant actions agreed with management
- reviewed and approved the internal audit plan for 2023 and monitored delivery of the 2022 plan
- reviewed the resources, terms of reference and effectiveness of the Internal Audit and Risk Management function
- received presentations from the Group Head of Ethics and Integrity (E&I) on E&I programme activities, business integrity risks, and Speak Up, We're Listening cases and investigations 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 updates on the activities of the regional governance committees
- received updates in relation to cyber security arrangements and assurance over new systems roll outs

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 financial controls) 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.

During the financial year ended 30 September 2022, there have been no changes that have affected materially, or are reasonably likely to affect materially, the Company's internal control over financial reporting.

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 Code itself, 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 22 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 CFO 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 the effectiveness of Compass' approach to risk management and any changes to the risk policy. The Committee and the Board remain satisfied that the Company's risk management framework continues to provide the necessary flexibility without compromising the integrity of 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 at every meeting, with individual updates being given to the Committee, as needed, in more serious cases. The Group's theft and anti-fraud policies are a subset of the Code of Business Conduct (CBC), which strictly prohibits any activity involving fraud, dishonesty or deception. These policies set out how allegations of fraud or bribery are dealt with such as through investigations conducted by Internal Audit, E&I or local Finance or Legal teams, and the frequency of local reporting that feeds in to the regular updates, which are presented to the Committee.

The Corporate Responsibility Committee oversees the Group's overall CBC 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 declaration and pledge. More information on the CBC, and the Speak Up, We're listening programme is set out on page 11.

The CBC and Code of Ethics are available on the Company's website, www.compass-group.com/en/who-we-are/ethics-and-integrity

Information systems and technology security risk

Information systems and technology risk continues to present an increasing threat to the Group and remains a principal risk. At each meeting during the year, the Committee received a report from the Group Chief Information Officer on progress made on the implementation of the IT controls framework including enhanced security operations, threat intelligence, the Group's response to the increased threat of ransomware, and the continued drive on cyber risk awareness and training across the Group. The Committee reviewed the roadmap of future planned activities to further develop cyber security across the Group's technology estate.

In May 2022, as part of the Group Chief Information Officer's regular update, the Committee considered the increased cyber threat arising as a consequence of the conflict in Ukraine and reviewed the monitoring activity in place to identify threat groups and actors.

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 is 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. The Committee met with the Group Director of Risk and Internal Audit on two occasions during the year under review without the presence of management.

During the course of the year, the Committee monitored the performance of Internal Audit. The Committee reviewed and approved the Group's annual internal audit plan (the Plan). The Plan is designed with reference to the Group's principal risks. Further information on the Principal Risks is available on pages 22 to 28. The Committee receives regular updates on progress against the Plan and Internal Audit's findings, together with the 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.

External audit

External auditor

The Audit Committee is responsible for the development, implementation and monitoring of the Company's policy on external audit. The Committee 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
- the external auditor's independence
- any major issues which arise during the course of the audit and their resolution
- key accounting and audit judgements
- the level of errors identified during the audit
- the recommendations made to management by the auditor and management's response
- the auditor's overall performance

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 2021 had been fulfilled, and the reasons for any variation from the plan.

The Committee assessed the ongoing effectiveness of the external audit process through a number of 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 2022 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. Additionally, the Committee considered the findings of the FRC's Audit Quality Review Team in its assessment.

The Committee also considered how 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 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. 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 119 to 127.

The review also included a formal evaluation process covering a number of 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 KPMG LLP audit) completed questionnaires.

A detailed report on the effectiveness of KPMG's audit process was presented to the Committee meeting in May 2022. Conclusions were discussed and opportunities for improvement brought to the attention of KPMG. In summary, the Committee concluded, taking into account the views of other key internal stakeholders, that the external audit process was effective.

Independence of external auditor

Zulfikar Walji 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 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.

AUDIT COMMITTEE REPORT CONTINUED

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 threats. 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 including, in particular, 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.

The Company operates a policy on non-audit 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 extent of non-audit work which the external auditor can perform, to ensure that the provision of those non-audit services falls within the agreed policy and does not impair the external auditor's objectivity or independence. The Group's policy on non-audit services is aligned to 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 could 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 £50,000 and non-audit services with combined fees up to £100,000. Audit Committee approval is sought for non-audit services over and above these limits.

The total fees paid to KPMG in the year ended 30 September 2022 were £7.1 million, of which £0.3 million related to non-audit work (2021: £6.6 million of which £0.3 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 Financial Reporting Council'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, audit-related assurance work in respect of government support schemes and comfort letters for the annual extension of the Euro Medium Term Note programme as well as the issuance of new bonds under the Sustainable Financing Framework. The Committee believes that KPMG, as external auditor, was best placed to undertake these non-audit services and that the level of fees for these services did not impact their integrity, objectivity or independence. Further disclosure of the non-audit fees paid during the year can be found in note 2 on page 147.

Reappointment of external auditor

There are no contractual restrictions on the Company's choice of external auditor and, in making its recommendation to reappoint KPMG, the Committee considered, amongst other matters, the tenure, objectivity and independence of KPMG and the continuing effectiveness and cost of the audit process, as well as the availability of firms within the wider audit market.

KPMG has expressed its willingness to continue as auditor of the Company. Separate resolutions proposing KPMG's reappointment and the determination of its remuneration by the Audit Committee will be proposed at the 2023 AGM.

Audit tender

The Company confirms that, during the period under review, it has 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 which requires the Company to put its statutory audit services engagement out to tender not less frequently than every 10 years.

KPMG LLP was appointed as the Company's external auditor as successor to Deloitte LLP in March 2014. KPMG's audit for the year ended 30 September 2022 is its ninth year. During the year, the Audit Committee, with the support of executive management, considered the future external audit requirements of the Company and the Group, and approved the commencement of a formal audit tender process. Further details of the audit tender process and the outcome will be announced at the appropriate time, and a recommendation will be made to shareholders at the 2024 AGM.

Committee evaluation

The priorities set by the Committee as a result of last year's evaluation process were:

- continuing to allocate time to reviewing controls based on risk
- continuing to focus more time on high-impact risks (e.g., cyber security and ESG matters)
- maintaining time management and ensuring sufficient time for discussion of key topics
- considering 'deep-dive' topics for the year ahead
- considering training topics for 2022, including TCFD reporting and audit and corporate governance reforms

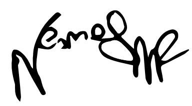
These themes, together with the Committee's regular programme of work, shaped the Committee's agenda and were included in the principal activities during the year under review.

During the year, an external evaluation of the effectiveness of the Committee was conducted as part of the wider external evaluation of the Board and its committees. Details can be found on pages 84 and 85.

The evaluation concluded that the Committee continued to operate effectively and identified a number of priorities for the coming year:

- continuing to focus on meeting management including time management, and ensuring sufficient time is spent on Committee priorities
- continuing training, particularly with regard to TCFD and sustainability reporting, together with other corporate reporting changes
- further developing year-end reporting to support the Committee's review of the integrity of financial controls
- continuing positive engagement with the external auditor

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



ANNE-FRANCOISE NESMES
Chair of the Audit Committee

21 November 2022

CORPORATE RESPONSIBILITY COMMITTEE REPORT

NELSON SILVA
Chair of the Corporate Responsibility Committee

Members

At the date of this Report the following are members of the Corporate Responsibility (CR) Committee (the Committee):

- Nelson Silva (Chair)
- Carol Arrowsmith
- Dominic Blakemore
- Stefan Bomhard
- Palmer Brown
- John Bryant
- Arlene Isaacs-Lowe
- Ian Meakins
- Anne-Francoise Nesmes
- Sundar Raman
- Ireena Vittal

Biographies of Committee members can be found on pages 54 to 57.

Meetings

The Committee held three scheduled meetings during the year and the meeting attendance table can be found on page 65.

Main responsibilities

In accordance with its terms of reference the Committee's main responsibilities include:

- reviewing and monitoring the effectiveness of the Group's Health, Safety, Sustainability (including climate change) and People strategies
- monitoring the Group's CR policies and practices for alignment with the Company's culture, purpose and values
- reviewing and recommending for approval the Company's annual Modern Slavery Act statement
- overseeing the Group's Ethics and Integrity (E&I) programme
- receiving updates on non-financial related reports from the whistleblowing helpline Speak Up, We're Listening
- overseeing appropriate and effective engagement with the Company's stakeholders including employees
- approving the content of the Purpose Report, TCFD disclosure and the CR Committee Report for the Annual Report and Accounts

Governance

Nelson Silva has chaired the Corporate Responsibility (CR) Committee since February 2017. The Chair of the Committee reports to the Board on the Committee's activities and attends the AGM to meet with shareholders and answer any questions on the Committee's activities.

Members of the Committee are appointed by the Board and Committee membership comprises the non-executive directors, the Chair of the Board, the Group CEO and Group CFO. The Committee meets at least three times a year. The quorum necessary for a meeting is two, at least one of which must be an independent non-executive director.

Only members of the Committee have the right to attend Committee meetings. Other individuals, such as the Group Chief Commercial Officer, Group Chief People Officer, Group Head of E&I and external advisers, may be invited to attend all or part of any meetings, as and when appropriate. The Group General Counsel and Company Secretary, who acts as Secretary to the Committee, attends all of its meetings.

The Committee is authorised to seek external legal or independent professional advice as it sees fit. The terms of reference of the CR Committee are reviewed annually to ensure they continue to be fit for purpose. They were last reviewed in September 2022. Several changes were made including amendments to expand the description of stakeholders. A copy of the terms of reference can be found on the Company's website, www.compass-group.com.

The Board has delegated responsibility to the Committee to oversee and to make recommendations to the Board on the development, implementation and effectiveness of the Group's People, Corporate Responsibility, Health, Safety and Sustainability (including climate change), Ethics and Integrity, and Stakeholder Engagement strategies.

To help it to perform its role effectively, the Committee receives reports from the Group Chief Commercial Officer, Group General Counsel and Company Secretary, Group Chief People Officer, Group Head of E&I, and other senior managers. These reports ensure that progress is being made towards meeting the Group's specific CR KPIs and commitments.

The Committee also receives reports from the Group General Counsel and Company Secretary to ensure the Board is appropriately prepared for legislative, regulatory and best practice changes.

CORPORATE RESPONSIBILITY COMMITTEE CONTINUED

Committee activities during the year

Health and safety

The health and safety (H&S) of the Group's employees and consumers is a top priority for Compass. At each meeting, the Committee considers a safety moment relating to certain aspects of health or safety, or a particular incident. Each briefing aims to help the Committee develop a deeper understanding of the H&S risks and challenges facing the business and how the lessons learned from specific incidents are applied to help prevent a recurrence.

The Committee received regular H&S reports from the Group Chief Commercial Officer to enable it to monitor H&S performance, in particular, performance against two KPIs which are considered essential to the H&S of our colleagues and consumers – the Lost Time Incident Frequency Rate (LTIFR) and Food Safety Incident Rate (FSIR).

The Committee sets limits for these KPIs at the beginning of the year. Performance outcomes are linked to the management bonus scheme. The Committee, together with the Remuneration Committee, considers these measures to be appropriate as they align with the Company's priority of keeping employees and consumers across the Group safe. More detail on the Group's LTIFR and FSIR performance is set out on page 9.

During the year, the Committee considered the output of 'deep-dives' it had requested into food safety and occupational safety. The Committee endorsed the support that was being provided to the regions through best practice sharing and leveraging digital capabilities within safety systems to further embed a strong safety culture across the Group.

Ethics and integrity

The Committee oversees the Group's E&I strategy, programme, policies and activities, and receives regular presentations and reports from the Group Head of E&I. In November 2021, the Committee received an update on the refreshed E&I strategy and framework and the plans for optimising compliance technologies, strengthening policies, communicating these to colleagues and providing training. The Committee noted the ongoing development of the programmes and was supportive of plans for wider ranging training topics delivered to a larger population with increased regularity and on a 'risk-to-role' basis. Throughout the year, the Committee monitored the progress of programme and policy developments, training activities and completion rates, as well as global initiatives such as the launch of a new Global Supplier Code of Conduct across the Group's businesses, which sets out the ethical standards, principles, expectations and behaviours we expect from our supply chain partners.

Following the re-launch of the Group's Speak Up, We're Listening programme (the independent confidential reporting mechanism for raising concerns) and new Speak and Listen Up Policy, the Committee received regular reports in relation to the continued programme and policy implementation. The Committee also received regular reports on the number and nature of concerns raised through the programme, and any emerging themes and effectiveness indicators.

Learn more about our Ethics and Integrity and Speak Up, We're Listening programmes on the Company's website, www.compass-group.com/en/who-we-are/ethics-and-integrity

Sustainability

During the year, Compass published its Planet Promise: its response to climate change and a commitment to a sustainable future for all. Compass was the first international company in the contract catering industry to announce a commitment to reaching climate net zero GHG emissions across its global operations and value chains by 2050, underpinned by interim 2030 targets validated by the Science Based Targets initiative. The Group also announced a further commitment to be carbon neutral worldwide across its own operations (scopes 1 and 2) by 2030.

The Committee continued its focus on environmental matters. In particular, the Committee received briefings from internal subject matter experts including an update on the key outcomes from the COP26 climate change conference held in Glasgow. The Committee considered the key outcomes from COP26 in the context of Compass' own road map to climate net zero and its Task Force on Climate-related Financial Disclosures (TCFD) reporting obligations. The Committee also monitored the emerging TCFD reporting environment and received reports from management on progress being made by the Group to implement these requirements. The Committee reviewed the Company's TCFD disclosures, which are set out on pages 43 to 50.

The Company recognises that food waste is a key contributor towards climate change and therefore has committed to halving food waste across the Group by 2030. To assist in building a robust basis for measurement, the Group is deploying technology to understand its food waste footprint. This will help the Company measure, monitor and reduce food waste, and to develop an accurate and consistent measurement of progress. At its meeting held in September 2022, the Committee reviewed and approved the target for the year to 30 September 2023 increasing the number of sites deploying technology to accurately measure and report food waste.

More details on the Group's sustainability initiatives, can be found on pages 36 to 50.

People

Overseeing the development, implementation and effectiveness of the Group's People policies, strategies, processes and initiatives is an important aspect of the Committee's work, and to assist the Committee, it received regular reports and presentations from the Group Chief People Officer.

The Committee reviewed the results of the 2021 global employee engagement survey, Your Voice. The views and data from the survey helped the Committee's oversight of the implementation of the Group's People strategy and provided assurance to the Committee that the strategy remains effective. The survey results also highlighted areas where improvements were required to enhance the experience of employees, which were being addressed by management.

The Committee also reviewed summaries of the roundtables which Ireena Vittal, the Company's Designated Non-executive director for workforce engagement, held with employees from across the Group's businesses, noting that the format continued to be popular and the forums were well received by those employees who took part.

More details of the Group's People initiatives, including the employee engagement roundtables with Ireena Vittal, can be found on pages 30 to 35 and 69.

Human rights, modern slavery and supply chain visibility and integrity

The Committee reviewed the Group's Human Rights Policy to ensure that it remained aligned to the Group's People Purpose and Performance strategy. The Committee considered the proposed changes to the policy which were intended to reinforce the Company's ongoing commitment to respecting human rights in its businesses' operations and their supply chains and to provide a link between this commitment and our culture and strategy. The Committee recommended the revised Human Rights policy to the Board for approval, and the Board approved the policy.

The Committee also considered the significant work undertaken by management to further develop and enhance the Company's approach to reducing the risk of modern slavery in its businesses and their supply chains. An update was provided by management on a number of initiatives implemented during the year which included, among others, the launch of the Global Supplier Code of Conduct, expanding representation on the Company's Human Rights Working Group and further rolling out the Supplier Ethical Data Exchange (Sedex).

The Committee reviewed the Company's Modern Slavery Act (MSA), statement and concluded that the MSA 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 MSA statement to the Board for approval and the Board approved the statement.

Copies of Compass' 2022 Modern Slavery Act statement and the Company's Human Rights Policy are available on the Company's website, www.compass-group.com

Stakeholder engagement

The Committee considered the Group's engagement activities with its clients, consumers, suppliers, communities and NGOs, noting key areas of focus and 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 appraised 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 73.

Engagement with the Group's employees is described on page 69 and in more detail in the People Report on page 34.

Committee evaluation

The priorities set by the Committee as a result of last year's evaluation process were:

- reviewing the Committee's forward agenda and ensuring it remains relevant and focused on significant issues
- focusing on ESG matters and reviewing the ESG strategy and performance over the year
- maintaining training in areas such as TCFD reporting

These themes, together with the Committee's regular programme of work, shaped the Committee's agenda during the year.

This year's external evaluation of the Committee's effectiveness was conducted as part of the wider review of the Board and its committees. Details can be found on pages 84 and 85.

The evaluation concluded that the Committee continued to operate effectively. A number of priorities for the coming year were identified:

- continuing to focus on timing and structure of meetings to ensure appropriate focus on the wide range of key issues in the Committee's remit
- continuing training and education for Committee members
- monitoring the roadmap and performance against targets designed to help the Company achieve its climate net zero commitments

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

21 November 2022

NOMINATION COMMITTEE REPORT

IAN MEAKINS
Chair of the Nomination Committee

Members

At the date of this Report the following are members of the Nomination Committee (the Committee):

- Ian Meakins (Chair)
- Carol Arrowsmith
- Stefan Bomhard
- John Bryant
- Arlene Isaacs-Lowe
- Anne-Francoise Nesmes
- Sundar Raman
- Nelson Silva
- Ireena Vittal

All the members of the Committee (except for the Committee Chair), are independent non-executive directors. Biographies of the Committee members can be found on pages 54 to 57.

Meetings

The Committee held five scheduled meetings during the year and the meeting attendance table can be found on page 65.

Main responsibilities

In accordance with its terms of reference the Committee's main responsibilities include:

- leading the process for Board appointments, ensuring plans are in place for orderly succession to the Board and senior management positions, and overseeing the development of a diverse pipeline for succession
- reviewing the structure, size and composition of the Board and its committees, recommending to the Board any new appointees and the reappointment of existing directors and committee members
- ensuring there is a balance of skills, knowledge, experience and diversity on the Board
- reviewing senior leadership needs to enable the Group to compete effectively in the marketplace
- advising on succession planning for executive directors
- overseeing a formal and rigorous annual evaluation of the Board, its committees and directors
- overseeing the Company's policy, objectives and strategy on diversity, equity and inclusion (DE&I)

Governance

Ian Meakins has chaired the Committee since December 2020. The Chair of the Committee reports to the Board on Committee activities and attends the AGM to meet with shareholders and answer any questions on the Committee's activities.

Members of the Committee are appointed by the Board and Committee membership comprises the non-executive directors and the Chair of the Board. The Committee meets at least twice a year. A quorum for a meeting is three, of which, the majority must be independent non-executive directors.

The Chair of the Board acts as Chair of the Committee, except when the Committee is dealing with the matter of the succession of the Chair of the Board, when the meetings will usually be chaired by the Senior Independent Director (SID).

Only members of the Committee have the right to attend Committee meetings. Other individuals, such as the Group CEO, the Group Chief People Officer 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 of the Committee.

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

The terms of reference of the Nomination Committee are reviewed annually to ensure that they continue to be fit for purpose. They were last reviewed in September 2022 when they were updated to reflect the new diversity disclosure requirements of the FCA's Listing Rules which will apply to Compass from the financial year ending 30 September 2023. A copy of the Committee's terms of reference can be found on the Company's website, www.compass-group.com.

Committee activities during the year

Board succession planning

Succession planning is an important aspect of the Committee's work. The Nomination Committee ensures plans are in place for an orderly succession at Board and senior management levels. The Committee also oversees the development of a diverse pipeline of talent.

When assessing succession planning for the Board, the Committee considers and evaluates the skills, knowledge and experience of its directors to ensure that the Board and its committees are well placed to discharge their duties, taking into account the need for diversity to reflect a broad range of backgrounds, experience and views.

The tenure of independent non-executive directors is 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 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 longer-term. In the course of this assessment, it considered, for illustrative purposes, a model of potential requirements for succession planning. The model considered the structure, size and composition of the Board taking into account the Company's commitments to comply with the UK Corporate Governance Code 2018 (the Code), targets set by the FTSE Women Leaders Review (the successor to the Hampton-Alexander review) and the Parker Review.

Board appointment process

The 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 an appointment is made, the Nomination Committee prepares a candidate specification setting out the role and capabilities required. The Board promotes an environment which is supportive of all individuals from diverse backgrounds, and in identifying suitable candidates, the Nomination 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 taking into account the benefits of diversity on the Board
- ensures that appointees have enough time to devote to the position, in light of any other significant commitments

Depending on the strategic and succession plans of the Company, to ensure the best possible chance of attracting a diverse pool of candidates, where appropriate, the Company will expand its search to consider individuals who may not have direct PLC experience, but who have experience of leading complex, global-scale organisations. The Committee believes that this broad approach supports the development of a diverse pipeline of candidates.

The Nomination 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 period of three years, which may be renewed for a further two three-year terms. Reappointment is not automatic at the end of a term.

Board changes

There were several changes in the Board's membership over the year:

- 4 October 2021: Palmer Brown appointed Group CFO Designate and as a director
- 31 October 2021: Karen Witts stepped down as a director and Group CFO
- 1 November 2021: Palmer Brown succeeded Karen Witts as Group CFO
- 1 November 2021: Arlene Isaacs-Lowe appointed as a non-executive director
- 1 January 2022: Sundar Raman appointed as a non-executive director
- 3 February 2022: John Bason retired as a non-executive director at the conclusion of the 2022 AGM

The search processes for the appointment of Arlene Isaacs-Lowe and Sundar Raman are described in full on page 113 of last year's Annual Report which can be found on our website, www.compass-group.com.

Induction process

On joining the Company, all new directors receive a formal, comprehensive and tailored induction designed to suit the individual's needs and role. The induction programme includes meetings with senior management and external advisers; together with technical briefings and site visits, all of which are effective in introducing the new director to the Group's businesses and culture. The induction process is structured to ensure that the new director has the information and support needed to understand the business, and to be effective in the role.

During the year, Palmer Brown, Arlene Isaacs-Lowe and Sundar Raman, completed personalised inductions. As a result, the new directors have successfully integrated into their roles and are contributing effectively to Board and committee discussions. All three directors stood for election at the 2022 AGM and received strong support from shareholders, attracting almost 100% of the votes cast in favour of the resolutions for their elections.

Non-executive director tenure

Stefan Bomhard was appointed to the Board in May 2016 and completed his second three-year term in office during the year. In deciding whether Stefan's term should be renewed for a further three-year term, the Committee considered: the balance of perspectives, skills, experience and expertise needed on the Board to help the Company achieve its strategic goals; the performance, skills and experience of Stefan, and his ability to devote sufficient time to his responsibilities at Compass.

Taking into account these factors, the Committee recommended the reappointment of Stefan Bomhard for a further three-year term, which was approved by the Board. Stefan stood for re-election at the 2022 AGM. The resolution for his re-election received close to 100% of the votes cast in favour of his re-election.

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 across all regions and countries within the Group. 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 reviewed succession planning for senior management, recognising the importance of culture in the context of the evolution of the People, Performance and Purpose strategy. As part of that review, the Committee considered the talent management building blocks: strengthening the succession pipeline, increasing diversity, improving talent mobility, and developing future leaders. The Committee also reviewed the profiles of the individuals in the talent pipeline.

Diversity, equity and inclusion

At Board level, the approach to appointing new directors reflects the Committee's objective to ensure that there is always an appropriate balance of experience and backgrounds on the Board. The Committee places great emphasis on ensuring that Board membership embodies diversity in its broadest sense. For this reason, members of the Board are drawn from a wide range of disciplines, industries and cultures. The Company has a Board Diversity Policy, which is published on the Company's website, www.compass-group.com.

In line with the recommendations of the Hampton-Alexander review, as at 30 September 2022, the percentage of female directors on each of the Board and Executive Committee (the primary senior management committee of the Group) was 33% and 40% respectively.

The FTSE Women Leaders Review (FWLR), which was published in February 2022, recommends as a target that FTSE 350 boards and leadership teams have a minimum of 40% women by the end of 2025. It further advocates that FTSE 350 companies have at least one woman in the Chair or SID role, and/or one woman in the CEO or CFO role, in the same time frame. The Company is supportive of these aims and will seek to comply with them.

The Board also supports the aims of the Parker Review to improve ethnic diversity in UK business leadership so that the diversity of the Group's stakeholders (including employees, consumers and the communities in which the Group operates) are better reflected in the boardroom.

The Parker Review, first published in 2017, made a series of recommendations aimed at improving ethnic diversity on FTSE 100 boards. The composition of the Board exceeds the Parker Review recommendations and the Nomination Committee will continue its work to maintain a balance on the Board of individuals representing a wide cross-section of experience, cultural backgrounds and specialisms.

The Committee noted that the recommendations of the FWLR and Parker Review have been reflected in the FCA's Listing Rules and are effective for financial years commencing after 1 January 2022 and will therefore apply to the Company for the financial year ending 30 September 2023. However, in the interests of transparency, the Company has chosen to disclose the information required by LR 9.8.6(9) on page 61.

The Committee also reviews the Group's policies on workforce DE&I, and their objectives and links to strategy. The Group operates open and inclusive hiring and staff management practices and, in reviewing the Group's policies, the Committee was satisfied that they supported the development of a more diverse workforce and leadership within the business, and were consistent with the Group's winning, caring culture.

During the year, the Committee received an update on the Group's DE&I programme from the Group Chief People Officer and the Chief People Officer of the Group's North America business. This included a presentation on DE&I experiences of employees and an explanation of the programme's rationale, the progress in implementing the strategy across the Group, and the priority being given at country level to meeting local needs and reflecting local legislation, demographics and cultural nuances. The Committee is supportive of management's view that focusing on local requirements will help to build a stronger sense of community and belonging across the Group. The Committee also endorsed initiatives to embed DE&I in talent and capability approaches, including for example, the use of an external partner to evaluate inclusive leadership behaviours, and management's efforts to further strengthen the pipeline of women across the Group's businesses through managed career paths, improved access to opportunities and the removal of barriers to progression.

More details on the Group's DE&I initiatives can be found on pages 30 to 35. Information on Board and Executive Committee gender and ethnicity can be found on page 61. Gender diversity of Executive Committee direct reports can be found on page 58.

Time commitment and training and development

In line with its terms of reference (which were reviewed during the year), the Committee performed an annual review 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 reflected on directors' attendance at scheduled meetings and their availability at other times during the year.

In consultation with the Chair of the Board, the Committee also considered the training that had been received by directors in the year, including technical updates from the Group General Counsel and Company Secretary and other in-house and external subject matter experts and advisers. They also considered future training needs that had been identified.

In this regard, during the year, the directors received a briefing from Dr Paul Litchfield, the Company's Chief Medical Adviser, on mental health illness in the workplace, its impact on the workforce and a company's performance. This gave the Board a greater understanding of the importance of this topic and the potential impact on its colleagues and the Group, particularly after the COVID-19 pandemic.

Board and committee evaluation

During the year, an independent formal external evaluation was conducted in line with the triennial external requirement set out in the Code. Lintstock Limited (Lintstock), which is independent of and has no other links with the Company or its directors, was reappointed to conduct the external evaluation and to provide continuing and ongoing support to the evaluation process in the coming years.

In May, Lintstock was given a clear and comprehensive brief by the Chair of the Board and the Group General Counsel and Company Secretary. The evaluation process comprised a series of questionnaires which focused on the efficacy of the Board and its principal committees. The questionnaires were completed by all directors and the Group General Counsel and Company Secretary and took into account and built on the key themes which had emerged from preceding evaluations, including the 2019 external evaluation, also undertaken by Lintstock.

Lintstock conducted interviews with the Chair of the Board, each member of the Board and the General Counsel and Company Secretary. The interviews explored a number of themes, such as:

- Board composition (including diversity in terms of gender and ethnic background)
- stakeholder oversight
- Board dynamics
- management and focus of meetings
- Board and committee support
- strategic oversight
- risk oversight
- executive remuneration
- succession planning
- people oversight

and any other matters which directors wished to raise.

The outcome of the evaluation process (except the performance appraisal 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 directors by Lintstock, at the Committee meeting held in July.

The evaluation concluded that the Board and its committees continued to be effective, benefiting from a broad range of skills relevant to the business, and a breadth of experience in key international markets reflecting Compass' global footprint. With the positive and inclusive leadership style demonstrated by the Chair of the Board, the newer non-executive directors were contributing effectively to Board debate and the management of meetings continued to be an area of strength.

The evaluation also concluded that each of the directors continued to contribute effectively to Board and committee meetings.

A number of priorities were identified for the Board in the year ahead:

- continuing focus on Board and Executive Committee succession planning for key leadership roles and future non-executive director succession
- refocusing the forward agendas for the Board and committees in light of the evolving environmental, societal and governance landscapes to promote and support strategic discussions
- ensuring that directors have regular opportunities to meet in person and informally to further develop relationships

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

The priorities identified from this year's evaluation of the Audit, CR and Remuneration Committees can be found on pages 78, 81 and 113 respectively.

Nomination Committee evaluation

The priorities set by the Committee as a result of last year's evaluation process were as follows:

- continuing the development of succession planning for the Board and senior management in both the short and longer term
- continuing to focus on DE&I to ensure a diverse pipeline of talent

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.

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

- continuing to effectively support the Board in relation to Board and Executive Committee succession planning
- continuing the development of a diverse talent pipeline including gender, ethnicity and culture

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

IAN MEAKINS
Chair of the Nomination Committee

21 November 2022

CAROL ARROWSMITH
Chair of the Remuneration Committee

Members

At the date of this Report the following are members of the Remuneration Committee (the Committee):

- Carol Arrowsmith (Chair)
- Stefan Bomhard
- John Bryant
- Arlene Isaacs-Lowe
- Anne-Francoise Nesmes
- Sundar Raman
- Nelson Silva
- Ireena Vittal

The Committee consists entirely of independent non-executive directors, as defined in the UK Corporate Governance Code 2018 (the Code). Biographies of the Committee members can be found on page 55 to 57.

Meetings

The Committee held three scheduled meetings during the year and the meeting attendance table can be found on page 65.

Main responsibilities

The Committee determines the Company's Remuneration Policy and is responsible for setting remuneration terms and conditions of employment for the Chair of the Board, executive directors and the Executive Committee.

The Committee ensures that members of the Executive Committee are appropriately incentivised to enhance 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 wider remuneration philosophy of the organisation when developing policy and considering executives' packages, monitoring the relationship between the remuneration arrangements of executives and those of the wider workforce.

The Committee maintains an active dialogue with major shareholders, and ensures their views and those of their advisers are sought and considered when determining the Remuneration Policy.

REMUNERATION COMMITTEE REPORT

Dear Shareholder

On behalf of the Board, I am pleased to present the Directors' Remuneration Report (DRR) for the financial year ended 30 September, 2022. The Report is split into the following sections:

- this Annual Statement which contains the Committee's key activities in the year and an 'at a glance' summary of the remuneration decisions made during the year
- the 2022-2025 Remuneration Policy (the 2022 Policy), approved by shareholders at the 2022 AGM
- the Annual Remuneration Report on the implementation of the Policy in the year ended 30 September 2022 and proposed implementation of the Policy in 2022-2023

A strong recovery

Compass has produced a strong set of results for the financial year under review. The Group's significant acceleration in growth and ongoing recovery has led to an increase in revenue above pre-COVID-19 levels, largely as a result of new business wins and base volume recovery.

Our strong financial performance and disciplined capital allocation framework has also allowed us to reward our shareholders through the declaration of a final dividend, the announcement of a further share buyback and a reduction in our net debt to EBITDA ratio.

As a Committee, we believe our new Remuneration Policy, approved by shareholders at the 2022 AGM, is well placed to continue to support the delivery of our strategy.

Notwithstanding the strong financial performance in 2022, there are emerging global inflationary pressures and macroeconomic uncertainties. Compass has a strong leadership team in place both to seize the growth opportunities and to mitigate the potential challenges ahead. Our people continue to be at the centre of our recovery, and our focus on their health, safety and well-being is critical to the continued success of our business. We have put in place a number of programmes to support our people through these challenging times, including financial wellbeing and free food offerings. Our UK&I business also has a 'Helping Hands' fund providing financial support for colleagues in need. Our people are at the heart of who we are and what we do, and we will continue to invest in supporting them through these challenging times.

Performance and remuneration outcomes in 2021-2022

In determining outcomes for the year, we maintained our focus on rigorous assessment of performance, together with a balanced appraisal of the context and stakeholder experience. The outcomes under the bonus plan 2021-2022 and LTIP 2019-2020 are described on page 87.

2021-2022 bonus

The 2021-2022 annual bonus plan was based on performance measures designed to support the continued delivery of resilient and profitable business recovery. Measures were aligned to the financial and strategic objectives of the Group and, where relevant, regional performance. Each measure within the plan is independently set and assessed.

For executive directors, the annual bonus plan for 2021-2022 was based on operating margin, absolute revenue, cash conversion and health, safety and environmental measures (HSE) (based on the Lost Time Incident Frequency Rate (LTIFR) and Food Safety Incident Rate (FSIR)).

The Committee has measured the outcome against the targets and assessed the Group's performance on a holistic basis, ensuring that the bonus outcomes are a fair reflection of performance and are aligned with the interests of shareholders.

The Group performed strongly in 2021-2022 both in terms of revenue growth and margin improvement, with underlying operating profit nearly doubling to £1.6 billion. The Group has continued its focus on margin, delivering an annual underlying operating margin of 6.2%, representing a 170bps year-on-year improvement. Organic revenue growth was 37.5% with net new business of 7.5%. Revenue levels in all sectors and regions operated above pre-pandemic levels during the second half of 2022. The Group generated a strong underlying operating cash flow of £1,351 million (2021: £1,004 million) which represented a conversion rate of 85%, back in line with our typical pre-COVID levels. Health & Safety performance saw another year of improvement with outcomes being within the limits set under the bonus plan.

The Committee considered the overall performance of the Group in the year and concluded that the formulaic outcomes of the annual bonus, being 100% of maximum for each executive director, were appropriate and that no discretion would be applied. Karen Witts' bonus payment was pro-rated to reflect the period in which she was a director.

The Committee is pleased to note that participants in bonus plans throughout the organisation will receive payments based on performance against a combination of the above measures calibrated at Group, regional or country levels as appropriate.

More details are set out in the Annual Remuneration Report on pages 101 to 102.

2019-2020 Long Term Incentive Plan (LTIP)

The three-year performance period in respect of the 2019-2020 LTIP award came to an end on 30 September 2022.

The LTIP awards held by Dominic Blakemore, Gary Green and Karen Witts were subject to targets based on Adjusted Free Cash Flow (AFCF), Return on Capital Employed (ROCE) and Total Shareholder Return (TSR) performance measures. In the financial year ended 30 September 2022, the Group performed strongly against all of these performance metrics, and has outperformed sector peers. Reported ROCE for the Group improved from 8.7% in 2021 to 15.8% in 2022, reflecting the near doubling of underlying operating profit, and the Group generated £890 million of underlying free cash flow at a conversion rate of 56%. We reinstated dividends in 2021 and have recently completed a £500 million share buyback programme. The above results have contributed to strong share price performance.

Notwithstanding this strong recovery, the performance conditions for this LTIP award were set in November 2019, i.e. prior to the onset of the pandemic. Although the Group has performed strongly in the circumstances, the scale of recovery required to overcome the cumulative impact of the pandemic required an unrealistic level of financial and share price performance in the final year of the performance period to meet the original thresholds that had been set.

Consistent with the principles of the Code, the Committee undertook a holistic review of performance for the period. It was noted that this is the third consecutive LTIP award where, in spite of superior sector performance, the impact of the pandemic on our business was so severe that the performance conditions were not met.

The Committee considered the potential use of positive discretion in respect of the vesting outcome of this award to reflect the success of the business recovery, growth trajectory and record business retention. Overall, the Committee concluded that the performance of the executive directors and their impact on the business could have justified some level of vesting under the 2019-2020 LTIP award. However, the Committee was also mindful of shareholder and proxy agency views, the current social and economic environment, as well as the wider stakeholder experience. Accordingly, positive discretion was not exercised and the conditional share awards for the executive directors under the 2019-2020 award lapsed in full.

Remuneration Policy

As described in last year's Directors' Remuneration Report, we reviewed our Remuneration Policy and submitted our updated Policy for shareholder approval at the 2022 AGM. The changes included a review of maximum LTIP award levels, the introduction of a mandatory deferral of one-third of the annual bonus for executive directors from the 2022-2023 bonus year and an enhancement to our share ownership guidelines.

We received a 67.50% vote in favour of our Remuneration Policy. The Board noted that, although over two-thirds of shareholders were supportive of the new Directors' Remuneration Policy, some shareholders did not vote in favour of this resolution.

Ahead of last year's AGM, and as part of developing the Remuneration Policy, we consulted extensively with the Company's largest shareholders, investor representative groups and proxy agencies and received broad support. Since last year's AGM, in line with our commitment to an open and transparent dialogue with shareholders, the Committee Chair continued to engage, inviting major shareholders representing over 50% of the Company's issued share capital to provide further input. The Committee received helpful feedback from these engagements, including support for the Policy from the majority of those consulted. The Committee also has an understanding of the reasons why a minority of shareholders were not supportive of the Policy. The reasons were primarily in relation to the increase in the future LTIP award quantum for executive directors.

The Committee continues to believe the increase in LTIP quantum allows us to better align with the market and to enhance the retention and motivation of our best talent. Adjusting LTIP award levels also best meets the interests of our shareholders, by ensuring pay is performance-tested, long-term and share-based. We are mindful of investor feedback and we will continue to review outcomes from future LTIP awards to ensure that they are supported by the underlying performance of the business.

The Committee would like to thank those shareholders that have taken part in these engagements and values the feedback and insights gained.

Remuneration framework for 2022-2023

Base salary

In reviewing the executive directors' salaries, the Committee considered the matter holistically, particularly taking into consideration the broader macro-economic environment and the wider workforce. The sustained strong absolute and relative performance of the Group was taken into consideration along with the current external market and increases applicable to the wider population.

The Committee agreed salary increases of just under 4.8% for all executive directors which take effect from 1 January 2023.
The average increase for employees across the wider UK population is expected to be c. 8% during 2023.

Pension alignment

As detailed on page 90, the phased reduction of executive directors' pension rates will continue and they will be fully aligned with the maximum contribution available to the majority of the UK workforce by 31 December 2022. As a result, with effect from 31 December 2022, Dominic Blakemore's pension allowance will reduce from 10% to 6% of salary, and Gary Green's pension allowance will reduce from 18% to 6% of salary. In accordance with the prevailing Remuneration Policy, Palmer Brown was appointed with a pension allowance of 6%.

Bonus plan

The Committee continually reviews remuneration arrangements to ensure they are aligned to the business strategy. Overall, 85% of the bonus will be based on financial metrics, with the remaining 15% based on Environmental, Social and Governance (ESG) performance measures, aligned to the Group's ESG objectives. We have made two changes to the bonus measures for the year ahead.

The Committee has decided that the time is right to revert to the historic organic revenue growth measure, as on a constant currency basis, revenues are now consistently at or above pre-pandemic levels. This change reflects the business's evolution from recovery to growth, and replaces the absolute revenue measure with the same weighting.

Within the ESG component, the Committee believes food waste to be a meaningful and impactful measure. Food is at the core of our business and one of the ways we can make a significant impact on climate change is by reducing food waste. Food waste is a key contributor towards carbon emissions and reducing this also has a high correlation with operating margin improvement. By raising awareness through measurement we will drive a significant reduction in food waste. This approach will also help meet the Group's Science Based Targets initiative (SBTi) targets and complement its work, in partnership with clients and suppliers, to halve food waste by 2030.

To assist in building a robust basis for measurement, we are deploying technology to understand our food waste footprint. This will help our teams measure, monitor and reduce food waste and enable the Group to develop an accurate and consistent measurement of progress. Given that focus on measurement will drive the greatest initial returns, in year one, the Committee has elected to measure the increase in the number of sites with technology deployed to accurately measure and report food waste. The measure will focus on core countries and on larger sites, to influence a significant proportion of our revenue base in a meaningful way.

The food waste measure will be weighted at 5% of bonus opportunity, with a corresponding reduction in the weighting of the operating margin measure from 50% to 45%.

As we deploy the technology, the Committee will continue to keep this metric under review in future years. Over time, the objective is expected to evolve to include a more direct target for reduction in food waste, aligned with our strategic goals in this area.

For annual bonus periods commencing after the 2022 AGM, i.e. with effect from the 2022-2023 annual bonus year, executive directors will be required to defer one-third of any bonus earned into shares for a period of three years.

LTIP award

The Committee will make LTIP awards to Dominic Blakemore of 400% of salary, and to Gary Green and Palmer Brown of 350% of salary, in line with the 2022 Directors' Remuneration Policy. Awards will continue to be based on AFCF, ROCE and TSR, as these link to our strategy and the creation of shareholder value. The Committee believes that the targets are suitably stretching and are aligned with shareholders' interests. Further details on the targets can be found on page 107.

Looking ahead

I will be stepping down as Chair of the Remuneration Committee following the conclusion of the 2023 AGM, and consequently, this will be my final report to you before handing over to John Bryant.

I would like to take this opportunity to thank our major shareholders and the key institutional investor bodies for the time taken to engage with us during my tenure as Chair. The feedback provided by investors has influenced our perspective and contributed greatly to the decision-making of the Committee.

I know that under John's leadership, the Committee will continue to engage with shareholders and institutional investor bodies in the development of our remuneration policies and structures and will continue to emphasise the links to performance and to consider wider stakeholders in its deliberations.

I hope that you will join the Board in supporting the resolution to approve the 2022 Remuneration Report.

CAROL ARROWSMITH
Chair of the Remuneration Committee

21 November 2022

COMMITTEE SUMMARY

Governance

Carol Arrowsmith has chaired the Remuneration Committee since June 2014. Membership comprises the Chair of the Committee and all of the non-executive directors. Members are appointed by the Board following recommendation by the Nomination Committee.

The Committee meets at least twice a year and the quorum necessary for a meeting is two. The meeting attendance table can be found on page 65. The Chair of the Committee attends the AGM to respond to any shareholder questions that might be raised on the Committee's activities.

Only members of the Committee have the right to attend Committee meetings. The Group General Counsel and Company Secretary acts as Secretary to the Committee and attends all of its meetings. The Group Chief People Officer and the Group Reward Director are typically invited to attend Committee 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 other circumstances where their attendance would not be appropriate. Details of advisers to the Committee can be found on page 113.

The Committee is authorised to seek external legal or independent professional advice as it sees fit. The terms of reference of the Committee are reviewed annually to ensure that they continue to be fit for purpose. They were last reviewed in September 2022 when they were updated to bring them in line with the model terms of the Chartered Governance Institute UK & Ireland. A copy of the terms of reference can be found on the Company's website, www.compass-group.com.

Structure and content of the DRR

This DRR has been prepared on behalf of the Board by the Committee in accordance with the requirements of the Companies Act (CA 2006),The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the 2013 regulations), The Companies (Miscellaneous Reporting) Regulations 2018 (the 2018 regulations) and The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 (the 2019 regulations). The sections include:

- the Company's Remuneration Policy which applied with effect from 3 February 2022 when it was approved by shareholders at the Company's AGM
- how the Policy was implemented in the year ended 30 September 2022 and how the Policy will be implemented in the next financial year (the Annual Remuneration Report)
- how the Committee engaged with major shareholders during the year

Auditable disclosures are the:

- executive directors' single total figure of remuneration (page 100)
- non-executive directors' remuneration (pages 104 and 105)
- long term incentive awards (page 107)
- extant equity incentive awards held by executive directors (page 108)
- director changes during the year (page 109)
- directors' interests (page 109)

Activity during the year

The key activities of the Committee during the year ended 30 September 2022 are set out below. In addition, the Committee monitors performance and reviews regularly any discretionary matters in relation to individuals below executive director level in relation to the Company's share plans. The Committee also agrees the appointment and exit terms for executive directors and other members of the Executive Committee.

October 2021

- reviewed terms for outgoing and incoming Group CFO

November 2021 (scheduled)

- approved the 2022 Directors' Remuneration Policy to be put forward to shareholders at the 2022 AGM
- reviewed and updated the share ownership guideline policy in line with the proposed 2022 Policy
- reviewed salaries for the Executive Committee and executive directors effective 1 January 2022, taking into consideration salary review budgets across the Group
- determined performance outcomes for the 2018-2019 LTIP and 2020-2021 bonus plans
- set targets under the 2021-2022 bonus plan
- approved the structure and proposed quantum of 2021-2022 LTIP awards
- approved the draft DRR for 2020-2021
- assessed share ownership compliance against the Policy

February 2022

- approved the post-AGM statement for release to the London Stock Exchange
- approved the 2021-2022 LTIP awards

May 2022 (scheduled)

- considered the post-AGM consultation update
- received an update on external remuneration trends and market practice from external advisers
- considered ESG measures in future incentive arrangements
- received a half-year update on the 2021-2022 annual bonus performance
- received a half-year update on in-flight LTIP performance
- considered the wider employee perspective
- considered share schemes including a report on the application of notional dividend awards and approved the Deferred Annual Bonus Plan Rules

September 2022 (scheduled)

- received an update on progress against full-year 2021-2022 bonus targets and in-flight LTIP awards
- considered the use of discretion in respect of the 2019-2020 LTIP award
- determined the structure and measures for the 2022-2023 LTIP award and bonus plan
- reviewed the draft DRR for 2021-2022
- reviewed the fee for the Chair of the Board
- reviewed the terms of reference of the Committee

REMUNERATION AT A GLANCE

Linking our reward and business strategy

Our remuneration policy is designed to link directly to our Group strategic KPIs and how we measure our business performance:

- organic revenue growth
- operating efficiencies
- competitive advantage
- people and purpose

Our role as a Remuneration Committee is to determine the Company's Remuneration Policy, with responsibility for setting the remuneration terms and conditions of employment for the Chair of the Board, executive directors and Executive Committee. We do this by:

- ensuring members of the Executive Committee are appropriately incentivised to enhance the Group's performance and are rewarded for their contribution to the success of the business
- considering executives' remuneration arrangements and monitoring the relationship between them and those of the wider workforce
- reviewing the remuneration arrangements for other senior executives within the Group, having regard to the wider remuneration philosophy of the organisation when developing policy
- maintaining active dialogue with shareholders and ensuring their views and those of their advisers are sought and considered when setting executive remuneration policy

SUMMARY OF THE 2022 DIRECTORS' REMUNERATION POLICY

Fixed pay: Base salary, pension and benefits

Salary: Group CEO: £1,095,000; Group CFO: $1,016,500; Group COO, North America: $1,626,870 with effect from 1 January 2023.

Pension: Pension contributions or equivalent cash allowance for any new hires will be aligned with the wider UK workforce at 6% of salary. Pension cash allowances for the Group CEO and Group COO, North America will reduce to 6% with effect from 31 December 2022. The Group CFO was appointed with a pension allowance of 6% of base salary.

For Group CEO, reducing from 10% of base salary to:

31 Dec 22 6%

For Group COO, North America, reducing from 18% of base salary to:

31 Dec 22 6%

Benefits: Include healthcare for executive directors and their dependants, limited financial advice, life assurance, car benefit, and where appropriate international assignment support.

Annual bonus: Short-term variable remuneration

- to incentivise and reward the achievement of stretching one-year key performance targets
- maximum: 200% (Group CEO) and 150% (other executive directors) of salary. Awards subject to malus and clawback for a period of three years

Cash element

One-third of the bonus earned will be deferred for three years

Mandatory deferral applies from the 2022-2023 annual bonus year

Long-term incentive plan: Long-term variable remuneration

- encourages delivery of longer-term financial performance and shareholder value. Performance is measured over a three-year period and vested shares will be held for a further two years. Awards are subject to malus and clawback for a period of three years
- award size: 400% (Group CEO) and 350% (other executive directors) of salary
- shareholding guidelines of 400% (Group CEO) and 350% (other executive directors) apply

3-year performance period

2-year holding period

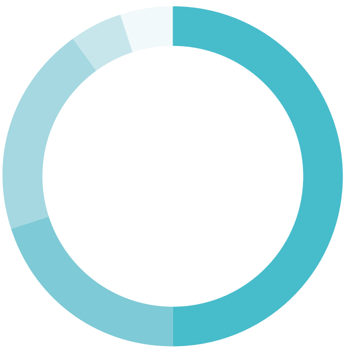
Awards are subject to malus, clawback, and post-employment holding requirements

2022 OUTCOMES

ANNUAL BONUS

Outcomes of 2021-2022 plan: 100%

The maximum annual bonus opportunity is 200% of base salary for the Group CEO and 150% of base salary for other executive directors. One-third of the bonus is deferred into shares for executive directors who have not achieved the pro-rata share ownership guideline, with all other payouts in cash. All cash bonuses and deferred bonus share awards are subject to malus and clawback. Further details can be found on pages 101 to 102.

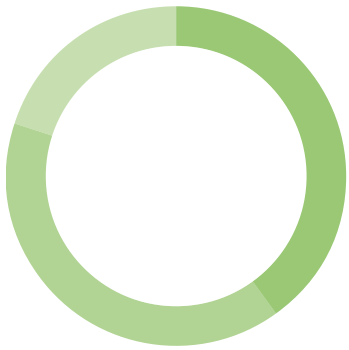


1: Operating margin	**50%**
2: Cash conversion	**20%**
3: Absolute revenue	**20%**
4: LTIFR	**5%**
5: FSIR	**5%**

LONG TERM INCENTIVE PLAN

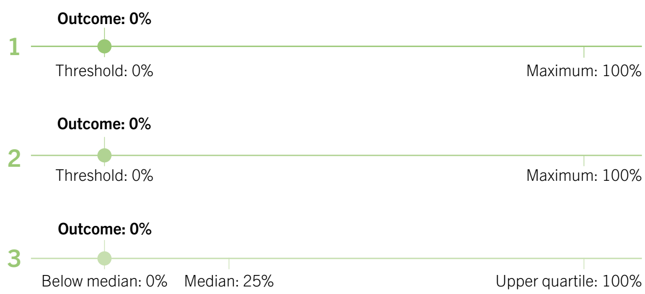
Outcomes of 2019-2020 award: 0%

Awards of 300% of base salary for the Group CEO and 250% of base salary for other executive directors were granted in 2019-2020. The three-year performance period ended on 30 September 2022. Further details can be found on page 104.

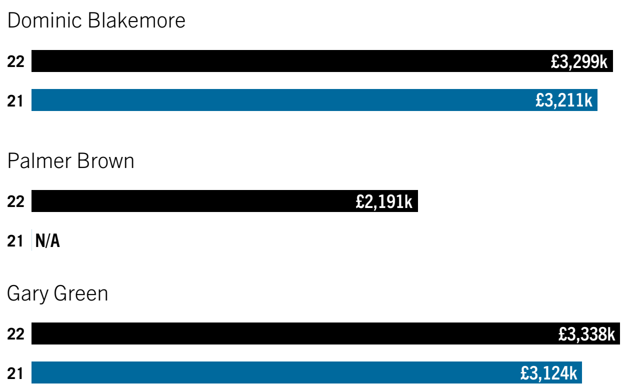


1: ROCE	**40%**
2: 3-year cumulative AFCF	**40%**
3: Relative TSR	**20%**

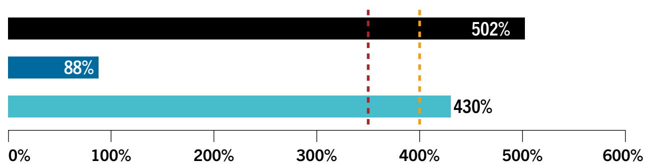
As noted in the Remuneration Committee Chair's statement, the targets for the 2019-2020 LTIP award were set prior to the onset of the pandemic. None of the performance conditions were met and this award lapsed, notwithstanding the strong relative performance delivered over the period.



2022 EXECUTIVE SINGLE TOTAL FIGURE OF REMUNERATION



EXECUTIVE DIRECTORS' SHAREHOLDING



1. Palmer Brown was appointed to the Board on 4 October 2021 and has five years from date of appointment, or date of increase in shareholding requirement, whichever is the later, in which to achieve the required holding. Compliance with the share ownership guidelines is assessed annually on a pro-rata basis. His current shareholding exceeds the pro-rated shareholding requirement. In November and December 2022, a total of 42,540 shares will vest, and the net of tax and social security balance of shares will be retained by Palmer.

REMUNERATION POLICY

This section of the Report sets out the Company's Remuneration Policy. We consulted with shareholders extensively during 2021 when the 2022 Policy was being formulated. The Policy applied with effect from 3 February 2022 when it was approved by shareholders at the Company's Annual General Meeting and is intended to apply until 2025.

The 2022 Policy is designed to incentivise executives to deliver the Company's strategic objectives. A significant portion 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 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 (approved by shareholders in accordance with section 439A of the Companies Act) came into effect, provided that the terms of the payment were consistent with the Directors' Remuneration Policy (approved by shareholders in accordance with section 439A of the Companies Act) 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 an award over shares, the terms of the payment are 'agreed' at the time the award is granted.

The Committee considers the general pay and employment conditions of all employees within 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.

The Company is committed to ongoing engagement and seeks major shareholder views in advance of proposing significant changes to its remuneration policies.

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

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

Clarity – the Committee is committed to having a transparent approach to pay, by engaging regularly with Executives, shareholders and their representative bodies in order to explain the approach to executive pay and how it links to the 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 has 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 incentives to ensure they are easy to understand and avoid complexity. Additionally, the Committee ensures there is sufficient flexibility to exercise discretion and override formulaic outcomes, where necessary.

Risk – the Committee ensures the careful balance between competitive pay and performance driven incentives is appropriate, in order to mitigate any risk of excessive rewards or encouraging the wrong behaviours. There is an appropriate mix of fixed and variable pay elements, which, alongside the Committee's ability to exercise overarching discretion on Compass' performance within the year, allow for a holistic assessment of performance in the year. Additionally, there are robust measures in place to ensure alignment with long-term shareholder interests, including the post-vesting retention period, shareholding requirement, malus and clawback provisions and, from 2022-2023, mandatory bonus deferral 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 97 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 creation of long-term 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, the Executives have committed to a phased reduction of pension allowances so that they are in line with the maximum contribution available to the majority of the wider UK workforce by 31 December 2022. Additionally, the health and safety of our employees, clients and consumers has always been a top priority for Compass. We have progressively increased the weighting of our ESG measures within the bonus plan, from 5% to 15% over three years. Our measures are meaningful to our business, reflecting the importance of health and safety, and the impact of reducing food waste on the environment.

Component parts of the remuneration package

The key components of executive directors' remuneration for the 2022 Policy period are summarised 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 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. These 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 to 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. For the Company's pension cash allowance (or pension contribution as appropriate), from 4 February 2021 the annual maximum will be aligned to the maximum rate available to the majority of the wider UK workforce (currently 6% of base salary). Pension contributions for current executive directors will be aligned to this rate over time. Dominic Blakemore's pension allowance of 10% of salary will reduce to 6% on 31 December 2022. Gary Green's pension allowance of 18% of salary will reduce to 6% on 31 December 2022. Palmer Brown is eligible to participate in the local US arrangements with Company contributions capped at 6% of salary.	None.

REMUNERATION POLICY CONTINUED

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. For 2021-2022, bonus will be deferred when share ownership guidelines have not been met, usually with a minimum level of deferral of one third of the bonus earned and typically deferred for a period of three years. With effect from the 2022-2023 bonus plan year, 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.	The maximum award for the Group CEO is 200% of base salary and for the other executive directors it is 150% of base salary. No bonus is payable for performance below threshold level.	Performance is measured over the financial year. Performance measures 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 and targets applying to each element of the bonus for 2022-2023 are shown in the Annual Remuneration Report on page 106.

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. **Return on capital employed (ROCE)** ROCE supports the strategic focus on growth and margin through ensuring that cash is reinvested to generate strong returns with capital discipline. **Adjusted free cash flow (AFCF)** The generation of cash is fundamental to the ongoing success of the Group and the use of AFCF as an LTIP performance measure directly aligns to this. **Relative total shareholder return (TSR)** TSR provides direct alignment between the interests of executive directors and shareholders.	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 their release. In the event of a change of control, any unvested awards will 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: 400% – other executive directors: 350% For performance measures, other than TSR, 0% of the award vests for below threshold performance, increasing to 50% vesting on a straight line basis for achievement of on target performance, increasing to maximum vesting for achievement of maximum performance. The element of an award based on relative TSR will vest in full for top quartile performance achievement and 25% of that element of the award will vest if performance is at the median. 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 for the 2022-2023 award are ROCE, AFCF and 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 performance well ahead of budget. Details of the targets for the LTIP award to be made in 2022-2023 are set out as required in the Annual Remuneration Report on page 107. The Committee has discretion to use different or additional performance measures or weightings for awards in future years to ensure that the LTIP remains appropriately aligned to the prevailing business strategy and objectives. The Committee would consult with major shareholders prior to making material changes to performance measures.

REMUNERATION POLICY CONTINUED

Incentive plans

The LTIP described in the table on page 95 (known as The Compass Group PLC Long Term Incentive Plan 2018) is the primary form of equity incentive for executive directors.

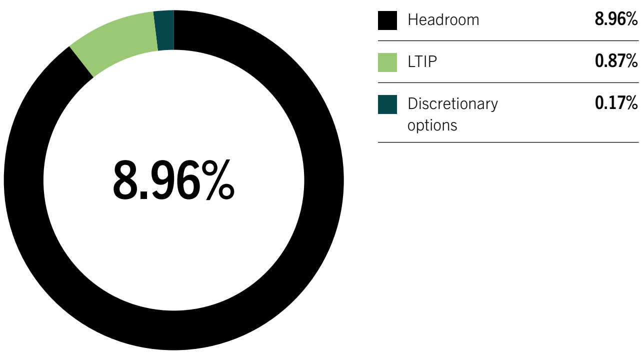
Dilution limits

All of the Company's equity based incentive plans incorporate the current Investment Association's Principles of Remuneration 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), with a further limitation of 5% in any 10 year period for executive plans.

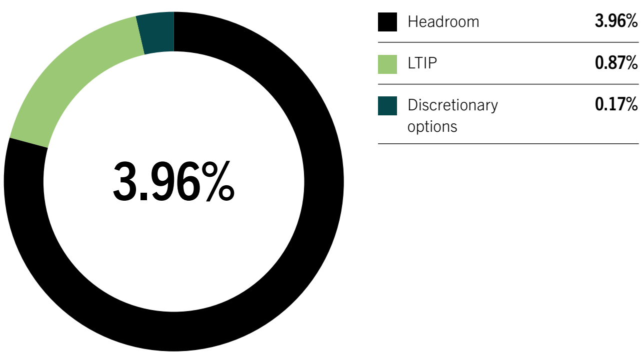
The Committee monitors the position regularly and prior to making an award, ensures that the Company remains within these limits. Any awards which are required to be satisfied by market purchased shares are excluded from such calculations. On 30 September 2022, the Company held 25,202,499 treasury shares. During the financial year ended 30 September 2022, 317,052 shares were purchased in the market by the trustees of The Compass Group PLC All Share Schemes Trust. 320,851 treasury shares and 280,371 market purchased shares were used in the year to satisfy the Company's obligations under the Group's employee equity incentive schemes. As at 30 September 2022, the Company's headroom position, which remains within the current Principles, was as shown in the charts below:

Headroom as at 30 September 2022

10% IN 10 YEARS



5% IN 10 YEARS



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 Policy the Group CEO and all other executive directors are required to build up and maintain a personal shareholding of 400% and 350% of base salary respectively.

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 for periods commencing on or after 1 October 2022, a minimum of one third of their annual bonus earned will be 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 four years. Non-executive directors are generally expected to purchase shares equating to a minimum value of one third of their net of tax fee each year until the guideline is met.

Details of the interests of directors in shares and equity incentives are set out on page 109, together with the extent to which each of the directors has complied with the share ownership guidelines as at 30 September 2022.

Illustrations of application of the 2022 remuneration policy

The graphs below show an estimate of the remuneration that could be received by executive directors in office at the date of this DRR under the 2022 Policy. The charts 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

	Fixed pay	Annual bonus	LTIP	£000
MINIMUM	100%			£1,177
TARGET	26%	24%	50%	£4,417
MAXIMUM	16%	28%	56%	£7,447
MAXIMUM +50% SHARE PRICE GROWTH	12%	22%	66%	£9,537

Palmer Brown[1]

	Fixed pay	Annual bonus	LTIP	£000
MINIMUM	100%			£864
TARGET	31%	20%	49%	£2,827
MAXIMUM	19%	24%	57%	£4,657
MAXIMUM +50% SHARE PRICE GROWTH	14%	19%	67%	£5,985

1. Palmer Brown is paid in US dollars. For reporting purposes, this pay is converted into sterling at an exchange rate of $1.2785/£1.

Gary Green[2]

	Fixed pay	Annual bonus	LTIP	£000
MINIMUM	100%			£1,391
TARGET	31%	20%	49%	£4,534
MAXIMUM	19%	24%	57%	£7,464
MAXIMUM +50% SHARE PRICE GROWTH	15%	19%	66%	£9,590

2. Gary Green is paid in US dollars. For reporting purposes, this pay is converted into sterling at an exchange rate of $1.2785/£1.

Fixed pay   Annual bonus   LTIP

The scenarios in the graphs are as follows:

- fixed pay includes:
  - annual base salary as at 1 October 2022, or date of appointment if later
  - value of benefits as noted in the single figure table on page 100 for the Group CEO and Group COO, North America. The Group CFO received relocation benefits during 2021-2022, therefore an amount has been included in the scenario charts which reflects a more usual benefit provision
  - pension cash allowance, where appropriate, reflecting the phase down arrangements on page 90
- annual bonus is shown as a maximum percentage of base salary, with minimum, target and maximum performance shown as 0%, 50% and 100% respectively
- LTIP is 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 2022 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 2022 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, 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.

REMUNERATION POLICY CONTINUED

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, normally 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 2022 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 incentive arrangements.

Executive directors' service agreements

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

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 Dominic Blakemore)
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 historic policy on the payment of bonus on termination, which was in place prior to June 2008, was the provision of a payment, at par or target, of bonus in respect of the notice period, where the Company exercised its right to make a payment in lieu of notice. Gary Green's service contract is based on this historic policy. When introducing the revised policy in June 2008 and after careful consideration, the Committee concluded that it was not in shareholders' interests to migrate such contracts onto the amended policy. Service contracts for Dominic Blakemore and Palmer Brown fully comply with the policy in effect from June 2008. All executive directors' service contracts impose a clear obligation to mitigate such payment should a departing executive director take on new employment or receive alternative remuneration.

Gary Green's service contract was entered into before 27 June 2012 and it has not been renewed on or after that date. Consequently, remuneration payments or payments for loss of office that are required to be made under Gary Green's contract are not required to be consistent with the current Policy.

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

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.

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 2022
Dominic Blakemore	12 Dec 2011 7 Nov 2017[1]	10 years, 7 months
Gary Green	29 Dec 2006 27 Nov 2007[2]	15 years, 9 months
Palmer Brown[3]	3 Oct 2021	1 year, 0 months

1. Appointment was formally revised from 1 October 2017.
2. Appointment was formally revised from 1 November 2007.
3. Appointed to the Board on 4 October 2021.

Chair of the Board

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.

Ian Meakins has a letter of engagement dated 17 August 2020 in respect of his original appointment as a non-executive director, for a period of three years from 1 September 2020, and his subsequent appointment as Chair. Ian succeeded Paul Walsh as Chair on 1 December 2020. The fee paid to Ian Meakins for the year ended 30 September 2022 is set out on page 104.

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 for the year ended 30 September 2022 are set out on page 105.

Non-executive directors have letters of engagement 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. In accordance with the Code, all directors offer themselves for annual re-election by shareholders. Details of the appointments of non-executive directors (in office at the date of this DRR) which are terminable without compensation are set out in the table opposite, together with the dates on which their appointments have been formally revised.

Non-executive director	Original date of appointment	Letter of engagement[1]	Total length of service as at 30 Sep 2022
Carol Arrowsmith	1 Jun 2014	14 May 2014 8 Mar 2017[1] 19 Mar 2020[1]	8 years, 4 months
Stefan Bomhard	5 May 2016	5 May 2016 13 Mar 2019[1] 17 Mar 2022[1]	6 years, 4 months
John Bryant	1 Sep 2018	17 May 2018 12 May 2021[1]	4years, 1 month
Arlene Isaacs-Lowe[2]	1 Nov 2021	22 Oct 2021	0 years, 11 months
Ian Meakins	1 Sep 2020	17 Aug 2020	2 years, 1 month
Anne-Francoise Nesmes	1 Jul 2018	17 May 2018 12 May 2021[1]	4 years, 3 months
Sundar Raman[3]	1 Jan 2022	22 Oct 2021	0 years, 9 months
Nelson Silva	16 Jul 2015	16 Jul 2015 8 Mar 2018[1] 19 Mar 2021[1]	7 years, 2 months
Ireena Vittal	16 Jul 2015	16 Jul 2015 8 Mar 2018[1] 19 Mar 2021[1]	7 years, 2 months

1. Date on which appointment was formally revised.
2. Appointed to the Board on 1 November 2021.
3. Appointed to the Board on 1 January 2022.

ANNUAL REMUNERATION REPORT

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

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 2022.

	Dominic Blakemore		Palmer Brown[5,6]		Gary Green[6]		Karen Witts[5]	
	2022 £000	2021 £000	**2022 £000**	2021 £000	**2022 £000**	2021 £000	**2022 £000**	2021 £000
Fixed pay								
Base salary	**1,034**	1,000	**752**	–	**1,200**	1,084	**56**	674
Taxable benefits[1]	**59**	50	**250**	–	**67**	93	**12**	28
Pension	**116**	162	**51**	–	**249**	327	**8**	110
Total fixed pay	**1,209**	1,212	**1,053**	–	**1,516**	1,504	**76**	812
Performance related pay								
Bonus[2]	**2,090**	1,999	**1,138**	–	**1,822**	1,620	**84**	1,010
LTIP[3]	**–**	–	**–**	–	**–**	–	**–**	–
Restricted shares[4]	**–**	–	**–**	–	**–**	–	**–**	163
Total long term incentives	**–**	–	**–**	–	**–**	–	**–**	163
Total variable pay	**2,090**	1,999	**1,138**	–	**1,822**	1,620	**84**	1,173
Single total figure of remuneration	**3,299**	3,211	**2,191**	–	**3,338**	3,124	**160**	1,985

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 during 2021-2022 received benefits relating to his ongoing assignment costs which are included in this figure.
2. In line with the 2022 Remuneration Policy, the 2021-2022 bonus for executive directors was paid in cash. Details of the performance achieved is shown on pages 101 to 102.
3. The LTIP award due to vest on 21 November 2022 lapsed in full as the performance conditions were not met. Details of the performance measures and performance achieved are shown on page 104.
4. Karen Witts was granted a restricted share award in recognition of awards forfeited at her previous employer. The 2021 figure has been updated to show the actual value of the vested award based on the share price of £15.28 at vesting in December 2021. None of the value is attributable to share price appreciation.
5. The base salary, taxable benefits and pension figures for Palmer Brown and Karen Witts for 2021-2022 are prorated for their time in office during the year.
6. Palmer Brown and Gary Green's base salary and other emoluments for the same period are shown in sterling at an exchange rate of $1.2785/£1 (2021: $1.3653/ £1).

Base salary

The annual rate of base salary for each executive director for the year ended 30 September 2022 is set out below:

Director	Base salary	Effective date	Increase	Reason
Dominic Blakemore	£1,045,000	1 January 2022	4.5%	The Committee reviewed base salaries in the context of the Group's strong performance in the year, its relative market positioning when measured against companies of appropriate size, scale and complexity and also took into account the average salary increase in the wider population. The base salary increase percentage for each executive director was lower than the average percentage increase for the wider UK population.
Palmer Brown	$970,000	1 January 2022	–	
Gary Green	$1,552,870	1 January 2022	4.5%	

Pensions

At 30 September 2022, 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.

Under the 2022 Policy, the allowance receivable by the executive directors is being reduced on a phased basis such that, by 31 December 2022, it will be aligned with the maximum contribution available to the majority of employees in the UK wider workforce, currently 6%. Palmer Brown is eligible to receive a pension cash allowance of 6% of base salary in line with the 2022 Policy. During the year, the pension cash allowance for Dominic Blakemore and Gary Green reduced as set out below:

Director	Pension cash allowance effective 1 Oct 2021	Pension cash allowance effective 1 Jan 2022	Average pension cash allowance received during the year
Dominic Blakemore	15%	10%	11.25%
Gary Green	28%	18%	20.50%

Annual bonus plans

2021-2022 bonus

The bonus targets and outcomes for the year ended 30 September 2022 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, the measurement of the achievement 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.

2021-2022 bonus structure, performance measures, targets and outcomes

Structure

The bonus plan for 2021-2022 was designed to align the plan to the Group's recovery strategy and to establish targets that were achievable, fair and within management's control.

The bonus structure for 2021-2022 is set out below:

Measure[1]	Description of measure	Weighting
Operating margin	operating margin (%): this demonstrates the efficiency of the Group's operations in delivering great food and support services. The operating margin can be managed to reflect the revenue level, and is therefore a more appropriate measure in a period where volumes and revenues are difficult to predict	50%
Cash conversion	cash conversion (%): this demonstrates the Group's ability to convert profit into cash – by setting a target percentage of profit to be converted to cash. Regardless of absolute profit, it aims to ensure a certain conversion rate is achieved and incorporates key levers under management control	20%
Absolute revenue	absolute revenue: this embodies the Group's success in growing and retaining its customer base, as well as the Group's ability to drive volumes in its existing business and maintain appropriate pricing levels that take into account input cost inflation	20%
HSE[2]	HSE measures equate to 10% of the plan, emphasising the Group's commitment to its health and safety culture	10%
Total		**100%**

1. All measures are assessed at a Group level with the exception of the bonus for Gary Green where all measures (save for 5% of Group operating margin) are measured by reference to regional North America performance.
2. The HSE measures are Lost Time Incident Frequency Rate (LTIFR) and Food Safety Incident Rate (FSIR), weighted equally.

ANNUAL REMUNERATION REPORT CONTINUED

Performance measures and targets

When determining the performance measures and targets for the 2021-2022 bonus plan, the Committee concluded in the context of the Group's continued recovery that a return to the pre-COVID practice of setting full-year targets, was appropriate. The outcomes against the targets are set out below:

Dominic Blakemore, Palmer Brown and Karen Witts

Measures[1]	Weighting	Minimum	Par (target)	Maximum	Achieved
Group operating margin[2]	50%	5.54%	5.84%	6.14%	6.15%
Group absolute revenue[3]	20%	£19,989m	£20,822m	£21,655m	£24,832m
Group cash conversion[4]	20%	72.59%	77.59%	82.59%	83.96%

Group HSE improvement	Weighting	Limit	Achieved
Lost Time Incident Frequency Rate	5%	2.79	2.27
Food Safety Incident Rate	5%	0.24	0.14

Gary Green

Measures[1]	Weighting	Minimum	Par (target)	Maximum	Achieved
Group operating margin[2]	5%	5.54%	5.84%	6.14%	6.15%
Regional operating margin[5]	45%	6.40%	6.70%	7.00%	7.25%
Regional absolute revenue[6]	20%	£12,429m	£12,825m	£13,222m	£16,002m
Regional cash conversion[7]	20%	76.77%	81.77%	86.77%	92.49%

North America HSE improvement	Weighting	Limit	Achieved
Lost Time Incident Frequency Rate	5%	4.20	3.85
Food Safety Incident Rate	5%	0.11	0.03

Measures[1]	Dominic Blakemore % of performance target achieved	Palmer Brown % of performance target achieved	Gary Green % of performance target achieved	Karen Witts[8] % of performance target achieved
Group operating margin[2]	50/50	50/50	5/5	50/50
Group absolute revenue[3]	20/20	20/20	–	20/20
Group cash conversion[4]	20/20	20/20	–	20/20
Regional operating margin[5]	–	–	45/45	–
Regional absolute revenue[6]	–	–	20/20	–
Regional cash conversion[7]	–	–	20/20	–
HSE	10/10	10/10	10/10	10/10
Total	100/100	100/100	100/100	100/100

	Dominic Blakemore	Palmer Brown	Gary Green	Karen Witts[8]
Value of bonus	£2,090,000	$1,455,000	$2,329,305	£84,250

Notes to bonus table:
1. Financial targets for 2021-2022 bonus purposes are all set and measured at 2022 foreign exchange budget rates not actual rates.
2. Group operating margin is based on the absolute underlying revenue and underlying operating profit.
3. Group absolute revenue is the absolute underlying revenue for the Group.
4. Group cash conversion is the underlying cash flow expressed as a percentage of the underlying operating profit for the Group.
5. Regional operating margin is based on the absolute underlying revenue and underlying operating profit for the North America business.
6. Regional absolute revenue is the absolute underlying revenue for the North America business.
7. Regional cash conversion is the underlying cash flow expressed as a percentage of the underlying operating profit for the North America business.
8. Karen Witts was entitled to a bonus for the period 1 October 2021 to 31 October 2021.

Long term incentive awards

Scheme interests awarded during the year

2021-2022 LTIP award

During the year ended 30 September 2022, executive directors received a conditional award of shares which may vest after a three year performance period which will end on 30 September 2024, based on the achievement of stretching performance conditions. Performance conditions were ROCE, AFCF and Relative TSR, weighted 40%, 40% and 20% respectively. 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%	4,180	241,385
Palmer Brown	LTIP 2018	350%	2,512[3]	145,040
Gary Green	LTIP 2018	350%	4,021[3]	232,195

1. Value of award calculated by reference to base salary at date of grant.
2. The share price used to calculate the award was the average closing market price of the three trading days prior to the grant date of 8 February 2022, being £17.32.
3. Face value of award was converted to sterling at the time of award at an exchange rate of $1.3517/£1.

Executive directors are required to hold vested awards for a period of two years following vesting so as 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.

ROCE and AFCF targets

Level of performance	Vesting % of each component	ROCE	AFCF
Threshold	0%	17.05%	£2,570m
Par (target)	50%	17.55%	£2,705m
Maximum	100%	18.05%	£2,840m

TSR target

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

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.
Adjusted FCF The definition aims to measure the cash generation of the Group and is calculated as the three-year cumulative underlying FCF 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).

Scheme interests vesting during the year

2019-2020 LTIP award

Awards were made to Dominic Blakemore, Gary Green and Karen Witts in 2019-2020, which were subject to achievement of three-year performance targets for the year ended 30 September 2022. Performance conditions were ROCE, AFCF and Relative TSR, weighted 40%, 40% and 20% respectively. The targets and outcomes are set out below:

ROCE target

Level of performance	Threshold	Maximum	Achieved
Vesting % of component	0%	100%	0%
As at date of award	17.39%	18.34%	–
Reconciled at the end of the performance period[1]	17.74%	18.72%	14.6%

AFCF target

Level of performance	Threshold	Maximum	Achieved
Vesting % of each component	0%	100%	0%
AFCF	£2,776m	£3,068m	£2,046m

TSR target

Level of performance	Below median	Median	Upper quartile	Achieved[2]
Vesting % of each component	0%	25%	100%	0%

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. TSR ranking was 48th out of the 76 constituents in the comparator group.

The Committee applied the established framework to deal with items that were unforeseen at the time the targets were set in 2019-2020 and which were in the long term interests of shareholders. None of the performance measures were met at the end of the three-year performance period, such that the LTIP awards made in the 2019-2020 year lapsed in full. Details of awards held for each executive director are set out below:

Director	Number of shares awarded	Number of shares lapsed	Value of shares on vesting £000
Dominic Blakemore	152,700	152,700	0
Gary Green	146,385	146,385	0
Karen Witts	86,135	86,135	0

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 2022 the fee paid was £537,500 per annum inclusive of any Board committee memberships. The fee paid for the year ended 30 September 2021 was prorated to reflect Ian Meakins' time as Chair.

Details of amounts received by Ian Meakins in his role as Chair of the Board during the year ended 30 September 2022 are shown below:

Chair	Fees £000	Benefits £000	**Total 2022 £000**	Total 2021 £000
Ian Meakins	538	–	**538**	438

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 2022 was £90,000 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 SID.

Details of the amounts received by each of the non-executive directors in office for the year ended 30 September 2022 are set out below:

Non-executive director	Fees £000	Benefits[1] £000	**Total 2022 £000**	Total 2021 £000
Carol Arrowsmith	120	–	**120**	118
John Bason[2]	31	–	**31**	109
Stefan Bomhard	90	1	**91**	88
John Bryant[2]	120	2	**122**	108
Arlene Isaacs-Lowe[3]	83	3	**86**	–
Ian Meakins[4]	–	–	–	15
Anne-Francoise Nesmes[2]	120	–	**120**	108
Sundar Raman[3]	68	–	**68**	–
Nelson Silva	120	2	**122**	118
Ireena Vittal	90	–	**90**	88

1. Travel costs relating to attending Board meetings held in the UK are treated as a benefit.
2. During 2020-2021 John Bason stepped down as the SID and Chair of the Audit Committee and as a member of the Remuneration and Audit Committees at the conclusion of the 2021 AGM. He was succeeded by John Bryant as SID and Anne-Francoise Nesmes as Chair of the Audit Committee from that date, and their respective fees for the 2020-2021 year reflect these changes. John Bason retired from the Board at the conclusion of the 2022 AGM and his fees for 2021-2022 reflect his time in office.
3. Arlene Isaacs-Lowe and Sundar Raman were appointed to the Board during 2021-2022 on 1 November 2021 and 1 January 2022 respectively and their fees reflect their time in office.
4. Ian Meakins was appointed to the Board and the Nomination and Corporate Responsibility Committees on 1 September 2020. He succeeded Paul Walsh as Chair of the Board on 1 December 2020. Fees paid to Ian Meakins as a non-executive director during 2020-2021 reflect the period 1 October 2020 to 30 November 2020. Fees paid to Ian in respect of 2020-2021 and 2021-2022 as Chair of the Board are set out on page 104.

Implementation of the Remuneration Policy for the 2022-2023 financial year

A summary of how the Directors' Remuneration Policy will be applied during the 2022-2023 financial year is set out below.

Base salary

The Committee considered salary reviews of executive directors holistically, taking into account the macroeconomic environment, cost of living and inflationary challenges faced by the business and our employees. The Committee also reviewed base salaries 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 base salary increase percentage for each executive director would be lower than the average percentage increase for the wider UK population.

The base salaries for the executive directors with effect from 1 January 2023, as determined by the Committee, are set out in the table below.

Director	**With effect from 1 January 2023**	Effective from 1 January 2022	% change
Dominic Blakemore	**£1,095,000**	£1,045,000	4.78%
Palmer Brown	**$1,016,500**	$970,000	4.79%
Gary Green	**$1,626,870**	$1,552,870	4.77%

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Pension

In line with the Remuneration Policy, the pension cash allowance for each executive director is being reduced on a phased basis to align with the maximum rate available to the majority of the wider UK workforce (currently 6% of base salary). The details of this phased reduction for each executive director is shown in the table below.

Director	Effective 1 Jan 2022	Effective 31 Dec 2022
Dominic Blakemore	10%	6%
Gary Green	18%	6%

Palmer Brown is eligible to receive a pension cash allowance of 6% of base salary in line with the 2022 Policy.

Annual bonus plan

For the 2022-2023 financial year, the maximum bonus opportunities for each executive director will be in line with the Remuneration Policy, as shown in the table below:

Director	% salary
Dominic Blakemore	200%
Palmer Brown	150%
Gary Green	150%

The construct of the 2022-2023 plan broadly remains the same as the previous plan year, with two amendments. To reflect the recovery of revenue to the pre-pandemic level as the business transitions to a growth phase, the plan will revert to back to organic revenue growth, (previously absolute revenue for 2020-2021 and 2021-2022).

An additional ESG measure, based on food waste, will be added to the current HSE measures. One of the most impactful ways to prevent climate change is to reduce food waste. Food waste is a key contributor towards carbon emissions and reducing this also has a high correlation with operating margin improvement. We have established that by raising awareness through measurement we will drive a significant reduction in food waste. This approach will also help us meet our Science Based Targets initiative (SBTi) targets and complement our work, in partnership with our clients and suppliers, to halve food waste by 2030. The food waste measure will be weighted at 5% of bonus opportunity, with a corresponding reduction in the weighting of the operating margin measure. The total weighting for ESG measures, including FSIR and LTIFR, will be 15%, (previously 10%).

The measures and weightings will be as follows:

Measure[1]	Description of measure	Weighting
Operating margin	operating margin (%): this demonstrates the efficiency of the Group's operations in delivering great food and support services	45%
Cash conversion	cash conversion (%): this demonstrates the Group's ability to convert profit into cash – by setting a target percentage of profit to be converted to cash	20%
Organic revenue growth	organic revenue growth (%): 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[2]	Environmental, Social and Governance (ESG): emphasising the Group's commitment to its health and safety culture, and the impact of reducing food waste on climate change	15%
Total		**100%**

1. All measures are assessed at Group level with the exception of the bonus for Gary Green where all measures (save for 5% of Group operating margin) are measured by reference to regional North America performance.
2. The ESG measures are Lost Time Incident Frequency Rate (LTIFR), Food Safety Incident Rate (FSIR) and food waste, weighted equally.

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

Long-term incentive plan award

The Committee intends to grant LTIP awards to the executive directors during the financial year 2022-2023, with award levels in line with the 2022 Policy, as shown in the following table:

Director	% salary
Dominic Blakemore	400%
Palmer Brown	350%
Gary Green	350%

The extent to which these LTIP awards will vest will be dependent on performance assessed over the three financial years 2022-2025, using the following three performance measures, and with targets as shown in the table below.

Definition 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.
Adjusted FCF The definition aims to measure the cash generation of the Group and is calculated as the three-year cumulative underlying FCF 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).

Measure	Weighting (% of award)	Threshold	Par (target)	Maximum
Return On Capital Employed (ROCE)	40%	17.33%	17.83%	18.33%
Vesting (of this component)		0%	50%	100%
Adjusted Free Cash Flow (AFCF)	40%	£2,897m	£3,049m	£3,201m
Vesting (of this component)		0%	50%	100%
Relative Total Shareholder Return (TSR)	20%	Median	–	Upper quartile
Vesting (of this component)		25%	–	100%

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

In line with the Policy, executive directors are required to hold vested awards for a period of two years following vesting so as 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 financial year 2022-2023 are set out below. Following a review of the market, the fee for the Chair was increased from £537,500 to £562,500 (4.65%) with effect from 1 October 2022. The base fee for non-executive directors was increased from £90,000 to £94,000 (4.44%) also with effect from 1 October 2022. The additional fees for acting as Chair of a committee or as the Senior Independent Director remain unchanged.

	Fees 2023 £000	Fees 2022 £000
Chair	**563**	538
Base fee[1]	**94**	90
Chair of Audit, Remuneration or Corporate Responsibility Committee	**30**	30
Senior Independent Director	**30**	30

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

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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 long term incentive plans to the executive directors at any time during the year ended 30 September 2022, are shown in the table below:

LTIP[1]

Director	As at 30 Sep 2021: 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 2022: number of shares**	Market price at date of award:[5] £	Date of award	Maturity date
Dominic Blakemore	161,385	–	–	161,385[4]	–	16.73	21 Nov 2018	1 Oct 2021
	152,700	–	–	–	**152,700**	19.16	27 Nov 2019	1 Oct 2022
	195,907	–	–	–	**195,907**	13.78	1 Dec 2020	1 Oct 2023
	–	241,385	–	–	**241,385**	17.60	8 Feb 2022	1 Oct 2024
Total	509,992	241,385	–	161,385	**589,992**			
Palmer Brown[2]	–	145,040	–	–	**145,040**	17.60	8 Feb 2022	1 Oct 2024
Total	–	145,040	–	–	**145,040**			
Gary Green	162,810	–	–	162,810[4]	–	16.73	21 Nov 2018	1 Oct 2021
	146,385	–	–	–	**146,385**	19.16	27 Nov 2019	1 Oct 2022
	181,939	–	–	–	**181,939**	13.78	1 Dec 2020	1 Oct 2023
	–	232,195	–	–	**232,195**	17.60	8 Feb 2022	1 Oct 2024
Total	491,134	232,195	–	162,810	**560,519**			
Karen Witts[3]	120,880	–	–	120,880[4]	–	17.78	16 May 2019	1 Oct 2021
	86,135	–	–	–	**86,135**	19.16	27 Nov 2019	1 Oct 2022
	110,034	–	–	–	**110,034**	13.78	1 Dec 2020	1 Oct 2023
Total	317,049	–	–	120,880	**196,169**			

Deferred Annual Bonus Award

Director	As at 30 Sep 2021: 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 2022: number of shares**	Market price at date of award:[5] £	Date of award	Maturity date
Palmer Brown[2]	–	20,243	–	–	**20,243**	15.08	15 Dec 2021	15 Dec 2024
Total	–	20,243	–	–	**20,243**			
Karen Witts[3]	6,784	–	–	–	**6,784**	18.37	12 Dec 2019	12 Dec 2022
	–	22,138	–	–	**22,138**	15.08	15 Dec 2021	15 Dec 2024
Total	6,784	22,138	–	–	**28,922**			

Restricted Share Award (RSA)

Director	As at 30 Sep 2021: 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 2022: number of shares**	Market price at date of award:[5] £	Date of award	Maturity date
Karen Witts[3]	21,366	–	10,683	10,683	–	17.78	16 May 2019	1 Jul 2021
Total	21,366	–	10,683	10,683	–			

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, Palmer Brown had an interest in 137,026 LTIP awards that were granted to him prior to him becoming a director of the Company. On 23 November 2021 and 14 December 2021, 29,082 and 7,008 shares respectively were released. Concurrent with these releases, he sold 13,040 shares and 3,144 shares at £14.55 per share and £15.2842 per share respectively to cover tax and social security obligations, and retained the balance of the shares. A further 42,540 shares granted to Palmer prior to his appointment to the Board, are due to vest in November and December 2022. Subsequent to his appointment to the Board, Palmer was granted 165,283 shares of which 20,243 shares were granted as a deferred bonus award.
3. Of the 120,880 LTIP awards granted to Karen Witts on 16 May 2019, 28,110 were in respect of the agreed buyout arrangement for awards forfeited in her former employment. The award lapsed in full. The awards granted to Karen Witts under the Karen Witts Restricted Share Award Plan on 16 May 2019 were granted in recognition of awards forfeited at her previous employer. The final tranche (21,366 shares) vested as follows in respect of the financial underpins: 50% (10,683 shares) vested in respect of the net debt to EBITDA ratio and the remaining 50% lapsed. Vested shares under this award are not subject to a further holding period.
4. The performance period of the award granted on 21 November 2018 came to an end on 30 September 2021. None of the threshold performance conditions were met and the award lapsed in full.
5. The market price at the date of each award is shown to two decimal places.

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 as described in the Policy on page 96. The required level of 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. Compliance is assessed on a pro-rata basis during the five-year period.

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 the year ended 30 September 2022 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 2022[1]	Shares held as at 30 Sep 2021	**LTIP/RSA holdings as at 30 Sep 2022[1]**	LTIP/RSA holdings as at 30 Sep 2021	Shareholding required[2]	Compliance with share ownership guidelines[3]
Executive directors	Dominic Blakemore	**276,789**	276,789	**589,992**	509,992	400%	✓
	Palmer Brown[4]	**19,906**	–	**266,219**	137,026	350%	✓
	Gary Green	**275,560**	275,560	**560,519**	491,134	350%	✓
	Karen Witts	**27,762**	27,762	**225,091**	345,199	250%	✓
Non-executive directors	Carol Arrowsmith	**13,083**	12,916	–	–	100%	✓
	John Bason	**21,658**	21,658	–	–	100%	✓
	Stefan Bomhard	**10,743**	10,743	–	–	100%	✓
	John Bryant	**15,781**	15,781	–	–	100%	✓
	Arlene Isaacs-Lowe	**2,500**	–	–	–	100%	✓
	Ian Meakins	**58,362**	58,362	–	–	100%	✓
	Anne-Francoise Nesmes	**11,907**	11,907	–	–	100%	✓
	Sundar Raman	**5,030**	–	–	–	100%	✓
	Nelson Silva	**10,323**	10,323	–	–	100%	✓
	Ireena Vittal	**5,461**	5,350	–	–	100%	✓

1. Shares held at 30 September 2022 or the date of leaving. Arlene Isaacs-Lowe and Sundar Raman were appointed to the Board on 1 November 2021 and 1 January 2022 respectively. John Bason retired from the Board at the conclusion of the 2022 AGM. Karen Witts stepped down as Group CFO on 31 October 2021.
2. As a percentage of base salary or fee.
3. Under the current share ownership guidelines executive directors are required to achieve the percentage shareholding shown in the table above within a five-year period commencing on the date of appointment or date of increase in shareholding requirement, whichever is the later. For the current executive directors the guideline changed on 3 February 2022 and, as such, they have five years from that date to comply. Compliance is assessed annually on a pro-rata basis. Non-executive directors are required to achieve the percentage shareholding shown in the table above within a four-year period.
4. Palmer Brown's LTIP holding includes 20,243 Deferred Bonus Award shares and 100,936 LTIP shares granted prior to his appointment as a director, of which 42,540 shares are due to vest in November and December 2022. Palmer will retain the net number of vested shares following the sale of sufficient shares to cover the income tax and social security obligations due on vesting.

There were no changes in directors' interests between 30 September 2022 and 21 November 2022.

Director and role changes during the year

John Bason retired from the Board on 3 February 2022 at the conclusion of the 2022 AGM. Other than the fees and expenses payable to John for the period up to 3 February 2022, no payment was made to him in connection with him ceasing to be a director of the Company.

Karen Witts stepped down from the Board on 31 October 2022. Palmer Brown was appointed as Group CFO designate on 4 October 2021 and became Group CFO on 1 November 2021.

Arlene Isaacs-Lowe and Sundar Raman were appointed to the Board on 1 November 2021 and 1 January 2022 respectively.

Payments to past directors

Karen Witts

Karen Witts stepped down from the Board of Compass Group PLC on 31 October 2021. A statement to this effect was prepared pursuant to Section 430(2B) of the CA 2006 and can be found on the Company's website, www.compass-group.com.

In line with the current Policy, Karen received her base salary, pension cash allowance and benefits to 31 October 2021, details of which are included in the single figure table on page 100. She remained an employee of the Company on her existing terms of employment until 8 June 2022. As an employee, Karen continued to be paid a salary and receive her existing benefits through to that date. On 9 June 2022, Karen was appointed a director of Dunelm plc and ceased to be employed by Compass. In accordance with her contractual terms, as the new full-time employment did not fully mitigate her position, she continued to be eligible for payments in lieu of her unserved notice period from (9 June 2022 to 30 September 2022), subject to an offset for the salary and pension allowance she received from her new employer in that period.

Karen was entitled to a prorated bonus for that part of the 2021-2022 financial year for which she served as Group CFO details of which can be found in the single figure table.

Karen's share awards under the Company's Long Term Incentive Plan (LTIP) are preserved in accordance with the 'good leaver' provisions of the plan, subject to achievement of the relevant performance conditions and a time prorating adjustment, and in accordance with the Policy are subject to a two-year post-vest holding period. Her deferred bonus awards are also preserved in accordance with the 'good leaver' provisions and will vest in full. Information relating to the vesting of shares under the LTIP can be found on page 104.

The Company made a contribution towards Karen's legal fees of £13,000 plus VAT.

Payments for loss of office

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

External non-executive director appointments

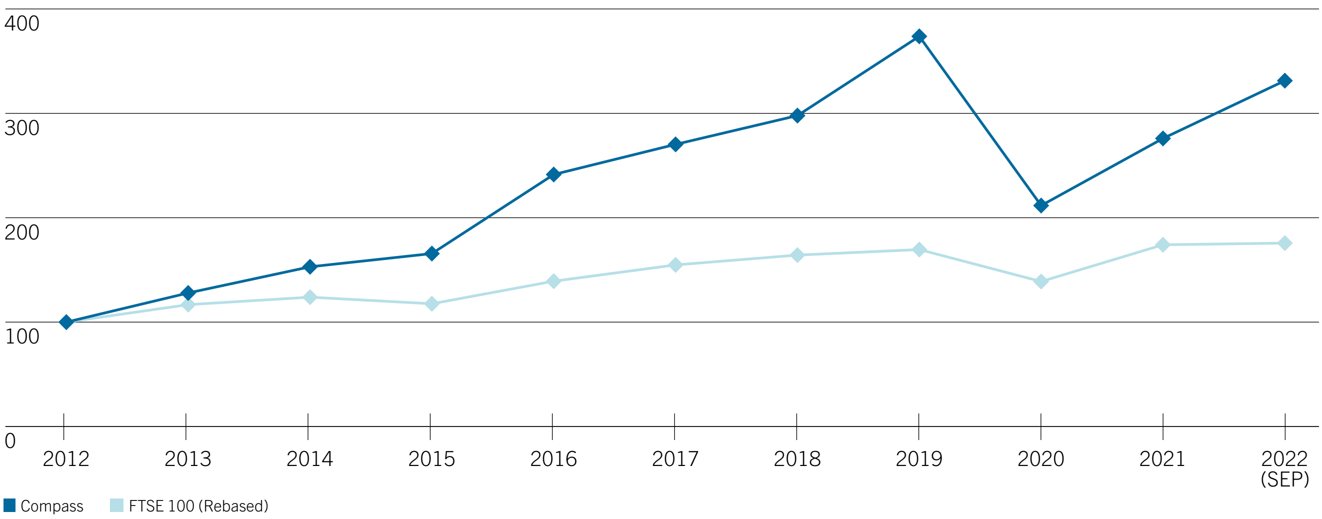
Executive directors may take up one non-executive directorship outside the Company, subject to the Board's approval and provided that such an appointment is not likely to lead to a conflict of interest. It is recognised that non-executive duties can broaden experience and knowledge which can benefit the Company. Dominic Blakemore received fees of £110,000 in respect of his directorship at London Stock Exchange Group plc for the period under review. At the date of this DRR, Palmer Brown and Gary Green do not hold any paid external appointments.

Remuneration in detail for the year ended 30 September 2022

Total shareholder return (TSR)

The performance graph below shows the Company's TSR performance against the performance of the FTSE 100 over the 10 year period to 30 September 2022. 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.

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



Pay for performance

The Committee believes that the Policy and the supporting reward structure provide a clear alignment with the strategic objectives and performance of the Group. To maintain this relationship, the Committee regularly reviews the business priorities and the environment in which the Group operates. The table below shows the Group CEO's total remuneration over the last 10 years and the achieved annual variable and long-term incentive pay awards as a percentage of the plan maximum.

	2013	2014	2015	2016	2017	2018[1]	2019	2020	2021	**2022**
Single total figure of remuneration £000	5,532	6,298	5,325	5,822	5,617	4,568	4,659	1,162	3,211	**3,299**
Annual variable element: award payout against maximum opportunity %	84.5	87.3	88.7	85.8	68.9	95.9	78.3	0	99.9	**100**
LTIP vesting rates against maximum opportunity %	98.0	100	79.0	84.5	74.5	95.0	100	0	0	**0**

1. Dominic Blakemore was Deputy Group CEO from 1 October 2017 to 31 December 2017 and Group CEO from 1 January 2018.

Remuneration in the wider context

Our approach to workforce engagement is set out on page 69, including the approach taken to gathering the views of the workforce. Ireena Vittal, a member of the Committee, is the current Designated Non-executive director for workforce engagement and is responsible for ensuring the views of the workforce are communicated to the Board, and explaining how executive remuneration aligns with wider Company pay policies.

When considering executive remuneration and setting the Directors' Remuneration Policy, the Committee takes into consideration the wider workforce. An employee landscape dashboard was considered by the Committee at the May 2022 meeting. Each section of the dashboard is shown below:

Employee landscape dashboard:

Inflationary pressures	CEO pay ratio	Short-term incentives	Embedded equity
Minimum and living wage data	Gender pay gap reporting	Long-term incentives	Diversity

Group CEO pay ratio

The ratio between the Group CEO's remuneration and the median, lower quartile and upper quartile of UK employees is disclosed below. The ratio shows the comparisons between the 25th, median and 75th percentile employees in the UK, with reference to remuneration paid in the past three financial years to 30 September, and the Group CEO's total remuneration as set out in the single figure table on page 100.

Year and component	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2021-2022 total remuneration	**Option A**	**159:1**	**129:1**	**115:1**
2020-2021 total remuneration	Option A	172:1	138:1	125:1
2019-2020 total remuneration	Option A	63:1	54:1	42:1

Compass has chosen to use prescribed Option A to calculate the ratio as it is considered to be the most accurate approach. This method includes total full-time equivalent remuneration for UK employees received by an individual in respect of the financial year ended 30 September 2022 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 for 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.

The Group CEO's remuneration is weighted more heavily towards variable pay than that of the wider workforce and, as a result, the ratio will fluctuate each year depending on the performance of the Company. This is particularly relevant for the 2019-2020 year where remuneration paid to the Group CEO was significantly lower due to the impact of a voluntary reduction in salary, the waiver of annual bonus otherwise earned, and the broader effect of COVID-19 on the performance-related incentive elements of pay. During the two financial years that followed, total remuneration did not include the vesting of long-term incentive awards due to the continued impact of COVID-19.

The salary and total remuneration is set out in the table below:

Financial year	Component	Group CEO £000	25th percentile £000	Median £000	75th percentile £000
2021-2022	**Salary**	**£1,034**	**£18**	**£22**	**£26**
	Total remuneration	**£3,299**	**£21**	**£26**	**£29**
2020-2021	Salary	£1,000	£16	£19	£24
	Total remuneration	£3,211	£19	£23	£26
2019-2020	Salary	£894	£17	£21	£26
	Total remuneration	£1,162	£18	£21	£28

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Annual percentage change in remuneration of directors and employees

As required by the 2019 regulations, the table below shows a comparison of the annual change in each individual director's pay to the annual change in average employee pay for the year ended 30 September 2022.

Average employee pay is based on a full time equivalent (FTE) calculation, using a mean average. The year-on-year variance in base salary or fees paid to the directors between 2019-2020 and 2020-2021 is due to the six month period of salary reductions in 2020 made in response to COVID-19. The benefits figure for 2019-2020 for most directors included an amount in respect of the taxable benefit which was deemed to have occurred as a result of their personal investment in the Company's shares under the May 2020 equity raise. The non-executive director benefits relating to travel costs were mitigated in 2020-2021 as meetings were held virtually due to the COVID-19 pandemic.

	Change in pay between 30 September 2021 and 30 September 2022			Change in pay between 30 September 2020 and 30 September 2021			Change in pay between 30 September 2019 and 30 September 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]
Executive directors									
Dominic Blakemore	**3.4%**	**4.6%**	**18.1%**	11.9%	N/A[6]	(27.4)%	(6.5)%	(100)%	105.0%
Palmer Brown[7]	**N/A[6]**	**N/A[6]**	**N/A[6]**	N/A[6]	N/A[6]	N/A[6]	N/A[6]	N/A[6]	N/A[6]
Gary Green	**3.6%**	**5.3%**	**(32.4)%**	10.5%	N/A[6]	(15.5)%	(6.3)%	(100)%	49.7%
Karen Witts[8]	**0%**	**0.1%**	**6.3%**	9.0%	N/A[6]	(11.5)%	(6.3)%	(100)%	116.9%
Non-executive directors									
Carol Arrowsmith	**1.7%**	**–**	**N/A[6]**	10.3%	–	(100)%	(7.8)%	–	79.1%
John Bason[4]	**(17.2)%**	**–**	**N/A[6]**	(18.9)%	–	(100)%	(3.3)%	–	N/A[6]
Stefan Bomhard	**2.3%**	**–**	**N/A[6]**	10.3%	–	(100)%	(7.3)%	–	1,012.9%
John Bryant[4]	**11.5%**	**–**	**N/A[6]**	35.0%	–	(100)%	(7.3)%	–	162.6%
Arlene Isaacs-Lowe	**N/A[6]**	**–**	**N/A[6]**	N/A[6]	–	N/A[6]	N/A[6]	–	N/A[6]
Ian Meakins[4]	**18.9%**	**–**	**N/A[6]**	467.0%	–	(100)%	–	–	–
Anne-Francoise Nesmes[4]	**11.5%**	**–**	**N/A[6]**	35.0%	–	(100)%	(7.3)%	–	N/A[6]
Sundar Raman	**N/A[6]**	**–**	**N/A[6]**	N/A[6]	–	N/A[6]	N/A[6]	–	N/A[6]
Nelson Silva	**1.7%**	**–**	**N/A[6]**	10.3%	–	(100)%	(7.8)%	–	23.8%
Ireena Vittal	**2.3%**	**–**	**N/A[6]**	10.3%	–	(100)%	(7.3)%	–	27.7%
Average pay of UK employees[5]	**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. Base salary/ fees paid to the directors for the year ended 30 September 2020 were reduced to reflect the wider stakeholder experience as a result of COVID-19.
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. The 2022 increase for UK employees is due to the comparison between bonuses paid in respect of the 2021 financial year, compared to bonuses paid in respect of the 2020 financial year, the latter being minimal due to the impact of COVID-19.
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 increase in benefits from 2019 to 2020 paid to the directors is attributable to an increase in the value of these expenses, and/or to the inclusion of the benefit of the discount on the subscription price in respect of the May 2020 equity placing, in which the majority of directors in office at the time participated, alongside, and on the same terms as, other shareholders.
4. The annual percentage increase/decrease in fees reflects a change in role during the year as more fully detailed on page 105. The percentage change is calculated on a full time equivalent basis.
5. Average employee pay is calculated by reference to the mean average pay of employees within the UK.
6. N/A refers to a nil value in the previous year, meaning that a year on year change cannot be calculated.
7. Appointed to the Board on 4 October 2021.
8. Appointed to the Board on 8 April 2019 and stepped down from the Board on 31 October 2021. The % change is calculated on a full time equivalent basis.

Relative importance of spend on pay

The following table sets out the amounts paid in share buybacks, dividends and total employee costs for the years ended 30 September 2021 and 2022.

Dispersals	**2022 £m**	2021 £m	Change %[1]
Share buybacks[2]	**438**	–	N/A
Dividends paid[3]	**418**	–	N/A
Total employee costs[4]	**12,163**	9,328	30.4%

1. The year on year percentage change in dispersals represents the Company's continued recovery from the impact of COVID-19.
2. At the AGM on 3 February 2022, shareholders approved Resolution 23 to give the directors authority to make limited on-market purchases of up to 10% of the Company's ordinary shares. 24,151,566 shares were repurchased during the financial year ended 30 September 2022 at a cost of £438 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 total dividend paid during the financial year ended 30 September 2022 was £418 million. The share capital in issue on 30 September 2022 and on the same date in 2021 was 1,785 million ordinary shares of $11\frac{1}{20}$ pence each.
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 2022, was 513,707 (2021: 478,070).

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 takes into account 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 3 to the consolidated financial statements on page 148.

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 under their service contracts. None of the foregoing attend when their own remuneration is discussed. Details of the members of the Committee who served during the year ended 30 September 2022 are set out on pages 55 to 57.

The Committee appointed Deloitte LLP (Deloitte) as its independent remuneration adviser in September 2021. Deloitte's fees during the 2021-2022 year were £40,750 (2021: £79,250). Fees are charged on a time and materials basis and covered advice on executive remuneration, attendance at Committee meetings, general advice and updates on remuneration developments. Deloitte provided advice to the Group in relation to tax and accounting, technology and other consulting services in the year under review. Deloitte 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 (2021: £24,000). Alithos also provided other share price and TSR data to the Committee during the year for which it received fees of £500 (2021: £500). Alithos provided additional TSR analysis to the Company during the year for which it received a fee of £2,000 (2021: £5,500).

The Committee is satisfied that the advice it received during the year was objective and independent, based on the experience of its members generally, including Carol Arrowsmith, Chair of the Committee, who until 2014 was a remuneration consultant with Deloitte.

Committee evaluation

The priorities set by the Committee as a result of last year's evaluation process were:

- continuing to monitor the fast changing macro environment
- maintaining positive engagement with shareholders
- continuing to ensure an emphasis on pay for performance
- considering ESG measures for future incentives

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.

During the year, an external evaluation of the effectiveness of the Committee was conducted as part of the wider external evaluation of the Board and its committees. Details can be found on pages 84 to 85. The evaluation concluded that the Committee continued to operate effectively and identified a number of priorities for 2022-2023:

- determining appropriate performance measures and targets, including ESG metrics
- considering the economic/geopolitical environment when assessing performance

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

Shareholder vote at the 2022 annual general meeting

The table below sets out the voting outcome at the AGM held on 3 February 2022:

	Number of votes 'For' & 'Discretionary'	% of votes cast	Number of votes 'Against'	% of votes cast	Total number of votes cast	Number of votes 'Withheld'[1]
Remuneration Policy[2]	973,341,831	67.50	468,571,337	32.50	1,441,913,168	34,029,557
Annual Remuneration Report[3]	1,288,670,998	87.98	176,100,487	12.02	1,464,771,485	11,171,239

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

The Committee welcomed the endorsement of the DRR and Policy by the majority of shareholders and took steps, where practicable, to understand the concerns of shareholders who withheld their support for the Policy. At the 2023 AGM, shareholders will be invited to vote on the 2022 Annual Remuneration Report (advisory vote).

On behalf of the Board

Carol Arrowsmith

CAROL ARROWSMITH
Chair of the Remuneration Committee

21 November 2022

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 2022.

This Directors' Report forms part of the management report as required under the FCA's Disclosure Guidance and Transparency Rules (DTR) 4. The Company has chosen, in accordance with Section 414C(11) of the CA 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 2 to 51 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 Report on pages 52 to 113, the Other Statutory Disclosures on pages 114 to 117 and the Directors' Responsibilities Statement on page 118 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	16
Future developments in the business	7
Statement of directors' responsibilities including disclosure of information to the auditor	118
Disclosure of greenhouse gas (GHG) emissions	40
TCFD disclosure	43
Shareholder information	220
Viability statement	29
Going concern statement	19

Results and dividends

In the year ended 30 September 2022, the Group delivered an underlying profit before tax of £1,490 million (2021: £698 million), an increase of 113.5%; and a statutory profit before tax of £1,469 million (2021: £464 million), an increase of 216.6%.

Last year, the Board announced the reinstatement of the dividend with a policy to pay out around 50% of underlying earnings through an interim and final dividend. It is proposed that a final dividend of 22.1 pence per share be paid in respect of the financial year ended 30 September 2022 on 2 March 2023 to shareholders on the register on 20 January 2023. The final dividend of 22.1 pence per share will be paid gross and a Dividend Reinvestment Plan (DRIP) will be available. The last date for receipt of elections for the DRIP will be 9 February 2023.

Year	Dividend	Pence per share
2022	Final	22.1
2022	Interim	9.4
2021	Final	14.0
2021	Interim	Nil

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 115 of this Report. The value of the dividends payable during the year ended 30 September 2022 that were waived by the ASST was £75,024 (2021: £nil).

At the date of this Report, there were 28,650,048 11$\frac{1}{20}$ pence ordinary shares held in treasury for the purpose of satisfying the Company's obligations under the Company's employee equity incentive schemes. Shares held in treasury are not entitled to receive dividends. If dividends were paid on treasury shares the value of such dividends paid in the year under review would have equalled £447,405.

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 28,650,048 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 voting rights attaching to the issued ordinary share capital (excluding treasury shares) at the date of this Report is 1,756,753,929. In addition, the Company sponsors a Level I American Depositary Receipt programme with BNY Mellon, 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 2022, 268,518 options were exercised and 437,444 awards released pursuant to the Company's share option schemes, long-term incentive plans and other discretionary share schemes. All options exercised and awards released were satisfied, as appropriate, by the reissue of 320,851 treasury shares and the release of 280,371 shares from the ASST. No treasury shares have been reissued and no shares have been released by the ASST since the end of the financial year to the date of this Report to satisfy awards under these schemes.

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.

Purchase of own shares

As permitted by the Articles, the Company obtained shareholder authority at the 2022 AGM to purchase its own shares up to a maximum of 178,386,000 ordinary shares.

On 26 May 2022, the Company announced, consistent with its capital allocation framework, the commencement of a share buyback programme of up to £500 million to end no later than 28 September 2022 to reduce the Company's share capital and return cash to shareholders. Subsequently, on 16 September 2022, the Company announced an extension of the duration of the programme to 16 November 2022, to ensure sufficient time to complete the programme ahead of the Company's full-year results announcement on 21 November 2022. During the financial year ended 30 September 2022, the Company purchased and subsequently transferred 24,151,566 ordinary shares of 11$\frac{1}{20}$ pence into treasury. The cost of the shares purchased was £438 million excluding transaction costs. A further 3,447,549 shares have been repurchased from 1 October 2022 to the date of this Report at a cost of £62 million excluding transaction costs. As at the date of this Report there are 28,650,048 ordinary shares held in treasury (representing 1.6% 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 buyback programme are set out on page 183.

At the 2023 AGM, a special resolution will be proposed to renew the directors' limited authority (last granted at the 2022 AGM) to purchase the Company's ordinary shares in the market.

Issue of shares

At the 2023 AGM, the directors will ask shareholders to renew the authority last granted to them at the 2022 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 2024 AGM, whichever is the sooner.

Changes in the Company's share capital during 2022, 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 24 and 25 to the consolidated financial statements.

Substantial shareholdings

As at 30 September 2022, 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	5.01
Invesco Limited	4.95
Massachusetts Financial Services Company	4.60

The information provided 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 and, in 2019, was adapted to allow it to source shares for all of the Company's share schemes and was renamed the Compass Group PLC All Share Schemes Trust.

Details of employee equity incentive schemes are set out in the Directors' Remuneration Report on pages 86 to 113. As at 30 September 2022, the trustees of the ESOP and ASST held nil (2021: nil) and 221,909 (2021: 185,228) 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 2022 are disclosed in the Directors' Remuneration Report on pages 86 to 113.

Details of employee equity incentive schemes and grants made during the year ended 30 September 2022, and extant awards held by employees are disclosed in the consolidated financial statements on pages 185 and 186.

Employee engagement

Compass places particular importance on engaging with employees, recognising that its people are vital 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. Senior leaders across the Group meet with their teams through roundtables, townhalls and site visits. Mobile apps are used to communicate directly with front-line staff, and webcasts, blogs, newsletters, in-house publications and other communication channels are also deployed to share relevant information and invite comments and questions. These channels provide mechanisms to keep employees regularly informed on matters of concern to them as employees, and to promote a common awareness of the financial, economic and environmental factors affecting the performance of the Company. In the European Economic Area (EEA), Group businesses are represented on Compass Group's European Works Council (EWC). Employees from across the Group's EEA business have been elected to employee representative roles on the EWC which provides a forum for exchanging information and engaging in consultation on the Group's performance and plans, and relevant transnational issues affecting those countries in the EEA. In the Group's North America business, employees participate in Compass Community Councils and zone meetings which provide forums for employees across multiple sectors in the same geographic location to exchange best practices. 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.

Certain employees globally are eligible to participate in the Company's share schemes, details of which are published on pages 185 and 186, and UK-based employees are eligible to participate in the Company's Share Incentive Plan.

The directors maintain oversight of employee matters through the Board and committee meeting processes and information flows, including regular updates on employee matters and feedback received through employee engagement surveys. The Designated

OTHER STATUTORY DISCLOSURES CONTINUED

Non-executive director for workforce engagement maintains close links with colleagues tasked with employee engagement across the Group, holds roundtable meetings and is available for direct engagement with employee groups, and feeds back relevant information and issues to the Board. How the directors have engaged with employees and have considered their interests when taking key decisions is further detailed on pages 69 and 73.

The Group continues to operate on a decentralised basis. This provides a foundation for an entrepreneurial approach balanced by a rigorous control framework exercised 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 employee involvement in decision-making.

Employee benefits and policies

Eligible employees in the UK are invited to join the Company's defined contribution pension arrangement, Compass Retirement Income Savings Plan (CRISP). CRISP has a corporate trustee, CRISP Trustees Limited. The Chair, Nigel Palmer, and the other five trustee directors are current or former employees of Compass Group Holdings PLC or Compass Group, UK and Ireland Limited. Two of the employee directors were nominated as directors of the corporate trustee by CRISP members and there is one vacancy. Applications are currently being sought in respect of this vacancy.

Those UK employees who transferred from the public sector under TUPE were, typically up until 31 March 2015, eligible to join the Compass Group Pension Plan (the Plan), a defined benefit pension arrangement which has otherwise been closed to new entrants since 2003. However, in accordance with the Government's revised guidance for 'Fair Deal for staff pensions', the approach has been to continue participation in the relevant public sector pension scheme and so the Plan is closed to future entrants. The Plan also has a corporate trustee, Compass Group Pension Trustee Company Limited. The board of the corporate trustee comprises Philip Whittome, independent Chair, one other independent trustee director, and five directors that are UK-based employees or former employees of Compass Group Holdings PLC or Compass Group, UK and Ireland Limited. Three of the employee directors were nominated as directors of the corporate trustee by Plan members.

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 CRISP, are automatically enrolled into the National Employment Savings Trust (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.

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.

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 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.

Employee diversity and human rights

Our Code of Ethics was developed in consultation with the EWC and the Institute of Business Ethics and sets out clear standards of behaviour that we expect all of our people to demonstrate and adhere to. The Code of Ethics, part of our Code of Business Conduct, underpins our social, ethical and environmental commitments and sends a clear message to our stakeholders of our commitment to responsible business practice. The 10 principles of the United Nations (UN) Global Compact, to which we are a signatory, underpin our own Code of Ethics. This UN initiative encourages companies to make human rights, labour standards, environmental responsibility and anti-corruption part of their business agenda.

Our people are instrumental to the success of the Group. The individuality and diversity that every employee brings to the Group 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 2022, there were 513,707 (2021: 478,070) people employed by the Group (average number of employees including directors and part-time employees) of whom 290,778 were female (2021: 272,500) and 222,929 were male (2021: 205,570). 514 were senior managers, of which 165 were female and 349 were male (2021: 173 female and 341 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 2022, there were 12 directors, eight of whom were male and four 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 is monitored through a number of key performance indicators.

Consideration is given to the concerns of the wider communities in which the Group's businesses operate, including national and local interests, and utilising 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 of 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 73.

Non-financial reporting directive

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, position and 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 information statement on page 51 identifies where information relating to non-financial matters can be found.

Post balance sheet events

Except for the matters set out below, there are no material post balance sheet events for the financial year ended 30 September 2022.

On 3 October, the Group sold its businesses in Central and Eastern Europe, namely Hungary, Romania, Slovakia and Czech Republic, for consideration of approximately £62 million. The aggregate net assets of the businesses sold were not material to the consolidated financial statements at 30 September 2022.

On 21 November 2022, a final dividend in respect of 2022 of 22.1 pence per share, £389 million in aggregate, was proposed.

In the period from 1 October to 21 November 2022, 3,447,549 shares were repurchased for a total price, excluding transaction costs, of £62 million under the share buyback programme announced in May 2022.

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 2022 are set out within the Purpose section of the Strategic Report on page 40 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 36 to 50. This Annual Report is certified carbon neutral by sponsoring a cause to offset the emissions arising from the production, printing and delivery of this Report. This year, the Company has sponsored community-based projects in Kenya and Malawi, through a combination of forest protection and the distribution of clean cookstoves to deliver significant emissions reductions, protect an important area of biodiversity value, and address the health risks of indoor pollution.

Task Force on Climate-related Financial Disclosures (TCFD)

In accordance with the requirements 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 43 to 50 and form part of the Directors' Report disclosures and are incorporated by reference.

Donations and political expenditure

Charitable objectives support the Company's CR 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
2022	7.0
2021	11.0

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 CBC, 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 page 76 of this Annual Report and on the Company's website, www.compass-group.com.

The directors propose to renew the authority granted at the 2022 AGM for the Group to make political donations and incur political expenditure (as such terms are defined in sections 362 to 365 of the CA 2006) until the Company's next AGM, which they might otherwise be prohibited from making or incurring under the terms of the CA 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 LR 9.8.4

There are no disclosures required to be made under the FCA's LR 9.8.4 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 113 and details of dividends waived by shareholders can be found on page 114.

AGM

The Notice of Meeting setting out the resolutions to be proposed at the 2023 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.

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 of the resolutions.

On behalf of the Board

ALISON YAPP
Group General Counsel and Company Secretary

21 November 2022

Compass Group PLC
Registered in England and Wales, No. 4083914

DIRECTORS' RESPONSIBILITIES STATEMENT

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

21 November 2022

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 international accounting standards in conformity with the requirements of 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 international accounting standards in conformity with the requirements of 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 4.1.14R, the financial statements will form part of the annual financial report prepared using the single electronic reporting format under the TD ESEF Regulation. The auditor's report on these financial statements provides no assurance over the ESEF format.

Disclosure of relevant audit information

The directors confirm that, so far as they are each aware, there is no relevant audit information of which 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.