COMPASS GROUP PLC 2024 AGM QUESTIONS AND ANSWERS

1. **Pre-submitted question – private shareholder: The media is full of stories of forest fires, floods and other climate related catastrophes which are very worrying. You've stated in your Annual Report that you want to be net zero by 2050. What is Compass doing as a business to ensure that you can meet this target?**

Answered by Ian Meakins

I think we've have made good progress in the last couple of years by setting the right targets. We've got a good action plan in place, and we have achieved some good results. It is becoming far more important for us in terms of winning new business as well, across all of our operations. Having the right sustainability agenda is very helpful. We committed in the past to being net zero for the Company by 2050 and our UK business has committed to be there by 2030.

We set some interim targets and by 2030 we want to reduce our Scope 1 and Scope 2 emissions by 46% and our Scope 3 emissions by 28%. In the last full year, our reductions in Scope 1 and Scope 2 emissions were 10% and our reductions in Scope 3 were 12%. I think we're making good progress, and the action plan is very much a continuation of the last couple of years, but we're putting more resources in the following areas:

Making all Compass vehicles electric. Using as much renewable energy as we can across all of our operations and continuing to make changes in the operating units as well. Moving more towards plant-based meals and continuing to educate and help consumers understand the associated benefits. We understand that to achieve our Scope 3 objectives, we're going to have to partner with all of our major suppliers across the world and we continue to work very hard with all of our suppliers to achieve our aims and to also to support their sustainability ambitions.

2. **Pre-submitted question – private shareholder: Why did you agree to acquire CH&CO? What benefit will it bring to your UK business? Why are you spending so much on acquisitions this year? Are you struggling to grow organically?**

Answered by Dominic Blakemore

In terms of organic growth, hopefully as you've seen from the first quarter performance, we're growing very strongly organically at 12% and continue to be in our target range of 4% to 5% net new, which is the number of net contracts we've added to the business. So clearly, there's a very significant organic growth opportunity for us. In terms of M&A, acquisition of businesses has always been part of our model. We've done it predominantly in North America with some other deals elsewhere in the rest of the world. We believe that judicious, well-targeted acquisitions can add very strong management, and a slightly different consumer offer than perhaps we have today. This complements our existing operations and of course gives us more scale and generates synergies in particular in purchasing and our overheads.

We think M&A has got a really important role to play. The two deals that we've announced this year, Hoffman in Germany and CH&CO in the UK fall firmly and squarely into those categories. The management teams and new service lines that we can offer to our clients are very complementary to what we do today, and we believe that that the acquisition of those businesses can accelerate our organic growth rates further than where we stand today. So, we're very excited about bringing those businesses into the Compass family.

Questions from the Audience – all questions were asked by private shareholders:

3. Couple of questions if I may. The first one relates to recruiting and encouraging new joiners to Compass. Do you do this on a country basis or on a group basis? How do you encourage new personnel and what is your turnover rate of staff?

Answered by Dominic Blakemore

Thank you. I think you were a fly on the wall in our Board meeting this morning. We agree universally and as a Board that the single most important priority for us as a business is the acquisition of top talent to the business. If you look at the growth rates we're enjoying, if we sustain those growth rates, we will be materially larger within five years and beyond. To be able to manage that volume of business globally, we really need the very best leadership we can possibly get, and I say that about every level within the organisation. It starts first with our frontline colleagues, those unit managers and chefs that are operating on site and we're very focused on how we can identify and grow the best talent and provide the best terms and conditions. We're also very focused on the turnover levels. I was pleased to report to the Board today that actually our last 12 months' labour turnover rates in all of our regions are now back below the pre-COVID levels and trending downwards, which is a really positive sign for us because it means we've got consistency in our operations. It means that we typically perform better at health and safety with greater consistency, so we're very focused on that. We're also absolutely obsessed by bringing in the best talent across the business at all levels, whether it's functional roles or operational roles. And we're actually doubling down our efforts in that particular area to ensure that we can do that. So, we're working hard on succession planning within our operations. Identifying the best talent and putting plans in place for them to grow to their full potential, but also understanding the marketplaces out there that we might want to bring in. So hopefully this is something that you're going to hear us talk about more and more as we go forward and it absolutely isn't a country by country effort to your question, it's something that we're leading centrally here from the Group and in fact last week our Chief People Officer was with her team and we were figuring out what we can do now to move talent much more dynamically across countries and across the Group, to service our needs.

4. The second question is about the countries that you're in, and I noticed you've just exited Indonesia. Meetings with other companies suggest that Indonesia is a very fast-growing country and one that can become quite important, and it seems rather odd to exit when it is growing?

Answered by Dominic Blakemore

We have spoken to the fact that we think market conditions need to be right for us in this industry. I think we need organised trade; we need consumers and clients that respect the quality and premiumisation of our services, that there is not a race to commoditisation or value, and that does mean we've had to make the hard choice to exit some countries. We think we can grow faster in our core markets, remembering that nearly 95% of our profit is generated in 20 countries in which we have an aggregate market share of 8%. There's a phenomenal opportunity to grow faster in the core without being distracted by some of the new market entries which may be there in the long term. Right now, we can see an abundance of growth opportunity for us in the next 5 to 10 years in our core markets.

5. **I have asked this in previous years, not just at Compass, in relation to the authority to make donations to political organisations. I have voted against this resolution. I do not like, and I think it is wrong for companies to be politicising or influencing politicians, especially coming up to a general election, I think the Company should stay out of politics. I don't know why companies do this. They should not be getting involved with politics.**

Answered by Ian Meakins

I think we answered this question last year, but your sentiment is absolutely right. We want to stick very much to what we're good at and not get involved with politics. To be clear, we do not plan and do not want to make any political donations. However, the Companies Act of 2006 is very broad in its definition as to what can be defined as a political donation, so for example we could donate some food to a charity as part of a programme that could be considered a political donation. Therefore, we want to protect the Directors of the Company, but also the Company itself. It is not our intention to make political donations at all, and we've limited the authority to £100,000. I think you will find virtually all of the FTSE 100 companies have a similar resolution as well. But certainly, we very much agree with your sentiment.

6. **With general elections in the US and the UK. What's the worst outcome for Compass?**

Answered by Ian Meakins

I think Dominic has already made the point that we think we have enormous growth potential organically and suitable bolt-on M&A activity within the business. We're not immune to what goes on in a country and its economy, but actually we have so much opportunity in terms of our business, I would like to think that - no matter which way these two elections play out, we would be able to continue to grow our business as we're planning to do, whatever the outcomes.

I don't think it is for me to speculate on what might happen in terms of general elections, but I think we're ready for all eventualities.

7. **Chairman, if I may refer to page 118, which refers to the 20/22/23 LTIP award, it strikes me as a most generous share award. Could you explain how you arrive at it, and do you agree or not that it's too generous?**

Answered by Ian Meakins

No, I do not agree that it is too generous. Let us step back a little bit from the LTIP award. The Company is performing very well indeed. Dominic just highlighted our growth in Q1 2024 and in 2023. We are now running £2.7 billion worth of new wins. Our net new business is up at 4.6% / 4.7% which is very good for our business. Our retention rate of 96% is a record. The margin is up 60 bps, and our margin is significantly higher than our competitors. We are two full margin points ahead of Aramark and 2.5 margin points ahead of Sodexo. Clearly, we're gaining market share and if we look back at 2023, our share price was c.£22.50, which is the highest it's ever been. So, in terms of the performance of the Company, I think we're doing a very good job and it's on that basis that we then allocate the LTIP awards to the Executives. There is then a three-year performance period and any pay out comes at the end of the third year. I think that bluntly, Dominic and the executive team and all of the leadership team at Compass thoroughly deserve their LTIP awards.

8. **During the next 12 months, what would you as Chairman regard as your key priorities and if you are successful in attaining it in the next 12 months, to what extent do you think you will have moved the share price?**

Answered by Ian Meakins

I think the primary role of the Board is to give Dominic and his team appropriate support and appropriate challenge. I mean that's absolutely what we are there for. The Board, I think does that well. We've got a very good mix of directors in terms of strategic, operational and functional directors with people who've worked all over the world and are a very diverse group of Board members. The Board is well set up and we benchmark ourselves annually and external providers review our performance every three years, and we know we benchmark well.

Therefore, to your question, if we are successful in doing this then the Company will I believe will surpass its budget and surpass expectations, and then commensurately, you'd expect an increase in the share price.

9. **Perennial question, AGM venue location - it's quite dangerous crossing the road from the station, we always get wet, perhaps you could provide a Compass umbrella next time? Could we have a more convenient venue location? You can see there's half the people that were here last year, probably due to the location. I know people who won't make the journey. Thank you.**

Answered by Ian Meakins

Thank you for the comment. We will have a think about it. The venue works very well in terms of people getting here by midday. I think then it allows us to provide lunch as well. It's a great place in that respect, but if it really is something that is becoming difficult for people to get to, we'll have another think. It's a great venue and one of our showcase venues, so we like shareholders to see it as well.

10. **You're now trading in U.S. dollars, are you contemplating a share listing or moving to the United States? That's the first question. Second question I asked this, I think two years ago, three years ago, you are very busy as a Board and you've admitted today there's lots of opportunity out there, why don't you split the Company into two? Have the American business as one separate one from the rest of the world? And three, I asked last year about Gary Green's possible departure, and I was assured that it wouldn't happen. I can see you smiling. After the meeting, I had a word with Gary, and he explained to me that he had no chance of retiring because most of his staff were in their 70s. It now concerns me that you've employed a non-executive director to look after the people. You only had a meeting in November according to your audit, but not one of your reports to discuss with your people, directors in the States and worldwide. What are you going to do in the future? From my experience of this Company, when you go for a job and you don't get it, you often leave like the previous financial director. I was wondering what the career progression for your senior management is?**

Answered by Dominic Blakemore and Ian Meakins

In response to your question about a US listing, 75% of our profits and cash flows are generated in the US and therefore it makes economic sense that we report in US dollars. It minimises the earnings volatility and the difference in our reporting between our actual results and our constant currency results. In terms of Listing, we are very happily listed in the UK, we have access to all of the capital that we need, and I think this was proven during the pandemic when we had the facility to raise equity with speed and we were able to do that from our existing shareholder base. So, it doesn't foreshadow

any intention to list in the US. In terms of the Company splitting, I think all I can stress is that Compass is the sum of its parts. We have a phenomenal North American business which generates a lot of best practice that we share across the rest of the Group. I think it's very important that we continue to do that. Whilst we are decentralised and locally accountable, we have forums for each of our sectors where we share all of those best practises to make sure our local teams are better equipped than anyone else to serve the needs of our clients and consumers, so I think we feel it's very, very important that we're a global group. We have global clients that we serve in multiple countries and it's very important that they have a seamless experience in North America and the rest of the world.

In terms of talent and succession planning at the senior level, the Board takes this very seriously as you would expect. We have several sessions a year with Dominic and his team going through each of the various geographic areas. The Nomination Committee, that I work with, also takes succession planning of the Board and the Executive very seriously and looking forward I think actually we have a very good succession pipeline.

Regarding Gary's retirement, as I think we talked about last year, Gary had done a spectacular job for the Company over a long period of time. It was Gary's personal decision to retire, and he decided he wanted to hang up his spurs. We were delighted that we could take Palmer who obviously knows the US business very well, back across to the US to take that business forward and then promote Petros internally. I think the critical thing about this is that we're filling the majority of our senior roles from internal appointments and that to me is very important. We've all seen companies where you bring in a lot of outsiders that then struggle in terms of performance. I don't think that will be a problem for Compass going forward, but please be reassured we take it incredibly seriously. In fact, we were having a conversation at the Board meeting this morning about that very thing.

11. **It's very nice to have the meeting physically meet people. I think the venue is very nice. I brought this up previously at meetings. I would like to see the voting done by a show of hands that will be represented by the actual shareholders who attend the meeting.**

Answered by Ian Meakins and Alison Yapp

Alison, do you have any view on a show of hands versus electronic?

We do a vote on a poll because it's more democratic. It means that it's one vote per share and it takes all votes into account from all of the shareholders, not just those in the room.

Shareholder

I didn't drive here because my vehicle is not ULEZ compliant, and they want to grab £12.50 from me.

Thank you, but we can't comment on the mayor's policies.

12. **I'm perfectly happy to come to Twickenham. It makes a pleasant change from the wretched QEII. I'd like to thank the Board for their continuing consideration of private shareholders. There was a worrying trend last year for AGM's to be held at difficult times or places or not held at all. And I would like to ask for your confirmation that you will continue to take account of our interests. Thank you.**

Answered by Ian Meakins

Thank you very much for your comment. Yes and absolutely we will.

13. **For someone who lives in West London. I'm more than happy to come here and long may it continue. The other thing I just wanted to ask, there was a report in the papers the other day about, about tendering for the business at Kew Gardens, I wondered if there was any progress in that?**

Answered by Ian Meakins

I think specifically the business at Kew is operated by CH&CO which we have agreed to acquire, so hopefully as and when that transaction completes, we will be the proud owners of the operations there.

14. **I wonder whether you could comment on artificial intelligence, how will this affect Compass directly or indirectly through your various suppliers? Thank you.**

Answered by Dominic Blakemore

Great question. We don't have all of the answers, but we're working on it. I think the first thing to say is, and the question we've asked ourselves is, is this a risk to our business model if AI means that there is a displacement of jobs in our client companies for example, and I think we feel pretty confident that what we're seeing actually is the creation of new institutions and lots of new roles within the tech industry as the tech companies in particular address AI.

So, for now, we feel we feel good about it, and we've been using AI in some form or other for a while. If you think about our unattended vending experience where cameras and other algorithmic technologies are used to record transactions, it means that we've been able to redeploy labour into other client facing roles rather than working in the back of house or store. So, we see that as exciting.

We're constantly looking at how we can use algorithms to interrogate the data to allow us to make better pricing in consumer decisions. It's particularly relevant to our canteen vending and unattended micro market business. And inevitably, we think there will be an opportunity for some of the back of house roles to be streamlined, which will free people up to focus on some of the more value creating opportunities that we see around growth and developing our consumer offer as well.

But I think we've all got a lot to learn. We're very fortunate that we operate with a number of the big technology firms where we provide services, and they're partnering with us to explore how we can utilise AI within our business to be to be more efficient and more innovative. So, it feels very exciting and there are lots of opportunities ahead.

15. **Looking at your trading update the bottom paragraph. Your you issued a €750 million sustainable bond. My only thought there is, what would an unsustainable bond be? And the other thing about that is, it looks as though you're borrowing Euros to buy back shares when you see the two together, is that a fair reading of it?**

Answered by Ian Meakins

I'll go back to the answer I gave earlier about our commitment to sustainability. We've made a lot of progress, and we absolutely plan to continue to make further progress. To allow us to do that we issue so called sustainable bonds under our Sustainable Financing Framework, the net proceeds of which are used to finance and/or refinance new or existing eligible green and/or social expenditure projects.

The two transactions, the sustainability bond and the share buyback, are totally separate so I wouldn't connect the two.

Ladies and gentlemen that concludes the Q&A session.