Task Force on Climate-related Financial Disclosures (TCFD)

We set out below our climate-related financial disclosures, which are consistent with the four pillars and all 11 disclosure requirements of the Task Force on Climate-related Financial Disclosures, including the TCFD all-sector guidance, and in compliance with the requirements of LR 6.6.6(8) (UK Listing Rules).

This disclosure also complies with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Executive summary

Climate change presents significant risks to people, the planet, and the economy. Extreme weather, water stress, and rising temperatures affect supply chains, crops, and livelihoods. We are proud of our businesses' efforts to support clients in addressing these challenges. Sustainability is integral to our identity and long-term success – from chefs to executive leadership.

We manage supply chain risks through our procurement scale, sourcing flexibility, and innovation. There is no single solution, but we are implementing changes across our businesses and their supply chains. Understanding how climate change affects our operations, clients and strategy is key to our continued growth aspirations.

This TCFD statement helps investors and stakeholders understand our exposure and resilience to climate risks, and it supports identification of material climate-related opportunities. Risks and opportunities outlined here are relevant across our industry and stakeholders.

Our qualitative and quantitative scenario analysis will be updated at least every three years. For 2025, we have carried forward the outputs from our 2023 analysis, in agreement with external advisers, as no internal or external factors changed that could materially impact the outputs of the analysis.

We have continued to build upon our transition roadmap, developing a framework, focusing on how we will meet our climate goals. It is built on three key strategic levers: our supply chain, operations, and clients and consumers, and forms the basis of our first Group-wide climate transition plan.

Governance

Compass has well-established governance structures designed to effectively oversee the management of its principal risks, including climate change risks and opportunities. Principal risks are reviewed biannually by the Board. Climate change is a principal risk and has been embedded into our risk management processes since 2021 (see page 23).

Climate-related risks and opportunities are identified, overseen and managed at the highest levels of the Company through the following governance structures and processes:

- the Board has overall responsibility for oversight of the management of climate-related risks and opportunities, which it exercises through the Corporate Responsibility (CR) Committee and the Audit Committee
- the CR Committee meets at least three times a year. It receives reports at every meeting from the Group Chief Commercial Officer (CCO), the Global Director of Sustainability and other senior managers to ensure that progress is being made towards meeting the Group's specific CR KPIs and ongoing CR commitments, including greenhouse gas (GHG) emissions and food waste reduction targets
- the Audit Committee meets at least three times a year. In line with the governance process used for financial management, it considers the potential impact of climate change on the financial statements, including the outputs of the Group's scenario analysis, the costs to achieve the Group's climate net zero commitments and their impact on the financial statements and related disclosures
- executive sponsorship is shared jointly between the Group CEO and Group CCO, who have the highest management-level responsibility to form, review and communicate the Company's climate-related global strategy, policies and standards. This includes setting and reviewing progress towards targeted KPIs, identifying and assessing climate-related risks, and managing and monitoring associated opportunities
- they are supported at an operational level by the Global Director of Sustainability, who leads the Group Sustainability function. This function provides support to the Group's regions and countries to ensure sustainability strategies are implemented and climate-related risks and corresponding controls and mitigations are reviewed on an ongoing basis
- at Executive Committee level, the regional CEOs are responsible for managing climate-related risks and opportunities for their respective regions. At a country level, the country managing directors are responsible for managing climate-related risks and opportunities in their respective markets

Strategy

Climate-related risks and opportunities and their impact on the operations of the Group

In partnership with external climate resilience experts, our specialist internal teams have conducted qualitative and quantitative risk assessments and scenario analysis to identify climate-related risks and opportunities.

We want to ensure that our strategy is resilient and set up to deliver on our Planet Promise of a sustainable future for all. This encompasses our values as an ethical, sustainable and inclusive business, and is key to our growth aspirations.

We are committed to reaching climate net zero by 2050, supported by our sustainable financing framework, and have plans in place to mitigate and adapt to climate-related risks and a future climate transition. Our strategic investments enable the Group and its businesses to capitalise on climate-related opportunities and help clients realise their sustainability goals effectively and efficiently.

We continue to acquire and implement cutting-edge technologies to enhance our sustainability services for clients and maximise the opportunities likely to arise from the climate transition. Strategic investment in our monitoring and measurement capabilities enables our businesses to offer detailed and tailored roadmaps for clients, and positions the Group as a trusted partner in helping clients achieve their own sustainability goals.

Scenario analysis

Our scenario analysis comprises three climate scenarios (1.5°C, 2.5°C and 4°C) for which we have considered physical risks, transition risks and related opportunities. These three climate scenarios, which are explained in more detail in the table below, were chosen by our specialist internal team, which includes representatives from the Sustainability, Finance, Commercial and Procurement functions, in consultation with our expert external partners. We have reviewed the outputs from our prior year qualitative and quantitative scenario analysis and consider that these remain relevant for the current financial year.

Scope and assumptions

Time horizon

We consider three time horizons – three years (short-term), four to 10 years (medium-term) and greater than 10 years (long-term) – to be relevant for our scenario analysis, with the assumption that climate-related issues often manifest over the medium to long-term:

- short-term – three years is the period reviewed by the Board in its annual strategic planning process and is aligned to the typical length of the contracts in the Group's businesses (three to five years). It is also consistent with the time period used in the Group's Viability statement (see page 25)
- medium-term – four to 10 years allows for the outcomes of scenario analysis to influence the development of our strategic objectives
- long-term – analysis over a period of 10 years or longer is more uncertain due to the limited availability of data on the long-term impacts of climate change, the severity of which will be contingent on the actions taken over the short and medium-term

Geographic and product scopes

The scope of our scenario analysis includes consideration of four countries and seven product categories to provide granular insight into how the impacts of climate-related risks and opportunities vary across geographies and products in each time horizon. We do not believe there would be any material differences in the outcomes if we considered different sectors in this exercise, as our business model is similar across sectors.

The geographic scope of the scenario analysis was determined on the basis of both materiality (with the US, UK, Australia and France representing 81% of the Group's underlying revenue in 2025) and reach (with both of our reporting regions represented in the analysis). The balance of our underlying revenue comprises multiple countries, with no individual country representing more than 4% of the Group's total underlying revenue in the year.

The product focus for the scenario analysis was protein (beef, pork, poultry and dairy), produce (fruit and vegetables) and beverages. Together, these products represented more than 60% of the total MAP 3 analysed spend in the four in-scope countries.

Qualitative scenario analysis

The impacts on the business of the climate-related risks and opportunities identified in the scenario analysis were discussed with leaders and management across the in-scope markets. Workshops with our specialist internal teams, market representatives, Group senior management and external climate resilience experts were held to qualitatively assess each risk and opportunity to determine the possible operational and financial impacts. Participants included representatives from the Sustainability, Finance, Commercial and Procurement functions. The likelihood and impact of the risks were ranked.

The table on pages 28 and 29 summarises the risks and opportunities identified and, for each one, shows the potential impact, geographical exposure and time horizon during which the impact is expected to materialise. The table also highlights for each risk the strategic business model levers and operational measures available to the Group to mitigate the impact and seize the opportunities identified. Many levers and operational measures are ones we regularly deploy and will allow us to mitigate the impacts to levels deemed minor or negligible.

Climate-related risks and opportunities are continuously reviewed together with other business risks as part of our biannual major risk assessment (MRA) process. They are assessed based on their potential impact on profit before interest and tax (PBIT) in accordance with the criteria set out in the Board-approved Risk Management Policy (see page 20).

Scenario and key attributes	Rationale for inclusion	Pathway to cost increase
Scenario A – 1.5°C by 2100 (SSP 1/RCP 2.6 combination) The world takes rapid and drastic action to limit global warming and meet the ambition of the 2015 Paris Agreement: – coordinated action across public and private sectors – low-carbon technologies take over from fossil fuels – shift in consumer demand and preferences towards low-carbon products and services	A < 2°C scenario is required by TCFD. This scenario allows Compass to explore transition risks in key markets, consider changes in consumer and client preferences and understand competitor and stakeholder pressures.	Increase in sourcing costs due to carbon pricing on agricultural (farm to farm gate) and freight emissions.
Scenario B – 2.5°C by 2100 (SSP 2/RCP 4.5 combination) The world follows a path in which social, economic and technological trends do not shift markedly from historical patterns: – development and income growth proceeds unevenly – middle-of-the-road emissions with inconsistent technological process – global and national institutions work towards, but make slow progress in, achieving the UN Sustainable Development Goals	This scenario allows Compass to prepare for a disorderly transition away from fossil fuels. Under the 2.5°C scenario, Compass examines both physical and transition risks and opportunities.	Increase in sourcing costs due to carbon pricing on agricultural (farm to farm gate) and freight emissions, and production losses leading to higher procurement costs.
Scenario C – 4°C by 2100 (SSP 5/RCP 8.5 combination) The world continues to use fossil fuels as the engine of economic growth, resulting in worst-case levels of global warming: – severe and frequent extreme weather, with chronic changes to seasonal weather patterns – extensive business disruption, severely damaging economic growth – protectionist government policies to build resilience to climate change	This scenario allows Compass to assess the impact of acute and chronic physical climate-related risks and opportunities on the business, supply chain, supplier network, and stakeholders.	Loss in production leads to higher procurement costs due to the costs involved in switching sourcing. No carbon, plastic or food tax is assumed.

Multiple material levers we can use to mitigate these risks

The table below shows the relevant physical and transition risks and opportunities identified for Compass, including an assessment of potential impact, likely time horizon and geographic exposure.

Risk/opportunity and time horizon	Description and impact	Exposure	Mitigation
Acute physical risks			
Drought and extreme heat (S) Increased drought and extreme heat events ❶ ❷	Transportation disruptions, crop stress leading to reduced yields and/or catastrophic crop failure, raw material shortages and increased operating costs. Transportation routes in the Australian market are vulnerable to disruption from wildfires.	US, UK, Australia and France	– flexible menu planning arrangements that allow our businesses to select local, seasonal and readily available ingredients – minimising food waste to maximise value of limited resources – strategic diversification of suppliers and sourcing regions to reduce reliance on single-source ingredients – increased use of alternative farming methods (e.g. indoor vertical farming)
Extreme weather events (L) Increased flooding, hurricanes and cyclones	Increased crop stress, reducing yields and/or catastrophic crop failure from flooding, and distribution-network failures from weather damage (due to flooding, hurricanes and cyclones) to public infrastructure, disrupting operations and sourcing while increasing operating costs.	US, UK, Australia and France	– flexible menu planning – minimising food waste – strategic diversification of suppliers and sourcing regions – flexible contractual terms with suppliers to manage and mitigate short-term disruption – contingency planning and rapid response to emergency situations (e.g. the Emergency Preparedness team in the US)
Chronic physical risks			
Extreme heat (L) Increased global temperatures leading to climate-related health impacts, diseases and pests ❸	Increased range, spread and distribution of weeds, disease, pests and fungi, reducing crop yields. Extreme heat and disease leading to cow weight loss and lower milk production. Increased exposure of agricultural workers to extreme heat in Australia and US, limiting operational hours and increasing operating and key input costs for farmers.	Global	– market-based initiatives to support farmers (e.g. Compass US supporting the Carolina Farm Stewardship Association to provide advice and support to small farmers), focusing on sustainable farming practices and climate resilience – strategic diversification of suppliers and sourcing regions – increased use of alternative farming methods (e.g. indoor vertical farming) – reducing food waste
Water stress (L) Increased water stress and scarcity ❹	Increased water stress in Australia and the US leading to reduced water availability for cattle feed, reducing dairy and beef herd sizes and production, and increasing costs of key inputs. Reduced water availability for beverage suppliers, disrupting production and increasing costs of key inputs.	US and Australia	– using analytical tools (e.g. carbon footprinting) to allow operators to improve energy, water and waste performance through menu and equipment management – strategically building competitive sourcing programmes in alternative categories (e.g. meatless proteins and dairy alternatives) – reducing food waste
Transition risks			
Taxation (S/M) Taxation on animal protein (beef and dairy) and transportation	Higher compliance costs or increased insurance premiums on carbon use. Increasing costs and/or decreasing revenue due to taxation on the production and sale of beef and dairy. Increased carbon taxation on GHG emissions associated with the transport and distribution of products and services, increasing operating costs.	Global	– continued menu reformulation and accelerated plant-forward strategy – reducing food waste – continued close collaboration with key suppliers on GHG emissions reduction – building local sourcing options to reduce food miles – mature pricing practices and processes

(S) Short-term (M) Medium-term (L) Long-term

❶ ❷ ❸ ❹ The four specific risks identified by the Group as the most relevant physical climate-related risks, which were the focus of the quantitative scenario analysis (see table on page 30).

❶ Acute drought ❷ Acute extreme heat ❸ Chronic extreme heat ❹ Chronic water stress

Risk/opportunity and time horizon	Description and impact	Exposure	Mitigation
Transition risks continued			
Market (M) Changing consumer preferences and behaviours away from animal proteins (meat and dairy)	Reduced demand for certain products, services and menus, and impact on competitive market position due to shifts in consumer preferences.	US and UK	– continued menu reformulation to reduce animal protein on the plate – reducing food waste – plant-forward training for our chefs – expanding use of technology and consumer apps to display carbon labelling – working with suppliers on new plant-forward options and reduced-carbon ingredients – strategically building competitive sourcing programmes in alternative protein categories
Policy and legal (S/M) Regulation on plastic and food waste	Increased cost of use (through increased taxation or ban on use) and disposal of plastics leading to loss of revenue and increased regulatory disciplinary action. Fines due to inefficient food waste management, increasing operating costs.	Global	– application of technology to measure our food waste footprint (supporting our food waste reduction objectives) – exploring and implementing solutions to move away from single-use and fossil-fuel-based plastics (e.g. in Australia, Compass has already made the transition ahead of federal and state legislation)
Opportunities			
Resource efficiency (M) Reduction in food waste across all operations	Cost reductions and reputational benefits resulting in increased demand for goods/services and increasing revenue.	Global	– continued rollout of and investment in proprietary technology to measure our food waste footprint (e.g. Waste Not 2.0) – food waste metric included in the 2024 and 2025 executive and senior management annual bonus plan – food reclamation partnerships to repurpose food waste into meals for community support
Market (S) Shift in consumer preferences towards plant-based menus and products	Opportunity to become a market leader in plant-based meals, resulting in increased demand and increasing revenues.	Global	– continue to expand our offer of healthy, lower-carbon, plant-based menu items, reformulating menus in line with our plant-forward strategy – increase share of seasonal and locally-sourced products – use of eco-labels to accelerate the transition and position Compass as a market leader in this field
Resilience (M) Use of operational and strategic levers such as procurement scale, menu management, and culinary and digital innovation to mitigate climate- related supply chain disruptions	Higher availability of products compared to competitors, and increasing consequent revenues.	Global	– expand use of existing operational and strategic levers globally – leverage global procurement strategy to reduce exposure to fluctuations in raw material costs – flexible menu planning and pricing
Energy sourcing (M) Use of lower emission sources of energy, switch to renewable electricity across all operations and transitioning of all fleet vehicles to 100% fully electric	Reduced exposure to fossil fuel prices, and lower operating costs.	Global	– continue seeking to improve operational efficiency and use new technologies that emerge as the sector transitions to a low-carbon economy – increasing adoption of 100% fully electric vehicles by our businesses – continue the transition to renewable energy across our owned and operated sites
Physical opportunity (L) Crop diversification and increasing local sourcing (especially in higher latitudes)	Increased growth viability resulting in reduced logistical emissions and costs.	Global	– allocation of funding towards new production techniques such as regenerative agriculture, vertical farming and hydroponics; transitioning farmers from traditional farming

(S) Short-term **(M)** Medium-term **(L)** Long-term

Quantitative scenario analysis

The outputs from the quantitative scenario analysis were carried forward from our prior year disclosures. This decision was made in conjunction with our external advisers, as no internal and external factors changed that could materially impact the outputs of the analysis. The quantitative scenario analysis will be repeated a minimum of every three years in line with the relevant regulations.

As part of our quantitative scenario analysis, each of the risks and opportunities identified during the qualitative scenario analysis was considered for quantification based on the level of risk identified, its likelihood and the additional insight that would be gained from quantification.

Consistent with the qualitative scenario analysis our modelling includes short-, medium- and long-term timeframes (2025, 2030 and 2050) and four countries (US, UK, Australia and France). Our analysis focused on the four most relevant physical climate risks identified during the qualitative scenario analysis: acute drought and heat events, and chronic water stress and temperature increases.

These were modelled under the three climate scenarios, A, B and C, explained on page 27, across the relevant markets and each of the short-, medium- and long-term timeframes.

The chronic risks were only modelled for the US and Australia on the basis that of the four, only these countries are expected to experience temperature increases at levels that will impact livestock and milk production. The food products selected for the quantitative scenario focused on protein (beef, dairy, poultry and pork) and produce (fruit and vegetables).

In prior years, we have also modelled transition risks relating to carbon taxation. We consider that the conclusions of that analysis remain relevant and therefore they have not been re-modelled.

The table below shows the results of the quantitative scenario analysis in respect of physical risks, together with the low-carbon transition scenario. We are confident that our strategic business model levers and operational measures will allow us to mitigate the impacts to levels deemed minor or negligible.

Quantification of potential cost impacts by climate scenario

						Cost impact[1] – 2025/2030			Cost impact[1] – 2050		
Risk	**Type**	**Description**	**Impact**	**Country**	**Focus area**	**A (1.5° C)**	**B (2.5° C)**	**C (4° C)**	**A (1.5° C)**	**B (2.5° C)**	**C (4° C)**
Drought ❶	Acute	Prolonged period of abnormally low rainfall leading to a shortage of water	Crop stress leading to reduced yields	US, UK, Australia and France	Poultry, pork, produce	●	●	●	●	●	●
Extreme heat ❷	Acute	Prolonged period of abnormally high surface temperatures	Crop stress leading to crop failure	US, UK, Australia and France	Poultry, pork, produce	●	●	●	●	●	●
Extreme heat ❸	Chronic	Sustained abnormally high surface temperatures	Heat leading to cow weight loss and lower milk production	US and Australia	Beef, dairy	●	●	●	●	●	●
Water stress ❹	Chronic	Sustained higher temperatures and reduced precipitation	Reduced water availability for cattle feed, thus reducing herd size	US and Australia	Beef, dairy	●	●	●	●	●	●
Taxation[2]	Transition	Carbon tax on agricultural and freight (Scope 3) emissions	Higher compliance costs or increased insurance premiums	US	Beef, dairy, poultry, pork, produce	●	●	n/a	n/a	n/a	n/a

Potential unmitigated annual food cost increase[1]

● < 2.5% ● 2.5-5.0% ● 5.0-7.5%

1. The cost impact columns indicate the potential unmitigated gross annual percentage increase in the cost of food products in scope for each risk scenario.
2. Scenario analysis on taxation considered the low-carbon (1.5°C and 2°C) transition scenarios and calculated the cost impact for a 2030 time horizon only.

❶ ❷ ❸ ❹ The four specific risks identified by the Group as the most relevant physical climate-related risks.

Key assumptions

- it is assumed that the price elasticity of food products is 100%, i.e. when the yield decreases by 1, the price increases by 1
- it is assumed that the price elasticity of poultry and pork feed is 50%, i.e. when the price of feed increases by 1, the price of poultry and pork increases by 0.5
- the output of the analysis is an estimated cost increase assuming no volume changes from 2022 levels and no changes in business activities. The results refer to this scope only and, as such, cannot be extrapolated
- the analysis does not include the mitigation or adaptation measures that would be undertaken by the Group's businesses and their suppliers to offset the estimated cost increases

No potential financial impacts related to physical climate risks in 2030 of 2.5% or more of total spend on in-scope food categories before application of business levers were identified. The most significant potential impact is from chronic water stress in the US and Australia in 2050 under all three climate scenarios, with an estimated annual cost increase in the range of 2.5% to 5.0% of the total spend on in-scope food categories across the US, UK, Australia and France. Beef and dairy production is likely to be most impacted by climate change, with costs increasing in the long-term. This is mitigated by our strategy to build competitive sourcing programmes in alternative food categories such as meatless proteins and dairy alternatives, and to nudge consumers towards diets that are more planet-friendly. Consequently, we are confident in our ability to mitigate the impact of this risk.

In respect of low-carbon transition risks, the analysis identified the most significant potential impact to be from the transition risk of carbon taxes on animal protein in the US in 2030 under low-carbon climate Scenario A, with an estimated annual cost increase in a range of 5.0% to 7.5%. Whilst we concluded that the application of the business levers in our operational model would substantially reduce the financial impact, the analysis showed that carbon tax on our Scope 3 GHG emissions is a key risk to mitigate. It is, therefore, the focus of our current efforts, which are highlighted in the Metrics and targets section on page 32.

Future roadmap on scenario analysis

Despite our extensive scenario analysis, we recognise it is limited by the availability of data on the long-term impacts of climate change, and our disclosures will evolve as this improves. We will continue to work with experts to review the scope of our analysis and evolve our process.

The resilience of the Group strategy

Compass Group's sustainability leadership, climate net zero roadmap and plant-forward strategy make us resilient and adaptable to the impacts of climate change, most notably evolving client and consumer demands and the projected climate impacts on animal protein production costs and availability.

The Group uses a wide range of processes that can be flexed to address changing market dynamics, supply disruption and other impacts of climate change. These include a combination of operational mitigation measures and strategic business model levers, outlined in the table on pages 28 and 29. The main levers are flexible menu arrangements with clients, food waste management to optimise resource efficiency, and continued strategic diversification of suppliers and sourcing regions. Compass already widely deploys these levers as part of its normal business practices, and we are confident they will continue to provide a competitive advantage during any climate transition.

We are also evolving our approach to carbon. Most of the Group's GHG emissions are Scope 3 and therefore collaboration with our suppliers is essential if we are to meaningfully impact those levels. We are working with partners and continue to drive our volume-based data approach, to build a more granular understanding of food-related emissions. Helping suppliers reduce their carbon emissions, menu engineering and reducing food waste form the three key levers to our carbon reduction strategy.

We believe our business model will be resilient in all three climate change scenarios considered during the process.

Risk management

Processes for identifying and assessing climate-related risks

Climate change has been assessed as a principal risk by the Board since 2021 in recognition of the potential impacts it can have on our businesses in the medium and long-term. Climate change risks and opportunities are considered as part of our major risk assessment (MRA) process: a structured biannual bottom-up and top-down risk review completed by all countries, which is the cornerstone of our risk management framework.

The process for identifying climate-related risks and opportunities is consistent with last year and continues to involve both country leadership teams and central functions, including Finance, Risk Management, Legal and Sustainability. Risks are identified and assessed within each country and region, and the Group risks are assessed biannually by the Board.

In accordance with our risk management framework, we assess the materiality of key risks and opportunities, including climate-related risks and opportunities, and deem them to have a substantive financial or strategic impact if there is a one-off or recurring annual profit impact of more than 4% of our PBIT. On climate-related topics we involve internal and external experts to ensure we maintain an up-to-date view on specific risks and opportunities to consider as part of the annual process. More information about our risk management framework can be found on pages 20 and 21.

Processes for managing climate-related risks

As noted on pages 21 to 26, the Group's principal risks (which include climate-related risks) are all considered as part of the Group's strategic planning process and viability statement assessment. In addition, we note on page 103 how climate risk has been considered in the basis of preparation of the Group's consolidated financial statements.

Climate risks and mitigations are monitored throughout the year by the Executive Committee, as part of the biannual MRA process, and separately by a cross-functional steering group. Regional CEOs are responsible for managing climate change risks and opportunities for their respective regions while responsibility at the country level sits with the country managing directors.

The development of action plans to manage the climate-related risks and maximise the opportunities, and the continual monitoring of progress against agreed performance indicators, are integral parts of both business process and core activities throughout the Group. These performance indicators consist mainly of the metrics described in the Metrics and Targets section on page 32, and are in line with our strategy and the conclusions of our scenario analysis.

Metrics and targets

Focus area	Commitments/actions	Targets/progress
Net zero	Commitment to climate net zero across global operations and value chain	Net zero by 2050, including Scope 1, 2 and 3 emissions, with 2030 interim targets validated by SBTi
Scope 1 & 2 emissions	Reduce direct GHG emissions; achieve carbon neutrality worldwide	46% reduction by 2030 from 2019 baseline
Scope 3 emissions	Address emissions from all purchased food and drink	28% reduction by 2030 from 2019 baseline; represents 98% of total emissions
Food waste	Core strategic priority; supports lower emissions and mitigates climate risks	Food waste tech deployed at over 10,000 sites 2025 metric tied to year-on-year food waste reduction
Measurement and data	Track emissions across Scopes 1, 2, and 3; use improved hybrid methodology	Reporting aligned with the financial year. Emissions are extrapolated to 100% based on Group revenue. See page 19 for Scope 1 and 2 reporting methodology. Scope 1 and 2: 25 countries, 99% of Group revenue. Scope 3: 5 countries, 85% of Group revenue
Supplier engagement	Formal supplier collaboration sessions; expectations reflected in contracts and Supplier Code of Conduct	For example, our US business is integrating climate accountability with partners by embedding SBTi commitments into supplier contracts
Sustainable finance	Sustainable financing framework launched in July 2022 to issue sustainable debt	Summary on page 19; full details on our website
Internal carbon pricing	Prioritising development of internal carbon pricing method; supports future offset planning and product-level data capture	Under assessment
Remuneration	2025 annual bonus plans for executive directors and senior management linked to food waste reduction	Enhanced tracking, planning, and procurement through focused leadership action
Metrics evolution	Ongoing review of climate metrics, aligned with TCFD's seven categories	Includes transition/physical risks, opportunities, and capital deployment where relevant
Scenario analysis	Outputs support our sustainability strategy and mitigation actions	Reaffirmed by analysis; to be updated at least every three years

Conclusion

The findings of the scenario analysis support our sustainability strategy and reaffirm the mitigating actions we are already taking across the Group. We are confident in our ability to manage these risks whilst maximising the available opportunities. Consequently, we expect the net impact to be immaterial to the Group. We remain committed to collaboration with partners in our ecosystem to decarbonise and are progressing our plan, working with external experts to evaluate our analysis and to further improve our TCFD disclosures year on year.

Transition framework

The transition plan will shape our Group-level approach to decarbonisation, supporting our geographies in setting their own tailored strategies in line with their specific markets. It has been developed to achieve four core objectives:

1 To respond to climate change risks and opportunities

Building on our climate scenario analysis conducted in 2023, we are actively embedding adaptation and mitigation strategies in our own operations and across our value chain as part of our implementation strategy and to better respond to the effects of climate change, through sourcing from sustainable suppliers and fostering sustainable practices, like reducing food waste and flexible menu planning.

2 To empower stakeholders to decarbonise

We are committed to decarbonisation across our value chain by supporting clients and suppliers to achieve their sustainability goals with strategies such as reducing food waste and expanding the availability of low-carbon choices for consumers.

3 To place individuals at the heart of our transition

We want to ensure our climate transition initiatives are fair and inclusive for impacted stakeholders, by collaborating with supply chains to tackle key ESG issues, training chefs to innovate and prepare plant-forward meals, and advocating for fair access to nutritious food.

4 To drive change by responding to regulation

By leveraging the knowledge we have gained from responding to sustainability regulations, we can shape a consolidated strategy that enables us to actively meet external obligations.

As a global leader in food services, we acknowledge the importance of transitioning our business model to promote social and environmental responsibility, aiming to empower individuals to make healthier choices for themselves and the planet. At Compass, we are committed to fulfilling our Planet Promise of a sustainable future for all, reflecting the Group's values as an ethical, sustainable, and inclusive business.

As we work towards our target of net zero emissions across our global operations and value chain by 2050, we continue to develop our Group-level climate transition plan, aligned to our low-emissions scenario analysis, and informed by the Transition Plan Taskforce Disclosure Framework, the accompanying Food & Beverage Sector Guidance, and the pivotal activities and initiatives presented on page 32.

Our progress so far

This year we have continued to embed our climate transition roadmap, which has provided our businesses with a framework to focus on the initiatives best suited to their region. This framework is enabling structured actions to be taken at a country level and accountability through our governance structures. The framework focuses on our three strategic levers for decarbonisation: supply chain, operations, and clients. It not only guides the activities and initiatives that we implement across our decentralised business but also provides a common language to help us report on our progress annually.

Since we published our near-term decarbonisation targets in 2021, we have continued to make progress in reducing our emissions across Scopes 1, 2, and 3 (our 2025 emissions are reported on pages 18 and 19). We have continued work on monitoring and updating our science-based targets, including SBTi Forest, Land and Agriculture (FLAG) and non-FLAG targets, which are published on the Group website https://www.compass-group.com/en/sustainability/planet/climate-net-zero-2050.html.

We understand that enhanced data accuracy and transparency are an important part of our journey towards more sustainable operations. We are implementing robust supplier engagement programmes and collecting more granular data to better capture and report our Scope 3 emissions.

We are pleased with our progress to date as shown on page 34 and further details can be found in our Sustainability Report on our website https://www.compass-group.com/en/sustainability.html (the 2025 Sustainability Report is due to be published in 2026).

Strategy

Following our qualitative and quantitative climate scenario analyses, we have developed our strategy to directly address our identified risks and opportunities, mapping our activities to a 1.5°C scenario. Our transition is built on three key strategic levers which in turn guide our sustainability priorities, transition activities, and strategic ambition. Our levers are aligned to historical data from work completed in collaboration with Planet FWD in 2022, which identified our material decarbonisation areas. This has allowed us to clearly link our current and future transition activities to the areas with the most potential for emissions reductions. We are planning on assessing the time horizons of these actions in the future, ensuring they are all still aligned to a 1.5°C scenario.

Governance

Embedding mature and robust governance across our wider corporate strategy is key to providing accountability, reviewing, and refining strategy, and reporting on our climate transition. We detail our governance structures on page 26 of this Annual Report and are continuing work on embedding our transition roadmap within our organisational arrangements.

Oversight of our transition plan sits with the Global Director of Sustainability and the regional and country sustainability teams and is reviewed by the CR Committee.

Financial planning

Financial planning serves as a tool to provide us with fully-costed actions, allowing Compass to better plan future changes to the business, and show stakeholders how our transition plan will be achieved. The sustainable financing framework discussed earlier is an important tool in driving our transition. We are currently working on mapping these eligible projects to our strategic levers to align financial planning with our transition plan, and research will be developed to quantify different elements of our plan.

Assumptions

Our strategic levers and activities were informed through consultations with key stakeholders (Finance, Sustainability, Procurement, and Data and Technology), our climate scenario analysis and its related assumptions, and the latest guidance from the Transition Plan Taskforce.

Nevertheless, the success of our transition relies on several factors outside our direct control. 98% of the Group's GHG emissions are Scope 3 (originating in the supply chain), and although our strategy outlines how we plan to engage with suppliers, there are elements beyond our immediate stakeholders' control that will impact our ability to drive change: e.g. a national agriculture or nature policy such as the EU Deforestation Regulation. Therefore, transitioning our supply chain requires effort across the industry, which we continue to support – for example through our work with the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute.

With regard to healthy and sustainable diets, we leverage behavioural change strategies and continue to engage with industry forums and government to explore nutritional standards, but we rely on our consumers to choose sustainably-sourced, plant-forward dishes from our range of diverse and unique menu offerings.

Next steps and reporting

This report provides a comprehensive overview of our strategic roadmap for transitioning to a low-carbon economy. We continue to develop our Group-level transition plan, including a decarbonisation roadmap and framework to illustrate in greater detail how we plan to reach the near-term and 2050 targets. We will continue to track and measure our progress as we navigate our sustainability journey, with the intention for our transition plan to be iterative, dynamic, and continuously evolving.

Transition framework

Strategic lever: Supply chain

Our strategic ambition:

To build business resilience and drive emission reductions by working with suppliers on their journey to decarbonise; diversifying the supplier base, respecting human rights, and promoting ethical trade.

Activities:

- segment the supply chain to prioritise engagement efforts to improve traceability of product-level data and to identify the highest climate risk categories
- establish minimum sourcing standards and set supplier expectations through policies aligned with Compass' carbon reduction plan
- embed expectations into the procurement process by providing training to internal procurement teams to better equip them to manage supply chain risks, as well as including contractual language regarding Compass' requirement in RFPs
- enable change through training and engagement with suppliers to help them meet Compass' minimum standards, and collaborate with them on carbon reduction roadmaps with the aim of standardising data collection methods and improving data quality
- collaborate with organisations externally and form partnerships to leverage Compass' influence to advocate for transparency and raise industry standards, including by encouraging more regenerative agricultural processes

Metrics we are using to track progress[1]

- % of sourced volume of high-climate-risk commodity covered by third-party certification (including % of sourced volume of net zero deforestation commodities)

Progress to date

- **Global:** further embedded our deforestation policy which includes a commitment to be deforestation-free in our North America and UK businesses by the end of 2025. In combination with EUDR this covers 90% of the Group's procurement spend
- **US:** developed product-level life-cycle assessments with over 50 suppliers. This insight enables the business to manage emissions, as well as purchasing, and ingredient decisions at the product level, rather than relying on industry averages

Strategic lever: Operations

Our strategic ambition:

To collaborate with clients to drive carbon reductions by reformulating menus, and reducing and repurposing waste.

Activities:

- deploy and expand usage of green technologies, e.g. food waste technology or using renewable electricity to improve resource efficiency
- donate via food reclamation partnerships to minimise waste and reduce food poverty
- implement solutions to transition from single-use/fossil-fuel plastics in an effort to further decarbonise products and services
- reformulate menus to lower the carbon footprint associated with products and services through substituting ingredients with low-carbon alternatives and using locally sourced products to reduce food miles

Metrics we are using to track progress[1]

- use of food waste technology
- number of community meals donated
- emissions reduction in menus that have had ingredients swapped

Progress to date

- **Global:** food waste technology deployed at over 10,000 sites with our teams trained to record waste every day
- **Global:** continued to increase the number of community meals donated year on year
- **UK&I:** re-engineering of suitable recipes in its menus, for example, the associated emissions of a beef burger can be reduced by combining minced beef with mushrooms
- **US:** embedding sustainability into processes by integrating ingredient-level emissions data into menu management and procurement systems. Real-time insights empower chefs, operators, and procurement teams to balance taste, cost, and quality while advancing climate goals

Strategic lever: Clients and consumers

Our strategic ambition:

To help clients to work towards the economy-wide transition by providing consumers with healthy and sustainable food choices and maximising the efficient use of green energy.

Activities:

- encourage clients to maximise energy efficiency and use renewable electricity to help them achieve decarbonisation of their on-site kitchens
- implement dedicated chef training and client and consumer education programmes to support the development and consumption of sustainable and healthy menus and raise awareness on how to reduce food waste
- engage with industry forums and communities to develop nutritional standards and behavioural change toolkits to drive sustainable and healthy diets
- enable consumers to make sustainable and healthy choices through deploying behavioural change strategies such as choice architecture and providing consumers with more sustainability-related information

Metrics we are using to track progress[1]

- number of colleagues who have completed net zero training across Compass Group's businesses

Progress to date

- **Global:** increased engagement with clients and consumers through Stop Food Waste Day, with participation across all of Compass Group's operating markets
- **UK&I:** use of a Climate Net Zero module to train kitchen staff to cut waste, energy and water consumption, embedding sustainability into daily operations. The module was completed over 36,000 times in 2025
- **US:** enhanced client dashboard and reporting capabilities to provide operators and clients with visibility of their environmental impact. By equipping them with detailed emissions data, it empowers smarter decision-making and more effective sustainability strategies, supporting our clients' climate goals

1. Here we have presented our initial metrics and targets for our strategic levers, but we continue to consider appropriate metrics to phase in over time. The metrics presented above are not associated with every activity listed under the strategic levers; however we are aiming to develop metrics to track progress on all of our actions. For further details on our progress, please see our Sustainability Report on our website: www.compass-group.com