Compass Group FY 2024 Sustainability Reporting Methodology

Scope 1,2 and 3, Food Waste, Meals Donated, and Responsible Sourcing KPIs

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1. Scope 3

Compass Group reports GHG emissions Scope 3 carbon footprint in line with our financial year (1 October – 30 September).

1.1 Boundaries and Methodology

The majority of Compass Group's GHG emissions are Scope 3 and originate in our supply chain, for which we are indirectly responsible. We currently report categories 1, 2, 3, 4, 5, 6, 7, 11, 12 and 15 within the GHG Protocol definition of Scope 3. For excluded categories 8, 9, 10, 13 and 14 we have provided an explanation for why we do not report these categories.

Compass defines the organisational boundary for its GHG inventory using the operational control approach. Compass accounts for 100% of the GHG emissions arising from operations over which it has authority to introduce and implement its operating policies.

We report total Scope 3 emissions for Compass Group. Since the baseline setting, we have been working to improve our methodology for measuring emissions and enhance the quality of our supply chain (Scope 3) data as explained further in the "Energy and Greenhouse Gas Emissions" section of the Data Hub on our website. As differing methodologies have been used for the 2019 data compared to the 2022,2023 and 2024 data, the categories 3.1, 3.8, 3.11 and total scope 3 emissions for these periods are not directly comparable. Compass will review whether the reported 2019 baseline remains appropriate for future reporting cycles. The Scope 3 methodology outlined in this 'Reporting Methodology' is relevant to our 2023 and 2024 reporting.

Currently, data is collected from four of our largest markets (the US, UK and Ireland (UK&I), France and Australia) which represented 79% of our global revenue in 2024. To align Scope 3 emissions reporting with financial reporting timelines, Q4 data is extrapolated based on Q4 data of the prior year scaled by the percentage change in Q1-Q3 emissions from prior year to current year for each scope category. Our data for purchased goods and services that is used to calculate Scope 3, FLAG and non-FLAG emissions, is extracted from procurement systems. As these are live systems, procurement data extracted for the reporting period is subject to change however, changes are not significant enough to materially impact our reported figures. As per our restatement criteria as set out below, Compass commit to restating our figures should a difference of >5% be found.

An extrapolation of total Scope 3 emissions is then performed across the rest of the Group, using revenue as the scaling factor. Revenue is considered the most complete metric for extrapolation, though we acknowledge the estimation uncertainty and recognise the figure could vary if actual data were available.

Where the calculation method is consistent across the four markets, we provide a general overview of the method followed. Where there are country-specific nuances in the methodology, these are detailed under each category in the table below. Given Compass Group's decentralised business model, calculation methodology may differ across countries due to differences in local service providers and data availability in different countries.

Restatement - This document explains the current methodology applied in determining Compass Group's 2024 scope 3 emissions. When the actual Q4 data is obtained, Compass Group will calculate the actual Scope 3 emissions attributed to Q4 FY24 Actuals. Should 12 months actual FY24 calculation result in a +/- 5% from the reported estimated values (FY24 Q1 - Q3 Actuals and Q4 Estimate), we will take steps to restate the FY24 emissions ahead of our FY25 disclosure.

Category		**Emissions Calculation Methodology**	**Explanation of Methodology**
3.1	Purchased goods and services	Average-data method, spend-based method	Purchased Goods and Services (PGS) are Compass Group's most significant source of Scope 3 emissions. Purchases of food makes up the largest portion of PGS. All spend data is extracted from procurement systems across all four markets at year end (between December 2023 – April 2024) and input into Scope 3 calculations model.

			Certain categories of spend data are excluded from the Scope 3 calculation, including employee payroll, taxes and charity donations, which are not relevant for this calculation. Spend is also excluded from 3.1 where it can be easily split out and accounted for in a more relevant Scope 3 category (e.g. capital goods are accounted for in 3.2 and identifiable travel spend are accounted for in 3.6). Spend (monetary) data is available for all PGS data. A spend-based method is be used when mass data is not available (see below for further details). Spend amount is multiplied by EEIO emissions factors (sources below) to calculate tCO_2e. US, UKI and Australia: US EPA EEIO factors are used in the spend-based method and are adjusted for spend in the UK and Australia by incorporating purchaser price parity, inflation, and other necessary extensions in order to make them appropriate for use in other markets. France: EEIO emissions factors from the French Agency for Ecological Transition (ADEME) are used. For some food categories, mass data (that has been provided by suppliers for certain products) is available in the procurement data. Where mass values for purchased food is available for more than 50% of the total spend on a food category, mass is used to calculate emissions (average-data method). An extrapolation is performed to estimate the total mass for each food category based on the average relationship between mass and spend. Total mass for each food category is then multiplied by emissions factors to calculate tCO_2e. US, UKI, and Australia: Emissions factors for average-data method have been developed using cradle-to-gate LCA models based on peer-reviewed literature for system inputs and outputs and government or intergovernmental sources (e.g. IPCC) for impact assessment methodology and conversion factors. France: Emissions factors from Agribalyse are used (a lifecycle inventory database for agricultural and food products).
3.1	Forest, Land, and	Average-data method,	Forest, Land, and Agriculture (FLAG) emissions are a subset of purchased goods and services emissions and separated into emissions from Land Management (CO2), Land Management (non-CO2), Removals,

	Agriculture (FLAG)	spend-based method	and Land Use Change. Land Use Change is not included in baseline emissions and therefore not included in Scope 3 emissions but is included in FLAG emissions. Activity data (mass and spend) and emissions factors for Land Management (CO_2), Land Management (non-CO_2) and Removals are the same as for purchased goods and services (above). US, UKI, and Australia: Land Use Change is calculated with country-of-origin data from the same procurement systems where available and using a weighted average Land Use Change value across all countries where not available. Statistical LUC data is derived from FAOSTAT land use and land cover information referencing GHG Protocol and IPCC guidance pertaining to biomass carbon, soil carbon, and litter carbon. France: Emissions factors from Agribalyse are used and do not offer the data granularity to separate the four categories of FLAG emissions.
	Non-FLAG	See other sections	All Scope 3 emissions that are not classified as FLAG emissions are classified as non-FLAG emissions. US, UKI, and Australia: Non-FLAG emissions are calculated by subtracting total land management and removals emissions from total Scope 3 emissions. France: Non-FLAG emissions are calculated by subtracting total land management, removals, and land use change emissions from total Scope 3 emissions.
3.2	Capital goods	Average spend-based method	Category 3.2 emissions are calculated using the same spend data extracted from procurement systems and spend-based methodology as outlined for category 3.1, with the same sources of emissions factors. Capital goods are defined as per Compass Group's financial reporting and include leasehold improvements, vehicles, kitchen, office, and technology equipment.

3.3	Fuel and energy related activities	Average-data method	Energy consumption activity data for Scope 1 and 2 emissions is collected using Compass Group's sustainability software system. Country specific emissions factors are then applied to the activity data for well to tank (WTT) emissions of purchased fuels and purchased electricity, and transmission and distribution (T&D) losses from purchased electricity. Emissions factors are sourced from the US Environmental Protection Agency (EPA), US Life Cycle Inventory (LCI), and US Department of Energy Greenhouse gases, Regulated Emissions, and Energy use in Technologies (US DOE GREET) for the US, UK Department of Environment Food and Rural Affairs (DEFRA) for the UK, Australia's National Greenhouse Accounts for Australia, and ADEME (French Agency for Ecological Transition) for France.
3.4	Upstream transportation and distribution	Spend-based method	US, AUS, and UKI: Category 3.4 emissions are primarily calculated using the same spend data extracted from procurement systems as outlined for category 3.1. Depending on data availability, some suppliers' emissions are calculated using ton-kilometres data provided by suppliers and emissions factors for diesel medium and heavy-duty trucks developed from US Bureau of Transportation Statistics and emissions factors from US DOE GREET. If transportation and distribution expenditure can be identified in the spend data (e.g. spend is categorised as freight as it is purchased separately from goods), associated emissions are accounted for in this category (3.4). Where transportation and distribution data cannot be split out from other categories of spend, it remains to be accounted for in category 3.1. France: An emission factor supplied by our distribution partner is applied to mass-based data for purchased goods and services.
3.5	Waste generated in operations	Average-data method	Category 3.5 includes solid waste only (e.g. food waste generated in client kitchens). Wastewater is accounted for in 3.1 as such spend cannot be easily separated. US and Australia: Where actual waste data is available at sites, an average food waste rate is calculated based on waste per $ of revenue from food/catering sites and extrapolated based on revenue across all sites in that country. Waste is then converted to emissions using emission factors from US EPA, which account for the disposal and treatment of waste generated in operations.

			UKI: Food waste is estimated based on total purchased food and estimated food waste rates from Waste and Resources Action Program (WRAP) - a climate action NGO) presenting industry average data in the UK. Food waste data is then converted to emissions using emission factors from DEFRA. France: Food waste emissions are calculated based on the number of meals served, multiplied by an average food waste per cover figure from ADEME. This is then converted to emissions by applying ADEME emissions factors.
3.6	Business travel	Distance-based method, Spend-based method	Business travel is calculated based on a hybrid approach. Where mileage/distance data is available, the distance-based method is used. Where mileage/distance data is not available, a spend-based method is used. US: Distance based method used for flights only. Data is extracted from Compass' US flight booking system. Domestic (US) and international flight distances are then multiped by emission factors from the Oak Ridge National Laboratory Transportation Energy Data Book (ORNL TEDB) and International Civil Aviation Organization (ICAO) respectively. Spend based method is used for all other business travel and hotel stays (the same method of data extraction from procurement systems and application of emissions factors as outlined in 3.1). Australia: Distance based method used for flights and rental cars. For flights data is extracted from Compass' Australia flight booking system and for rental cars, data is provided from the third-party booking provider. Domestic (Australia) and international flight distances are then multiped by emission factors from ORNL TEDB and IACO respectively. Spend based method is used for all other business travel and hotel stays (the same method of data extraction from procurement systems and application of emissions factors as outlined in 3.1). UKI: The distance-based method is used for all air, road, and rail travel data. Data is extracted from Compass UKI travel management system and multiplied by emission factors from DEFRA to calculate emissions. For hotel stays, the number of nights booked is multiplied by emissions factors from DEFRA. France: The distance-based method is used for all business travel data. Data is extracted from Compass France travel management system using kg CO2e provided by the travel agency. Please note that France

			does not include emissions from cars or hotels in 3.6. All cars in France are company owned cars and therefore associated emissions are accounted for in Scope 1. Hotel emissions are included in 3.1 as such spend cannot be easily identified from procurement data.

3.7	Employee commuting	Average-data method	Emissions for employee commuting are calculated based on the number of part-time and full-time employees in each country multiplied by country average commuting statistics and country specific emissions factor. Employee data is extracted from Compass Group's internal HR databases. US, UKI and Australia: Country average commuting statistics are sourced from US National Statistics (US), Department for Transport (UK) and Australia Bureau of Statistics (Australia). These take into account national average commute frequency, distances travelled and the mode of transport. Emissions factors used are from the ORNL TEDB and GREET model (for US and Australia) and DEFRA (for UK). France: Country average commuting statistics are sourced from the French National Institute of Statistics and Economic Studies (INSEE) and emissions factors are from ADEME.
3.8	Upstream leased assets	N/A	Compass Group does not lease upstream assets. Therefore, there are no emissions associated with this category.
3.9	Downstream transportation and distribution	N/A	Compass Group services are provided on site, with no further downstream distribution. Therefore, there are no emissions associated with this category.
3.10	Processing of sold products	N/A	Compass Group products (food services) are provided on site and not further processed. Therefore, there are no emissions associated with this category.

3.11	Use of sold products	Average-data method	Category 3.11 represents emissions from the consumption of electricity and gas in client/commercial kitchens used by Compass. As explained below, revenue is an input to the average-data method used to calculate category 3.11. Revenue from owned sites is excluded (as energy usage from these sites is included in Scope 1 and 2). Revenue from operations, such as vending and facilities maintenance, are excluded. These exclusions are in keeping with the GHG protocol guidance that the inclusion of indirect use-phase emissions is optional. UKI, US, Australia: Emissions are calculated by multiplying estimated energy consumed per GBP revenue and applying country specific emission factors. Energy consumed is estimated based on an academic study* on electricity and natural gas consumption rates in UK commercial kitchens per GBP of turnover. Average electricity and gas consumption rates are multiplied by the Compass' revenue from commercial kitchens in each country. As the study is based on GBP, food indices from FAOSTAT were used to normalize results for the US and Australia to account for differences in food prices between countries. Country specific grid emission factors for electricity and natural gas are sourced from US EPA (US), DEFRA (UK) and the Australian Government's Department of Climate Change, Energy, the Environment and Water (Australia). France: Actual data (where available) on gas and electricity consumption values from Compass client kitchens and the number of meals served has been used to calculate average gas and electricity consumption factors per meal served. These factors are then used to extrapolate across the remaining meals served by Compass France for the year and multiplied by emission factors from ADEME. *Mudie S. Energy Benchmarking in UK Commercial Kitchens. Building Services Engineering Research and Technology. 2016.

3.12	End-of-life treatment of sold products	Average-data method, waste-type-specific method	Emissions from the end-of-life treatment for Compass Group all arise from downstream waste. Estimates are made for both end-of-life food waste and packaging waste. Food waste for the UK, US and Australia are based on assumed wastage rates from food purchases, sourced from literature studies by 'Food and Agriculture Organisation of the United Nations' (UNFAO) and WRAP for the UKI and Australia, and USDA and NRDC in the US. US and AUS: To calculate the end-of-life emissions associated with packaging materials, the US EPA industry average recycling rates were used to calculate the total packaging recycled and sent to both landfill. US EPA emission factors for each type of waste treatment were then applied to these to calculate the associated emissions. UKI: Only downstream emissions from food waste were calculated. Emission factors from DEFRA were used. Compass France do not include emissions from waste in this category. All emissions associate with waste are included in category 5.
3.13	Downstream leased assets	N/A	Compass Group does not operate assets that are leased to other entities. Therefore, there are no emissions associated with this category.
3.14	Franchises	N/A	Compass Group does not operate franchises. Therefore, there are no emissions associated with this category.
3.15	Investments	Average-data method	Emissions from investments where Compass Group do not manage the procurement are included in 3.15. Where Compass does manage the procurement for investments, emissions are accounted for in 3.1 and 3.2. Emissions are calculated by multiplying the total annual revenue of investments by Compass' % share of profits. This share of revenue is then multiplied by US EEIO emission factors.

2. Scope 1 and 2 - GHG Emissions, Energy and Intensity

Compass Group reports Scope 1 and 2 GHG emissions, energy consumption and intensity in Group's Annual Report for the financial year (1 October – 30 September).

Compass Group acknowledge that the greenhouse gas ("GHG") emissions quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs; and estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

2.1 Methodology and Boundaries

The Group's scope 1 and 2 GHG emissions are based on the owned and operated sites in 26 of its largest markets, which made up approximately 98% of the Group's underlying revenue in the year ended 30 September 2024. The remaining markets are immaterial to the Group's emissions due to the size of their operations, and the low number of owned and managed sites.

Any site / location that meets all of the following three criteria must be included. This is in line with the operational control approach, as per the GHG Protocol.

- The site is used by Compass employees to conduct business, and Compass has control over the operation. This includes but is not limited to all offices, regional and HQ, as well as central processing units, laundries, warehouses and some kitchens and cafeterias;
- The site is not located on a client's premises, nor is it under a franchise agreement (a client's premises would not count as under our operational control);
- Compass rents or owns the site, and either pays for utilities directly, or pays a total rental fee which includes the use of energy/electricity. This could be an office where Compass Group owns the whole building or rents a floor in a multi-tenant office building.

For the year ended September 2024 and prior years, the UAE market has been excluded from our energy and emissions numbers due to issues with data quality. Please see 'Restatement of GHG emissions disclosures' section below for further detail.

Acquisitions – CHCO's data from our UK acquisitions has been incorporated into our data reporting system, following the same guidance and training provided to the rest of the business. Germany's acquisition of the Hofmann business, whose data is included in this year's emissions reporting, has a separate system. Hofmann use a third-party consultancy to calculate their emissions, with internal checks and reviews conducted on the data provided to Compass. Hofmann's GHG reporting is also aligned to the GHG Protocol. Compass is working to fully integrate this process into our system starting in FY25.

2.2 Timeframe

All data from owned and operated sites for energy, refrigerants, fleet, and floor space is collected quarterly to ensure a complete and accurate periodic reporting cycle, aligning with the financial, annual and sustainability report publications. The reporting period for our current year is 1st October 2023 to 30th September 2024.

2.3 Emissions calculation methodology

Compass Group calculates Scope 1 and 2 emissions in accordance with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard; UK Environmental reporting guidelines including Streamlined Energy and Carbon Reporting requirements.

In our Annual Report we disclose our emissions and energy data broken down into the following categories for reporting;

- 2.3.1 Scope 1 **-** These include the direct emissions that originate from sites owned or leased by Compass Group, that have been deemed to be under the Group's operational control.
    - *Building emissions* – we include emissions from natural gas, LPG, diesel and other fuel consumption sources from our offices, Central Production Units (CPUs), laundries and warehouses globally. Some sites in UK we use biogas, this data is provided directly from the supplier, captured in our system and has been mapped to the latest Biogas Defra emissions factor.
    - *Vehicle emissions* – we include emissions from fuel consumption by our fleet that is owned and leased by Compass Group, as well as any information from the use of hybrid and electric cars. For our fleet data across most markets, we receive information from third-party providers on the activity data, including details on the types of fuel used and their sources. Average monthly fuel price factors are applied to some sites data sourced from country-specific government databases.
    - *Refrigerant emission*s - we include emissions from any refrigerant gas leakages that may have occurred from systems at our sites throughout the year.

- 2.3.2 Scope 2 (location-based) - This includes the indirect emissions from the use of electricity, district heating, steam and cooling that Compass Group uses. For calculating location-based emissions we use Defra 2023 and International Energy Agency (IEA) v3 (2023 edition) factors. The calculation is multiplying the energy source by relevant emission factors. We use country specific IEA factors within our calculations, where available.

- 2.3.3 Scope 2 (market-based) - This includes the indirect emissions from the use of electricity, district heating, steam, and cooling consumption that Compass Group uses. Our market-based emissions from electricity, where possible are calculated using supplier-based emissions factors provided to us directly by a supplier. Where this is not available, we apply the AIB 2023 Residual mix for European markets. However, most of our sites where a residual mix factor is not available, are non-European countries, which leads to the location-based factor being used. Where we report on renewable electricity, it is backed up by renewable energy certificates (RECs), renewable energy guarantee of origin (REGO) and renewable energy supplier contracts.

- 2.3.4 Energy Consumption – The Group calculates total energy consumption based on data collected on energy usage from electricity, fuel, gas, etc. across operations during the reporting period. The reported unit of measurement is kWh.

- 2.3.5 Emissions Intensity - disclosed as tCO2e (location based) per million $ turnover. It is calculated as the total of scope 1 and scope 2 location based divided by the underlying Group revenue. In FY24, the KPI has been calculated based on turnover in US dollars, reflecting the change to the Group's reporting currency effective 1 October 2023. Prior year emissions intensity has been restated (see section 2.6 below).

2.4 Conversion factors

All consumption data for stationary Scope 1 and 2 is first converted in Energy (MJ) either through standard conversion factors or from Defra 2024 and all scope 1 vehicle data is converted through $m^{3,}$ and 2023 emissions factors are then applied to this data.

2.5 Data collection and estimation process

The sustainability Single Points of Contact (SPOCs) for all reporting countries are responsible for their country's sustainability reporting. All individuals report data directly into our Group wide sustainability reporting system that is used for collection and consolidation purposes. This

year, where possible, we have implemented a preparer and reviewer system in our key markets to ensure that the data being input into the system is accurate, complete, and includes relevant third-party evidence. Data is then reviewed by the Group sustainability team for completeness and accuracy purposes and analysed to ensure we capture trends, and any year-on-year variances are flagged, and data is then consolidated for reporting purposes. We lock the system at year end when all the data has been checked and finalised. The system then calculates the emissions using inbuilt unit conversion factors (as explained above), based on activity data inputted for all relevant sources.

For some sites, energy providers may issue invoices with a delay, resulting in a lag in receiving actual data. However, we ensure that the most recent and complete data available is used for the relevant reporting period whenever possible.

The main aim is to collect all actual data; however, if any sites are missing information on electricity or natural gas, we apply the following estimation hierarchy to our quarterly data collection. When required, we use a site's floor space as a normalisation factor to estimate electricity and natural gas consumption.

1) *Complete data available* - enter in system with actual values and supporting evidence.
2) *If missing a quarter* - use previous year's data for that quarter to report
3) *If missing a quarter and past year's data is not available* – take average consumption by dividing the total consumption of all actual quarter by three, to determine the missing values.
4) If none of the above are eligible, then the reporting system will estimate values based on sites floor space and averages of other sites reported within that country of a similar size.

2.6 Restatement of GHG emissions disclosures

For our year end 30 September 2024 reporting, Compass have restated Global energy consumption and GHG emissions data, for all prior years, for the following reasons:

1) To reflect the change in Group reporting currency from GBP to USD effecting our emissions intensity metrics.
2) To remove the UAE market due to data quality issues found.

The UAE contributed 5.2% of the Group's reported scope 1 emissions of 147,282 tCO2e, 7.5% of reported scope 2 emissions (location-based) of 49,714 tCO2e, 7.4% of scope 2 emissions (market-based) of 50,104 tCO2e, totally 5.7% of total gross emissions (location-based) of 196,996tCO2e and 5.1% of energy consumption of 786,600,491kWh in 2023. During the year data quality issues were identified in respect of the UAE's

emissions data for both 2023 and 2024 up until its disposal. The Group consider it not practical to obtain more reliable emissions data given the Group no longer has control of these operations and cannot reasonably estimate due to the incomparable nature of the market. Therefore 2024 does not include UAE, and all 2023 and prior year data to the extent it is disclosed within the Annual Report have been restated to remove the UAE, including removing the UAE's turnover in calculating the intensity metric for consistency, as set out in the tables below.

Virtually all of the change in the GHG ratios in the previous years is due to the change in the Group reporting currency. The methodology for which is disclosed in note [3] on page [36] of the Annual Report and the same approach has been applied to all the previous years.

Table 1: Greenhouse gas intensity ratio (GHG)

	As stated in the Annual Report 2023 (tCO2e/£m)	As re-stated on [page 7] the Annual Report 2024 (tCO2e/$m)
2020	**9.5**	**7.1**
2021	**9.0**	**6.4**
2022	**7.3**	**5.5**
2023	**6.4**	**5.0**

Table 2: Global energy consumption and greenhouse gas (GHG) emissions for the period 1 October 2022 to 30 September 2023

	For the year ended 30 Sept 2023	
	As stated in the Annual Report 2023	As re-stated on [page 36] of the Annual Report 2024
	Global	Global
Scope 1 – Emissions from the combustion of fuel or the operation of any facility, including fugitive emissions from refrigerants use (tCO2e)	147,282	139,687
Scope 2 – Emissions resulting from the purchase of electricity, heat, steam or cooling (location-based) (tCO2e)	49,714	46,002

Scope 2 – Emissions resulting from the purchase of electricity, heat, steam or cooling (market-based) (tCO2e)	50,104	46,392
Total gross emissions (location-based) (tCO2e)	196,996	185,690
Total scope 1 and 2 emissions (location based) per million $ turnover (tCO2e/$m)	6.4	5.0
Energy consumption used to calculate above emissions (kWh)	786,600,491	746,561,481

3. Food Waste (number of sites with regular usage of technology)

Compass Group have a target to reduce food waste by 50% by 2030. This target is aligned with Goal 12 of the United Nations Sustainability Development Goals (UN SDGs) and is supported by our continued investment and deployment of food waste tracking technologies.

We have a KPI linked to number of sites using food waste technology, for the 2024 annual bonus plan for executive directors and senior management to support our food waste priorities. This focuses on reducing food waste across our operations by targeting our sites to drive usage of industry-leading technology which helps measuring the waste. This year, the Remuneration Committee has adapted this KPI to evolve from a technology deployment target to measuring frequency of usage rates, with the intention to move towards a food waste reduction target in 2025.

3.1 Boundaries and Methodology

Compass Group has deployed food waste management systems in 9,947sites across all regions for the financial period 1st October 2023 – 30th September 2024. To qualify for this food waste KPI, sites must weigh waste for at least 12 days in a month, for 2 months in the financial year.

3.1.1 Food waste technology/tools - Utilising technology to measure food waste supports our kitchen teams track and analyse waste. This data-driven approach enables more effective waste reduction strategies and operational improvements. Compass Group has three types of tools within our businesses -

- *Estimated Methodology:* Compass' proprietary tablet-based, online tracking tool Waste Not 2.0 captures data based on a visual estimation of the volume of commonly used standard kitchen containers, the user then estimates the density of the food waste, and the system automatically calculates a total weight per entry. Data is consolidated in a dashboard for the site to track trends and drive improvements from.

- *Integrated scales:* Third-party providers utilise an automated weighing scale connected to a system placed in our kitchens, which capture the exact weight of food waste in real-time. Data is consolidated in a dashboard for the site to track trends and drive improvements from.

- *In house Systems:* Our countries have deployed systems to record food waste, often to consolidate the data capture alongside existing processes such as menu management and purchasing. In these instances, operators weigh food waste in the kitchen using weighing scales and then record the data into the system at the end of service. Data is consolidated in country specific dashboards for the country to track trends and drive improvements from.

3.2 Methodology

- Food waste is recorded at the site level by the user (typically a chef or kitchen assistant). Each country's tool manager is responsible for reviewing the data on ad-hoc basis and engaging with sites to encourage accuracy of reporting and usage of the tool. When data errors are identified, necessary steps are taken to address them, including removing the data points if required. This is considered a conservative approach which would lead to an understatement of the number of sites using food waste technology. The process varies depending on the tool used within each country.

Data from the tools is sent monthly to Group for consolidation. Compass Group Sustainability Team then upload into a central Food Waste Power BI dashboard which automatically calculates the total number of sites complying to the KPI. Since this KPI is linked to sites recording food waste, we only consider sites with >0 kgs and actual data on volumes, there are no estimations or extrapolations.

4. Meals Donated KPI

4.1 Boundaries and Methodology

Compass Group reports the total number of meals donated to local communities across our top markets, the USA, UK&I and Canada for the reporting period 1st October 2023 – 30th September 2024. Other Compass countries may run their own local donation initiatives, but due to our decentralized business model and the fact that these top markets represent c.76% of the Group, we focus on reporting from these key markets in our Group Annual Report. Within the USA, UK&I, and Canada, there may be smaller charities involved; however, as they are not material to the overall scope and may lack the appropriate supporting evidence, so we exclude them from our reporting.

All partners and charity organisations provide data reports from their own systems, and the aggregated total is used for reporting purposes. There are no estimations or extrapolations made to the data.

The third-party reports across all markets are obtained either through the exact number of meals donated as reported by providers or by obtaining weight provided which is then converted using the relevant factors provided by partners, as outlined below.

Compass Group recognises that food donation methodologies may vary across partner organisations. We are confident in each organisations level of transparency when it comes to reporting methods, as all partners are well respected within their respective counties as some of the largest food rescue charitable organisations. Each explained food donation methodology has been developed by third-party organisations, who our partners work with to calculate the number of meals made through the weight of food we donated.

Market	Donation Partner	Conversion Factor	Source
USA	All partners	1 meal = 1.2 Lbs	USDA
UK	Fareshare (and others)	1 tonne = 2381 meals	Wrap
Canada	LTDC and Second Harvest	1 meal = 1 Lb	Second Harvest

5. Responsible Sourcing KPIs

5.1 Background

Compass Group report responsible sourcing data from 26 of our top global markets on an annual basis for the financial year (1 October – 30 September). We have several commitments within this space that we aim to reach in the coming years, through the work we are doing on a yearly basis.

5.2 Methodology

The Group's 26 largest markets, make up approximately 98% of the Group's underlying revenue in the year ended 30 September 2024. All data from markets is collected bi-annually to ensure a complete and accurate periodic reporting cycle, aligning with the sustainability report publication. The reporting period for our current year is 1st October 2023 to 30th September 2024.

5.3 Data Collection Process

At country level, responsible sourcing data was pulled from procurement or finance system for the relevant period and all scope and categories were included. Data attributes are then checked with suppliers, and they are asked for evidence for sustainable spend i.e. certifications. Compass teams then perform checks to ensure that total spend figures match Compass' procurement system. This is done to ensure that 100% of spend on each responsible sourcing category (e.g. seafood) is captured. Scope and categories (sustainable and non-sustainable) were compared to prior year and any changes were explained to ensure that reporting is as accurate and transparent as possible. Data was then converted into standardised excel templates. We use a data management system to hold and analyse the data across the Group. Data and evidence are uploaded into the system throughout the reporting period. Evidence was gathered for each KPI as per internal guidance, such as sustainability certificates. In country finance teams were asked to perform a sign-off process on all KPIs. They confirmed the scope, categories and timeframes of data was correct. Then confirmed that numbers have been correctly calculated for a random sample. All KPIs were then reviewed and approved in line with a random sample of evidence required as per internal guidance, including the validity of the certificates i.e. external evidence that the spend was responsible (relevance and up to date). Once confirmed, data and evidence were then submitted into the data management system.

Once this data has been collected within the system, the Compass Group Sustainability Team complete a round of reviews. Checks are completed for data accuracy and completeness but also to ensure the data has been correctly classified. This team then ensure that all relevant evidence is provided, as well as templates with raw data. Data is reported on a bi-annual basis for these metrics, and when full year data is pulled, the calculation is done automatically within the system to produce said totals. Final percentages for each KPI are manually calculated by the Group Sustainability Team, ensuring that only relevant markets are included within the final number. Compass provide markets with specific definitions, requirements and examples of certifications that can confirm that spend or volume of a specific metric, can be categorised as sustainable. The details of these are outlined below.

5.4 KPI Details and Definitions

The data points that we acquire data on, and how they are calculated, in accordance with our KPIs are outlined below. They are broken down into four categories, of which Compass has deemed the most material to the overall sustainability of the business' supply chain.

- Animal Welfare: Our global goal is to source 100% cage free eggs by 2025 and recording this data allows us to track our performance, we report this externally to sustainability indices.

Liquid and Shell Eggs (All Countries)

KPI	Definition and Evidence
Total amount of **cage-free shell eggs** purchased in VOLUME	The term 'cage-free shell eggs' refers to those eggs bought or sold in their natural state, in the shell, where the hens who lay eggs were raised in a cage-free farm environment. Certifications must be provided to prove that suppliers are classified as cage-free.
Total amount of **cage-free liquid eggs** purchased in VOLUME	The term 'liquid eggs' refers to the volume of eggs that are purchased and supplied without a shell, where the hens who lay eggs

	were raised in a cage-free farm environment. Certifications must be provided to prove that suppliers are classified as cage-free.

Broiler Chicken Commitment (US and Europe (excl. Türkiye))

KPI	Definition and Evidence
Total amount of broiler chicken purchased complies with Better Chicken Commitment in VOLUME	The term 'broiler chicken' refers to any chickens that are bred and raised specifically for meat consumption. The 'Better Chicken Commitment' is a science-based chicken welfare policy that addresses issues related to breeding for fast-growth and high-yield, housing, stocking density, and slaughter. In order for broiler chicken to be classified as meeting the commitment, a certificate needs to be provided as evidence. See: https://betterchickencommitment.com/us/

- Marine sustainability: Our global target is to purchase 50% certified sustainable fish and seafood. This data is collected on a bi-annual basis.

Fish and Seafood (All Countries)

KPI	Definition and Evidence
Total SPEND on fish and seafood products from	The scope is all seafood, this includes frozen, tinned, fresh, added value (e.g., battered), dried. This includes fisheries or aquaculture farms certified to a Global Sustainable Seafood Initiative - (7 certification standards) and/or:

sustainable sources	- Ranked as best choice or certified by the Monterey Bay Aquarium Seafood Watch: https://www.seafoodwatch.org/ - Ranked as best choice by the MCS Good Fish Guide: https://www.mcsuk.org/goodfishguide/ - Scored over >8 in all categories in Fish Source: https://www.fishsource.org/ - Green/top rank in WWF seafood guides: https://wwf.panda.org/act/live_green/out_shopping/seafood_guides/ Or Group-approved sources. If a local certification is used, this needs to be approved by Compass Group and added to the reporting criteria. None of these have been reported in current year.

- Forests: Compass Group have signed up to the Science Base Target Initiative (SBTI) which requires a forest commitment to deforestation and conversion free supply chain by 2025. We launched a new policy to meet this requirement mid-2024. All SOFI changes are aligned to the new forests policy which follows the Accountability Framework guidance.

Proving deforestation and conversion free (DCF):

A. *Buying certified products* (for Europe: not valid alone for EUDR)
   They are certified according to a standard whose criteria prohibit deforestation and conversion after a specified cut-off date. They are controlled using a chain of custody model that links products to the sites where they were produced (i.e., segregated and identity preserved). Such certifications include Fairtrade, Rainforest Alliance, UTZ or equivalent third-party certification (provide a comment if using an alternative certification system).
B. *Low Risk Sourcing.*
   Avoid high risk areas and regions, trace materials to a sourcing area where no or negligible deforestation/conversion has occurred since the cut-off date. Continue to monitor such sourcing areas to for risk or occurrence of deforestation or conversion. Enhanced Environmental questionnaires focussed on deforestation, and ongoing monitoring.

C. *Enhanced due diligence.*
Complete evidence-based supplier risk assessment on all shortlisted suppliers and include findings as decision criteria to select preferred suppliers. Complete enhanced due diligence including questionnaires and site based third party audits as part of onboarding, ensure the boundaries of production units are clear. Ongoing supplier monitoring and engagement of environmental performance, including the sharing of verified information on DCF status.

Coffee (All Countries)

KPI	Definition and Evidence
Total SPEND on coffee that is deforestation and conversion free	Spend on coffee during period, this includes fresh, ground, dried and excludes retail bottles or cans. Suppliers can meet one of the below options in order to be categorised as deforestation and conversion-free. A. **Certified products** Such certifications include Fairtrade, Rainforest Alliance, UTZ or equivalent fair-trade certification. More information: https://www.fairtrade.org.uk/ https://www.rainforest-alliance.org/ https://utz.org/ Independent third party certification (such as C.A.F.E, see - http://www.ecolabelindex.com/ecolabel/cafe-practices). B. **Low Risk Sourcing.** No high risk countries of origin: Brazil, Colombia, Indonesia, Honduras, Guatemala, Vietnam. C. **Enhanced due diligence.** Suppliers provide the required certifications to prove that they don't source from locations that caused deforestation or land conversion after specific cut off dates.

Palm Oil (All Countries)

KPI	Definition and Evidence
Total volume of certified palm oil within frying oils ***(Litres)***	Of the palm oil volume, identified in frying oils, how much of that comes from certified sources (i.e., RSPO Identity Preserved, RSPO Segregated, RSPO Mass Balance)
Total volume of certified palm oil within margarines ***(Kilograms)***	For the Palm oil volume, identified in margarines, how much of that comes from certified sources (i.e., RSPO Identity Preserved, RSPO Segregated, RSPO Mass Balance)

- Supplier DE&I: In 2023, we started to collect more detailed supplier diversity data from across the group to help us identify opportunities to increase our impact. To further support our markets, we are rolling out a framework to help drive our DE&I spend, focusing on three types of supplier engagement; identifying suppliers, creating opportunities and helping them grow.

Supplier DE&I

KPI	Definition and Evidence
Total SPEND on social entreprises (UK&I ONLY)	A social enterprise is a business that put the interests of people and planet ahead of shareholder gain. These businesses are driven by a social/environmental mission and reinvest profits into creating positive social change. Certification required.
Total SPEND on B Corporations (USA, UK&I, Canada)	Certified B Corporations are companies verified by B Lab to meet high standards of social and environmental performance, transparency, and accountability. Certification required.

Total SPEND on SMEs (France, UK&I, Canada, Australia, Türkiye, and Japan)	The main factors determining whether an enterprise is an SME are staff headcount, either turnover or balance sheet total. SME is generally a small or medium-sized enterprise with fewer than 250 employees. However, this is often determined by the government of the country in which the business is located.
Total SPEND on women owned businesses (USA, UK&I, and Canada)	A women owned business is defined as a business which is at least 51% owned, and/or managed/controlled by one or more women. Certification required.
Total SPEND on minority owned businesses (USA, UK&I, Canada, and Australia)	A business which is at least 51% owned and/or managed/controlled by one or more individuals of an ethnic minority. Each country has a government definition as to what is classed as an ethnic minority. Certification required.

5.5 Markets Included

The markets that are included within Compass Group's scope for this reporting are based on the Groups market breakdown of revenue as of March 2024. This was when reporting guidance was issued to countries ahead of the FY24 reporting period.

During the year data quality issues were identified in respect of the UAE's data for both 2023 and 2024 up until its disposal. The Group considers it not practical to obtain more reliable data given the Group no longer has control of these operations and cannot reasonably estimate it due to the incomparable nature of the market. The market was also deemed immaterial to the Group's overall reporting, based on FY23's data accounting for less than 5% of the Group's total. Hence, the choice for the Group to remove the UAE from its reporting scope for FY24.

Brazil was also disposed of after midyear, therefore only the first six months of data for the reporting year has been included. Brazil was also deemed immaterial to the Group's overall reporting, based on FY23's data accounting for less than 5% of the Group's total.

Reported Counties
USA
UK&I
Canada

France
Australia
Germany
Brazil – H1 only due to disposal
Turkey
UAE – not included in reporting
Japan
Spain
Chile
Finland
Netherlands
Denmark
Norway
Sweden
Belgium
India
Switzerland
Italy
New Zealand
Kazakhstan
Colombia
Portugal
Luxembourg