

COMPASS GROUP

Driving sustainability Together

Our Planet Promise 2023

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Compass Group PLC, the parent company of the Group, is a non-trading investment holding company which derives its distributable reserves from dividends paid by subsidiary companies.

Our reporting is aligned to Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB). For more information, please visit the website at *www.compass-group.com/en/sustainability/performance-and-reports*

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Key highlights

12%
reduction in emissions (2022 vs 2019 baseline)

c. 8,000
sites with food waste recording technology

1.6m
meals donated to charity

93%
of sites offering at least 1 healthy meal

£689m
of sustainable bond proceeds allocated





Group Chief Executive's review

Sustainability is ingrained in our culture and intrinsic to our success



Welcome to our Sustainability Report 2023, which details the progress we are making in sustainability, how it positively impacts our planet as well as contributing tangible commercial benefits to the Group. Sustainability is deeply ingrained in our culture, central to the way we conduct business, and intrinsic to our success. Furthermore, we've embedded sustainability in our Management and Performance framework, which we use to drive performance across the business.

Creating long-term partnerships

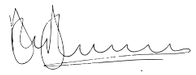
Sustainability is a competitive advantage. It helps us win new business both from first-time outsourcers and from other larger and regional players and our businesses are continuously evolving their offer to remain relevant by serving their consumers what they want whilst offering insights on the environmental impacts of certain foods. We also recognise that health and wellbeing often go hand-in-hand with sustainability. As a result, we're combining thought leadership, culinary expertise, and technology to achieve our goals. This is highly valued by our clients for whom our businesses are trusted advisors in this area creating mutually beneficial, long-term partnerships.

Reducing food waste

A top priority for us is to reduce food waste. Over six years ago, we started a movement to ignite change around food waste which has since become a major global event. Reducing food waste is not only good for the planet, but also good for business. Tracking and reporting of food waste helps us to be more efficient in our operations, to reduce costs and mitigate inflation. I'm pleased to report we have now adopted food waste tracking technology in c.8,000 locations worldwide and, with every region united in support, proudly surpassing our original target of 6,000 locations.

Planet Promise

Our Planet Promise is Compass Group's global commitment to a sustainable future for all. It encompasses our values as an ethical, sustainable and inclusive business, together with our ambition to positively impact the world. There is not one single solution to our shared challenge and we need everyone to do their part. Our people are making lots of incremental changes across thousands of units and sharing these best practices around the Group. I am confident that our commitment and thought leadership is inspiring our clients, consumers, employees, and suppliers to help find collective solutions and accelerate delivery to reach climate net zero by 2050.



Dominic Blakemore
Group Chief Executive Officer

A shared focus to make a positive impact for the planet

Our global commitment to a sustainable future for all is enshrined in our Planet Promise. It encompasses our values as an ethical, sustainable and inclusive business, together with our ambition to make a positive impact for the planet.

Working towards our Planet Promise goals has given us a shared focus that continues to drive innovation and collaboration across the Group, strengthening partnerships with clients, consumers, employees, other business partners and local communities. Our Planet Promise will continue to inform our actions as we work towards our worldwide commitment to reach climate net zero by 2050.

Stakeholder alignment

To maximise the positive change we can achieve for both people and the planet, we have aligned our sustainability strategy with the nine UN Sustainable Development Goals (SDGs) where we can have the greatest impact. These include making commitments around carbon reduction, animal welfare and food waste, increasing plant-forward meals across our businesses, creating an inclusive culture and caring for the health and wellbeing of our people.

Our businesses collaborate closely with their stakeholders to ensure they are working together effectively to maximise the sustainability of their operations. In each of the communities in which our businesses operate around the world, they maintain an ongoing dialogue with their stakeholders and use business analytics tools to review corporate reports, mandatory and voluntary regulations, news and social media.

Transparent corporate and sustainability governance systems are fundamental to ensuring consistent accountability across our diverse local operations, which are underpinned by our global Ethics and Integrity and Speak Up, We're Listening programmes. Visit our website at *www.compass-group.com/en/who-we-are/corporate-governance/policies* to learn more about our Code of Business Conduct, Global Supply Chain Integrity Standards, as well as our Speak and Listen Up, Human Rights, Business Integrity, Diversity,Equity and Inclusion, Environment and Health and Safety policies.

Materiality assessment

In 2023, we refreshed our view on materiality. In addition to helping us understand potential financial risks and opportunities related to a wide range of ESG topics, this assessment also helped Compass further understand how our actions impact the planet and society. The process involved a wide range of internal and external stakeholders from across all of our operating regions. External stakeholders included consumers, suppliers, distributors, NGOs, investors, and topic-specific subject matter experts.

The outputs are mostly a refinement of the topics highlighted in our previous materiality assessment, though the process helped Compass develop a much deeper understanding of the impact we can have as an organisation. This knowledge will be used to further refine our strategies and ensure we focus our efforts on the initiatives that matter the most.

The Compass sustainability strategy is focused on contributing to nine of the SDGs



	ESG topic	Compass actions
Environment	Climate change adaptation and mitigation	Taking action to reduce the Group's direct and indirect greenhouse gas emissions (Scope 1, 2 & 3) and adapting the supply chain to be resilient to the effects of climate change.
	Nature and biodiversity	Establishing policies, standards and programmes to minimise the impact of sourcing on natural ecosystems including preventing deforestation, overfishing and biodiversity loss.
	Waste	Reducing food waste throughout our value chain, from source to kitchen, and reducing the amount of plastic packaging used in operations and, where possible, investing in sustainable alternatives.
Social	Inclusive talent attraction and retention	Creating an environment in which our people thrive and feel valued, building a diverse, equitable and inclusive workforce to reflect the communities in which we operate. This includes ensuring fair working conditions and adequate wages.
	Health, safety & wellbeing	Fostering a culture of health, safety and wellbeing throughout the Group's operations.
	Workers' rights	Committing to upholding human rights, always treating people fairly, with dignity and respect, within the businesses' operations.
	Workers in our value chain	Advancing ethical principles, human rights and labour standards in Compass Group's supply chain.
	Food transparency	Presenting consumers with accurate product information and ensuring that any product claims can be substantiated.
	Sustainable and healthy diets	Offering sustainable and quality ingredients, and healthy recipes that appeal to consumers across the Group's businesses.
	Food safety	Promoting a culture of food safety throughout Compass's businesses to guide the decisions, actions and behaviours of our people.
Governance	Business ethics and integrity	Implementing the Code of Business Conduct (CBC) and other Group Policies (including the Business Integrity Policy), reinforced by Compass Group's global Ethics and Integrity (E&I) programme.
	Bribery and corruption	Upholding a strong culture of integrity, promoted through the E&I programme and its independently operated Speak Up, We're Listening helpline and web platform. Focusing on preventing, detecting and responding to emerging risks and incidents, and mandatory training and awareness programmes.
	Cyber security, privacy and data security	Assessing cyber risk and monitoring and managing of the maturity of Compass Group's enterprise infrastructure, platforms and security controls. Ensuring appropriate crisis management procedures are in place and implementing principle-based rules for the use of artificial intelligence.

Our sustainabilty roadmap

2004

2004
Compass Group joined UN Global Compact

2010
Joined Roundtable on Sustainable Palm Oil

Commenced CDP Reporting

2016
Published Global Cage-Free Egg Commitment

2017

2020
Joined Global Sustainable Seafood Initiative

2018
Published First Global Sustainability Report

First Global Stop Food Waste Day

Eat Forum Partnership

Launched People, Performance, Purpose strategy

2017
First Stop Food Waste Day - USA

Published Global Sustainable Seafood Commitment

Published Global Palm Oil Commitment

2021

2021
Set SBTs and Net Zero Targets

Joined Terra Carta

Joined Social Value International

Joined Slave Free Alliance

Refreshed Group E&I Programme, Strategy and Priorities

Reported on the Task Force on Climate-related Financial Disclosures (TCFD)

Relaunched Speak Up, We're Listening Programme globally

2022
Launched Global Supplier Code of Conduct

The UK&I business appointed Professor Sir Charles Godfray as Climate and Sustainability Advisor

First Sustainable Bond issue in the Food Services sector

Joined the International Food Waste Coalition (IFWC)

Launched global deployment of Waste Not 2.0

Updated Global Human Rights Policy

2024

2023
New partnership with climate consultant Planet FWD

Created the Global Culinary Forum

Hosted inaugural sustainability deep dive for investors

Sustainability metric added to the executive directors and senior management annual bonus plan

Delivered a 12% total emissions reduction (2022 versus 2019 baseline)

Refreshed and relaunched Code of Business Conduct globally

Launched The Compass Group Foundation

Environmental Leadership

- Climate net zero by 2050 across our value chain
- Carbon neutrality in our operations by 2030 (Scope 1 & 2)
- 46% reduction in Scope 1 & 2 direct emissions by 2030
- Approved science-based targets to 2030
- 28% reduction in our Scope 3 emissions associated with the food and drink we purchase by 2030
- 50% reduction in food waste by 2030



Compass Group is increasingly a strategic partner of choice. As a business, we are agile, innovative leaders in sustainability – a position that supports our growth and enables us to set ambitious climate targets.

We committed to reduce emissions to reach climate net zero by 2050 globally and have set milestones to help us achieve our goal.

Our Science Based Targets initiative (SBTi) aligned global commitments for 2030 include a 28% reduction in our absolute Scope 3 greenhouse gas (GHG) emissions from all food and drink purchased, aligned with a Well Below 2°C trajectory, and a 46% reduction in our absolute Scope 1 and 2 GHG emissions, in line with an ambition to limit future warming to 1.5°C above pre-industrial levels. We have gone even further by committing to be carbon neutral worldwide in our Group operations by 2030 in Scopes 1 and 2, and have empowered our businesses to develop their own decarbonisation roadmaps specific to their region.

Across the Group, we continue to explore ways of being more environmentally responsible. This includes engaging with suppliers, colleagues, clients and consumers to redesign menus, promote a plant-forward diet, fight food waste and electrify our fleet.

By leading on the environment and driving innovation, we can help protect the global food system from rising global temperatures, water stress and extreme weather events that disrupt supply chains, reduce crop yields and damage community livelihoods.

Environmental leadership

Good progress on our path to climate net zero

Progress on Scope 3 emissions

During the year we made good progress in our journey to reach climate net zero by 2050 by partnering with Planet FWD, a leading carbon management consultancy specialising in the food and agriculture industry. The Planet FWD partnership has enabled us to improve our methodology for measuring emissions and enhance the quality of our supply chain (Scope 3) data. Most of the Group's GHG emissions are Scope 3 (originating in the supply chain), for which we are indirectly responsible. Our work with Planet FWD on measuring our Scope 3 emissions gives us the information needed to work with suppliers to reduce the emissions of our products and services.

Our total Scope 3 emissions for 2022[1] were calculated for our top four markets – the US, UK, France and Australia, representing 78% of our global revenues – using a hybrid volume and spend approach, and extrapolated to our smaller markets. We particularly focused on increasing the quality of data for purchased goods, the most significant source of emissions from our baseline. This improvement in data quality has resulted in more detailed estimates of food-related emissions and lower emissions estimates for 2022.

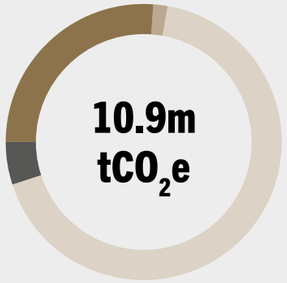
Improving data accuracy to establish the Scope 3 emissions for 2022 reported this year was a six-month process. Our 2019 assessment underestimated energy usage in client kitchens, which subsequently increased in 2022, partially offsetting emissions reductions achieved in purchased goods and resulted in an overall emissions decrease of 12%.

For the Group to achieve its 2030 Scope 3 reduction target, we are actively identifying and implementing the most effective actions. This means focusing on food waste reduction, upskilling our teams, reformulating our menus, and working closely with suppliers to explore new sustainable business practices.

12%

total emissions reduction against a 2019 baseline

Our total 2022 Emissions Footprint[1]



Emissions from kitchens	26%
Running our own sites	2%
Purchased goods & services	67%
Transport & travel	5%

[1]Improving data accuracy to report Scope 3 emissions was a six-month process, resulting in 2022 emissions reported in this year.

Going forward

We are also working to align with the new Forest, Land and Agriculture (FLAG) Guidance under the SBTi in 2024. The SBTi's FLAG Guidance provides the world's first standard method for companies in land-intensive sectors to set science-based targets that include land-based emission reductions and eradication. In the year ahead, we will be using FLAG Guidance to further analyse how our emissions break down, enabling us to further reduce our global GHG emissions from agriculture, forestry and other land use.

In 2024, we will be embarking on the next phase of our journey with Planet FWD, using its industry-leading technology to manage our data when reporting emissions across our largest markets and to identify opportunities where our businesses can collaborate with clients to support their carbon reduction initiatives.

Our strategy to accelerate decarbonisation is based on four key levers: driving reductions in food waste produced by both chefs and suppliers; encouraging suppliers to reduce emissions and demonstrate progress against their climate reduction targets; working with chefs to reformulate menus to feature more plant-based proteins; and steering behavioural changes, through product placement to encourage consumers to choose sustainably-sourced, plant-forward dishes.

We remain committed to fostering a circular economy and implementing reusable solutions across our businesses' operations and initiatives, and we will continue to invest in technology that supports our sustainability goals and enables data-driven decision-making.

Our decarbonisation priorities:

- Reducing food waste
- Collaborating with suppliers
- Adapting menus
- Informing behaviour change

Task Force on Climate-related Financial Disclosures (TCFD)

To tackle climate change, it is vital that we understand how it will impact our operating companies globally. Our TCFD disclosures provide investors and wider stakeholders with a better understanding of our exposure and strategic resilience to climate-related risks. The disclosure also highlights the most material climate-related opportunities to the Group. We consider all risks and opportunities evaluated in this statement to be industry-wide, applying to each of our sectors, our competitors and other key stakeholders. The outputs of our 2023 analysis, despite the expanded scope, were consistent with our 2022 findings, and confirmed that Compass is well placed to respond to climate risks and market pressures through our dynamic operational and strategic levers. We are committed to working with experts to continue to review the scope of our analysis and to evolve our process in future years. Please visit the 2023 Annual Report on the website to read the latest TCFD disclosures at *www.compass-group.com/en/investors/annual-report-2023*

Foodsteps (UK and Ireland)

To better understand the carbon footprint of their menus, Compass Group UK&I has formed a strategic partnership with Foodsteps, a platform which combines data, technology and the science behind food sustainability to make it easier for companies to see and reduce the impact of their operations.

The partnership is supporting Compass UK&I's c.4,000 chefs to measure the carbon footprint of over 180 million meals they deliver every year.

The Foodsteps platform gives the team access to the carbon footprint scores for thousands of food items, drinks, recipes and products, allowing them to develop lower impact menus in real time and at pace. Analysis of Compass UK&I's recipes has already begun. Teams are being actively encouraged to use the three most impactful levers at their disposal – ingredients, sales mix and suppliers – to drive change, while maintaining nutrition and taste. One successful example includes the redesign of a bolognaise sauce, which reduced the carbon footprint of a dish by 59% per serving.

Every operational team can access the platform to view the commercial impact of their decarbonisation efforts and the insights provided will be used to inform and accelerate decarbonisation efforts already underway across the wider food-service sector.

The partnership also enables Compass UK&I to support pilot projects focused on measuring environmental indicators such as biodiversity and water, addressing the need to prevent further destabilisation of the systems universally relied on to trade by Compass and its clients globally.

See more progress in their Impact Report at *www.compass-group.co.uk/our-impact/our-climate-promise/*

Scope 1&2 reductions (US)

In the US, Canteen's warehouse operations present the most significant opportunity for the sector to deliver carbon reductions. Canteen began piloting a sustainability programme at a San Francisco Bay area branch in 2022 and achieved carbon neutral certification for scopes 1 & 2 emissions in May 2023 as verified by SCS Global Services, a leader in third-party sustainability verification. Key initiatives delivered included updated warehouse refrigerators and freezers, implementing a new waste management process resulting in 96% waste diversion, delivering a 100% renewable energy mix, eliminating scope 2 emissions and investing in 10 electric-powered, refrigerated trucks.

Environmental leadership continued

Reducing food waste is our top priority

Reducing food waste

Reducing food waste is one of the biggest environmental challenges facing our sector and therefore one where we have great potential to make a significant difference. Our businesses' culinary teams and front line colleagues are instrumental in tackling this challenge, employing a diverse range of food waste-reduction technology systems across our markets.

This year, we made food waste reduction our top priority. Our target was to adopt food waste tracking technology in 6,000 locations worldwide and, with every region united in support, we achieved an impressive count of 7,943 of our largest locations, surpassing our target, which was linked to an element of the bonus plan of executive directors and senior management.

Chefs across the Group are driving transformative sustainability efforts within the food industry from the bottom up, and this year we held our inaugural Global Culinary Forum – Chefs Creating Change – which centred around the key issue of food waste. The Forum provided a platform for front line teams to meet, deepen their understanding of food waste reduction, share best practice, and exchange expertise in areas such as procurement, inventory management, menu creation and technology application. The ground-breaking event, conducted across four time zones, engaged over 3,000 chefs globally in the largest ever gathering of Compass culinary experts.

A third of all food produced globally is wasted every year, and we continue to lead the hospitality industry in reducing food waste, working with suppliers to reduce food waste at source and with our chefs to reduce waste in kitchens. We have made great progress in reducing food waste through education, engaging campaigns, menu planning, deploying waste management technology across our global operations to help everyone in our value chain cut their food waste through prevention and redistribution.

Deployed food waste tracking technology in c.8,000 locations

Stop Food Waste Day

Compass USA launched Stop Food Waste Day (SFWD) in 2017 to make a positive impact on the issue of food waste throughout the sector. It began as an initiative to reduce food waste in our own kitchens but has quickly grown into a major annual global day of action in the fight against food waste. As the global leader in food service, Compass is uniquely positioned to raise awareness on an unrivalled scale.

SFWD not only draws attention to the issue of food waste but also engages and educates our colleagues in the sector, sharing practical, creative and impactful ways to change behaviour and stop food waste. It also brings together consumers, businesses, non-profit organisations and government entities, encouraging them to tackle the problem on a global scale.

This year, over 70 countries took part in a highly successful SFWD. The campaign resonated on a global scale, reaching over 93 million people through various forms of media, and achieved 26 million views on X (formerly known as Twitter) alone. Compass USA created further engagement by hosting a SFWD Live session, featuring renowned food waste experts and leaders.

Wasting food is also a waste of the energy used to grow, harvest, process and cook, and food waste in landfill can cause methane emissions – a potent greenhouse gas. SFWD is a chance to remind people about the negative impacts of food waste and how we can all work togther to solve this problem.



Waste Not 2.0

Last year, we launched Waste Not 2.0 – our proprietary, tablet-based, online tracking tool for chefs – and have since rolled it out across 12 countries in nine languages. Waste Not 2.0 enables kitchen teams to identify opportunities to minimise food waste beyond the usual trim, bones, core and peel waste, using real-time tracking and dashboard reporting to make our sites more efficient in their production and to divert food waste from landfill. Built by chefs for chefs, the tool helps kitchens identify opportunities to reduce food waste and gives managers the tools to analyse data and find lasting solutions. Using the tool's analytics, managers can evaluate data, quantify, and report on the carbon footprint of kitchen waste, leveraging this information to reduce or avoid future wastage.

This digital platform was designed by our Compass Group USA chefs and gives managers access to intuitive tools to promptly analyse data, measure and report the carbon impact of kitchen waste to develop lasting solutions to fight food waste.

Following this success, Compass Group USA has committed to rolling out the system in thousands of kitchens throughout the US, while also making the tool available to their culinary teams in other markets worldwide. We have now deployed Waste Not 2.0 in more than 3,500 sites globally, including in Italy, Austria, Portugal and the UAE, and also have a large-scale launch under way in Canada. Globally, new technologies are assisting us on our journey to halve food waste by 2030 and also helping our clients meet their own waste targets.

We continue to drive progress by collaborating with clients, colleagues, suppliers and non-profit partners. One such valued partner is ReFED, an NGO working to end food loss and waste across the food system by advancing data-driven solutions to solve the problem. We are using ReFED's data to fuel our Waste Not 2.0 tool, which is providing valuable insights to help us define new strategies to address food waste at its source and make more accurate disclosures around the impact of water usage and carbon emissions. We also work with the International Food Waste Coalition (IFWC) and share its mission to lead by example in tackling food loss and waste to drive permanent change across our industry.

Waste Not 2.0 rolled out across 12 countries in nine languages



Environmental leadership continued

Promoting healthy and sustainable diets

More plants on plates

We greatly value the work of our dieticians and nutritionists who are helping us to make sure our meals are healthy, nutritious and tasty. We also truly appreciate our chefs, who are driving change and encouraging consumers towards menus that feature more sustainably-sourced and plant-forward dishes.

Creating climate-friendly menus that appeal to consumers and support wellness is key to driving forward our sustainability agenda. Drawing upon our exceptional culinary expertise, we stand at the forefront of the industry, delivering delicious meals that blend flavour and promote health benefits. As the regulatory landscape evolves, we are developing guidelines that govern the supply of foods to boost wellness and encourage healthier eating for our employees and consumers.

Our recent Global Eating at Work survey revealed that 49% of our younger consumers expressed a heightened demand for plant-based options. In response to this, our approach is to replace high-impact proteins such as beef and lamb with chicken and sustainable fish. We incorporate minimally processed plant-based foods without compromising on flavour, use less red meat and adjust the proportions of animal and plant-based proteins in our recipes. Additionally, we position climate-friendly dishes prominently on menus to normalise their consumption without explicitly labelling them as vegetarian or vegan.

We are proud to be a member of the World Business Council for Sustainable Development (WBCSD), and, by co-chairing its Positive Consumption action workstream, we are donating our time to develop a behaviour-change toolkit for participating food service members. The project is driving food-systems transformation by developing solutions to encourage consumers to form healthier eating habits that drive the changes needed to create a healthier planet.

Behaviour change and wellness

Our chefs are leveraging the potential of behavioural change, using nudging strategies to further steer our consumers towards healthier options that increase wellness. This gives us an invaluable opportunity to foster a broader acceptance of sustainably sourced and plant-forward, nutritious dishes.

Our behaviour change strategies include:

- **Choice architecture:** we strategically position health-focused menu options in prominent locations, ensuring they catch the eye of consumers first
- **Information:** providing comprehensive ingredient and nutritional information, coupled with practical advice for making better dietary decisions. Our goal is to empower consumers with the knowledge they need to make healthy choices that support wellness
- **Incentives:** motivating consumers towards healthier choices, we offer incentives such as extra loyalty reward points for selecting menu items that promote wellness
- **Emotional appeals:** reinforcing positive choices by communicating monthly updates on the increased consumption of plant-based proteins or reduced red meat. This helps foster a collective goal of healthier eating
- **Social influence:** leveraging the impact of social behaviour, we track and communicate instances where students appreciate and choose new health-conscious options. This showcases their popularity and desirability, influencing individual selections

93%
of sites have at least one ‘healthy meal’ choice



Environmental leadership continued

Utilising technology to achieve our sustainability goals

To achieve our sustainability goals, data and technology solutions that aid and enhance reporting, labelling, behaviour change and beyond, are being embedded in our businesses.

Our investment in technology ensures that decision making is supported by data-driven insights across all areas of our sustainability strategy. Our businesses are providing their clients with dashboards to visualise progress across ESG metrics with data provided by real-time tools such as our proprietary food waste tracking technology Waste Not 2.0, and via the Planet FWD climate-management platform.

We continue to make these investments in support of our own ambitious goals, to enhance our management of supply chain risk using the Supplier Ethical Data Exchange (Sedex) platform and to influence consumer behaviour at the point of purchase with eco-labels. These labels, supported in the UK by Foodsteps, score food on whether it has a higher or lower environmental impact, based on the total GHG emissions generated from their production to consumption. Wherever we deploy technology into our operating models, we continually seek to create value. An example of this is the food waste savings being delivered where consumers utilise our businesses online ordering apps.

Giki (UK & Ireland)

Another innovation that supported behavioural change to drive yet further action is Giki. Giki is an award-winning B Corp and UN Race to Zero accelerator app that helps employees learn what they can do to benefit the planet. It combines a science-based carbon footprint calculator with over 160 steps that individuals can take to live more sustainably, whatever their lifestyle or budget.

The app offers challenges with accessible live sessions and educational content to inspire people to take climate action. It also offers sustainability games with leader boards and competitions to encourage as much climate action as possible. Sustainability leaders can also join the ‘Chief Greenie’ of the Giki community to learn from other organisations about how they are creating a ripple effect of climate action.

Prioritising reusable packaging

We are driving a circular approach to promote the reuse of materials, and we are working hard to encourage clients to prioritise the use of reusable packaging.

Packaging is a major contributor to the worldwide single-use culture. We aim to remove the unnecessary use of plastics wherever possible. While we recognise the critical role that packaging plays in food safety, we have a responsibility to take sustainable action.

Compass is proud to be a member of the Single Use Material Decelerator (SUM’D) – a cross-industry collaboration group of leading food service companies, NGOs and technical experts working together to reduce reliance on single-use materials in the food industry. In partnership with our suppliers, we are striving to fast track sustainable alternatives that replace single-use products and fossil fuel-based plastics. Our businesses are actively reducing unnecessary packaging and have gone further to introduce reusable solutions while continuing to search for greener alternatives.

Coffeeloop (Japan)

The Coffeeloop project takes ground waste from Compass cafés in Japan which, when mixed with thinned wood and recycled plastic, is upcycled to create Coffeeloop coffee cups. The cups are locally produced, unlike many ethical products which are imported, reducing emissions that would otherwise have been created during transportation. This project also supports inclusion in the local community by employing the services of people with disabilities to collect and deliver the grounds. Work is now underway to explore how coffee grounds can be further upcycled into other products.

Reusable food boxes (Canada)

In Canada, we have begun deployment of the Friendlier app across the business where consumers are able to opt for eco-friendly, reusable packaging with a small refundable deposit. Meals are served in these containers, and after use, consumers can scan the container’s QR code using the Friendlier app and return it to designated bins. Containers are collected, scanned, washed, sanitised, and redeployed into circulation. Consumers receive their deposit refunds via the app and can donate to charities of their choice. Another option is to opt for a deposit-included model, where consumers are not charged for or refunded the deposit, but can still track their impact through the Friendlier platform. The Canadian team is working with clients to deploy Friendlier more widely into the business to reduce their impact.

Salad-dressing points (Spain)

An opportunity was identified by Compass Spain to reduce waste created by single dose oil and vinegar portions, many of which are thrown away unused. To reduce this waste, the team have created salad dressing points in client canteens, reducing the use of single-dose oil and vinegar portions by 948,000 units this year. This has reduced the volume of waste from single use products by 2,370 kilograms, avoiding 9,557 kilograms of CO_2. Removing oil and vinegar portions is a positive step forward, reducing food and plastic waste whilst enabling consumers to customise their chosen salad dressing.



Our People delivering impact

Our people are at the heart of our business and our chefs and operational colleagues are driving inspirational transformation across the globe in support of our sustainability strategy.

We value having diverse and inclusive teams at all levels of the organisation and we are determined to support our people to break through traditional gender, ethnicity and socio-economic barriers that might exist in society. We continue to celebrate the leadership of our chefs, who are providing sustainable and safe food at scale, promoting healthier choices and creating great experiences for the people we serve. This year, we launched the Global Culinary Forum to champion our Planet Promise, using food to connect people and communities to one another and the environment.

Our people delivering impact

Our Chefs are creating change

Compass Group Global Culinary Forum

We have recently established a group of Global Culinary Champions, senior chef leaders from across our businesses who meet regularly to share experiences and drive forward our strategic approach in important areas including sustainability, procurement and people. This enables our chefs to share their expertise across all our markets, benefiting one another and our clients.

For the past 18 months the Global Culinary Forum has focused on three key initiatives crucial to growth:

Talent, attraction and retention

The shared goal is to reinvent the way chef talent views Compass and how it makes us the company of choice. We are working to identify key opportunities for the recruitment and retention of talent through career pathways, a faster recruitment process and on-going training while shining a light on our diverse talent and our growth opportunities.

Sustainability

With a constant focus on sustainability our chefs bring their passion, experience and partnerships to deliver inclusive, locally sourced and balanced menus for clients and consumers. The forum drives Compass' commitment of reaching zero carbon emissions by building better culinary best practices, like stopping food waste before it enters client sites, better utilisation of ingredients and upcycling food waste.

Culinary procurement

Together with our procurement teams, our chefs are working to make a positive difference through their purchasing practices.

Chef Appreciation Week

At Compass, we are fortunate to have more than 200,000 brilliant chefs and culinarians who are using their talent and influence to contribute to the continued success of our business, the health and wellbeing of their local communities and the professional development of their teams. They also prioritise local sourcing, fight food waste, redistribute surplus food, pioneer social value, champion charity, promote health and wellness, and so much more.

In September, the achievements of the chefs who drive sustainable change were celebrated during Chef Appreciation Week. Launched in 2013 and hosted by Compass Group, Chef Appreciation Week brings together the global food and hospitality industries to recognise the amazing jobs that talented chefs and culinary teams do every single day.

Throughout the week, Compass teams from around the Group came together – across offices, schools, hospitals, defence sites and sporting venues – to show their appreciation for these skilled culinarians who serve, excite and inspire them on a daily basis.

The theme of this year's campaign was Great People Inspire Great Food. It highlighted not only the quality of the food produced by our 200,000 culinarians worldwide but also how they are using food as a driving force for good, in our kitchens, client venues and the wider community.

Celebratory events took place worldwide, and inspiring stories of Compass chefs and front line teams were shared on social media throughout the week using the hashtags #ChefAppreciationWeek and #LoveMyChef.



Our people delivering impact continued

Our Sustainability Change-Makers

Our teams are delivering demonstrable sustainability action in their operations, and we are celebrating their achievements by highlighting Compass employees “making it happen” across the Group. Shining a light on these accomplishments is enabling our teams to learn from one another and increasing the impact we are having as an organisation.

These Planet Promise Change-Makers are at the forefront of delivery in support of our sustainability priorities, leading on food waste reduction, creating delicious and innovative better for the planet menus, collaborating with suppliers, and influencing the behaviour of consumers.

You can follow the progress of our Change-Makers via LinkedIn and read more about the positive changes being implemented across the Group.



















#planetpromise #changemaker

Our people delivering impact continued

Nurturing diverse talent

To achieve our sustainability goals, we attract and retain talent from a diversity of backgrounds. The more our people reflect the diversity of our local communities and consumers, the better equipped we are to service their needs and achieve our aims.

We value having diverse and inclusive teams at all levels and we are determined to support our people to break through traditional gender, ethnicity and socio-economic barriers that might exist in society. To provide opportunities for all of our workforce around the world, Compass businesses run development programmes that identify and nurture diverse talent.

Across the Group, we are working hard to remove any barriers to women’s progression whilst developing female talent and creating community groups and networks such as Women in Culinary. These forums facilitate the career development of talented women, helping them grow into positions of responsibility and leadership.

In the UK&I, Compass has added Ability — an employee network supporting people with disabilities — to its four established networks: Women in Food, Within (promoting ethnic and cultural diversity), Pride in Food (for members of the LGBTQIA+ community and allies) and You Matter (supporting mental health and wellbeing).

Having people from diverse backgrounds in Compass is a huge strength for our businesses and is a priority for us worldwide. At Compass USA, over 17,000 people completed DE&I training last year. In Belgium, Compass was awarded a diversity accreditation from the Brussels Employment Minister, as an employer which recognises, respects and values differences in the workplace. In Australia, Compass was ranked number one in the Indigenous Employment Index in 2022 and continues to provide an Indigenous Training programme. These are just some of the examples of how Compass is working to support diversity across its businesses and the communities they operate in.

Celebrating women chefs

For the last four years, Compass Group USA’s Women in Culinary (WiC) programme has addressed inequalities and opportunity gaps within the hospitality industry by supporting women chefs with dedicated training, leadership development programmes and advancement opportunities. WiC is driving cultural change as well as career growth, igniting executive allyship and fostering kind kitchens. In 2023, the WiC showcase event gave a platform to exceptional female chefs from across Compass Group USA’s businesses.

Mission to a Million

This year, the UK&I launched a Social Partner career hub as part of its Mission to a Million social promise. The hub supports candidates who face barriers to entering the job market, including ex-offenders, people leaving care, the long-term unemployed and people with disabilities. In a new tailored recruitment process, the hub works with partner organisations to match candidates with job opportunities and internships within the business. Hiring managers have been trained to understand the challenges candidates face and deliver a supportive, inclusive and personalised hiring process.

Supporting wellbeing and mental health

Compass Group businesses across the world have increasingly made mental health an integral part of their action on wellness. In the US, Compass Group North America made mental health the focus of one of its quarterly Health Is Wealth events, providing weekly ‘eblasts’ entitled Your Mental Health Matters and free mental health and wellness microlearning courses.

In Canada, the Just Now initiative provides a resource centre for anyone who feels like they have nowhere to turn for help, plus a mental health bonus for all associates, enabling them to do something that makes them feel happy. In Australia, the #gotyourback programme encourages people to reach out for help if they need it and is breaking down the stigma associated with not always being OK or asking for help. All these initiatives recognise that people are our most important asset and that their mental health and wellness is a top priority.





People are at the heart of who we are and what we do. We are uniquely positioned to create lifetime opportunities and to positively impact the communities in which our businesses operate.

Our consistent investments have substantially benefited many local food producers and small-scale ventures that have partnered with us because they share our values. We use our skills and resources to provide donations of food where it is most needed, support charity projects that can change lives and advocate for social enterprises that seek to make lasting change for the better. Compass businesses also provide training opportunities, careers and support to local people, particularly those who are not in education, training or employment.

Communities

Embedding diversity, equity and inclusion

We want our businesses to reflect the communities in which they operate and to give all employees equal opportunities to progress their careers. Diversity, equity and inclusion (DE&I) is a living imperative within the business, and everyone – from front line workers to the Group's leadership – has a role to play in creating a supportive and caring environment for all. DE&I is not only important to us but increasingly important to our clients who report on DE&I.

As part of our commitment to ensure inclusion for all, our businesses host many DE&I events, run reverse mentoring programmes and provide training in languages, literacy and numeracy. By working to build, maintain and support a diverse workforce across every level of the organisation, we can better reflect the diversity of the consumers and communities we serve.

We are also building a more diverse, equitable and inclusive supplier base. In 2023, we started to collect more detailed supplier diversity data from across the group to help us identify opportunities to increase our impact. In the year, we spent over $1 billion globally with suppliers meeting our DE&I definitions. The magnitude of the spend highlights the scale of the impact we can have. To further support our markets, we are rolling out a framework to help drive our DE&I spend. The framework focuses on three types of supplier engagement; identifying suppliers, creating opportunities and helping them grow. We are running supplier DE&I workshops based on this framework with our country teams, which began with our countries in our Europe and the Middle East region in November 2023.

We also have several country-focused partnerships. For example, our US business has launched a new partnership with Disability:In, the leading non-profit organisation for business disability inclusion; and our Australian business is working with KARI Foundation, which supports Indigenous communities, and Soldier On, which supports veterans. Organisations such as these are helping to further identify and support diverse suppliers. Aligned with our vision and alongside our partners, we provided DE&I training to support our country teams.

In 2021, the US business launched the Foodbuy Diverse Supplier Accelerator Program, a mentorship programme with 10 diverse suppliers per annual intake. Foodbuy associates offer a broad range of services and additional resources to each supplier on the programme, which is driving positive results. The 2022 cohort achieved a 43% increase in Compass' sales in 2023 against the previous year. The programme has also helped Foodbuy understand how to better partner and support smaller suppliers. In addition, this year, Foodbuy has added culinary champions for each supplier to further create opportunities for suppliers to grow.

As part of our commitment to ensure inclusion for all, our businesses host many DE&I events, run reverse mentoring programmes and provide training in languages, literacy and numeracy

Helping people in food poverty through food donations

Compass businesses work with food recovery partners in all our markets to make sure good food reaches people in food poverty. They donate where they can have the greatest impact, from supporting local community food banks and food pantries to participating in child meal programmes.

For example, one food recovery partner, Food Fleet, which operates as a dynamic mobile food provider and management company has worked with our North America business in Hawaii. During the year, Food Fleet worked closely with The Wave Foundation and We Do Better Relief alongside suppliers, vendors and chefs to deliver essential assistance to the Maui community, which was severely affected by wildfires.

1.6m
meals donated to local communities

To encourage and support our teams' food rescue efforts, we have developed various tools to make it easy for them to do the right thing. For example, food waste technology gives kitchens visibility of surplus food, highlighting opportunities to make donations to local communities. During the past year, we donated 1.6 million meals to local communities across our markets. Compass USA, built new collaborations with partners including CAREit and Food Rescue Hero, two organisations providing food rescue solutions nationally, and continued to work with longstanding partners Feeding America, Chefs to End Hunger, Goodr, Food Rescue US and City Harvest. Compass UK&I continued their donation programmes through their donation partners Olio, FareShare, Too Good To Go, as well as local charities.

Our businesses will continue to reduce food waste and benefit communities by making food donations in the years to come.

Communities continued

The Compass Group Foundation: making a difference in our communities

The Compass Group Foundation, launched in January 2023, funds charity partners in the countries where Compass Group operates. It enables people from disadvantaged groups to access job opportunities within the food and hospitality sector and supports local and Small and Medium Enterprises (SMEs) in the food supply chain. Compass Group businesses amplify this impact through volunteering, co-funding and by leveraging other donations.

In 2023, the Foundation awarded funding to 14 initiatives across eight countries: UK, USA, India, Türkiye, Spain, Sweden, Australia and France. It also made a donation to support humanitarian efforts following the earthquake that affected Türkiye and Syria. Initial impact results in its first year indicate that over 2,800[1] people have benefited from these initiatives.

Removing barriers to entry in food business ownership for small businesses (UK)

The Foundation works with KERB+ on the initiative The LOFT to support early-stage food businesses by offering access to free or affordable street food kitchen equipment. Equipment and start-up costs are significant barriers to entry for entrepreneurs, especially from marginalised groups, and the LOFT aims to combat this by giving access to KERB+ members and the individuals within their ecosystem. In March 2023, an entire KERB+ street food market supporting refugee entrepreneurs, used equipment sourced from the LOFT as eight new businesses launched their street food business.

14
initiatives funded in 8 countries

Over **2,800**
beneficiaries[1]

Over **8,400**
Compass Group employee volunteering hours

COMPASS GROUP FOUNDATION

1. Includes direct and indirect beneficiaries of charity partners reporting outputs to date.





Helping people with Down Syndrome into the food and hospitality sector (Türkiye)

The Foundation is supporting the Everybody Belongs initiative in partnership with the Türkiye Down Syndrome Association. The initiative trains people with Down syndrome and helps to place them into employment, as well as raising awareness of their contribution in the job market by educating and training employees from different companies as advocates and job coaches.

Empowering people from disadvantaged backgrounds through vocational training (India)

The Foundation is working with Sai Swayam Society in India to enhance the employability of young people with speech and hearing impairments. The project delivers quality training in hospitality and information technology, as well as developing life and soft skills via sign language. Volunteers from Compass Group India help deliver training activities and connect participants with employment opportunities so that they can put their newly developed skills to use. Another initiative funded in India is Unnati's Vocational Training and Social Transformation programme in Bangalore. A grant from the Foundation provides enhanced practical training – including work placement opportunities to young people from very low-income backgrounds.

Amplifying impact via partnership and volunteering

The Foundation is encouraging partnership and volunteering opportunities across the Group. Our businesses' employees have contributed over 8,400 volunteering hours to date. An example in the UK is its work with the charity FoodCycle. A grant from the Foundation helps fund the training and development of FoodCycle's volunteers, helping the charity to provide nutritious meals to local communities, using surplus ingredients. Employees from Compass UK&I (including chefs) have been visiting some of FoodCycle's Projects across the country, supporting the provision of community meals as volunteers themselves, as well as training the charity's volunteers.

The Foundation has also provided a grant to the Menzies School of Health Research in Australia, a national leader in Indigenous and tropical health research, committed to the importance of self-determination and improving health and wellbeing disparities between Indigenous and non-Indigenous Australians. The grant is being used to develop a Nutritional Hunger Programme, which will work with Aboriginal and Torres Strait Islander Communities and their leaders on culinary education, nutritional activities, and health and wellness initiatives that all contribute to the programme's primary purpose to combat nutritional hunger. Compass Group Australia's internal nutritionists, the culinary team and Foodbuy's suppliers are using their skills, expertise and reach to make a difference to these communities.

Positive Procurement

Through our procurement practices we can make a positive impact on the planet and the communities that we are part of. This includes sourcing local products, building an inclusive and diverse supplier base, supporting regenerative agriculture, protecting human rights and promoting ethical trade. These are all key strategic imperatives which drive the bottom line while also enhancing our brands. Together with our animal welfare and palm oil commitments, they drive sustainability far beyond our business and make lasting, positive change.

Positive procurement

Working closely with our suppliers

In an increasingly interconnected world, the complexity of supply chains presents both challenges and opportunities. Addressing these complexities requires a collaborative approach, where success hinges on the strength of partnerships throughout the supply chain. At Compass, we recognise that achieving our sustainability goals is not a solitary journey but a collective effort. By engaging with suppliers and partners directly and through forums such as our businesses' annual supplier conferences, we aim to foster a network of cooperation and shared responsibility.

This year in the UK, ethics and integrity was a key theme during the UK's annual Foodbuy supplier conference. In Japan, supply chain risk processes and tools such as Sedex were discussed at their supplier event. Where appropriate, our businesses also shared the outcomes of their supply chain risk mapping exercises with suppliers, pointing out specific risk areas, and working with them to put appropriate measures and programmes in place to mitigate the risks.

Our carbon commitment can only be achieved by working closely with suppliers. The largest portion of our Scope 3 emissions come from the food and drinks we purchase from our suppliers. In May and November 2023, Future Forward meetings were held in the US by the US procurement business, Foodbuy. This enabled Compass US and their Foodbuy leaders to collaborate with 17 of their largest supplier partners, representing $2.2bn of spend, on the future of sustainability within the food supply chain. Major suppliers presented updates on strategies to reduce the GHG emissions of food from the farm to packaging and distribution, while Foodbuy Hospitality representatives offered valuable insights from an operational standpoint.

Our UK business has now made it a requirement for all suppliers to set their own science-based targets (SBTs), in line with our own commitments, within 12 months of a contractual start date.



Positive procurement continued

Building an ethical and sustainable supply chain

The supply chains in our Group businesses are complex, comprising multiple tiers and a vast network of tens of thousands of growers, manufacturers, wholesalers and distributors globally. Led by the Supply Chain Risk Management Committee (SCRM), over the past year we have continued to strengthen our risk-based approach to identifying and mitigating business integrity, human rights and environmental risks in our supply chains. We have also introduced a new Third-Party Integrity Due Diligence (TPIDD) process, piloted in 10 countries. We continue to invest in education, awareness, technology, partnerships and training to ensure due diligence processes continue to evolve.

The Group's Global Supplier Code of Conduct (SCOC), which was launched in 2022, is an essential part of the contractual requirements for suppliers. It sets out the principles, expectations and behaviours we require our businesses' supply chain partners to adhere to in areas of business integrity and ethical principles, speaking up, human rights and labour standards, health and safety and sustainability.

Continued expansion of Sedex across the business

Our businesses rely on several tools and systems to gain better visibility and transparency of suppliers and the goods and services purchased from them. Sedex continues to provide a compelling solution in this regard, offering a unique 'window' into our businesses' network of suppliers around the world. Its platform, audit methodology and processes enable our businesses to gain a high-level understanding of the inherent risks within their supply chains, while also providing data and insights (through its SMETA social and environmental audits) on the ethical practices of supplier sites at a local level. The SMETA data helps to identify non-compliances and good practices related to human rights, labour practices, safety and environmental standards, empowering our businesses to address any issues with precision and speed. During the year, we continued to invest management time and resources to expand the use of Sedex across the Group's businesses. Sedex is now being used by 14 countries (including all of our top 10 countries by revenue) improving the oversight of 1,247 supplier sites across 54 source countries, covering an estimated population of more than 650,000 workers.

We also trained our businesses' procurement teams and their suppliers to maximise the opportunity and visibility that the tool brings in the context of SCRM, worker protection and more sustainable practices. Over the past 12 months, Group companies have had access to the SMETA audits of more than 600 Sedex members.

Together with our other policies, processes, procedures and standards, these have informed our businesses' procurement teams on their product category sourcing strategies, supplier selection, onboarding and ongoing supplier reviews and renewals. On a risk and need basis, our businesses' procurement teams have interacted with suppliers regarding their SMETA audit results, including how they approach non-compliances and remediation solutions and reviewing resolutions in follow-up audits.

We will continue to expand the use of Sedex within our Group companies around the world, taking a risk-based approach, and to continue to educate both colleagues and suppliers on the benefits of increased supply chain visibility. Our businesses will also continue integrating the Sedex tools further into their SCRM activities, sourcing and TPIDD processes. We believe that tools like Sedex, when implemented and managed correctly, can have a tangible positive impact on fostering and improving working conditions within our businesses' supply chains.

Sedex in action

Compass Australia, used the Sedex platform this year to audit the majority of its Tier 1 suppliers in high-risk categories. This review included assessments of suppliers' risk profiles, Modern Slavery Statements and related policies covering modern slavery risks, along with third-party labour audits.

Compass Australia's progress in this area can be attributed to the business taking its suppliers on the modern slavery governance journey, including briefing them on the benefits of using Sedex and actively working with them to become Sedex members. Its engagement with potential suppliers via Sedex has also allowed the procurement team to review existing SMETA audit results, identify any issues of concern and requires any non-compliance to be closed out prior to completing the onboarding process.

Partnerships

Our partnerships with the Earthworm Foundation and Slave-Free Alliance, alongside the dedicated efforts of our US business with the Coalition of Immokalee Workers' Fair Food Program, are just some of the initiatives that illustrate and underline our commitment to ethical and sustainable business practices.

Earthworm Foundation plays a key role in helping companies like Compass identify and mitigate environmental and social risks within our supply chains. Our active collaboration with them on various projects has been instrumental in improving supply chain visibility. This partnership is crucial in our progress towards responsible sourcing, particularly in high-risk categories.

Through our association with the Slave-Free Alliance, we enhance our understanding of modern slavery risks, and the partnership supports the training of our people and procurement professionals, providing them with the tools to better identify, mitigate and prevent modern slavery.

We often invite these partnership groups to share their insights and expertise at our Human Rights Working Group, a cross-functional, multi-country group which comprises representatives from more than 20 countries across all regions of Compass Group, providing a platform for dialogue, best-practice sharing and learning.

During the year, we continued to invest management time and resources to expand the use of Sedex across 14 countries



Earthworm Foundation Risk Mapping Project

During the year, as part of our efforts to enhance the visibility of our businesses' supply chains, we engaged with Earthworm Foundation, a not-for-profit organisation which specialises in working with companies to support the transition to responsible sourcing for a wide range of natural raw materials. The initial objectives of the project were to:

- better understand the social and environmental risks present in Compass' fresh tomato and canned tuna supply chains for the UK and US markets
- learn more about supply chain mapping, to further inform our due diligence processes and responsible sourcing approach for natural raw materials overall

The project highlighted the variety of risks embedded in the production processes for tomatoes and canned tuna, ranging from varying labour practices to complex sourcing structures, influenced by source country regulations and vessel flags. By recognising these complexities, the procurement teams in both our UK and US businesses have since strengthened their due diligence efforts in these two categories. Based on the outputs of this project, further actions were taken to better understand and mitigate the risks identified:

- training sessions were conducted for the procurement teams across Compass' regions, equipping them with valuable insights and strategies to engage more effectively with suppliers of tomatoes and canned tuna
- our US business has increased the purchasing of tomatoes certified by the Fair Food Program and has continued their supplier engagement programmes in these high-risk categories
- both our UK and US businesses are jointly discussing how to further support the Coalition of Immokalee Workers (a long-standing partnership which began in 2009) and the Fair Food Program, with their planned international expansion, focused specifically on fresh produce beyond tomatoes and other seafood categories
- with Türkiye highlighted as a potential high-risk country of origin, the local in-country procurement team has shared the project learnings with their main tomato supplier, which in turn has committed to implementing specific actions derived from the work. This knowledge sharing initiative aims to extend best practices to other producers in Türkiye, fostering a more sustainable production approach alongside potential long-term positive impacts for tomato farm workers

Compass Group's partnership with Earthworm Foundation will continue in 2024, with new projects exploring additional geographies and product categories.

Positive procurement continued

Improving animal welfare across our supply chain

Our animal welfare agenda encompasses five animal freedoms: freedom from hunger and thirst; from pain, injury and disease; from fear and distress; from discomfort; and freedom to express normal behaviour. We track animal welfare in every country in which we operate or source from, and continually monitor areas where more investment or understanding is required to address specific challenges.

Over the past year, we have improved transparency on animal welfare and shared more detailed updates and case studies. For instance, this year, our transparency on progress regarding cage-free eggs sourcing was positively recognised by Mercy For Animals in their International Cage-Free Equity Index having been included in their top ranking. We continue making great progress on our cage-free egg commitment, despite headwinds such as avian flu and availability of supply. Together with several NGO partners we have worked with our suppliers to build out the capacity required to meet our commitment. We have also explored innovative co-buying opportunities to help accelerate this.

Collaboration across the entire value chain is essential to make meaningful change. That is why we are working closely with our suppliers, partners, industry bodies and leading animal welfare organisations across the globe – including Compassion in World Farming, Global Food Partners and Humane Society International – to continually research, develop and enhance our animal welfare standards and approach. As a founding member of The Global Coalition for Animal Welfare (GCAW), we are working with other leading international food companies. Together, we have an opportunity to collectively address systemic barriers to change, share best practices and accelerate progress on key animal welfare issues at a faster pace than would otherwise be possible. At Compass we also understand that we can utilise our position to connect and influence key players in the value chain to drive structural change.

We continue to provide internal training to ensure our businesses' teams are empowered with the knowledge to drive impactful change. For example, in November 2023, we completed animal welfare training with the businesses in our EME region. The local teams share these learnings with their suppliers as part of their supplier engagements.

67%
cage-free liquid eggs as a % of total volume
Goal - 100% by 2025

32%
cage-free shell eggs as a % of total volume
Goal - 100% by 2025

53%
certified sustainable fish and seafood as a % of total spend
Goal - 50%



Positive procurement continued

Tackling deforestation by raising awareness

Agricultural expansion for food production is the main driver of deforestation globally. Tackling deforestation is a priority for the food industry. As part of our Planet Promise, we are committed to a global supply chain free from deforestation and land conversion. We are working to align with the new Forest, Land and Agriculture (FLAG) guidance issued by the SBTi.

Compass UK&I has already committed to not directly source deforestation linked commodities by 2025. To achieve this, Compass UK&I is raising awareness of the impact of agricultural expansion across the business and prioritising its focus on the most material agricultural and forest-risk commodities in their supply chain.

Palm oil is the world's most produced, consumed, and traded vegetable oil. However, irresponsible land clearing for plantations has led to widespread rainforest destruction and biodiversity loss. Compass Group has set a global target for 100% of palm oil contained in the cooking oils and margarines used in its kitchens to be certified sustainable. Despite continuing to face supply chain constraints, we did make great progress and reached 95% globally in 2023. We will continue to buy Roundtable on Sustainable Palm Oil (RSPO) credits to offset any non-certified volumes until we reach our goal.

We also track spend on several other categories linked to forests, and globally use multiple reputable certifications such as Fairtade and Rainforest Alliance for cocoa and coffee, and the Forest Stewardship Council for paper and timber products.

We can only have healthy, tasty, nutritious food if we have healthy soil in which to grow it. We therefore advocate for regenerative agriculture, which can measurably improve the health of soil, improve water retention and increasing biodiversity.

This year, our Levy UK&I business joined the Global Seaweed Coalition that is supporting livelihoods by protecting, enhancing and restoring marine biodiversity by securing the future of the seaweed aquaculture industry in developing countries.

95%
sustainable palm oil as a % of total volume
Goal - 100%

46%
certified ethically traded coffee and tea as a % of total spend

Soil Association Exchange (UK&I)

To reverse the damage the food sector is having on the planet's biodiversity, we need to support our farmers transition from a reductionist approach to regenerative practices in support of climate, nature, animal welfare and community dynamics.

Recognising this, in 2022 Compass Group UK&I joined the Soil Association Exchange (SAX) alongside other UK businesses. The Soil Association is a charity with 75 years of experience in supporting farmers to be not just profitable, but sustainable too.

In partnership with SAX, a baseline of the ecological health of five of Compass UK&I's supplying farms is being undertaken. These will then be benchmarked against hundreds of farms across the UK to share knowledge and collate learnings across the industry.

Each farm will receive an action plan to decrease their ecological footprint based on regenerative agriculture, recognising that farmers need to be supported for this to happen at pace and scale.

Positive procurement continued

Buying locally to support communities and reduce food miles

Buying from local suppliers is a great way to support the communities in which we operate, while helping us achieve some of our other sustainability goals such as cutting food miles. It is already common practice in many of our markets where we support local butchers and bakeries that are located close to our units. As part of our efforts to build a diverse, equitable and inclusive supplier base, we are increasingly working together with partners, and in some cases local authorities, to identify new local suppliers to which we can offer mentorship and help that will allow these suppliers to capitalise on the opportunities we can offer them.

For instance, our businesses in the Middle East have worked in partnership with the United Arab Emirate Ministry of Climate Change and Environment Taskforce for the National Dialogue for Food Security to support production by local farmers through purchases including meat, poultry, seafood, eggs, dairy products and certain fruits and vegetables. This is part of an overall government strategy to reduce the reliance on imported goods and bolster local industries to create greater independence for the future, while also reducing their carbon footprint.

Our efforts are not only focused on suppliers, as we create opportunities for local restaurants and food trucks to serve meals. An example of this is the Food Works division in the US. Food Works was founded in 2018 with the aim of partnering with the best local restaurants and food trucks, and bringing their food into the offices served by our US business. Food Works currently work with over 450 small businesses. In addition to finding the right opportunities for partner business, Food Works also offers mentorship and training to ensure these businesses can fully capitalise on these opportunities. Food Works has also recently launched the Ignite community grant programme, offering financial support to partner restaurants.

Common Market partnership

Morrison Healthcare, in partnership with non-profit organisation Common Market, is working on a mission to connect urban communities with local food from sustainable family farms.

“We operate on very basic principles: access to good, affordable food is a fundamental human right and the people who grow our food deserve to be paid and treated fairly,” said Haile Johnston, co-founder of Common Market. “Agriculture isn’t just restorative to the environment, but sustainably and healthfully farmed food can be healing.”

The team at Hackensack Meridian Health in New Jersey committed to spend more with local farmers and Black, Indigenous and People of Color (BIPOC) producers across all Hackensack Meridian Health sites. As a result, local farmers help feed patients, staff and guests with their locally grown food. “From our plant forward-menus to sourcing humanely-raised animals. Working closely with Common Market helps our chefs build relationships with local farms and lean into our sustainable sourcing goals,” said Kyle Tafuri, Vice President, Sustainability for Hackensack Meridian Health.

“The opportunity to invest heavily in this level of farmer equity shows how the healthcare industry and non-profits can collaborate to support both equitable and sustainable practices,” said Lisa Roberson, National Director for Sustainability and Wellness at Morrison Healthcare.

Five additional hospital systems are working with Morrison Healthcare, leveraging the Common Market partnership to connect with local and BIPOC-owned farms and producers.





Governance

Our policies, systems and controls and ethical practices enable us to better support our customers, our people and the planet. They also benefit the business by attracting investors and clients who increasingly share our values.

We have a well-established governance structure on sustainability, designed to effectively oversee the management of principal risks and opportunities. Our Corporate Responsibility Committee oversees the development and implementation of policies and strategies, such as our climate net zero commitment, to ensure progress is being made towards our KPIs and GHG emissions targets.

Our governance practices also support us in upholding the high standards of ethics and integrity that have earned us our position as a global leader and trusted partner. This includes respecting human rights for all, and you can read in the pages which follow the steps we have taken this year to play our part in erradicating the risk of modern slavery in our supply chains.

To tackle climate change, we must measure, track and understand how it impacts our operations, our clients and our strategy. We therefore significantly expanded the scenario analysis within our Task Force on Climate-Related Financial Disclosures (TCFD) this year, and will continue to evolve our process in future years. We have also issued two sustainable bonds, raising proceeds of €500m and £250m respectively, further strengthening our power to drive sustainable initiatives and deliver on our global climate net zero target.

Governance

Ethics and integrity

Doing what is right

Compass is values-driven and people are at the centre of our business. We promote a workplace where our people can speak up and feel heard and, in creating this environment, we continue to foster a culture of openness, trust and integrity by encouraging our people to always do what is right.

Our goal is for integrity to guide the decisions made by our people and business partners. We are committed to respecting the rights of our employees, partners and stakeholders through the continued implementation of our Code of Business Conduct (CBC), Human Rights Policy, SCOC and Business Integrity Policy (BIP) (together our 'Policies').

Our CBC and Policies are underpinned by our adherence to several important internationally recognised declarations, standards, and principles, including:

- The United Nations (UN) Universal Declaration of Human Rights
- The core conventions of the International Labour Organization's (ILO) and Ethical Trading Initiative Base Code
- The OECD Guidelines for Multinational Enterprises
- ILO Declaration on Fundamental Principles and Rights at Work
- The International Bill of Human Rights
- The UN Guiding Principles on Business and Human Rights
- The UN Global Compact ten principles

Our CBC and Policies apply globally to all employees across our Group companies.

In 2023, we consolidated our CBC and the Code of Ethics into one document to ensure alignment with Compass' strategic priorities and significant changes in regulatory requirements. Our refreshed CBC provides a clear framework based on principles together with our values and corporate commitments, sets out clear Dos and Don'ts, and directs readers on where to find more information and who to refer to for guidance. The CBC is available in all primary languages spoken across our businesses.

Building mutual trust and confidence with those who work for, partner and invest in us is key to our continued success, and depends on each of us acting professionally and responsibly. Our suppliers are also expected to meet the standards and principles of our CBC and comply with our SCOC.

The BIP's strategic aims are to prevent and mitigate material business integrity risks, and comply with regulatory requirements to raise employees' awareness of the ethical dilemmas they may encounter.

In turn, this equips our people to respond appropriately, demonstrating the behaviours and standards expected.

Our BIP is designed to further strengthen the framework through which the Company's ethics and integrity (E&I) culture and key controls continue to be embedded and monitored.

Integrity-driven decisions are guided and promoted through training and awareness and by continuing to create psychological safety in speaking up when things do not feel right, including by promoting a supportive and strong tone from the top through leader-led communication campaigns.

Through collaboration from specialists within our People, Human Rights, Sustainability, Supply Chain and Group E&I teams, we have developed a global SCRM framework to strengthen our third-party due diligence processes, and ensure we adequately assess and keep under review our ethical compatibility with suppliers we partner with. During FY2024, we will prioritise embedding SCRM within local country processes.

For more information see other sections of our website for the 2023 Annual Report, Ethics and Integrity overview, and Modern Slavery Act Statement at *www.compass-group.com*.

18,000
employees trained globally on ethics and integrity principles and risk areas

87%
of trainees confirmed they would speak up if they witnessed a situation that does not feel right

82%
of trainees declared they observe integrity-driven decisions being made in the workplace

2023 E&I awareness week reached
100,000+
employees across 39 countries

Following E&I awareness week
6,500 employees
elected to become E&I ambassadors

SPEAK UP!
We're listening

Embedding our culture of speaking up

We are committed to creating an inclusive environment where people feel empowered and safe to speak up if something doesn't feel right. Everyone at Compass has a duty and responsibility to Listen Up to those who raise their voice and do the right thing by following up. This is outlined in further detail in our on the website at *www.compass-group.com/en/who-we-are/corporate-governance/policies*.

Our confidential reporting and whistleblowing programme *Speak Up, We're Listening* is accessible to anyone 24/7, 365 days a year, in all countries in which we operate and in the reporting party's chosen language. The programme is managed by Compass Group's E&I function, independently of any other lines of business, and is designed to further empower anyone to raise concerns or allegations of potential misconduct.

Employees, suppliers, customers, communities, and anyone with an interest in Compass' business can voice concerns, without fear of reprisal, about potential misconduct or other improper circumstances or behaviours including those inconsistent with our CBC and BIP. This includes such concerns involving health, safety and environment, harassment, human rights, bribery and corruption, anti-competitive behaviour, theft and fraud, financial or other reporting irregularities and business integrity issues in general.

Each case is assessed, followed up and investigated (if appropriate) by an assigned case manager, with regular reports to the Board, Audit, Corporate Responsibility and Regional Governance Committees.

In 2023, 4,130 issues were reported to Speak Up, We're Listening (2022: 3,176).

4,130
issues reported to Speak Up, We're listening, of which

2,814
were ethics reports, and

132
health, safety and sustainability related issues

*54 cases substantiated **(42%)**, resulting in process enhancements and training/coaching of our teams.*

Workplace safety	Quality control	Substance abuse	Health & wellbeing

Top 4 categories of the 132 reports



Governance continued

Human rights

Respecting human rights

We recognise the importance and responsibility of respecting human rights of all employees within our Group operations, those workers throughout our businesses' supply chains and the communities in which our businesses operate.

Our commitment to actively championing human rights goes beyond mere compliance; we aspire to play a significant role in positively influencing the global development and enhancement of human rights.

Recognising that respecting human rights is a shared responsibility, it is imperative for those affiliated with Compass to jointly uphold and implement the highest ethical standards and principles. This includes a commitment to the recently updated Human Rights Policy.

Embedded in the Human Rights Policy is our firm belief that everyone is entitled to basic rights and freedoms, irrespective of their identity or location. This belief is unwaveringly extended to vulnerable groups, including women and girls, LGBTQI+, children, refugees, migrant workers, national minorities, senior citizens, people with disabilities, and Indigenous peoples.

Furthermore, the Human Rights Policy articulates our commitment to various international human rights standards, notably the four conventions of the ILO: freedom of association; the right to collective bargaining; the elimination of forced or compulsory labour; the eradication of child labour and the elimination of discrimination in employment and occupation.

Human rights is a fundamental priority for Compass. Over the past year, significant progress has been made in raising awareness and enhancing understanding of principal human rights risks across the diverse and complex environments in which the Group's businesses operate. Our concerted efforts included the establishment and refinement of processes, procedures, systems, training initiatives, policies aimed at mitigating potential risks and advancing our human rights performance.

Action on modern slavery

We remain firmly committed to playing our part in eradicating modern slavery in all its forms and recognise that our scale and global reach enable us to positively influence others and bring about real change. 2023 has been another unprecedented year of global conflict, and prolonged periods of social and geopolitical unrest significantly increase the risks of human trafficking and forced, bonded and child labour, making the fight to eradicate modern slavery, in all its forms, more vital than ever.

This year our businesses have taken many steps towards this goal, including the launch of 'Striving for a more equitable world' an online training module internally designed to increase awareness of the Group's Human Rights Policy and the zero-tolerance approach to unacceptable practices such as forced labour, child labour and discrimination. At the time of reporting, the training module had been completed by over 11,000 employees, on a risk to role basis. Other notable activities and projects in the area of modern slavery include:

- the expansion of Sedex
- launching our TPIDD
- amplifying the learnings from the risk mapping project with Earthworm Foundation
- further enhancing the recruitment journey and experiences of migrant workers in our Middle East businesses

For more on our approach to human rights, including our Human Rights Policy and Modern Slavery Act Statement go to: *www.compass-group.com/en/sustainability/people/human-rightsand-ethical-trade*

At the time of reporting, the training module had been completed by over 11,000 employees, on a risk to role basis



Our partners

Our strategic partnerships make us stronger. To create the most impactful change, we collaborate with key industry bodies, NGOs, governments and other global organisations to address food-related impacts on society and the environment.

Since 2004, we have been committed to the UN Global Compact.

We are a member of the Round Table on Responsible Soy Association.

We have been a member of the World Business Council for Sustainable Development. In 2021, we signed the 'Vision 2050: Time to Transform' initiative.

We are a Partner of the Global Sustainable Seafood Initiative.

Compass began their partnership with Foodtank in 2020.

We are a founding member of the Global Coalition for Animal Welfare (GCAW).

We continue to be a committed partner of the EAT Forum, a non-profit organisation focused on transformation to protect the planet and its resources.

In June 2021, we became a member of the Slave-Free Alliance.

We are a member of the Roundtable on Sustainable Palm Oil.

In September 2022, we joined the International Food Waste Coalition (IFWC) to strengthen our fight on food waste with our Global Sustainability Director joining their board.

Our North American business partners with ReFED, a US non-profit dedicated to ending food waste.

We collaborate closely with Compassion in World Farming (CIWF) on actions such as training, industry engagement and advocacy.

We support the 30% Club, which aims to create gender equity through representation of all women on all boards and C-suites globally.

We support to revolutionise disability inclusion through business leadership and the creation of opportunities.

Sustainability bonds reporting

Allocation Report

In September 2022, Compass Group issued two sustainable bonds, raising proceeds of €500m and £250m, respectively.
This bond issuance followed the publication of Compass Group PLC's Sustainable Financing Framework, which was launched in July 2022 (the Framework). The Framework has been subject to a Second Party Opinion review from the Carbon Trust and their opinion and report can be found on our website at *www.compass-group.com/en/investors/debt-investors/sustainable-financing.*

As set out in the Framework, eligible projects for allocation of proceeds raised under the Framework include:

- expenditure on goods which are certified sustainable, fairtrade or organic
- expenditure on goods from local, socially diverse or minority suppliers
- expenditure in support of Compass Group's climate net zero commitment, such as the costs of fleet electrification, use of renewable energy, promotion of plant-based products and investment in regenerative food production
- food waste reduction projects including measurement technologies and systems
- non-food waste reduction projects including tackling plastic waste and promoting reusable items
- investment in healthy eating initiatives, including in-unit education, labelling and staff training

These eligible projects will be used to progress Compass Group's sustainability initiatives and the delivery of its global climate net zero target.

Details of Sustainable Bonds

Instrument (ISIN)	Issuance Date	Issuer	Due Date	Coupon	Amount (GBP m)
XS2528582450	2022-09-08	Compass Group PLC	2032-09-08	4.375%	250
XS2528582377	2022-09-08	Compass Group Finance Netherlands B.V. (guaranteed by Compass Group PLC)	2030-03-08	3.000%	439[1]
			Total Sustainable Bonds Outstanding		**689**

1. €500m issued converted at 1 EUR = 0.878 GBP

Allocation of Proceeds

As at the date of publication of this report, Compass Group has allocated the aggregate proceeds from its inaugural sustainable bonds (£689m) in full. Of this amount, £342m was allocated to expenditure incurred within the 36 months preceding the issuance date. The remaining balance of £347m has been allocated to expenditure incurred in the twelve months following the issuance of the bonds during the financial year ended 30 September 2023. See Appendix 1 for further detail of the full allocation.



The proceeds from the bonds issued on 8 September 2022 have now been fully allocated.

The proceeds have been allocated to the categories described below:

Category	Description	SDG Alignment
Environmentally sustainable management of living natural resources and land use	The proceeds allocated to this category are operating expenditures on certified ethically traded coffee and tea, cage-free liquid eggs and certified sustainable fish and seafood. The allocated funds have helped us in our aim to ensure we partner with suppliers who meet our high standards of food safety and quality, business integrity, ethical trade, the protection of human rights, farm animal welfare and sustainability.	
Pollution prevention and control	The proceeds allocated to this category are operating expenditures related to purchases of plant-based products and/or plant-based ingredients used for plant-forward meals, where these constitute a substitute for meat protein. These funds have helped us to meet consumer demand for more plant-based meals, which is good for the environment because plant-based protein typically has a much lower carbon footprint than meat.	
Socioeconomic advancement and empowerment	The proceeds allocated to this category are operating expenditures related to purchases of products from minority-owned, women-owned and 'B' Corporation suppliers. These funds have helped us progress in our objectives of building an ethical and sustainable supply chain.	

Impact

The Group's Positive Procurement impact is described on pages 22-28 of this report. The allocation of eligible expenditure financed by sustainable bonds is just a part of the Group's overall sustainable expenditure in support of our Positive Procurement objectives. The Group proactively works with its supply chain to build an ethical and sustainable supply chain supporting areas such as animal welfare, nature, biodiversity, and local suppliers. For further information on the levels of ethically traded coffee and tea, and sustainable fish and seafood, please visit our website at *www.compass-group.com/en/sustainability/performance-and-reports.*

Appendix 1:

Compass Group PLC issued its first report on the allocation of around 50% of the proceeds of its inaugural sustainable bonds in October 2023 which is available on our website at *www.compass-group.com/en/investors/debt-investors/sustainable-financing* (the "October 2023 Sustainable Bond Allocation Report"). This second report sets out the allocation of the balance of proceeds. KPMG LLP ("KPMG"), our independent auditor, provided limited assurance over the selected information in the table below denoted by the symbol Δ using the assurance standard ISAE (UK) 3000. KPMG's limited assurance report is available at *www.compass-group.com/en/investors/sustainable-bond-allocation-report* and we recommend that it is read in full.

ICMA Harmonised Impact Reporting Template; final allocation

Living Natural Resources and Land Use Portfolio	Signed Amount[1]	Share of Total Projects[2]	Eligibility for Green Bonds	Living Natural Resources and Land Use Component	Allocated Amount	Period of Allocation	Average Age of Expenditures
Portfolio 1: Expenditures on goods certified Sustainable, Fair-trade or Organic, and animal welfare standards	£689m	100%	100%	74%	£327m[3] Δ £186m[4] £513m	Oct 19 - Sep 22 Oct 22 - Sep 23	N/A (Opex)

Pollution Prevention and Control Portfolio	Signed Amount	Share of Total Projects	Eligibility for Green Bonds	Pollution Prevention Control Component	Allocated Amount	Period of Allocation	Average Age of Expenditures
Portfolio 1: Expenditures on projects related to waste avoidance e.g. food, energy, plastic	£689m	100%	100%	2%	£15m[3] £0m £15m	Oct 19 - Sep 22 Oct 22 - Sep 23	N/A (Opex)

Socioeconomic and Empowerment Portfolio	Signed Amount	Share of Total Projects	Eligibility for Green Bonds	Socioeconomic Advancement and Empowerment Component	Allocated Amount	Period of Allocation	Average Age of Expenditures
Portfolio 1: Expenditures on products purchased from local and diverse suppliers e.g. minority and women owned suppliers and "B" corporations	£689m	100%	100%	24%	£0m Δ £161m[4] £161m	Oct 19 - Sep 22 Oct 22 - Sep 23	N/A (Opex)

1 Signed Amount represents the amount legally committed by the issuer for the project, a portfolio of projects or component that is/are eligible for Green Bond financing.
2 Share of Total Projects is the share of total project cost that is financed by the issuer.
3 This expenditure was incurred within the 36 months prior to the issuance of the bonds and reported within the October 2023 Sustainable Bond Allocation Report, which includes a limited assurance report by Carbon Clear Limited trading as EcoAct.
4 This expenditure was incurred within twelve months following the issuance of the bonds.

Appendix 2:

Important Information – Please refer to the "Disclaimer" on page 21 of the Framework (available on our website at *www.compass-group.com/en/investors/debt-investors/sustainable-financing*) which will apply to this allocation report as though set out in full herein, provided that any references to the "Framework" and the information, opinions or forward-looking statements contained therein will be understood to refer to this allocation report.



"THE TIME FOR ACTION IS NOW. AS A *partner* WITH *purpose*, COMPASS IS MAKING REAL *progress* TOWARDS REACHING NET ZERO BY 2050 AND HELPING OUR CLIENTS MEET THEIR ENVIRONMENTAL AND SOCIAL COMMITMENTS."

COMPASS GROUP

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