



Compass Group USA and Farm Animal Welfare

Doing the right thing is embedded in our company culture. It empowers us to advocate for change, push for transparency, and to continually seek ways to be more socially and environmentally responsible. We collaborate with our clients and give our operators ownership to embrace tools, programs and partnerships that provide them with the sustainability solutions needed to drive positive change in the food system.

The welfare of all animals within our supply chain is an integral part of our responsible sourcing strategy. We are committed to continuously enhancing and harmonizing animal welfare standards throughout our supply chain. In addition, we are proud of the role we play in elevating important conversations that drive action and help create change throughout the industry. By engaging our own teams and educating others on the complexities of our supply chain, we are able to make improvements and more informed procurement decisions. As a company that takes our responsibilities seriously, we are proud that Compass Group has repeatedly been named to Fortune’s list of World’s Most Admired Companies, and in 2023 made Newsweek’s list of America’s Most Trustworthy Companies.

A Commitment to High Standards

We source proteins from suppliers that promote the humane welfare of farm animals. Compass Group USA Commitments are based upon the Five Freedoms of Animal Welfare developed by the Farm Animal Welfare Committee of the United Kingdom. In addition, Compass’ welfare standards have started incorporating the principles of the Five Domains, which provide a means of evaluating the welfare of an individual or group of animals in a particular situation, with a strong focus on mental wellbeing and positive experiences.

Table 1 Five Freedoms and Five Domains

<u>FIVE FREEDOMS</u>	<u>FIVE DOMAINS</u>
1. From hunger and thirst	1. Provide good nutrition
2. From discomfort	2. Provide good environment
3. From pain, injury and disease	3. Deliver good physical health
4. To express normal behavior	4. Allow behavioral interactions
5. From fear and distress	5. Facilitate a good mental state/experiences

Industry Collaboration and Leadership

These are minimum standards which must be met by all suppliers of animal products. Recognizing that improving farm animal welfare standards is incumbent on the entire industry, Compass Group became a founding member of the Global Coalition for Animal Welfare (GCAW) in 2018. GCAW is the world’s first industry-led initiative aimed at advancing animal welfare globally.

Beyond our own efforts, we collaborate with other major companies to improve animal welfare standards at scale and to meet consumer demand for food products from animals reared in systems that promote good welfare. We continue to work with NGO partners like Compassion in World Farming, Global Coalition for Animal Welfare (GCAW) and Business Benchmark on Farm Animal Welfare (BBFAW), along with other animal welfare experts and our global supply chain partners, to develop sustainable outcomes that will directly benefit the wellbeing of farm animals. In addition, we regularly participate in industry events such as the Perdue Animal Care Summit.

Our commitment to improving animal welfare continues to be a core part of our sourcing strategy and our policies and commitments extend to all sectors within the Compass Group family.

Category Updates

Cage-Free Eggs

Compass Group is committed to exclusively using cage-free eggs. Our eggs are Humane Farm Animal Care certified.

FY24 Cage Free Egg Purchases:

Shell: 69%

Liquid: 79%

*Deviation from our commitment to 100% cage-free eggs is due to supply chain disruptions caused by an avian influenza outbreak that affected the entire industry. We are working hard to overcome these industry obstacles and are confident we will meet our commitment. Our progress will be updated monthly.

Broiler Chicken

Compass Group has committed to exclusively source chicken from operations that meet the [Better Chicken Commitment](#) (BCC) standards. As a company that has long been committed to higher welfare sourcing, we are also a part of several cross-industry working groups, including Compassion in World Farming’s “[Working Group for Broiler Welfare](#)” to create industry-wide actions on the issue.

We remain committed to the Better Chicken Commitment and being transparent about our progress. Working closely with our suppliers throughout the supply chain, we are not only moving the needle in our own operations to meet the standards of the BCC, but we’re focused on improving broiler welfare throughout the entire industry.

	2024 Actuals	2025	2026	2027	2028
Litter	99%				
Lighting	5%	20%	40%	100%	
Enrichments	5%	20%	40%	100%	
Auditing	5%	20%	30%	100%	
Stocking Density	4%	20%	30%	50%	100%
Breed	0%	10%	20%	35%	100%
CAS	5%	20%	30%	50%	100%

These percentage targets are not guaranteed. However, the targets represent our commitment to make all possible efforts and enforce our expectations of suppliers to support the industry change that is required to achieve these targets. We will make adjustments each year to our future years’ goals based on market availability and progress against goals.

Geese

In 2012 Compass Group made a commitment to eliminate the use of foie gras on our menus across all our companies.

Higher Welfare Pork

Compass Group remains committed to eliminating pork that comes from animals bred using gestation crates in its U.S. supply chain. Currently, 72% of the pork we serve is from sows living in gestation crate-free or group housed systems. For group housed, our aim—as a step toward eliminating gestation crates—is to only permit 5-7 days or fewer where pigs spend in gestation crates.

While this number falls short of our targets, we now have a complete understanding of the drivers behind the shortfall and a path to increase this number to 80% by the end of March. Our progress will be updated monthly. Closing the gap from 80% to 100% is a longer-term endeavor for a few reasons:

1. Supply Chain complexities such as product availability accounts for approximately 5% of this gap.
2. Compass acquisitions of smaller companies, who did not have any commitments to higher welfare pork at the time of acquisition, are decreasing our compliance to Compass' pork commitment.
 1. Fully integrating acquisitions into the Compass procurement process may take up to 24 months, which can impact total company compliance.
 2. When adjusted for acquisition volumes, our gestation crate-free or group housed higher welfare pork purchases are 92%

When available, our accounts continue to transition to group-housed or, preferably, gestation crate-free pork, and we are actively working with our distributors and supplier partners to improve product availability.

Reduced Antibiotics

We source foods that are produced with minimal use of - or free from - chemicals and antibiotics, including milk, yogurt, and poultry. Since 2010, Compass Group USA has had a commitment regarding the elimination of the recombinant bovine growth hormone (rBGH) from all liquid dairy products and yogurt.

Plant-Forward

Compass Group USA has recognized the plant-forward way of eating for almost two decades, before we knew what "plant-forward" was. In 2009, we launched the Be a Flexitarian Campaign that promotes substituting plant-based protein for animal protein one day a week. Launched in 2012 by The Culinary Institute of America and Harvard T.H. Chan School of Public Health, Compass Group USA was a founding member of Menus of Change which is a groundbreaking initiative that works to realize a long-term, practical vision integrating optimal nutrition, environmental stewardship and social responsibility concerns within the foodservice industry and the culinary profession. We also have the honor of sitting on the Menus of Change Business Leadership Council, which helps shape the conference. A key initiative that we explore through Menus of Change is making plant-forward dining a mainstream concept.

In our internal recipe database, Webtrition, over half of the recipes are vegan and vegetarian. Compass Group has always been mindful of our guests that identify with a particular diet or way of eating, whether it's vegan, vegetarian, or other, and help ensure they have plenty of options. Additionally, we understand that increasing the amount of plant-based and plant-forward dishes will be essential to helping us achieve our Net Zero goal by 2050. Underscoring our commitment to sustainability, in 2024 we purchased more than 3 million pounds of plant-based meat alternatives.

Involving our chefs and culinary teams has furthered our efforts, especially as we have implemented various training programs to increase the presence of plant-based dishes on our menus. In 2023, we launched the "RePlant Your Menu" training, which educates our chefs on the relationship between food and climate, encouraging them to incorporate more plants into their dishes. In early 2024, we introduced "Sustainability 101," a course that covers the fundamentals of our sustainability initiatives, including plant-forward cooking and reducing animal proteins – all presented in a friendly and accessible format for all associates. Additional training sessions will be rolled out annually.

Other resources that help our culinary teams support plant-forward strategies in their kitchens, include:

Rooted: A plant-based culinary program that delivers climate-friendly vegan menu items, emphasizing flavor first.

Veg Rev: An initiative that promotes a plant-forward diet rich in grains, legumes, fruits, and vegetables, complemented by small amounts of animal protein.

Each sector also has their own unique plant-based programs to meet the diverse preferences of our guests. We believe that delicious food can be a catalyst for change and use our menus to encourage guests to make choices that benefit both their health and the planet.