

Compass Group issues first Sustainable Bonds to support Net Zero ambitions

3 years ago



Compass Group, the world's largest food services group, has successfully issued two Sustainable Bonds, raising proceeds of €500m and £250m respectively, which will be used to progress the Group's sustainability initiatives and the delivery of its global Climate Net Zero target.

In October 2021, Compass became the first international company in the contract catering industry to announce a global commitment to Climate Net Zero by 2050, including validated Science Based Targets and a commitment to be carbon neutral worldwide in its own operations by 2030. The new Sustainable Bond issuances represent another industry first for the Group, in support of this 2050 Net Zero goal.

The Sustainable Bond's proceeds will be used in line with the Group's new Sustainable Financing Framework (launched in July 2022) on projects that will enhance responsible sourcing, products purchased from local and diverse suppliers, and other sustainable expenditure which supports decarbonisation within the Group's value chain.

Eligible projects 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 the Group's Net Zero Commitment such as the costs of electrifying fleet, 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 the promotion of reusable

items; and

- Investment in healthy eating initiatives, including in unit education, labelling and staff training.

Palmer Brown, Group Chief Financial Officer of Compass Group, said:

“As a Group, we recognise the importance of acting on climate change and are committed to delivering a sustainable future for all. Our new Sustainable Bonds and Sustainable Financing Framework not only reflect our objective to be a socially and environmentally responsible organisation for our clients, employees, suppliers, and wider society; they also support our long-term Climate Net Zero ambitions.

“We intend for the proceeds of the Sustainable Bonds to initially support the increased purchase and tracking of Fairtrade and sustainable goods within our supply chain, reducing our Scope 3 emissions footprint, while funding diverse and minority suppliers.

“Furthermore, by providing a sustainability reporting framework for our colleagues to adhere to, we expect to see additional operational benefits across the Group’s businesses, reinforcing more sustainable practices and behaviours, while accelerating existing projects that underpin our growth and drive efficiencies.”

The transaction also underpins the Group’s financing requirements in FY23, replacing an existing €500m Eurobond reaching maturity in January 2023. The Group has committed to provide a Green Financing Report annually until full allocation has been achieved, disclosing how the proceeds have been allocated alongside the environmental and social impacts of the financed projects.