



# Driving Impact

## 2023 ESG Report





# About This Report

This is Compass Datacenter's first annual disclosure to report on environmental, social and corporate governance (ESG) topics.

Produced by Compass' Executive Leadership Team with support from third-party climate consultant, Mantle Developments, this report has been prepared following the guidance of the Task Force on Climate-Related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB) real estate standards and the Global Reporting Institute (GRI) Universal Standards. Data and metrics reflect results of the 2022 calendar year, with the inclusion of some 2023 initiatives. We aim to improve our reporting in future years to be in accordance with industry standards and frameworks.



Mantle Developments aims to accelerate the decarbonization of the built environment and support the creation of climate-resilient communities, providing industry expertise around embodied carbon, Scope 3 emissions and ESG disclosure.





# Letter from the CEO

Since our founding in 2011, Compass has embraced sustainability and prioritized efficient, responsible use of land, energy and water. The means and methods we deploy to construct and operate our data centers are constantly evolving as we adopt new ways to minimize our impact on natural resources.

This work is guided by four core convictions:

1. Humility in/pride out
2. Continuous improvement
3. Actions and words are one
4. Asking “why?” to understand the needs versus the wants

## Sustainability initiatives over the past year

These core convictions challenge us to do better every day, in every way. This way of thinking has contributed to us making significant strides in sustainability. By being open-minded and constantly seeking out new and better ways to build and operate data centers, we are discovering new technologies and ways to reduce our carbon footprint and improve the safety of our operations.

A few strategic changes to our operations this year that are having a major environmental impact include:

- **Biofuels:** Compass became the first North American data center provider to switch to hydrogenated vegetable oil (HVO)-based biodiesel to fuel on-site generators and reduce associated greenhouse gas (GHG) emissions by 85%.
- **Batch Plants:** We implemented on-site batch plants to mix concrete at the construction site and take thousands of cement trucks off the road. One ready-mix truck uses 65 gallons of diesel fuel per day generating 658 kg of carbon dioxide equivalent (CO<sub>2</sub>e).
- **Concrete.ai:** Artificial intelligence from Concrete.ai is helping us optimize lower-carbon concrete mixtures. This has enabled a 7-16% reduction in the embodied carbon of our concrete.

More on these initiatives and others are highlighted in the Environment section of the report.

## Green from the get-go

From the start, Compass' mission has been to add data center capacity without adding burden on the environment or neighboring communities which means we're not needing to make sudden changes in response to pressures from regulators and environmentalists. Our principle of "built to last" helps to drive long-term decisions regarding the design and construction of data centers.

- Our data centers have always used airside cooling, so no water is wasted in the cooling of our data centers.
- We use reflective roofing materials to reduce carbon emissions by >300 tons per megawatt consumed.
- We were the first data center developer to implement CarbonCure technology for each new build. CarbonCure injects carbon dioxide (CO<sub>2</sub>) into concrete mixes, and reduces the carbon footprint associated with our construction. While it's more expensive, it's the right thing to do.

More than a decade ago, *The New York Times* published a lengthy article about the impact of data centers on the environment.<sup>2</sup> That piece seemed to spur skepticism and negative sentiment regarding data centers, regardless of environmental accomplishments and site-specific commitments.

The fact of the matter is, on the whole, the data center industry has worked hard to keep energy usage level flat as data demand has grown considerably.<sup>3</sup> That's why we think it's so important to report on the means, methods and technologies being deployed to reduce GHGs. Current methods for reporting GHG emissions focus heavily on reporting emission inventories, including Scopes 1, 2 and 3, with little requirement for detailing the decarbonization interventions to reduce GHGs.

We believe that more focus on technologies and opportunities that drive societal-level decarbonization of the built environment is required to help others in the value chain identify and adopt best practices that could be applied to their operations. This focus on "avoided emissions", which we refer to as Scope 4 emissions, as well as the useful lifetime of the built environment are something we care deeply about at Compass. The more that companies can share on decarbonization solutions, the more demand is created, and the cost of adopting climate technologies goes down.

We're proud to share all the things we're doing to minimize our environmental footprint, be good neighbors and a positive contributor to the global economy. I know we are all striving for continuous improvement. I think it's vitally important that the industry shares its successes and open-source ideas so that we can work collectively to protect our planet for generations to come.



**Chris Crosby**  
Chief Executive Officer

<sup>2</sup> <https://www.nytimes.com/2012/09/23/technology/data-centers-waste-vast-amounts-of-energy-belying-industry-image.html?smid=url-share>

<sup>3</sup> <https://www.iea.org/data-and-statistics/charts/global-trends-in-internet-traffic-data-centres-workloads-and-data-centre-energy-use-2010-2020>



# Table of Contents

## 5 About Compass Datacenters

- 6 ESG at Compass
  - 7 Our Operations
  - 8 Materiality
  - 9 Key Metrics and Progress
- 

## 10 Environment

- 13 GHG Inventory
  - 16 Our Strategy for Emissions Reductions and Avoided Emissions
  - 22 Case Study: Moonraker
  - 23 Case Study: Zero Waste
  - 24 What's Next?
- 

## 25 Social

- 26 Diversity, Equity and Inclusion (DEI)
- 29 Employee Health and Well-Being
- 31 Health and Safety
- 32 Local Communities
- 33 What's Next?

## 34 Governance

- 35 Risk Management and Decision-Making
  - 36 Business Ethics and Integrity
  - 37 Physical and Cyber Security and Privacy
  - 38 Awards and Recognition
  - 39 Innovation Partners
  - 40 What's Next?
- 

## 41 Appendices

- 41 Appendix A: Details behind GHG Inventory





# About Compass Datacenters

We make lives better by providing the world's technology leaders a secure place to plug in wherever they need. We do this by constructing customizable hyperscale and cloud data centers in strategic locations across the globe.

Our integrated supply chain, use of cutting-edge technology and prefabricated components helps us deliver dedicated buildings and campuses sustainably and seamlessly.

Our work is intentionally structured in service to our two strategic anchors: operational excellence and product leadership. Operational excellence drives us to be fastest to ready for our customers. The decisions we make are guided by a commitment to deliver assets which are built to last. We do this with a total cost of ownership lens, ensuring the products we build are sustainable and affordable.

Product leadership is based on profound simplicity to enable a balance between mass customization and scalability of any prototype. Our operations, investments and innovative spirit live within the framework created by these guiding principles.

Like our technology customers, we share a commitment to building the world's best digital infrastructure with the smallest environmental footprint. We recognize and embrace the important role we can have to influence the pace of decarbonization in the built environment.



# ESG at Compass

Our four core convictions help drive our commitment to ESG:



## Humility In, Pride Out

We are always learning, we prefer a “better or worse” versus a “right or wrong” mindset and we keep short accounts.



## Actions and Words are One

We do what we say we are going to do and we do not make a commitment that we can not keep.



## Continuous Improvement

Small incremental improvements over time produce massive progress, and we maintain the humility to know something can always be better.



## We Ask “Why?”

We ask to understand needs versus wants - curiosity drives more efficient outcomes in the short-term and disruptive innovation in the long-run.

The interplay between these convictions and our two strategic anchors – operational excellence and product leadership – results in a value system that prioritizes diverse, healthy and curious teams. We do not think of ESG as separate from our core business – they are woven into the same fabric and result in an alignment of positive ESG and business outcomes. For example, a total cost of ownership lens combined with a need to find better ways to do things, naturally leads to asset investment decisions that lower life cycle carbon emissions and creates more resilient developments.

When it comes to environmental leadership, we value action and continuous improvement over planning paralysis. We “do” rather than “talk.” Like with financial investments, we believe in a time-value

approach to carbon. Given the urgency of climate change mitigation today, we think an avoided tonne of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) in 2023 is worth more than one avoided in 2033. We value sustainability planning, but only in parallel with action, not as its gatekeeper.

In line with being a digital infrastructure leader, we are committed to share our learnings, both successes and failures. We are aligning our disclosures with the Task Force on Climate-Related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB) and Global Reporting Institute (GRI) standards. And, we strongly endorse the mission of the United Nations Sustainable Development Goals (UN SDGs), and will align our sustainability efforts with the SDGs in future iterations.



# Our Operations

## Our core business is data center development operations.

As a hyperscale provider, our clients take control of the activities that drive traditional Scope 1 and 2 emissions. Their electricity and standby power system emissions are our Scope 3 emissions, which we allot to Category 13 (downstream leased assets). As a result, our total Scope 1 and 2 emissions represent only a small portion of the emissions generated at each of our sites.

Given this reality, key enablers of our sustainability framework are the application of our technologies to impact emission reductions through design, construction procurement of materials and components. This is discussed in detail in the Environment section.

Figure 1: Map of Compass' operating locations



# Materiality

We recognize the increasing significance of double materiality – considering both material issues that are financial and ESG-related. Understanding what matters most to our stakeholders helps us to better identify and manage our risks and opportunities to our business and the people we engage with.

In late 2022, we worked with a third-party organization, Schneider Electric (SE), to conduct a materiality assessment. Based on a number of third-party ESG raters, rankers and standards (such as SASB, Sustainalytics, S&P Global Ratings, etc.), we identified an initial list of 43 potentially material topics. Of the 43 topics, 42 were applicable and material to the data center industry, and were included in a stakeholder survey to the Executive Leadership Team, suppliers, competitors, employees, raters and rankers, which resulted in a stacked ranking of the topics.

Compass' Executive Leadership Team prioritized action to address the top seven topics, which ranked significantly higher than the other 35, as most material to the organization. The top seven are:

1. Emissions
2. Diversity, Equity and Inclusion
3. Employee Health and Safety
4. Energy
5. Business Ethics and Integrity
6. Materials Sourcing and Efficiency
7. Water and Wastewater

As for the rest of the material topics, we will continue to address each one over time. In parallel, we will continue to reassess, address and report on other material topics going forward.



## SASB

The Sustainability Accounting Standards Board (SASB) is a non-profit organization which provides guidance to companies across 77 business sectors about the key sustainability-related metrics that are financially material to their business operations. SASB's sector-based disclosure requirements provide specific quantitative and qualitative disclosure metrics that companies and investors should focus on, to understand the key environmental considerations for a company's business model. Compass identifies with SASB's Real Estate industry.

Based on SASB's real estate standards, we aim to report on the following topics, in addition to the seven top ranked topics in our materiality assessment:

- ▶ Energy Management
- ▶ Management of Tenant Sustainability Impacts
- ▶ Water Management
- ▶ Climate Change Adaptation



# Key Metrics and Progress



## MOONRAKER LCA:

**18% less embodied carbon** compared to the industry average baseline LCA design



**15-20%**

**total embodied carbon emission reductions** in our concrete



## 0 WATER USAGE EFFECTIVENESS (WUE)

attributed to closed loop water system and being zero water from inception for IT loads



## AVOIDED 6.74 MILLION GALLONS/MW

by using waterless cooling



## ZERO WASTE PROGRAM:

UL2799 Silver Certification in progress (over 90% of operational waste diverted from landfill – to be expanded to include construction waste)



**1.25**

**design-average power use effectiveness (PUE)**



**>95%**

**women full-time field employees** in North America for 4+ years



## WORKPLACE SAFETY:

Total Recordable Incident Rate (TRIR) 0.1025; top quartile of the NAICS 236000 index



**99.9999%**

**uptime** across all of our sites



## PARTNERED WITH MANIFEST CLIMATE

(climate risk planning solution) to address climate risks and consolidate sustainability reporting and disclosures



## 10 ESG LIBRARY CARDS PRODUCED

to simplify complex information about our ESG initiatives to key stakeholders



## 5 ACTIVE INDUSTRY MEMBERSHIPS AND EXECUTIVE LEADERSHIP

including **Urban Land Institute** and **iMasons Climate Accord**



## 5 INNOVATION AWARDS AND RECOGNITIONS IN 2023

including the Innovator of the Year for the inaugural *Advancing Prefabrication Awards* and being named one of Fast Company's Most Innovative Companies for innovation in construction, sustainability and diversity





# ENVIRONMENT

We recognize that our success results in more resource consumption and land usage, so there is no separation between product and environmental leadership at Compass.

This means we not only focus on what we can control, but also what actions carry the most impact. Two conceptual realities drive the prioritization of our environmental activities: avoided emissions optimization and the time-value of carbon.



## AVOIDED EMISSIONS

The World Business Council for Sustainable Development (WBCSD) defines avoided emissions as “the positive impact on society when comparing the GHG impact of a solution to an alternative reference scenario where the solution would not be used.”

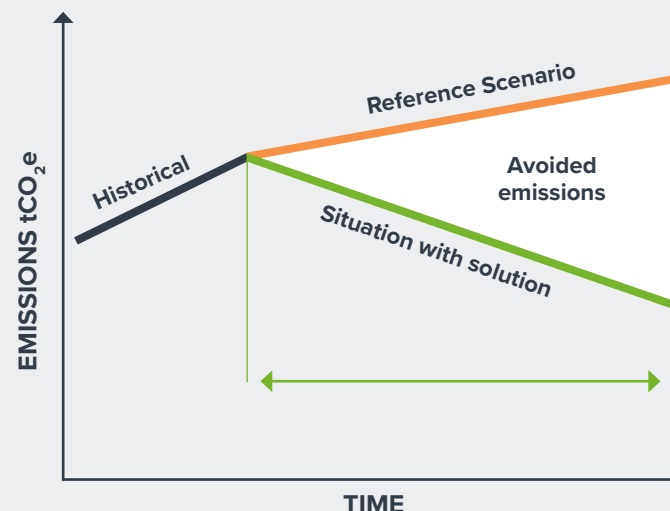
They distinguish Scope 3 reductions from avoided emissions with the following:

*Pursuing a reduction of Scope 3 emissions will incentivize a company’s decarbonization of its portfolio when compared to previous years.”*

*Whereas “pursuing the maximization of avoided emissions will incentivize a company to accelerate its contribution to the decarbonization of society through the addition of an increasing number of decarbonizing solutions in its portfolio and prioritizing markets that need to be decarbonized most.*

Driving avoided emissions goes beyond measuring and reducing Scopes 1-3: it requires us to think bigger – to innovate and scale decarbonized products and services for the betterment of society.

Figure 2: Definition of avoided emissions



## EMBODIED CARBON

The Carbon Leadership Forum (CLF) defines embodied carbon as “the greenhouse gas emissions arising from the manufacturing, transportation, installation, maintenance and disposal of materials.” In other words, it is the “capex” of CO<sub>2</sub>e that has been emitted before a product or service is even operational, and will be emitted through disposal once it is done operating. In the context of a building, it is all of the carbon emissions that were emitted to mine the materials, manufacture and transport the products, construct the building and dispose of the building materials once its useful life is over.

The building and construction sector contributes 39% of global annual GHG emissions. Of these emissions, 28% comes from operational carbon and 11% from embodied carbon - the emissions associated with the raw material extraction and manufacturing of building materials.<sup>4</sup> This signifies the importance of decarbonizing buildings, which is one of the reasons this is a key area of focus in our avoided emissions work.

<sup>4</sup> [https://worldgbc.s3.eu-west-2.amazonaws.com/wp-content/uploads/2022/09/22123951/WorldGBC\\_Bringing\\_Embodied\\_Carbon\\_Upfront.pdf](https://worldgbc.s3.eu-west-2.amazonaws.com/wp-content/uploads/2022/09/22123951/WorldGBC_Bringing_Embodied_Carbon_Upfront.pdf)

## Avoided emissions optimization

Avoided emissions is a relatively new concept compared to better known Scope 1, 2 and 3 emissions. Leaders in environmental science understand the importance of avoided emissions measurement, as it fills a gap to motivate service providers to innovate their core products to drive down massive amounts of emissions in the supply chain.

As noted in “Our Operations”, we have limited exposure to Scope 1 and 2 emissions. As such, our biggest lever to drive down emissions is in the site location, design and construction stages. When we build a data center with more efficient design components and less embodied carbon than the rest of the industry, we have driven avoided emissions for society. This is where we spend most of our effort in climate change mitigation.

This past year, Compass took the first steps required to measure its avoided emissions. To establish credible claims, a reference scenario must be established from which to measure the emissions avoided. As such, we completed the first whole-building life cycle assessment of our schematic Moonraker design. We established the reference scenario by using industry-standard emission factors with design-specific material quantities to establish a “baseline” carbon footprint. We describe this project in detail later in the report (see [page 22](#)).

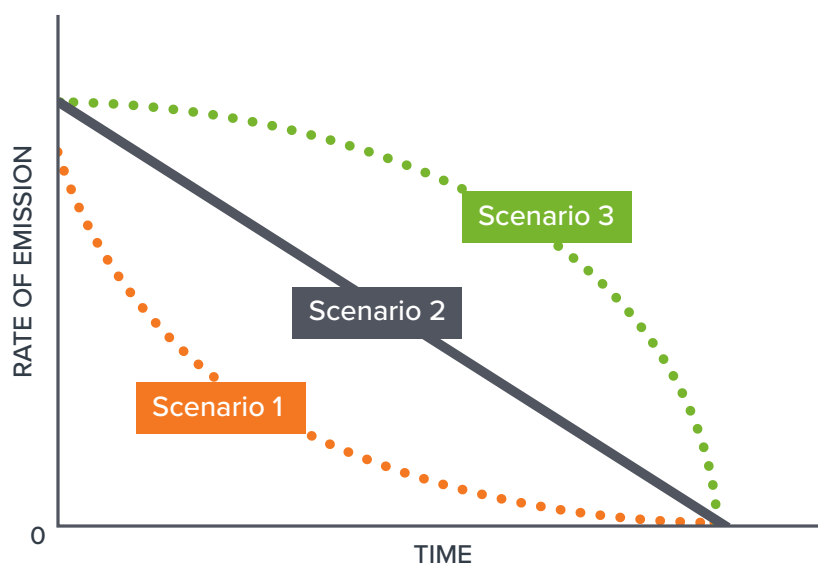
We will be using this baseline benchmark which to measure the emissions we avoid through adopting new technologies, materials and processes. In support of this strategy, we developed an innovation framework to organize and prioritize our efforts. This framework, and its four pillars, are discussed in more detail on [page 16](#).

## Time-value of carbon emissions

According to the CLF, when we evaluate emission reduction strategies, there are two things to keep in mind: the amount of reduction and when it happens. Because emissions are cumulative and we have a limited amount of time to reduce them, carbon reductions made today have more value than those made in the future. As with financial valuations, a tonne of GHG reduction today is worth more than in the future (based on a defensible discount rate).

Through this lens, we should put much more effort into reducing the carbon emitted today when compared to 2030 or 2050. We firmly agree with this notion, which reinforces our approach to actively invest, test and learn rather than plan and hope. Our focus on embodied carbon is supported in this approach.

**Figure 3:** Early, large investments in carbon reduction will yield greater emissions reductions over the long-run. The climate impact is represented by the area under each curve, which varies significantly depending on the decarbonization scenario path.



5 <https://carbonleadershipforum.org/download-page/?dlim-dp-dl=35419>



# GHG Inventory

Compass developed its first detailed GHG baseline inventory in 2021 using real energy consumption data.

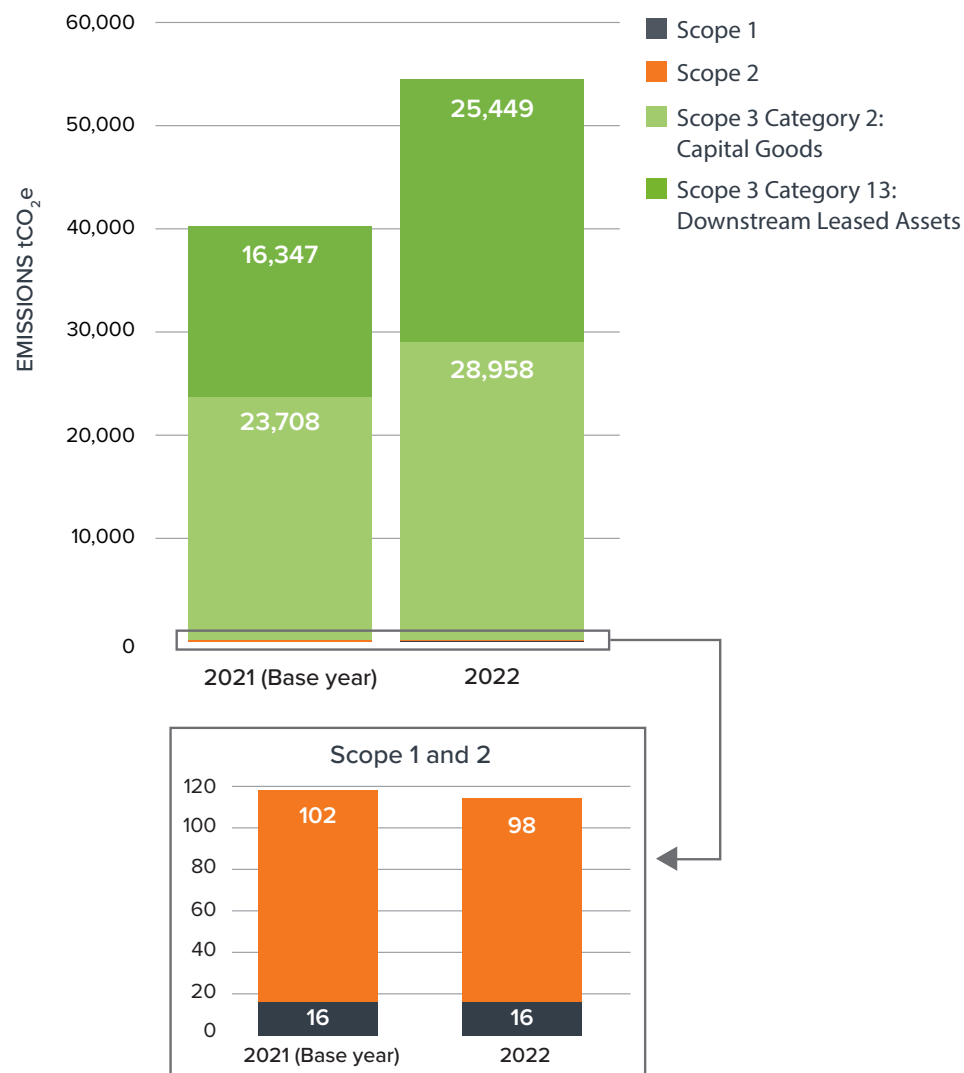
In 2022, we made further improvements to our data collection processes in order to gain a more detailed and accurate understanding of the carbon footprint of our data centers, both operational and under construction. Below is a summary of our Scope 1, 2 and key Scope 3 emissions in 2021 and 2022.

## Methodology and boundaries\*

Our 2021 and 2022 GHG inventories were conducted in alignment with the GHG Protocol Corporate Accounting and Reporting Standard, which is the globally accepted method to calculate GHG emissions. According to the GHG Protocol, Scope 1, 2 and 3 emissions are defined as the following:

- ▶ **Scope 1:** Direct emissions from stationary combustions produced from electricity, heat or steam generation are included in the calculations, as well as fugitive emissions that come mainly from hydrofluorocarbon (HFC) emissions during the use of refrigerants and air conditioning equipment.
- ▶ **Scope 2:** Indirect emissions are included, i.e., GHG emissions from consumption of purchased electricity, heat, or steam.
- ▶ **Scope 3:** Indirect emissions as a result of activities up and down the value chain. For Compass, this scope is currently limited to categories deemed to be major GHG contributors, which are Category 2 (purchase of capital goods and services) and Category 13 (downstream leased assets).

Figure 4: Summary of GHG emissions



\*See Appendix A for details behind GHG inventory

## Scope 1 and 2 emissions

Our Scope 1 and 2 emissions are limited to our corporate offices, which are located in Dallas, Texas and Toronto, Ontario. At both of these offices, the contributors to Scope 1 emissions are natural gas used for heating, and the use of refrigerants in air conditioning units. Scope 2 emissions are a result of electricity purchased from the grid.

As Compass does not have operational control over any of its clients' data centers, GHG emissions from these sites are classified under Scope 3 Category 13 (downstream leased assets). As such, our Scope 1 and 2 emissions are relatively small.

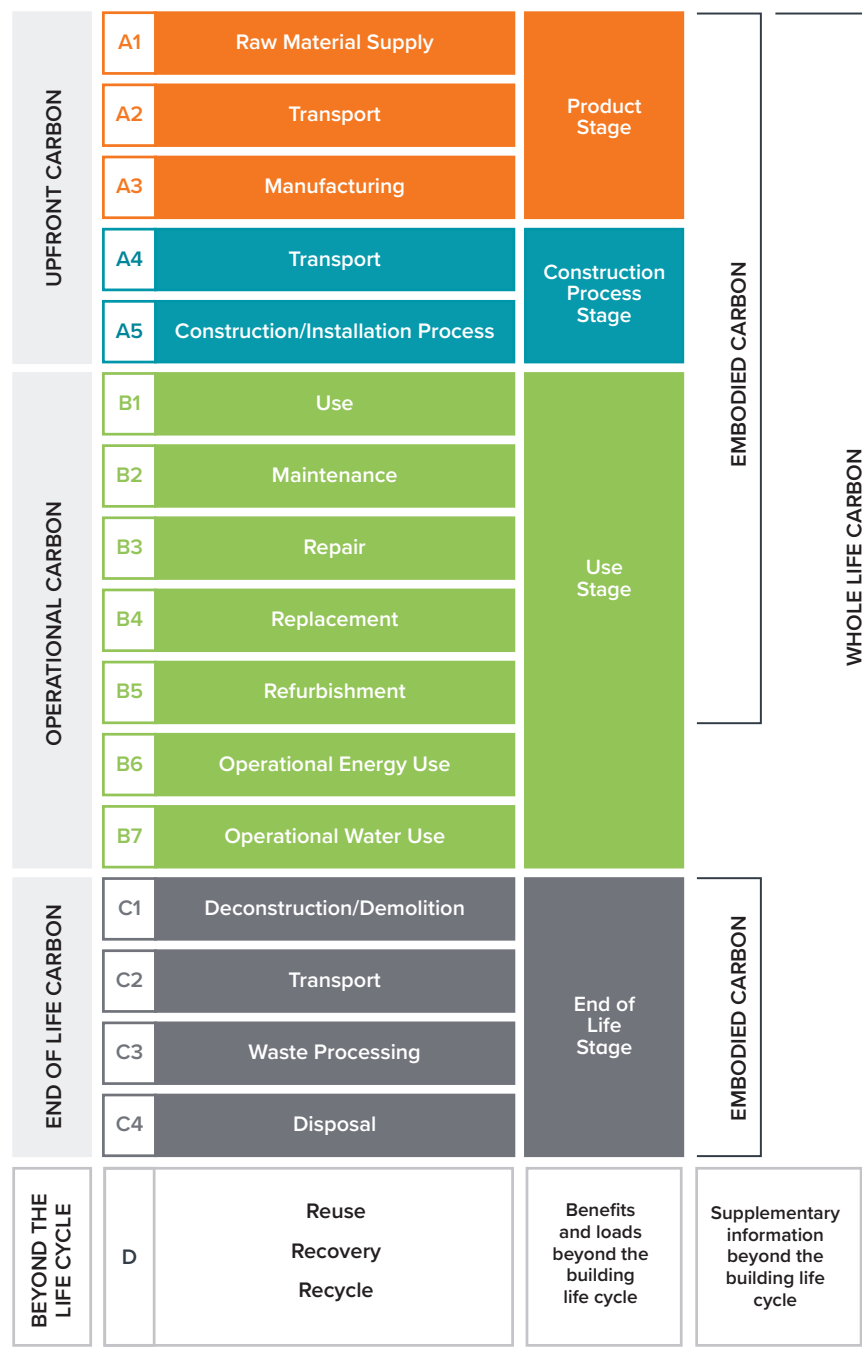
## Scope 3 emissions

### Scope 3 Category 2 (purchase of capital goods and services)

Category 2 refers to the emissions associated with the production of goods and services that we purchased over the reporting period. For Compass, the vast majority of purchased goods and services are related to the construction of data centers. Therefore, our Category 2 emissions refers to all of the product stage (life cycle modules A1-A3, see Figure 5: Building life cycle stages) emissions associated with Compass' construction-related purchases.

Data center construction spans multiple years. However, the structure and envelope, which are responsible for the vast majority of embodied emissions, are completed within the first year of construction. Therefore, all Scope 3 Category 2 emissions are calculated and included within the first year of construction for that reporting year. The next section describes in more detail how we are developing new innovative methods to construct our data centers.

Figure 5: Building life cycle stages





### Scope 3 Category 13 (downstream leased assets)

Category 13 emissions refers to the GHG emissions resulting from the operation of our leased data centers, as our clients have operational control of those sites. As the data centers require significant energy to drive operations, the majority of our emissions are in this category.

Over the past two years, we have improved our ability to collect real energy consumption data across our data centers. Despite significant improvements between 2021 and 2022, we still have data gaps for a small number of our sites. As we continue to enhance our data collection tools and approach, our goal for our 2023 inventory is to have complete consumption data across all sites.

While we don't have direct operational control over our leased sites, as the designers and builders of our data centers, we can reduce our Scope 3 Category 13 emissions through energy efficient design, and allowing for compatibility with lower-carbon energy sources, such as using hydrotreated vegetable oil (HVO) fuel for generators instead of diesel.

### Year-over-year changes

In 2021 and 2022, the vast majority of Compass' GHG emissions are Scope 3 Category 2 (capital goods) from the construction of data centers, and Scope 3 Category 13 (downstream leased assets), which includes all of our tenants' operational emissions at Compass' leased sites. In 2022, we show an increase in absolute emissions in both categories, due to an expansion of our business activities; we had more data centers coming online and more under construction.

There is very little year-over-year change in our Scope 1 and 2 emissions, as our corporate offices have remained the same. The slight decrease in Scope 2 emissions is due to reductions to the carbon intensity of Dallas and Toronto's electricity grids.

# Our Strategy for Emissions Reductions and Avoided Emissions

To actively reduce our Scope 1-3 emissions and improve on our avoided emissions, we take an efficient and innovative approach to the construction and operations of our data centers.

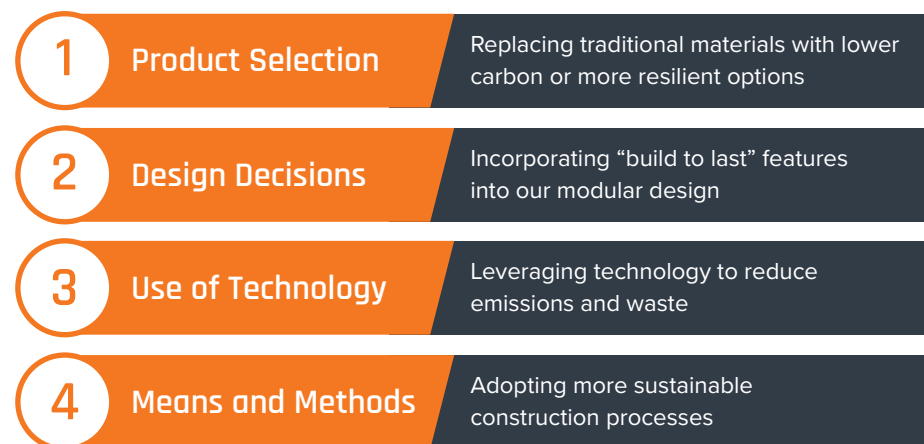
Our approach to efficient construction is centered on repeatable and scalable practices to reduce costs and GHG emissions. Our total cost of ownership lens extends from financial analysis to full life cycle emissions analysis as well. This results in several critical priorities:

- We value long-lived assets and materials, which results in less material replacements over time, thereby reducing life cycle emissions.
- We value low-carbon materials.
- We value circularity practices to reduce costs and carbon emissions.
- Perhaps most importantly, we have begun to measure the whole-building carbon footprint of our standard designs, which means any further improvements (avoided emissions) can be measured against a reference scenario.

Our approach to efficient operations starts in the design phase and extends to continuous improvement throughout the lifespan of the data center.

- We specify highly efficient HVAC for our cooling requirements. Its “economization mode” helps us achieve power usage efficiencies (PUEs) below the industry average.
- We design with low-to-no cooling water requirements.
- We design and specify either natural gas micro-grid or HVO-ready diesel standby power systems.
- We are in the process of certifying sites to UL 2799, silver designation or higher by diverting at least 90% of our annual operational waste from landfill.

We have also built an innovation framework to focus our efforts on areas where we can have the highest impact. We use this structure to methodically review our operations to innovate with new products, materials and processes to help us achieve our goals. The four pillars of this framework are:



## ESG LIBRARY CARDS

Innovative technology and new designs are central to our approach to ESG, which can be difficult to explain. This is why we have introduced “ESG Library Cards”, which are succinct one-page summaries to distill the complex design, engineering and impact of our ESG initiatives to our business partners, customers and the wider industry. Employees receive training to better understand Compass’ ESG initiatives and how they can use the library cards as tools in their work.



# Product Selection

Replacing traditional materials with lower-carbon or more resilient options



## Low-carbon roof

Understanding the important role of roofing materials for both building integrity and long-term sustainability, we have carefully selected the Sarnafil® G410 PVC membrane as our roofing material across all data centers.

The Sarnafil® G410 has lower cradle-to-grave embodied carbon compared to the North American industry average. Its long service

life of 35 years also minimizes embodied carbon by reducing the number of product replacements needed throughout a facility's lifetime. Additionally, due to its high solar reflective index (SRI), the Sarnafil® G410 effectively manages heat absorption from the sun and helps maintain a comfortable indoor temperature with minimal cooling energy.

- ▶ **53% lower life cycle embodied carbon** compared to the industry average
- ▶ **50,600 tonnes CO<sub>2</sub>e of avoided** operational emissions across all US Compass sites



## Fiber reinforcement

Polymer fiber reinforcement provides a promising alternative to conventional steel reinforcement (rebar) in concrete structures. We use polymer fiber to reinforce various concrete structural elements to reduce embodied carbon emissions while ensuring the longevity of our data centers.

Using polymers to reinforce concrete requires much less material, making structures lighter

and more efficient. By reducing material use, we can avoid at least 45% of embodied carbon emissions (exact percentages depend on the dosage used). Compared to steel rebar, concrete reinforced with polymer fibers is also less prone to cracking. The fibers are highly corrosion-resistant which saves us significant time, maintenance costs and repair-based emissions that would be incurred if steel rebar were used.

- ▶ **Avoided 45% of embodied carbon emissions**



## High-density polyethylene

Like many other features of the built environment, data centers require solutions for stormwater control. We intentionally select stormwater piping made from high-density polyethylene (HDPE) - an affordable, lightweight material with lower embodied carbon and smog-forming emissions compared to reinforced concrete pipes (RCPs).

Besides its lower carbon footprint compared to RCPs, HDPE's lightweight material composition allows for easier transportation

and installation, reducing labor and logistics costs. HDPE is also versatile and efficient, given its lack of reactivity with chemicals, run-off pollutants and low surface friction.

Moreover, HDPE demonstrates exceptional durability with resistance to multiple freeze-thaw cycles in colder climates and superior leak prevention, minimizing erosion. As a result, HDPE pipes require little maintenance and can last many decades before repair or replacement.

- 
- ▶ **46% lower life cycle embodied carbon** compared to RCPs



## Hydrotreated vegetable oil fuel

Reliable standby electricity systems are the foundation for resilient digital infrastructure. Traditionally, these use diesel fuel, which is reliable but results in significant emissions, including both carbon and sulfur.

We commission our generators using hydrotreated vegetable oil (HVO) and top

them off with HVO before handing the site over to our client. HVO is biogenic (renewable), meaning its carbon footprint is smaller than fossil diesel. HVO can be used interchangeably in existing diesel generators without requiring significant upgrades.

- 
- ▶ **Min 42% lower CO<sub>2</sub>e emissions** from standby power
  - ▶ **5,753 tonnes CO<sub>2</sub>e saved annually** by switching Compass generators to 100% HVO instead of diesel



# Design Decisions

Incorporating “build to last” features into our modular design

## Waterless HVAC

Cooling servers is the biggest driver of data center electricity demand and, in many cases, direct water consumption. We have thoughtfully designed our data centers to use air-based Liebert Packaged Solution (DP400) cooling systems to meet the building’s operating needs instead of industry-standard liquid (water-based) systems.

The DP400 operates using a low global warming potential (GWP) refrigerant, R-454B, which cuts down on Compass’ Scope 1 emissions. Air-based cooling systems use significantly less water annually, which means our data centers do not strain local water supplies. Reducing water consumption also minimizes the upstream energy use of municipal utilities for water treatment and supply, thus reducing Compass’ Scope 3 emissions.

- ▶ The DP400 uses the refrigerant R-454B which has a global warming potential **78% lower than the industry standard** refrigerant R-410A
- ▶ Uses significantly less water - approximate average annual water savings is **6,740,000 gallons/MW**



# Use of Technology

Leveraging technology to reduce emissions and waste

## Low-carbon concrete

Embodied emissions from the manufacture and transportation of concrete is one of the core areas where we can have an impact. To reduce these emissions, we use technology from climate tech ventures, CarbonCure and Concrete.ai.

CarbonCure offers direct emission reductions through injection of post-industrial CO<sub>2</sub> into the concrete mix. This process helps strengthen the concrete and means less cement is needed. Using CarbonCure, we have achieved a 4-6% reduction in embodied carbon emissions of our precast and cast-in-place concrete.

Concrete.ai helps us to optimize concrete mixes to balance strength and carbon emissions based on the actual concrete performance required by a specific application. Using artificial intelligence, they can help us reduce carbon emissions by 7-16%. Full optimization, including the use of supplementary cementing materials (SCMs), can yield up to 70% embodied carbon reductions.

- ▶ **5% average lower concrete embodied carbon emissions** using CarbonCure
- ▶ **5,741 tonnes CO<sub>2</sub>e of avoided embodied carbon emissions** using CarbonCure across all US Compass sites
- ▶ **~15 - 20% total embodied carbon emission reductions** using CarbonCure and Concrete.ai



# Means and Methods

Adopting more sustainable construction processes

## On-site batch plant

To accelerate and streamline the delivery of ready-mix concrete, we install mobile concrete mixing plants for our US data center projects during construction. Portable concrete plants can be installed on-site in days, making them highly efficient and cost-effective for producing concrete.

Once installed, concrete materials are mixed, tested and distributed on-demand to construct our data centers. This process eliminates the need for frequent trips by concrete mixing trucks to drive from more centralized plants to the site. As a result, transportation-based embodied carbon emissions from diesel concrete mixing trucks are avoided.

- ▶ **7,688 tCO<sub>2</sub>e of avoided transportation emissions** resulting from the elimination of 86 diesel truck runs per MW of capacity from mixing plants to our sites



## CASE STUDY

### Moonraker

We understand the environmental impact of our data centers and have taken steps towards reducing the operational and embodied carbon emissions of our operations. Understanding where we are today is crucial to understand how far we need to go in the future. Beyond measuring Scopes 1, 2 and 3, we need to establish a baseline for our core activity: developing data centers. To do so, we leverage the practice of whole-building life cycle assessment (WBLCA).

We completed two LCAs, both of which included raw extraction in the product stage to end-of-life stage (cradle-to-grave) to assess the embodied and operational carbon emissions for Compass' Moonraker data center prototype in Phoenix, Arizona. The object of assessment, including the construction elements modeled in this study, only includes the major structural and envelope materials of the Moonraker, which is a common industry approach for LCA.<sup>6</sup>

The "Baseline" LCA models United States industry average materials and measured operational energy use data from 2022, establishing a benchmark to enable Compass to quantify and inform present and future carbon reduction approaches. The outputs from this LCA will inform the foundation for our reference scenario as we begin to quantify our avoided emissions.<sup>7</sup>

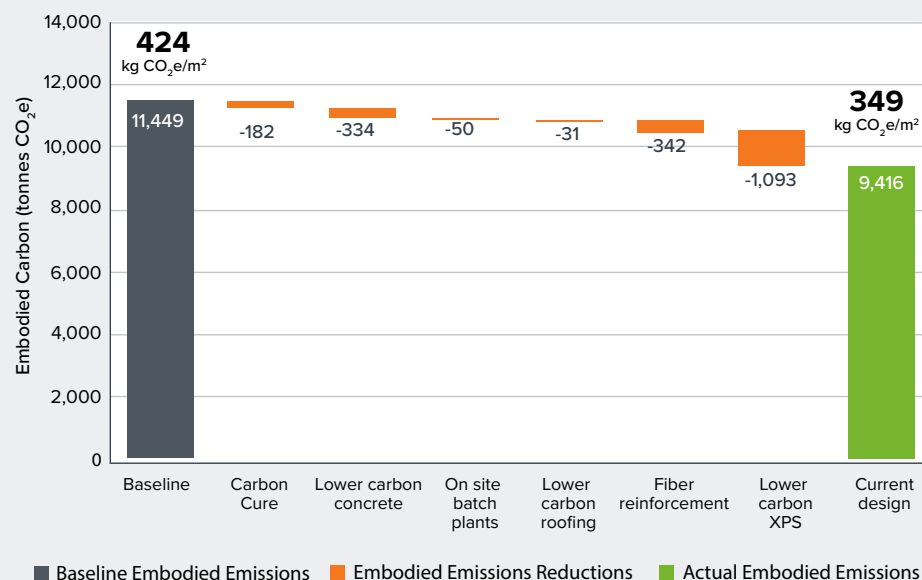
The "Design" LCA models the actual building materials we use where data permits, and the lower-carbon design considerations we have implemented, such as on-site concrete batch plants. This assessment can be used for future decarbonization strategies and to demonstrate Compass' sustainability initiatives.

The embodied carbon emissions of the Baseline LCA are 11,449 tonnes CO<sub>2</sub>e or 424 kg CO<sub>2</sub>e/m<sup>2</sup> excluding benefits and loads beyond the building life. The embodied carbon emissions of the Design LCA is 9,416 tonnes CO<sub>2</sub>e or 349 kg CO<sub>2</sub>e/m<sup>2</sup>. Therefore, the Design LCA achieves an 18% embodied carbon emissions reduction compared to the Baseline, or 1,979 tonnes CO<sub>2</sub>e of avoided emissions.

To calculate lifetime operational emissions, we extrapolated our 2022 Scope 1 (diesel) and Scope 3 Category 13 (downstream leased assets) emissions. We extrapolated 60 years as a conservative estimate to represent the whole life cycle of the building. This results in 279,695 tonnes CO<sub>2</sub>e or 10,367 kg CO<sub>2</sub>e/m<sup>2</sup>.

The Design LCA achieves an **18% embodied carbon emissions reduction** compared to the Baseline, or **1,979 tonnes CO<sub>2</sub>e of avoided emissions**.

**Figure 6:** The embodied carbon emissions of the Moonraker Design LCA is 9,416 tonnes CO<sub>2</sub>e or 349 kg CO<sub>2</sub>e/m<sup>2</sup> which is 75 kg CO<sub>2</sub>e/m<sup>2</sup> or 18% less than the industry Baseline LCA.



Our Design model, which incorporates our decarbonization decisions, is a great example of how we apply the four pillars of our innovation framework. The "Use of Technology" is showcased using CarbonCure in the structural ready-mix concrete which reduces the product stage embodied carbon carbon emissions by an average of 5%. Lower carbon options for concrete, XPS insulation and PVC roofing membrane were selected, which resulted in lower embodied carbon emissions than the equivalent North American industry average. Also, using fiber reinforcement over rebar effectively reduced embodied carbon emissions without compromising the strength of the foundation and slab-on-grade. Lastly, on-site concrete batch plants under the "Means and Methods" pillar eliminated the transportation distance, and therefore A4 transportation emissions, from the concrete manufacturer to the site.

<sup>6</sup> The object of assessment refers to the building, including its foundations and external works within the curtilage of the building's site, over the life cycle. [Source](#).

<sup>7</sup> The industry average is the average environmental impacts of a product of multiple companies in a clearly defined sector and/or geographical area.

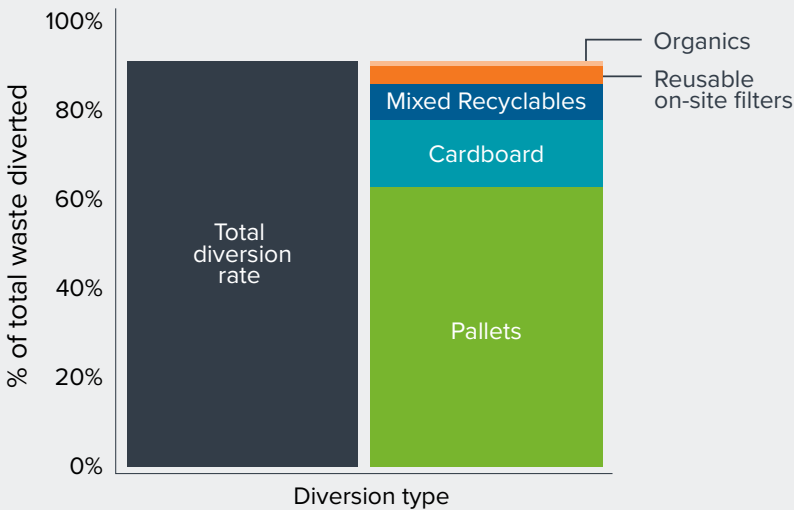
# CASE STUDY

## Zero Waste

Waste is an important component of an organization’s overall environmental footprint. As such, Compass is embracing the concept of “zero waste” as part of our overall commitment to operational excellence and supply chain transparency. In 2024, we are aiming to achieve Silver designation for UL 2799, the Standard for Environmental Claim Validation Procedure for Zero Waste Classifications at our YYZ I and YYZ II data centers, by achieving a 90% or higher annual waste diversion rate. Compass’ target is to certify all sites in its portfolio within 18 months of becoming operational.

A carefully crafted and proven delivery sequence allows for precise planning and minimal construction waste. To achieve the 90% waste diversion across all data centers, Compass is partnering with waste collection contractors to divert construction and operational waste through recycling and reuse. We have on-site recycling and make use of demolition debris and rock from over-excavation. We have also upgraded our standard air filters with washable units, eliminating one of the largest sources of operational waste. We are pushing toward a circular economy, eliminating waste and reusing as much as we can.

Figure 6: Diverted waste at YYZ II







## What's Next?

We are excited to continue to build on our innovation framework to build more sustainably and resiliently. We are currently exploring several new initiatives, including replacing standby diesel systems with renewable natural gas systems.

We are also exploring the inclusion of mechanical, electrical and plumbing (MEP) equipment into our LCA models, recognizing that we need support from the industry to enable better data access to the life cycle emissions of these products.

We have created a strong foundation to measure and report on our environmental efforts, and are actively looking for ways to improve our data collection methods to collect more accurate, real-time data going forward. As we take a holistic innovation and technology development process to improve on our data center models, we will keep iterating with each new build to further reduce our embodied carbon emissions and enhance resilience.

Our 10 ESG Library Cards have also improved our communications with employees, partners and customers. In the next year, we look forward to continuing this engagement by releasing additional cards and understanding how this practice positively influences other metrics and targets.



A woman and a man are in a server room, looking at a screen and gesturing. The woman is pointing upwards with her right hand, and the man is pointing with his right hand. They are both wearing light blue shirts. The background shows server racks and a blue light. A large orange circle with a white dotted pattern is on the right side of the image.

# SOCIAL

People are at the heart of our business. Our success in building great data centers is highly dependent on our talented employees, and the close relationships we build with the communities hosting our sites. We are committed to promoting diversity, equity and inclusion and we cannot execute our strategy without a talented, innovative and committed team.

Compass excels because we are a highly diverse team, aligned around a strong vision with a common culture. We value safety, diversity and professional development because it drives our business. We aim to positively contribute to our local communities, which in turn enables better social and business outcomes.

# Diversity, Equity and Inclusion (DEI)

Compass appreciates and celebrates diversity. The confluence of backgrounds and life experiences, with people hailing from all corners of the world, gives us unique insights and leads us down new paths as we address the challenges that come with leading a burgeoning industry. We leverage diversity for business value. Different behavioral styles and personalities process things differently.

## Position on diversity

This report opened with an overview of our core convictions and how they guide our steps and got us to where we are today. Without diversity, the core convictions of continuous improvement and asking “why?” would fall flat.

Our unique makeup supports our ability to expand our offering and improve what we do. It is the melding of everyone’s knowledge base – stemming from their families of origin, culture, religion, education, abilities, unique personalities and life experiences – that has gotten us to where we are today. Our employees are the most valuable assets we have, and we invest in their success.

## Creating an equitable and inclusive environment

Appreciating that we are all coming from different places, we foster an environment of continuous learning, understanding and development... and celebrate failure. While that may sound counterintuitive, we believe some of the best learning and advancement comes from failure. If we want to look at our challenges through a diverse lens, do things differently and take some risks on the path to being a different kind of data center developer, we will inevitably fail at times. We embrace failure on the path to success.

We want our teams to bring their best, and be successful and fulfilled in their work. To that end, Compass:

- Provides equal employment opportunities for all employees and will not tolerate any speech or conduct that is intended to, or has the effect of, discrimination or harassment.
- Uses gender-inclusive language in company documents, job advertisements, job descriptions and other relevant documentation.
- Provides ongoing training and routine Compass Culture discussions and sessions. Monthly culture and learning sessions bring team members from across the globe together to learn, collaborate and problem-solve in a safe environment.
- Ensures that job descriptions describe behaviors needed and desired attributes more than years of experience.
- Has practices in place for addressing short accounts and not letting grievances fester. This practice supports team unity.
- Provides team members timely feedback via a quarterly scorecard.
- Provides all team members with a Dominance, influence, Steadiness and Conscientiousness (DiSC) personality assessment when they start. Team members receive ongoing training on how to use the framework to better adapt and communicate to others who are different from themselves.



# Diversity by the numbers

We hope by this point in the readers’ journey into this report, it is clear that Compass thrives today because of the diverse perspectives and experiences our team represents, and that those are shaped by their journey, not the color of their skin or ethnic background.

With that said, in adherence with reporting requirements, our workforce in 2022 consisted of the following gender and race breakdown.

Table 1: Gender and ethnic diversity at Compass

GENDER	GLOBAL	ELT
WOMEN	29%	25%
MEN	71%	75%

RACE	2021	2022
ASIAN	13%	13%
BLACK OR AFRICAN AMERICAN	4%	6%
HISPANIC OR LATINO	7%	6%
TWO OR MORE RACES	N/A	2%
WHITE	76%	73%

This data reflects Compass as of May 31, 2022.  
We are actively finding better ways of capturing and reporting on this information.

We are proud that we have women in **80% of our construction manager roles and our core design and engineering team is 50% women** – notably women represent **95% of our full-time field employees in North America** for the past four years.

# HOW OUR DESIGN FRAMEWORK SUPPORTS OUR DIVERSITY GOALS

Modular design assists in supporting diversity in construction. Increased off-site manufacturing reduces the requirement for brute strength and means fewer moving parts on the job site, creating a more controlled and safer environment accessible to more people. This means that the commute and work hours are more predictable, and there is more permanent job stability.

# INCREASING GENDER DIVERSITY IN THE CONSTRUCTION AND DESIGN INDUSTRIES

In the construction industry today, women represent less than 3% of skilled trade workers and only 11% of management. And in the executive ranks, it is less than 1%. The demand for talent in the trades is far exceeding the supply, and we risk leaving half the world’s talent on the sidelines.

At Compass, we support the advancement and inclusion of women in the construction and design industries. We are proud that we have women in 80% of our construction manager roles and our core design and engineering team is 50% women – notably women represent 95% of our full-time field employees in North America for the past four years.

We are committed to promoting this topic by investing in our podcast series *Extending the Ladder*. The series aims to provide insight for the next generation of women leaders as they forge a path in what has traditionally been a male-dominated space.



Podcast series *Extending the Ladder*

## Diverse partnerships

When it comes to business partners, we firmly believe that diversity is a source of strength, innovation and resilience, and we are committed to creating an environment where every supplier has an equal opportunity to participate and thrive. As such, Compass promotes DEI opportunities across its supply chain with the construction and data center industries. We are committed to treating all suppliers, regardless of their background, race, ethnicity, gender, sexual orientation, age, disability or any other characteristic, with fairness, respect and dignity. Discrimination, harassment or bias of any kind is not be tolerated in our supply chain.

In addition, we actively encourage and support the utilization of women-owned and minority-owned businesses to promote and foster greater diversity and equity of opportunities throughout our supply chain and industries. Compass has partnered with small firms that are minority-, Veteran-, LGBTQ- and women-owned to hire for talent in our operations and delivery.



**Tony Grayson**, GM for Edge Product, is the Executive Sponsor with iMasons for Veterans



**Nancy Novak**, CIO, is on the Advisory Council for iMasons and iMWomen, Steering Committee of DEI in iMasons and is the Executive Sponsor for the Digital Divide

## CONTRACTOR DIVERSITY

We partner with minority-owned businesses to target the hiring of diverse talent to fill our contractor roles in delivery and operations. We look at diversity holistically – regardless of who they work for.

Compass is dedicated to providing opportunities for minority-owned businesses and is proud to work with the Overwatch Partnership, Salute Mission Critical and WBE, which are certified Veteran and women-owned businesses.



# Employee Health and Well-Being



“

“The unique culture at Compass is built around our Core Convictions: Humility In, Pride Out, Actions & Words are One, Continuous Improvement, and We Ask “Why?”. When you give your employees a voice and a safe place to learn and grow, you create a collaborative culture that allows people to accomplish great things. That culture has empowered our employees to make a positive difference in the lives of people around the globe through the critical digital infrastructure we build.”

- Anna Carlton, VP of Culture and Learning

The health and well-being of our employees is highly valued and critical to Compass’ success.

From the hiring and onboarding process, to continuing to support our employees’ career development, Compass maintains a strong sense of responsibility to ensure that employees are placed in the best position to succeed throughout their tenure.

In a 2022 engagement survey, employees highlighted that they have strong trust in leadership and are proud to work at Compass, that the Compass culture resonates for both individual and organizational success, and that the culture supports individual needs and wellbeing as well as fairness regardless of diverse differences.

For these reasons, Compass was recognized as one of the Dallas Business Journal’s 2022 Best Places to Work in the publication’s annual ranking of best employers in North Texas. The awards recognize the companies in the region that go above and beyond in creating an enjoyable workplace environment and culture for their employees based on the highest employee survey scores among peer companies in their size category.



## Employee benefits

Compass provides a comprehensive benefits package for all our employees that considers wellness holistically, by considering all aspects of social, professional, financial, physical and emotional health. This includes health benefits, disability and life insurance, retirement savings contribution, employee assistance, parental leave and “take what you need” vacation. The benefits vary by location based on local market practice for each location where we operate.

## Mental health - Headspace

Mental health is as fundamental to well-being as physical health. We recognize that we work in a very high-stress industry, and it is important that we offer resources and support to address what are often considered sensitive topics. We believe that the industry starts to become a safer environment for everyone when the conversation shifts to recognizing and supporting individuals suffering from mental illness. As such, part of Compass’ commitment to employee well-being is providing access to the Headspace mental health app. The app offers its users practical support and access to mental health professionals, including psychiatrists, to best address any mental health issue.

Tailored professional help through the Headspace app is accessible any time of the day and offers on-demand, confidential mental health services through coaching via text-based chats, self-care activities and video-based therapy and counseling. In particular, Headspace embraces diversity and offers support for mental health issues related to racial and sexual identity. They also provide “Diversity Dialogues,” where experts speak on various issues about gender, race and disability.

The app is available to all Compass employees and dependents 18 or older. Compass employees have eagerly embraced Headspace’s services, with a significant number signing on to the platform, the majority of whom have continued to use the service over the long-term.

► **65% of Compass employees are active users**



“

“There has never been a better time to be at Compass. The fact that the company has invested proactively in trusted and confidential programs to ensure our mental welfare is not only a strong sign that our company is innovating with our benefits, but also is a recognition that our rapid growth can contribute to additional stress in the workplace. I am genuinely delighted that Compass is leading the way in destigmatizing such a critical area of our collective well-being.”

- Phil Morel, SVP of Client Management

## Health and safety

On every project and throughout our organization, Compass has a strong safety culture. We prioritize employee safety to the utmost degree. Our commitment to safety encompasses all our partners in design, construction, operations and supply chain. We are compliant with the Occupational Safety and Health Administration (OSHA), and are proud to share that our Total Recordable Incident Rate (TRIR) is 0.1025, which is in the top quartile of the NAICS 236000 index.

At Compass, safety starts with design. Well before shovels hit earth, we are planning for a safe project. Our safety strategy hinges on a carefully coordinated worksite with as few groups as possible working at any one time. We have incorporated additional measures related to product selection and workflow to minimize safety risks on site.

- Pre-assembled trapeze systems allow work to be assembled at waist-level rather than stick-built from a lift or off the floor, which is less labor-intensive and protects workers from physical injury.
- Design specifications like paint color are integrated in prefabricated components, to eliminate the need for painters on lifts and extra crews around the building.
- A precast roof allows for the fastest possible dry-in, increasing the safety of the work environment. No work ever takes place under a potentially unsafe roof and no leading-edge work is allowed.
- Pre-formed penetrations in precast sections help avoid field cutting which is labor intensive and not the optimal setting for this type of precision work. A controlled environment also delivers safety benefits.
- The ability to stage roof-access stairs early, for safe roof access and egress, and avoid temporary stair towers or access via snorkel lifts, creates a considerable safety advantage.

We rely heavily on modular designs and prefabrication to make this happen. Pieces of the puzzle, from power racks to walls, are built off-site so on-site assembly comes together quickly with fewer moving parts, people and vehicles, for a more controlled and safer environment.

In addition to designing for safety, we have implemented short interval production schedules, giving sub-contractors full autonomy in a given area for a defined period of time, and incentivizing them to complete their tasks on time. This way, one crew is not dancing around another to get their work done.

## Compass Cares

Compass Cares is our global environmental health and safety program, providing a protocol to instill consistent and good construction practices, increase safety awareness across all levels, minimize incidents and offer continual learning and development on best safety practices. Compass' Environment, Health and Safety (EHS) function is structured to report independently through executive leadership up to the CEO, and provide checks and balances by executive leadership through the separation of responsibilities for safety and execution.

### ACTIVEPURE FILTRATION SYSTEM

In response to the COVID-19 pandemic and heightened awareness of airborne diseases, Compass has installed ActivePure technology, an active purification technology which reduces pathogens by 99.99%, in its headquarters and in active construction site trailers, and plans to do this across data center office spaces.

ActivePure uses a photocatalytic process to stimulate chemical reactions that neutralize contaminants, achieving up to a 99.99% reduction in pathogens. ActivePure technology was developed for use in NASA's space program, and has now been deployed in hospital operating rooms and schools across North America. Implementing ActivePure across our offices and construction sites aligns with Compass' commitment to health and wellbeing, and helps to make our workplace safer, improve employee health and quality of life, reduce absenteeism and enhance productivity.

# Local Communities



Toy drive team

Our sustainability and environmental commitments guide the way we design and construct data centers, and we also look to create value in the local communities where we operate.

Compass has a strong history of social sustainability and community engagement in the regions it operates in. At each site, project teams participate in a range of community outreach initiatives, including volunteer activities, community clean-up, local event sponsorship, fundraisers and donation drives for local charities. In particular, we support local communities in key areas, such as education, diversity and inclusion, health and well-being.

## A small sample of activities from 2022 include:

**Provided an \$80k scholarship fund** for a local vocational trade school in Proffers, Texas during re-zoning.

**Donated \$30k towards Jason Learning for iMason Education initiatives** to bring awareness, opportunity and economic growth to communities around the world.

**Contributed to the iMasons scholarship fund** to specifically provide laptops and learning devices to underprivileged children as part of the Digital Divide campaign.

**Sponsored the Smashing Walnuts' black-tie event** to fight childhood brain cancer.





## What's Next?

Compass is committed to ongoing improvement, and we look forward to continuing to enable the full potential of our employees, suppliers and communities in the coming years.

As we develop our Supplier Diversity Program, we will regularly assess our supplier base for diversity and inclusivity metrics and set clear goals for improvement. We are committed to transparency and will report our progress in promoting diversity and equal opportunities within our supply chain as these initiatives are implemented. We are actively working towards instituting comprehensive programs to promote these values and invite all our suppliers to join us in this mission.





# GOVERNANCE

Our core convictions drive our culture. Their influence permeates every aspect of how we operate and the commitments we make to our customers.

Our four core convictions drive our approach to governance: Humility In, Pride Out; Our Actions and Words are One; Commitment to Continuous Improvement; and We Ask “Why?” Information flows and decision-making practices start with these core values, in partnership with our strategic anchors. We are committed to operating our business with honesty and integrity, and apply the highest standards of business conduct.



# Risk Management and Decision-Making



Compass' Board and Executive Leadership Team are responsible for the overall risk oversight of the company.

This includes the risks and opportunities related to our environmental, social and governance initiatives. Risk considerations are assessed regularly across various key internal discussions including quarterly board meetings and weekly operations meetings. Compass' global risk mitigation program, which includes a comprehensive operational risk assessment and management process, is overseen by the Vice President of Global Operations Compliance.

Notably, we place a high priority on climate-related considerations, integrating them into our strategic planning and decision-making discussions. Our climate strategy is overseen by the Chief Innovation Officer – a member of the Executive Leadership Team. This role is complemented by the responsibilities delegated to C-Suite executives and senior management, who each bear accountability for climate oversight within their respective areas of authority.

The Board incorporates climate-related factors into various aspects of the business, including setting the business strategy and plans, establishing risk management policies, determining annual budgets and setting and monitoring overall organizational performance objectives.

## MANIFEST CLIMATE

With innovation and technology at our core, we are working with Manifest Climate, a Canadian climate tech venture, to improve how we assess and manage our climate risks and disclosures.

Manifest Climate is a Climate Risk Planning (CRP) solution, combining advanced analytics and machine learning with climate expertise to give organizations the tools, data and support needed to develop their climate strategy and build climate competence. Manifest's software allows businesses to identify their climate-related risks and opportunities, track peer action and market trends and provide better disclosures aligned with global reporting standards and framework including the Task Force for Climate Finance Disclosure (TCFD), US Securities and Exchange Commission (SEC), Canadian Standards Association (CSA), International Sustainability Standards Board (ISSB) and more.



# Business Ethics and Integrity

Compass operates with a Code of Conduct that applies to all employees and expects vendor partners to share in those values as well, especially in operating with integrity and respect for human rights, diversity, equity and inclusion.

Both our Business Code of Conduct and Vendor Code of Conduct aim to uphold the same key principles in operating ethically and in compliance with applicable laws.

These include:

- Obey the law
- Conduct business with integrity
- Keep accurate and honest records
- Honor business obligations
- Treat people with dignity and respect
- Protect Compass' information, assets and interests
- Be a responsible global citizen

We also have a strict Anti-Corruption and Third-Party Relationship Policy, which prohibits bribery, kickbacks or corruption of any kind, directly or through third-parties.

At Compass, respect for human rights is a fundamental value. We strive to respect and promote human rights in accordance with the UN Guiding Principles on Business and Human Rights in our relationships with our employees, clients and third-party partners. We commit to doing our part to respect human rights within the communities in which we operate. We conduct due diligence with customers and partners to ensure that they do not pose a human rights risk while conducting business with Compass. Where we have identified adverse human rights impacts resulting from our business activities, we are committed to effective remediation and reducing potential deviations within our sphere of influence. We seek to promote access to remediation where we are linked to or involved in those adverse impacts through or relationships with third parties. This commitment to human rights is overseen by the President and Chief Financial Officer in collaboration with human resources.

This includes the consideration for:

- Community and stakeholder engagement
- DEI
- Freedom of association and collective bargaining
- Safe and healthy workplace
- Workplace security
- Forced labor, child labor and human trafficking

# Physical and Cyber Security and Privacy

Being part of the data center industry, we recognize that physical and cyber security and privacy are top priorities for our clients and stakeholders. We design and manage our data centers to deliver excellent resiliency and uptime, achieving 99.9999% uptime across all of our sites.

At Compass, we take a preventative approach to physical security. We use a layered approach to data center security, where we evaluate security tools, people and practices in terms of the solution's ability to deter, detect and delay threats. A layered approach allows us to put a more resilient program in place – more information about this is on our [website](#).

As a best practice, we provide a stable environment with enhanced security, an alarm system, Uninterruptible Power Supplies (UPS), generators, high-speed network connectivity, penetration testing, 24/7/365 operator coverage and other features to secure server data. Our information technology (IT) policies and procedures have also been designed to support the confidentiality, integrity and availability of customer data, vendor relationship and Compass' services related to space, power, environmental controls and physical security of client data centers.

All employees also undergo mandatory security awareness training to understand potential security threats as well as how to mitigate and manage them. This includes awareness of risks and protection mechanisms for phishing and scams, malware infection, confidential files, data and devices. We believe that IT security is everyone's responsibility at Compass. We launched a new training platform in 2022 and will be able to share more on training data in future reports.

## Privacy

We are committed to respecting and maintaining the privacy of all our stakeholders. Our [privacy policy](#) is available on our website, which describes how we collect and process personal information.

We are compliant with industry standards:



# Awards and Recognition

We work with industry through memberships, governing bodies and participation with organizations focused on ESG:



We are proud recipients of numerous innovation awards for our approach to data center construction:

## Fast Company's Most Innovative Companies 2023

Compass honored for innovation in construction, sustainability and diversity.

## NVTC Data Center Awards 2023

Compass won the Data Center Innovation Award.

## Advancing Prefabrication Awards 2023

Compass won the Innovator of the Year Award.

## Titan Business Awards 2023

Compass won "Most Innovative Company" category.

## Globe's Golden Bridge Awards 2023

Compass won silver for "Most Innovative Mid-Sized Company" category.

## Constructech Vision Award for Innovative Construction 2020

Nancy Novak (CIO) and Compass honored.

## Datacenter Dynamics Global Award 2019

Compass named finalist for Mission-Critical Tech Innovation Award.



# Innovation Partners

Technology is part of our DNA. We continuously explore how novel innovation can evolve with the new climate reality. We are pleased to also partner with emerging ventures and solutions to further reduce our emissions.



## Concrete-AI

Uses artificial intelligence to optimize concrete design.



## CarbonCure

Injects captured carbon dioxide into concrete where it is permanently stored.



## Foster Fuels

Produces alternative fuels, such as bio-diesel.



## Manifest Climate

Uses advanced analytics and machine learning to inform climate strategy and build climate competence.



## RadixIoT

Provides actionable insights to enhance the operational efficiency of multi-site critical facilities.



## What's Next?

Compass has a strong culture of evidence-based decision-making and leveraging data-driven processes and insights to inform strategies, processes and overall business decisions.

To facilitate ongoing informed decision-making on climate-related matters, in 2024 we are implementing a more formal process for sharing climate-related information with our Board. This will ensure that the Board is equipped with the necessary data to set, oversee and monitor the progress of climate-related goals and targets.

We will continue to address gaps and work through our action plan to improve ESG-related disclosures through the Manifest Climate risk planning and disclosure platform. This work will include enhanced climate risk assessments, transition planning and further considerations for climate adaptation and resilience.

For transparency and accountability, we will also continue to improve how we collect data and report on ESG issues in alignment with global standards and best practices.

# Appendices

## Appendix A: Details behind GHG inventory

Note: GHG emissions are expressed in units of CO<sub>2</sub> equivalent, as emission factors for the six specific GHGs (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF6) were not available.<sup>8</sup>

### Scope 1 and 2: Corporate Offices

**Boundary:** Dallas and Toronto corporate offices

#### Methodology

- Natural Gas (Scope 1)  
 $\text{tCO}_2\text{e} = \text{total natural gas consumed (m}^3\text{)} * \text{tons of CO}_2\text{ equivalent per m}^3\text{ of natural gas}$
- Fugitive emissions (Scope 1)  
 $\text{tCO}_2\text{e} = \text{tons of fugitive emissions per m}^2 * \text{total office floor area (m}^2\text{)}$
- Electricity (Scope 2)  
 $\text{tCO}_2\text{e} = \text{total electricity consumed} * \text{tons of CO}_2\text{ equivalent per m}^3\text{ of natural gas.}$

#### Assumptions

- Real utilities consumption data was not available at either office location, so proxy data was used to estimate the consumption for each location.
  - Dallas: A Department of Energy reference building (modeling a medium sized office in Houston) was used to estimate the natural gas and electricity consumption per m<sup>2</sup> for the Dallas office.
  - Toronto: Natural Resources Canada's (NRCan's) national energy database for commercial offices in Ontario was used to estimate the natural gas and electricity consumption per m<sup>2</sup> for the Toronto office.

- To estimate the fugitive emissions associated with air conditioning units, average figures for the amount of fugitive emissions per m<sup>2</sup> in office buildings was multiplied by the office floor area.

### Scope 3 Category 2: Capital Goods

#### Methodology<sup>9</sup>

- Scope 3 Category 2  
 $\text{tCO}_2\text{e} = \text{sum of floor area constructed in reporting year} * \text{product stage embodied carbon per m}^2$

#### Assumptions

- Product stage embodied carbon intensity (A1-A3) = 522 kg CO<sub>2</sub>e/m<sup>2</sup> or 48 kg CO<sub>2</sub>e/ft<sup>2</sup><sup>10</sup>
- Embodied carbon emissions were estimated for structure and envelope
- Data center construction spans multiple years, however, it is assumed that the structure and envelope, which generate the vast majority of embodied emissions, are completed within approximately the first year of construction. Therefore, all Scope 3 Category 2 emissions are calculated and included within the first year of construction for that reporting year within reason; if construction starts in December 2022 then emissions would be reported in 2023.
  - For example, if construction begins in March 2022 and has a gross floor area of 2,000 m<sup>2</sup>, then the Scope 3 Category 2 emissions for that data center would assumed to be: 2,000 m<sup>2</sup> x 522 kg CO<sub>2</sub>e/m<sup>2</sup> = 1,044 tCO<sub>2</sub>e, all attributed to the 2022 reporting cycle.

<sup>8</sup> Emissions factors for Scope 3 Category 13 were sourced from Schneider Electric's Resource Advisor platform. It uses the US EPA MRR for natural gas and diesel. For electricity, it references EPA eGRID for US sites, Environment Canada for Canadian sites, and the International Energy Agency (IEA) for all other global sites – for location-based accounting. See Assumptions for Scope 1, 2 and footnote 8 for emissions factors used to calculate Scope 3.

<sup>9</sup> "Floor area constructed" refers to the total floor area of the data center upon completion.

<sup>10</sup> The emissions factor for Scope 3 Category 2 is taken from [One Click LCA's Carbon Heroes Benchmarking](#) database which provides embodied carbon benchmarks from thousands of buildings across various archetypes globally or by country. The embodied carbon benchmark within One Click LCA is shown for A1-A4, B4-B5, and C1-C4. One Click LCA's support team was contacted to derive the product stage embodied carbon benchmark for data centers globally.



## Scope 3 Category 13: Downstream Leased Assets

### Methodology

- Natural gas  
 $\text{tCO}_2\text{e} = \text{total natural gas consumed (kwh)} * \text{tons of CO}_2 \text{ equivalent per kwh of natural gas}$
- Diesel emissions  
 $\text{tCO}_2\text{e} = \text{total diesel consumed (kwh)} * \text{tons of CO}_2 \text{ equivalent per kwh of diesel}$
- Electricity  
 $\text{tCO}_2\text{e} = \text{total electricity consumed (kwh)} * \text{tons of CO}_2 \text{ equivalent per kWh electricity.}$

### Assumptions

- Scope 3 Category 13 includes the Scope 1 and 2 emissions of downstream leased assets. For GHG accounting purposes, it is assumed that data center sites become “downstream leased assets” after construction is complete.
- While Compass is working towards obtaining complete energy consumption data across all of our leased data centers, certain locations did not have the mechanisms in place in 2021 and 2022 to collect high quality data. As a result, while the reported emissions for 2021 and 2022 include the vast majority of Compass’ total Scope 3 Category 13 emissions, there are a small number of emissions which have not been accounted for.
- Sites with incomplete data and dates with missing data are listed to the right.
- As Compass has transitioned to a new data collection platform, for the 2023 calendar year, we expect to have fully complete energy consumption data for all energy sources, across all of our leased data centers.

Site Name	Natural Gas	Electricity	Diesel	Percentage of gross floor area
DFW I	No data available	Data complete	Data complete	3.29%
DFW II	Data complete	Data complete	Jan-Dec 2021, Aug-Dec 2022	3.29%
MSP	Data complete	Data complete	Jan-Dec 2021	6.13%
PHX IA	Data complete	Data complete	Jan-Nov 2021	19.36%
YUL I-I	No data available	Data complete	No data available	3.84%
YUL I-II	Data complete	Data complete	Jan-Dec 2021	3.84%

- Baseline recalculation policy: In the case of acquisitions and/or divestitures, changes in reporting boundary or changes in calculation methodologies that result in a significant change (10% or more) to the annual inventory, Compass will recalculate the baseline in accordance with existing best practices.



[www.compassdatacenters.com](http://www.compassdatacenters.com)

14555 N. Dallas Parkway, Suite 125  
Dallas, Texas 75254