

Do things  
**DIFFERENTLY.**  
Make lives  
**BETTER**

**ESG Report - 2024**

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







## About This Report

This is Compass Datacenter's second 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 2023 calendar year, with the inclusion of some 2024 initiatives. We aim to continue to improve our reporting in future years to be in accordance with industry standards and frameworks.

***Image:** At our Leesburg campus, Compass worked to preserve Virginia's Piedmont ecosystem, the endangered Mafic barrens habitat, a unique assemblage of plants that have adapted to survive in harsh conditions.*



## A Letter From Our CEO



**Chris Crosby**  
Chief Executive Officer

At Compass Datacenters, we like to say we're a different kind of data center developer. We believe being different makes a difference. For our second annual ESG report, I've had some time to reflect on what different means and why it matters.

If you know me or Compass, you likely know what I'm going to say first. Our culture makes us different. The dynamic, living, breathing culture at Compass has propelled us from the launchpad, with our first project completed in 2013, to skyrocketing growth constructing and leasing hyperscale campuses across the globe today. The rocket ship has definitely not landed!

Beyond a culture that permeates the company so completely it changes the way we work, to me, different at Compass looks like...

- Making stuff happen. We're unafraid to experiment. In an industry as fast-moving as ours, we can't settle for the status quo. We don't take no for an answer. Instead, we get curious. We ask a lot of questions. We fail fast, learn and become better.
- Deeper relationships and unique ways of working. We go out of our way to do more face-to-face and less face-to-screen. We follow through on commitments and don't let conflict and egos get in the way of great work.
- Pioneering. We are investing in new technologies that make our campuses more sustainable and efficient so we can continue to deliver buildings that customers need and that stand the test of time.
- Depth in partnerships. We don't have a procurement function. We do have an innovation team, and our partners are part of it. They've been with us since the launchpad days and are our first stop for collaboration and problem solving to make our companies and the industry better.
- Doing more to serve our customers and make lives better in local communities.

We couldn't do things as differently as we do without the incredible amalgamation of unique and talented people onboard our rocket ship. I'm profoundly grateful for the team at Compass. They're the hardest working, smartest, coolest bunch of weirdos I'm honored to work alongside.

We hope you enjoy this year's report.

-Chris

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## About Compass: We Do Things Differently

Compass was born to be different. We set out in 2011 to take a novel approach to data center development. The founding vision was to deliver customizable, scalable, sustainable and low-cost data centers in an expedited time frame.

This seemingly conflicting set of objectives was met with skepticism by some audiences in the early days, but Compass has delivered on that early vision -- our true north -- many times over.

Reliance on modular designs and prefabrication offsite, along with streamlined onsite assembly, ensures Compass data centers are built efficiently to minimize waste, improve safety, support diversity and expedite delivery. The means and methods of construction make it possible to deliver high-quality, customized data centers fast and at a lower cost than our competitors.

Today Compass serves the world's largest technology companies, with campuses across the globe and is consistently recognized as one of the fastest-growing private companies in America.

***Image:** As a 2023 Goose Creek Association "Golden Goose" sponsor, Compass supports efforts to maintain and improve the quality of the Goose Creek watershed, which runs alongside our Leesburg campus.*





## What it means to be different

Being different requires some comparison. So, we asked our partners, neighbors, crews and community leaders how Compass is different from other companies they've encountered.

Here's what they had to say...

“

When we think about innovation, we tend to think about products and widgets. Compass thinks about innovation differently, very broadly. They rise to any challenge. In our case, by bringing forward a highly innovative solution to really tough supply chain challenges. It wouldn't have worked without the long partnership and incredible trust between our companies.

-- Compass Partner

“

You're receptive to making improvements and willing to take our suggestions on board. Not very many of our partners do that.

-- Compass Customer

“

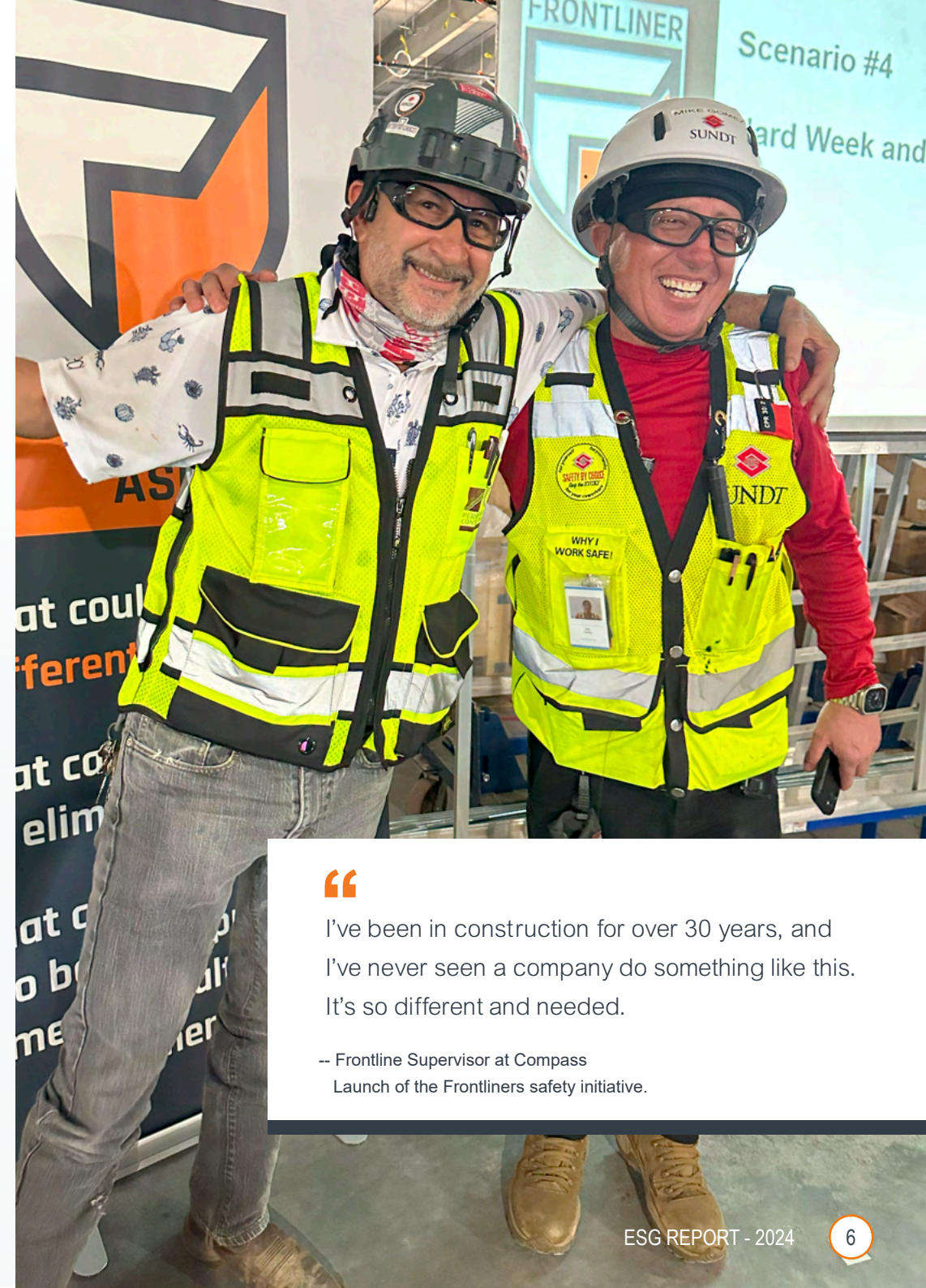
I'm blown away by the lengths you went to [to make improvements to sound generated by our facility]. Not just any company would do that.

-- Compass Neighbor, Leesburg, Virginia

“

The professionalism, friendliness and kindness that everyone from Compass exhibits further underscores how excited we are to partner with you.

-- City Manager, Compass Development Community



“

I've been in construction for over 30 years, and I've never seen a company do something like this. It's so different and needed.

-- Frontline Supervisor at Compass  
Launch of the Frontliners safety initiative.



# 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 cannot 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.

We don’t think of ESG as separate from our core business - positive ESG results in good business outcomes. For example, a total cost of ownership and built-to-last mindset lens combined with finding better ways to do things naturally leads to asset investment decisions that are lower in life cycle carbon emissions and more resilient developments.

We value action and continuous improvement over planning paralysis. But we know we cannot effect change and improve Compass’ impact on the environment, the people around us or business systems if we don’t take the time to cull and contemplate the data. Making it available to stakeholders so that they may challenge us is critical. This is why we have an ESG report.

This disciplined approach to reporting is a critical component of continuous improvement. That is why, for our second annual ESG report, we’ve expanded and developed new initiatives and taken a step back to focus on improving our data quality and collection processes across all three environmental, social and governance pillars.

With the benchmark report released last year, this year, we have been able to:

- **Environment** - Collaborate with key partners and supply chain stakeholders to improve environmental data collection for data center development and operations in addition to continued implementation of lower carbon solutions based on our innovation framework.
- **Social** - Broaden our social impact, invest in development communities and build a strategic go-forward framework for charitable giving and community investment programs.
- **Governance** - Enhance our risk management, decision-making and reporting processes and capabilities, especially related to climate and cybersecurity issues.

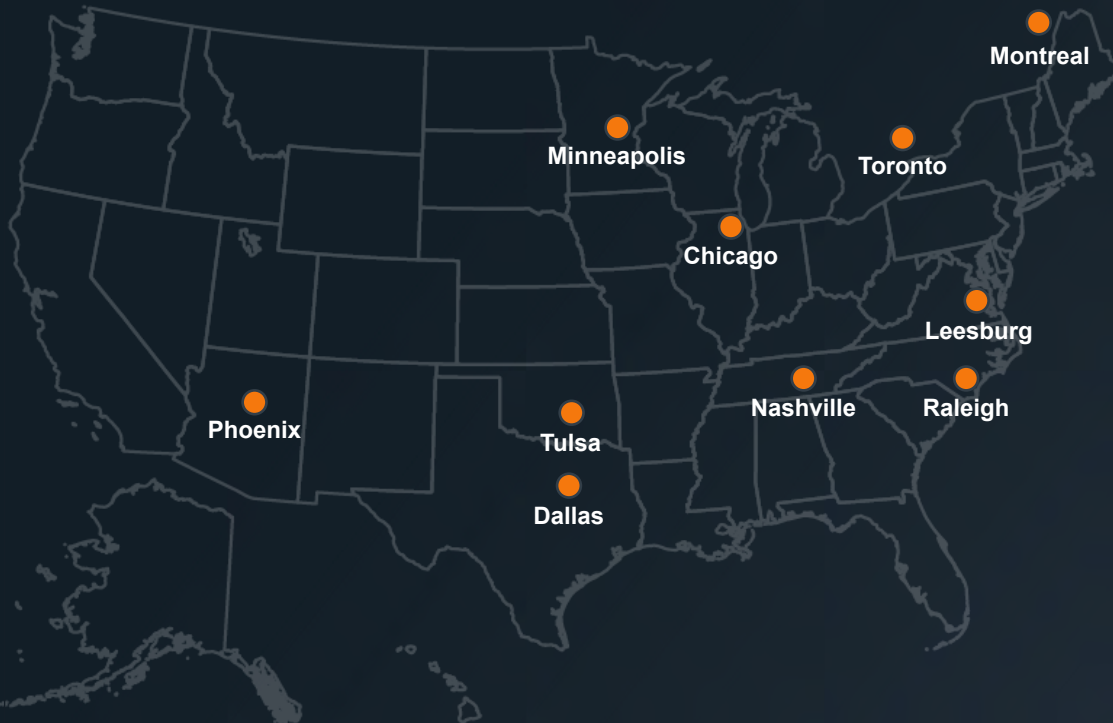


## How We Operate

Our core business is data center development for cloud providers.

Upon delivery of the campus, our customers take control of the activities that drive traditional Scope 1 and 2 emissions. Their electricity emissions are our Scope 3 emissions, allotted to Category 13 (downstream leased assets). As a result, total Scope 1 and 2 emissions represent only a small portion of the emissions generated at each of our sites.

Given this reality, a key enabler of our sustainability framework is the application of technology to reduce emissions through design, construction and procurement of materials and components. This is discussed in detail in the Environment section.



Dublin

Milan

Israel

Figure 01

### Our Locations

#### United States

- Allen, TX
- Chicago, IL
- Dallas, TX
- Leesburg, VA
- Minneapolis, MN
- Nashville, TN
- Phoenix, AZ
- Raleigh, NC
- Tulsa, OK

#### Canada

- Montreal
- Toronto

#### Italy

- Milan

#### Israel

- Tel Aviv

#### Corporate

- Dallas
- Toronto
- Montreal
- Dublin



# Materiality

We recognize the increasing significance of double materiality – considering our impact on both the environment and society. Understanding what matters most to our stakeholders helps us better identify and manage risks, while creating opportunities for our business, customers and communities.

In late 2022, we worked with our partner, 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. Those were included in a stakeholder survey to Compass' 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 7

01. Emissions
02. Diversity, Equity and Inclusion
03. Employee Health and Safety
04. Energy
05. Business Ethics and Integrity
06. Materials Sourcing and Efficiency
07. Water and Wastewater

We will continue to address each of the other material topics over time and, in parallel, reassess, address and report on them going forward.

## SASB

The Sustainability Accounting Standards Board (SASB) is a non-profit organization that 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 the management of tenant sustainability impacts and climate change adaptation, in addition to the seven top-ranked topics in our materiality assessment.



## Key Metrics and Progress



### 0 water usage effectiveness (WUE)

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



### Embodied carbon emissions

we are collaborating with our construction managers, contractors and suppliers to improve our measure of embodied carbon emissions across our portfolio



### Frontliners initiative

conceived the "Frontliners" initiative to improve the safety of our frontline supervisors



**1.25**

annualized design-average power use effectiveness (PUE)



**95%**

of our construction management workforce in the U.S. is women



**05**

active industry memberships and executive leadership, including Urban Land Institute and iMasons Climate Accord



### Zero waste program

we received our first Zero Waste to Landfill Validation from UL Solutions



**0.63 (TRIR)**

total recordable incident rate (workplace safety)



**16**

awards and recognitions in 2023



### ESG data mart

began building an ESG data platform for more thorough, automated and transparent data collection and reporting process



**99.999%**

uptime across all of our sites



### Innovative partnerships

partnered with two new climate tech ventures to support the adoption of innovative technologies



01

# Sustainability Done Differently







## Sustainability Done Differently

Given the rapid proliferation of data required to serve our modern economy and way of life, it is crucial that today's hyperscale data centers be built to last and built responsibly. Since our inception, Compass Datacenters has focused on sustainable buildings to serve our economy for decades to come.

Failing to meet demand for data center capacity carries significant societal consequences. A slowdown in advancement on AI and cloud computing will adversely impact American competitiveness and national security, as well as the country's ability to attract investment.

We believe that responding to growing demand for data capacity and protecting the environment are complementary priorities that require us to be informed, conscientious and always improving. For Compass, that means:

- Developing a world-class ESG data platform to inform our strategy and decisions
- Driving emissions reductions in the design and construction of our buildings
- Enabling the most efficient, low-cost and low-carbon operational environment for our customers



# GHG Inventory

Compass is growing rapidly, so we must understand our environmental impact deeply, broadly and accurately. Since 2021, Compass has been investing in its consumption and waste data collection. In 2023, we began developing an in-house ESG data mart within our existing enterprise data architecture. Learn more about our ESG data mart on [page 27](#). Through this process, we could elevate the quality of our data to levels we hadn't achieved before. As such, our greenhouse gas (GHG) inventory methodology changed dramatically. As a result, we restated our 2021 (base year) and 2022 emissions using the same methodology we used for 2023 data.

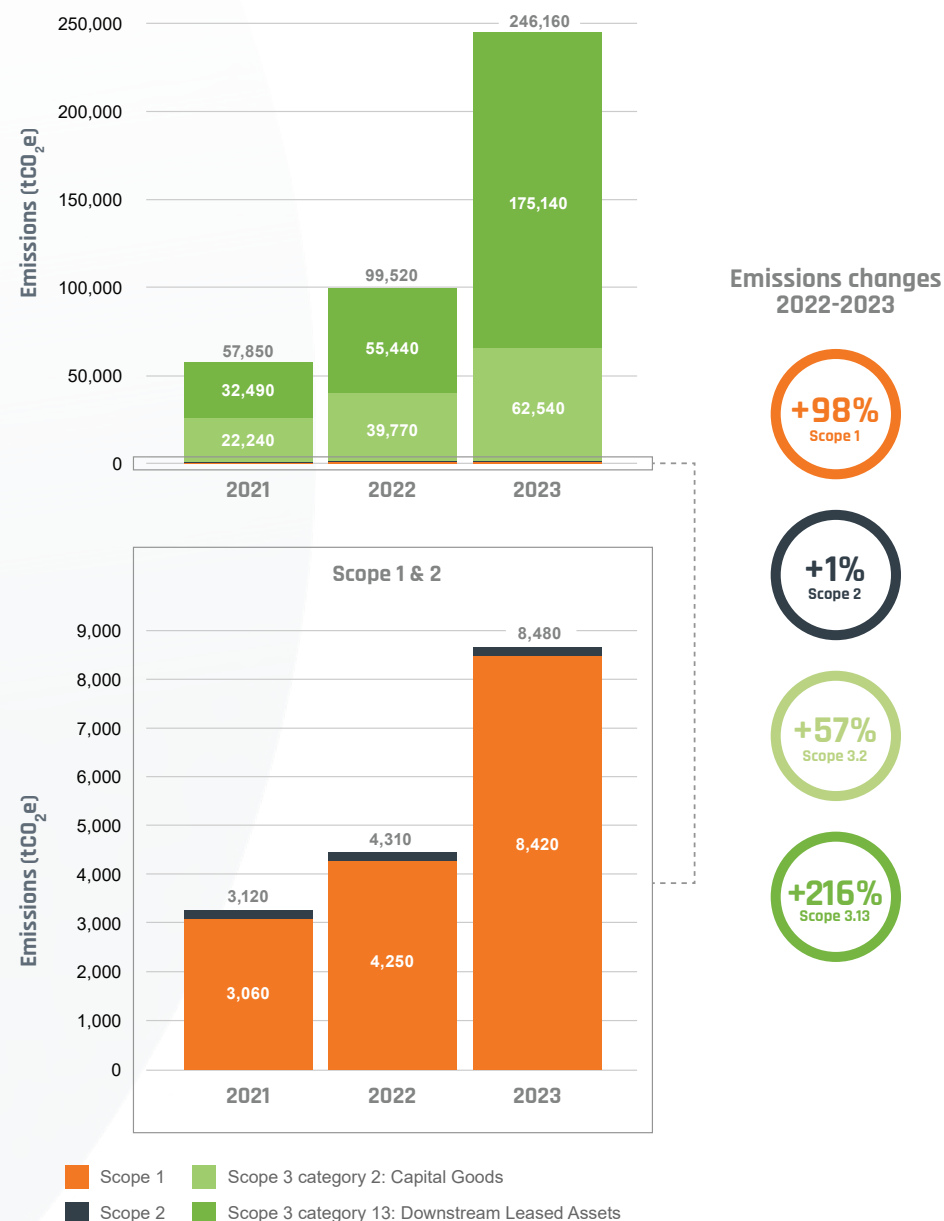
Below is a summary of our Scopes 1, 2 and 3 emissions since 2021.

## Methodology and boundaries

- **Scope 1:** Direct emissions from stationary combustion for office heating and running diesel generators, as well as fugitive emissions that come mainly from hydrofluorocarbon (HFC) emissions from the use of refrigerants and air conditioning equipment.
- **Scope 2:** Indirect emissions from consumption of purchased energy.
- **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 as major, material GHG contributors – Category 2 (purchase of capital goods and services) and Category 13 (downstream leased assets). We aim to study the potential inclusion of other lower-impact categories.

Figure 02

## Total Emissions 2022 - 2023



\*See Appendix A for details behind GHG Inventory

## Scope 1 and 2 emissions

Our Scope 1 and 2 emissions are more inclusive than in previous years to account for three offices along with all fugitive emissions from Compass data centers. The additional consideration of refrigerant loss is a substantive change to our reporting methodology. As such, Compass has opted to restate our 2021 and 2022 Scope 1 emissions in accordance with the GHG Protocol.

Our offices are located in Dallas, Texas, Toronto, Ontario and Dublin, Ireland. Contributors to Scope 1 emissions include natural gas heating for the three offices, diesel backup generator use and refrigerant losses from HVAC systems in our offices and data centers. Compass' Scope 2 emissions are limited to electricity purchased from the grid for office use.

Compass owns but does not operate its active data centers. The servers themselves are owned by our clients. Because of this, GHG emissions associated with power use at these sites are our Scope 3 Category 13 (downstream leased assets) emissions. IT power and cooling are the primary emissions sources in our operations, making Scope 1 and 2 emissions quite small by comparison. The inclusion of refrigerant losses has increased the impact of Scope 1 emissions, and Compass is working with its HVAC suppliers to reduce leaks and improve monitoring.





## 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 refer to all product stage (life cycle modules A1-A3; see Figure 03: Building life cycle stages) emissions associated with Compass' construction-related purchases.

Data center construction spans multiple years. However, the structure and envelope are completed within the first year of construction. For consistency, all Scope 3 Category 2 emissions are calculated and included in the reporting year corresponding to the first year of construction.

### SCOPE 3 CATEGORY 13 (downstream leased assets)

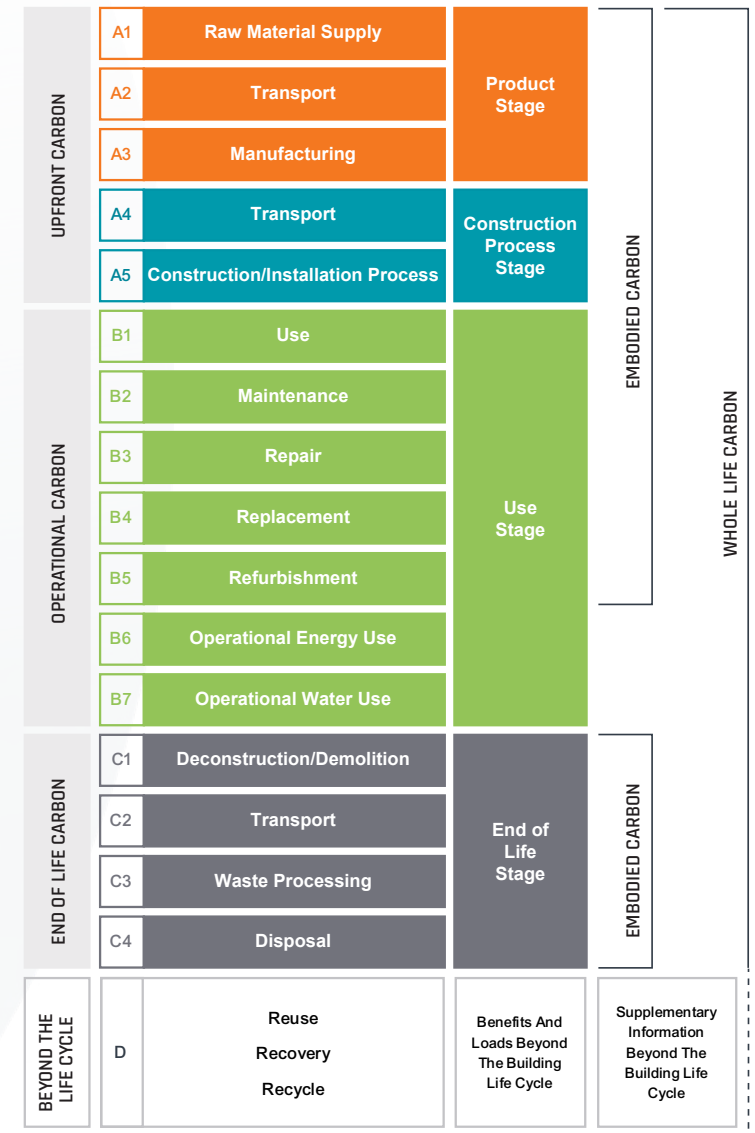
Category 13 emissions come from electricity use at our leased data centers. Given the large power requirements of data centers, this accounts for the vast majority of Compass' emissions. Importantly, the data availability of Scope 3 Category 13 emissions in previous years was less comprehensive than in 2023. Therefore, emissions for 2021 and 2022 were recalculated as recommended by the GHG Protocol, using more accurate estimations.

In 2023, Compass greatly improved its data collection processes by developing an ESG data mart. The data mart is becoming our one source of truth for our consumption data, giving us access to real-time power and diesel use for many of our data centers. Expanded data availability allowed us to better capture the impacts of several new data center sites coming online in more fossil fuel-heavy electricity grids this year. This has led to a significant increase in Category 13 emissions reported on both an absolute and intensity basis.

While we do not have financial or operational control of these emissions, we will continue to encourage our lessees to offset their electricity use. In the coming year, we will improve our data collection from our lessees to quantify the offsets they use, including RECs, PPAs or other vehicles. Additionally, we are committed to helping our clients reduce their energy use through energy-efficient design and technology choices. We encourage the use of low-carbon fuel sources to power diesel generators, such as hydrotreated vegetable oil (HVO).

Figure 03

### Building life cycle stages



## Year-over-year changes

Compass is rapidly expanding. We are committed to reporting on our emissions and striving to reduce our emissions per MW installed. However, our rapid growth, primarily in the U.S., has led to a significant year-over-year increase in Scope 3 emissions.

Compass' Scope 1 emissions increased by 98%, mainly due to several new data center buildings coming online in 2023. The emissions intensity (per MW of installed capacity) increased by a marginal 2%. Scope 2 emissions remained fairly stable, with only a 1% increase due to the opening of a new small office space in Dublin.

Scope 3 Category 2 emissions increased significantly in 2023, keeping pace with strong growth in construction activity. While total construction emissions increased, the emissions per IT MW decreased by 13%. This was due to an increase in compute density per square foot rather than a decrease in emissions per square foot.

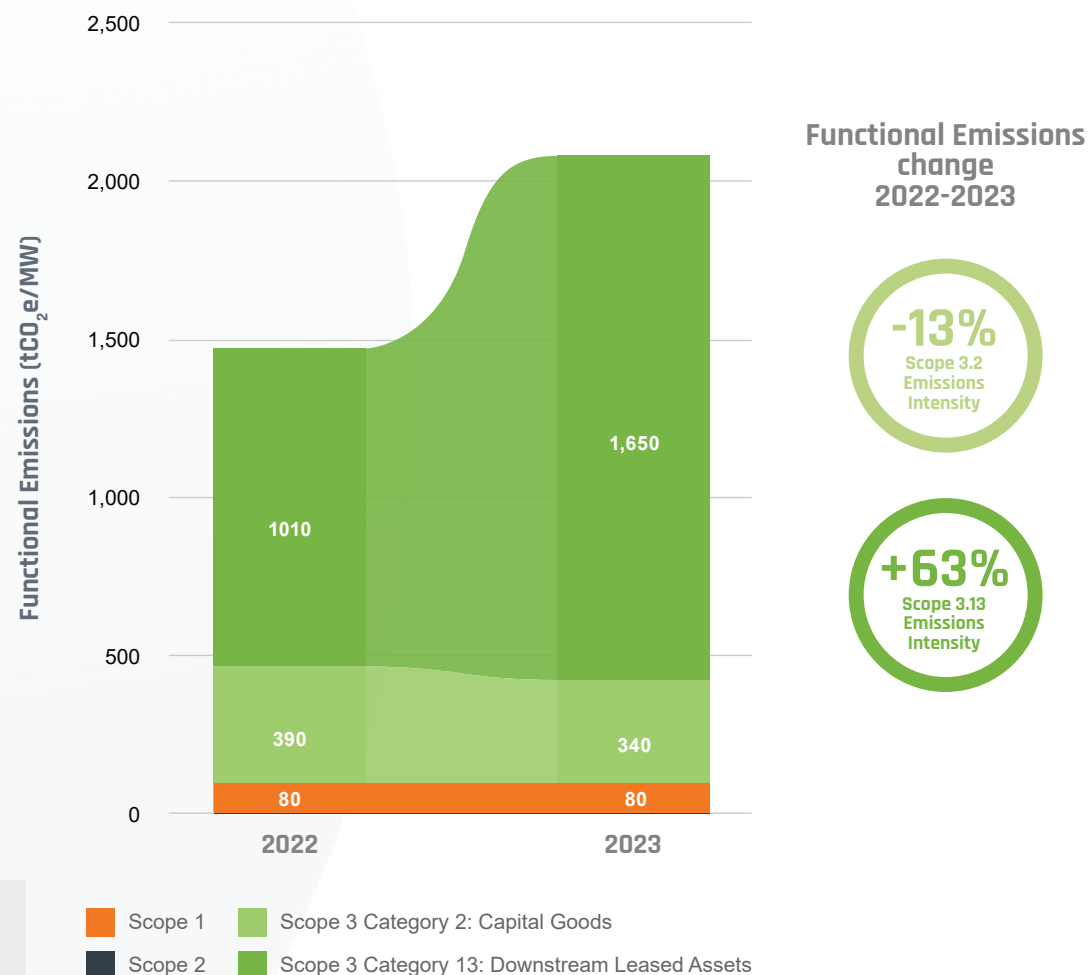
Scope 3 Category 13 emissions also increased significantly in 2023 as multiple new data center buildings came online. Our operating emissions per IT MW installed increased by 63%. This significant increase in intensity was driven by a large new campus coming online on an electricity grid that has a relatively high emission factor. Our client at this site has made a public commitment to fully offset their emissions by 2030. In the future, our goal is to work with our customers to enable and quantify their electricity offsets, and we can report on our market-based Scope 3.13 emissions.

## Growing responsibly

Compass is working hard to meet rapidly growing data center demand. We want to make sure that we do so responsibly, which is why our goal is to become more efficient as we build. By packing more computing capacity into smaller spaces, we've been able to reduce our construction-related GHG emissions by 13%. Going forward, we aim to reduce emissions further by scaling lower carbon materials and equipment use.

Figure 04

## Functional Emissions 2022-2023



\*The emissions change per functional MW normalizes Compass' emissions based on installed IT capacity in 2022 and 2023. The methodology for this calculation can be found in the Appendix.



## Compass' Strategy for Avoiding and Reducing Emissions

We recognize that growing reliance on digital data drives resource consumption and land use, so we must prioritize product and environmental leadership at Compass. This means we focus on what we can control, and what actions carry the most impact. We prioritize avoided emissions, or reducing GHGs through product and operational decisions. Finally, we frame our efforts through the lens of time value of carbon reduction, as outlined in our [2023 ESG Report](#).

### The sooner the better

We work to continuously improve emissions performance of our existing buildings and reduce the impact of new builds. (See details of Compass' innovation framework described on [page 20](#)). We see avoided emissions as a key measure of success in the data center sector. We continue to monitor our progress in this area by making improvements to our design and build and comparing results with the baseline whole-building life cycle assessment (LCA) of our prototype Moonraker design.

As a core tenet of our product leadership, we build things that are made to last. When we build a long-lasting data center with more efficient design components and less embodied carbon than the rest of the industry, we have driven avoided emissions for society. We complement this by using new technologies to further reduce GHG emissions where we can.

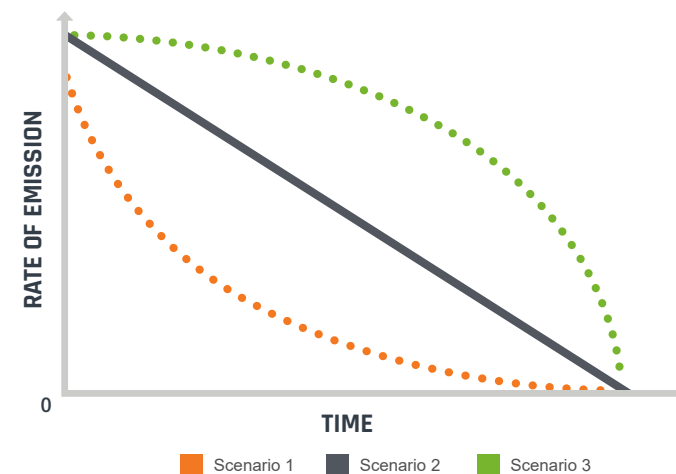
*Image: Our buildings use CarbonCure-manufactured concrete to reduce embodied carbon.*



Figure 05

### The "time value of carbon"

The "time value of carbon" illustrates that the carbon reductions we achieve today have significantly more impact than future efforts.





## Definition: 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.

**Image:** Compass is the first to use hydrotreated vegetable oil (HVO) biodiesel as the first fill campus-wide, enabling a dramatic decrease of the life cycle emissions from diesel.





## Priorities for 2024

We did a lot of great work in 2023 to benchmark and understand our gaps and opportunities for positive climate and environmental impact. We know “what gets measured gets managed” and “you cannot improve what you do not measure.” So a big focus for us has been on improving data quality and collection and using this data effectively to inform business decisions, governance and accountability.

We prioritized efforts to enable our data warehouse infrastructure to support ESG data storage and reporting, and worked closely with suppliers to collect more comprehensive, accurate data ([page 27](#)).

Other ongoing initiatives for continuous improvement to further achieve carbon reductions and positive environmental impact include:

- Expanding LCA to include mechanical, electrical and plumbing (MEP)
- Conducting as-built LCAs on every building we complete
- Exploring nature and biodiversity assessments
- Installing EV charging stations at new sites
- Updating ESG Library Cards for knowledge sharing
- Aligning with EU data center regulations





# Innovation Done Differently

We have built an innovation framework to focus our efforts on areas where we can have the highest impact on avoided or reduced emissions. 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:

## Product selection

Replacing traditional materials with lower carbon or more resilient options

## Design decisions

Incorporating “built to last” features into our modular design

## Technology adoption

Pioneering technologies to reduce emissions and waste

## Means and methods

Adopting more sustainable construction processes

See pages **21-24** for a sample of the innovative solutions and processes we've implemented to do things differently. We incorporate product selection and design decisions into our prototype design. The use of novel technologies and means and methods tend to be site-specific as they may not be applicable to all sites. We aim to scale their adoption across our portfolio where possible.

**Image:** Where appropriate, we replace steel rebar with polymer fibers for structural reinforcement, reducing embodied carbon and increasing safety by eliminating the need for the rebar trade.





# Product selection

Replacing traditional materials with lower carbon or more resilient options



## Reflective roofing

We use Sarnafil® G410 PVC membrane as our roofing material across all data centers.

- With a 40-year lifespan, Sarnafil offers lower life cycle embodied carbon emissions than the industry average
- High solar reflective index (SRI) reduces cooling loads and operational emissions



## HDPE storm piping

We use stormwater piping made from high-density polyethylene (HDPE).

- High durability
- Lower embodied carbon compared to reinforced concrete pipes (RCPs)



## Fiber reinforcement

We use polymer fiber to reinforce various concrete structural elements.

- Reduction in material use
- Lower embodied carbon compared to conventional steel rebar
- Improves worksite safety by eliminating a trade



## HVO fuel

We commission our generators using hydrotreated vegetable oil (HVO) and top them off with clean-burning HVO before handing the site over to our client.

- Lower carbon emissions associated with biogenic (renewable) fuel compared to fossil diesel
- Can be used interchangeably in existing diesel generators without requiring significant upgrades





## Design decisions

Incorporating “built to last” features into our modular design

### Hybrid HVAC

We use the air-based Vertiv Liebert Packaged Solution (DP400) cooling systems to meet the building's operating needs instead of industry-standard liquid (water-based) systems.

- Elimination of water usage
- Power usage efficiencies (PUEs) below the industry average



# Technology adoption

Pioneering technologies to reduce emissions and waste



## CarbonCure

We were the first data center developer to commit to using CarbonCure at all our sites. This technology makes it possible to mineralize carbon and inject it into the concrete to significantly drive down emissions.



## Concrete.ai

Applying AI to mix design enables us to reduce the cement content in projects and reduce embodied carbon emissions by identifying and using locally available aggregate and raw materials.



## On-site batch plants

By placing concrete batch plants on campus sites we've been able to take thousands of trucks off the road, create safer roadways for the surrounding communities and reduce emissions.

# Means and methods

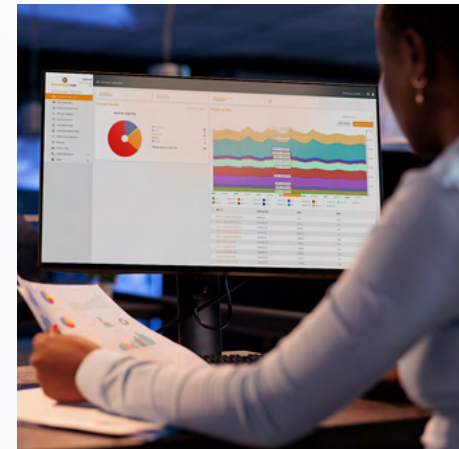
Adopting more sustainable construction processes



## Zero-waste program

We aim to achieve Silver designation for UL 2799, the Standard for Environmental Claim Validation Procedure for Zero Waste Classifications, within 18 months of a site becoming operational.

- Reduction in waste
- Achieve a 90% or higher annual waste diversion rate



## EnCompass

Our operations team uses innovative monitoring software at all of our campuses to improve data visibility and enhance controls for improved operations.



# New Initiatives

## Energy ratings, benchmarking and certifications

We strive to build data centers that are ahead of the curve. From whole-building life cycle analyses to zero-waste initiatives, our goal is to progress everywhere all at once.

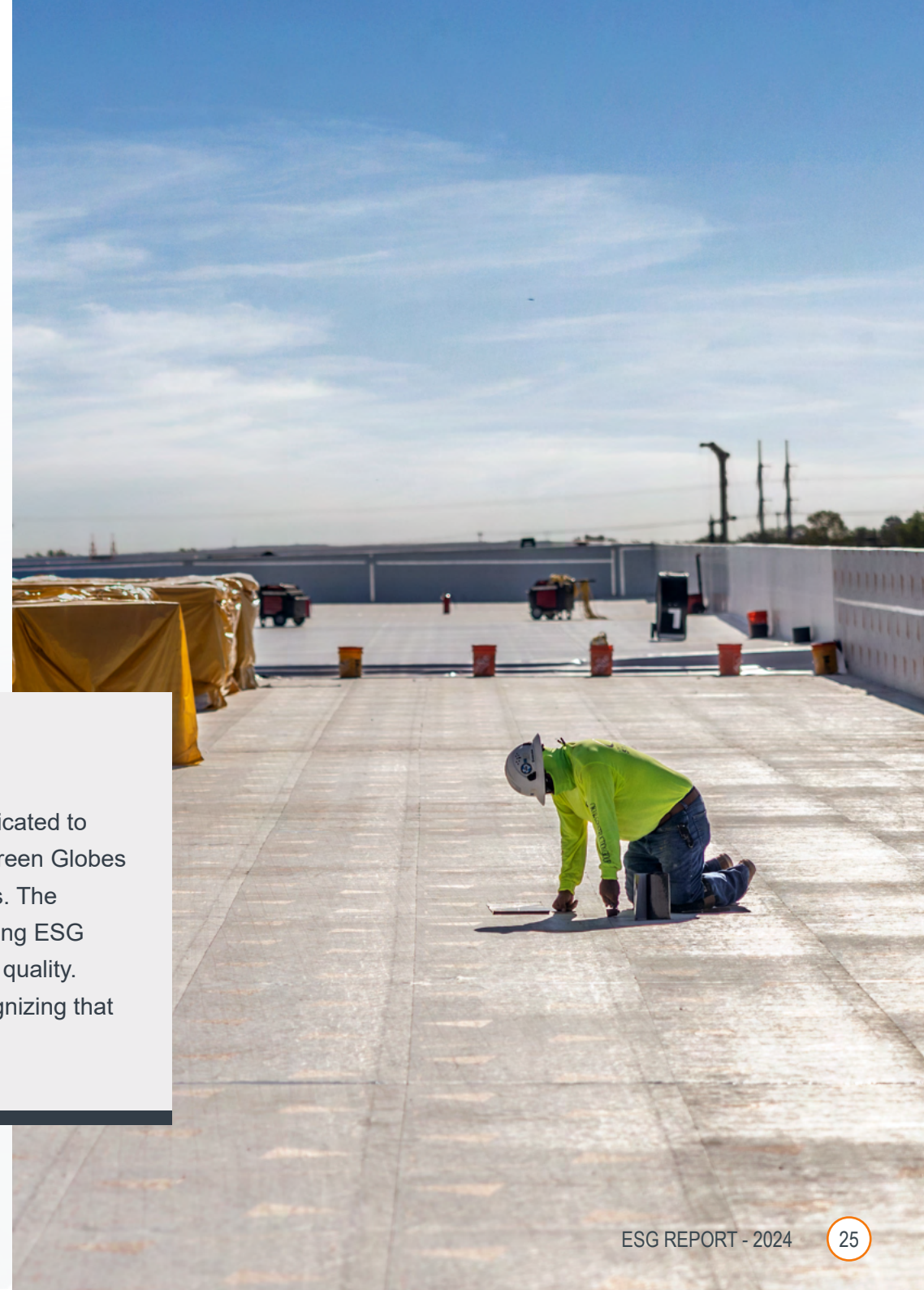
We know that before you go fast, you need to start slow. To that end, we started the Green Building Initiative's Green Globes certification process in late 2023 at one of our buildings near Phoenix, Arizona. By looking at its energy and water use, site development, building materials and indoor spaces, we discovered tremendous benefits stemming from water-free cooling systems, as well as opportunities to improve across all Compass assets.

We will continue pursuing Green Globes certification across the Compass portfolio and pursue additional certifications, such as Energy Star.

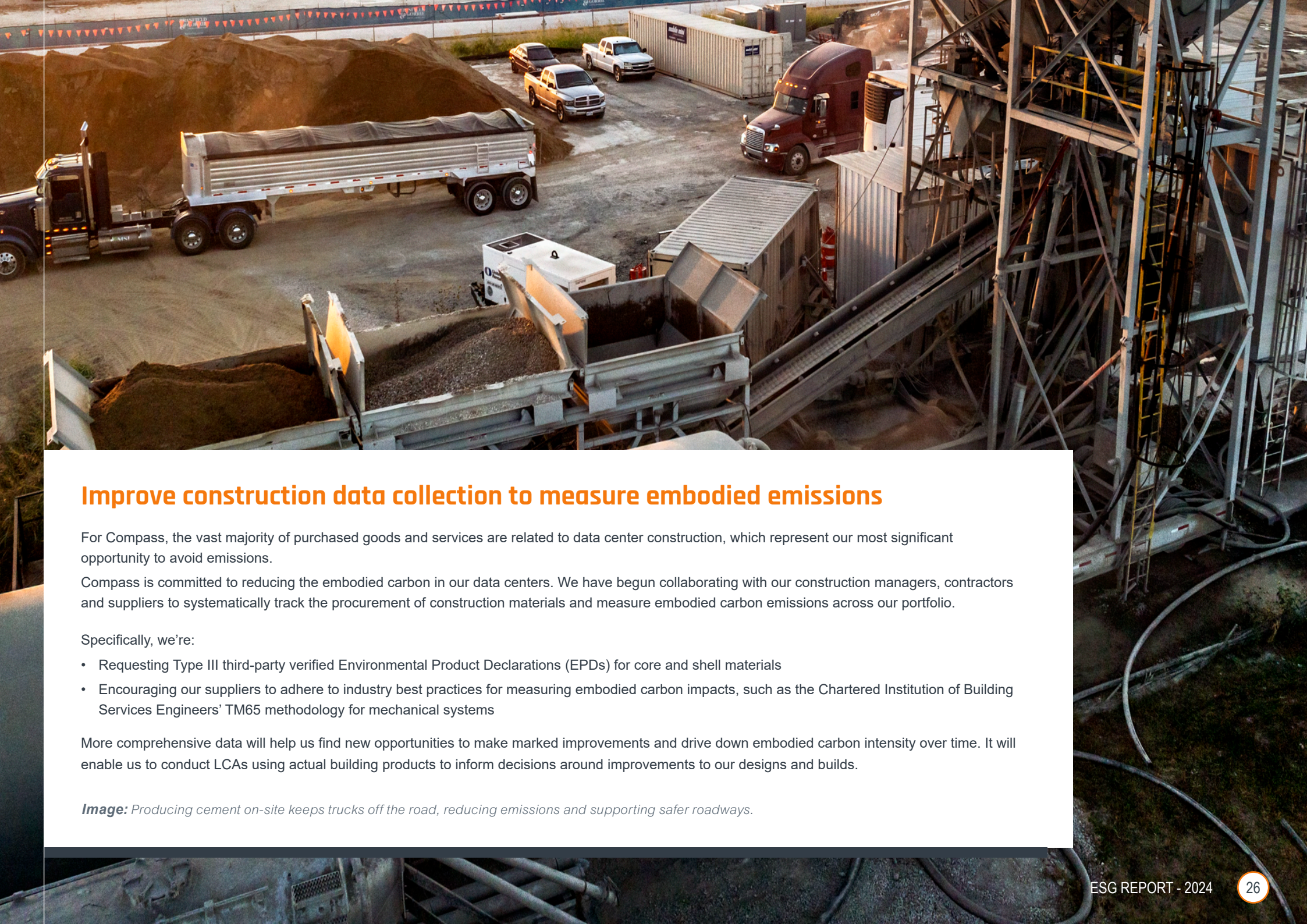
### Green Globes

The Green Building Initiative is an international nonprofit organization dedicated to improving the environmental performance of buildings. They administer Green Globes Building Certifications for new construction, existing buildings and interiors. The certification process evaluates multiple dimensions of sustainability including ESG management, site use, energy, water, materials and indoor environmental quality. The Green Building Initiative provides multiple pathways for scoring, recognizing that different sectors have different needs and realities.

**Image:** The use of Sarnafil roofing reduces heat and prevents urban heat islands. Its long lifespan can reduce GHG emissions by up to 4,80013 tons annually.







## Improve construction data collection to measure embodied emissions

For Compass, the vast majority of purchased goods and services are related to data center construction, which represent our most significant opportunity to avoid emissions.

Compass is committed to reducing the embodied carbon in our data centers. We have begun collaborating with our construction managers, contractors and suppliers to systematically track the procurement of construction materials and measure embodied carbon emissions across our portfolio.

Specifically, we're:

- Requesting Type III third-party verified Environmental Product Declarations (EPDs) for core and shell materials
- Encouraging our suppliers to adhere to industry best practices for measuring embodied carbon impacts, such as the Chartered Institution of Building Services Engineers' TM65 methodology for mechanical systems

More comprehensive data will help us find new opportunities to make marked improvements and drive down embodied carbon intensity over time. It will enable us to conduct LCAs using actual building products to inform decisions around improvements to our designs and builds.

**Image:** Producing cement on-site keeps trucks off the road, reducing emissions and supporting safer roadways.





## ESG data mart

Compass doesn't just provide digital infrastructure for our data economy; we also use digital infrastructure in our data-driven operations. One of our major climate goals this year was to build an ESG data platform to enable a more thorough, automated and transparent data collection and reporting process. We decided to build an ESG data mart within our existing foundational data lake and warehouse architecture.

When complete, our granular electricity, diesel and refrigerant consumption data will be piped from our operations platform into our ESG data mart for analysis and auditable reporting. It will enable us to:

- Produce more comprehensive and auditable emissions and procurement data for quarterly and annual reporting
- Provide efficient responses to one-off asks from customers, investors and other stakeholders
- Have confidence in the data informing our strategy and feedback loops
- Conduct advanced analytics
- Focus on climate strategy rather than data collection

We see this as just the beginning. Our ESG data mart will interact with other assets within the warehouse to broaden our ability to report accurate, actual emissions from other company activities. It will also enable cross-departmental sustainability analytics. Perhaps most importantly, it will enable us to efficiently and accurately share data with our customers as they continue to expand their climate targets. In the process of designing the product requirements and base attributes for the ESG data mart, we were also able to improve the data collection process for our 2023 GHG Inventory.



## UL 2799 designations awarded

Compass received its first Zero Waste to Landfill Validation from UL Solutions, making it one of a small, select group of data center service providers to receive the distinction. This certification is the first for Compass, with more to come, as part of Compass' unwavering commitment to sustainability and environmental stewardship within the data center industry.

The Zero Waste Validation confirms that we are achieving a 90% or higher annual waste diversion rate at our Toronto location. With waste data collection starting in April 2023, we averaged a monthly diversion rate of 95%, surpassing the stringent requirements for Zero Waste certification. We will continue to expand this initiative to other sites.

“

We have long championed zero waste and our compliance teams are hard at work toward this goal at each of our sites. The Zero Waste to Landfill Validation from UL Solutions is a rewarding confirmation of our efforts to be good stewards of our resources and good neighbors.

-- Chris Crosby, CEO of Compass Datacenters

In an effort to be good stewards of our resources and good neighbors, Compass' target is to certify all sites in its portfolio within 18 months of becoming operational.

*Image: Compassers planted wildflowers in recognition of Zero Waste validation at our Toronto location.*





## Industrialized construction comparison analysis

Doing things differently means maximizing the potential of industrialized construction to achieve better results than traditional “stick-built” construction methods. In addition to the accepted benefits of better quality, faster construction and predictable cost, we believe industrialized construction can also avoid emissions, reduce wasted materials and water, improve diversity and inclusion in the industry and improve safety and equity for workers. This is why in 2023 we began to work with key supply chain stakeholders to conduct a deep study on the benefits and baseline impact of industrialized construction compared to traditional methods for data center development.

Our suppliers are partners in everything, including pursuit of better outcomes for the planet and society.

The majority of the pieces and parts that make up Compass campuses are produced by:

- Schneider Electric
- Vertiv
- Cummins
- Coreslab

Going forward, we will evaluate industrialized construction using our innovation framework (Product Selection, Design Decisions, Use of Technology, Means and Methods) to benchmark our current progress against our ESG priorities and identify areas where we can drive the highest impact with our partners now and in the future. We will identify available industry benchmarks to look for areas of improvement.

This data will enable better decision making by bringing forward opportunities for improvement. We already know from last year's report that together we are improving construction outcomes with our industrialized construction suppliers. Coreslab, our precast concrete partner, now injects CarbonCure into all of their concrete mixes, reducing emissions of their concrete by 3%. We will share the results of our study in future reports.





## Partnership at its finest

A shining example of our closely coupled supply chain and how we problem solve with partners is the development of Schneider Electric's integration facility on Compass' Red Oak, Texas campus. Announced in July 2023, the 110,000 square feet state-of-the-art facility expands Schneider's production capabilities for modular data center solutions, reducing time from order to deployment across the U.S. and dramatically reducing transportation impacts. Supplying power centers to our Red Oak campus from the adjacent integration facility is expected to avoid transportation of 160 power centers, eliminating 384,000 miles of transportation and avoiding an estimated 2.6 metric tons of CO<sub>2</sub> equivalent.

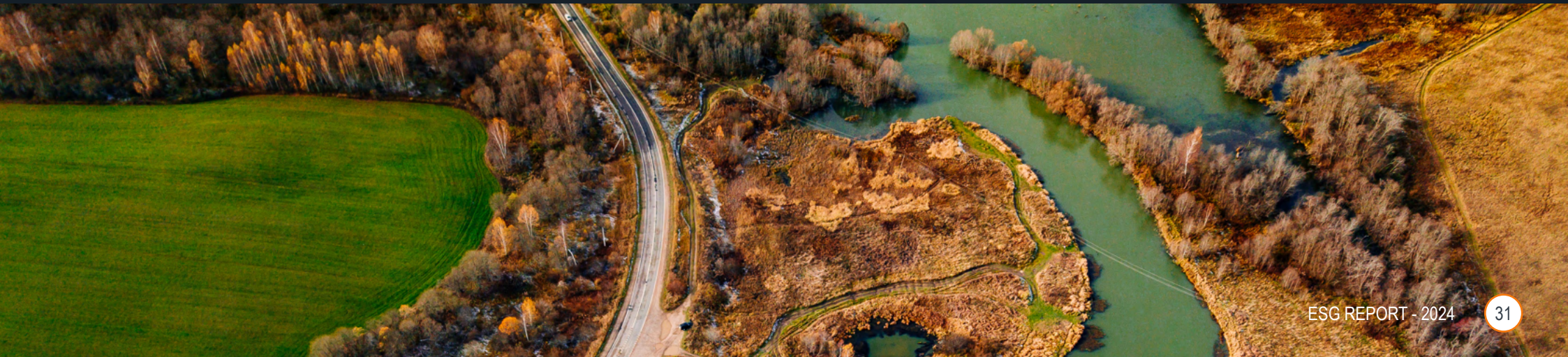
**Image:** Schneider Electric Integration Facility at Compass' Red Oak, Texas campus.





02

# Empowering People Differently







## Empowering People Differently

Our business is ultimately a people business. From the safety and well-being of our employees to communication and coordination with our supply chain to engaging our local communities, Compass works to make lives better. We know it's critical to build lasting relationships and invest in our people. The data center industry faces unique challenges, and the only way to meet them is to do things differently.

We cannot execute our fast-paced strategy without a talented, innovative and committed team. We know it's up to us to make sure they feel engaged and valued. This is why we value the important things: safety, mental health and professional development.

We also recognize that our responsibility in constructing data centers includes not only their impact on our land and natural resources but also on their surrounding communities. We seek feedback and input from the community – our goal is to be good neighbors. We aim to make life better wherever we build, which in turn enables better outcomes for everyone.



# Culture

Compass stands out for its culture. Culture drives how we show up not just internally, but also in the communities where we operate. Culture brings calm to chaos by delivering consistency people can count on. It allows diversity to flourish thanks to shared expectations around communication and behavior.

Some companies have cultures defined by aspirational words and phrases called “core values,” which speak to what a company wants to be or do. Compass takes a slightly different approach. We rally around core convictions, a set of four firmly held beliefs about how we work that stand the test of time and guide our actions.

These core convictions have been the same since our founding. They bring order to our growth and allow people from different backgrounds to collaborate with less miscommunication and conflict.

- **Humility In, Pride Out:** You’ll hear “HIPO” disclaimed throughout the halls of Compass. Our team is building something big in a fast-moving industry. We waste no time with pridefulness and self-reliance. With humility, we seek input and information to do what we do better.
- **Actions and Words Are One:** Follow-through is everything at Compass. If we say we’ll do something, we do it, full stop.
- **Continuous Improvement:** Never underestimate the seemingly small stuff. Given the hyperscale at which we work, small incremental improvements deliver large-scale impact. We definitely sweat the small stuff.
- **We Ask “Why?”:** We ask why...again and again and again. Curiosity gets us to the root cause to create long-term advantages, which is especially critical in a rapidly unfolding industry.



My family is Asian. I’ve studied and worked in Asia, North America and Europe. In my culture, admitting failure is a very big deal. You just don’t do it. Growing up, there was a lot of pressure to be a perfect student and so forth. So Compass’ focus on humility and continuous improvement has really taken the pressure off and inspired me to think bigger. It’s changed my thinking and helped me grow, both professionally and personally.

-- Chris Jia, Principal, Design & Engineering





## Diversity, Equity and Inclusion (DEI)

Diversity fuels the rocketship. Our industry is young. We benefit greatly from having different views represented, and consider ourselves lucky to have people with diverse personalities, genders and backgrounds at the drawing board. This 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 in a burgeoning industry.

“

The humility and curiosity Compassers have make a huge difference and are critically important when you have a really diverse and rapidly growing workforce. People from different backgrounds bring different perspectives and we benefit tremendously from that diversity of thought. It helps us challenge assumptions and consider new solutions. We ask why a lot to help bridge the gap between different people's experiences and knowledge.

-- Anna Carlton, SVP of People and Culture

# Diversity by the numbers

The nature of DEI reporting calls us to count race, gender, nationality, socioeconomic backgrounds and other similar diversity measures. But beyond this, the difference at Compass, and what gets us excited, is how each person’s unique personality, ways of thinking and behaviors disrupts group-think and spurs us toward greater innovation, creativity and collaboration.

Our team is made up of 142 employees, with 59 new hires. We also have 168 contractors working on our sites. Unless otherwise stated, all personnel figures are accurate as of December 31 of the reporting year. We are excited to build on our strong foundation of culture and diversity as we continue to grow.



Women represent 22% of our Executive Leadership Team

Figure 07

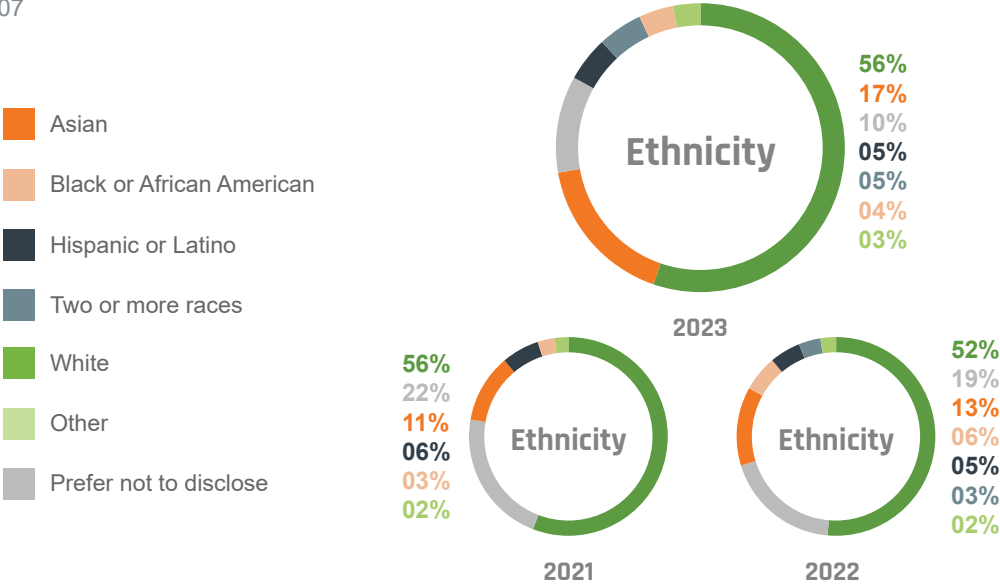


Figure 08

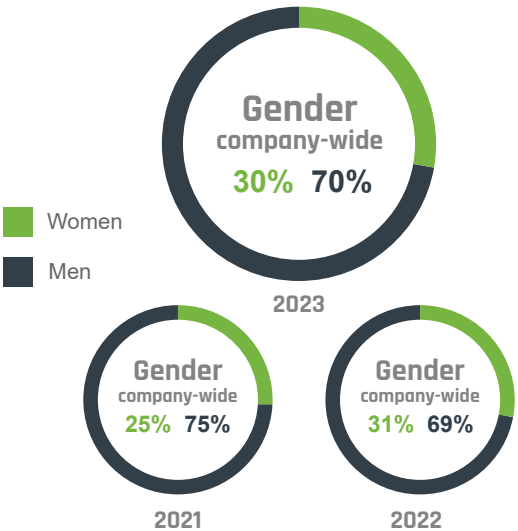
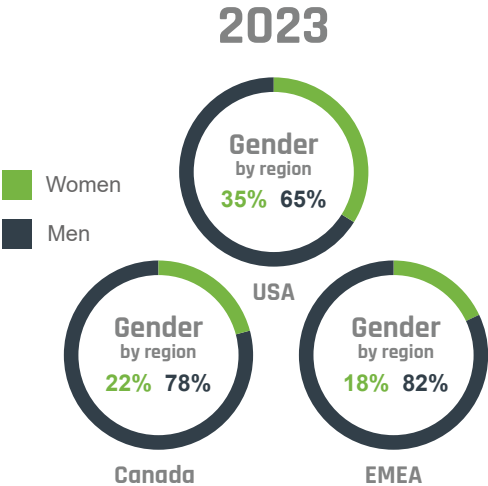


Figure 09





## Increasing Gender Diversity in Construction

According to the Bureau of Labor Statistics, of the 10.6 million workers in construction, less than 10% are female, and of female workers, most are in sales, finance and administrative jobs. Women represent a massive untapped talent pool and a huge opportunity to fill the talent void in construction.

Compass launched its Construction Manager Program years ago to methodically and strategically bring new faces into the field of construction by creating a prescriptive approach to construction management that enables people from all walks of life, with no experience in construction, to be exposed to the industry and become industry proponents. The program was designed to be a gateway into longer-term construction roles for non-traditional talent.

Through the Construction Manager Program, Compass is launching people into the industry that would not have been drawn there otherwise.

- According to the Bureau of Labor Statistics, the number of women in construction increased 53% from 2012 to 2022.
- At Compass, 95% of our construction manager roles in the U.S. are held by women.



I think females are innovative problem solvers. We bring a fresh perspective, compared to male counterparts who've been in the construction industry for years or decades. I sometimes observe men tackling problems head-on, relying on instincts. Women tend to take a more holistic, measured approach to creating solutions.

-- Construction Manager, Dallas Campus

## Case Study: Embracing Diversity of Personality

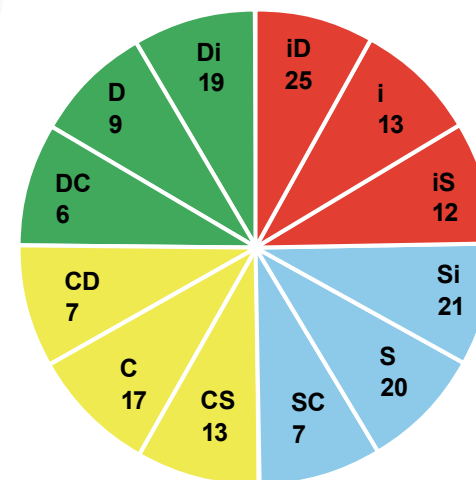
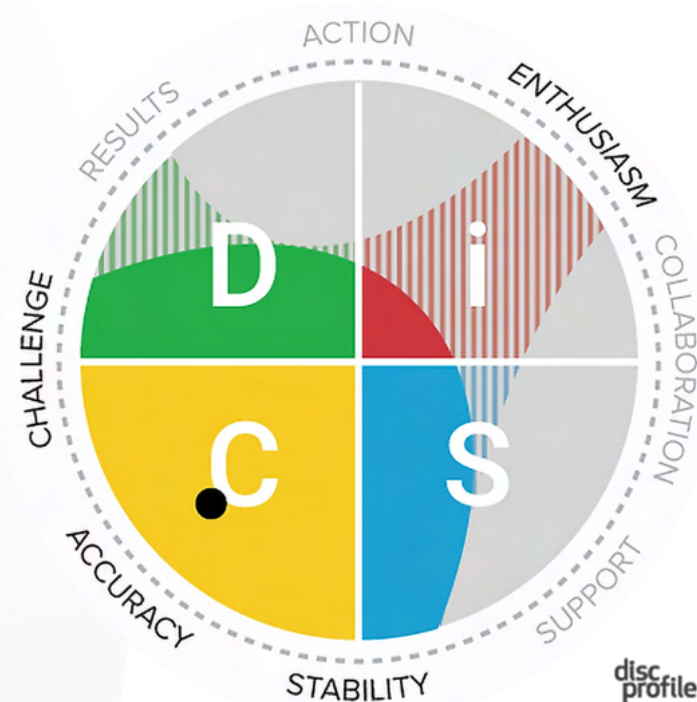
Compass leverages the DiSC Catalyst to ensure diversity of personality in hiring, but also to help us draw out and leverage each other's unique traits, behaviors and ways of thinking that contribute to creative approaches to problem-solving. Embracing personality diversity can foster innovation, creativity and collaboration within teams and organizations.

DiSC is a workplace personality assessment tool to help improve teamwork, communication and productivity. It provides a common language for people to better understand themselves and those they interact with. DiSC stands for the four main personality profiles in the model: (D)ominance, (I)nfluence, (S)teadiness and (C)onscientiousness.

- People with D personalities tend to be confident and place an emphasis on accomplishing bottom-line results.
- People with i personalities tend to be more open and place an emphasis on relationships and influencing or persuading others.
- People with S personalities tend to be dependable and place an emphasis on cooperation and sincerity.
- People with C personalities tend to place an emphasis on quality, accuracy, expertise and competency.

When joining the company, each new hire completes their personality assessment and receives training to understand how to use DiSC while interacting with others. We take it seriously, and it shows. Over 70% of employees have active profiles, meaning that they've recently used the online platform, which is full of helpful advice for interacting with different personalities. Our DiSC profiles are key to how we view diversity, and naturally are public information - we keep them visible at our desk. As can be plainly seen in the company-wide personality wheel, Compass covers the full spectrum of personality types.

DiSC is baked into corporate culture. Meeting structures take DiSC into account. Conflict resolution does as well, as a means to better understand another's intent. We think that the results speak for themselves. In over two years, HR has not had to file any official documented workplace complaints due to unresolved differences among employees.





## Diverse partnerships

When it comes to business partners, we firmly believe that diversity is a source of strength, innovation and resilience. We are committed to creating an environment where every supplier has an equal opportunity to participate and thrive.

Compass promotes DEI opportunities across its supply chain with the construction and data center industries. We are committed to treating all suppliers with fairness, respect and dignity regardless of their background, race, ethnicity, gender, sexual orientation, age, disability or any other characteristic. Discrimination, harassment or bias of any kind is not 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.

## 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:



### Overwatch Partnership

- A non-profit organization that provides mentoring and career development support to the veteran community



### Salute Mission Critical

- A hiring organization that helps reskill and employ veterans in the U.S.



### WBE Contractor

- A women-owned business that focuses on construction management with a speciality in quality control

As new Compass sites come online in the coming year, we look forward to using these opportunities to increase veteran and female representation in our workforce further.



30% of Compass' Data Center Operators and Multi-skilled Operators in North America are veterans



## Employee Health and Well-Being

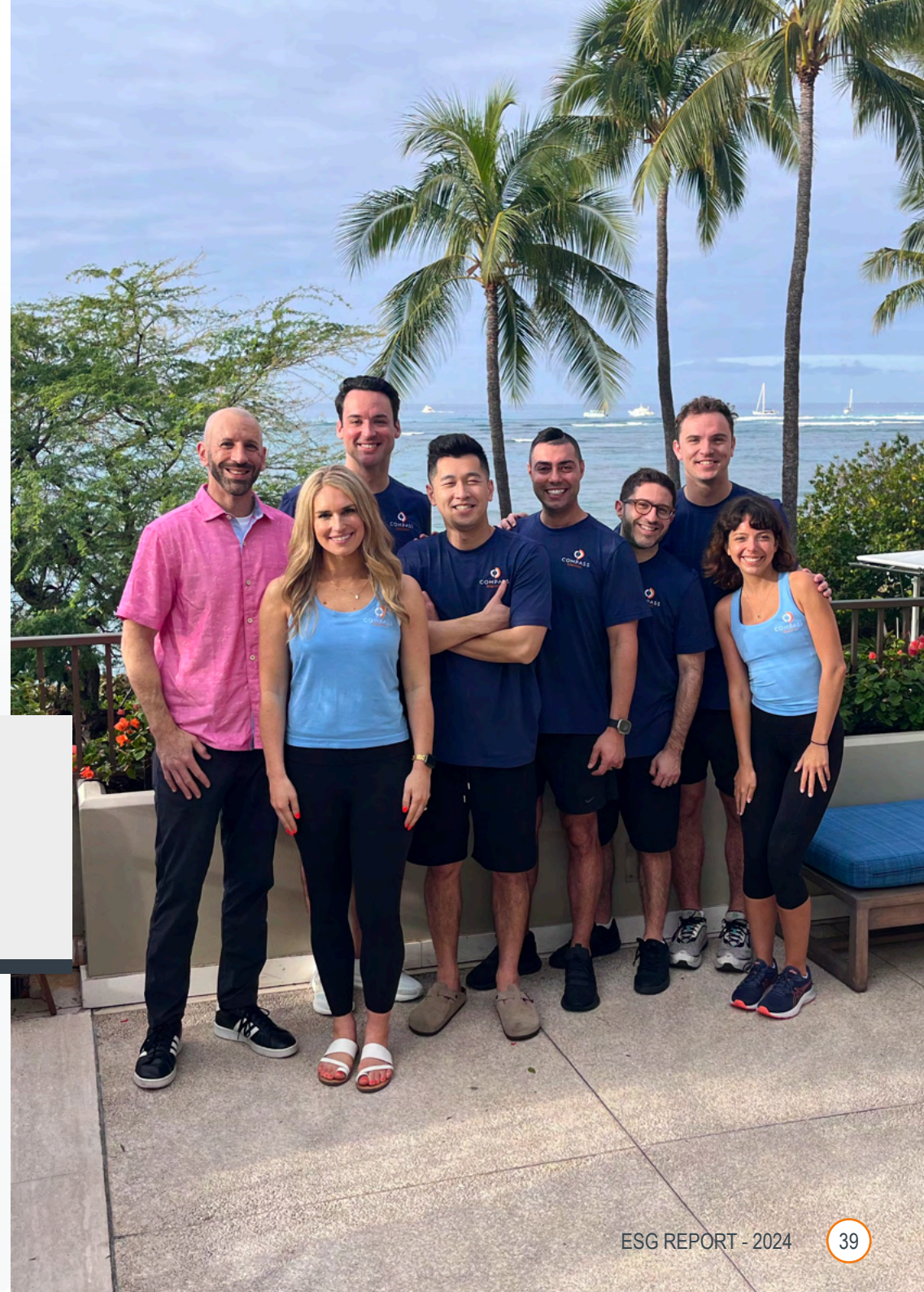
Compass could not remain at the forefront of data center development without its first-class workforce. Health and well-being are highly valued and critical to Compass across all facets of our business, from office management to our data center operators.

From hiring to onboarding to continuing to support our employees' career development, we feel a strong sense of responsibility to ensure that our employees are well-positioned to succeed both professionally and personally. Compassers and contractors receive extensive training to equip them to do their jobs well and safely, and we provide tools to help people incorporate a healthy mental health approach into their everyday lives.



I feel supported, not only as a professional, but as a human, as a mother, holistically supported by Compass.

-- Chelsey Cooper, Director of Cloud Sales





## Employee engagement

Our core conviction – “actions and words are one” – ensures we live up to the promises we make. Once a problem or opportunity to improve is identified, we’re convicted to act on it while engaging teammates in the process. This includes hearing and acting on what our employees are telling us.

We always welcome feedback and foster a safe environment for open and honest communication. We encourage candid conversation at team meetings and events and collect more formal feedback through annual employee engagement surveys. The Executive Leadership Team meets to review this feedback every year, always working to ensure our rapidly growing workforce is growing in constructive ways.

Based on survey responses, our colleagues have expressed that they share our vision, which allows them to bring it into every project. They have also highlighted Compass’ culture, celebrating that it fosters cooperation and collaboration across teams, and that our focus on diversity of opinions and backgrounds, including all levels of the business, allows us to go faster and be better.

“

The culture and management style of this organization is well incorporated into every cornerstone of what happens daily. You are heard if there is an issue, and failure is not seen as negative as long as you learn from it on your path going forward.

-- Employee Engagement Survey Response

“

Compass has a culture that fosters cooperation and collaboration. Opinions are solicited often, and we encourage continuous improvement.

-- Employee Engagement Survey Response

“

At Compass they value diversity in thinking and feedback from everyone, no matter their level in the organization. (...) It feels like we are all valued family members.

-- Employee Engagement Survey Response



## 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.

In addition to this, Compass offers other soft benefits to encourage work-life balance. For example, we host bi-monthly employee appreciation events, offer fitness facilities on site and wellness rooms for staff to destress and provide healthy snacks like fresh fruit in all offices.

## Employee onboarding and training

Compass believes in investing in our workforce. Both our employees and contract workers receive extensive training to help them develop skills, feel like a part of the team, learn about the helpful tools available to them and promote Compass objectives.

For each new employee, CEO Chris Crosby leads an intensive culture training session. Interactive, monthly deep dives on various tools and aspects of the Compass Culture follow. This presents an opportunity for Compassers from all corners of the organization to get together in small groups and talk about how the culture and various tools apply to their work.

“

The culture at Compass is definitely a little ‘weird,’ but in the best way! I can be myself. I don’t feel nervous or ashamed to ask questions and I think that it really helps us move faster and build better buildings for our customers. I’ve especially loved the culture trainings with colleagues from all over the globe. It’s neat how we connect and speak the same culture language across all our offices and sites.

-- Mario Amie, Delivery Manager



In addition to core training around onboarding, compliance, safety, security and operations, we are continuously expanding our internal learning management system to share more about new topics such as ESG-related initiatives. We also offer focused courses to enable our people managers to be strong leaders across the organization.

We recognize that different roles have different needs, so we are committed to giving our employees the tools they need to be safe, communicate effectively and work efficiently. Our contract workers also undergo training before they step onto Compass sites. Salute reported 838 hours of EHS training in 2023 alone.



## Health and Safety

Compass goes deep when it comes to health and safety. We're not a check-the-box, federal guidance-only organization. We strive to be leaders in safety by tailoring our approach to meet the needs of each segment of our business. To ensure that protocols are followed and improved where needed, our Environment, Health and Safety (EHS) body acts independently and reports directly to the CEO. We are proud to share that our Total Recordable Incident Rate (TRIR) is 0.63.

## Construction

At Compass, we believe safety starts with design. Well before shovels hit earth, we're planning for a safe project. Stick-built construction has long been the standard in commercial construction, but it also opens the door to more incidents and injuries.

Compass relies on modular designs. Prefabricating the majority of building components offsite has been transformative for safety at work sites. Offsite manufacturing makes on-site assembly come together quickly with less on-site labor, fewer moving parts, people and vehicles. Carefully organized rigging and setting of the building means there are no crews working around crane operations. All of this leads to a more controlled and safer job site.

With a safe site to start, we also deliver a host of programs to continually improve our safety performance.

*Image: Our sustainable design decisions mean campuses will serve as a utility to consumers and the global economy for decades to come.*







“

We are very grateful for your time and the opportunity to see such a well organised, professionally run construction site with your team demonstrating best industry practice in all aspects of construction management, high quality installation and works planning.

-- Customer in Milan

### Compass Cares

The Compass Cares initiative includes essential safety practices and cultural approaches, in keeping with best practices and regulatory requirements.

Through Compass Cares, we ensure that anyone working on our sites, even if not directly employed by us, believes and follows our core safety values. The program provides guidelines and ways to approach problems while considering safety first. For example, our “Ladders Last” policy reminds workers that when working at height, using a ladder can be dangerous. If the task can be accomplished another way, using a lift or crane, that should be considered first.

Compass Cares has been invaluable for our general contractors, and Compass pledges to expand the program to other departments as we look for ways to improve our processes.

### Safety Committee

Our Safety Committee leads the charge when it comes time to review and update rules. The Compass Safety Committee works in the background to review and update rules, support an anonymous reporting system for safety complaints, ensure effective safety signage and conduct regular surveys of workers' perceptions of safety and opportunities to improve.

***Image:** Compass employs dedicated on-premise medics to ensure the safety of our crews.*



## Frontliners

No one is more critical to the safety of construction projects than the frontline supervisors who bridge the gap between management and workers. Frontline supervisors have a massive impact not only on a project's success, but on adherence to safety measures. Fortunately, the industry is starting to recognize it needs to elevate the voices of frontline supervisors when it comes to safety. In 2023, we conceived the "Frontliners" initiative.

We provide a blueprint for how the industry can better support frontline supervisors. It's centered around the concept of continuous improvement and reflection. Instead of punishing supervisors for raising potential issues or reporting mistakes, we use them as opportunities to learn and improve.

The Frontliners program emphasizes asking questions that allow for a discussion of mistakes and reflection on safety issues, ultimately opening more dialogue between frontline supervisors and upper management. It's about removing workplace stressors, and nurturing environments where people can talk openly about stress. We encourage supervisors to ask questions like:

- What could I have done differently last week?
- What can I do differently to eliminate errors?
- What can I do differently to better support the mental health of my crew members?

We recognize that health and safety aren't just physical. Mental health is just as important and is a huge concern in the construction industry. To start, Compass replaced the male-oriented term "foreman" with "frontliner" to be more reflective of today's diverse construction workforce. Launching in 2024, our Frontliners program focuses on placing health and well-being at the forefront of operations. Transitioning from a "toughing it out" mentality to one where construction site leaders acknowledge missteps, learn from them and build a safer, more nurturing job site.



Can you imagine a climate in the construction industry where frontline supervision is celebrated for talking openly about their vulnerabilities and things they could do differently to create a safer work site? [...] People and organizations both grow when they acknowledge failures and learn. This is one of our core convictions as a company, and it is in the program's DNA.

-- Rachel Neal, Vice President of Global Safety





## Mental Health

The construction sector as a whole is in what has been described as a mental health crisis. In fact, it has the second-highest suicide rate in the country. As such, we offer a number of 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. We started off by getting every worker at Compass access to the Headspace app, a tool that allows people to develop custom strategies to manage stress.

Building on this, the Frontliners program will provide a platform for people to discuss difficult topics such as anxiety, depression and suicide.



## Operations

Data center operation is no trivial task. To keep them running, we have a highly competent operations team, security personnel and emergency responders. Compass is responsible for the safety of our employees, vendor partners, clients and site visitors; we aim to maintain a workplace free from injury or incidental damage. Compass takes this responsibility seriously, and also expects all employees to participate in our safety efforts. Data center operation has a unique set of challenges, given that critical IT infrastructure has to remain on, and powered, during day-to-day maintenance.

The importance of clear lines of communication, sharing responsibility and accountability is stressed. We reduce risk wherever we can to create fool-proof processes that keep workers safe, even in extenuating circumstances.

Our top priority is providing a safe and healthy working environment for all our employees, client employees, partner-vendors and visitors in our area of operation. Compass considers compliance with State and Federal regulations as our baseline and strives to exceed this base by using best practices and continual review.





There are a host of things Compass does to ensure the safety of our operations staff, including contractors.

## Facility Safety Plan

Safety starts with an effective Facility Safety Plan, made available to all site personnel for required reading. The Facility Safety Plan has been developed in adherence with established industry best practices, state and federal requirements and Occupational Safety and Health Administration (OSHA) standards.

The plan establishes:

- Replicable standards for site staff, customers and vendors to follow consistently
- Clear lines of communication, responsibility and accountability for safety at all sites
- Protocols for preventing personal injury and property damage, thus reducing our losses as well as those to clients, vendor partners and their employees

## Training

Teams go through extensive training on proper electrical safety, confined spaces and other essential points. This training ensures that our employees remain safe even in the event of human error or technical malfunction. Compass is constantly striving to improve the quality of our training to make sure our work environment is as safe as possible.

## Energy Isolation

Compass takes the isolation of energy very seriously. Every person is protected from any potential unexpected, accidental or uncontrolled energy release. For example, our “Lock out Tag out” training ensures that while someone is working on electrical equipment, it is physically impossible to turn the equipment on.

By consistently applying Compass’ core convictions to safety, we build consistency, familiarity, commitment and improvement into workforce safety.

- With humility, we make every situation a learning opportunity and ask “what could we have done differently.”
- Because our actions and words are one, we are accountable for every detail of the Facility Safety Plan.
- Every safety event presents an opportunity for continuous improvement. No incident goes by without time to consider lessons learned.
- We ask “why” to optimize the operational environment of our data centers and ensure we can work better together on the road ahead.





## Local Communities

Compass places a high value on being a good neighbor and improving lives wherever we work. We strive to leave the environment and local communities better than we found them.

### Loudoun County, Virginia

After we commissioned our Leesburg, Virginia campus at the start of 2023, a small handful of neighbors reached out to say there was a bothersome sound coming from the cooling equipment. We immediately engaged third-parties to study the sound and discovered that, while the volume was quite low at 25-35 decibels, on par with a whisper, there was an elevated pitch present at certain low frequencies.

We went to work to understand the issue with our cooling technology partner – Vertiv. Teams examined every possible culprit. Engineers identified a cut-out in the middle fan support bracket was disrupting the flow of intake air, causing it to become turbulent and creating the elevated pitch.

By re-engineering the fan mounts, the team was able to deliver a 20% reduction in sound pressure at lower frequencies. A software adjustment to systems already in place reduced sound pressure so that no tonality was found at neighborhood sites.



“

I don't hear it anymore. It's refreshing to hear about the mitigation efforts. Not just any company would put in that level of effort to be good neighbors. We really appreciate it.

-- Stephanie Brookes, True North neighbor



## Also, in Leesburg...

Compass buildings are air cooled with no impact on ground or surface water. While we're not a burden on local water resources, we continue to make improvements to benefit our neighbors, like mitigating the negative impacts of stormwater runoff, excessive flooding and water pollution by installing bioretention facilities to collect stormwater on our properties. These retention ponds collect and filter stormwater runoff through native vegetation which acts as a natural filter to capture and clean water before it flows into the watershed.

When we got started in Leesburg, to protect the Goose Creek which runs alongside our property, Compass committed to creating a 200' buffer between Goose Creek and the development site. The area was dedicated to Loudoun County for a passive park or shared use path.

From there, we donated \$60,000 to the county for watershed protection through the Goose Creek Association and kicked off the organization's water quality monitoring program which we continued to support in 2023 as the organization's "Golden Goose" sponsor.





## Getting started in Prince William County

In 2021, landowners and county elected officials introduced an amendment to the Prince William Comprehensive Plan that would open the county to additional future data center development. They were motivated by several factors, including the desire for new corporate tax revenue streams to fund county services, the area's proximity to high-voltage transmission lines and the abundance of open space and access to fiberoptic cable ties.

On January 19, 2023, Compass submitted its rezoning application for the Digital Gateway and got involved in the local community by:

- Investing \$10,000 to sponsor the Battlefield High School's FIRST Robotics Challenge and FIRST Tech Challenge robotics teams for the 2023-24 school year, helping offset the teams' materials and travel costs
- Contributing to local organizations that serve the underserved in Prince William County, including Action in Community Through Service (ACTS), an organization providing housing, food and emergency assistance to domestic violence victims, as well as Court Special Appointed Advocates (CASA), supporting kids through their experience in legal systems

Compass also worked with a local boy scout troop, the Prince William Soil and Water Conservation District and the Prince William Trails and Stream Coalition to conduct a watershed cleanup of the Little Bull Run and Catharpin Creek in 2023 and plans to schedule similar events moving forward.





## Chicagoland: Repurposing the vacant Sears campus

At the end of 2023, Compass purchased the former Sears headquarter campus outside of Chicago. It had been only sparsely populated following Sears' bankruptcy filing in 2018 and vacant since the spring 2020 onset of the pandemic. With so few companies returning to work in the office following the pandemic, selling the expansive site as office space was challenging. Repurposing it for data center development was a solution welcomed by local leaders.

Compass prioritized extending the sustainable approach we take to greenfield development projects to this brownfield site. To start, local businesses and nonprofits were invited in to take office equipment, supplies and furniture for reuse.

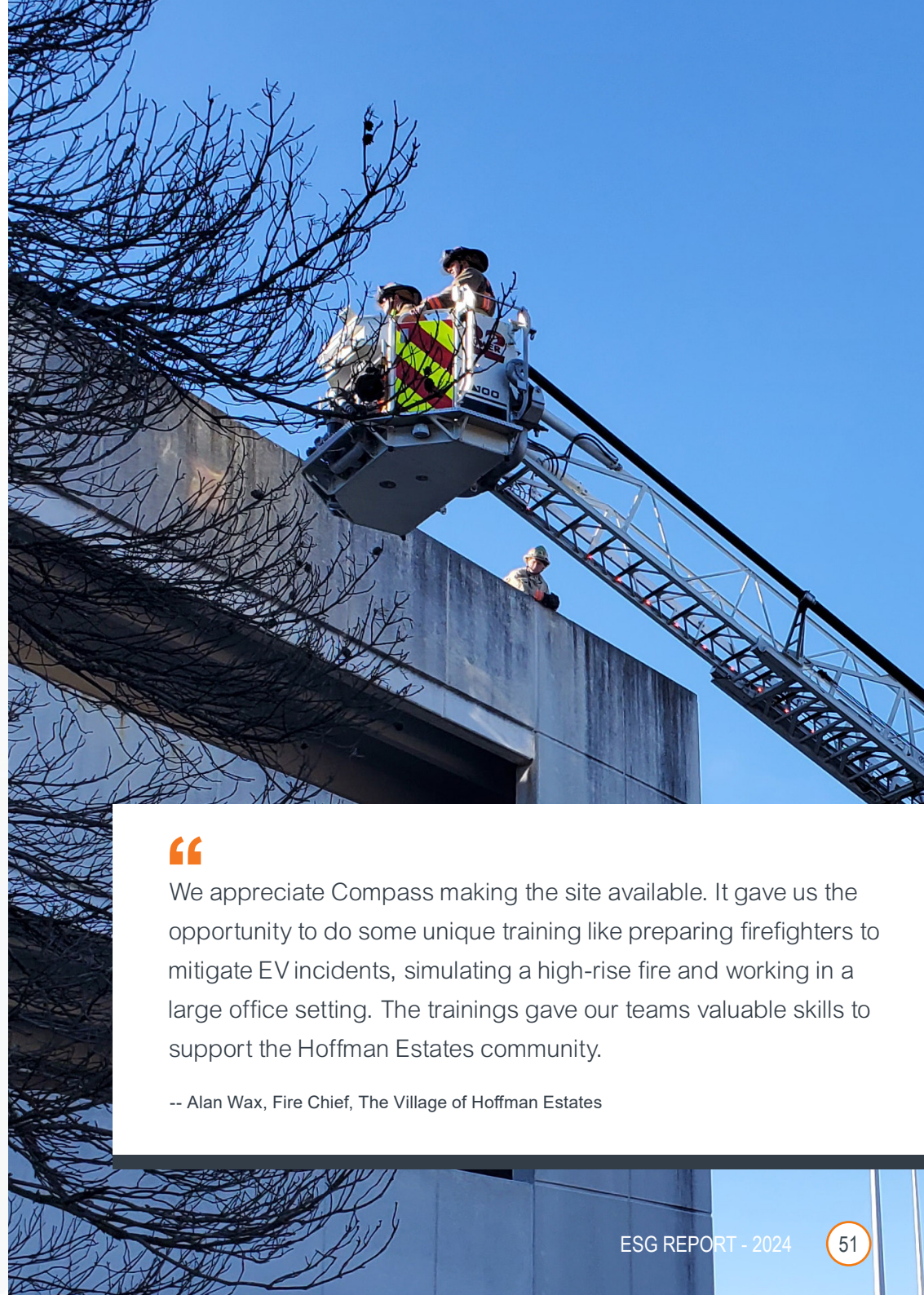
The first phase of demolition involved safe removal and disposal of universal and hazardous waste before removing reusable or recyclable materials. All ferrous materials – metals primarily composed of iron-like steel, alloy steel, cast iron and wrought iron – were set aside for salvage. Concrete, stone blocks and asphalt will be crushed and stored on site to be re-used as aggregate and/or for grading to make the site level.

“

We are thrilled to welcome Compass Datacenters and to have the Village of Hoffman Estates be part of the growing digital economy. Working closely with ComEd and Compass, we look forward to bringing this prime site into the modern era.

-- Bill McLeod, Mayor, The Village of Hoffman Estates

*Image: First responders used the massive, vacant former Sears campus for training while the Compass team completed planning and permitting in 2023.*



“

We appreciate Compass making the site available. It gave us the opportunity to do some unique training like preparing firefighters to mitigate EV incidents, simulating a high-rise fire and working in a large office setting. The trainings gave our teams valuable skills to support the Hoffman Estates community.

-- Alan Wax, Fire Chief, The Village of Hoffman Estates



03

# Responsible Management Done Differently







## Responsible Management Done Differently

Compass tackles challenges differently from others. Doing things differently is difficult and requires a robust governance framework based on strong foundations. We are committed to operating our business with honesty and integrity by applying the highest standards of business conduct. We strive to not only meet regulatory requirements but to be proactive and stay ahead of disruption by upholding excellent corporate governance practices. We are continuously reviewing our existing policies and adapting new policies, processes and systems to mitigate against business risk.





## Risk Management and Decision-Making

Compass is engaged in a number of environmental, social and governance initiatives. Every decision that is made comes with risks and opportunities to be considered, optimized and communicated. These critical tasks are accomplished by Compass' Board and Executive Leadership Team.

To ensure that nothing gets missed, and Compass remains transparent, we hold quarterly board meetings and weekly operations meetings to discuss risk considerations. 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.

Given their importance to current and future operations, along with the health and safety of our employees and neighboring communities, climate risks and opportunities are given special consideration and focused attention. Our climate strategy is overseen by the Chief Innovation Officer (CIO), a member of the Executive Leadership Team. Responsibility and accountability for climate oversight is shared amongst the CIO, other C-suite executives and senior management.

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.



## Climate risk assessment

Following our 2023 ESG report, Compass prioritized undertaking a formal process to identify and assess physical and transition climate risks to ensure these risks appropriately inform business strategy and decisions.

Compass identified the following top five physical and transition climate risks impacting our business based on our strategy, stakeholders and peers. We are reviewing the results of this assessment and will share more in next year's ESG report.

### Physical risks

01. Extreme heat
02. Precipitations (storms)
03. Wildfires
04. Floods
05. Droughts

### Transition risks

01. Changing perceptions of company activities
02. Market uncertainty
03. Changing energy mix
04. Government climate policies
05. Climate disclosure regulations

## Improving information sharing and communication on climate

We seek to continuously improve how we communicate information on climate risks and opportunities across the organization.

Furthering a successful initiative from last year, Compass has continued developing new “ESG Library Cards” to help all employees understand our ESG initiatives and how they can use this information to help with their work. The ESG Library Cards are succinct one-page summaries that distill the complex design, engineering and impact of our ESG initiatives on our business partners, customers and the wider industry.

We are open to feedback and constantly finding ways to share and act on climate information meaningfully.





# Business Ethics and Integrity

Compass adheres to a Code of Conduct that applies to all employees. We expect our vendor partners to align with these values, particularly by upholding integrity and respecting human rights, diversity, equity and inclusion. We developed a Business and Vendor Code of Conduct to promote ethical operation in compliance with applicable law.

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

Compass has a strict Anti-Corruption and Third-Party Relationship policy that prohibits bribery, kickbacks or corruption of any kind directly or through third-parties.

Compass knows that respecting our fundamental human rights across all aspects of our business is key. Our commitment is overseen by the President and Chief Financial Officer (CFO) in collaboration with Human Resources. We operate in accordance with UN Guiding Principles on Business and Human rights. This includes dealings with our clients, employees and third-party partners. Local communities in which we operate are another important stakeholder. Whenever we identify adverse human rights impacts from our business activities, we are committed to fixing the problem and reducing adverse effects within our sphere of influence.

This includes the consideration for:

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





## Data Security and Privacy

Physical and cyber security are central to data center operation. They are a top priority for us to ensure our clients and stakeholders can securely and reliably plug in at any time. We are committed to delivering excellent resiliency and uptime, achieving 99.999% uptime across all of our sites.

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 IT policies and procedures have also been designed to support the confidentiality, integrity and availability of customer data, vendor relationships and Compass' services related to space, power, environmental controls and physical security of client data centers.

We employ a holistic cybersecurity risk management program encompassing first- and third-party risk identification and treatment plans. We believe in taking things slow before we go fast and always adopt best practices first. Our cybersecurity program is aligned with the National Institute of Standards and Technology Cybersecurity Framework version 2.0. Compass has a dedicated cybersecurity committee that monitors risks and implements new solutions to manage cybersecurity vulnerabilities.

All employees also undergo mandatory security awareness training to understand potential security threats as well as how to mitigate and manage them. This year, we included mock scenarios to practice incident responses, making sure everyone at Compass knows how to handle potential situations. Compass goes above and beyond industry standard. We have a robust incident response process and procedure, enabling the organization to respond and recover from a cybersecurity incident swiftly. This plan is tested at least twice annually.

### 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:

PCI DSS, SOC 2, ISO 27701, ISO 27001.





# Awards and Recognition

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



## Uptime Institute

- Member



## Urban Land Institute

- Member



## iMasons: Climate Accord

- Founding Member; Digital Divide
- Executive Sponsor



## BOD

- SME DC Systems Engineering M.S. Program
- National Institute of Building Sciences
- World Trade Center Institute



## EcoVadis

- Silver Medal



## Long Duration Energy Storage (LDES)

- Anchor Member

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

## In 2023, we received:

### » iMasons IM100 Awards

- AJ Byers (CDO) and Sudhir Kalra (EVP, Global Operations) honored.

### » Women Builders Council Awards

- Tamara Yang (EVP, Delivery) and Sasha Marks (Preconstruction and Program Lead) honored.

### » Ernst & Young Entrepreneur of the Year Southwest Award

- Chris Crosby (CEO) winner.

### » Mission Critical Magazine's Top Tier Product Awards

- Compass Quantum honored.

### » iMasons Luminary Award

- Nancy Novak (CIO) honored.

### » Dallas Business Journal's 40 Under 40

- Wayne Watson (VP, Site Operations) honored.

### » Fast Company's Most Innovative Companies

- Compass honored for innovation in construction, sustainability and diversity.

### » NVTC Data Center Awards

- Compass won the Data Center Innovation Award.

### » Advancing Prefabrication Awards

- Compass won the Innovator of the Year Award.

### » Titan Business Awards

- Compass won "Most Innovative Company" category.

### » Globee's Golden Bridge Awards

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



## Other recognitions

We are also proud recipients of numerous industry recognitions.

» **Data Centre Magazine's "Top 10 DE&I Leaders in the Data Centre Industry to Follow"**

- Nancy Novak (CIO) honored.

» **D Magazine's Dallas 500**

- Chris Crosby (CEO) honored.

» **Dallas Business Journal Middle Market 50**

» **SMU's Dallas 100 2023**

» **Inaugural Longhorn 100 list**

## 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.



**CarbonCure**

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



**Concrete.ai**

- Uses artificial intelligence to optimize concrete design.



**Foster Fuels (bio-diesel)**

- Produces alternative fuels, such as bio-diesel.



**Greenly - NEW**

- Provides software for automating carbon accounting and financial disclosures.



**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.



**Tangible Materials - NEW**

- Tracks, manages and reports on embodied carbon throughout the development and construction process.



04

# Appendices





# Appendix A: Details behind GHG Inventory

*Note: GHG emissions are expressed in units of CO<sub>2</sub> equivalent.*

The following GHG emissions inventory was created using internal Compass metering data, utility invoices and client energy use. Greenly, a carbon reporting platform, provided appropriate emissions factors.

In 2023, Compass significantly changed its data monitoring and collection methodology. As required by the GHG Protocol, we chose to restate our 2021 and 2022 emissions using the new methodology. To normalize data, we assumed that any data centers operational for at least one year by the start of the reporting year had constant energy requirements. Furthermore, sites with limited data visibility were assumed to have constant energy requirements. All other emissions were estimated using customized average energy intensity values calculated in 2023 for power, diesel and refrigerant losses. This was deemed appropriate since Compass data centers are modular and have similar profiles.

The estimated energy use in 2021 and 2022 was converted to GHG emissions using Greenly's emissions factors to keep a standard methodology.

## Scope 1 emissions

### Boundary

Our Scope 1 emissions include heating and refrigerant losses for our corporate offices in Dallas, Toronto and Dublin. Compass also included diesel emissions from backup generators and refrigerant loss for all its operating data centers.

### Methodology

Greenly estimated the GHG emissions associated with heating and refrigerant losses for the corporate offices. These estimates are based on average consumption values for each region, using square footage and employee numbers.

Diesel consumption for data center buildings was collected from internal meters. Estimates were made wherever data was not available, based on internal average consumption. Greenly's emissions factors were used to output emissions data.

Refrigerant losses for data center buildings were determined using a combination of direct measurements and estimations. Compass uses the refrigerant gas R-410 A in all its HVAC units. Refrigerant line refills were tabulated to determine losses and calculate fugitive emissions according to the following equation:

Fugitive emissions (scope 1) tCO<sub>2</sub>e = kg of fugitive emissions \* tons of CO<sub>2</sub> equivalent per kg of R-410 A

Diesel emissions tCO<sub>2</sub>e = total diesel consumed (gal) \* tCO<sub>2</sub>e per gal of diesel

### Assumptions

Real utility data was not available for office locations, so Greenly's regional estimates based on square footage and employee count were used instead. Compass is working with its office space lessors to start sharing this data.

Since it is currently impossible to distinguish between HVAC refrigerant line top-ups versus HVAC commissioning, Compass conservatively assumed all refrigerant fills were fugitive emissions. Wherever real data was unavailable, average fugitive emissions values were calculated based on existing data.



## Scope 2 emissions

### Boundary

Our scope 2 emissions include electricity consumption from our corporate offices in Dallas, Toronto and Dublin.

### Methodology

Greenly estimated the GHG emissions associated with electrical use for the corporate offices. These estimates are based on average consumption values for each region, using square footage and employee numbers.

### Assumptions

Real utility data was not available for the office locations, so Greenly's regional estimates based on square footage and employee count were used instead. Compass is working with its office space lessors to start sharing this data.

## Scope 3 Category 2 emissions

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 refer to the product stage (life cycle modules A1-A3) embodied carbon emissions associated with Compass' construction-related purchases.

### Methodology

Scope 3 category 2 tCO<sub>2</sub>e = sum of floor area constructed in reporting year \* product stage embodied carbon per floor area<sup>1</sup>

### Assumptions

- Product stage (A1-A3) embodied carbon intensity for data centers = 522 kg CO<sub>2</sub>e/m<sup>2</sup> or 48 kg CO<sub>2</sub>e/ft<sup>2</sup>
- Product stage (A1-A3) embodied carbon intensity for warehouses = 287 kg CO<sub>2</sub>e/m<sup>2</sup> or 27 kg CO<sub>2</sub>e/ft<sup>2</sup>
- Embodied carbon emissions are 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 in our scope of assessment, are completed within approximately the first year of construction. Therefore, all scope 3 category 2 emissions are calculated and included in the reporting year corresponding to the first year of construction.
  - For example, if construction begins in March 2023 and has a gross floor area of 2,000 ft<sup>2</sup>, then the scope 3 category 2 emissions for that data center would assumed to be: 2,000 ft<sup>2</sup> x 48 kg CO<sub>2</sub>e/ft<sup>2</sup> = 96 tCO<sub>2</sub>e, all attributed to the 2023 reporting cycle.

## Scope 3 Category 13 emissions

### Methodology

Power consumption for data center buildings was collected from internal meters, invoices and client power use data. Estimates were made wherever data was not available, based on internal average energy consumption. Greenly's emissions factors were used to output emissions data.

- Electricity tCO<sub>2</sub>e = total electricity consumed (kwh) \* tCO<sub>2</sub>e per kWh electricity

### Assumptions

Data center turnover from Compass to its clients, along with the following IT use ramp-up, is a period of turbulent energy consumption. For the purposes of data consistency and to follow conservative reporting standards, we have included 2023 emissions related to data center commissioning.

Compass is working with its clients to increase data sharing, including for real-time IT loads. In building estimation methodologies, it was conservatively assumed that the IT capacity of data centers reached 100% after turnover to the client. This led to the functional MW unit, being the nameplate MW capacity of a data center or data hall multiplied by the percentage of the year it was operational. This was used to calculate power, diesel and refrigerant use estimates for data centers without data coverage.

Whenever a mismatch between utility bills and internal meters was found, the highest value of the two was chosen.

### Data coverage

Compass does not have full data visibility of all data centers; certain buildings are managed independently by our clients. GHG emissions from these buildings were estimated for 2023. Current data coverage is 79% for power, 70% for diesel consumption and 61% for refrigerant R-401 A use. Compass is committed to engaging with its clients to increase data coverage.

1. "Floor area constructed" refers to the total floor area of the data center upon completion.
2. 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.





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