ESG Impact Report

1 APRIL 2019 - 31 MARCH 2020

compass COMMUNITY
Children's Services

compass Children's Homes

compass EDUCATION

compass FOSTERING

COMPASS COMMUNITY
MOUNTFIELDS HOUSE
EPINAL WAY
LOUGHBOROUGH
LEICESTERSHIRE
LE11 3GE

About Compass Community
Objectives
Energy and Water
Waste
Transport and Supply Chain
Carbon Footprint
Social
Governance

About Compass Community

Compass exists to provide excellent support for children and young people requiring foster care and to give a child a childhood. At the same time, we look after our foster carers, providing excellent support, training and pay. The spirit of cooperation, together with a unique combination of knowledge, experience, and professional skills, dramatically increases the chances of a successful outcome for the young people and foster families we work with.

From up in the North, to down in the South, Compass Children's Homes provide high quality care for children who experience a range of behavioural and emotional difficulties. The young people in our care often come to us with an empty tool box, and we help to provide them with the tools they need throughout their lives. We pride ourselves not only on our 'Outstanding' & 'Good' Ofsted ratings, but by the outcomes and achievements of the children we care for. A Compass Children's Home is exactly that; a home..

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Compass Schools are unique and distinctive environments that are highly effective in supporting complex children who have experienced trauma and adverse childhood experiences. Compass currently have two Ofsted outstanding schools and two additional schools that meet the needs of children and young people requiring bespoke education packages to achieve and become the best they can be. Our schools work as part of therapeutic communities supporting children with various packages of education, therapy and care as required.

We work with foster parents of all kinds who want to provide safe, welcoming, nurturing homes that keep our children safe, meet their physical and personal needs, and promote educational and independent skills. Fostering provides a safe environment for young people who are unable to live at home with their birth family. Foster care is all about making sure that children and young people are provided with the best possible support from those around them. That is Compass Fostering as a service, the role of a foster carer and social workers coming together as a team to work towards the best possible outcome for each child in our care.

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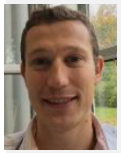
A message from our ESG Chair



Jamie Wright
CFO & Chair of the ESG Committee

At Compass, our focus is always to give the highest standard of childcare possible. At the same time, we are committed to providing the support, expertise, and infrastructure of a UK national company and aim to grow and improve our services where possible. Now that sustainability is a more pressing issue than ever, we aim to get ahead of the curve, creating a positive impact across all three areas of Environment, Social, and Governance (ESG), while keeping our values centred around our number one priority – child welfare and development.

This year with the formation of our ESG committee, we are beginning to drive action across our organisation, with a cross-section of employees and senior staff to make sure changes are implemented at every level. We are being advised by Sustainable Advantage, a leading ESG consultancy, to provide external, independent feedback that keeps us on the most efficient path to achieve the most impactful results.

We have also decided to align our ESG ambitions with the UN Sustainable Development Goals (SDGs), which is an international framework used to track and deliver true global sustainability. As part of our alignment with the SDGs a key them of our ESG strategy will be tracking and monitoring the impacts we have as a business, both to understand better our effect upon our communities and the world around us, but also to make our actions more accountable.

One of our core values is to never stand still and always look to improve. This, along with the mindfulness to self-reflect and learn, ensures continual improvement. In this sense our first annual ESG Impact Report outlines our commitments to become a truly sustainable and ethical business and provides insight into how we currently perform, and how we intend to raise our standards year on year. Ultimately, how we conduct ourselves and our business influences the world our children grow up in and will always reflect why Compass exists, to give a child a childhood.

ESG Objectives

Key objectives for the next year

- Become carbon negative
- Increase recycling rate to **>50%**
- Reduce waste by **5%**
- Procure **50%** renewable electricity
- Reduce carbon emissions by **5%**
- Reduce transport emissions by **5%**
- Reduce waste to landfill to **<25%**
- Reduce energy consumption by **5%**

ENVIRONMENT

One of the major challenges of our time is the effect we are having upon the environment and how we can look to minimise that effect and turn it into a positive one. At Compass we always have a regard to the impact of operations on the environment and wider community and this year we will look to better understand our impacts and how exactly the actions we take influence these.

We will be implementing more effective procedures that track and monitor energy, waste, and water usage, using this greater understanding to drive our targets of reducing consumption and emissions by 5% across the board. These targets reflect our understanding that the most effective changes we can make are in the way we consume energy and raw materials, and the initiatives we will undertake support this. To have the most positive immediate effect upon the environment we will procure at least 50% renewable energy and have also pledged to offset more carbon than we generate each year, making us Carbon Negative.

SOCIAL

Our social commitments revolve around not just the care we provide to our children, but also our responsibilities towards our employees and local communities. With Covid-19 becoming a part of our lives, we have worked to ensure all our people are in the safest, healthiest, and happiest environments they can be, while fully complying with all government regulations. Beyond the extraordinary circumstances of the last year, we ensure our employees and quality of care are protected by company policies that are regularly audited by external, independent auditors. We maintain our audit program and review all policies regularly to identify potential improvements and adapt them as needed to changing regulations and circumstances.

Another important aspect of our social activities is the external associations we have with our communities. Our staff and children undertake a host of charitable activities which contribute to local and national communities, and for the coming year it is a key target to better track and understand these activities so we can better appreciate all fundraising and volunteering efforts.

GOVERNANCE

Proper governance is essential throughout our organisation to maintain quality of service and ensure all children are safeguarded and protected whilst making a lasting difference to their lives. With the formation of our ESG committee led by a formal leadership group, sustainability will form part of the same robust audit frameworks as all other leadership teams throughout the business, and as such will align with Our Vision.

Supporting the UN Sustainable Development Goals

We have identified seven UN Sustainable Development Goals (SDGs) where we believe we can make the most positive social and environmental impact.

Developed by the United Nations, the SDGs are 17 overarching goals that provide a global framework for peace and prosperity in consideration of the environment. To align with the UN Sustainable Development Goals framework, we have selected 7 SDGs which align with our company vision and values. We have aligned each of the chosen SDGs with our related ESG commitments to aid in the transparency of how we are contributing to each goal.

NO POVERTY

By providing our children with stable childhoods we aim to give them the best chance in life to be able to support themselves.

GOOD HEALTH

We ensure all our children and staff live and work in safe and healthy environments.

QUALITY EDUCATION

Through our schools we provide tailored education for complex children with unique support requirements.

CLEAN ENERGY

We are working towards increasing our renewable energy supply.

REDUCED INEQUALITIES

Through our own work providing children with quality care and all charitable efforts from our children and staff we help to reduce inequality.

RESPONSIBLE CONSUMPTION

We reduce energy, waste, and water consumption wherever possible.

CLIMATE ACTION

Where we cannot reduce consumption, we have offset all our carbon emissions to become carbon negative.

Energy and Water

TARGET
within 1 year

Procure **50%** renewable electricity

Reduce energy consumption by **5%**

REVIEW OF THE YEAR

This year we have measured our energy consumption and emissions and now understand where energy is used throughout the organisation. The energy usage from our sites accounts for 56% of our gross carbon footprint and 98% of the carbon footprint where we are directly responsible for the energy use. This means reducing consumption and making energy efficiency improvements where possible are very important to us and will have a significant effect upon our emissions.

We have engaged an external energy broker and now procure 34% of our electricity from low carbon sources, meaning there are no associated carbon emissions.

We have been unable to track our water consumption for the year but have outlined a plan for obtaining this data so this can be reported on within the next year.

PLAN FOR NEXT YEAR

By measuring our consumption this year, we are well placed to undertake an energy efficiency survey which will recommend potential improvements that can be made throughout our sites and will be driven through our ESG committee. We will also expand upon our environmental policy and inform employees about behavioural changes that can be made to reduce energy consumption. These actions will be taken with a view to achieving our 5% energy reduction target.

To make the energy we source more sustainable we also aim to increase the energy we procure to at least 50% renewable or low carbon energy by renegotiating contracts that are to be renewed.

We will also begin to track our water usage to have a definable and measurable way to verify our efforts of water reduction for the next year.

Energy

01/04/19 - 31/03/20	Electricity kWh	Gas kWh	tCO_2e	% tCO_2e
Fostering	357,358	951,648	266.2	50%
Residential	128,487	777,866	175.9	34%
Educational	46,809	405,825	86.6	16%
Overall	**532,654**	**2,135,339**	**528.7**	**100%**

"We now procure 34% of our electricity from low carbon sources"

UN SDGS SUPPORTED

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Waste

TARGET
within 1 year

- Increase recycling rate to **>50%**
- Reduce waste to landfill to **<25%**
- Reduce waste by **5%**

REVIEW OF THE YEAR

As with energy we have managed to measure and monitor our waste usage for the past year which has placed us in a strong position to conduct waste audits for the coming year and determine the best possible routes for achieving our targets.

We currently recycle 35.5% of our waste throughout our sites, with a further 14.0% being used for energy recovery, and engaged with an external waste management consultant in 2018 to support us across our estate. They have expanded the number of sites they manage during the year of review.

Monthly waste reports are generated setting out the volume of waste generated per site, as well as how the waste is disposed of, i.e. recycled, incinerated, or sent to landfill.

Our assigned account manager reviews site performance monthly and engages with each site to improve recycling. The focus is on reducing the amount of residual waste that ends up in general waste bins to improve our recycling levels. All dry mixed materials are sent to a material recycling facility where it is separated into the various constituent parts and recycled. Where possible general waste is sent to energy recovery plants where it is incinerated and converted into energy.

PLAN FOR NEXT YEAR

We will focus our waste reduction efforts through our ESG committee with the aim of minimising waste and pollution where possible using the 3 Rs; Reduce, Recycle and Reuse. We will implement guidance to all our sites and employees on how we can reduce waste and will also implement company-wide initiatives with the aim of achieving our 5% reduction target.

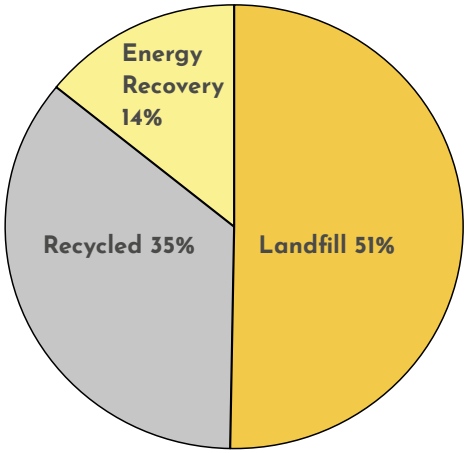
By engaging our managed waste service-providers, and continually increasing the number of managed sites, we will continue to both evaluate where our general waste is sent, to achieve our goal of sending <25% to landfill, and to increase our recycling percentage to >50%.

Where possible food bins will be added on site with this waste stream being sent to an anaerobic digestion plant where a bacterial process generates energy, and the residual product is used as fertiliser.

Waste Disposal

01/04/19 - 31/03/20	kg	%
Waste to Landfill	108,435	64.5%
Energy Recovery	23,514	14%
Recycling	5,773	35%
Total	**168,208**	**100%**

Waste Breakdown



UN SDGS

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

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Transport and Supply Chain

TARGET
within 1 year

Reduce transport emissions by **5%**

REVIEW OF THE YEAR

Transport is one of our largest area of carbon emissions, making up 44% of our gross carbon footprint. A large part of these emissions is from staff mileage in their personal vehicles, we therefore place great emphasis on improving travel practices where possible, with a Driving at Work policy that encourages staff to minimise mileage and use public transport where possible. We also monitor our mileage claims regionally, checking to make sure claims are completed correctly and that mileage rates are paid according to the vehicle type.

Our Compass homes, schools and offices are spread throughout the country and we understand that supplying all these locations can create a considerable carbon footprint through delivery transport. We therefore encourage all our sites to procure locally, ensuring we minimise our indirect emissions from the mileage of high consumption delivery vehicles, reducing our carbon footprint as well as supporting the local economy.

PLAN FOR NEXT YEAR

Whilst COVID-19 will greatly affect our transport emissions we will still look to improve our transport practices, so that achieving our 5% transport emissions reduction target is not just due to the pandemic, but an increased awareness of best practice. To this end, as is a theme throughout our ESG commitments, we will also better track our transport emissions so we can properly monitor our progress.

We will expand our Driving at Work policy to include eco-friendly driving guidance to reduce average fuel consumption while driving and encourage staff to use public transport where possible. We will also identify the makeup of our own fleet and form a plan to increase the proportion of electric and hybrid vehicles we own.

Finally, we will continue to source locally, keeping indirect emissions down and helping local economies rebuild.

Transport

01/04/19 - 31/03/20	Vehicles	Miles	tCO_2e	% tCO_2e
Company Cars	76	43,632	12.4	3%
Staff Mileage	467	1,438,327	410.0	97%

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Carbon Footprint

TARGET
within 1 year

Reduce carbon emissions by **5%**

Become carbon negative

REVIEW OF THE YEAR

This year we calculated our carbon footprint for the first time, so we can understand the major emissions areas of our business and create a benchmark to measure against future emissions. To calculate our carbon footprint, we elected to include all emissions for which we are financially responsible, which includes scope 1, scope 2 and partial scope 3 emissions*. Through this calculation our gross carbon emissions for the year were found to be 951.1 tCO_2e.

We recognise that the most effective contribution we can make towards the fight against climate change is to reduce consumption and emissions as far as possible. However, as we work towards responsible practices and reduce our waste and energy consumption, to mitigate our immediate effect upon the environment, various actions have been taken. Electricity is partially sourced from third-party nuclear energy contracts, meaning there are no actual carbon emissions for these supplies. We have also pledged to offset more carbon than we generate each year, making us Carbon Negative. 950 tCO_2e of verified carbon credits were purchased, making us 45.6 tCO_2e and 5% net Carbon Negative.

*CARBON FOOTPRINT CALCULATION:

SCOPE 1 – Carbon emitted from our gas usage and company-owned vehicles

SCOPE 2 – Carbon emitted from our building electricity usage

SCOPE 3 – Carbon emitted from our employees' personal cars due to business travel

CO_2 IN ATMOSPHERE

01/04/19 - 31/03/20	tCO_2e	% tCO_2e
Scope 1	405.0	43%
Scope 2	136.1	14%
Scope 3	410.0	43%
Gross Emissions	**951.1**	**100%**
Low Carbon Electicity	(46.7)	(5%)
Net Emissions	904.4	95%
Carbon Offsets	(950.0)	(100%)
Carbon Footprint	**(45.6)**	**(5%)**

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Carbon Footprint Offset

Gold Standard
Climate Security & Sustainable Development

Verified Carbon Standard

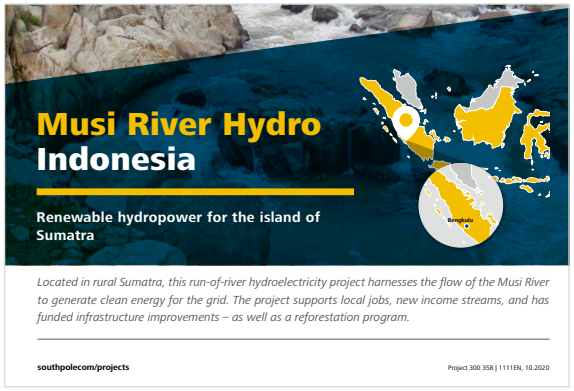
We have chosen to invest in the Musi River Project to help support communities in emerging economies to transition to a low-carbon economy.

We have decided to work with Sustainable Advantage and South Pole to guide us in the pursuit of our carbon-offsetting initiative. South Pole is a historic player in the carbon-offsetting market, where it has built up its experience since 2006.

With more than 700 directly owned projects, South Pole offers a wide variety of high quality carbon-offsetting. We have chosen to fund projects certified by Gold Standard. Gold Standard was initially created by WWR, in cooperation with a broad panel of NGOs, academics and private sector representatives.

The certification not only addresses CO_2 emissions, but also potential benefits for the socioeconomic development of the country and the participation of the local population in carbon-offsetting projects.

Located in rural Sumatra, this run-of-river hydroelectricity project harnesses the flow of the Musi River to generate clean energy for the grid. This project supports local jobs, new income streams, and has funded infrastructure improvements - as well as a reforestation program.



UN SDGS SUPPORTED

950 tCO_2e Offset via this project

46 tCO_2e Carbon Negative

765,000 MWh
generated on average annually by the hydro plant, displacing fossil fuel-generated electricity and boosting Indonesia's renewables sector

50 PERMANENT JOBS
created in power plant operations, with part-time employment opportunities offered during the construction phase

FREE TRAINING
for locals on composting and making organic fertiliser from invasive aquatic plants - providing free fertilisers to maintain healthy ecosystems

568,000 TONNES OF CO_2
reduced on average annually, contributing to climate change mitigation

±20 HA OF LAND
reforested in the project area as part of a dedicated programme to support a healthy, natural ecosystem.

TWO DRAWBRIDGES
epaired, as well as new roads, trash basins, and financial support buildng a public transport terminal, mosque and a traditional marketplace

Social

Throughout the pandemic we have worked to ensure all our employees and children are cared for, and that we make sure their environments are as safe and healthy as possible. We make sure all our children and employees are protected by our company policies and procedures which are regularly vetted to maintain the highest standards.

At Compass we also go beyond our work in children's services and are constantly supporting different initiatives and charities that make a benefit to our communities and the world around us. We also make sure we educate our children with the same values that we hold, including the importance of charity and doing what you can for those less fortunate. Next year we will track these activities more rigorously to better appreciate all fundraising and volunteering efforts.

These are some of the fantastic initiatives that Compass and our children have been a part of recently!

RUN, YVONNE, RUN

One of our carers, Yvonne Cossins, wanted to take on the challenge of completing a mammoth set of tasks to raise money for anti-homelessness charity Coffee4Craig.

Yvonne has completed a 20-mile run in Lancaster, climbed Scafell Pike and Pen y Fan, and completed the 4 Waterfalls Walk in Wales - she's unstoppable!

GIVING TO THE COMMUNITY

Our young people C & C have got involved with their carers Alan & Emma helping to distribute food in our local community via the Olio app, giving something back to people who may be less fortunate/ struggling during these difficult times. Well done boys!

THANK YOU!

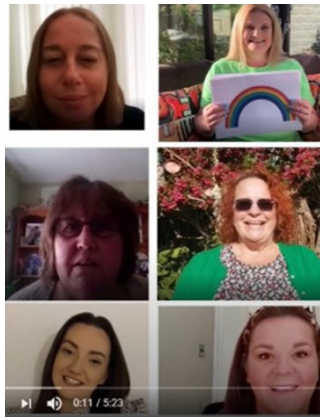
Our teams wanted to thank our fantastic foster carers for all they were doing during lockdown. Our fostering regions did door to door check-ins with foster families, made thank you videos, and sent flowers and vouchers to thank them.

BRAVING THE BUZZ

K wanted to show his appreciation for amazing NHS staff, he said, 'all of you that know me will know my hair is my most prized possession, so to show my support during this pandemic I am going to cut my hair off to raise money for the NHS.' Originally, he wanted to raise £100 and managed to hit his target in an hour! In total, K raised an incredible £1,490!

COMPASS CHALLENGES

Our Compass Challenges proved to be a welcome distraction for our foster carers, staff, and children in our residential homes. We had 4 challenges set over 4 weeks with prizes to be won and we were pleased to see so many people in our amazing community join in!



UN SDGS SUPPORTED

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

10 REDUCED INEQUALITIES

Social

CEO SLEEPOUT

One third of care leavers experience homelessness in the first two years of leaving care. Our Compass Community CEO, Bernie was horrified when she learned this statistic, so she decided she wanted to help and spent the night sleeping outside to help try to combat homelessness. She managed to raise an amazing £1,815 for the charity – nearly double her pledged £1,000.

CLASS OF 2020 PROM

With many schools around the UK being closed, the class of 2020 have sadly missed out on proms and end of school celebrations. But our brilliant team at Compass Community School North put together an amazing prom for everyone at our LLH and TC homes! Everyone had a fantastic day, and all the educational staff were given flowers and a card to say thank you for their hard work and dedication.

COMPASS CHILDREN'S HOMES

Our brilliant children's homes put on a Big Compass Quiz during lockdown to keep our children and young people entertained. Our young people and staff raised £180 (+£45 gift aid) which was donated to the NHS to help buy important equipment to keep nurses and doctors safe!

L'S SUPER CYCLE

Our young person L took fund raising into his own hands - arranging a 20-mile sponsored bike ride for the NHS. He set off at 3pm and it took him 4 hours to complete his journey. So far L has raised £108!

HH BOYS DO BLM

The boys at HH had a great Black Lives Matter culture night, including a protest wall and quiz with rounds on music from black artists, facts around slavery and discrimination, and identifying inspiring black people.

UN SDGS SUPPORTED

Governance

OUR ETHOS

Our ethos is enshrined in an approach that is optimistic and believes that change is possible. Our principles of governance reflect this and underpin Compass Communities' quality of care and corporate aims:

- Provide high standards of child centered quality care services
- Clear lines of responsibility and accountability
- Continually promote growth and change while keeping children safe.

We also believe the inclusion of Children, Young People, Carers, and other Stakeholders is fundamental, and we implement this strategy throughout our governance approach.

LEADERSHIP

All Compass services are represented at the overarching Operation Board which meets monthly to review the organisation's strategic approach and service development. The newly formed ESG committee is responsible for all ESG actions and meets quarterly. Leaders at all levels have a responsibility in ensuring that practice meets the expected standards and that continuous improvement in practice and action plans to improve practice are in place.

A performance management framework is in place for Leaders at all levels with a clear continuous learning loop for all activities.

POLICIES

Compass policies, procedures and processes are informed by regulation, best practice, and views of stakeholders. They are held on a central data base and websites and are available to those involved in the organisation.

MONITORING

A comprehensive audit program and framework has been implemented within the company to identify both good practice and where improvements are needed. This auditing framework also serves the purpose of assuring senior management of the quality of our work. Auditing is embedded in child supervision and used in a way that supports professional development, learning, reflection and ultimately provides a 360 loop of continuous improvement.

The following processes are used within and alongside audits:

- Regulation 35 Report
- Annual Fostering Data Set
- Monthly Audit Reports
- Regional Management Meetings
- Performance Development Reviews
- Senior Leadership Meetings
- Operational Boards
- Governance and Safeguarding Board
- Ofsted Inspection Analysis or CIW inspection

Where a service has been identified as having shortfalls there is a process in place to provide additional monitoring and support to enable that service to deliver good outcomes to our key stakeholders.

compass COMMUNITY
Children's Services

Working in partnership with:

SUSTAINABLE ADVANTAGE
An intelligent approach to energy, waste & sustainability

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