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# OUR PURPOSE



## OUR PURPOSE

**At DIRT, our vision is to bring dynamic spaces to life through sustainable construction that enables the working, learning and healing experience of the people who use them.**

### LETTER FROM OUR CEO – KEVIN O'MEARA

Our organization was founded on the concept of harnessing technology and the power of creativity to deliver a superior construction process that generates less waste than conventional construction. Today, we are guided by the principles of resiliency, relevancy and respect for individuals and the environment. We are steadfast in our belief that a curated industrialized construction process not only minimizes waste and inefficiencies caused by conventional building, but also enhances the functionality and longevity of shared spaces.

We also believe in continuous improvement. That's why we have committed to formalizing our sustainability efforts to include measuring and documenting our current performance, analyzing where we can improve and holding ourselves accountable to progressive goals. Completing our first Environmental, Social, Governance (ESG) report is a step towards demonstrating our ongoing deep dedication to achieving meaningful and valuable sustainable practices and benchmarks. Every decision we make about our people, our products and our processes is intentionally measured for impact and legacy.





### **Our People**

In late 2018, we began enhancing our culture to focus on keeping our people safe. In 2020, this enhanced cultural focus delivered a ten-fold improvement in our total recordable incident frequency, demonstrating that prioritizing the health and well-being of our employees is non-negotiable at DIRT. This improvement is a remarkable accomplishment, but we know that safety is a journey we will never complete. It's a commitment we renew each and every day.

### **Our Products**

In our manufacturing operations, we reduced the waste emanating from our plants in two ways. First, by strengthening our processes to reduce product deficiencies, we reduced scrap material generated by reworking non-conforming components and the transportation required to get replacements to the job site. We also lessened waste by improving our MDF material yield by over 4% by implementing a variety of Lean Manufacturing techniques.

### **Our Processes**

In 2020 and continuing into early 2021, as part of our commitment to board renewal, we welcomed four new individuals as company directors, further diversifying the board's expertise and oversight and providing fresh perspectives on our business as we move forward. Also in 2021, our Board amended the charter of our Nominating and Governance Committee to give it specific oversight authority over corporate responsibility and sustainability, including environmental, social and other public issues of significance to the Company and its stakeholders. We will relentlessly pursue continuous improvement and as such are declaring our intention to update our ESG report annually and to use the resulting analysis to steward our decisions and drive our ongoing progress.

At DIRT, everything starts and finishes with our people. On behalf of the board and our senior leadership team, I want to recognize the tremendous contribution of our employees who bring their heart, their keen intelligence and deep industry experience to work daily. Their inexorable passion for better buildings and building better is the engine that propels DIRT consistently forward.

**Kevin O'Meara**  
President and Chief Executive Officer

## RESPONSE TO COVID-19

When the pandemic hit, DIRTТ established a Business Continuity and Response Committee to develop robust, company-wide guidelines intended to minimize the risk of exposure to, and spreading of, COVID-19. This included limiting access to plants and offices, providing personal protective equipment for all employees and clients required to visit any DIRTТ site, establishing protocols for reporting and contact tracing, increased cleaning requirements, physical distancing regulations and work from home guidelines.

We established a Safety Champions Committee that is responsible for ensuring employees and visitors coming into our spaces are briefed on the COVID-19 protocols and guidelines. An electronic workspace reservation system remains in place to ensure employees are distanced from each other when onsite.

Recognizing the tremendous toll that the pandemic has had, we have also provided resources to support the mental health of our employees.

## WHO WE ARE

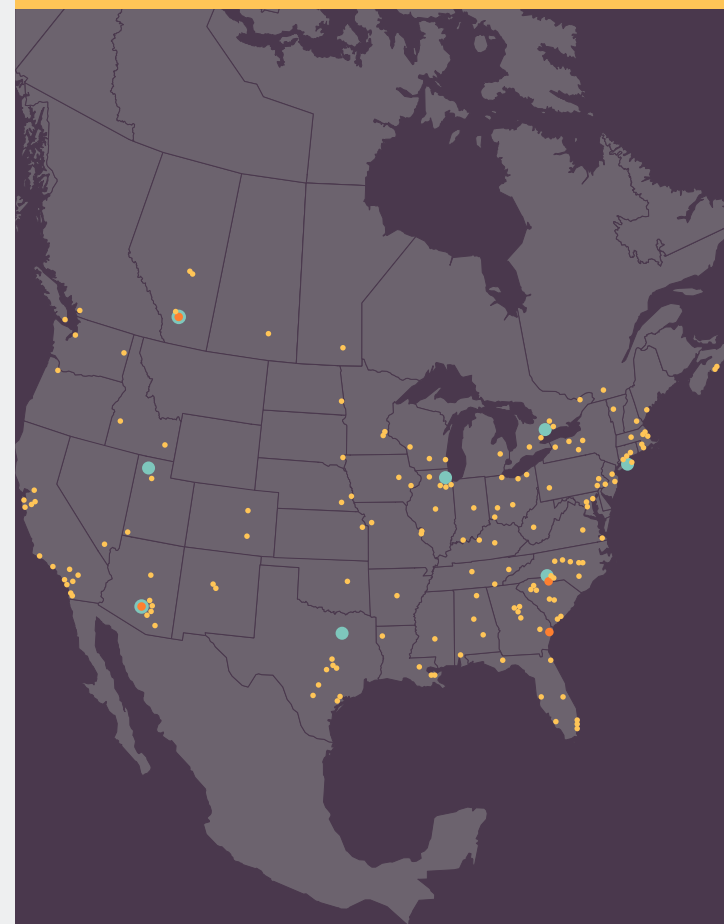
DIRTT Environmental Solutions Ltd. (DIRTT) is a leading technology-driven manufacturer of highly customized interiors used primarily in commercial spaces across a wide range of industries and businesses. We combine innovative product

design with our industry-leading, proprietary ICE® software ("ICE" or "ICE Software") and vertically-integrated manufacturing to create dynamic spaces with the aesthetics of conventional construction, but with greater schedule and cost certainty, shorter lead times, greater future flexibility and better environmental sustainability than conventional construction. DIRTТ works with distribution partners throughout North America.

Headquartered in Calgary, AB Canada, we have manufacturing facilities located in Phoenix, AZ, Savannah, GA and Calgary, AB. Our wall surfaces (which we call panels), millwork and timber solutions are manufactured in Calgary, while aluminum, glass and power components are manufactured at all three locations. With over 550,000 square feet of manufacturing space, in 2020 we generated \$171.5 million in total revenue.

In 2021, we anticipate opening an additional facility in Rock Hill, South Carolina, which will provide approximately 130,000 additional square feet of manufacturing space and will produce wall surfaces. Through distributed manufacturing, we can shift production of some components among our manufacturing sites, reduce transportation times and costs, and meet targeted lead times.

**DIRTT trades on Nasdaq under the symbol "DRTT" and on the Toronto Stock Exchange under the symbol "DRT".**



- Regional Partner
- DIRTТ Experience Center
- DIRTТ Factory



## Our Mission

To bring dynamic spaces to life through sustainable construction and leading technology, empowering the world to flourish.

## Our Vision

Revolutionize the way people work, heal and learn by making dynamic, sustainable spaces the only choice.

## Our Values

- Safety – for the whole person
- Do the right thing, always
- Leave it better than we found it
- Always ask “what if” and “why”
- Have fun and give a sh\*t
- Safety – it’s so important we said it twice
- Crush it every day
- Grow through diversity
- Deliver the “WOW”
- Passionately pursue our mission



## 2020 HIGHLIGHTS



### Safety

10-fold improvement in safety record



### Diversity and Inclusion

41% of new hires in 2020 identified as female



### Material Efficiency

Improved MDF material efficiency by 4%



### Community

DIRTT Gives raised over \$50,000 in our Annual Holiday Giving Campaign

## SUSTAINABILITY COMMITMENT

At DIRT, we are revolutionizing the interior construction industry by considering sustainability at every stage of the business. From our solution design and material selection to installation and beyond, sustainable behaviors are built into our decisions and processes. Every innovation works with what came before it. Everything can be disassembled and reconfigured. And every job we are on helps reduce the wastefulness in the construction industry. We help our clients have the customized sustainable space they need that will adapt with them over time.

### Framework

We have considered several standards and best practices in developing this report. We used both GRI Sustainability Reporting Standards (GRI Standards) and Sustainability Accounting Standards Board (SASB) to guide the development of this report. The report includes disclosures

relevant to our material topics, as defined through our materiality assessment. DIRT will continue to evaluate sustainability reporting standards for future sustainability reports.

### Scope Of This Report

All dollar amounts are expressed in U.S. currency. References to “we,” “our,” “us,” “the Company” and “DIRT” mean DIRT Environmental Solutions Ltd and its wholly owned subsidiary. Unless otherwise noted: (i) all information in this report is presented as at, and for the year ended, December 31, 2020, and (ii) the data and analysis relates to DIRT and not its Distribution Partners, suppliers or clients.

### Report Assurance

The Sustainability Report at DIRT is managed by the Sustainability and Investor Relations Teams and comprised of a Sustainability Working Committee. This committee is composed of

individuals from across the business to provide a diverse perspective on DIRT’s efforts on ESG topics. The Sustainability Working Committee follows a content gathering and approval process to ensure the report accurately reflects our practices and performance. We strive to collect accurate and verifiable data in a consistent and rigorous manner. DIRT uses a variety of data collection and management processes in the context of sustainability management and reporting. Our sustainability initiatives, including the contents of this report, are overseen by our Nominating and Governance Committee on behalf of our Board of Directors and this report was reviewed by our Board of Directors.

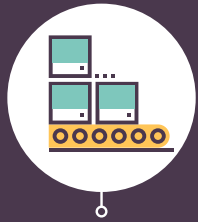
# Sustainability isn't an option, it's a standard to Build Better.





## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

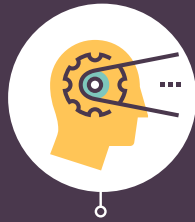
DIRTT supports the United Nations Sustainable Development Goals (SDGs) and shares the view that businesses have a key role to play in achieving these goals. The SDGs define global development priorities for 2030. We recognize DIRTT's business activities can have both a positive and a negative impact on the SDGs. Through our initiatives and activities, our work aligns with and impacts all 17 goals. DIRTT's prioritized areas of SDGs are below.



### Materials and Suppliers

10 12

- Source materials with sustainability attributes to reduce material sourcing impacts
- Support local by sourcing over 90% of materials from within North America



### Operations

03 04 09 10 12 13

- Provide extended benefits for full-time employees and offer numerous wellness incentive programs
- Create healthy and safe work environments for employees
- Support young students in career development through our summer student positions
- Promote employee learning through internal training programs
- Employ extensive waste reduction programs throughout our operations.
- Educate employees on the importance of sustainability
- Innovate continuously within product development for new solutions



### Shipment

13

- Utilize a distributed manufacturing method to reduce environmental impacts from shipping



### Installation

09

- Support quick, clean and sustainable construction through pre-fabricated solutions



### Product end of life

12 13

- Support changing needs with adaptability of solutions, while reducing waste and new raw material demand
- Enable materials to be disassembled and individually managed at end of life

## UN Sustainable Development Goals (SDGs)

03

Good Health and Well-being

04

Quality Education

09

Industry, Innovation & Infrastructure

10

Reduced Inequalities

12

Responsible Consumption & Protection

13

Climate Action

## MATERIALITY ASSESSMENT

In 2021, we conducted our first formal materiality assessment to help determine the content of this report and inform our future sustainability work. To live up to our values, we incorporated stakeholder perspectives in the process. The assessment combined guidance from the GRI Standards and the SASB Standards and was completed in three stages: topic identification, prioritization and validation.

### Topic Identification

To identify topics for prioritization, we extracted topics from peer reports, consulted the GRI Standards and the SASB Standards for reporting and reviewed reporting best practices.

### Prioritization

We held two workshops with internal subject matter experts and senior leaders from across the Company. During the workshop, an external consultant facilitated the discussion and the prioritization of a list of 30 ESG topics relevant to DIRT. The group discussed each topic and agreed to its relative priority level. To complete the prioritization, the consultant surveyed external stakeholders to collect qualitative feedback.

**The external survey included individuals from the following groups:**



#### 1. Investors

Current Investors  
Targeted Investors



#### 2. DIRT's People

Management  
Manufacturing  
Product Solutions  
Administrative



#### 3. External Stakeholders

Community Members  
Government  
Customers  
Regulators  
NGOs



#### 4. DIRT's Associates

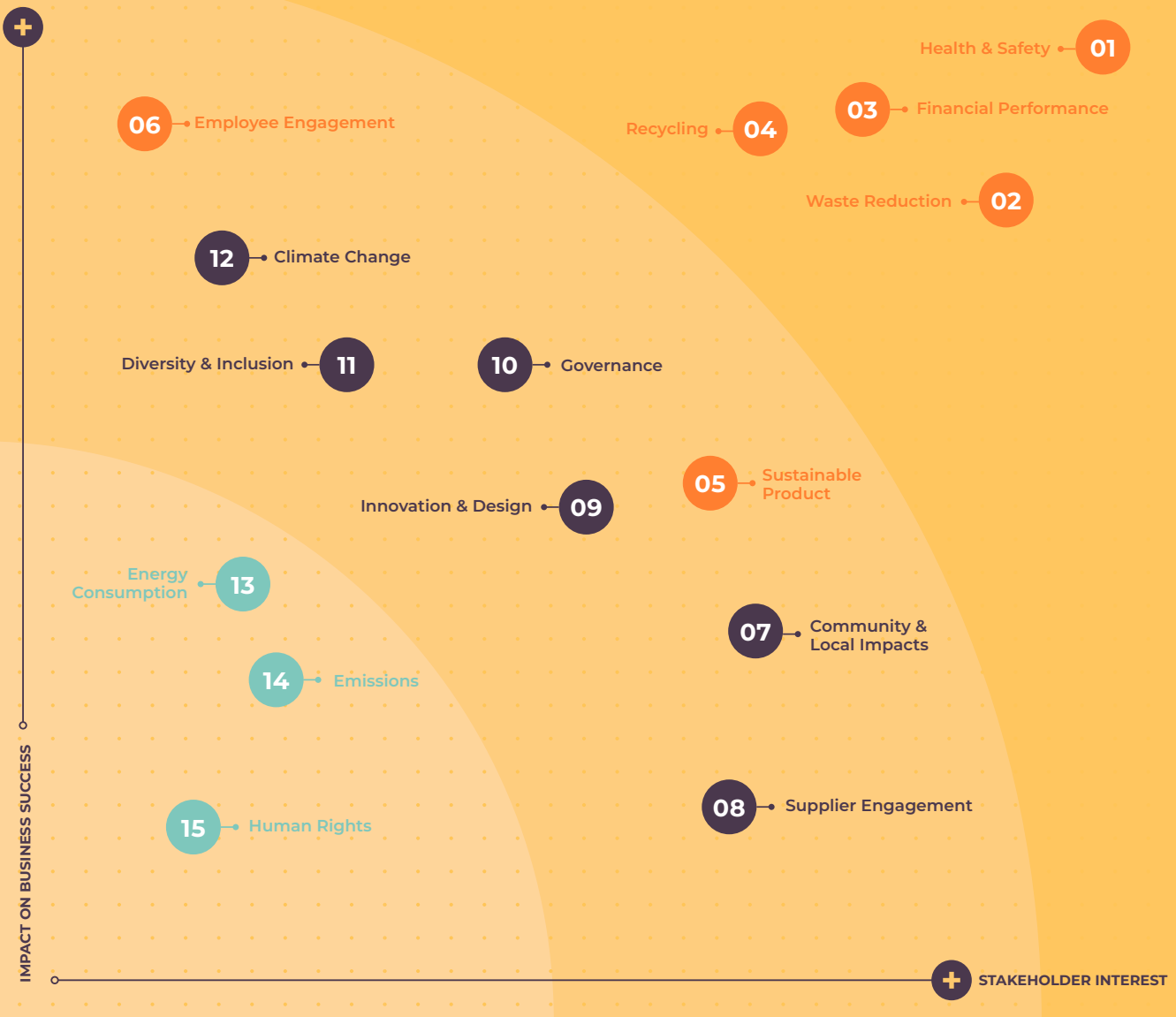
Distribution Partners  
Suppliers



### Validation

The prioritized topics covered in this report were approved by our executive team in March 2021. We will reassess these topics on an annual basis along with changes to our business, evolving ESG trends and expectations from our stakeholders. The outcomes from the materiality assessment will guide the evolution of our sustainability strategy in the coming years. It will ultimately help us focus on the issues and opportunities where we can have the greatest positive impact. With the goal of focusing on what matters most, this report explores the identified material topics in the three pillars (our people, our products and our processes) that emerged from this assessment.





### Results

Our material topics are those ESG topics that can have a high impact on the success of our business and are of high interest to our stakeholders. Our materiality matrix shows these topics prioritized relative to each other. The topics in the top right corner are considered most material and we provide more content on these topics than others in this report. For topics that reflect stakeholder expectations and concerns, we continue to provide discussion of our related initiatives and, in some cases, quantitative performance metrics.

- DIRTT High Priority Issues
- DIRTT Moderate Priority Issues
- DIRTT Issues To Be Monitored



## DIRTT ESG COMMITMENTS

### Our People

- Zero occupational illnesses or injuries, as measured by TRIF, by 2023
- Administer employee engagement Pulse Surveys annually
- Formalize a Diversity & Inclusion Statement in 2021 and over the next three years, increase diversity within the workforce

### Our Products

- Lean Six Sigma Certification: By end of 2022, Lean Manufacturing training for 100% of manufacturing employees, targets set for each of yellow, green and black belt certification
- Achieve Overall Equipment Effectiveness (OEE) in one-piece flow aluminum production of 60% by end of 2021
- Completion of energy audit in 2021 and developing energy reduction goals within the next two years
- Set waste reduction targets in our 2021 ESG Report

### Our Process

- Update our ESG Report annually







**OUR  
PEOPLE**

## OUR PEOPLE

**Success is driven by our people and we strive to provide a safe, happy and healthy working environment for all our colleagues, where everyone is treated equally and with respect, so that same culture will translate into the communities in which we operate.**

### HEALTH AND SAFETY

At DIRT, our people are our most important asset. DIRT is committed to engaging and developing our team so that they are successful in a safe and healthy workplace. DIRT believes setting a goal of zero occupational illnesses or injuries by 2023, as measured by Total Recordable Injury Frequency (TRIF), is not only attainable, but also necessary. We aim to empower our employees with the tools and skills to return home safe, every day. Our safety plan includes developing health and safety leaders and training all employees throughout our Company to ensure we are all working towards zero occupational illnesses or injuries.





**We have made significant strides towards our 2023 goal over the last three years and obtained Certificate of Recognition (COR) certification in 2020 for our Calgary facility.**

In 2021, we will be pursuing OSHA Voluntary Protection Program (VPP) in our Phoenix facility. Our employees are an integral part of achieving zero occupational illnesses or injuries. We start team meetings with a safety moment and encourage ongoing training and conversations around safety. This helps employees better identify and resolve potential risks before they become an issue.

Year	TRIF
2018	10.5
2019	4.9
2020	0.5





# We are dedicated to improving our health and safety performance going forward by focusing on six key priorities before 2023.



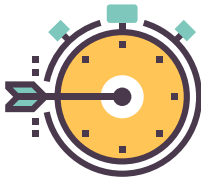
## **Leadership Commitment**

Leaders need to have the knowledge, skills and ability to visibly demonstrate health and safety leadership and influence others to take tangible steps to work safely.



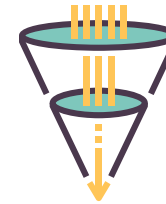
## **Measures and Metrics**

We have leading health and safety metrics that provide insights for prevention and are weighted equally with other corporate measures and metrics.



## **Contractor Alignment**

Our suppliers and service providers need to share our health and safety focus and should be held accountable for their performance



## **Organizational Effectiveness**

We are organized so that health and safety concerns are raised to the appropriate level within the Company and effectively evaluated, controlled and monitored.



## **Health and Safety Management System**

Every employee and contractor at DIRT should understand how health and safety fits together within our corporate policies, processes and programs.



## **Organizational Learning**

Lifelong learning is valued at DIRT and meaningful information is captured and available for immediate use for future work. Key learnings are applied to prevent the re-occurrence of unplanned events.



**EMPLOYEE EQUALITY AND WELL-BEING**

**A Great Place To Work**

DIRTT believes real change happens when companies connect people with their purpose and create cultures of innovation in the communities where we live and work. Our employee-focused approach promotes collaboration, innovation, and equal opportunities for all. In order to empower our people, we recognize that we need to invest in their growth, protect their well-being and safety, continue to build an inclusive workplace and demonstrate fair labour practices. DIRTT's talent vision is to be an employer of choice across North America. The strategic pillars driving our strategy toward this goal are:



Culture and Engagement



Diversity and Inclusion



Tools for Efficiency and Productivity



Growth and Development



Rewards and Recognition



## Culture and Engagement

### Talent Acquisition

We recognize that attracting and hiring the right people is crucial to achieving DIRT's strategic goals. DIRT is committed to hiring qualified, diverse and innovative individuals. Our 2020 hiring efforts were directed towards both our manufacturing and non-manufacturing functions. This reflects the build out of our commercial organization, accounting for 30% of our new hires, and operational improvements, accounting for 55% of our hiring activities.

### Incentive Programs

DIRT's culture is based on camaraderie and community. Our employees are essential to DIRT's success, which is why we go above and beyond to provide programs that keep people safe, healthy and happy. DIRT offers the following incentives and programs centered around employee well-being:

#### *Greens Café*

Hot lunches provided daily at reasonable cost with vegetarian options to ensure everyone is energized for work. During COVID, Green's has been observing all necessary safety protocols.

#### *Onsite fitness centers*

Free onsite gyms, including three weekly yoga classes, in Calgary, Savannah and Phoenix for use by all employees. During COVID, the gyms have been closed, but virtual yoga classes are available.

#### *Personal protective equipment reimbursement*

Manufacturing-based employees may expense \$100 per year for any required Personal Protective Equipment (PPE) not supplied by the Company and employees with jobs that require plant visits may expense up to \$150 every five years to purchase PPE.

#### *Thursday Night Lounge Nights*

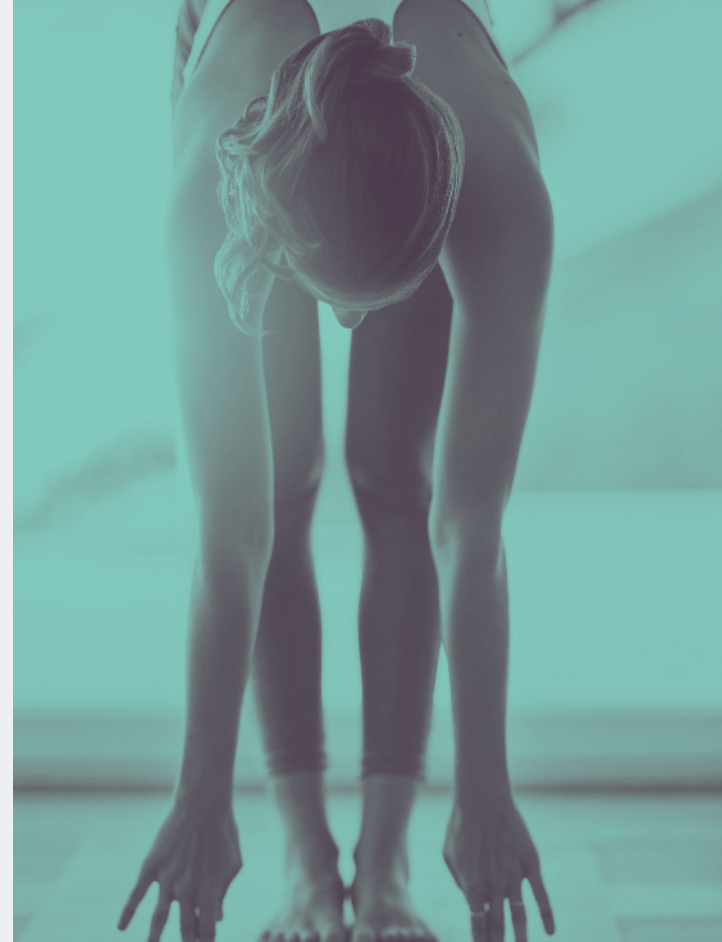
Weekly events to meet new co-workers, make new connections and socialize. During the pandemic, this has moved to an online platform.

#### *Rewards and recognition*

Employees are recognized for their tenure and commitment to the organization with a DIRT inscribed trophy and monetary award to celebrate milestone years.

### Pulse Surveys

In the second quarter of 2020, we deployed company-wide engagement surveys focused on core themes of meaningful work, supportive management, positive work environment, growth opportunity, trust in leadership and mental health awareness. Targeted initiatives were put in place to assess the progression of themes from the survey on overall employee engagement and experience. Results from the Pulse Survey administered in the fourth quarter of 2020 indicated a 4% improvement in employee engagement resulting from initiatives taken throughout 2020. We are committed to administering Pulse Surveys annually, allowing us to continuously gather information that contributes to meaningful and relevant adjustments to our work environment.





## Diversity and Inclusion

We recognize the importance of diversity and inclusion at DIRT. In 2019, DIRT began the journey of establishing a company-wide Diversity and Inclusion (D&I) program that is sustainable and acts as a foundation to support future endeavors and scale D&I efforts. Our approach is multi-faceted and involves:

- Discovery to develop the definition of what D&I means for DIRT and where our baseline is today
- Planning through input from diverse voices in the organization to develop and roll out programs that address the needs that surfaced through discovery
- Building an inclusive environment by employing various elements to create awareness and change in the organization over time

**Over the next three years, DIRT's goal is to increase diversity within the workforce, spanning all three sections outlined above. Here is our three-year plan to achieve our diversity and inclusion goals.**

### Education and awareness

The executive team has aligned on the importance and return on investment of D&I. D&I has been embedded into communications through townhalls and leadership emails. For greater awareness, DIRT will be launching an anonymous, voluntary survey to better understand the diversity of the employee population.

### Training and development

The executive team has completed unconscious bias and inclusive leadership workshops. In the next three years, micro-learning on various D&I topics will be rolled out to managers, supervisors and employees throughout the Company.

### Develop resources

DIRT is creating a pilot calendar of important dates related to diversity and a communication plan to provide awareness on those key dates.

### Launch employee focus groups

DIRT will be facilitating D&I focus groups across the organization to gain a sense of where we are, where we want to go and how we want to define D&I.

### Establish D&I council

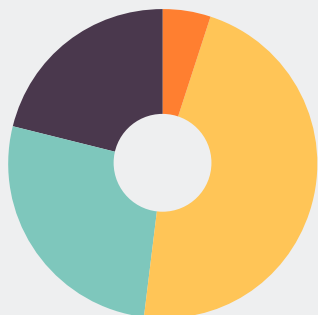
DIRT is working towards establishing and launching a D&I Council, including defining accountabilities and guidelines for the Council, a DIRT D&I charter and a roadmap of initiatives.

### Review or develop policy and procedures

Policies have evolved to ensure gender-neutral language. In 2021, DIRT will formalize a Diversity & Inclusion Statement

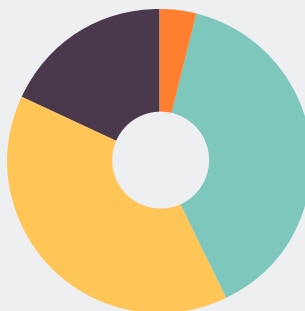


The following charts illustrate DIRT's diversity among its employees:



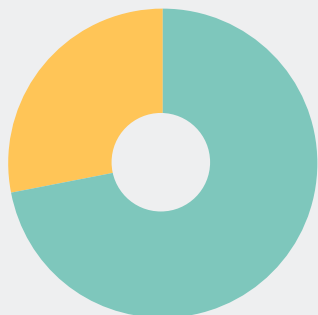
**Employee Population by Tenure**

- 0-5 Years of Service - 53%
- 5-9 Years of Service - 27%
- 10-14 Years of Service - 17%
- 15+ Years of Service - 3%



**Employee Population by Generation**

- Generation Z (18 - 24) - 4%
- Generation Y (25 - 40) - 41%
- Generation X (41 - 56) - 39%
- Baby Boomers (57 - 75) - 17%



**Employee Population by Gender**

- Male - 72%
- Female - 28%



**New Hires by Gender 2020**

- Male - 59%
- Female - 41%



### Tools for Efficiency and Productivity

DIRTT has developed a strong internal communication plan coupled with easily accessible policies and guidelines for staff's productivity and compliance, which include:

- The DIRT Code of Conduct
- Code of Ethics
- DIRT Integrity Program
- Insider Trading Policy
- Disclosure Compliance Policy
- Respectful Workplace Policy
- Quality Policy
- Drug and Alcohol Policy
- Vacation Policy
- Expense Reimbursement Policy
- Maternity Parental Leave Policy



Growth and Development

Every employee at DIRTТ plays a role in the development of our business. We only succeed when all employees feel invested in, engaged with and work towards a common goal. Talent development initiatives that are currently in place at DIRTТ include the following:

Onboarding

Career development starts on day one. We currently have a variety of supports in place to ensure new employees, partners and board members have the foundation and knowledge for success, including: 1) DIRTТ experience, a four-day immersive training program; 2) Kanban boards, our online tool for new hire training; 3) a team buddy system; 4) onboarding surveys at 30, 60 and 90 days.

DIRTT Talks

DIRTT Talks is an annual performance evaluation and professional development discussion between employees and their leaders. It helps our employees shape and grow their professional careers by creating an opportunity for employees and leaders to communicate about performance and development on a regular basis. This helps employees succeed, grow and strengthen their skill set.

DIRTT U

Our online learning management platform offers employees ongoing training opportunities, from project management to design courses and everything in between. This platform is also used to communicate new policies to employees to ensure everyone is on the same page.

Organizational Effectiveness

We host talent development workshops on an as-needed basis, aimed at improving team effectiveness, organizational design and team alignment.

Succession planning

By assessing existing talent capabilities and potential, DIRTТ can respond quickly to change and carry the business strategy forward. In 2021, we will conduct succession planning workshops in targeted areas of the Company.

Rewards and Recognition

DIRTT recognizes that each employee comes to work to earn a living and support themselves, their families and their extended community. We strive to provide a competitive compensation and benefits package, not only in the form of base salary, but also short-term and long-term incentives, including:

DIRTT’s Long-term Incentive Plan and DIRTТ’s Employee Share Purchase Plan

Opportunities for equity and share ownership in the Company to align interests of employees with those of shareholders.

DIRTT’s Variable Pay Plan

Annual variable compensation based on a combination of achieving team objectives and financial targets for the Company.

DIRTT’s Plant Incentive Plan

Quarterly bonuses for plant employees based on targets related to safety, quality, delivery, inventory and productivity.

Benefits

All full-time salaried and hourly, office and plant employees located in Canada and the U.S. are eligible for medical, dental, vision, travel and life insurance benefits.

EAP

Employee assistance program, which offers all employees a range of flexible and confidential counselling options.





## COMMUNITY AND LOCAL IMPACTS

**DIRTT believes we have the opportunity and responsibility to help build a better future. Through community engagement, we help spark change and propel progress for generations ahead.**

As part of our strong culture to give back, we are improving our DIRTT Gives Corporate Social Responsibility program to ensure we support all communities in which we operate and provide value driven community support. Here's where we are going:



Organization-wide involvement for all locations and staff types



Initiatives that cater to different demographics and causes



Creation of a diverse and inclusive community engagement committee with different points of view



Establishment of a hub where employees can view current opportunities and log their volunteer time



Tangible metrics for the success of our initiatives and employee satisfaction

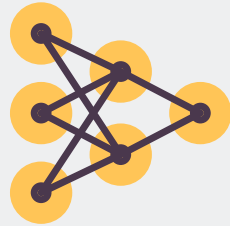


## Charitable Pillars

We have identified four charitable pillars on which to focus our efforts that align with DIRT's core values. We have established committees for each of the following pillars that will be responsible for exploring opportunities for volunteering and partnerships:



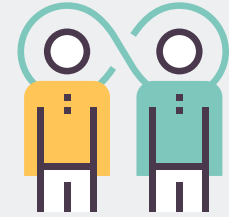
Health and Safety



Sustainability



Education



Community



### 2020 Holiday Giving Campaign

DIRT's largest campaign for 2020 was our Holiday Giving Campaign. DIRT and its employees came together to raise money for the food banks in Calgary, Dallas, Phoenix and Savannah, ultimately raising over \$50,000. We did this through various virtual activities that included, but were not limited to, a concert, a silent auction, and a balloon pop. We hosted an event for the President and CEO of the Calgary Food Bank, James McAra, to speak about how food insecurity is a reality for many and has only been further exacerbated by the global pandemic. Our donations were able to feed many of those in need and their families in the areas where DIRT works and lives.



# OUR PRODUCTS

A modern office interior with a woman walking and holding a tablet, and two men on a mezzanine level. The scene is bathed in a warm yellow light, and the floor is covered in geometric shadows. Three teal circles are on the right side.



## OUR PRODUCTS

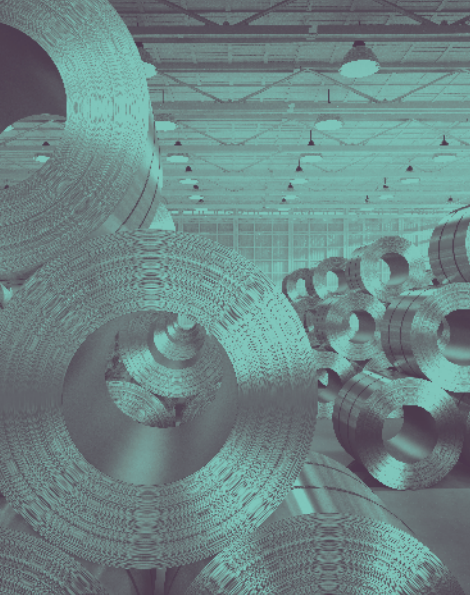
**DIRTT recognizes environmental sustainability is imperative. We believe that understanding our environmental footprint goes hand-in-hand with our strategic priority to operate efficiently and endeavor to manage our impact as we grow.**

As a manufacturer, it is essential for DIRTT to closely track the impacts we are having on the planet and understand how we can minimize them. We regularly review our waste streams to ensure that, whenever possible, materials are diverted from the landfill. Additionally, when possible we develop local upcycling programs for those items that cannot be traditionally recycled. We recognize that proper disposal of materials is important, but preventing waste from the start should always be the priority. As such, we work closely with suppliers to eliminate unnecessary packaging materials and develop circular reuse programs.

SUSTAINABLE PRODUCT

Materials

DIRTT sources materials that benefit the planet, including recycled cotton-denim insulation, no-VOC (volatile organic compound) Chromacoat paint, water-borne finishes, Forest Stewardship Council® (FSC-C006900) wood products and materials with high-recycled content. Sustainable materials contribute to improved indoor air quality, a safer manufacturing environment and allow us to offer solutions free of formaldehyde and PVC. SCS Indoor Advantage Gold certified assemblies confirm low emissions. The following materials used in DIRTT assemblies contain recycled content:



26+%

Aluminum

Phoenix plant uses aluminum with 26% recycled content. Savannah plant uses aluminum with 65% recycled content.

80+%

Insulation

Contains 80% post-consumer recycled content and 66% bio-based content or 100% pre-consumer recycled content and 91% bio-based content, depending on the plant

92%

NAF MDF

Contains 92% pre-consumer recycled content

100%

Solid door core

Contains 100% pre-consumer recycled content

As an innovative company, we are continually exploring new materials to improve our DIRTT Solutions.



### Life Cycle Assessment (LCA)

In 2014, DIRT initiated the creation of the Product Category Rule for Demountable Walls and was the first within our industry to complete a full LCA. In 2018, we updated our LCA and Environmental Product Declarations (EPD) to reflect improvements made throughout our operations and business that showed reduced environmental impact.

Between 2014 and 2018, we saw significant reduction in impacts which can largely be attributed to improvements, such as an increase in recycled content in aluminum at our Calgary\* and Phoenix plants, the introduction of no-VOC Chromacoat paint formula and changing our lighting to LED lights.

\*Recycled content in use at the time of the LCA

**Our commitment to selecting healthy and sustainable materials ensures that we support requirements for sustainable material use and healthy interior spaces as defined by Green Building Rating Systems (GBRS). We contribute to rating systems such as LEED, WELL, Living Building Challenge and Practice Greenhealth.**

### Impact Category Improvements from 2014 to 2018

As determined by our Life Cycle Assessment and Environmental Product Declarations



**81%**

Human health air average **improvement**



**46%**

Waste production average **reduction**



**12%**

MJ energy average **reduction**



**25%**

Global warming potential average **reduction**



INNOVATION AND DESIGN

Product Development

From the beginning, sustainability has been a core pillar at DIRT and that includes our product designs. DIRT Solutions are Designed for Disassembly (DfD). This is key to allowing for a maximized life cycle, adaptability and flexibility in the majority of our solutions. Aluminum frames can be separated and reconfigured. Panels can be removed, refinished and replaced. Entire solutions can be reconfigured to provide a new space without the waste and environmental impacts of conventional construction. At the end of life, DfD means materials can be separated and individually managed.

Our Product Development Team often uses biophilic design concepts when exploring new solutions. Taking ideas and patterns from nature allows for more flexible and sustainable solutions, while also moving us towards a more circular economy. Recognizing the environmental impacts of materials is a key consideration in product development.

Responsible Technology

DIRT's ICE® Software empowers real-time decision-making during design. Our ICE® Software allows us to sell, design, visualize (including 3D virtual reality modeling of interiors), configure, price, communicate,

engineer, order and manage projects, thereby reducing challenges associated with traditional construction, including cost overruns, change orders, inconsistent quality, delays and material waste. Once finalized, our software sends all the manufacturing information to our plant where the entire interior space is manufactured in 21 days or less.

Our ICE® Software empowers real-time decision-making during design which eliminates the need for large-scale mockups, saving time, money and materials, while also reducing waste. Individuals can join a virtual experience from anywhere, helping reduce travel demands, while still bringing teams together. Our distribution partners use ICE® to work with end users to envision and design their spaces, with orders electronically routed through ICE® to our manufacturing facilities for production, packing and shipping. Our distribution partners then coordinate receipt and installation of our interior solutions at the end users' locations.



## OPERATIONAL EXCELLENCE

### Quality Management System (QMS)

In 2020, we formalized and improved our QMS. The objective of the QMS is to ensure customers receive exactly what they ordered and to reduce scrap material generated by reworking non-conforming components and the transportation required to get replacements to the job site.

DIRTT's Quality Team is led by a Master Black Belt who is supported by a team of quality professionals with extensive manufacturing and supply chain quality experience across multiple industries. They are trained in Lean tools, including Green Belt, 5S and Problem-Solving Methodologies. They have training in ISO 9001:2015 ranging from General Requirements to ISO 9000:2015 Lead Auditor certifications.

### Quality Control Reports and Metrics

DIRTT's QMS embodies a metrics-driven approach to continuous improvement. Our continuous improvement approach makes quality concerns visible and ensures that issues are systematically resolved through root cause analysis and other Lean problem-solving tools. The metrics used to measure and evaluate DIRTT's quality performance include supplier quality and both internal and external quality metrics. Our quality metrics and objectives are communicated through all levels of the organization so all employees can help improve quality and deliver customer satisfaction.

### Quality Certifications

Several of DIRTT's products are certified by accredited third party agencies to ensure compliance with the standards to which they were evaluated.

- The DIRTT Power Department in Calgary is ISO 9001:2015 Certified
- Solid Walls have been evaluated in accordance with ICC-ES-AC04 and are certified by Intertek and ICC-ES for use in the U.S.
- Raised flooring has been evaluated in accordance with ICC-ES-AC151 and is certified by Intertek for use in the U.S.
- All electrical components have been evaluated for safety by UL and CSA for compliance with the requirements of NFPA 70 (NEC) and the CEC
- Many of our components and assemblies have been tested to establish structural, acoustical or flammability performance



## Lean Manufacturing

DIRTT implemented the Building Lean Program (BLP) in late 2020. The BLP serves to empower employees from production to executives to take steps towards continuous improvement. DIRTT knows that to build better, we need to build Lean. As part of the BLP, the Building Lean Competition was announced and initiated in one of our Calgary plants, to be fully implemented Companywide by the end of 2021. The competition focuses on the best improvements made in each plant, which not only validates employee effort, but also scores on criteria that include safety, environmental consideration, quality and more. Some of the improvements from production staff included digitization of the method by which we tracked MDF savings, better storage of packaging resulting in less waste and so many more. DIRTT's Operational Excellence team dedicated to encouraging a culture of continuous improvement where people feel empowered to share ideas. This includes formal training in Lean Manufacturing processes and achieving Lean Six Sigma certifications at various levels including, yellow belt, green belt, black belt and master black belt. At the end of 2020:

- 88% employees had participated in DIRTT's Lean 101 training
- 16% operators and leaders had received their Yellow Belt Lean training
- 3% individuals had received their Green Belt Lean training
- DIRTT's VP of Canada and DIRTT's Quality Manager were in training for Lean Black Belt for 2021 certification

## Lean belt training targets to be achieved by 2022

-  **Black Belt**  
2% Plant Managers
-  **Green Belt**  
80-100% Supervisors; 20% Potential Leaders
-  **Yellow Belt**  
35% Employees and Potential Leaders
-  **Lean 101**  
100% Employees





**One-Piece Flow**

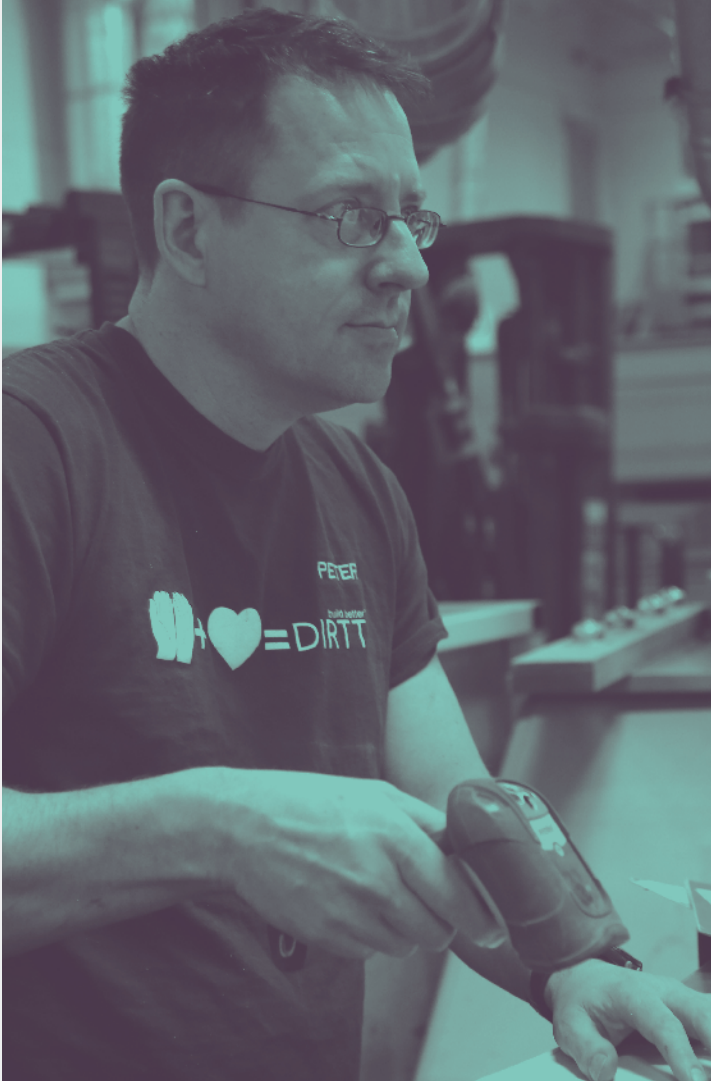
Throughout 2020, we began transitioning our aluminum plants to one-piece flow to streamline our production process and reduce wasted movement by our employees. One-piece flow allows us to better schedule production based on customer demand and respond to last minute changes by customers.

To measure our performance in one-piece flow, we tracked Availability, which accounts for unplanned and planned stops. An Availability score of 100% means the process is always running during Planned Production Time. In 2020, DIRT T had a goal to achieve an Availability score of 75%. We came up just short at 73% by the end of 2020. In 2021, we are committed to shift from tracking Availability to measuring Overall Equipment Effectiveness (OEE). OEE is calculated based on Availability, Performance and Quality. DIRT T is working towards a daily OEE of 60% by the end of 2021.

**By implementing Lean Principles throughout our operations, DIRT T is establishing a safer work environment, improving the quality of our solutions and creating more efficient facilities.**

**SQDIP Boards**

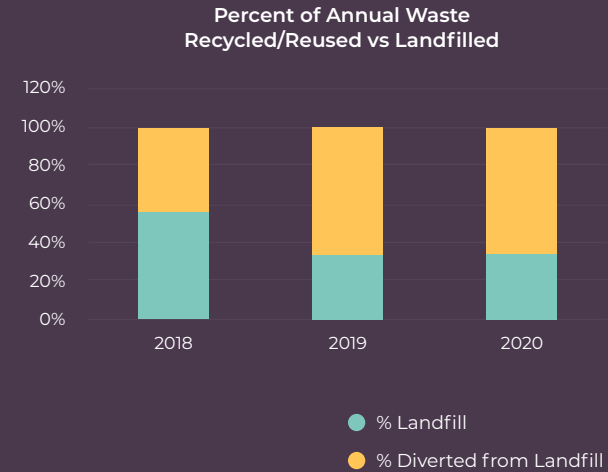
SQDIP (Safety, Quality, Delivery, Inventory, and Productivity) boards installed throughout our operations allow us to continuously monitor the performance of our machines and lines versus our target performance levels. Daily monitoring of each of the metrics on the SQDIP boards enables our Operations Excellence Team to identify and prioritize needs for improvement. Shortfalls versus target performance are tracked on pareto charts, which are used to drive root cause analysis and corrective actions that result in sustained performance improvement.



WASTE AND ENVIRONMENT MANAGEMENT

Waste Diversion

As a custom manufacturer, we recognize that we will always have some waste. However, we work diligently to reduce waste production and responsibly manage what we do generate. We aim to use packaging materials that are reusable or recyclable. We have extensive recycling programs throughout our facilities to divert materials from the landfill. Our employees are trained from day one on the colour-coded bin system and how to properly dispose of the materials being handled in their area. Materials like cardboard, plastic, paper and wood are rarely seen in the garbage at our DIRT facilities (unless contaminated).



With materials that are not conventionally recyclable, we work with the vendors to eliminate at the source. Our vendors understand DIRT’s commitment to sustainability and share many of the same values. We then try to find creative solutions to manage waste materials, such as local donations. Many people within the community can repurpose materials for at-home projects and school programs. Throughout 2020 we donated the following estimated amounts:

2,500+ sqft

of MDF offcuts donated to Fuse33 a Calgary-based makers' space

16 skids

of fabric donated to local Calgary organizations, including Women in Need Society and Fuse33

1,500+ lbs

of timber offcuts donated to local individuals

3 bags

of gently used safety glasses donated to the Calgary Drop-in Center

As part of our sustainability efforts, we are committed to setting waste reduction targets in our 2021 ESG Report.



Waste Reduction Initiatives

Circular dunnage program

In 2020, DIRT's Sustainability Team worked with our vendors to repurpose dunnage (material used to load and secure cargo during transportation) that arrives with MDF orders. Dunnage is stacked on a pallet and sent back to our supplier with their driver after a drop-off. Through this program, we were able to avoid 20 tons of usable dunnage from being recycled. This saves costs on disposal for DIRT and reduces raw material demand for our vendors.

Material efficiency efforts

Our diligent tracking efforts for waste have allowed us to identify our largest contributors, MDF being one of them. Through 2020, DIRT explored various opportunities for improving our MDF efficiency. In our woodshop, we changed from single nesting to two-bin nesting in October 2020. This change provides greater flexibility to select different raw MDF board sizes in order to maximize material yield. To maximize the impact of two-bin nesting, we have designated and specially trained team members responsible for programming the nesting equipment. Through this effort, we have been able to improve our material yield by over 4% since September 2020. Throughout 2021, we will continue to track and report on our progress and, in the near term, we will be expanding similar efforts into our millwork facility.

Energy

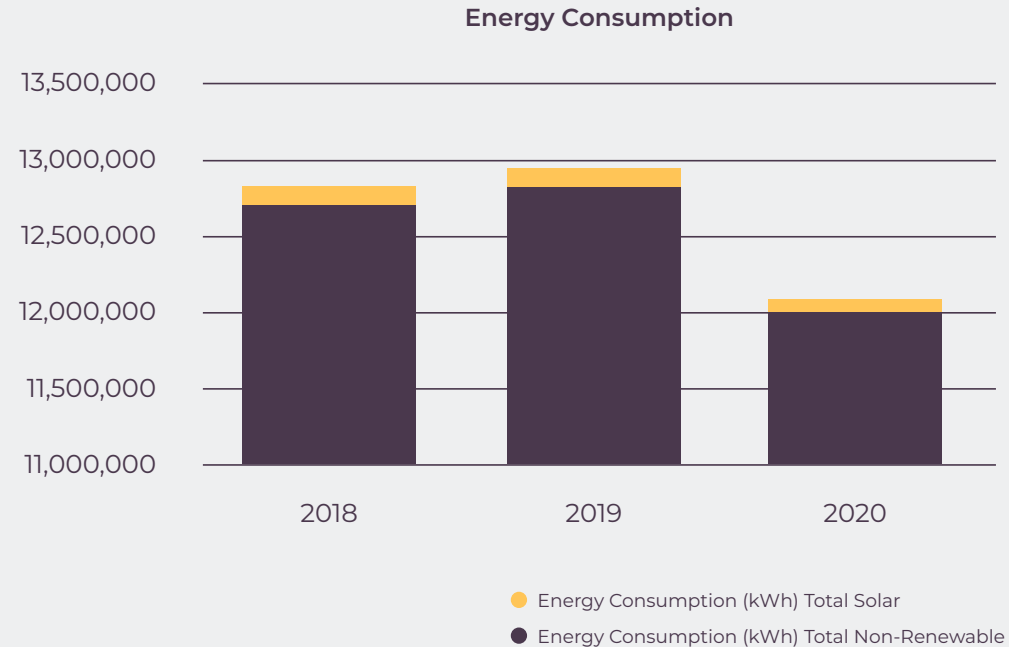
Alternative energy

DIRT has invested in alternative energy at our Phoenix and Calgary facilities to help offset our energy use. Solar power generated on-site makes up 2% of DIRT HQ's energy consumption per year and 6% of Phoenix's energy consumption per year. By supplementing our energy generation with solar arrays, we offset 50 tons of CO2e that would have otherwise been emitted through conventional energy generation.

Plant efficiencies

DIRT's manufacturing plants use LED lighting and sensor lighting, wherever possible. Additionally, to further improve our energy efficiency, strategies such as variable frequency drives are used on plant machinery to minimize energy surges.

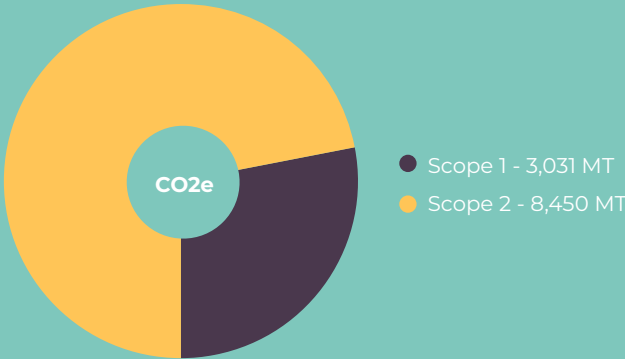
DIRT is committed to completing an energy audit in 2021 and developing energy reduction goals within the next 2 years.





**Carbon Footprint**

Our carbon footprint measures the total amount of greenhouse gasses (GHG) associated with our business. This includes our direct and indirect emissions. We compare our carbon footprint year-over-year to monitor changes and identify improvement strategies. We measure our scope 1 (natural gas, vehicle fleet and propane) and scope 2 (electricity use) emissions for carbon dioxide (CO2), methane (CH4) and nitrous oxide (N2O) with final emissions being reported as carbon dioxide equivalent (CO2e). When calculating our carbon footprint, we use tools by the Green House Gas Protocol and the most recently available national inventory data. We verify data annually to ensure we get the most accurate measure of our emission values and grid information. We aim to consistently improve our reporting methodology and evaluate opportunities to lower our impact.



**Reduction Efforts**

**For Earth Day 2020, working with the Canopy Project through the Earth Day network, DIRT T planted enough trees to sequester the equivalent emissions from trucks in transit that week.**



**Packaging**

Our sustainability mindset extends to the jobsite by utilizing recyclable and reusable packaging materials, primarily cardboard and plastic, that contain high-recycled content whenever possible. Nearly all packaging materials used can be recycled through mainstream recycling programs. This helps keep jobsites clean and reduces the overall impact of our solutions.

*Plastic wrap*

DIRTT's Sustainability and Procurement Teams work closely together to source packaging materials that contain recycled content. With the changes in the recycling market over the last several years and the struggle with recycling plastic, DIRTT opted to change our plastic wrap on Chromacoat panels to a paper-based solution. Chromacoat panels accounted for approximately 72% of the panels produced by DIRTT in 2020. In 2021, we are implementing a 100% recycled kraft paper option. This is one step forward in our efforts to reduce our impact on the environment and raw material demand. DIRTT is committed to reducing our use of plastic wrap.

*Cookie Return Program*

Cookies, which are used to protect aluminum frames during shipping, are returnable to DIRTT through our pre-paid return program, which rewards the installation teams with e-gift cards based on the volume returned. This year, over 37,000 cookies were diverted from the landfill and kept in use. For Plastic Free July 2020, DIRTT offered double the rewards for our Cookie Return Program.

*Pallet Return Program*

To reduce our waste from shipping, DIRTT began working with our Vancouver, BC partner to pilot a pallet return program. The program benefits both DIRTT and our partner by reducing costs of disposal and recycling services, reducing material demand, reducing spending on new pallets and establishing a more robust system for encouraging circularity with our partners and in our operations. Skids are piggybacked on existing freight transport to reduce any additional emissions. Over 80 skids were returned and reused in 2020 through this program. Throughout 2021, we intend to strategically expand this program to other partners that are located close to a DIRTT facility.







# OUR PROCESSES



## OUR PROCESSES

**DIRTT has the governance frameworks to ensure transparency, objectivity and fairness in the management and operations of our Company to earn our stakeholders' trust everywhere we operate.**

### GOVERNANCE AND ETHICAL BUSINESS PRACTICES

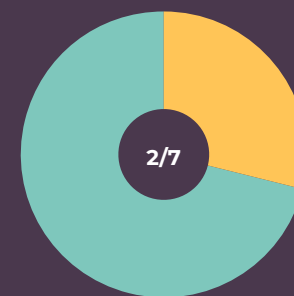
DIRTT's business is managed by executive officers, under the oversight of an independent board of directors. The board's responsibilities are supported by three standing committees, each of which is comprised entirely of independent directors (*current Board Mandate*).

As part of its oversight responsibility, the board oversees our strategic planning process and helps ensure that management creates a culture of integrity. Our board is comprised of directors who are independent of management, except for the President & Chief Executive Officer (CEO).

## Board Structure

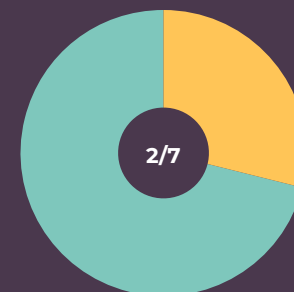
Our board has established an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. Our board may, from time to time, establish other committees to facilitate the oversight of our business. The Nominating and Governance Committee has oversight responsibilities in relation to corporate responsibility and sustainability, including environmental, social and other public issues of significance to the Company and its stakeholders. The responsibilities of each of the standing board committees are set out in their associated Charters.

- *Audit Committee Charter*
- *Compensation Committee Charter*
- *Nominating and Governance Committee Charter*



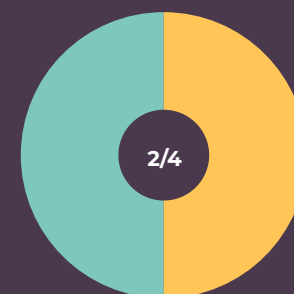
Directors identify as female

● Male ● Female



Executive officers identify as female

● Male ● Female



Board leadership positions identify as female

● Male ● Female

## Senior Leadership

The President & CEO is the most senior member of the leadership team responsible for the Company's sustainability strategy. Alongside members of the executive team, he is responsible for making major managerial decisions on operations and resource management and for setting the strategic direction for DIRT on a variety of matters, including sustainable development. The President & CEO is also a member of the board and reports to the board on DIRT's sustainability performance on a regular basis with support from the executive team.

Sustainability risks are evaluated, prioritized and managed by the leadership team, and these risks and corresponding mitigating actions are reported to various board committees and/or the board on a regular basis. The board committees and the board provide the leadership team with feedback regarding the Company's risk management processes.

## Sustainability Policies

DIRT's Code of Conduct and Code of Ethics (collectively, the "Code") encourage and promote a culture of ethical and responsible business conduct. The Codes are applicable to directors, officers, employees and contractors of the Company and addresses, among other things, safety, discrimination and harassment, fair business dealings, conflicts of interest, protection and proper use of Company information and assets, compliance with applicable laws, rules and regulations, timely and accurate disclosure, and the reporting of illegal or unethical behavior.

Any violations of the Code are required to be reported in accordance with the procedures set forth therein and in the Company's Integrity Policy (i.e. whistleblower policy). The Integrity Policy also promotes the disclosure and reporting of questionable auditing, accounting or financial matters, actual or potential violations of applicable laws, rules or regulations, and any allegations of misconduct or fraud involving senior management.

The Company has also established several policies and practices to deal in greater detail with the matters set out in the Code. For example, the Company's Health & Safety Policy outlines our commitment to establishing and maintaining a safe workplace and our expectation that everyone

is responsible for their own health and safety (including physical, psychological and social well-being), as well as that of their co-workers. We are focused on continuous improvement in our health and safety programs, procedures and practices to ensure their effectiveness. We monitor and report on our progress towards health and safety goals and we investigate any incidents and take the appropriate corrective steps.

Our Respectful Workplace Policy outlines our commitment to a professional and collegial work environment, where everyone is treated fairly and with respect and dignity. Harassment, violence or discrimination of any kind is not tolerated. We provide resources and support to anyone who is affected by an incident of harassment or violence and promptly investigate any complaints and take the appropriate corrective steps.





## Supply Chain

Our supply chain is an essential component of our business and is responsible for ensuring all materials meet quality and sustainability requirements and are on hand in sufficient quantities to meet manufacturing timelines.

DIRTT's Supply Chain Policy Statement outlines how we assess risk and opportunities associated with sourcing and procuring materials for our operations. We aim to work with suppliers that share the same values when it comes to responsible sourcing, the environment, health and safety, human rights and product quality. Scorecards are created for suppliers within critical categories to measure performance, including several safety and environmental metrics to ensure suppliers are keeping employees safe and working towards reducing their environmental impacts. 100% of suppliers that have had ESG metrics assessed on their scorecard have some level of sustainability program, from encouraging employees to behave in a responsible manner to reducing waste from operations.

To strengthen our supplier partnerships, DIRTT is negotiating master purchase agreements with at least 30 key suppliers by the end of 2021.

All Supply Chain team members are aware of DIRTT's Supply Chain Policy Statement which helps ensure we secure suppliers that align with our values. Buyers are trained on Category Management & Strategic Sourcing best practices and each material category has a dedicated Buyer and a dedicated back-up Buyer. This ensures we have subject matter experts for each category to ensure high efficiency and effectiveness.

**Over 90%, by cost, of materials sourced by DIRTT are from North American-based vendors.**

DIRTT does not source materials with conflict minerals. We also aim to avoid products that contain red-list chemicals (as defined by the International Living Future Institute). When new materials are being considered for testing in the DIRTT solution, both the Health & Safety and Sustainability Teams vet the material for red-list chemicals, VOCs or other harmful substances that may pose a risk to our employees and customers. When required, the Health & Safety Team works with production to ensure the appropriate Safe Work Practices are developed. We also aim to ensure new materials will continue to meet requirements for DIRTT's SCS Indoor Advantage Gold certificates.



## FINANCIAL PERFORMANCE

Amidst today's extraordinary market challenges, we believe DIRT is well-positioned to succeed due to its comprehensive strategic plan, financial strength, capital discipline, efficient manufacturing process, and commitment to sustainability and innovation.



Over 15 years of experience  
building interiors



Over 7,800 customers  
worldwide



Worked with over 30%  
of the Fortune 500



Over \$1 billion of  
interiors shipped



800+ healthcare  
projects completed



Over 1,000 employees  
across North America

## GRI AND SASB DISCLOSURE INDEX

This Report on Sustainability has been prepared in accordance with:

- the Core option of the Global Reporting Initiative (GRI) Standards. This index describes:
  - which GRI Standards and material topics have been covered in this report
  - where to find additional information in this report, other public disclosures, or omissions
  - standards that have been externally assured
- the Sustainability Accounting Standards Board (SASB) as the most relevant to long-term value creation for the industry we operate in. We value disclosure as a foundational activity for investor engagement and support efforts which seek to drive consistency and comparability of sustainability performance data. Due to the integrated nature of our business, we've elected to refer to several SASB standards including building products and furnishings. We'll continue to evaluate additional SASB metrics for potential disclosure in future reports. The disclosure index below contains information and additional links that relate to specific content within the 2020 Report on Sustainability and other annual disclosures published by DIRT, which supply useful information for gathering a full understanding of the Company.

SASB	GRI	Description	Response, link or additional information
	102.1	Name of Organization	DIRTT Environmental Solution Ltd.
	102.2	Activities, brands, products and services	Who We Are (p. 6) DIRTT 2020 Annual Report - <b>here</b>
	102.3	Location of headquarters	Who We Are (p. 6)
	102.4	Locations of operations	Who We Are (p. 6)
	102.5	Ownership and legal form	Alberta corporation publicly listed on the TSX and Nasdaq and widely held. March 2021 Information Circular - <b>here</b>



SASB	GRI	Description	Response, link or additional information
	102.6	Markets served	DIRTT 2020 Annual Report - <a href="#">here</a>
	102.7	Scale of the organization	DIRTT 2020 Annual Report - <a href="#">here</a>
	102.8	Information on employees and other workers	Diversity and Inclusion (p. 19)
	102.9	Supply chain	DIRTT 2020 Annual Report - <a href="#">here</a>
	102.10	Significant changes to the organization and its supply chain	DIRTT 2020 Annual Report - <a href="#">here</a>
	102.11	Precautionary principle or approach	United Nations Sustainable Development Goals (SDGs) (P. 9)
	102.14	Statement from senior decision maker	Letter from our CEO – Kevin O'Meara (p. 4 & 5)
	102.15	Key impacts, risk and opportunities	DIRTT 2020 Annual Report - <a href="#">here</a>
	102.16	Values, principles, standards and norms of behaviour	Who We Are (p. 6) Tools for Efficiency & Productivity (p. 20)
	102.18	Governance structure	Our Processes (p. 37-39)
	102.19	Delegating authority	Senior Leadership (p. 39)

SASB	GRI	Description	Response, link or additional information
	102.20	Executive level responsibility for economic, environmental and social topics	Senior Leadership (p. 39)
	102.21	Consulting stakeholders on economic, environmental and social topics	Materiality Assessment (p. 10)
	102.22	Composition of the highest governance body and its committees	Board Structure (p. 38)
	102.23	Chair of the highest governance body	DIRTT 2020 Annual Report - <b>here</b>
	102.24	Nominating and selecting the highest governance body	Board Structure (p. 38)
	102.25	Conflicts of interest	Tools for Efficiency and Productivity (p. 20)
	102.26	Role of highest governance body in setting purpose values and strategy	Board Structure (p. 38)
	102.27	Collective knowledge of highest governance body	DIRTT 2020 Annual Report - <b>here</b>
	102.28	Evaluating the highest governance body's performance	Board Structure (p. 38)
	102.29	Identifying and managing economic, environmental and social impacts	Materiality Assessment (p. 10 & 11)

SASB	GRI	Description	Response, link or additional information
	102.31	Review of economic, environmental and social topics	Materiality Assessment (p. 10 & 11)
	102.32	Highest governance body's role in Sustainability Reporting	Board Structure (p. 38)
	102.33	Communicating critical concerns	Tools for Efficiency and Productivity (p. 20)
	102.34	Nominating and selecting the highest governance body	Board Structure (p. 38)
	102.35	Remuneration policies	2021 Proxy Statement - <b>here</b>
	102.36	Process for determining remuneration	2021 Proxy Statement - <b>here</b>
	102.37	Stakeholders involvement in remuneration	2021 Proxy Statement - <b>here</b>
	102.40	List of stakeholder groups	Materiality Assessment (p. 10 & 11)
	102.41	Collective bargaining agreements	DIRTT is not currently a party to any collective bargaining agreements.
	102.42	Identifying and selecting stakeholders	Materiality Assessment (p. 10 & 11)
	102.44	Key topics and concerns raised	Materiality Assessment (p. 10 & 11)



SASB	GRI	Description	Response, link or additional information
	102.46	Defining report content and topic Boundaries	Materiality Assessment (p. 10 & 11)
	102.47	List of material topics	Materiality Assessment (p. 10 & 11)
	102.50	Reporting period	January 1, 2020 - December 31, 2020
	102.51	Date of most recent report	This is DIRT's first ESG report
	102.52	Reporting cycle	Annual
	102.53	Contact point for questions regarding the report	GreenTeam@DIRTT.com
	102.54	Claims of reporting in accordance with the GRI Standards	Sustainability Commitment (p. 8)
	102.55	GRI content index	GRI Index (p. 42 - 56)
	103.1	Explanation of the material topic and its Boundary	Materiality Assessment (p. 10 & 11)

SASB	GRI	Description	Response, link or additional information
	201.1	Direct economic value generated and distributed	DIRTT 2020 Annual Report - <a href="#">here</a>
	201.4	Financial assistance received from government	2020/21 recipient of Canadian Emergency Wage Subsidy and Canadian Emergency Rent Subsidy due to impact of COVID-19
	203.1	Infrastructure investments and services supported	Community & Local Impacts (p. 22 & 23)
	203.2	Significant indirect economic impacts	Community & Local Impacts (p. 22 & 23)
	204.1	Proportion of spending on local suppliers	Supply Chain (p. 40)
	205.2	Communication and training about anti-corruption policies and procedures	All DIRTT employees are required to annually read, acknowledge and comply with DIRTT's Code of Conduct and Code of Ethics. These codes address anti-corrupt business practices. DIRTT's Codes are adopted by the Board of Directors and apply to all DIRTT employees (including temporary staff), directors and officers. They apply whenever individuals are working for DIRTT, regardless of the location.
	205.3	Confirmed incidents of corruption and actions taken	There have been no confirmed incidents of corruption.
	206.1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	There have been no legal actions for anti-competitive behaviour, anti-trust or monopoly practices.

SASB	GRI	Description	Response, link or additional information
CG-BF-430a.1	301.1	Materials used by weight or volume	Select key materials to report: <ul style="list-style-type: none"> <li>• MDF: 5,965 MT <ul style="list-style-type: none"> <li>- 4.5% of MDF was FSC mix credit certified</li> </ul> </li> <li>• Aluminum: 3,706 MT</li> <li>• Insulation: 104.5 MT</li> <li>• Glass: 922,600 sqft</li> </ul>
	301.2	Recycled input materials used	Sustainable Product - Materials (p. 26) See DIRT's EPDs for recycled content of 1sqm of wall assembly - <a href="#">here</a>
CG-BF-130a.1	302.1	Energy consumption within the organization	See Charts Appendix (p. 55)
	302.3	Energy intensity	See Charts Appendix (p. 55)
	302.4	Reduction of energy consumption	No major efforts were made in 2020 to significantly reduce our energy consumption.
	303.5	Water consumption in cubic metres* *No data available for Savannah	See Charts Appendix (p. 55)
	305.1	Direct (scope 1) GHG emissions	Carbon footprint (p. 34) See Charts Appendix (p. 55)
	305.2	Energy indirect (scope 2) GHG emissions	Carbon footprint (p. 34) See Charts Appendix (p. 55)
	305.4	GHG emissions intensity	See Charts Appendix (p. 55)

SASB	GRI	Description	Response, link or additional information
	305.5	Reduction of GHG emissions	Carbon footprint (p. 34)
CG-BF-410a.2	306.2	Waste by type and disposal method (measured in metric tons, MT)	See Charts Appendix (p. 56)
	306.3	Significant spills	There have been no significant spills during this reporting period.
	307.1	Non-compliance with environmental laws and regulations	DIRTT has not been fined for non-compliance.
	401.1	New employee hires and employee turnover	We monitor our retention by way of voluntary turnover, which was 14% in 2020.
	401.2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Rewards and Recognition (p. 21)
	401.3	Parental leave	DIRTT offers new mothers and fathers 26 weeks of shared maternity leave and paid time off through a combination of salary and disability payments. (*this applies for DIRTT's U.S. operations).
	403.1	Occupational health and safety management systems	DIRTT Environmental Solutions Health and Safety management system has successfully voluntarily gone through a successful external audit Certificate of Compliance (COR) to ensure regulatory compliance. DIRTT has a combination of Certified Safety Registered Professionals (CRSP-Canada) and Certified Safety Professionals (CSP-United States). DIRTT's Health and Safety programs are focused on continuous improvement. DIRTT utilizes an iterative process of enhancing the Health and Safety Management System to achieve improvements in the overall Occupational Health and Safety Performance.



SASB	GRI	Description	Response, link or additional information
CG-BF-250a.1	403.2 - 403.3	Hazard identification, risk assessment, and incident investigation Occupational health services	DIRTT strives to have a proactive safety program. Hazard Identifications are completed through formal and informal inspections (daily, weekly, Joint Health & Safety Committee, etc.), SQDIP (Safety, Quality, Delivery, Inventory, and Production) meetings, and audits. Employees are trained and encouraged to report all hazards, as well as near misses and incidents. All information is entered into our Incident Management System (IMS) data housing system where the reports are analyzed to identify trends as well as any corrective actions are completed. Supply Chain (page 27)
	403.4	Worker participation, consultation and communication on occupational health and safety	The Joint Health and Safety Committee (JHSC) is a group of worker and employer representatives working together to identify and solve health and safety concerns at the workplace. The Committee promotes awareness and interest in health and safety. JHSCs also promotes the three basic rights that all workers have in protecting their health and safety: the right to know, the right to participate and the right to refuse unsafe work. JHSC members develop and promote programs for education and information concerning health and safety. The JHSC are cochaired by an employee and a management position.
	403.5	Worker training on occupational health and safety	Employees are held to a high expectation regarding worker training on Occupational Health and Safety. All employees are trained in over 30 Safety Standards. Re-training is to take place every two years or as required. Examples of this are Job Hazard Analysis (JHA) which can walk an employee through identified hazards for a particular task and provide mitigations to reduce the risk. More than 30 Safe Work Practices (SWP) are shared, trained on and signed off. Finally, Standard Operating Procedures ensure we are doing things in accordance with what we should be doing, in a standardized fashion. Occupational Health and Safety training for the workforce is delivered by an online learning management system and/or facilitated training on all regulatory required training. This has been audited for compliance through our Health and Safety regulators.

SASB	GRI	Description	Response, link or additional information
	403.6	Promotion of worker health	DIRTT understands that a healthy worker is a productive worker, up to 15% more productive. In contrast, workers with health issues may miss work, perform below their potential or become a safety hazard. To maintain a healthy workforce, DIRTT takes several initiatives. Each day, DIRTT feeds its entire workforce with cafeteria prepared food. This fuels our workforces for demanding 12-hour shifts. Snack and drinks are readily available. DIRTT provides 4-on-and-4-off schedules for employees to maintain life balance. Prior to COVID-19, DIRTT supported an open gym with cardio and weight opportunities. A yoga class at office location 7403 was conducted twice weekly prior to work starting. In addition to yoga classes, food, work-life balance and an open gym 24 hours a day, DIRTT also supports “Fit you is back”, where we provide cash incentive to report employee exercise sessions. This incentive pays out \$400 per month in cash and prizes to lucky participants who have their names drawn.
	403.7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	DIRTT’s contractor management process mitigates negative occupational impacts directly linked to its operation by providing insight into the Health and Safety management systems of the contractors we may hire.
	403.8	Workers covered by an occupational health and safety management system	All employees at DIRTT are managed by the Health and Safety management system which is compliant with regulatory requirements. Contractors are required to meet or exceed DIRTT’s Health and Safety management system to execute work on DIRTT sites
	403.9	Work-related injuries	Safety - Near miss closure rate is 100%.
	403.10	Work related ill health	Worker participation comes in various methods at DIRTT. We do an employee-focused JHSC. In addition, DIRTT employees and their leaders meet daily, in SQDIP meetings, toolbox meetings or Gemba walks. Our employees participate in Kaizen Reports, where continuous improvement is the primary objective. Finally, employees at DIRTT are excellent volunteers with respect to meaningful participation, as evidenced by participation in the First Aid execution team.

SASB	GRI	Description	Response, link or additional information
	404.1	Average hours of training per year per employee	DIRTT's training period spans over three months, which covers corporate training and job specific training. In addition, all employees partake in an immersive 3-day DIRTT Experience training program. Additional hours for job specific training ranges based on position, team and individual.
	404.3	Percentage of employees receiving regular performance and career development reviews	DIRTT Talks were introduced in 2020 to provide regular communication around professional development between employees and leaders.
	405.1	Diversity of governance bodies and employees	Governance & Ethical Business Practices (p. 20 & 38)
	406.1	Incidents of discrimination and corrective actions taken	There have been no reported incidents of discrimination.
	408.1	Operations and suppliers at significant risk for incidents of child labour	DIRTT does not have any suppliers of concern as it relates to child labour or forced labour. In our master supplier agreements, we include the following, or a version of the following: "Seller shall respect internationally recognized human rights, including, but not limited to the International Bill of Human Rights. Seller's responsibility to respect human rights requires Seller to prevent their activities from causing or contributing to causing infractions on human rights of people influenced by their activity, to address its consequences when they occur and to try to prevent or mitigate infractions on human rights directly related to their operations, products or services provided by their own suppliers."
	409.1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	DIRTT does not have any suppliers of concern as it relates to child labour or forced labour. In our master supplier agreements, we include the following, or a version of the following: "Seller shall respect internationally recognized human rights, including, but not limited to the International Bill of Human Rights. Seller's responsibility to respect human rights requires Seller to prevent their activities from causing or contributing to causing infractions on human rights of people influenced by their activity, to address its consequences when they occur and to try to prevent or mitigate infractions on human rights directly related to their operations, products or services provided by their own suppliers."

SASB	GRI	Description	Response, link or additional information
	412.2	Employee training on human rights policies or procedures	Diversity and Inclusion (p. 19)
	413.1	Operations with local community engagement, impact assessments and development programs	Community & Local Impacts (p. 22 & 23)
	414.1	New suppliers that were screened using social criteria	Supply Chain (p. 40)
	414.2	Negative social impacts in the supply chain and actions taken	There have been no negative social impacts in the supply chain.
	415.1	Political contributions	There have been no political contributions
	416.1	Assessment of the health and safety impacts of products and services	Sustainable Product - Materials (p. 26)
	416.2	Incidents of non-compliance concerning the health and safety impacts of products and services	Health & Safety (p. 14 & 15)
	417.1	Requirements for products and service information and labeling	Products are labeled in compliance with TSCA Title VI.
	417.2	Incidents of non-compliance concerning products and service information and labeling	There are no incidents of non-compliance concerning products and service information and labeling.



SASB	GRI	Description	Response, link or additional information
	417.3	Incidents of non-compliance concerning marketing communications	There have been no incidents of non-compliance concerning marketing communications.
	418.1	Substantiated complaints concerning breaches of customer privacy and losses of consumer data	We have experienced cyber-based attacks, but to our knowledge, we have not experienced any material disruptions or breaches of our information technology systems or platforms.
	419.1	Non-compliance with laws and regulations in the social and economic area	There have been no incidents of non-compliance with laws and regulations in the social and economic area.
CG-BF-250a.2		Percent of eligible products meeting VOC emissions and content standards	All DIRT wall assemblies are certified through SCS Indoor Advantage Gold, meeting AN-SI/BIFMA e3-2019 (7.6.1) for Private Office & (7.6.2, 7.6.3) for open plan and private office workstation parameters. Assemblies also meet CDPH Standard Method v1.2-2017 (CA 01350).
CG-BF-410a.1		Efforts to manage product lifecycle impacts & meet demand for sustainable products	Life Cycle Assessment (pg. 18). Life Cycle Assessment was completed in accordance with ISO 14025 (ISO 14025, 2006), ISO 14040 (ISO 14040), ISO 14044 (ISO 14044, 2006), and ISO 21930 (ISO 21930, 2007). DIRT has 15 Product Specific type III Environmental Product Declarations.

## CHARTS APPENDIX

### 302.1 Energy consumption within the organization (kWh)

	Calgary (non-renewable)	Calgary (solar)	Phoenix (non-renewable)	Phoenix (solar)	Savannah (non-renewable)	Total
2018	10,239,659.00	14,366.00	1,285,760.00	93,840.00	1,337,700.00	12,971,355.00
2019	10,236,927.00	14,035.00	1,463,360.00	94,361.00	1,405,960.00	13,214,643.00
2020	9,501,587.00	14,190.00	1,559,040.00	93,350.00	1,198,640.00	12,366,807.00

### 302.3 Energy intensity

	kWh/\$ product revenue
2018	0.05
2019	0.05
2020	0.07

### 303.5 Water consumption in cubic meters\*

	Calgary	Phoenix
2018	13,972.00	4,677.00
2019	10,825.00	10,023.00
2020	10,301.00	9,372.00

\* Data currently not available for Phoenix DXC/Distribution Center buildings or Savannah plant.

### 305.1 Direct (scope 1) GHG emissions

	Scope 1 (tons CO2e)
2018	3,693
2019	3,341
2020	3,031

### 305.2 Energy indirect (scope 2) GHG emissions

	Scope 2 (tons CO2e)
2018	9,506
2019	9,458
2020	8,450

### 305.4 GHG emissions intensity

	Tons CO2e/\$ product revenue
2018	0.0000515
2019	0.0000570
2020	0.0000733

## CHARTS APPENDIX

### 306.2 Waste by type and disposal method in metric tons (MT)

Hazardous Waste	2018 (MT)	2019 (MT)	2020 (MT)
Recycled	0.18	0.25	0.17
Landfilled	4.97	1.40	5.88
Non-Hazardous Waste	2018 (MT)	2019 (MT)	2020 (MT)
Reused No data available	No data	No data	4.92
Recycled	3,035.08	4,152.24	2,937
Composted	38.19	41.96	28.19
Landfilled	3,891.84	2,096.75	1,581
Donations	No data	No data	30+ material donations