

DIRTT®

7303 30 ST SE  
CALGARY, AB T2C 1N6  
CANADA

T +1 800 605 6707  
HELLO@DIRTT.COM  
DIRTT.COM

# 2021 ESG REPORT



## As DIRTТ continues to evolve, we're excited to release our second annual ESG report.

We've continued to refine our ESG strategy and we're proud to announce progress in several areas, from powering our U.S. facilities with renewable energy to achieving another record year for health and safety.

Over the last year, people across the globe have continued to experience social, political, and environmental challenges. This further reinforces the importance of coming together as a community to focus on these issues.

Our employees truly drive success at DIRTТ. In 2021, we increased our focus on diversity and inclusion (D+I) releasing our formal D+I statement and launching a voluntary disclosure survey to provide better insight on our current baseline. We had another record year for health and safety, with a total recordable incident frequency rate 87% below the industry average. We're driven to provide a safer work environment for all our employees every day.

Since the beginning, sustainability has been a key part of DIRTТ's approach. By creating dynamic environments that respond quickly, we empower our clients with the agility they need to flourish in times of change. Moving forward, we continue to focus on creating spaces that support future flexibility. And with the global building area expected to double in the next 40 years, building with adaptability in mind has become an essential strategy to address the future of sustainable buildings.

As a manufacturer, we recognize the importance of monitoring and reducing our environmental impact. This supports a more sustainable industry and reduces the embodied carbon of our solutions. This year, we're proud to announce our first two company-wide sustainability goals. By 2025, we're committed to sourcing or producing renewable energy for all our manufacturing facilities and reducing our absolute waste production by 35% from our 2021 baseline. Efforts surrounding these goals will help reduce DIRTТ's overall environmental impact and are just the next step in our journey.

Looking ahead, we'll continue to refine our ESG strategy, set new goals, and propel ourselves forward. We know it won't always be a straightforward path and we understand we can't do this alone. Working with our peers and partners will be essential to creating a more sustainable industry and setting higher standards for interior spaces.

We're excited to share our progress from 2021 and are committed to continue developing solutions that empower design freedom, support sustainability goals, and create nurturing environments for the future.

Sincerely,

Katelyn Adley  
Sustainability Manager

# CONTENTS



---

## OUR PURPOSE

Who We Are	5
2021 Highlights	6
Sustainability Commitment	7
Framework	7
Scope of This Report	7
Report Assurance	7
Materiality Assessment	8
United Nations Sustainable Development Goals	9

---

## OUR PEOPLE

Goals	11
Health and Safety	12
Response to COVID	12
Employee Equity and Well-being	12
Culture and Engagement	13
Talent Acquisition	13
Incentive Programs	13
Pulse Surveys	13
Diversity and Inclusion	14
Community and Local Impacts	16

---

## OUR PRODUCTS

Materials	18
Green Building Rating Systems	19
Smart Buildings	20
Innovation and Design	21
Product Development	21

---

## OUR PLACES

Goals	23
Operations Excellence	24
Quality	24
Continuous Improvement	25
Lean Manufacturing	25
Production Metrics	25
Environmental Management	26
Waste Reduction	26
Creating Circularity	26
Climate Action	28
Carbon Footprint	28
Energy	31
Earth Day 2021	32

---

## OUR PROCESSES

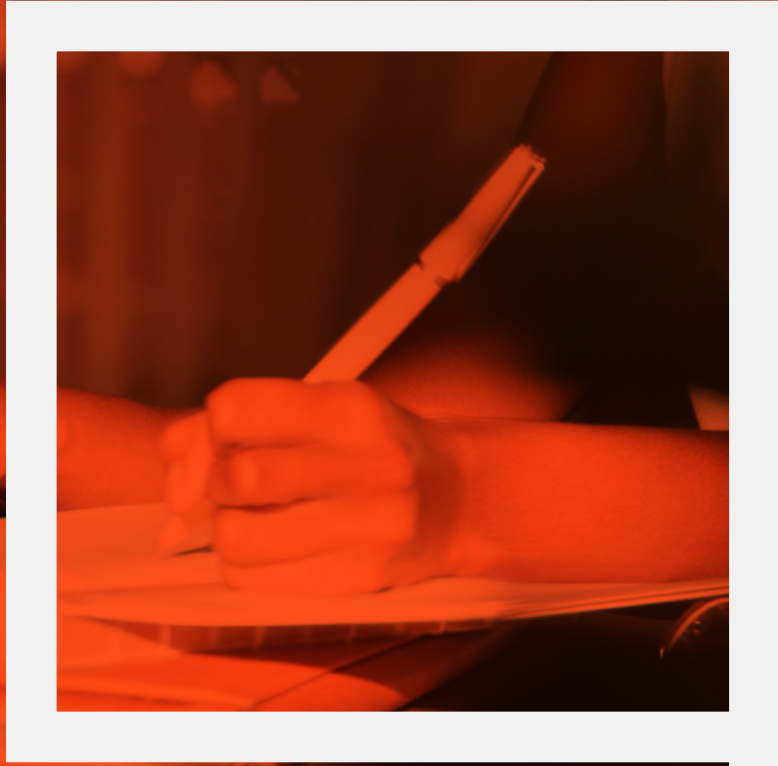
Goals	34
Governance and Ethical	
Business Practices	35
Board Structure	35
Policies	36
Supply Chain	37

---

## APPENDIX 39



# OUR PURPOSE





## WHO WE ARE

# DIRTT is a global leader in industrialized construction.

**Our purpose is to empower people with resilient and agile environments that flourish in times of change. We do this by continuously innovating our products and processes so clients can realize their vision.**

Our system of physical products and digital tools empowers organizations, together with construction and design leaders, to build high-performing, adaptable, interior environments. Operating in the workplace, healthcare, education, and public sector markets, DIRTT's system provides total design freedom and greater certainty in cost, schedule, and outcomes.

Founded in 2004, and headquartered in Canada, DIRTT trades on Nasdaq under the symbol "DIRTT" and on the Toronto Stock Exchange under the symbol "DRT".

In February 2022, DIRTT announced the decision to close our Phoenix facility and shift our manufacturing capacity to our Savannah, Rock Hill and Calgary facilities.



## DIRTT Headquarters

- Calgary, Alberta, Canada



## DIRTT Experience Centers

- Calgary, Alberta, Canada
- Chicago, Illinois, United States
- Dallas, Texas, United States
- New York, New York, United States



## DIRTT Manufacturing Facilities

- Calgary, Alberta, Canada
- Savannah, Georgia, United States
- Rock Hill, North Carolina, United States

900+  
Employees

70+  
Partners

345  
Patents

Worked  
with

over  
30%  
of the  
Fortune 500

Shipped over  
**\$1.5 billion**  
of solutions

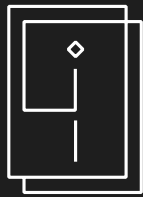
More than  
**13,000**  
clients worldwide

Approximately  
**700,000**  
square feet of manufacturing space

In 2021, we generated  
**\$147.6 million**  
in total revenue

\*All information in this report is presented as at, and for the year ended, December 31, 2021.

# 2021 HIGHLIGHTS



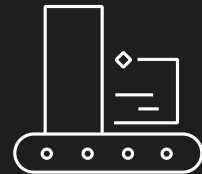
## SAFETY

DIRTT recertified our Certificate of Recognition (COR) for Canadian operations.



## SAFETY

Total recordable incident frequency (TRIF) was 0.5, 87% below the Bureau of Labor Statistics industry average of 3.9.



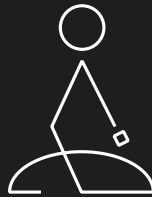
## ENERGY

We completed our first energy audit for all our Calgary factories.



## ENERGY

We purchased renewable energy credits for 100% of our U.S. factory energy consumption.



## PEOPLE

DIRTT issued our first diversity and inclusion pulse survey to collect baseline data.



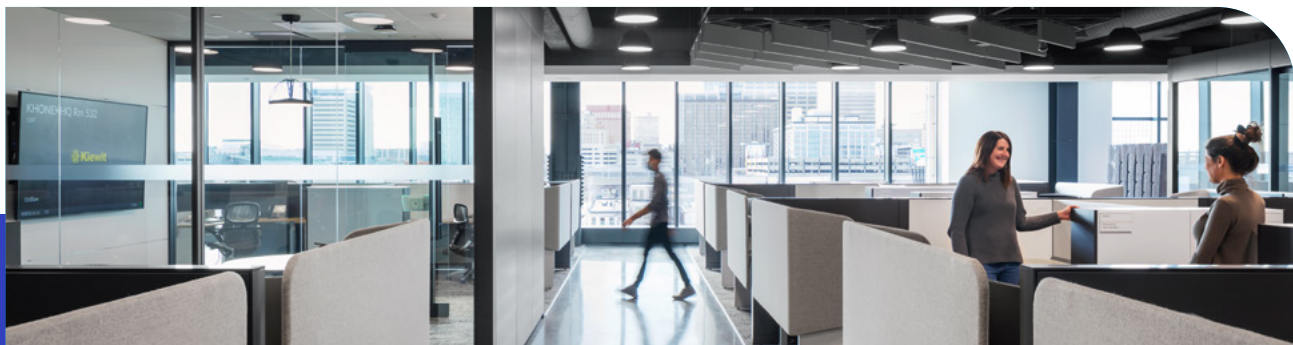
## PEOPLE

DIRTT's COVID-19 response plan kept us operational and safe as we started reintegration.



## SUSTAINABILITY COMMITMENT

At DIRTТ, we are part of an evolving construction industry where sustainability must be considered at every stage. We minimize the environmental impact of interior construction through careful material selection and efficient operations. Looking ahead, our system is designed for future adaptability and long product lifecycles. We support our client's sustainability goals today, while preserving their investment for years to come.



### FRAMEWORK

We have considered several standards and best practices in developing this report. We used both Global Reporting Industry (GRI) sustainability reporting standards and Sustainability Accounting Standards Board (SASB) to guide its development. The report includes disclosures relevant to our material topics, as defined through our materiality assessment. DIRTТ will continue to evaluate sustainability reporting standards for future reports.

### SCOPE OF THIS REPORT

All dollar amounts are expressed in U.S. currency. References to “we,” “our,” “us,” “the Company,” and “DIRTТ” means DIRTТ Environmental Solutions 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, 2021, and (ii) the data and analysis relates to DIRTТ and not its Construction Partners, suppliers, or clients.

### REPORT ASSURANCE

The Sustainability Report at DIRTТ is managed by the Sustainability team and comprised of an ESG working committee. Composed of individuals from across the business, the committee provides a diverse perspective on DIRTТ's efforts on ESG topics. The ESG working committee meets regularly to set new goals and review progress on existing goals. The 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. DIRTТ 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 enterprise risk management committee on behalf of our board of directors and this report was reviewed by our board of directors.

# MATERIALITY ASSESSMENT



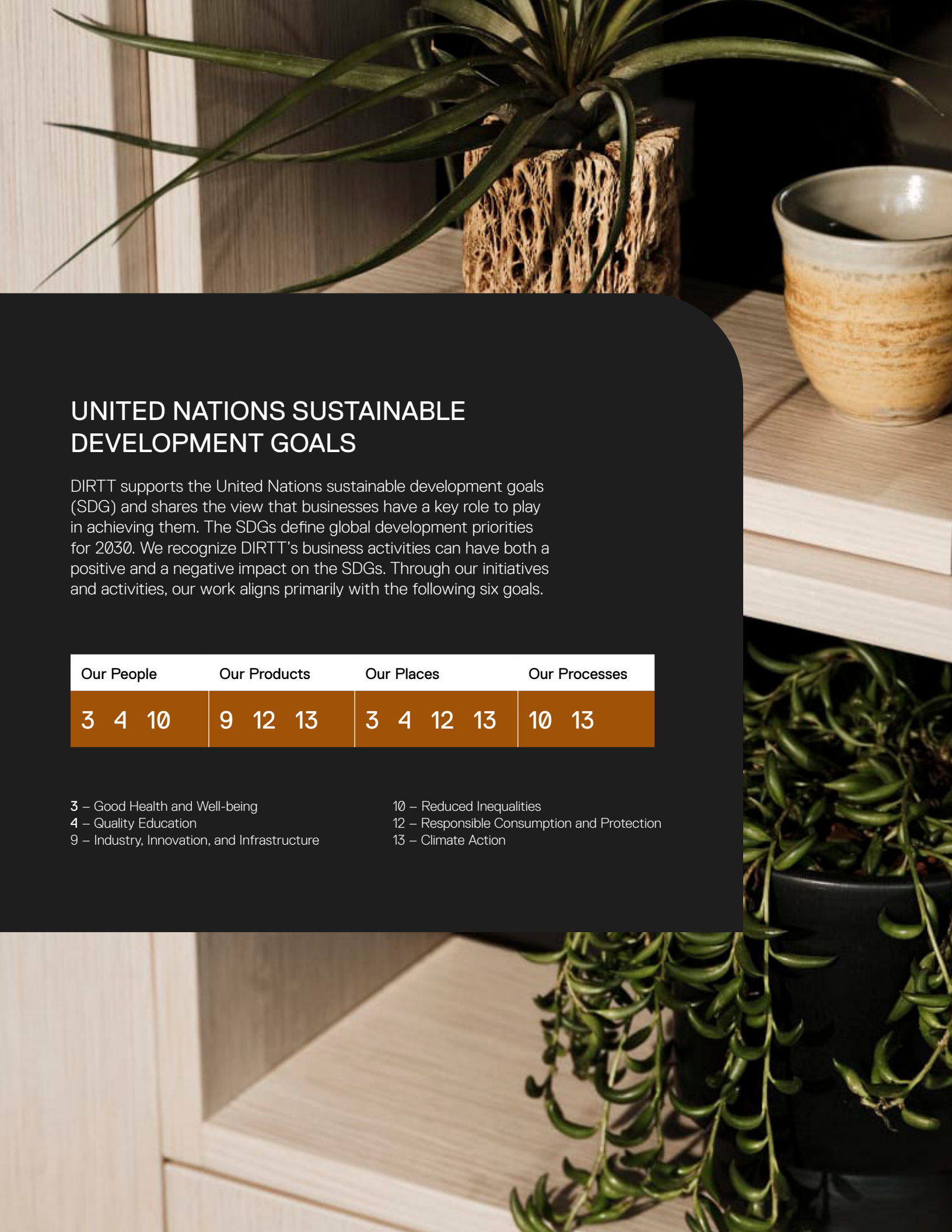
Our 2021 materiality assessment led by Deloitte provided significant insight on what our key stakeholders are focused on.

The outcomes helped us focus on the issues and opportunities where we can have the greatest positive impact. They also guided the evolution of our sustainability strategy. We'll reassess these topics on an annual basis along with changes to our business, evolving ESG trends, and expectations from our stakeholders. We believe the topics identified still accurately reflect DIRT's focus.

This report follows a structure similar to our 2020 report focusing on our people, products, and processes, with the addition of our places for topics related to operations.

For more details on our materiality assessment, please see our [2020 ESG report](#).





# UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

DIRTT supports the United Nations sustainable development goals (SDG) and shares the view that businesses have a key role to play in achieving them. 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 primarily with the following six goals.

Our People	Our Products	Our Places	Our Processes
3 4 10	9 12 13	3 4 12 13	10 13

- 3 – Good Health and Well-being
- 4 – Quality Education
- 9 – Industry, Innovation, and Infrastructure

- 10 – Reduced Inequalities
- 12 – Responsible Consumption and Protection
- 13 – Climate Action



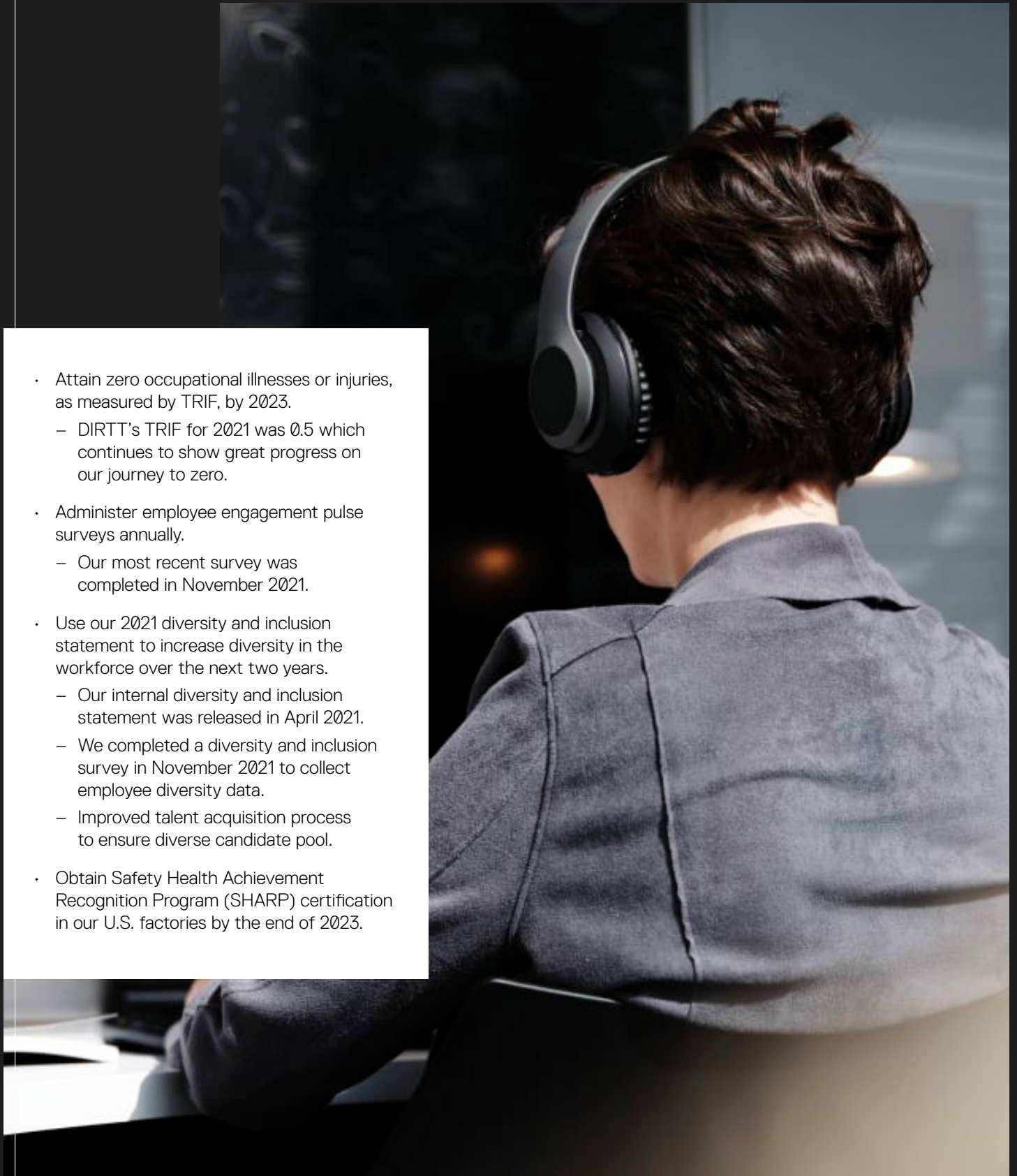
# OUR PEOPLE

Our success is driven by our people. We strive to provide a safe, happy, and healthy working environment for all our colleagues. We create spaces where everyone is treated equally and with respect, so that same culture translates into the communities in which we operate.



## GOALS

- Attain zero occupational illnesses or injuries, as measured by TRIF, by 2023.
  - DIRT's TRIF for 2021 was 0.5 which continues to show great progress on our journey to zero.
- Administer employee engagement pulse surveys annually.
  - Our most recent survey was completed in November 2021.
- Use our 2021 diversity and inclusion statement to increase diversity in the workforce over the next two years.
  - Our internal diversity and inclusion statement was released in April 2021.
  - We completed a diversity and inclusion survey in November 2021 to collect employee diversity data.
  - Improved talent acquisition process to ensure diverse candidate pool.
- Obtain Safety Health Achievement Recognition Program (SHARP) certification in our U.S. factories by the end of 2023.



## HEALTH AND SAFETY

As part of our commitment to the health and safety of our people, contractors, and visitors, DIRT T has set a goal of zero occupational illnesses or injuries by 2023, as measured by total recordable injury frequency (TRIF). We believe this isn't just attainable, but necessary. We aim to empower our employees with the tools and skills to return home safe, every day. Our plan includes developing health and safety leaders and training all employees to ensure we're working towards zero occupational illnesses or injuries.

We achieved our 2021 Certificate of Recognition (COR) for DIRT T's Canadian facilities. COR is awarded to employers who develop health and safety programs that meet established standards.

In our 2020 ESG report, we set a goal to obtain the OSHA Voluntary Protection Program (VPP) certification for our Phoenix facility. Upon further assessment, we have shifted our focus to the OSHA Safety Health Achievement Recognition Program (SHARP) for smaller businesses, which better reflects our company size.

In February 2022, DIRT T announced the decision to close our Phoenix facility and shift our manufacturing capacity to our Savannah and Rock Hill facilities. Our goal is to certify these two U.S. manufacturing facilities through the SHARP program in 2023.

In 2021, we achieved a TRIF of 0.5, which meets our lowest year-end rate since DIRT T's inception. This shows great progress throughout DIRT T's facilities and within the industry. Our 2021 TRIF of 0.5 is 87% below the Bureau of Labor Statistics industry average of 3.9.

Year	TRIF
2019	4.9
2020	0.5
2021	0.5

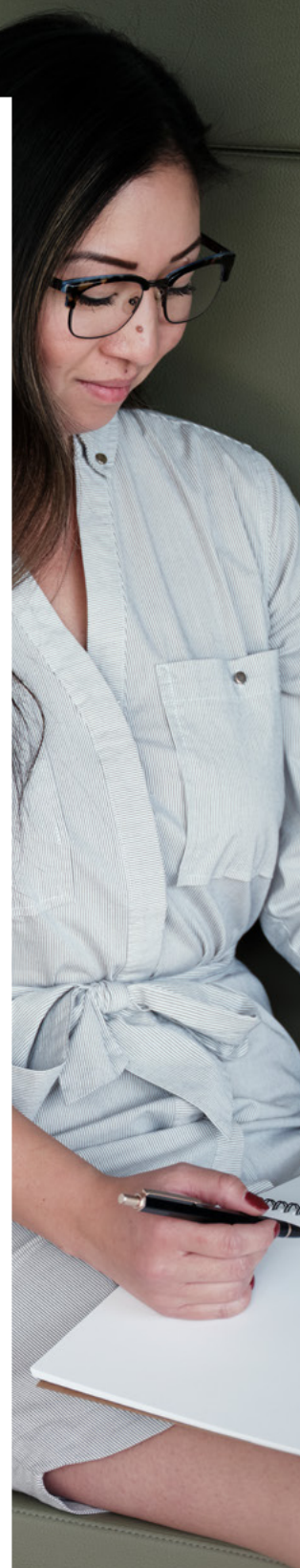
## RESPONSE TO COVID-19

Throughout the pandemic, DIRT T's business continuity and response committee developed robust, company-wide guidelines intended to minimize the risk of exposure to, and spreading of, COVID-19. This included limiting access to factories and offices, providing personal protective equipment for all employees and clients required to visit any DIRT T site, establishing protocols for reporting and contact tracing, increased cleaning requirements, physical distancing regulations, and work-from-home guidelines. Our COVID response team was also responsible for ensuring employees and visitors were briefed on the COVID-19 protocols and guidelines. These efforts kept our people, partners, and clients safe, and allowed operations to continue without interruption.

## EMPLOYEE EQUITY AND WELL-BEING

DIRT T believes real change happens when companies connect people with their purpose. This creates a culture of innovation in the communities where we live and work. Our employee-focused approach promotes collaboration, innovation, and equal opportunities. To empower our people, we need to invest in their growth, protect their well-being, continue to build an inclusive workplace, and demonstrate fair labor practices. The strategic pillars driving our strategy are:

- Culture and engagement
- Diversity and inclusion





## CULTURE AND ENGAGEMENT



### TALENT ACQUISITION

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 efforts begin at the early stages of the employee life cycle, where diverse candidates are highlighted and presented to hiring managers for review. We began collecting applicant diversity data in 2021 and recently implemented a tracking system to give us stronger diversity data from application through hiring. We're also partnering with associations and programs to support diverse hiring. Our 2021 hiring efforts were directed towards both manufacturing and office personnel. In 2021, we hired 137 employees, with 36% of new employees being female.

A new board of directors was elected by shareholders in May 2022. As of June 2022, that includes one woman representing 14% of the board. One of four leadership roles on the board is held by a woman, and one member of the board is a racial minority.

### INCENTIVE PROGRAMS

DIRT's culture is based on camaraderie and community. Our employees are essential to DIRT's success. That's why we go above and beyond to provide programs that keep people safe, healthy, and happy. This includes providing daily lunches for our employees, on-site fitness facilities, recognition of employee milestones, and frequent social events to allow employees to socialize.

### 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 will be put in place to assess the progression of themes from the survey on overall employee engagement and experience. Our most recent pulse survey was completed in November 2021 and we're committed to administering these surveys annually. This allows us to continuously gather information contributing to meaningful and relevant adjustments to our work environment.

## DIVERSITY AND INCLUSION

**We recognize the importance of diversity and inclusion at DIRTТ.**

In 2021, we formalized a diversity and inclusion statement to act as a foundation for our efforts. We also completed our first voluntary diversity survey to better understand employee diversity across the company, as well as employee perspectives on the company's diversity and inclusion objectives. We achieved a 38% response rate and will be incorporating the feedback into our initiatives this year. We'll continue to collect this information and report the findings in subsequent years.

### OUR APPROACH TO DIVERSITY AND INCLUSION INVOLVES:

**1**

Discovery to develop the definition of what diversity and inclusion means for DIRTТ and where our baseline is today

**2**

Planning through input from diverse voices in the organization to develop and roll out programs that address the needs that surfaced through discovery

**3**

Building an inclusive environment by employing various elements to create awareness and change in the organization over time

DIRTТ's goal over the next two years is to advance diversity and inclusion in our workforce, spanning the three sections outlined above. Here's how we plan to achieve these goals.

Launching employee diversity and inclusion focus groups - DIRTТ will be facilitating focus groups across the organization to determine how we want to define diversity and inclusion, gain a sense of where we are, and determine where we want to go.

Establishing a diversity and inclusion council - DIRTТ is working to establish this council, including defining accountabilities and guidelines for the council, a DIRTТ diversity and inclusion charter, and a roadmap of initiatives.

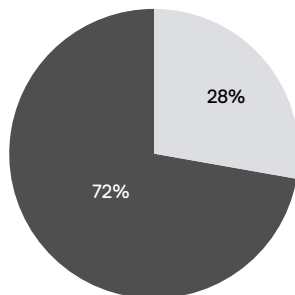
Training and development - We'll provide education on various diversity and inclusion topics to managers, supervisors, and employees throughout the company, to enhance awareness and understanding.



DIRTT has a diverse group of employees who speak over 20 different languages. To overcome language and communication barriers, we introduced a symbol system, recognized by the International Organization for Standardization (ISO). These provide essential information in our daily toolbox talks and job hazard assessments. They also enhance the completion of health and safety training. Improved communication around hazards, warnings, fire safety, and safe work conditions helps drive us forward in our health and safety Journey to Zero.

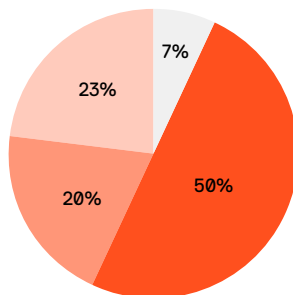
The following charts illustrate the diversity among DIRTT employees:

EMPLOYEE POPULATION BY GENDER



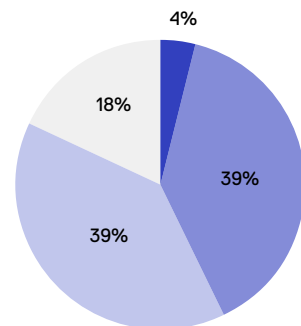
- Male
- Female

EMPLOYEE POPULATION BY TENURE



- 0-5 Years of service
- 6-9 Years of service
- 10-14 Years of service
- 15+ Years of service

EMPLOYEE POPULATION BY GENERATION



- Generation Z (19-25)
- Generation Y (26-41)
- Generation X (42-57)
- Baby Boomers (58-76)



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



As part of our strong culture to give back, we're improving our community investment program DIRTT Gives to ensure we support all communities in which we operate. We're focusing our efforts on the charitable pillars that align with DIRTT's core values – health and safety, sustainability, education, and community. Here's where we're going in the next two years:

- Organization-wide involvement for all locations and staff
- Initiatives that cater to different demographics and causes
- Creation of a diverse and inclusive community engagement committee
- Establishment of a volunteer hub for employees
- Tangible metrics for the success of our initiatives and employee satisfaction



# OUR PRODUCTS

Americans spend more than 90% of their lives inside and indoor air pollution is two to five times worse than outdoor pollution<sup>1</sup>. At DIRT T we're committed to creating healthy and sustainable spaces for our employees and clients. The materials we select are a key factor in making this happen.



## MATERIALS

# DIRTT aims to source materials that benefit the planet.

This includes recycled cotton-denim insulation, no volatile organic compound (VOC) Chromacoat paint, waterborne 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.

In 2021, we added an additional review gate for any new materials being considered. The sustainability team and health and safety team ensure the materials we're using are safe and meet our health, safety, and environmental requirements. New materials and assemblies are tested in accordance with indoor air quality standards to ensure compliance with SCS indoor air quality (IAQ) certification.

In 2014, we started a journey towards improved transparency. In 2018, we completed our second life cycle assessment and released updated environmental product declarations (EPD). Our EPDs offer insight into the environmental impacts associated with manufacturing our solutions, from raw material extraction to end of life.



100%\* of assemblies are SCS Indoor Advantage Gold Certified



FSC® Certified\*\*



Four chemical inventories



10 environmental product declarations



First annual ESG report released in 2020



Signed mindful MATERIALS Manufacturer Materials Commitment



\* Solid doors and casework must be specified with NAF substrates to comply.

\*\* MDF, doors and veneer can be specified as FSC upon request.

## GREEN BUILDING RATING SYSTEMS

With the increased focus on decarbonizing the built environment, how we build and what we build with will become more important.

Building standards such as LEED, WELL, Living Building Challenge, and Practice Greenhealth are major players in moving the industry forward. Many of our clients look to these standards, and others, to help guide them throughout their design.

DIRTT's commitment to using healthy and sustainable materials supports our client's goals for green building rating systems. This is enhanced by our transparency efforts that include EPDs and SCS IAQ certificates.



### DIRTT IS LISTED ON:

- Practice Greenhealth
- mindful MATERIALS Library
- mindful MATERIALS Manufacturer Materials Commitment
- Sustainable Minds Transparency Catalog

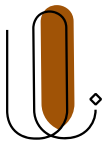


## SMART BUILDINGS

# DIRTT's approach to industrialized construction empowers smart building benefits for occupants.

DIRTT's connected infrastructure, made up of modular electrical and networks cables, is a reliable platform for smart building technologies. As workplace technology advances components must be replaced. It's crucial to empower this change. Supporting building management systems more efficiently, the DIRTT construction system is nimble and easy to adapt. Simply unplug, reroute, and reconnect to keep up with the changing technological landscape. At the same time, repurposing materials to make these changes contributes positively towards the building's sustainability goals.

DIRTT's smart construction empowers smart building benefits.



### **Adaptability**

Physical boundaries, cabling, and technology are easily reconfigured and reconnected.



### **Sustainability**

Connected infrastructure enables technology to improve building efficiency. Material repurposing is sustainable.



### **Health and Well-being**

Technology keeps occupants safe, comfortable, and productive. Inviting workplaces attract talent.

# Sustainability is a key part of our product development process.

### PRODUCT DEVELOPMENT

**Each new solution must have a full sustainability review before we go to market with it.**

One of the principals that DIRT applies to our system is Design for Disassembly. (DfD). DfD is a design approach that allows for products to be deconstructed and encourages materials and components to be reused or recycled.<sup>2</sup> We consider material selection, connection methods, and full life-cycle impacts to successfully integrate this design method.

DfD supports reuse of materials and buildings. Those are two key strategies to reduce embodied carbon in the built environment. Embodied carbon from building materials and construction makes up approximately 11% of global carbon dioxide (CO<sub>2</sub>) emissions.<sup>3</sup>

According to the [Intergovernmental Panel on Climate Change and Architecture2030](#), we need to undertake drastic measures to limit global warming to 1.5 degrees. Reduction of embodied carbon in the built environment is a critical component of this.

DfD is one of the features of the DIRT construction system that allows for adaptability and maximizes product life cycle. However, DfD can look different for each solution, so there's no one-size-fits-all design. The level of DfD can be affected by design constraints such as functionality, aesthetics, material limitations, manufacturability, and vendor limitations. Our goal is to develop solutions that meet or exceed our clients' expectations, while maintaining the highest possible level of DfD.



# OUR PLACES

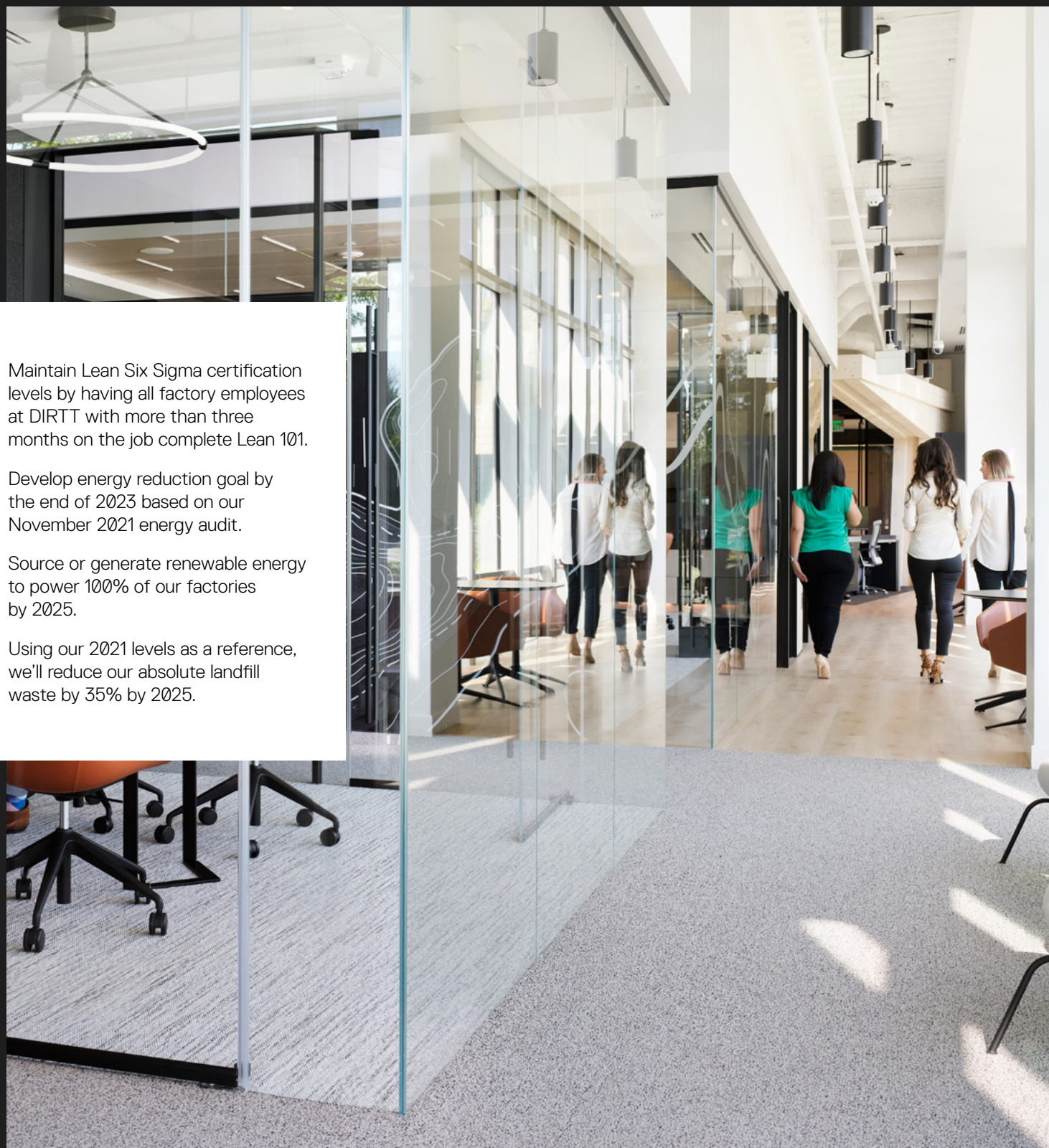
DIRTT recognizes environmental sustainability is imperative. To manage our impact as we grow, we understand our environmental footprint goes hand in hand with our strategic priority to operate efficiently.





## GOALS

- Maintain Lean Six Sigma certification levels by having all factory employees at DIRT TT with more than three months on the job complete Lean 101.
- Develop energy reduction goal by the end of 2023 based on our November 2021 energy audit.
- Source or generate renewable energy to power 100% of our factories by 2025.
- Using our 2021 levels as a reference, we'll reduce our absolute landfill waste by 35% by 2025.





# DIRTT's quality management system is built on the concept of continuous improvement.

**At DIRTT we work with our suppliers to ensure the supply pipeline is fed with quality raw materials. We also want to know that our suppliers are minimizing their waste and environmental impact. The DIRTT quality management system (QMS) implements and drives lean solutions resulting in on-time delivery and installation of product.**

## QUALITY

Our quality procedures and standards conform to regulatory requirements and applicable international standards while code compliance is built into every step of our processes. The QMS ensures that specific measures are in place to detect and prevent defects from being passed on to our clients.

In 2021, DIRTT established a quality champions program with the goal of increasing knowledge and involvement in the QMS. As part of the program over 40 operators received certified auditor training to assist with internal audits.

During November 2021, DIRTT celebrated World Quality week in all our facilities. We used this time to recognize our improvements in quality and help increase awareness of the QMS. We also hold an annual contest for a new quality slogan. The winning slogan for 2022 is: When quality is the question, be part of the answer.



## CONTINUOUS IMPROVEMENT

At DIRT, we're always looking for ways to better our people, our processes, and our products. We focus on continuous improvement in our factories to increase our throughput, reduce operational costs, and reduce our inventory. As we make progress, we become better positioned for growth, while improving our quality.

## LEAN MANUFACTURING

One of the key continuous improvement strategies we use in our facilities is lean manufacturing. This allows us to focus on reducing waste and adding value to the customer.

In our 2020 report, we set goals around training our employees in lean manufacturing. As we tracked the goals throughout the year, we realized some of the metrics set didn't accurately reflect our success or accommodate turnover among our staff. We continue to recognize the importance of training our employees in lean manufacturing and will host yellow, green, and black belt training sessions as required.

**As we look forward, we have set quarterly factory specific OEE goals to ensure we're getting the most accurate picture of our operations. Here are our 2022 goals:**

	2022			
	Q1	Q2	Q3	Q4
Calgary Wood Shop	55%	55%	60%	60%
Calgary Casework Shop	55%	55%	63%	63%
Calgary Metal Shop	60%	60%	65%	65%
Savannah Factory	60%	60%	65%	65%
Rock Hill Factory	58%	58%	63%	63%

We're still committed to training all factory employees that have been at DIRT for longer than three months on Lean 101. As of the end of 2021, we were successful in achieving this training goal.

As part of our continuous improvement efforts, we continue to assess our operations and adapt our one-piece flow processes. We're always searching for the best strategy that allows us to produce high-quality custom solutions for our clients.

## PRODUCTION METRICS

Throughout our operations, we track the effectiveness of our production, both at a process level and machine level, as overall equipment effectiveness (OEE). OEE is calculated based on availability (percent of time a process is running during planned production time), performance, and quality within the factory. World-class manufacturing aims to have an OEE of 85%. In 2020 we committed to achieving an OEE of 60% by the end of 2021, which we're proud to announce was surpassed, with an OEE of 63%.

## THE EIGHT WASTES IN LEAN MANUFACTURING

- 1 WAITING
- 2 MOTION
- 3 TALENT
- 4 DEFECTS
- 5 OVER PRODUCTION
- 6 TRANSPORTATION
- 7 OVER PROCESSING
- 8 INVENTORY



# We're committed to reducing our absolute landfill waste generation by 35% by 2025.

### WASTE REDUCTION

As a manufacturer, we recognize waste is part of our business and we work hard to limit waste production. We regularly review our waste streams to ensure, whenever possible, materials are diverted from the landfill. We recognize that proper disposal of materials is important but preventing waste should always be the priority.

This year, we're excited to announce our first formal waste reduction goal that will drive our efforts in the coming years. We're committed to reducing our absolute landfill waste generation by 35% by 2025. We'll achieve this goal by improving material efficiency within our operations, assessing packaging material waste, and leveraging systems that allow us to turn waste into energy.

One of the waste reduction initiatives launched in 2021 was focused on hazardous waste generated from our U.S. operations. We reconfigured the disposal process for our paint and primer lines to segregate solvents and wastewater into separate containers. This allows for wastewater and solvents to be processed separately, reducing our overall hazardous waste.

### CREATING CIRCULARITY

The circular economy is a concept that focuses on keeping materials in circulation and out of the landfill. [The Ellen MacArthur Foundation](#) outlines these three principles, driven by design, that drive the circular economy:

- 1 Eliminate waste and pollution
- 2 Circulate products and materials
- 3 Regenerate nature

DIRTT's internal strategy to innovate and communicate our circular economy initiatives is called Creating Circularity. Many of our efforts outlined on the right support the concept of circulating products and materials.

We're working to donate materials we no longer use in our operations to the local community. Throughout 2021, we made several donations of IT equipment to local schools and organizations supporting Afghan refugees. We continued to develop our material donation programs with organizations such as Habitat for Humanity and the Women in Need Society, as well as local workshops and small businesses that faced supply chain challenges and rising material costs.

### THROUGHOUT 2021 WE MADE SEVERAL DONATIONS TO SCHOOLS, ART PROGRAMS, AND SMALL BUSINESSES.

Approximately 25 cubic feet of cork shipping pads were diverted from the landfill.

Two skids of fabric were donated to local community projects.

Women in Need Society and Habitat for Humanity received more than 2,200 pounds of fabric.

Local woodshop in Calgary and independent woodworkers received almost 20,000 pounds of medium density fiberboard offcuts.

Eighty pairs of gently used safety glasses were donated to the Calgary Drop-In Centre.

In 2021, 27,700 pounds of shipping dunnage was reused instead of being downcycled.

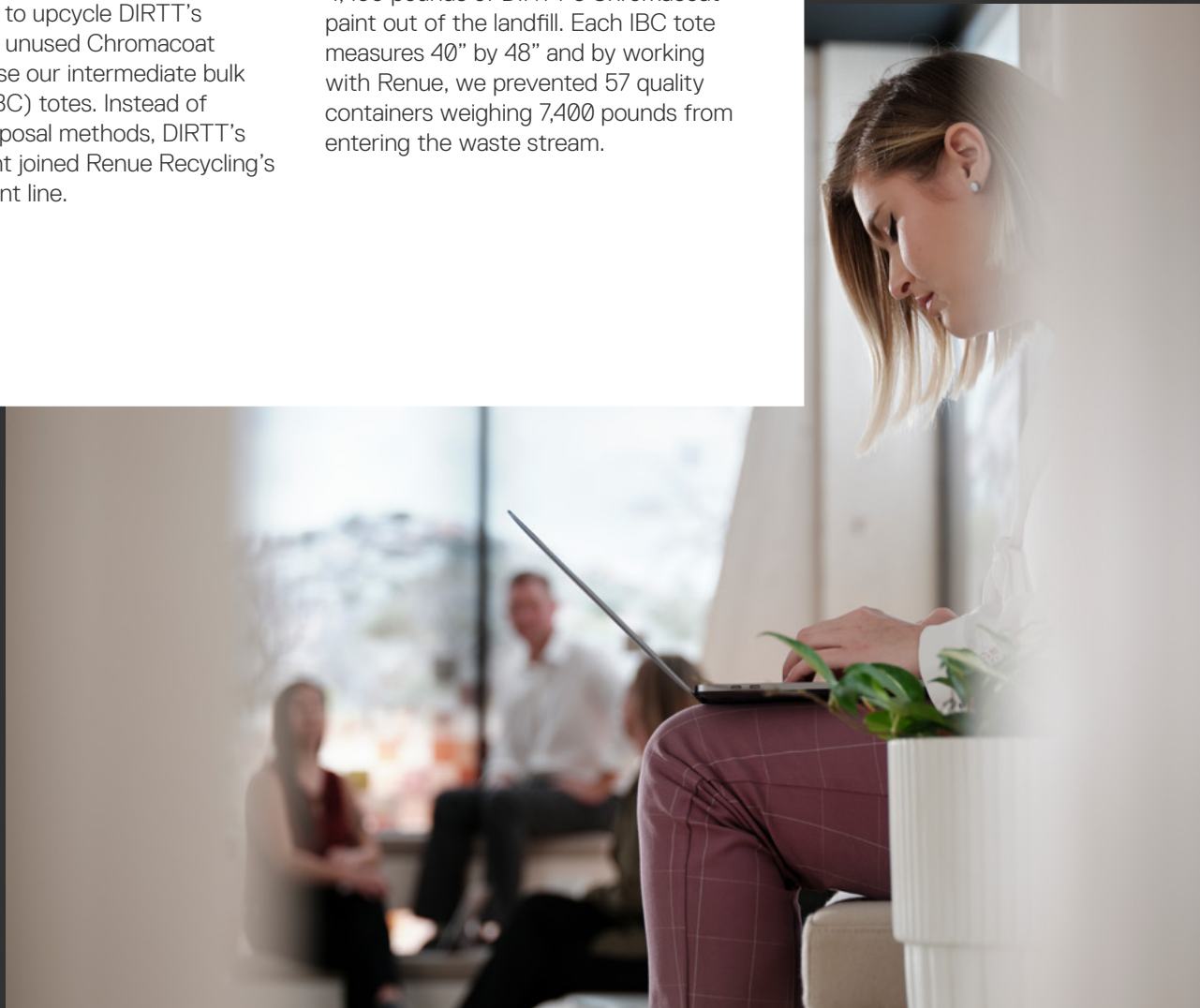
More than 22,000 packing accessories known as cookies were reused. That's equivalent to 1,263 pounds.

## ENVIRONMENTAL MANAGEMENT

**In 2021, DIRTТ launched a new program to upcycle outdated paint by working with the Calgary-based Renue Recycling Ltd. (a partnership between The Calibre Group and KBL Environmental).**

The goal was to upcycle DIRTТ's outdated and unused Chromacoat paint and reuse our intermediate bulk containers (IBC) totes. Instead of traditional disposal methods, DIRTТ's outdated paint joined Renue Recycling's "ecocoat" paint line.

This line consolidates paint colors to create a premium interior/exterior latex paint, ideal for large-scale projects such as arenas, low-cost housing, and other industrial projects. This new circular program has kept nearly 4,400 pounds of DIRTТ's Chromacoat paint out of the landfill. Each IBC tote measures 40" by 48" and by working with Renue, we prevented 57 quality containers weighing 7,400 pounds from entering the waste stream.



## CLIMATE ACTION

Climate change continues to be a pressing issue that we must address.

### CARBON FOOTPRINT

**The building and construction industry accounts for nearly 40% of global emissions<sup>3</sup> and it's imperative we take actions to address levels of operational carbon and embodied carbon.**

Although climate change wasn't identified as a material topic by stakeholders in our 2021 materiality assessment, we believe we have a responsibility to minimize our impacts as a manufacturer. This includes reducing our emissions. We think transparency in this arena allows us to further improve our operations.

DIRTT's annual carbon footprint calculation measures the direct and indirect greenhouse gases (GHGs) associated with our business. By calculating our carbon footprint year over year, we can monitor change and identify improvement strategies.

DIRTT's carbon footprint is calculated with tools and data by the Greenhouse Gas Protocol, the Canadian National Inventory Report, and the U.S. Environmental Protection Agency (EPA). We're consistently evaluating our data inventory and methodologies to ensure that our carbon footprint is accurate and complete, while highlighting areas where we can improve.



## CLIMATE ACTION



### LOCATION-BASED METHODOLOGY:

This method utilizes the average emissions intensity of energy grids in the areas of operation.

### MARKET-BASED METHODOLOGY:

This method utilizes the specific emission intensity from our energy suppliers or purchased renewable energy, such as RECs.

### Carbon footprint highlights between 2020-2021:

- We calculated our 2021 scope 2 emissions utilizing a location-based and market-based method. Introducing the market-based method for 2021 calculation allowed us to recognize the lower emissions factor associated with renewable energy production.
- Purchasing RECs to match our U.S. energy consumption allowed us to reduce our scope 2 market-based footprint. This is due to the zero-emission factor associated with our wind-powered U.S. RECs.
- In 2021, we implemented a more robust tracking system for our fleet vehicle mileage, further improving our carbon footprint data inventory.
- Within our existing factories, our electricity consumption decreased, but due to the addition of our new Rock Hill manufacturing plant, our total electricity consumption increased. The reduction in energy at our factories can largely be attributed to reduced operating hours.
- With the addition of our Rock Hill factory, we expected an increase in our location-based scope 2 calculation. However due to the low emission factor associated with the electrical grid in Rock Hill, there was a minimal increase in 2021 compared to 2020.

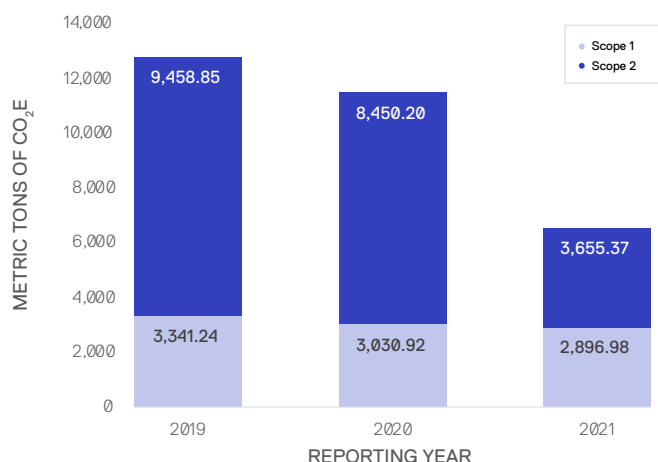


Emissions category	Tons CO <sub>2</sub> equivalent	
Scope 1	2,897	
	location-based	market-based
Scope 2	8,452	3,655
Total	11,349	6,552

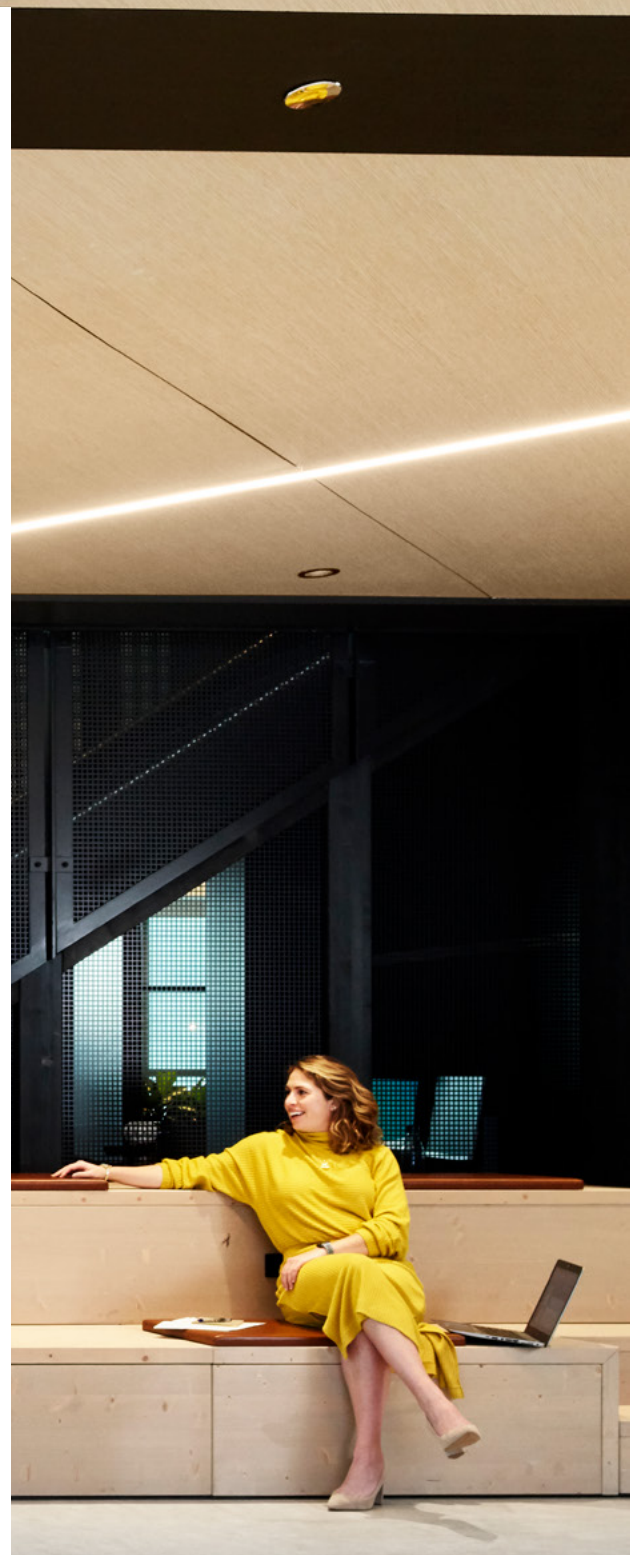
Scope 1 emissions occur from sources that are owned or controlled by the reporting company (i.e., company fleet vehicles, natural gas combustion, other fuel consumption).

Scope 2 emissions represent the emission from the generation of purchased electricity consumed by the reporting company.

The Greenhouse Gas Protocol carbon accounting methodology outlines a location and market-based method for accounting for scope 2 emissions. By including a market-based methodology, calculations can more accurately reflect the emissions from the power companies purchase, considering the increasing number of power suppliers in the energy market. This methodology allows companies to benefit from their electricity purchasing decisions, while driving demand for energy generation from low-carbon sources.



Annual scope 1 and 2 carbon footprint (market-based)



To learn more about DIRT's carbon footprint methodology, please see the [Greenhouse Gas Protocol Corporate Standard](#).

Please see the index for further details on fuel consumption, activity, and utility data which fed our carbon footprint calculation.



## ENERGY

# Renewable energy is an essential strategy to reduce global greenhouse gas emissions<sup>4</sup>

## ENERGY

Electricity consumption in Calgary is the largest contributor to DIRT's carbon footprint. Because of this, we're exploring strategies to reduce our energy consumption. In 2021, we completed third-party energy audits in our Calgary manufacturing plants to identify strategies to reduce our energy consumption. The audit outlined several opportunities for improvement, which will inform our strategic plans for implementation.

As a result of the energy audit, we recognize the need for a task force on energy management across our facilities. We're working to develop this by the end of 2022.

As part of our efforts to reduce the significant carbon emissions associated with the building and construction industry, DIRT is committed to sourcing or producing renewable energy for 100% of our

factories by 2025. In 2021 we began this journey by purchasing Green-e Energy® certified Renewable Energy Credits (RECs) equal to our 2021 energy consumption in all our U.S. facilities. Being headquartered in Alberta, we recognize we operate in a carbon intensive grid. By voluntarily sourcing renewable energy, we can contribute to a cleaner energy economy.

Through the purchase of RECs, DIRT can recognize the lower emission factor associated with renewable energy production, reducing our scope 2 carbon footprint. RECs offer a way for companies to participate in the renewable energy market when it's not feasible to construct on-site renewable power or engage in power purchase agreements.





## Earth Day 2021

To bring our DIRTТ team together while working from home, we engaged our employees in an Earth Day 5K walk or run. With the 2021 Earth Day theme of Restore Our Earth™ we wanted to get everyone outside to enjoy the scenery in the areas where we work and live.

We believe the desire to conserve nature begins with appreciation. Outdoor physical activity is one of the most beneficial ways to quickly improve happiness and health, an important value at DIRTТ for our employees.

Employees that submitted photos with their family, friends, or pets were entered into a draw as a bonus.

As a company, we tracked over 1,240 miles (1,995 km) between April 8 and 22.



# OUR PROCESSES

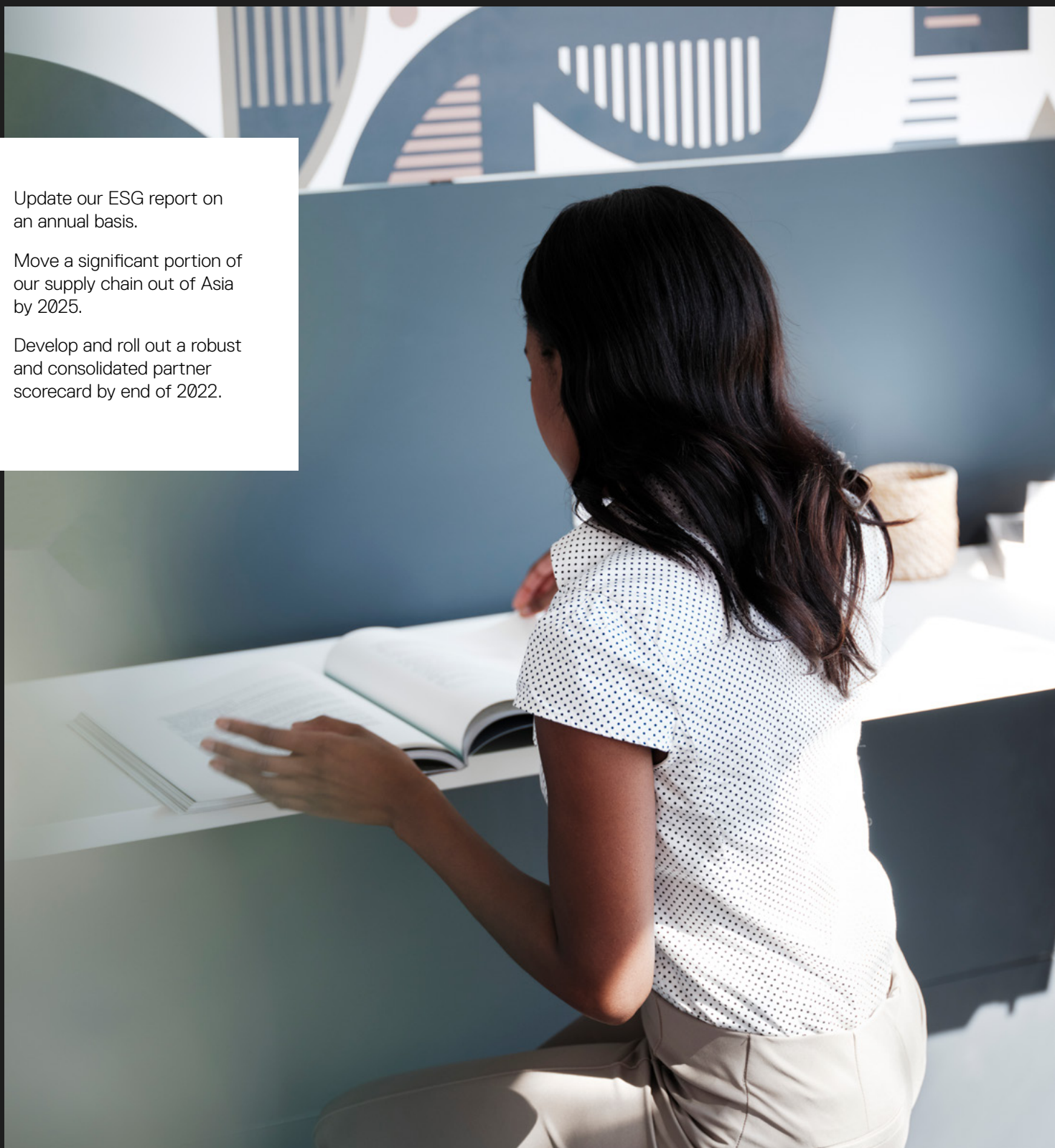


DIRTT's governance frameworks ensures transparency, objectivity, and fairness in the management and operations of our company to earn our stakeholders' trust everywhere we operate.



## GOALS

- Update our ESG report on an annual basis.
- Move a significant portion of our supply chain out of Asia by 2025.
- Develop and roll out a robust and consolidated partner scorecard by end of 2022.





# 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. The board oversees our strategic planning process and helps ensure that management creates a culture of integrity.



## BOARD STRUCTURE

Our board has established an audit committee, a corporate governance and compensation committee, and an enterprise risk management committee. The enterprise risk management 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.

Sustainability risks are evaluated, prioritized, and managed by the leadership team. 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.

## POLICIES

# DIRTT's code of conduct and code of ethics promotes a culture of ethical and responsible business conduct.

The code is applicable to directors, officers, employees, and contractors of the company. It addresses 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.

The company has also established policies and practices to deal in greater detail with the matters set out in the code. For example, our health and safety policy outlines our commitment to establishing and maintaining a safe workplace. We're focused on continuous improvement in our health and safety practices to ensure they are effective. We monitor and report on our progress towards health and safety goals and we investigate all incidents and implement appropriate corrective steps to eliminate future occurrences.



## SUPPLY CHAIN

# At DIRT T, our suppliers are essential to our success.

It's one of the reasons we're selective of who we work with. Quality is always our top priority, and we aim to work with companies who share our views on responsible and ethical business practices. We require all potential suppliers to go through a supplier qualification process. This allows us to ensure they have the procedures in place to meet quality and performance requirements. It also provides us with the opportunity to review their ESG efforts.

Since adding environmental criteria to the qualification process, we've gained better visibility on suppliers that have sustainability policies, are ISO certified, and can verify earlier in the process that their products do not contain conflict minerals. In late 2021, we updated the environmental criteria to include questions around carbon footprint calculations and material certifications. This information will continue to provide more transparency within our supply chain.

We surpassed our goal of having master purchase agreements with over 30 key suppliers in place by the end of 2021. These master purchase agreements cover approximately 70% of our annual spend within our supply chain. With global supply chain challenges, these agreements have allowed us to have more certainty in our material availability and procurement. We continue to negotiate agreements with new and existing strategic suppliers.

Companies with master purchase agreements in place are also required to complete a quarterly scorecard to review quality, delivery, and service performance. On an annual basis, we review their environmental health and safety programs, including recycled content, packaging materials, and waste diversion programs within their business. This allows us to monitor the progress and success within our supply chain.

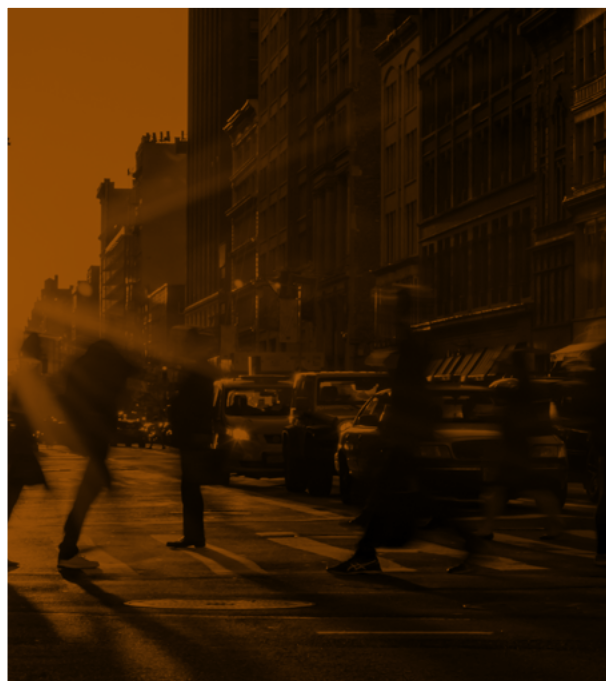
Moving forward, we're planning to move a significant portion of our supply chain out of Asia by 2025. We currently source approximately 6% of materials from Asia. To support more local businesses, reduce shipping impacts, and reduce material lead times, we're exploring North American and International suppliers.

As of March 31, 2022, DIRT T operates through a partner distribution network with 70 partners across North America and select international markets. In 2021, DIRT T formalized our efforts to collect diversity information from our vendors and within our partner network, including identifying small businesses and those owned by women, racial minorities, and veterans. We plan to have this information from all vendors and partners by the end of 2022, which will help us better understand the current diversity state within our value chain and establish future goals for our vendor and partner network.



## References

- 1 The Future of Cities
- 2 Design for Disassembly
- 3 Why the Built Environment
- 4 How To Reach U.S. Net Zero Emissions  
By 2050: Decarbonizing Electricity



SASB	GRI	Description	Response, link, or additional information
	102.1	Name of Organization	DIRTT Environmental Solutions Ltd.
	102.2	Activities, brands, products, and services	Who We Are (p. 5) DIRTT 2021 Annual Report - <a href="#">here</a>
	102.3	Location of headquarters	Who We Are (p. 5)
	102.4	Locations of operations	Who We Are (p. 5)
	102.5	Ownership and legal form	Alberta corporation publicly listed on the TSX and Nasdaq and widely held. DIRTT 2021 Annual Report - <a href="#">here</a>
	102.6	Markets served	DIRTT 2021 Annual Report - <a href="#">here</a>
	102.7	Scale of the organization	DIRTT 2021 Annual Report - <a href="#">here</a>
	102.8	Information on employees and other workers	Diversity and Inclusion (p. 14)
	102.9	Supply chain	DIRTT 2021 Annual Report - <a href="#">here</a>
	102.10	Significant changes to the organization and its supply chain	DIRTT 2021 Annual Report - <a href="#">here</a>
	102.14	Statement from senior decision maker	Letter from our Sustainability Manager (p. 2)
	102.15	Key impacts, risk and opportunities	DIRTT 2021 Annual Report - <a href="#">here</a>
	102.16	Values, principles, standards and norms of behaviour	Who We Are (p. 5) DIRTT has developed a strong internal communication plan coupled with easily accessible policies and guidelines for staff's productivity and compliance, which include: <ul style="list-style-type: none"> <li>• The DIRTT Code of Conduct</li> <li>• Code of Ethics</li> <li>• DIRTT Integrity Program</li> <li>• Insider Trading Policy</li> <li>• Disclosure Compliance Policy</li> <li>• Respectful Workplace Policy</li> <li>• Quality Policy</li> <li>• Drug and Alcohol Policy</li> <li>• Vacation Policy</li> <li>• Expense Reimbursement Policy</li> <li>• Maternity Parental Leave Policy</li> </ul>
	102.18	Governance structure	Our Processes (p. 33)

SASB	GRI	Description	Response, link, or additional information
	102.20	Executive level responsibility for economic, environmental and social topics	The SVP, General Counsel is the most senior member of the leadership team responsible for the Company's sustainability strategy. Alongside other members of the executive team, they are 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.
	102.21	Consulting stakeholders on economic, environmental and social topics	In 2021, we conducted our first formal materiality assessment. We held workshops with our senior leadership team to prioritize 30 ESG topics relative to DIRT. We also incorporated feedback from investors, external stakeholders, DIRT's associates and DIRT's people. See our 2020 ESG report for more information – <a href="#">here</a>
	102.22	Composition of the highest governance body and its committees	Board Structure (p. 35)
	102.23	Chair of the highest governance body	DIRT Investor – Governance webpage – <a href="#">here</a>
	102.24	Nominating and selecting the highest governance body	2022 Management Information Circular - <a href="#">here</a>
	102.25	Conflicts of interest	DIRT Code of Conduct - <a href="#">here</a>
	102.26	Role of highest governance body in setting purpose values and strategy	Board Mandate and Corporate Governance Guidelines – <a href="#">here</a>
	102.27	Collective knowledge of highest governance body	2022 Management Information Circular - <a href="#">here</a>
	102.28	Evaluating the highest governance body's performance	2022 Management Information Circular - <a href="#">here</a>
	102.29	Identifying and managing economic, environmental and social impacts	During our 2021 materiality assessment a consultant was used to help facilitate the assessment. The senior leadership team was the highest governance body involved in identifying material topics. See our 2020 ESG report for more information – <a href="#">here</a>
	102.31	Review of economic, environmental and social topics	Materiality Assessment (p. 8)
	102.32	Highest governance body's role in Sustainability Reporting	Board Structure (p. 35)
	102.34	Nominating and selecting the highest governance body	2022 Management Information Circular - <a href="#">here</a>
	102.35	Identifying and managing economic, environmental and social impacts	2022 Management Information Circular - <a href="#">here</a>
	102.36	Review of economic, environmental and social topics	2022 Management Information Circular - <a href="#">here</a>
	102.40	Highest governance body's role in Sustainability Reporting	During our 2021 materiality assessment, we engaged our senior leadership team to prioritize 30 ESG topics relative to DIRT. We also incorporated feedback from investors, external stakeholders, DIRT's associates and DIRT's people. See our 2020 ESG report for more information – <a href="#">here</a>



SASB	GRI	Description	Response, link, or additional information
	102.41	Collective bargaining agreements	DIRTT is not currently a party to any collective bargaining agreements.
	102.42	Identifying and selecting stakeholders	<p>Working with our management team we selected a range of stakeholders that would provide a strong representation of the company. This includes a selection of investors, employees from various departments and management levels, selected external stakeholders, and select Partners. A detailed outline is below.</p> <p>Investors</p> <ul style="list-style-type: none"> <li>- Current Investors - Targeted Investors</li> </ul> <p>DIRTT's People</p> <ul style="list-style-type: none"> <li>- Management - Manufacturing - Product Solutions</li> <li>- Administrative</li> </ul> <p>External Stakeholders</p> <ul style="list-style-type: none"> <li>- Community Members - Government - Clients</li> <li>- Regulators - NGOs</li> </ul> <p>DIRTT's Associates</p> <ul style="list-style-type: none"> <li>- Distribution Partners - Suppliers</li> </ul> <p>See our 2020 ESG report for more information – <a href="#">here</a></p>
	102.44	Key topics and concerns raised	<p>For topics that reflect stakeholder expectations and concerns, we continue to provide discussion of our related initiatives and, in some cases, quantitative performance metrics.</p> <p>See our 2020 ESG report for more information – <a href="#">here</a></p>
	102.46	Defining report content and topic Boundaries	<p>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 DIRTT. 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.</p> <p>See our 2020 ESG report for more information – <a href="#">here</a></p>
	102.47	List of material topics	<p>See our 2020 ESG report for more information – <a href="#">here</a></p>

SASB	GRI	Description	Response, link, or additional information
	102.50	Reporting period	January 1, 2021 - December 31, 2021
	102.51	Date of most recent report	May 2021 - <a href="#">here</a>
	102.52	Reporting cycle	Annual
	102.53	Contact point for questions regarding the report	<a href="mailto:GreenTeam@DIRTT.com">GreenTeam@DIRTT.com</a>
	102.54	Claims of reporting in accordance with the GRI Standards	Sustainability Commitment (p. 7)
	102.55	GRI content index	GRI Index (p. 39)
	103.1	Explanation of the material topic and its Boundary	With the goal of focusing on what matters most, this report explores the identified material topics in the four pillars (our people, our products, our places, and our processes) that emerged from our materiality assessment. See our 2020 ESG report for more information – <a href="#">here</a>
	201.1	Direct economic value generated and distributed	DIRTT 2021 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 and Local Impacts (p. 16)
	203.2	Significant indirect economic impacts	Community and Local Impacts (p. 16)
	204.1	Proportion of spending on local suppliers	Over 90% of materials, by cost, are sourced from North America.
	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	<p>Select key materials to report:</p> <ul style="list-style-type: none"> <li>• MDF: 4,876 metric tons - 14% of MDF was FSC mix credit certified</li> <li>• Aluminum: 3,191 metric tons</li> <li>• Insulation: 432 metric tons</li> <li>• Glass: 787,135 square feet</li> </ul>
	301.2	Recycled input materials used	<p>DIRTT aims to source materials with recycled content whenever possible, this includes:</p> <ul style="list-style-type: none"> <li>• NAF MDF: 92% pre-consumer recycled content</li> <li>• LPL MDF: 90% pre-consumer recycled content</li> <li>• Insulation: 100% pre-consumer recycled cotton</li> <li>• Aluminum: 11%+ recycled content depending on factory</li> <li>• Solid Doors: 17% post-consumer recycled content; 49% pre-consumer recycled content</li> </ul> <p>See DIRTT's EPDs for recycled content of 1 m2 of wall assembly - <a href="#">here</a></p>
CG-BF-130a.1	302.1	Energy consumption within the organization	See Charts Appendix (p. 48)
	302.3	Energy intensity	See Charts Appendix (p. 48)
	302.4	Reduction of energy consumption	No major efforts were made in 2021 to significantly reduce our energy consumption
	303.5	Water consumption in cubic metres* *No data available for Savannah	See Charts Appendix (p. 48)
	305.1	Direct (scope 1) GHG emissions	Carbon footprint (p. 30) See Charts Appendix (p. 48)
	305.2	Energy indirect (scope 2) GHG emissions	Carbon footprint (p. 30) See Charts Appendix (p. 48)
	304.5	GHG emissions intensity	See Charts Appendix (p. 48)
CG-BF-410a.2	306.2	Waste by type and disposal method (measured in metric tons)	See Charts Appendix (p. 48)
	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 12% in 2021.
	401.2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	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. The Employee Assistance Program (EAP) also offers all employees a range of flexible and confidential counselling options.
	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).



SASB	GRI	Description	Response, link, or additional information
	403.1	Occupational health and safety management systems	<p>DIRTT has implemented a health and safety management system and has voluntarily completed a successful external health and safety audit; Certificate of Compliance (COR) to ensure regulatory compliance.</p> <p>The health and safety team consists of Canadian Registered Safety Professionals (CRSP-Canada) and Certified Safety Professionals (CSP-United States).</p> <p>DIRTT's health and safety programs are focused on continuous improvement and uses an iterative process of enhancing the Health and Safety Management System to achieve improvements in the overall Occupational Health and Safety Performance.</p>
CG-BF-250a.1	403.2 - 403.3	Hazard identification, risk assessment, and incident investigation Occupational health services	<p>DIRTT strives to have a proactive health and safety program. Hazard Identifications are completed through formal and informal inspections (i.e. daily and weekly inspections and Joint Health and Safety Committee inspections). Employees are trained in Job Hazard Analysis and encouraged to report all hazards, near misses, and incidents.</p> <p>DIRTT's Incident Management System (IMS) allows us to analyze data, identify trends and predict future issues. This system also allows us to track all correct actions taken to address risks.</p>
	403.4	Worker participation, consultation and communication on occupational health and safety	<p>The Joint Health and Safety Committee (JHSC) is a group of employees from across the business, including managers, that aim to identify and solve health and safety concerns at the workplace. The Committee promotes awareness and interest in health and safety. JHSCs also promote the three basic rights that all workers have in protecting their health and safety:</p> <ul style="list-style-type: none"> <li>- The right to know.</li> <li>- The right to participate.</li> <li>- The right to refuse unsafe work.</li> </ul> <p>JHSC members develop and promote programs for education and information concerning health and safety.</p>
	403.5	Worker training on occupational health and safety	<p>DIRTT has stringent requirements for worker training on Occupational Health and Safety. All employees are trained on over 30 Safety Standards at least every three years.</p> <p>For example, Job Hazard Analysis (JHA) allows employees to pre-identify hazards associated with their scope of work and provides mitigations (controls) to reduce the risk. More than 30 Safe Work Practices (SWP) are shared, trained on and signed off. Finally, Standard Operating Procedures (SOPs) ensure we are doing things in accordance with what we should be doing, in a standardized fashion.</p> <p>Occupational Health and Safety training for the workforce is delivered by our online learning management system and/or in person facilitated training depending on requirements. This has been audited for regulatory compliance through our external COR audits and our Partnerships with OSHA (SHARP).</p>

SASB	GRI	Description	Response, link, or additional information
	403.6	Promotion of worker health	A healthy worker can be up to 15% more productive. To maintain a healthy workforce, DIRT TT takes several initiatives. Each day, DIRT TT feeds its entire workforce with cafeteria prepared food. This fuels our workforces for demanding 12-hour shifts. Snack and drinks are readily available. DIRT TT provides four-on-and-four-off schedules for employees to maintain work-life balance. Fitness centers are available at each of our factory locations with yoga available bi-weekly online. DIRT TT's Fit you program supports an active workforce by providing a monthly cash draw for participants.
	403.7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	DIRT TT has a formalized contractor management process and a list of prequalified contractors. The contractor management process involves an assessment of a potential contractor's health and safety programs and a DIRT TT orientation. These efforts help mitigate health and safety risk while they're in a DIRT TT facility.
	403.8	Workers covered by an occupational health and safety management system	All DIRT TT employees are covered by the Health and Safety management system, which meets all applicable regulatory requirements. Contractors working at DIRT TT are required to meet or exceed DIRT TT's health and safety management system to execute work on DIRT TT sites. VelocityEHS Software is used to manage our contractors and daily scope of work.
	403.9	Work-related injuries	Total Recordable Injury Frequency (TRIF) – 0.5 Near miss closure rate (within 30 days) - 95%.
	404.1	Average hours of training per year per employee	DIRT TT's training period spans over three months, which covers corporate training and job specific training. In addition, all employees partake in an immersive three-day DIRT TT 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	DIRT TT Talks – the annual performance evaluation and professional development discussion between employees and their leaders – were introduced company-wide. This 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.
	405.1	Diversity of governance bodies and employees	Diversity and Inclusion (p. 14) Board Structure (p. 35)
	406.1	Incidents of discrimination and corrective actions taken	There have been no reported incidents of discrimination.

SASB	GRI	Description	Response, link, or additional information
	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. DIRTT's Code of Conduct states "...we do not engage in fraudulent or corrupt business practice, and we do not use child or slave labour or permit our suppliers to do so". Additionally, 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. DIRTT's Code of Conduct states "...we do not engage in fraudulent or corrupt business practice, and we do not use child or slave labour or permit our suppliers to do so". Additionally, 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."
	412.2	Employee training on human rights policies or procedures	All DIRTT employees are required to annual review DIRTT's Code of Conduct and Respectful Workplace Policy.
	413.1	Operations with local community engagement, impact assessments and development programs	Community and Local Impacts (p. 16)
	414.1	New suppliers that were screened using social criteria	Supply Chain (p. 37)
	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. 18)
	416.2	Incidents of non-compliance concerning the health and safety impacts of products and services	There have been no non-compliances concerning the health and safety impacts of products and services.
	417.1	Requirements for products and service information and labeling	Products are labeled in compliance with TSCA Title VI.



SASB	GRI	Description	Response, link, or additional information
	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.
	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	Nearly all DIRT wall assemblies are certified through SCS Indoor Advantage Gold, meeting ANSI/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). Solid doors finished with paint or veneer must be specified as NAF in order to be compliant with the above listed standards.
CG-BF-410a.1		Efforts to manage product lifecycle impacts & meet demand for sustainable products	Life Cycle Assessment (pg.). 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) kWh	Calgary (solar) kWh	Phoenix (non-renewable) kWh	Phoenix (solar) kWh	Savannah (non-renewable) kWh	Rockhill (non-renewable) kWh	Total kWh
2019	10,236,927	14,035	1,463,360	94,361	1,405,960	-	13,214,643
2020	9,501,587	14,190	1,559,040	93,350	1,198,640	-	12,366,807
2021	9,282,998	14,946	1,377,280	90,662	1,200,640	1,060,269	13,026,795

### 302.3 Energy intensity

	kWh/\$ product revenue
2019	0.05
2020	0.07
2021	0.08

### 303.5 Water consumption in cubic meters\*

	Calgary	Phoenix	Savannah	Rockhill
2019	10,825	10,023	-	-
2020	10,301	9,372	-	-
2021	12,209	8,180	402	2,021

\*Historical water consumption data for Savannah facility is unavailable

\*\*Rock Hill began operating in June 2021, no historical data

### 305.1 Scope 1 GHG Emissions

	Tons CO <sub>2</sub> e
2019	3,341
2020	3,031
2021	2,897

### 305.2 Scope 2 GHG emissions

	Location based (tons CO <sub>2</sub> e)	Market based (tons CO <sub>2</sub> e)
2019	9,458	-
2020	8,450	-
2021	8,452	3,655

### 305.4 GHG emission intensity

	Location based (tons CO <sub>2</sub> e/\$ product revenue)	Market based (tons CO <sub>2</sub> e/\$ product revenue)
2019	0.0000570	-
2020	0.0000733	-
2021	0.0000794	0.0000458

## CHARTS APPENDIX

### 306.2 Waste by type and disposal method in metric tons

Hazardous Waste	2019	2020	2021
Recycled	0.25	0.17	0.14
Landfilled	1.40	5.88	68.6

### 306.2 Waste by type and disposal method in metric tons

Non- Hazardous Waste	2019	2020	2021
Reused	No data	No data	3,876
Recycled	4,152.24	2,937	2,831
Composted	41.96	28.19	24.94
Landfilled	2,096.75	1,581	1,273
Donations	No data	30+ material donations	1,000 kg of fabric 9,000 kg of MDF offcuts 12,600 kg wood dunnage 25 ft <sup>3</sup> cork tiles 80 pairs safety glasses



