

DIRTT®

2024

# ESG REPORT

ENVIRONMENTAL, SOCIAL + GOVERNANCE

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ABOUT DIRTT

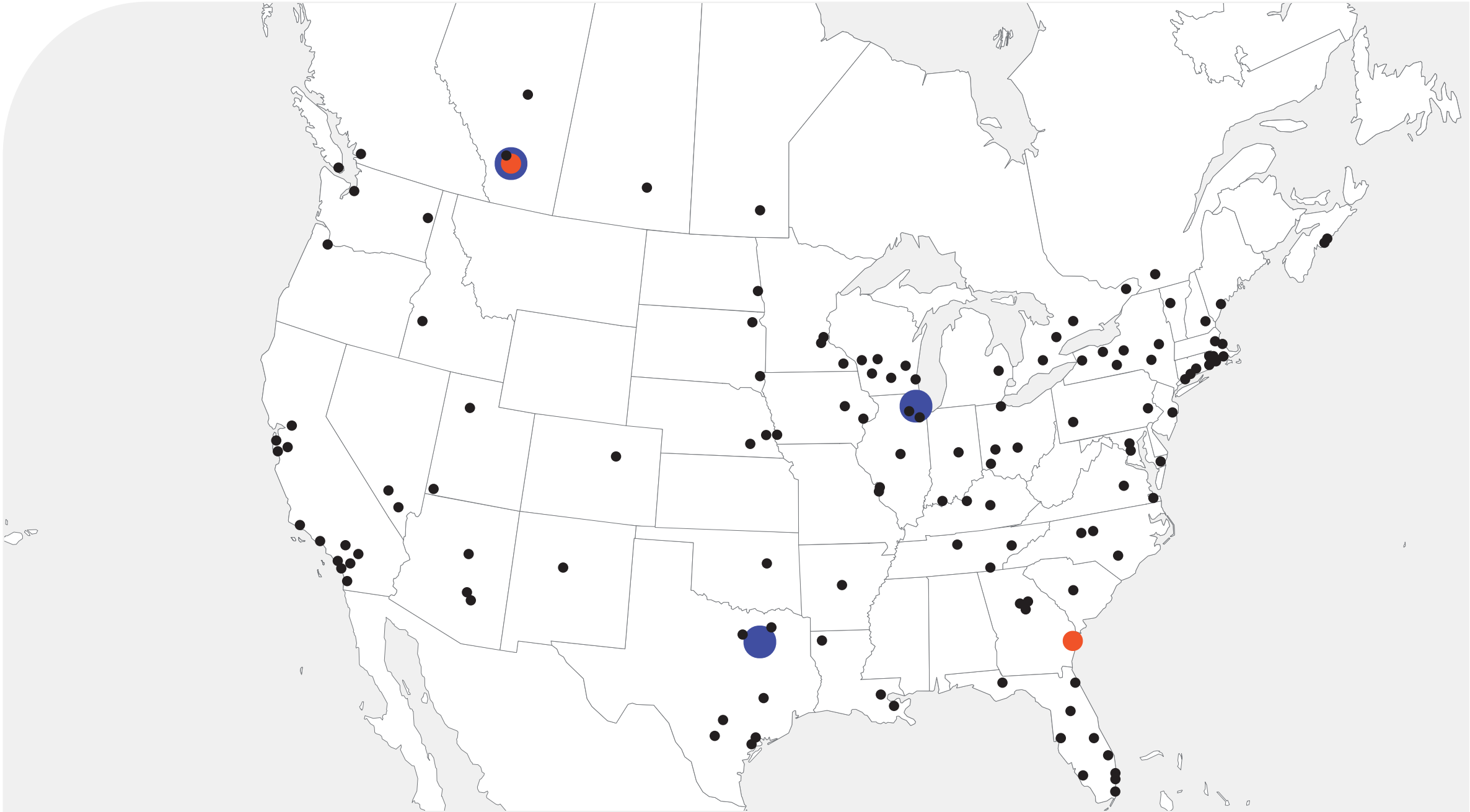
NOT JUST BUILT FOR TODAY.  
BUILDING FOR TOMORROW.

Established in 2004 and headquartered in Canada, DIRTT specializes in custom prefabrication, leveraging our proprietary software, ICE®, to seamlessly translate distinct visions into adaptable environments tailored to work, learn, and heal. Central to our design philosophy is an emphasis on disassembly and reconfiguration. This enables component interchangeability for effortless repurposing without extensive

renovation, expense, or waste. The market for prefabricated interior spaces resonates with the escalating demand for streamlined and efficient construction methods, coupled with an enhanced focus on sustainable and economically viable building solutions. DIRTT is listed on the Toronto Stock Exchange under the symbol “DRT” and quoted on the OTC Markets on the “OTC Pink Tier” under the symbol “DRTTF.”

2024 Business Highlights





- 847 employees
- 39 sales representatives across North America
- 283 Patents (47 Patents Pending)
- 71 Construction Partners
- Invested 7.6 million into technology and development innovation activities in 2024
- Revenues for the year ended December 31, 2024, were \$174.3 million



WHERE WE ARE

DIRTT manufactures wall panels, casework, and timber solutions in Calgary, Alberta, while aluminum, glass, and electrical components are produced in both Calgary and Savannah, Georgia. Distributed manufacturing gives us the flexibility to allocate production of specific components across our facilities, thereby reducing transportation time and cost while meeting targeted lead times efficiently.

Our revenue streams predominantly stem from commercial projects, including both new construction and the renovation of existing structures. We have a diverse client base ranging from small owner-managed enterprises to multinational Fortune 500 corporations in sectors including healthcare, education, financial services, government and military, manufacturing, non-profit organizations, energy, professional services, retail, technology, and hospitality.

-  **DIRTT Headquarters**
  - Calgary, Alberta, Canada
-  **DIRTT Experience Centers**
  - Calgary, Alberta, Canada
  - Chicago, Illinois, United States
  - Dallas, Texas, United State
-  **DIRTT Manufacturing Facilities**
  - Calgary, Alberta, Canada
  - Savannah, Georgia, United States
-  **DIRTT Construction Partners**
  - 65+ Partners across North America

ESG HIGHLIGHTS



ECO Impact  
Top Employer of the Year Award



Achieved 70% renewable power,  
against target of 100% renewable electricity for  
operations by 2025



Achieved 20% of landfill waste reduction,  
against a target to achieve 35% reduction from  
our 2021 baseline by 2025



Recognized by OSHA  
as a Safety Health Achievement Recognition Program  
(SHARP) recipient for our Savannah, Georgia operations



CEO MESSAGE

At DIRTT, our mission is clear: to design and manufacture adaptable, sustainable spaces. In 2024, we advanced that mission with purpose, bringing flexibility, environmental stewardship, and innovation to the forefront of everything we do. Our ESG strategy continues to serve as both a foundation and catalyst, reinforcing our vision to transform the way the world builds.

Construction and demolition are responsible for millions of tons of waste ending up in landfills each year.<sup>1</sup> As the industry faces mounting pressure to reduce its environmental footprint, we see a clear path forward with smarter, more flexible building methods rooted in sustainability and innovation. DIRTT’s prefabricated modular solutions challenge the inefficiencies of conventional construction by minimizing waste, extending the lifecycle of materials, and enabling reconfiguration over time. Powered by advanced technologies that enable precision, efficiency, and transparency at every stage, our model goes beyond environmental sustainability strategies such as waste mitigation and energy efficiency. It builds lasting value for our clients and the communities they serve.

DIRTT is built on a culture of innovation and empowerment. Our people are the reason we continue to deliver industry-leading solutions that don’t just meet standards but surpass them. The safety, growth, and engagement of our employees remain a top priority and help guide our operational decisions and investments.

Looking ahead, we will continue to take bold, decisive action to drive positive impact across our operations, from scaling sustainable sourcing strategies to reimagining material circularity. Our climate goals, social programs, and governance practices work together to create long-term value for our stakeholders and drive meaningful, measurable impact across our business.

**Thank you for your continued support.**



“

Our ESG strategy continues to serve as both a foundation and catalyst, reinforcing our vision to transform the way the world builds.”

Benjamin Urban, CEO

<sup>1</sup> US EPA Facts and Figures about Materials, Waste and Recycling: <https://www.epa.gov/facts-and-figures-about-materials-waste-and-recycling/construction-and-demolition-debris-material>



# ABOUT THIS REPORT

## SCOPE OF THIS REPORT

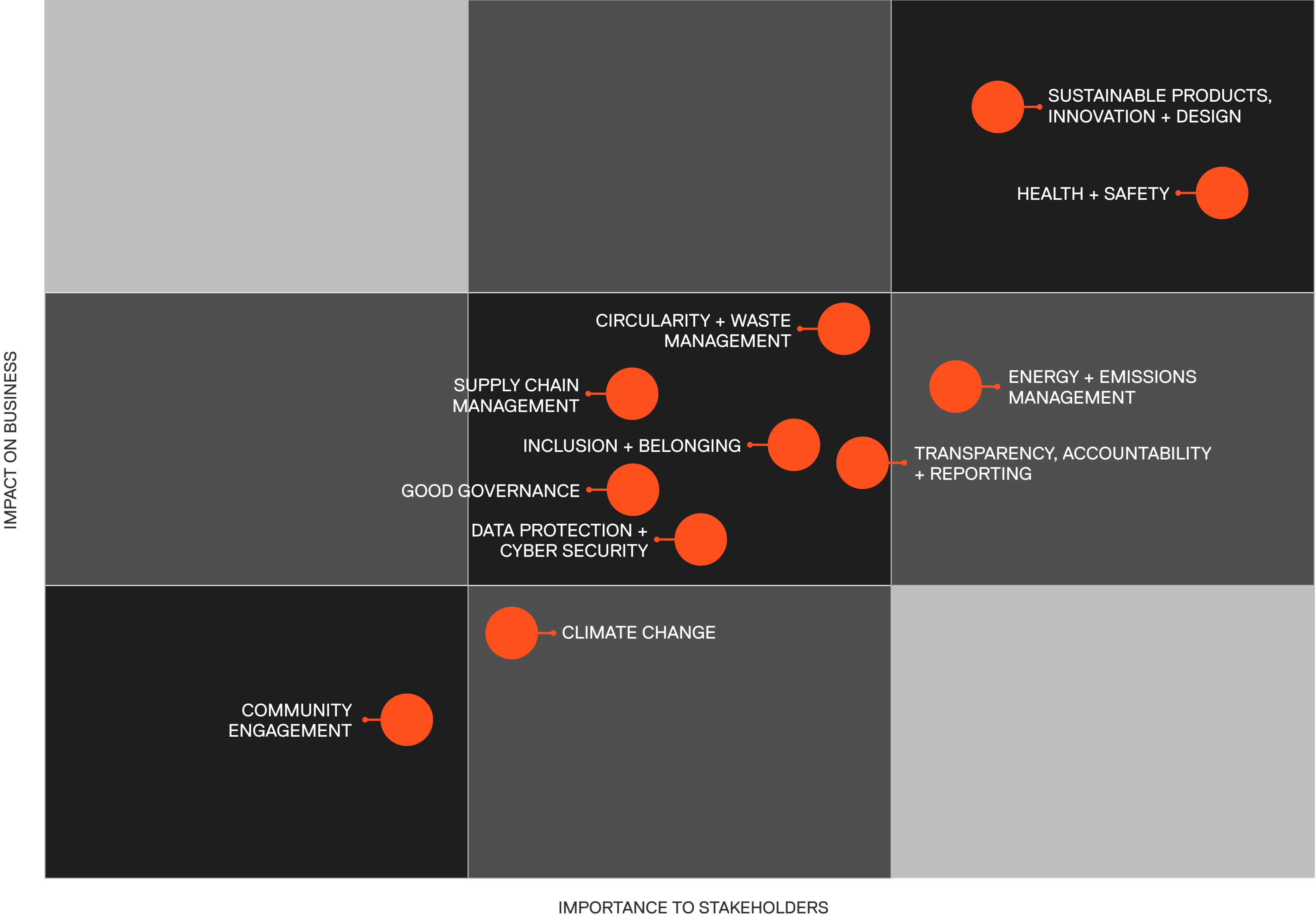
This report reflects the data and analysis of environmental, social and governance performance related to DIRTT and not its Construction Partners, as at and for the year ended, December 31, 2024. Unless otherwise specified or the context otherwise requires, references to “we,” “us,” “our,” “its,” “the Company” or “DIRTT” mean DIRTT Environmental Solutions Ltd. and, where the context so requires, includes our subsidiaries. Unless otherwise noted all dollar amounts are expressed in U.S. currency.

## FRAMEWORKS

This report is guided by the principles of accuracy, balance, clarity, comparability, reliability, and timeliness. This report is prepared in accordance with GRI Standards, the Sustainability Accounting Standards Board (SASB) Building Products & Furnishings standard, GHG Protocol as well as the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) framework.

# MATERIALITY ASSESSMENT

In 2024, DIRTT conducted an updated materiality assessment, led by an external consultant, building on our initial assessment from 2021. This process identified the ESG topics most significant to our business and stakeholders by evaluating their potential risks, opportunities, and overall impact. These topics have been prioritized in our materiality matrix, with those in the top right corner representing the most critical areas where we can drive meaningful change. To ensure our focus remains relevant, we will review these priorities annually, considering shifts in our business, evolving ESG trends, and stakeholder expectations.



TARGETS

We have enhanced our focus on the key areas relevant to our organization. We set ambitious yet realistic targets in these focus areas, which have received endorsement from the executive leadership team and the board of directors. Our commitment to transparency is demonstrated through annual disclosure of our strategy, performance, and progress against these targets. We remain committed to achieving robust business results and long-term financial resilience while maintaining responsible and ethical operations. We are on track for our 2025 goals and will be initiating the process to set new targets in 2025.

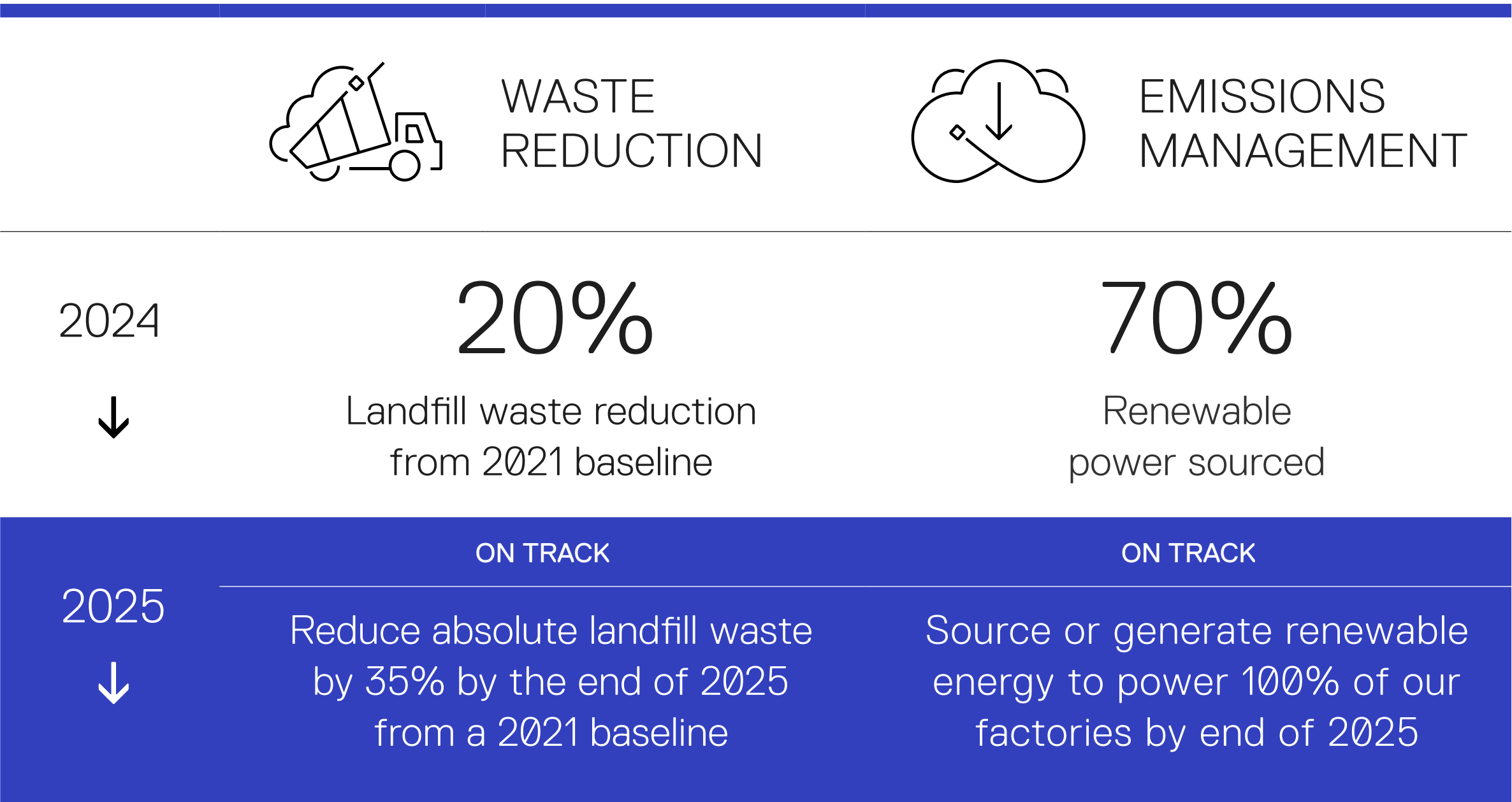
ENVIRONMENTAL TARGETS		2024 PROGRESS
Waste Reduction	Reduce landfill waste by 35% by the end of 2025, from a 2021 baseline	IN PROGRESS
Emissions Management	Source or generate renewable electricity to power 100% of factories by the end of 2025	IN PROGRESS
SOCIAL TARGETS		2024 PROGRESS
Health + Safety	Obtain Safety Health Achievement Recognition Program (SHARP) certification in our U.S. factories by end of 2023 (delayed to 2024)	COMPLETE
Belonging + Inclusion	Advance Belonging and Inclusion in the workplace	COMPLETE
Employee Engagement	Administer employee engagement pulse surveys annually	COMPLETE
Community Engagement	Company offers paid volunteer hours	COMPLETE
GOVERNANCE TARGETS		2024 PROGRESS
Good Governance	Third-party verification of our ESG Report for 2025 Report	NOT STARTED

ENVIRONMENT

Environmental sustainability is foundational to DIRTT, built into who we are and how we operate. As the Company grows, we remain committed to minimizing our environmental footprint while advancing our strategic priority of operational efficiency. Our approach is guided by four core pillars of sustainability:

- 01 **PRIORITIZING CIRCULARITY**  
Sustainable products with an emphasis on the circular economy
- 02 **ADVANCING PRECISION**  
Lean manufacturing with a focus on waste reduction
- 03 **OPTIMIZING EFFICIENCY**  
Climate impact through energy management
- 04 **PROMOTING TRANSPARENCY**  
Sustainable innovations and designs through transparent disclosures

DIRTT’s 2025 environmental targets are guided by these core pillars and in 2024, we made substantial progress against our environmental commitments including reducing an additional 20% of our waste away from landfills from a 2021 baseline and sourcing 70% of our power from renewable sources. In addition, DIRTT worked with an external third-party to updated product-specific Environmental Product Declarations (EPDs) for our Classic™ and Inspire™ Glass Walls to support continued effort toward transparent disclosures. These disclosures empower stakeholders with credible lifecycle data, and reinforce our role in driving sustainable, science-based decision-making across the built environment. Our commitment to sustainability extends beyond our products into our operations and culture, where we actively engage our people, processes, and partnerships to advance environmental responsibility. This approach was recognized by the Eco Impact 2025 Top Employer of the Year Award.





# ECO IMPACT AWARD

DIRTT is honored to have earned the **ECO Impact 2025 Top Employer of the Year Award**, recognizing our sustainability initiatives throughout 2024. This achievement reflects our commitment to embedding environmental stewardship, and social responsibility across all aspects of our operations and culture.

ECO Canada is a steward for the Canadian environmental workforce across all industries. Its aim is to promote and drive responsible, sustainable economic growth while ensuring that environmental care and best practice is a priority.

To learn more about the ECO Impact awards, visit: [ECOIMPACT.CA](https://ecoimpact.ca)



# SUSTAINABLE PRODUCT, INNOVATION + DESIGN

At DIRTT, our commitment to quality and sustainability is foundational to how we operate. We leverage our proprietary ICE® software to optimize spaces before construction begins, minimizing waste and maximizing efficiency. Our approach includes sourcing high-quality and regenerative raw materials, applying lean manufacturing principles, and designing for circularity through product reconfigurability and adaptability. This methodology ensures sustainability is embedded throughout our value chain.

Continuous improvement is a cornerstone of our organization. We foster a culture of innovation and learning, regularly exploring new materials, processes, and advanced technologies to redefine leadership in sustainable construction. Through our quality management system, we ensure strict adherence to regulatory standards and international best practices, thereby enhancing both the efficiency and reliability of our product delivery.

Our dedication to both quality and continuous improvement is reflected in these key metrics:

### EXTERNAL DEFICIENCIES

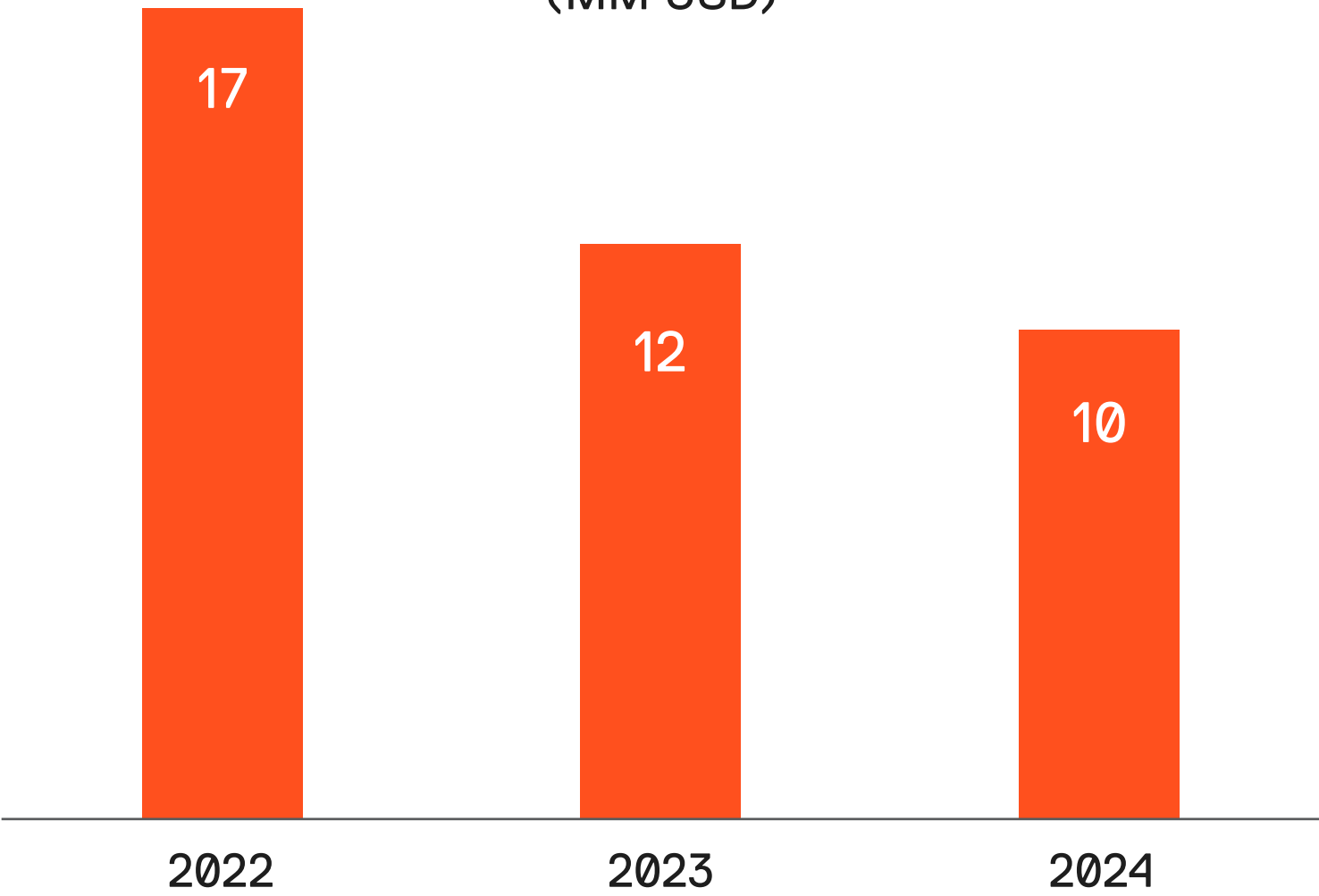
Through targeted improvements, we have reduced external deficiencies by 38% since 2022. This reduction has directly contributed to decreased manufacturing waste and lowered demand for raw materials, supporting both operational efficiency and environmental sustainability.

### ON TIME IN FULL (OTIF)

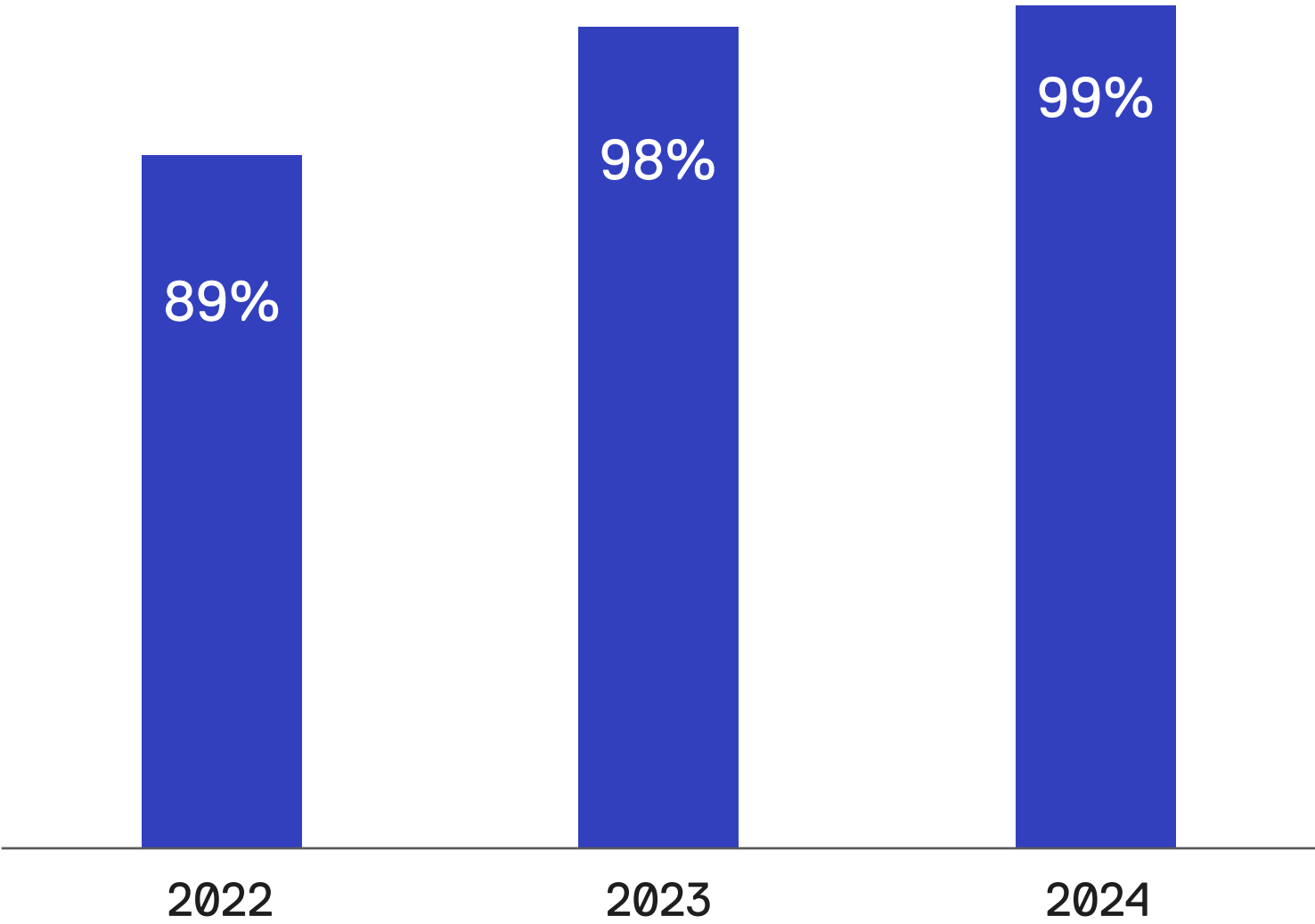
Demonstrating our commitment to excellence, we have seen a positive trend in our OTIF achieving 99% in 2024 as we continue to aim for our goal of 100%. Improving OTIF means we have created a more efficient supply chain through optimizing transportation and minimizing damaged or incorrect orders. This optimization improves the overall material and energy efficiency, ensuring our focus on sustainability reaches beyond our operations through the whole supply chain.



ANNUAL DEFICIENCY PER REVENUE (MM USD)



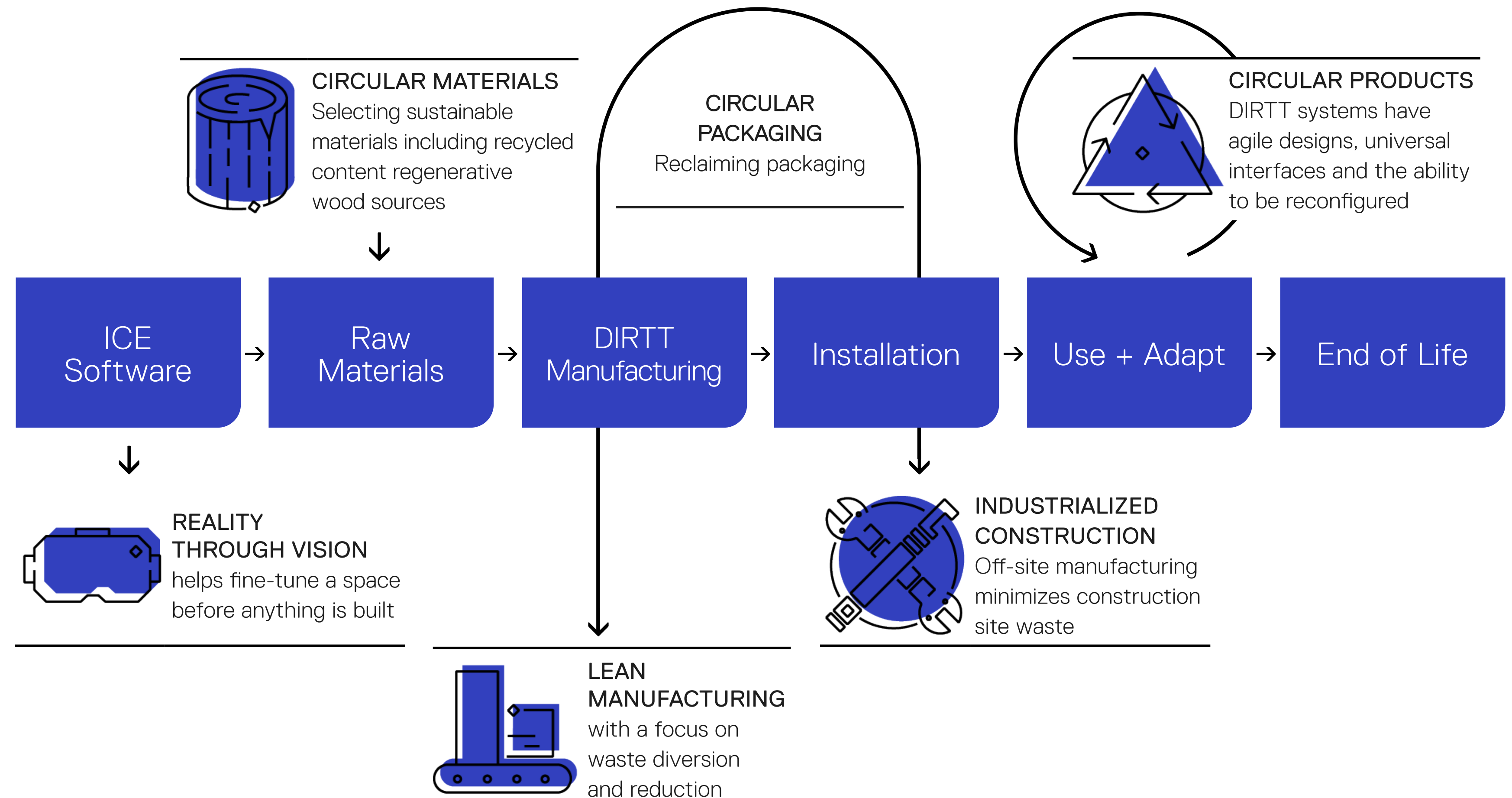
ON TIME IN FULL (% SHIPMENTS COMPLETED ON TIME)



## CIRCULAR ECONOMY + WASTE MANAGEMENT

The circular economy is a framework aimed at keeping materials in circulation for as long as possible, thereby reducing waste and minimizing environmental impact. As defined by the Ellen MacArthur Foundation<sup>2</sup>, the circular economy is guided by three design-driven principles: 1-Eliminate waste and pollution; 2-Circulate products and materials; and 3-Regenerate nature. DIRTT's internal strategy to advance and communicate our efforts in this area is called Creating Circularity. Many of our initiatives align with the principles of circulating products and materials, reflecting our commitment to sustainable, closed-loop design and manufacturing.

### CREATING CIRCULARITY



<sup>2</sup>Ellen MacArthur Foundation. Circular Economy Principles. <https://www.ellenmacarthurfoundation.org/circular-economy-principles>

Circular Materials + Products

CIRCULAR MATERIALS

We source many of the core materials used in our processes from circular or regenerative sources. Complimenting these efforts, we prioritize the use of low-emitting materials, such as no-added-formaldehyde MDF and zero-VOC water-based finishes, to reduce off-gassing and human exposure to indoor air pollutants. These materials are certified under the SCS Indoor Advantage Gold program (SCS-IAQ-02433 and SCS-IAQ-03740). We continue to strengthen our internal evaluation processes to assess the environmental and human impacts of incoming materials to ensure we select materials that align with both performance requirements and sustainability goals.



ALUMINUM

We use aluminum in our wall frames for its strength, lightweight properties, and clean aesthetic. For purchases in 2024, the average recycled content across our aluminum suppliers in Calgary was 17% and in Savannah was 45%, varying based on supplier access to high-quality recycled material.<sup>3</sup> While we are committed to increasing recycled content and accommodating specific client requests, doing so would require substantial operational adjustments.

We continue to monitor evolving trends and assess sourcing strategies that support our sustainability goals without compromising cost-effectiveness and product performance.

INSULATION

DIRTT’s cotton denim insulation contains an average of 90% recycled content.<sup>4</sup> The final product is 100% cotton fiber, a rapidly renewable resource. During assembly, DIRTT collects leftover insulation scraps and sends them back to the manufacturer. Reusing offcuts in new products means no insulation waste comes from our operations.



TIMBER

Timber is an increasingly sought-after material in construction for its renewable nature and carbon-storing properties. DIRTT sources timber from reputable suppliers that adhere to rigorous harvesting regulations designed to prevent over-harvesting. By offering a responsibly sourced timber solution, we provide clients with a renewable and beautiful material that align with client's environmental goals.



FOREST STEWARDSHIP COUNCIL® WOOD

DIRTT is Forest Stewardship Council (FSC®) Chain-of-Custody certified (SCS-COC-000848). DIRTT is required to undergo an external audit annually to ensure appropriate tracking and handling of FSC wood throughout our manufacturing facility to ensure our compliance with the FSC standards.



<sup>3</sup>This recycled content percent reflects an average of the aluminum DIRTT purchased in 2024, based on supplier documentation. Calgary recycled content is 100% pre-consumer, while Savannah recycled content is 94% pre-consumer and 6% post-consumer.  
<sup>4</sup>DIRTT sources two recycled cotton denim insulation products, one with 100% pre-consumer recycled content, and one with 80% post-consumer recycled content.  
THE RECYCLE CONTENT OF RAW MATERIALS PROCURED BY DIRTT MAY VARY BASED ON SUPPLIER OPERATING CONDITIONS AND EVOLVING STANDARDS FOR RECYCLED CONTENT DISCLOSURE.  
AS A RESULT, DIRTT HAS TAKEN COMMERCIALY REASONABLE CARE IN PRODUCING THESE ESTIMATES, ANY RELIANCE A THIRD-PARTY PLACES ON SUCH INFORMATION IS STRICTLY AT ITS OWN RISK.

Circular Materials + Products

CIRCULAR PACKAGING

Minimizing construction waste is a core priority for DIRTT and that commitment extends to our packaging practices. We emphasize the use of reusable materials and packaging strategies, including:

FRAME SPACERS (COOKIES) AND ELECTRICAL CAPS INCENTIVE PROGRAM:

DIRTT’s incentive-return program for reusable cookies and electrical caps has been in place since 2016. In 2024, more than 1,886 pounds of these materials were returned to our manufacturing facilities for reuse in the shipping process, diverting an equivalent amount of plastic out of landfills.

PALLET RETURN PROGRAM:

On Calgary and Savannah projects, DIRTT actively enhances return programs to support the reuse of high-quality pallets. These projects continuously return pallets to our facilities, helping reduce material waste and costs for both parties. For example, in Calgary, we delivered a 34-floor project for a

large local oil and gas firm, requiring an estimated 90 pallets per floor to ship our products. Through our coordinated return process, pallets were returned regularly to our factories for reuse, avoiding the need to purchase and dispose of up to 3,000 pallets over the course of the project.

We recognize that effective packaging is essential for maintaining product quality during shipping. Whenever possible, we prioritize the use of recyclable materials that can be responsibly managed throughout the lifecycle of a project, including our jobsites. While foam and plastic remain the primary options for reliable protection, we collaborate with suppliers to identify and test more sustainable alternatives as they become available.

PRODUCT CIRCULARITY

DIRTT products are designed to be agile with universal interfaces, enabling easy reconfiguration and adaptability over time. Their modular nature allows for deconstruction and reconstruction, significantly reducing the need for traditional renovations and associated waste. Our clients have utilized this flexibility for projects ranging from small adjustments, such as repositioning a wall tile for better access to outlets, to larger scale projects, reconfiguring entire DIRTT products within floors of a high-rise building. These capabilities reflect DIRTT's strategy of Creating Circularity, providing long-term value and sustainable solutions for reimagining spaces.



Northland Power Case Study

LESS WASTE, BY DESIGN

Northland Power, a sustainable energy provider based in Ontario, Canada, exemplifies how DIRTT’s modular solutions can advance both operational efficiency and environmental responsibility. As the company expanded its office footprint across additional floors in its existing building, the existing DIRTT infrastructure provided the foundation for a fast, low-waste, high-performance renovation. In areas where the floorplan required updates, DIRTT walls were disassembled, reconfigured,

and reassembled quickly and easily to meet new spatial requirements. In areas where the layout remained functional, wall panels were easily updated to refresh the aesthetic. This approach enabled a seamless transformation with minimal waste, disruption, or material use.

The project, completed on time and on budget, successfully reused 75% of the existing DIRTT products, turning what could have been a resource-intensive buildout into a showcase of circular design.

For more information, visit our case study:

THE VALUE OF PREFABRICATED MODULAR CONSTRUCTION

Waste Management

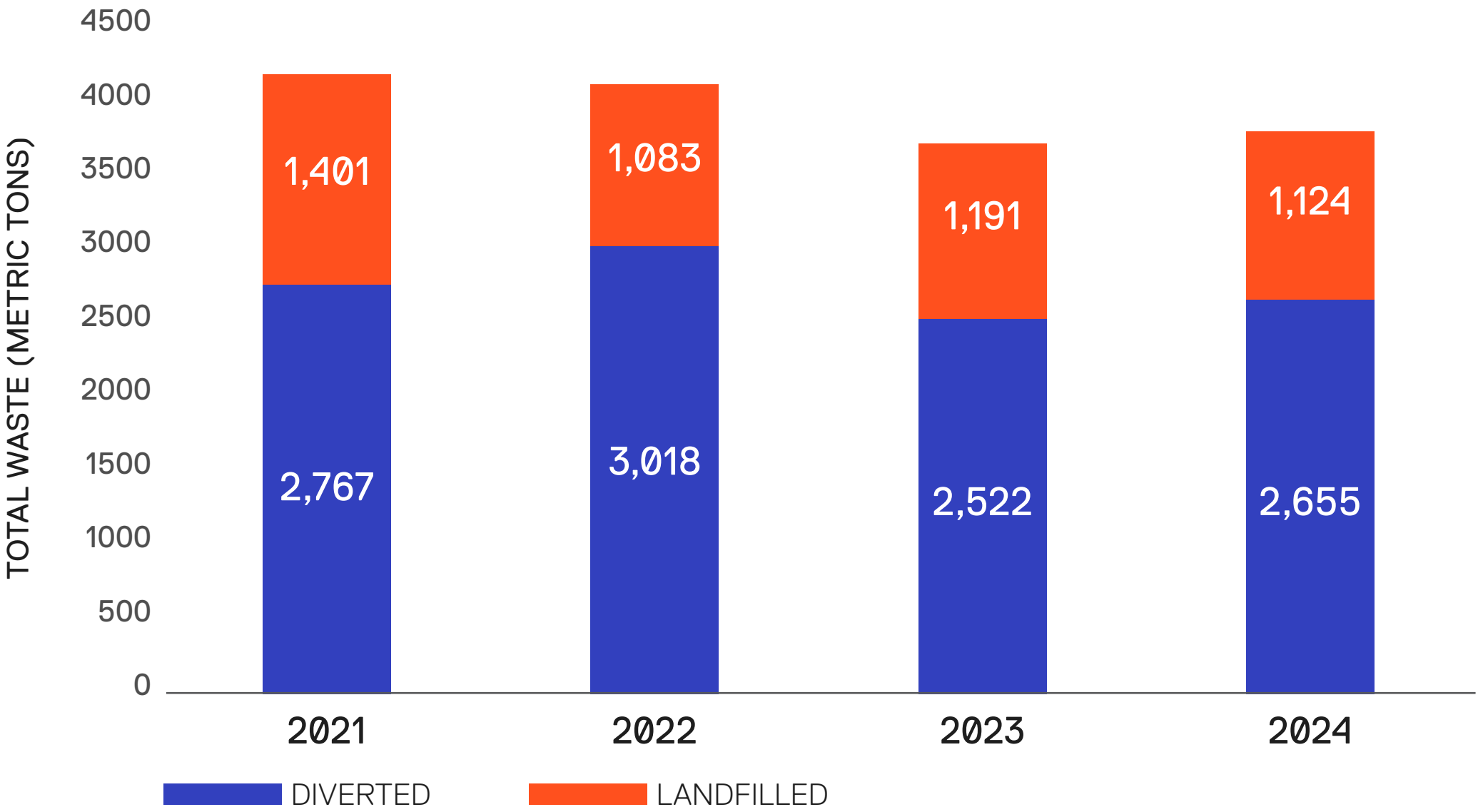
REALITY THROUGH VISION

DIRTT’s proprietary ICE® software allows our clients to bring their design visions to life more efficiently. This advanced technology enables detailed visualization and refinement before construction begins, ensuring greater precision and alignment from the outset. By reducing the need for physical mockups and change orders, this digital design process enhances raw material efficiency and reduces traditional construction waste.

LEAN MANUFACTURING

Lean manufacturing is at the core of our commitment to operational excellence. Our lean manufacturing efforts focus on just-in-time production and apply lean sigma operational practices, optimizing inventory levels and material efficiency. By streamlining our processes, we enhance productivity, improve energy efficiency, minimize waste production, and drive overall performance.

As part of our commitment to waste reduction, DIRTT has set **a goal to reduce landfill waste from our manufacturing sites by 35% by the end of 2025, from a 2021 baseline.** To reach this target, we are improving material efficiency, evaluating packaging waste, and collaborating with a key recycling partner to divert non-reusable



materials for use in low-carbon fuel feedstock. Through these combined efforts, by reducing from 1,401 metric tonnes to 1,124 metric tonnes of waste to landfill from 2021 to 2024, respectively. We are firmly on track to achieved our 2025 goal.


In 2024, our methodology for waste categorization was updated to more accurately reflect the current waste management practices for sawdust disposal. Previously classified as recycled, sawdust is now categorized as landfill waste as it is utilized as an adsorbent for hazardous waste destined for landfill. This methodology change was applied retroactively to 2021 data onward to ensure consistency in our baseline and subsequent year-after-year reporting.

**WASTE TO LOW-CARBON FUEL:**  
An Alberta-based project supports the Canadian concrete industry’s efforts to reduce emissions<sup>5</sup> by primarily using wood waste to produce a low carbon fuel. It achieves emission reductions in two core ways: first, by diverting organic materials from landfills, preventing methane generation; and second, by decreasing reliance on fossil fuels in concrete production.

**IMPROVED ALUMINUM MATERIAL YIELD:**  
To optimize aluminum wall frame production, DIRTT implemented a software solution that reduces waste. Since 2022, this initiative has improved aluminum yield by approximately 5%, lowering procurement costs and reducing off-cut aluminum recycling volumes.

### Industrialized Construction

Off-site manufacturing industrializes the construction process, reducing on-site waste while improving raw material efficiency and streamlining waste management and diversion practices. According to a 2018 EPA Material Management Study, 188 million tons of construction and debris waste was generated from building construction, with drywall making up 8% of that total. Of that 15 million tons of drywall waste, 25% was produced during the construction phase due to low material efficiency, and 86% of it was landfilled.<sup>6</sup> DIRTT’s lean manufacturing and industrialized construction model helps mitigate these large volumes of construction waste and material inefficiency. By centralizing production at our Calgary and Savannah facilities, we are able to enhance material efficiency and establish localized, value-added waste diversion streams that support both operational performance and environmental responsibility.



<sup>5</sup> <https://www.eralberta.ca/projects/details/lower-carbon-fuels-project/>  
<sup>6</sup> Advancing Sustainable Materials Managements: 2018 Fact Sheet, U.S. Environmental Protection Agency, December 2020



# ENERGY + EMISSIONS MANAGEMENT

## Energy Management

DIRTT recognizes the significant energy demands and resulting carbon emissions of the construction industry. We are committed to reducing our impact by sourcing or generating 100% renewable power for all our factories by the end of 2025. In the U.S., we have already matched our energy consumption with renewable energy certificates (RECs) and are working toward the same goal in Canada. By prioritizing renewable energy, we aim to contribute to the transition toward a lower-emissions energy economy.

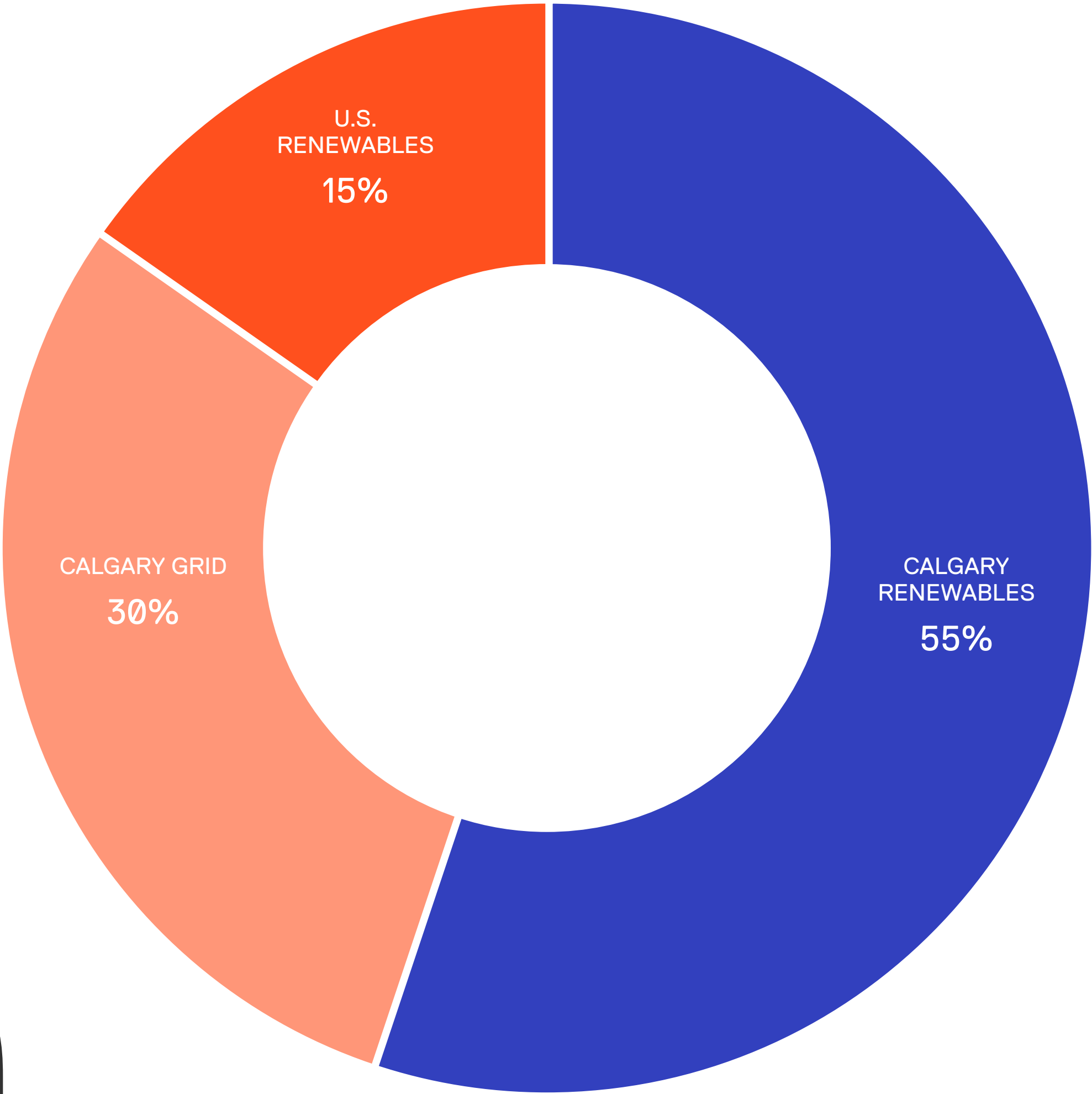
We are proud to have achieved 70% of our company-wide target. Our manufacturing facility in Savannah, GA is fully matched with 100% renewable energy credits. Our facilities

in Calgary, AB currently operates with 65% renewable energy through a combination of onsite solar production and Green-e Certified Renewable Energy Credits (RECs).

To support energy efficiency across our manufacturing facilities, DIRTT has implemented training initiatives to optimize equipment use and reduce overall power consumption. To further improve efficiency, we are evaluating the replacement of outdated equipment with energy-efficient models and exploring locally incentivized energy management programs. While we recognize there is still progress to be made, we remain committed to advancing energy efficiency across our operations and voluntarily sourcing renewable energy to reduce our overall demand.

DIRTT has set a goal energy efficiency goal to source or generate renewable electricity to power 100% of factories by the end of 2025.

2024 ELECTRICITY BREAKDOWN<sup>7</sup>



<sup>7</sup> Renewables include on-site generated solar power and procured RECs

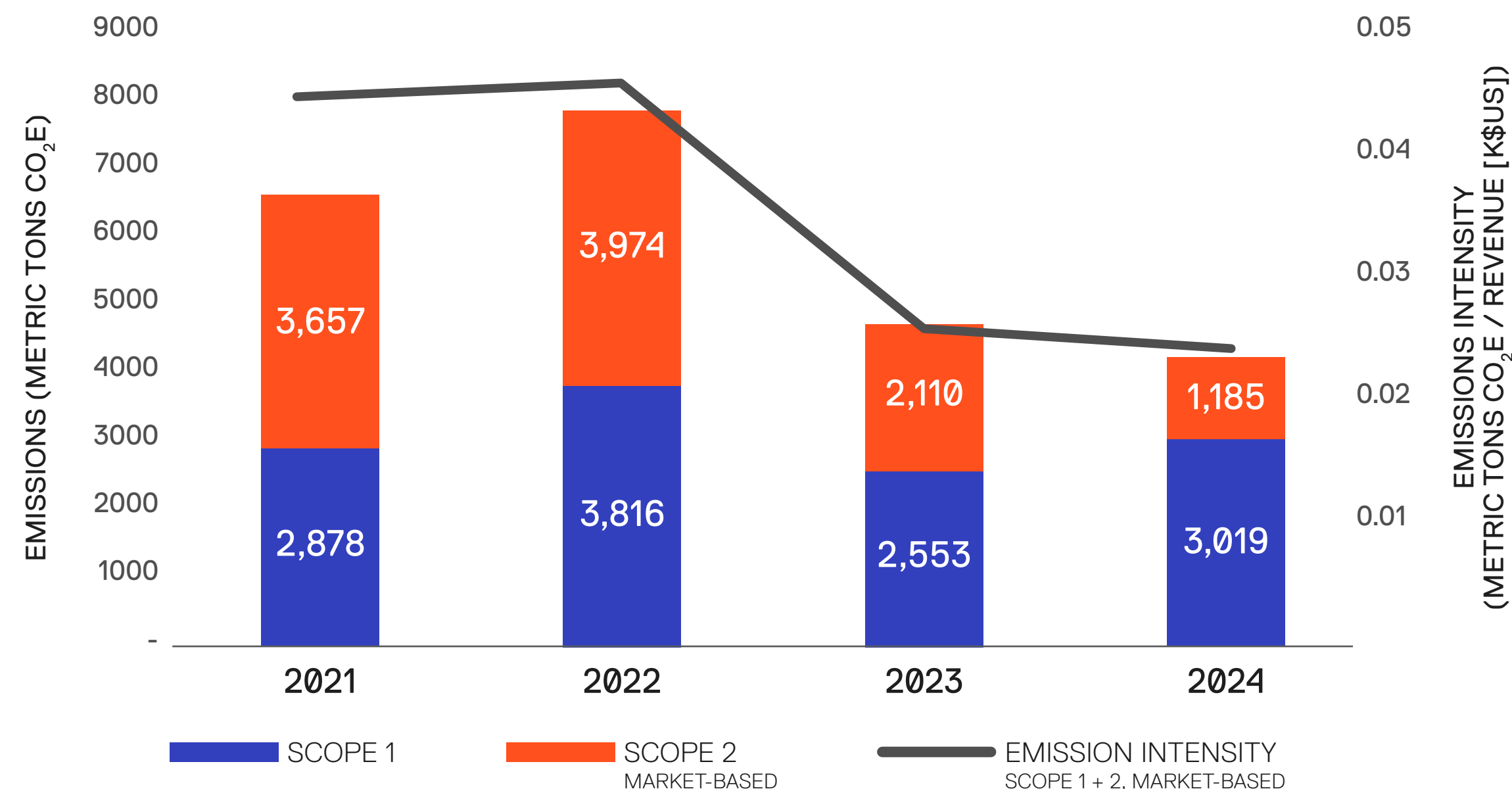
## Emissions Management

### CORPORATE SCOPE 1 AND 2 EMISSIONS

Our carbon footprint calculations adhere to methodologies, tools, and data from internationally recognized sources, such as the Greenhouse Gas Protocol, the Canadian National Inventory Report, and the U.S. Environmental Protection Agency (EPA). For detailed insights into DIRTT's carbon footprint methodology, please refer to the Greenhouse Gas Protocol Corporate Standard.

Scope 1 emissions arise from sources owned and operated by our company. For DIRTT, this includes fuel consumption within our fleet vehicles, natural gas combustion to heat our facilities, and propane for forklift operations.

Scope 2 emissions encompass those from the generation of purchased electricity consumed by our operations. The Greenhouse Gas Protocol's carbon accounting methodology employs a location and market-based approach for Scope 2 emissions, allowing for a more accurate reflection of emissions from purchased power considering the energy market's evolving landscape. This methodology enables companies to leverage their electricity purchasing decisions to drive demand for low-carbon energy generation. DIRTT's market-based Scope 2 emissions show the positive impact of purchasing and generating renewable power to support emission reduction in our manufacturing processes.



\*The chart displays market-based Scope 2 figures. Location-based Scope 2 (metric tons CO<sub>2</sub>e) are: 2024: 5,051; 2023: 4,970; 2022: 5,950 and 2021: 6,229

While DIRTT does not currently measure Scope 3 emissions, we are monitoring emerging regulations and are aware of the possibility of future regulations to report Scope 3 emissions, or the need to provide our Scope 1 and 2 emissions to our customers as part of their own Scope 3 accounting efforts.

The reported financial-based emission intensity encompasses the Scope 1 and market-based Scope 2 emissions per thousand U.S. dollars in corporate revenue. The improvement in intensity over the last 4 years is due to the increased

sourcing and generation of renewable power to reduce our market-based Scope 2 emissions. While material or product-based emission intensities are becoming common practice, the customization and variability of DIRTT systems makes this methodology complex to apply at present. DIRTT's approach is to focus on product EPDs to support the reporting of product-specific emission data.

## Product-Specific Environmental Product Declarations (EPDs)

In 2024, DIRTT published new product-specific EPDs for our Classic™ and Inspire™ Glass Wall systems, reinforcing our ongoing commitment to transparent disclosures. In the first quarter of 2025, we will update product-specific EPDs for certain solid wall configurations.

DIRTT's life cycle assessment of wall products has identified aluminum content as the largest overall contributor of our products' global warming potential (GWP), also referred to as the carbon dioxide equivalent or embodied carbon. Recognizing this impact, we are actively exploring opportunities to source aluminum with higher levels of recycled content. Higher recycled content in the aluminum has the potential to increase both overall recycled content of wall products as well as reduce their overall embodied carbon.<sup>8</sup>

DIRTT continues to monitor industry demand for higher-recycled-content aluminum to ensure any operational upgrades required to accommodate alternative material streams are both effective and justified within our manufacturing process.

<sup>8</sup> Wang, J.; The Environmental Footprint of Semi-Fabricated Aluminum Products in North America, An LCA Report; The Aluminum Association; January 2022



SOCIAL

Our success is driven by our people. We strive to foster a safe, healthy, and inclusive workplace where all employees are treated with respect and dignity. This culture of equity and well-being is also extended to the communities in which we operate.



## HEALTH + SAFETY

Our dedication to health and safety is paramount within our organization. We implemented the “Journey to Zero” campaign, aimed at achieving zero occupational illnesses or injuries. This initiative is built upon six foundational pillars: leadership commitment, contractor alignment, health and safety management system, measurement and metrics, organizational effectiveness, and continuous learning.

Under the leadership commitment pillar, our executive team demonstrates our dedication to fostering a culture of safety throughout the organization. They lead by example and prioritize the well-being of our employees above all else. Additionally, we work to ensure that all contractors and partners align with our stringent health and safety standards, aiming to promote a cohesive approach to risk management across all aspects of our operations.

Our robust health and safety management systems, a cornerstone of the Journey to Zero initiative, are regularly reviewed and updated to adhere to industry best practices and regulatory requirements. We employ comprehensive measurement tools and metrics to track our progress towards safety goals, identifying areas for improvement and implementing

targeted interventions as needed.

DIRTT has successfully achieved Certificate of Recognition (COR) certification in Alberta, verifying that our health and safety program meets national standards. This accomplishment enhances our pre-bid qualifications<sup>9</sup>, strengthens our safety culture, and generates cost savings. This is our fourth consecutive year achieving this success.

DIRTT has been recognized through the Safety Health Achievement Recognition Program (SHARP) from Occupational Safety Health Administration (OSHA) for our U.S. operations, recognizing our exemplary injury and illness prevention efforts. This achievement is the result of years of collaboration<sup>10</sup> with OSHA.

We will continually assess and, where needed, enhance our health and safety programs, processes, and documentation. We strive to ensure they remain aligned with our organizational objectives and evolving industry standards. Lastly, we aim to prioritize a culture of continuous learning and improvement. Lessons learned from incidents are shared across the organization to prevent recurrence and drive ongoing improvement.



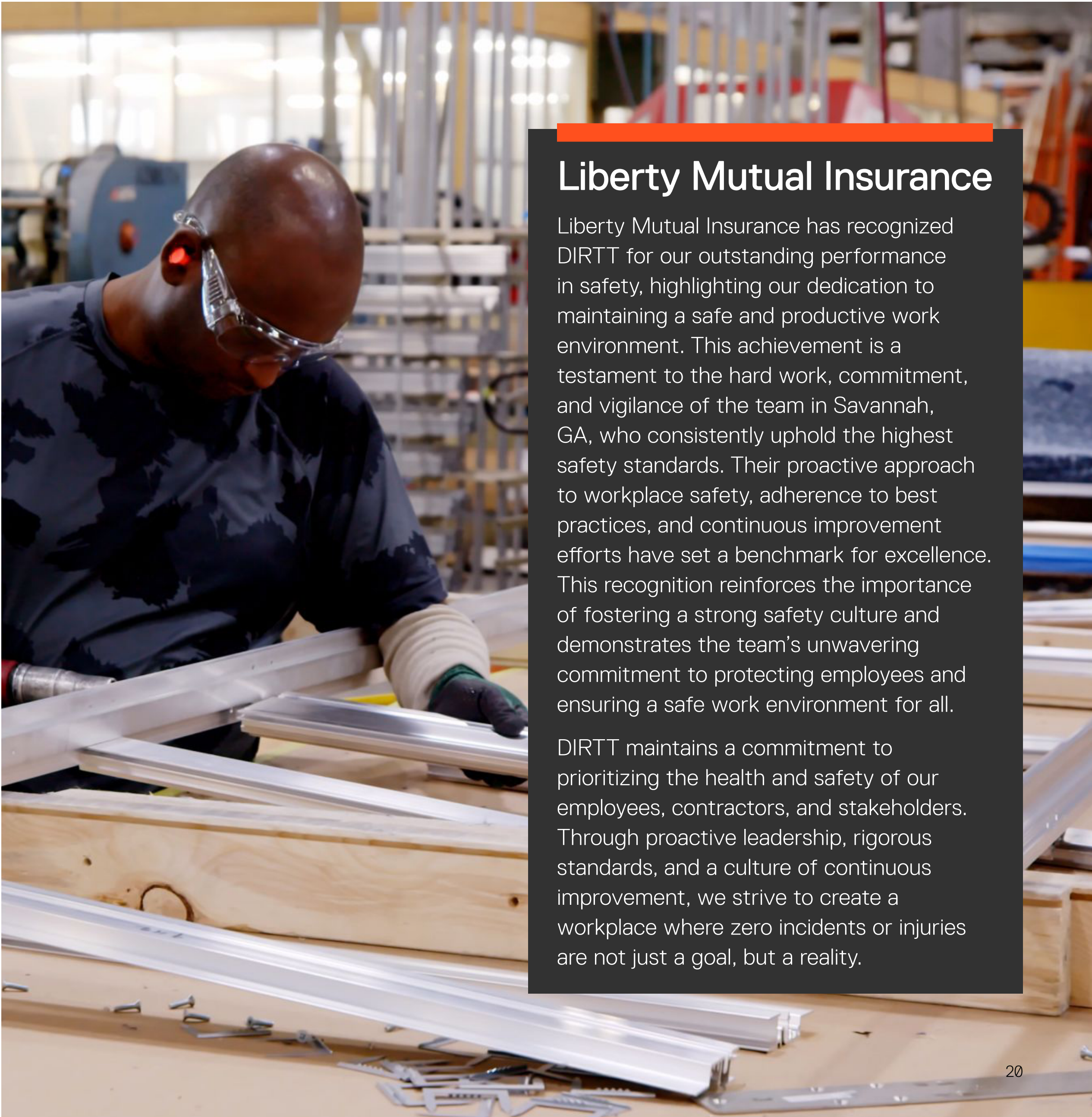
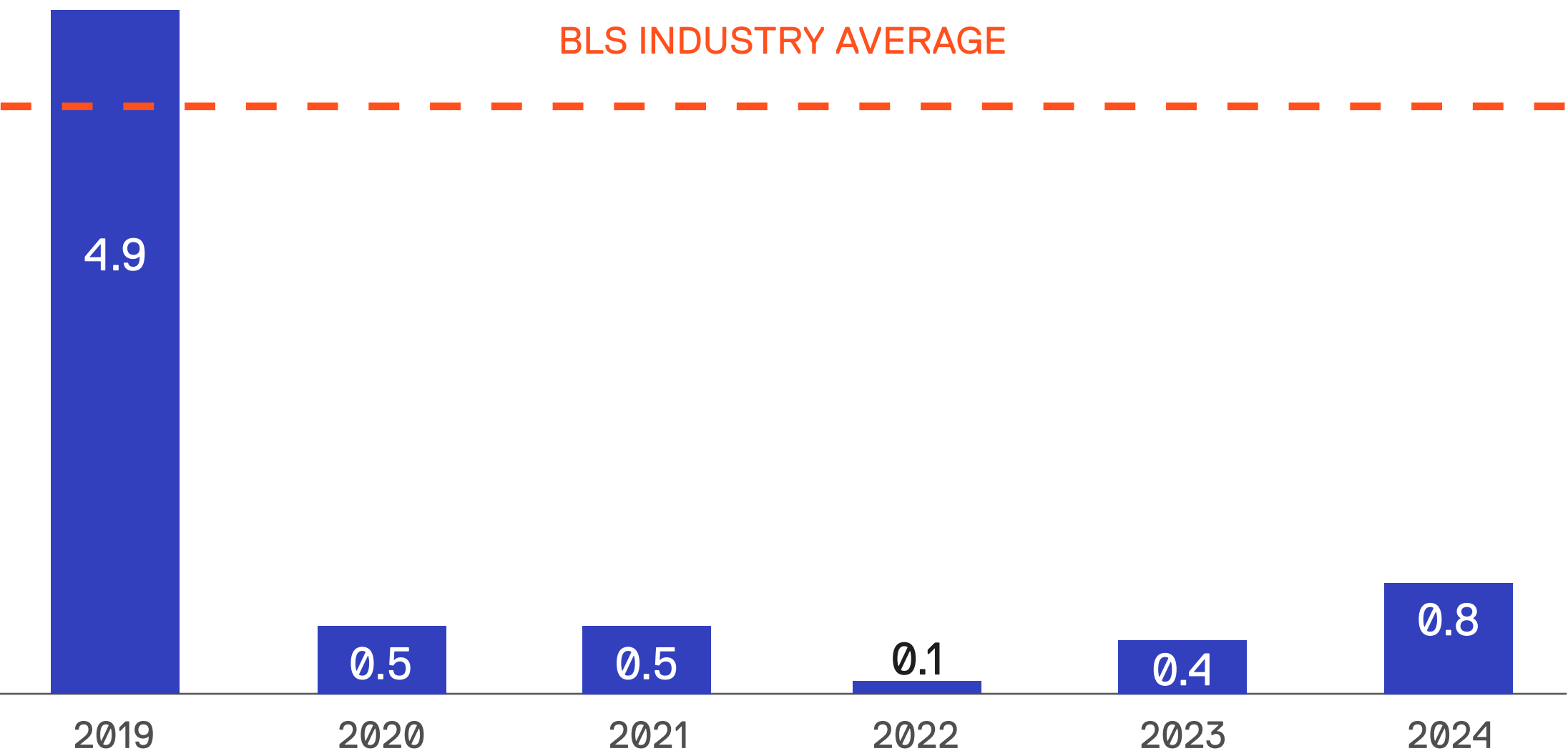
Recognized by OSHA  
as a Safety Health Achievement Recognition Program  
(SHARP) recipient for our Savannah, Georgia operations

<sup>9</sup> <https://www.alberta.ca/get-certificate-recognition>  
<sup>10</sup> <https://www.osha.gov/smallbusiness/sharp/bystate>

To ensure the success of our health and safety management system, DIRTT’s Health and Safety (H&S) team is composed of certified Canadian Registered Safety Professionals and Certified Safety Professionals. The team manages an Occupational Health and Safety (OHS) management system that goes beyond regulatory requirements in Canada and the U.S.

Our commitment to organizational safety has yielded remarkable results which is represented in the company’s Total Recordable Incident Frequency (TRIF). In 2024, we achieved a Total Recordable Incident Frequency (TRIF) of 0.82, which is more than 80% below the Bureau of Labor Statistics (BLS) industry average. We are continuing to improve our processes, demonstrating our continued commitment to the Journey to Zero.

TRIF



Liberty Mutual Insurance

Liberty Mutual Insurance has recognized DIRTT for our outstanding performance in safety, highlighting our dedication to maintaining a safe and productive work environment. This achievement is a testament to the hard work, commitment, and vigilance of the team in Savannah, GA, who consistently uphold the highest safety standards. Their proactive approach to workplace safety, adherence to best practices, and continuous improvement efforts have set a benchmark for excellence. This recognition reinforces the importance of fostering a strong safety culture and demonstrates the team’s unwavering commitment to protecting employees and ensuring a safe work environment for all.

DIRTT maintains a commitment to prioritizing the health and safety of our employees, contractors, and stakeholders. Through proactive leadership, rigorous standards, and a culture of continuous improvement, we strive to create a workplace where zero incidents or injuries are not just a goal, but a reality.



INCLUSION + BELONGING

DIRTT recognizes the importance of integrating a variety of mindsets, experience and backgrounds to foster innovation in our business. DIRTT’s strategy includes comprehensive training around key topics related to unconscious bias, allyship, and the value of attracting and retaining talent for an inclusive organization. Furthermore, the strategy focuses on the establishment and deployment of learning streams, mentoring circles, and incorporation of inclusive language into our offer packages and benefit materials.

In September of 2024, DIRTT launched additional training for our workforce to enable a more inclusive environment, providing education on fostering a workplace where everyone feels valued, respected and valued. This program involved a series of online programs, webinars, and eLearning courses designed to educate, engage, and provide learning and reflection opportunities. Training is geared towards employee engagement strategies and leadership development.

## Employee Engagement

DIRTT supports a range of initiatives designed to foster a positive, engaging, and inclusive workplace where employees can thrive. These efforts include yoga sessions, celebrating and recognizing various well-being days, regular communication through leadership updates and Town Hall meetings, and a variety of social events including themed “lounge nights” held after work in the corporate office, bring-your-pet-to-work days, and volunteer opportunities. One highlight is our continued participation in the Calgary Corporate Challenge, a popular event that promotes camaraderie and collaboration through friendly competition with other Calgary-based organizations.

DIRTT has implemented structured measures to assess and enhance employee engagement and satisfaction. Specific initiatives include the deployment of a performance management tool designed to drive discussions around team goals, performance and development opportunities, and greater transparency around policy and procedures tied to cost and risk mitigation.

In 2024, we conducted an employee engagement survey through our Employee Voice platform, focusing on key themes such as workplace civility,

communication, work-life balance, retention, job satisfaction, and employee engagement. The insights gathered by this survey inform our ongoing strategy and progress related to employee engagement and experience. In addition to the survey, we have introduced several initiatives to support culture and engagement. These include various learning and development opportunities, enhanced communication strategies, employee recognition programs, philanthropic opportunities, and an emphasis on inclusive, virtual events to support engagement and connection for remote employees.

We use a range of compensation incentives which vary by role, including annual variable compensation determined based on a combination of achieving team objectives and financial targets for the company; quarterly bonuses for our manufacturing personnel paid on adherence to targets related to safety, quality, delivery, inventory and productivity; and commissions based on sales. We also use various forms of stock-based compensation to further align employee interests with the interests of our shareholders. We monitor our retention by way of voluntary turnover, which was 11% in 2024.





## Community Engagement

Connecting to our community is a critical part of DIRTT’s identity and long-term vision. In 2024, we continued to strengthen our community investment efforts by developing a strategic framework, outlining a roadmap of initiatives, and establishing a cross-functional employee committee to guide our approach. Our evolving strategy focuses on establishing meaningful engagement opportunities, executing inclusive giving campaigns, driving sustainable impact, and enabling our employees to connect on philanthropic efforts through paid employee volunteer hours.

In 2024, we launched our Hearts & Hands employee volunteer program, designed to foster a culture of community involvement and strengthen connections among colleagues. The

program encourages employees to give back through meaningful, hands-on experiences in their community. In Savannah, employees volunteered with Habitat for Humanity, dedicating two full days to help build homes for low-income families. Additionally, in the fourth quarter of 2024, we successfully completed our holiday giving campaign, which included coordinated in-person and virtual efforts to support food banks across North America, focusing on the cities in which we operate. This initiative reinforced DIRTT employees’ desire to create positive social impact and delivered tangible outcomes for our communities. Through our DIRTT Gives initiatives, we raised a total of \$33,636 CAD for the Calgary Food Bank, \$16,306 for the Americas Second Harvest of Coastal Georgia and \$1,236 for the Humane Society of Savannah.

GOVERNANCE

DIRTT is committed to upholding ethical business practices through transparent reporting and strong governance practices. Several governance topics were identified on the materiality assessment, including Overall Good Governance, Supply Chain Management, Climate Change and Data Protection & Cyber Security, and are addressed in more detail in alignment with the materiality assessment.



GOOD GOVERNANCE

DIRTT’s business is managed by executive officers, under the oversight of a board of directors. The board’s responsibilities are supported by three standing committees: Enterprise Risk Management Committee, Audit Committee and Corporate Governance and Compensation Committee. The board oversees our strategic planning process and helps our executive team in its aim to create a culture of integrity.

Our comprehensive suite of investor related documentation can be found at:

[DIRTT LEADERSHIP + GOVERNANCE](#)



Board Structure

DIRTT’s board operates under a mandate designed to promote alignment and effectiveness across its committees. This mandate reinforces the board’s primary duty to the Company, while also recognizing interests of various stakeholders, including employees, shareholders, customers, suppliers, local communities, regulators, and society at large. Directors are expected to adhere to the highest standards of personal and professional ethics, integrity, and values, with a focus on representing the Company’s best interests. Our goal is to cultivate a diverse board, encompassing varied experiences and backgrounds, including gender diversity, to enrich policy-making discussions and decisions.

DIRTT ensures the effective utilization of directors’ expertise by organizing them into specialized board committees:

- The Audit Committee oversees the integrity of financial statements, accounting processes, internal controls, and compliance matters, including confidential handling of employee complaints related to financial ethical matters.
- The Corporate Governance and Compensation Committee evaluates governance principles, assesses director expertise, and monitors board and committee composition and functioning, with a focus on diversity and inclusion policies and to assess performance and compensation of executive officers.
- The Enterprise Risk Management Committee is tasked with overseeing risk management activities, monitoring key corporate risk factors, and guiding the implementation of robust risk management policies and procedures aligned with the Company’s strategy and risk capacity. This includes reviewing risk categories, concentrations, mitigation measures, and action plans to address potential risks.

## Sustainability Council

In 2024, DIRTT established its first Sustainability Council to drive sustainable growth and to continue to foster environmental stewardship within our organization. Comprised of a diverse group of leaders and experts, the council collaborates to develop innovative strategies, sets ambitious goals, and implements best practices across the organization.

### POLICIES

DIRTT’s Code of Conduct and 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. DIRTT has also established

policies and practices to provide greater detail on compliance with the matters set out in the code and in the running of the business. We focus on continuous improvement in all our policies, procedures and 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 help eliminate future occurrences.



# SUPPLY CHAIN MANAGEMENT

## SUPPLY CHAIN ENVIRONMENTAL ASSESSMENT

Through our strategic sourcing process, we seek visibility on suppliers’ sustainability practices, ISO certifications, and conflict mineral compliance. This proactive approach helps ensure our suppliers align with our sustainability goals and adhere to international standards. Master purchase agreements, covering approximately 70% of our annual spend, underscore our commitment to robust supplier relationships.



## SUPPLY CHAIN MODERN SLAVERY

Recognizing the inherent risks associated with sourcing from certain global regions, we proactively assess our supply chain against indices such as the Transparency International’s Corruption Perceptions Index and the Walk Free International’s Global Slavery Index. This diligent approach goes beyond regulatory compliance, allowing DIRTT to prioritize supply chain transparency and human rights considerations inherent in our international manufacturing operations. We seek to mitigate potential risks through the mapping of suppliers, spend, activities, and geographic locations of fabrication and manufacturing facilities.

We acknowledge our ongoing efforts to address these global issues, and we remain committed to upholding ethical standards throughout our supply chain. DIRTT annually complies with the Fighting Against Forced Labour and Child Labour in Supply Chains Act, also referred to as the Modern Slavery Act. We recognize the importance of combating modern slavery

and human trafficking in all aspects of our operations. As part of our due diligence, we conduct thorough assessments of our supply chain providers to help identify and mitigate risks associated with forced labour and child labour. Through ongoing monitoring and engagement with suppliers, we work to adhere to international labor standards and ethical practices. Our commitment to transparency extends to our reporting practices, where we disclose efforts and progress in addressing modern slavery risks. By aligning with the reporting requirements of the Modern Slavery Act, we demonstrate our dedication to ethical sourcing and social responsibility, contributing to the global fight against modern slavery. For more information on DIRTT’s efforts towards assessing and preventing the risk of modern slavery in our supply chain, please see our disclosure, Fighting Against Forced Labour and Child Labour in Supply Chain, on our public website.

## ANTI-BRIBERY + ANTI-CORRUPTION

DIRTT is committed to complying with all applicable legal requirements related to financial crimes. Our Integrity Policy aims to prevent violations of anti-bribery and anti-corruption legislation, as well as money laundering, facilitating of tax evasion and terrorist financing. The Company conducts regular risk assessments to identify if DIRTT is at risk of such financial crimes. Employees are encouraged to report any suspicious transactions to the Company’s General Counsel or to the Chair of the Audit Committee.

CLIMATE CHANGE

GOVERNANCE

DIRTT recognizes the importance of effective governance in addressing climate-related risks and opportunities. Our Board of Directors oversees our climate-related strategies and initiatives, ensuring alignment with our overall business objectives and risk management framework. The Board of Directors receives quarterly updates on climate-related matters and provides guidance on integrating climate considerations into our decision-making processes.

STRATEGY

Our climate strategy is centered around mitigating our environmental impact and enhancing resilience to climate-related risks. We are committed to reducing greenhouse gas emissions across our operations, investing in energy efficiency measures, and transitioning to renewable energy sources where feasible. Additionally, we are integrating climate considerations into our product design and supply chain management processes to minimize emissions throughout the full lifecycle of our products.

RISK MANAGEMENT

DIRTT conducts regular assessments to identify and evaluate climate-related risks that may impact our business operations. These assessments consider physical risks, such as extreme weather events and supply chain disruptions, and transition risks, such as regulatory changes and shifts in consumer preferences. We have implemented risk mitigation measures, including diversifying our supplier base, implementing business continuity plans, and conducting scenario analysis to anticipate potential future risks.

DIRTT has taken the step to evaluate climate-related risks that could reasonably be expected to impact our organization, including the time horizon and relative priority. The following risks and opportunities were identified as short term (1-4 years), medium term (4-8 years), and long term (8+ years).



CLIMATE-RELATED RISKS

Physical Risk, Acute	<b>Extreme Weather Events:</b> Our production facilities are in regions that are susceptible to extreme weather events such as storms, hurricanes, and heavy snowfall (in Calgary). These events can disrupt manufacturing operations, damage infrastructure, and interrupt the supply chain. <i>(Long Term, Medium Priority)</i>
	<b>Weather Delays in Construction Schedules:</b> Extreme weather events could delay third-party exterior construction schedules, affecting interior builds. <i>(Short Term, Medium Priority)</i>
	<b>Supply Chain Disruptions:</b> Weather events leading to obstructions or road closures may disrupt incoming materials and outgoing shipments. Additionally, climate-related events can affect the availability of raw materials, components, and transportation. For instance, severe weather conditions may affect transportation routes and lead to delays in receiving materials from distributed manufacturing partners. <i>(Short to Long Term, Low Priority)</i>
	<b>Unforeseen Utility Cost Increases:</b> Sudden increased demand may lead to unforeseen utility cost increases. <i>(Short to Long Term, Medium Priority)</i>
Physical Risk, Chronic	<b>Energy Costs:</b> Fluctuations in energy prices due to climate-related factors such as changes in temperature or availability of renewable energy sources can impact operational costs. Energy-intensive manufacturing processes may become more expensive to maintain. <i>(Medium Term, Medium Priority)</i>
	<b>Increased Insurance Premiums:</b> Long-term climate changes leading to more extreme weather events may increase insurance premiums for the Savannah facility. <i>(Medium to Long Term, Medium Priority)</i>
	<b>Worker Safety Concerns:</b> Extreme heat making it unsafe for workers or forest fire smoke impacting employees. <i>(Medium to Long Term, Medium Priority)</i>
Transition Risks, Policy + Legal	<b>Regulatory Changes:</b> Both provincial and state governments are implementing regulations to mitigate climate change, such as carbon pricing mechanisms and energy efficiency standards. Compliance with these regulations may require investments in technology upgrades and changes in manufacturing processes. <i>(Medium Term, Medium Priority)</i>
	<b>Legal Compliance:</b> More stringent regulatory requirements may require increased investment in systems and personnel required for reporting and regulatory compliance across the organization. <i>(Medium to Long Term, High Priority)</i>
Transition Risks, Market	<b>Evolution of Building Codes:</b> Possible evolution of building codes may affect demand for products meeting specific environmental requirements. <i>(Long Term, Low Priority)</i>
	<b>Resource Demand Shifts:</b> Shifting demand for raw materials due to climate-related impacts may affect commodity pricing and production. <i>(Short to Long Term, High Priority)</i>
	<b>Macroeconomic Conditions:</b> Global macroeconomic conditions from climate-related impacts may impact client demand and revenue. <i>(Short to Long Term, High Priority)</i>

CLIMATE-RELATED OPPORTUNITIES

Green Building Trends	There is a growing demand for more sustainable and environmentally friendly construction materials and practices, specifically focused on the circular economy and products that are designed for disassembly. DIRTT is positioned to address this trend by offering pre-manufactured construction made from recycled materials and working to reduce the embodied carbon of our construction systems. <i>(Short to Long Term, High Priority)</i>
Chronic Partnerships for Resilience	Collaborating with distributed manufacturing partners to implement climate-resilient practices enhances the resilience of DIRTT’s supply chain. This includes strategies such as diversifying supplier locations and implementing risk management protocols. <i>(Medium to Long Term, Medium Priority)</i>
Energy Efficiency + Renewable Energy:	Investing in energy-efficient manufacturing processes and adopting renewable energy sources not only reduces operational costs but also enhances DIRTT’s sustainability credentials, appealing to environmentally conscious customers. <i>(Short Term, High Priority)</i>

Metrics + Targets

We have established key performance indicators (KPIs) to track our progress towards our climate-related goals and targets. These include metrics such as greenhouse gas emissions intensity, the expansion of renewable energy for our operations, and

the optimization of logistics across our value chain. Our targets focus on reducing emissions, improving energy efficiency, and enhancing the sustainability of our operations. Progress against these targets is routinely tracked and reported to certain stakeholders.

## DATA PROTECTION + CYBERSECURITY

The security of our information technology systems and Company and Client data is important to our operations and reputation. Accordingly, we are committed to identifying and managing cybersecurity risks. DIRTT has developed and implemented a cybersecurity risk management strategy which consists of 5 phases: Identify, Protect, Detect, Respond, and Recover. Each phase has multiple processes and technologies supporting those processes:

### 01 IDENTIFY

Identification processes at DIRTT include system asset identification, threat identification, vulnerability identification and maintaining cybersecurity policies and standards.

### 02 PROTECT

Protection processes at DIRTT include cyber awareness training, cyber awareness assessment (each employee is assigned a cybersecurity awareness grade calculated by a best in class cybersecurity vendor), implementation of identity and access controls, perimeter and endpoint security, annual vulnerability assessments and remediation, data encryption in transit, key vendor (third parties) control effectiveness assessment, and pre-implementation of software and systems cybersecurity assessments.

### 03 DETECT

Detection processes at DIRTT include automated event collection, collation, analysis, alerting and end user incident reporting.

### 04 RESPOND

Respond processes at DIRTT include containment, communication, investigation and analysis, and long-term mitigation planning.

### 05 RECOVER

Recovery processes at DIRTT include impact identification and analysis, system restoration, internal and external communications as deemed necessary.

DIRTT engages external assessors annually for specific controls, to assess and provide assurance on the health of our cybersecurity posture and controls.



# TRANSPARENCY, ACCOUNTABILITY + REPORTING

## CAUTIONARY NOTE ON FORWARD LOOKING STATEMENTS

Certain statements contained in this Report are “forward-looking statements” within the meaning of “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”) and “forward looking information” within the meaning of applicable Canadian securities laws. All statements, other than statements of historical fact included in this Report, regarding without limitation our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward looking statements. When used in this Report, the words “anticipate,” “aim,” “seek,” “believe,” “expect,” “estimate,” “intend,” “plan,” “project,” “outlook,” “may,” “will,” “should,” “would,” “could,” “can,” “continue,” the negatives thereof, variations thereon and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. In particular and without limitation, this Report contains forward-looking information pertaining to the effect of our strategic priorities on increasing

value creation; the application of our processes and technology and the benefits therefrom, forecast operating and financial results, the competitiveness of the Company’s solutions, the liquidity and capital resources of the Company, the effects that current claims against the Company and expiring patents will have on the Company’s business, financial condition, results of operations and growth prospects; our executive management team and the effect the rating systems established by the U.S. Green Building Council will have on demand for products, systems and services in the U.S. market; and our goals and expectations towards meeting certain ESG goals and metrics. Forward-looking statements are based on certain estimates, beliefs, expectations, and assumptions made considering management’s experience and perception of historical trends, current conditions and expected future developments, as well as other factors that may be appropriate. Forward-looking statements necessarily involve unknown risks and uncertainties, which could cause actual results or outcomes to differ materially from those expressed or implied in such statements. Due to the risks, uncertainties, and assumptions inherent in forward-looking information, you should not place undue reliance on forward-looking statements. Our past results

of operations are not necessarily indicative of our future results. You should not place undue reliance on any forward-looking statements, which represent our beliefs, assumptions and estimates only as of the dates on which they were made, as predictions of future events. We undertake no obligation to update these forward-looking statements, even though circumstances may change in the future, except as required under applicable securities laws. We qualify all our forward-looking statements by these cautionary statements.

## REPORT ASSURANCE

DIRTT strives to collect accurate and verifiable data in a consistent and rigorous manner before data is audited according to our standard internal financial accounting procedures. Our Enterprise Risk Management Committee, on behalf of the Board of Directors, oversees DIRTT’s sustainability initiatives, including the content of this report. Review and feedback from DIRTT’s Board of Directors serves as a final layer of assurance. DIRTT’s ESG Report has not received external assurance, but we are committed to evaluating external assurance in 2025.



