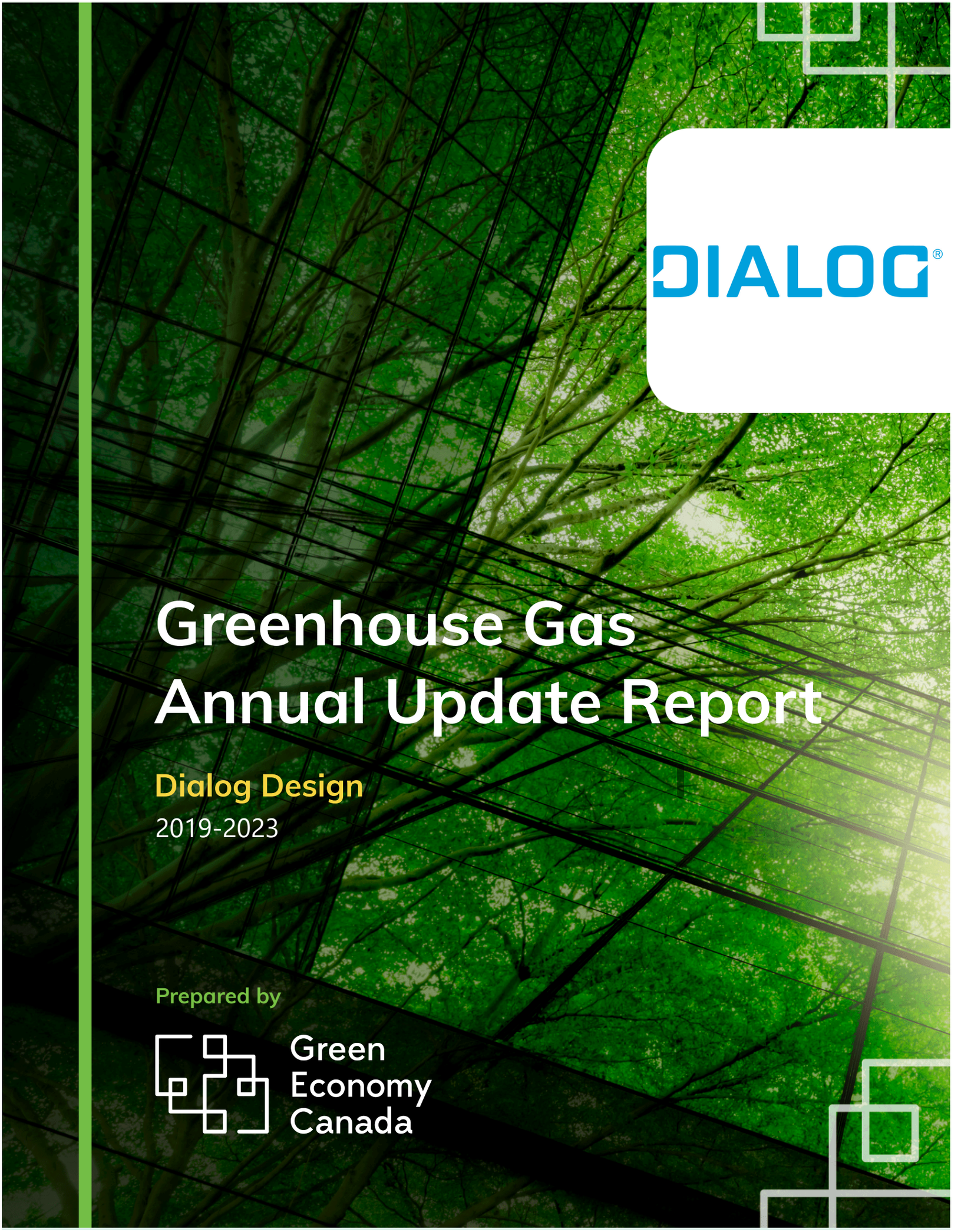


DIALOG®

Greenhouse Gas Annual Update Report

Dialog Design

2019-2023

Prepared by

Green Economy Canada

Overview

Dialog Design has made a commitment to take climate action through its participation in Green Economy Edmonton and by extension, the broader Green Economy Canada network. Quantifying your greenhouse gas (GHG) emissions is the first step in your journey to setting and achieving your GHG reduction goals. This document represents your initial GHG inventory and was developed following the World Resource Institute's GHG Protocol Corporate Accounting Standard.

Inventory Scopes

SCOPE 1 Direct Emissions	SCOPE 2 Indirect Emissions	SCOPE 3 Other Indirect Emissions
Natural Gas	Electricity, Renewable Energy Certificates, Server Load	Business Travel - Flights, Business Travel - Ground, Employee Commuting, Paper, Product Transport, Water, Work From Home

Inventory Context

Consolidation Approach	**Operational Control**	The operational control approach is a commonly used method where a company accounts for 100% of the GHG emissions from operations over which it has the ability to direct the day-to-day operations: this is standard procedure for inventories produced by Green Economy Canada.
Geographic Constraint	**Canada (BC, AB, ON), USA (CA)**	Dialog has operations in Edmonton, Calgary, Vancouver, Toronto, Oakland, and San Francisco.
Number of Facilities	**6**	See Appendix 2 for more detailed information.
Reporting Period	**2019-2023**	The reporting period was chosen based on the availability of your organization's data.
GHG Emission Scopes Included	**Scope 1, 2, 3**	Following the GHG Protocol, emissions under Scopes 1 and 2 are required to be included. While Scope 3 emissions are optional, the emissions that are material to your operations were included to give a representative view of your organization's emissions.

Emissions at a Glance
Total GHG Emissions by Year

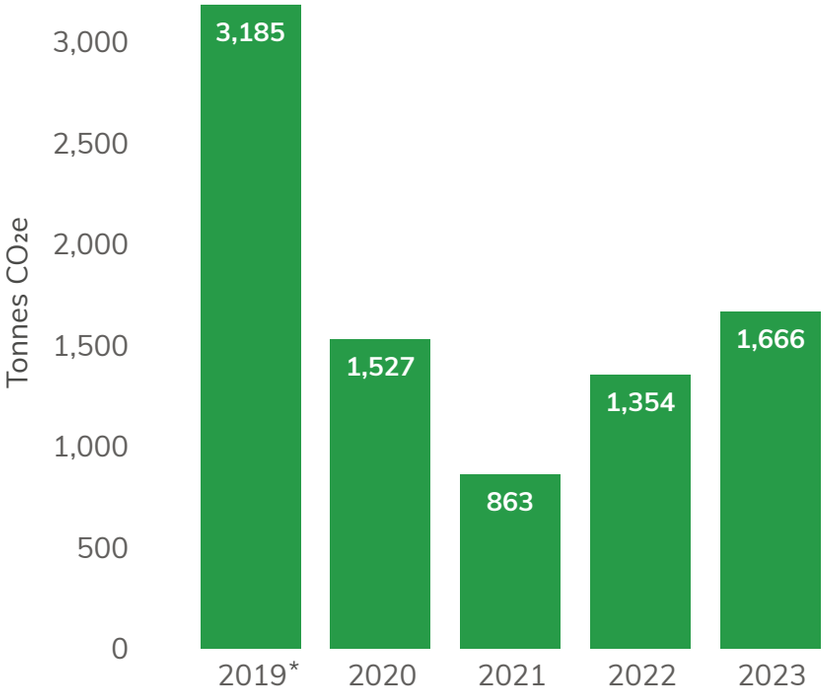


Figure 1:
Total GHG Emissions by Year

This graph shows your GHG emissions, measured in metric tonnes of carbon dioxide equivalent (tCO2e).

Your GHG emissions have reduced by 48% since your base year of 2019. When compared to 2022, your 2023 emissions have increased by 23%, driven largely by increased Business Travel - Flight, Employee Commuting, and Electricity emissions.

* Recommended Base Year

A base year is a reference point in the past to compare your future years' emissions against. Your base year will be the point in time from which you set a GHG reduction target. It should be a year for which the data is reliable, complete, and representative of your organization's 'business-as-usual' activities.

While it is ultimately up to you to decide, we recommend choosing 2019 as your base year, which would set **your base year emissions at 3,185 tCO_2e.** In making your final decision, you should also consider whether there are any additional anomalies or business considerations not reflected here that would warrant a different base year selection.

Base Year Recommendation

2019

Base Year Emissions

3,185 tCO_2e

Note: your base year emissions have changed due to updated emission factors for all sources and improved methodology used for calculating Business Travel - Flight emissions. More context is provided in the Inventory Notes section of this report.

GHG Emission
Scope Breakdown

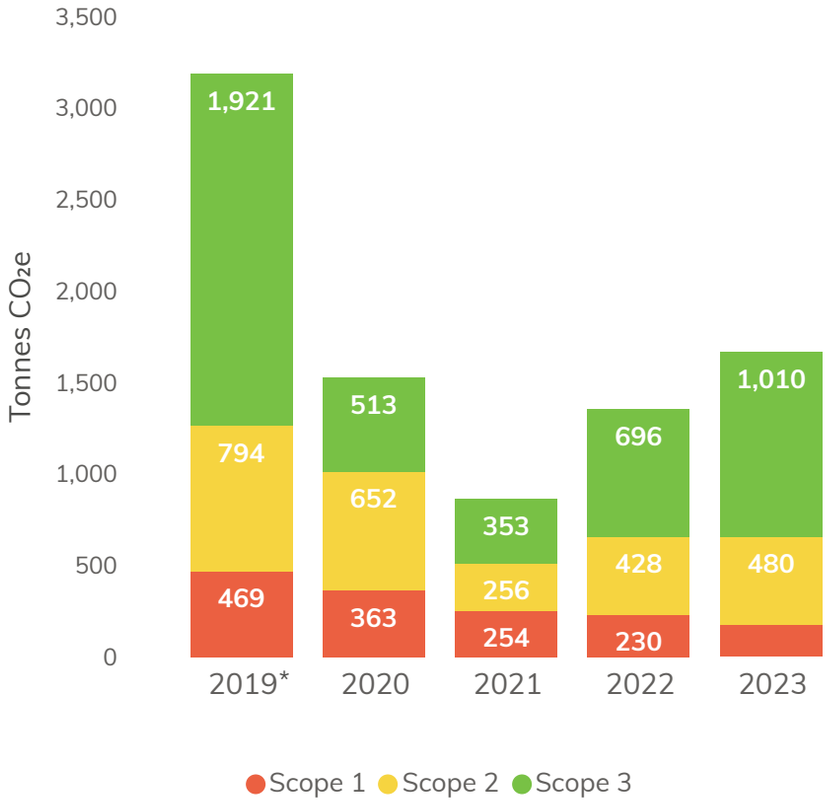


Figure 2:
GHG Emissions by Scope by Year

This graph presents your organization's GHG emissions data by scope and shows how each scope has grown or declined over time.

* Recommended Base Year

Scope 1 - Direct Emissions are from sources you own or control, which are related to space and water heating in an office environment. These emissions continue to reduce in 2023 as your Natural Gas consumption decreases.

Scope 2 - Indirect Emissions are associated with purchased electricity, server load, and purchased of RECs at your Toronto facility. An increase in electricity consumption has caused emissions in this scope to rise by 12% from 2022.

Scope 3 - Other Indirect Emissions from your value chain consistently make up most of your annual emissions and have increased by 45% in 2023 from 2022. This is a primarily a result of a 37% increase in Flight emissions, and increases in all other sources except for Work From Home emission which decreased by 61%.

The scope that contributes most to your organization's emissions in 2023 is **Scope 3: Other Indirect Emissions.**

GHG Emission Source Breakdown

The following table provides a comparison of GHG emissions in the three most recent years for all emission sources across all scopes (see Appendix 1 for GHG emission percentages by source).

Table 1: GHG Emissions by Scope (in tCO_2e)

	2019	2020	2021	2022	2023
Scope 1	**469**	**363**	**254**	**230**	**177**
Natural Gas	469	363	254	230	177
Scope 2	**794**	**652**	**256**	**428**	**480**
Electricity	849	714	289	455	506
Renewable Energy Certificates	-59	-67	-36	-30	-30
Server Load	4	4	3	3	3
Scope 3	**1,921**	**513**	**353**	**696**	**1,010**
Business Travel - Flights	1,717	373	50	548	750
Business Travel - Ground	136	105	76	1	2
Employee Commuting	*	*	60	60	206
Paper	69	35	78	10	20
Product Transport	*	<1	<1	1	2
Water	*	*	*	*	<1
Work From Home	*	*	89	76	29
Total	**3,185**	**1,527**	**863**	**1,354**	**1,666**

"*" indicates no data provided.
Note that Employee Commuting and Work From Home emissions in 2022 were duplicated from 2021.

Emissions by Source

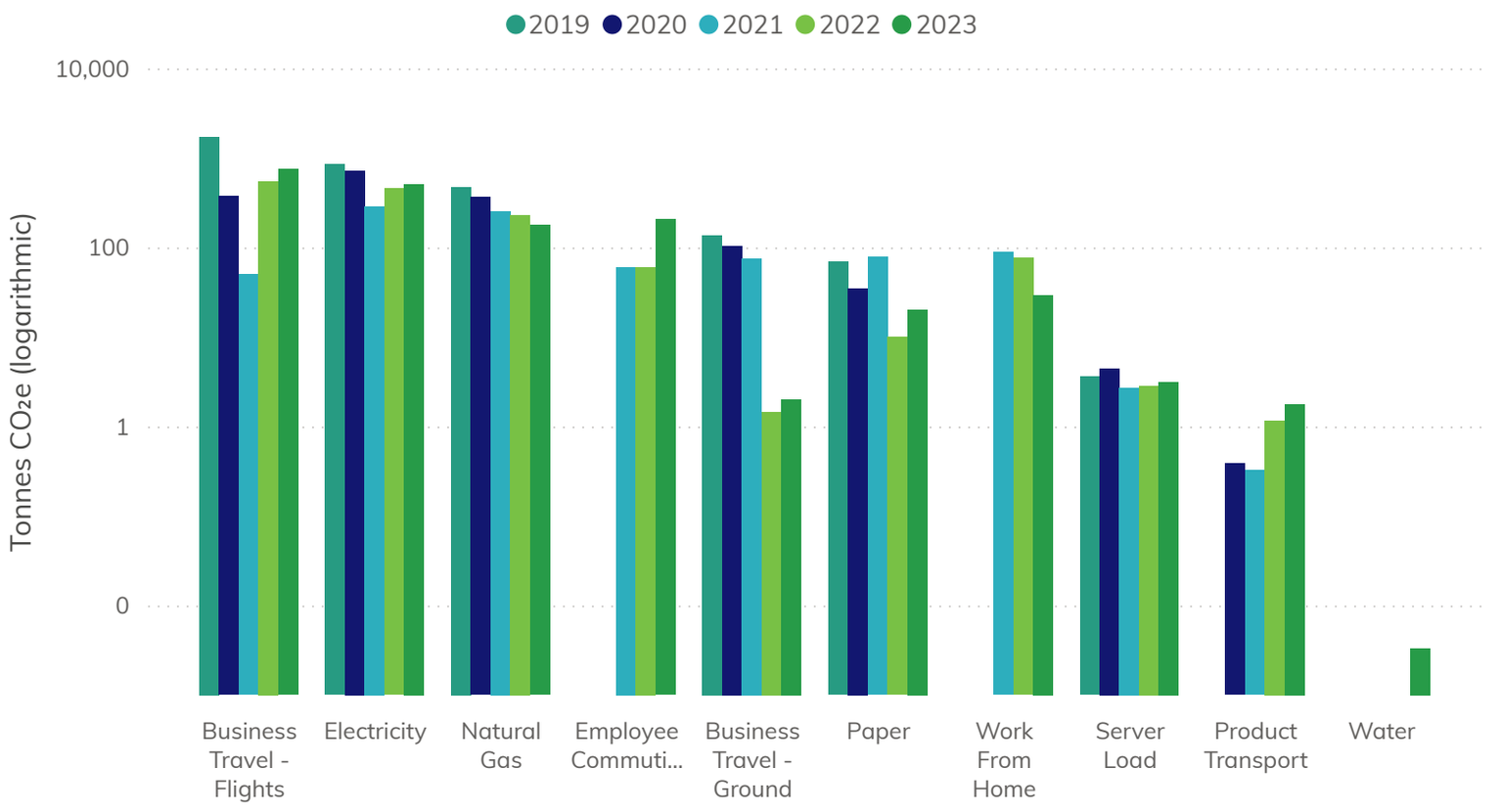


Figure 3-1:

GHG Emissions by Source by Year (logarithmic scale)

This graph provides a visual comparison of how much each emission source contributes to your overall emission profile.

Your overall emissions have risen by 23% in 2023 from 2022; Emissions from Business Travel - Flights, your largest source, have increased by 37%. Business Travel - Ground, Product Transport, Employee Commuting, and Paper emissions have all increased by 35% or more. These sources present the greatest opportunities for reductions. Work From Home emissions have reduced by 61%, while Electricity and Server Load emissions have both risen by 11% and 10% respectively. This likely reflects an increasing number of employees returning to the office in 2023 .

Note: this graph uses a logarithmic scale in order to display sources with a large difference in absolute value alongside each other. Emissions with negative values such as Renewable Energy Credits are not displayed.

Emissions by Source

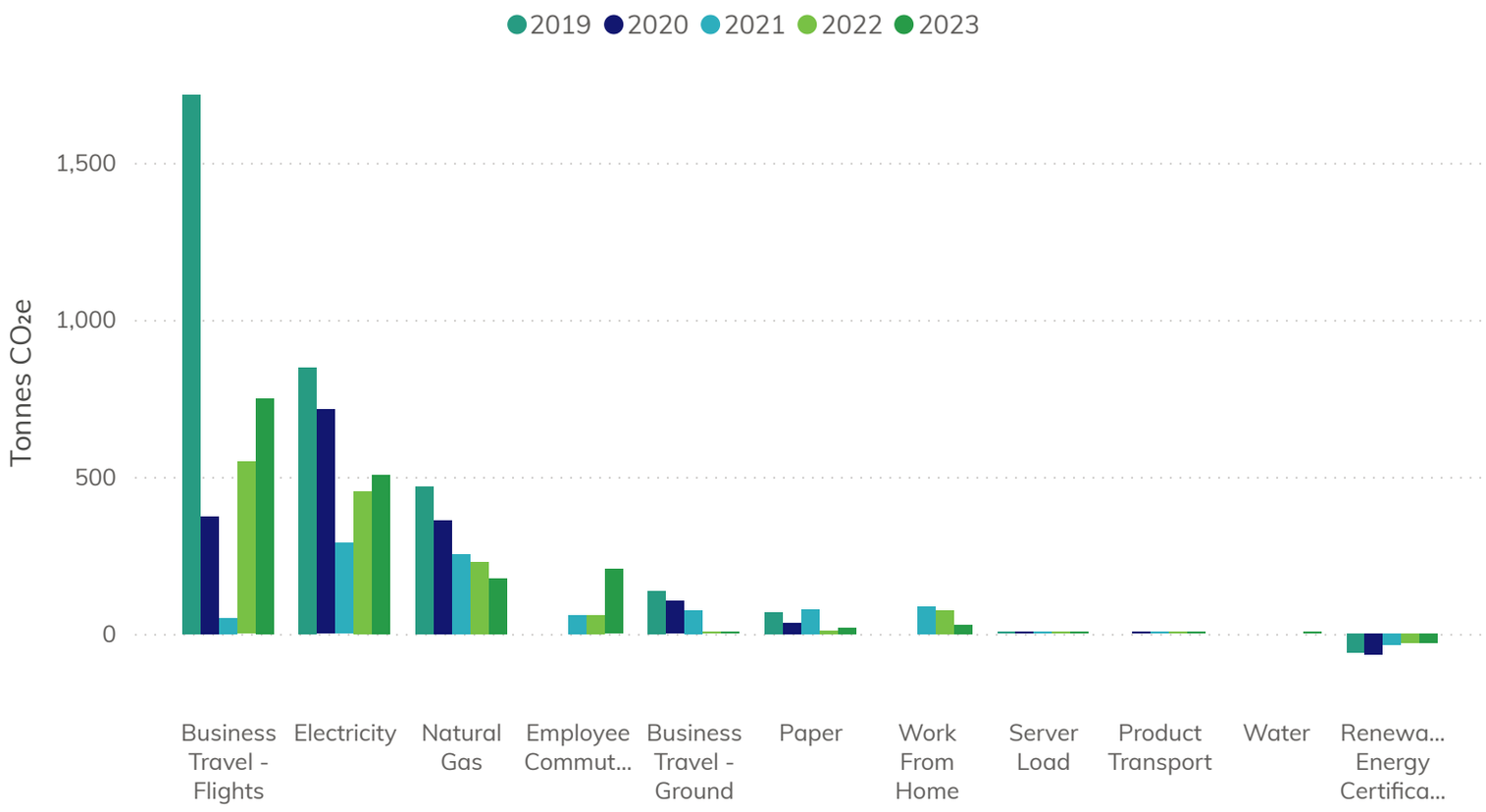


Figure 3-2:

GHG Emissions by Source by Year (linear scale)

This graph provides a visual comparison of how much each emission source contributes to your overall emission profile.

Your overall emissions have risen by 23% in 2023 from 2022; Emissions from Business Travel - Flights, your largest source, have increased by 37%. Business Travel - Ground, Product Transport, Employee Commuting, and Paper emissions have all increased by 35% or more. These sources present the greatest opportunities for reductions. Work From Home emissions have reduced by 61%, while Electricity and Server Load emissions have both risen by 11% and 10% respectively. This likely reflects an increasing number of employees returning to the office in 2023 .

Reduction Opportunities

Largest to Smallest Emission Sources (2023)

1 | Business Travel - Flights:

45%

of Total Emissions

Reduction Strategies

These emissions are created by domestic and international flights taken by your employees. We recognize that while flying is a very carbon-intensive method of transportation, it is crucial to your operations, and we congratulate your efforts to reduce these emissions from previous years. Continue efforts to reduce flights when possible. Notably, your share of Long-haul flight distance before the COVID-19 pandemic has reduced greatly, from 90% in 2019 to 12% in 2023. Medium-haul flight distance contributes the least emissions per kilometer of all flight types, and represents 84% of total flight distance in 2023.

2 | Electricity:

30%

of Total Emissions

Reduction Strategies

Your organization's GHG emissions from electricity are related to the use of fossil fuels for electricity generation in the regional grid for each of your offices. These emissions have risen by 11% in 2023, and could result from an increased number of employees returning to the office. Prioritize energy efficiency/conservation measures; lighting retrofits, using energy-saver modes on electronics, buying energy-efficient appliances, and changing behaviours. Continue working with Bullfrog Energy to purchase RECs to offset your electricity emissions.

3 | Employee Commuting:

12%

of Total Emissions

Reduction Strategies

Your employees use diverse modes of transportation, however the majority use gasoline or diesel fueled cars and trucks. As this source has increased by 243% in 2023, consider teleworking where possible so employees can make fewer trips into the office, and subsidize transit passes for public transit so employees are incentivized to take lower-carbon modes of transportation.

Reduction Opportunities

Largest to Smallest Emission Sources (2023)

4 | Natural Gas:

11%

of Total Emissions

Reduction Strategies

These emissions mainly result from the combustion of natural gas in the HVAC systems that provide space and water heating for your buildings. This source experienced a reduction of 23% in 2023. Continue any efforts to prioritize energy efficiency/conservation measures such as regular tune-ups, installing smart thermostats, and upgrading to more efficient models at the time of replacement. Additional no-cost / low-cost measures include weather stripping and window sealing to reduce drafts and air leakage.

5 | Work From Home:

2%

of Total Emissions

Reduction Strategies

Work From Home emissions stem from energy consumption for equipment, heating, and cooling used by your employees in their home offices, and have reduced by 61% in 2023. Consider incentivizing employees who work from home to switch to LEDs from incandescent bulbs, and to more efficient heating and cooling systems. As an organization, look into developing a green procurement policy which covers new laptops, desktops, and monitors. General training on energy efficiency in the home and reducing one's personal footprint will have an impact.

6 | Paper:

1%

of Total Emissions

Reduction Strategies

These emissions are associated with the life-cycle emissions of your paper purchases and have increased by 104% in 2023, partially due to increased employee presence at your offices. Paper consumption can be reduced by prioritizing electronic communication, switching to double-sided printing, enabling “pull printing” and other paper saving settings on your printers.

Reduction Opportunities

Largest to Smallest Emission Sources (2023)

7 | Server Load:

<1%

of Total Emissions

Reduction Strategies

These emissions are generated by the electric infrastructure associated with the off-site servers located in Alberta and California and have not changed in 2023. While not directly under Dialog Design's control, it may be possible to work with your supplier to reduce their emissions. Consider working with them to relocate their server to a cleaner electrical grid. Although this doesn't represent a key reduction opportunity, x\`emissions from this source have increased by 10% from 2022.

8 | Business Travel - Ground:

<1%

of Total Emissions

Reduction Strategies

These emissions are from business-related travel taken by your employees using personal vehicles, car rentals, and taxis. While this source of emissions has grown by 37% in 2023, it does not present a key reduction opportunity. Encourage employees to use the lowest-carbon mode of transportation available, or to continue to work from home and attend meetings virtually when possible.

9 | Product Transport:

<1%

of Total Emissions

Reduction Strategies

These emissions are related to deliveries of various items required for your operations. While not a key reduction opportunity, consider minimizing the number of deliveries per week or switching to deliveries on an as-needed basis.

Building Performance

The following figure shows the energy intensity for each of your facilities. Energy use intensity (EUI) is a measure of energy consumption — both natural gas and electricity — of a facility per unit of area. Generally, a lower EUI indicates a more sustainable building.

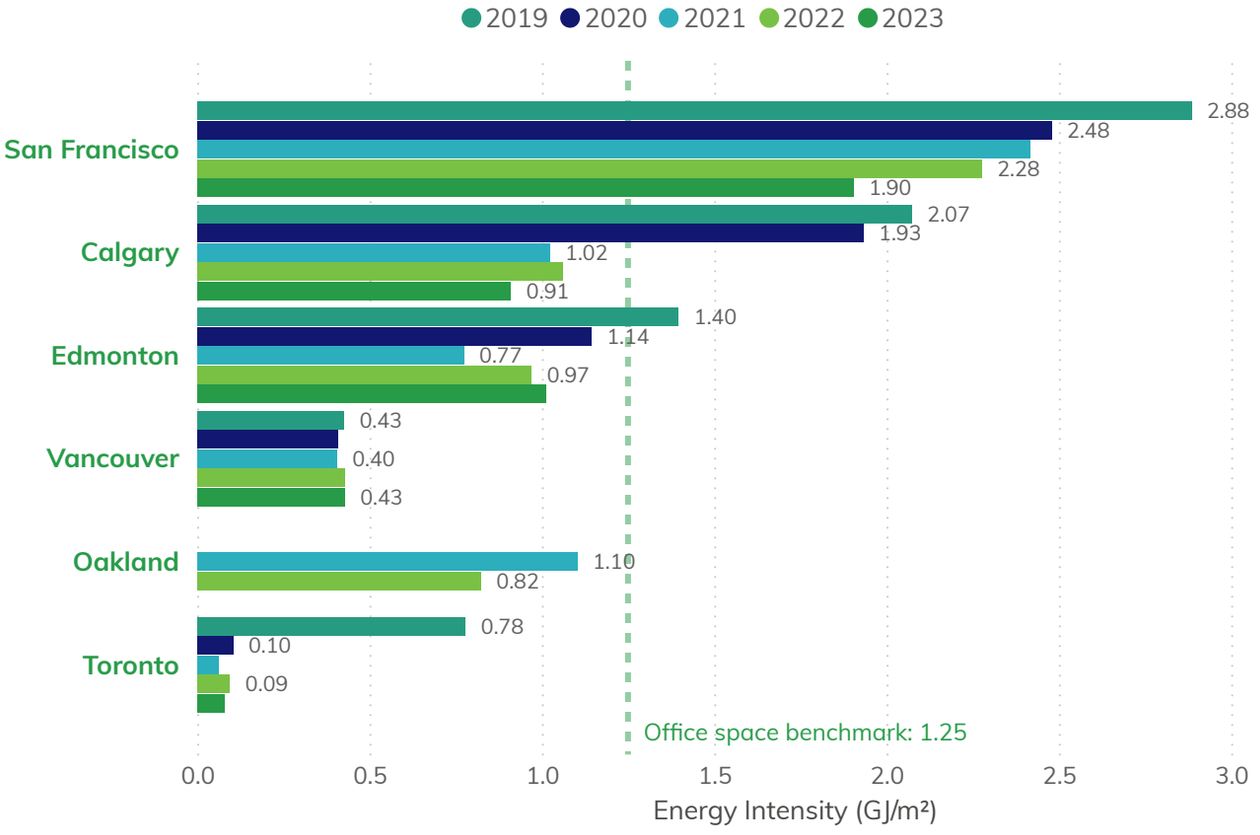


Figure 6:

Multi-Year Energy Intensity by Facility

Energy use intensity continues to show an overall downward trend across your facilities despite a likely increase in employee attendance in 2023 when compared to 2022. Your five Canadian locations continue to fall below the national median for office spaces, with only a slight increase observed in Edmonton. Energy intensity at the San Francisco office has reduced by 17%. Well done!

Appendices

Appendix 1:
Percentage of GHG Emissions by Source by Year

	2019	2020	2021	2022	2023
Scope 1	**15%**	**24%**	**29%**	**17%**	**11%**
Natural Gas	15%	24%	29%	17%	11%
Scope 2	**25%**	**43%**	**30%**	**32%**	**29%**
Electricity	27%	47%	34%	34%	30%
Renewable Energy Certificates	-2%	-4%	-4%	-2%	-2%
Server Load	0%	0%	0%	0%	0%
Scope 3	**60%**	**34%**	**41%**	**51%**	**61%**
Business Travel - Flights	54%	24%	6%	40%	45%
Business Travel - Ground	4%	7%	9%	0%	0%
Employee Commuting	*	*	7%	4%	12%
Paper	2%	2%	9%	1%	1%
Product Transport	*	0%	0%	0%	0%
Water	*	*	*	*	0%
Work From Home	*	*	10%	6%	2%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

"*" indicates no data provided.

Appendix 2:
Facilities List

	Ownership	Total Building Area (m²)	Total Occupied Area (m²)
Calgary	Rented/Leased	6,865	3,973
Edmonton	Rented/Leased	26,794	2,615
Toronto	Rented/Leased	2,575	2,575
Vancouver	Rented/Leased	2,346	2,346
San Francisco	Rented/Leased	14,798	150
Oakland	Rented/Leased	78	78

Appendices

Appendix 3:
Facility Energy Details

The table below shows energy consumption information about your facilities.

	Electricity (kWh)					Natural Gas (GJ)				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Calgary	881,158	885,169	470,022	492,001	470,140	5,063	4,488	2,368	2,445	1,921
Edmonton	435,372	323,409	76,773	378,120	502,698	2,083	1,824	1,746	1,173	835
Oakland	*	*	7,656	5,261	*	*	*	58	45	*
San Francisco	21,383	18,035	12,252	11,488	8,538	354	306	317	299	254
Toronto	214,911	63,957	36,177	38,559	34,886	1,230	36	31	104	73
Vancouver	224,966	204,427	181,157	196,299	202,581	189	219	296	297	273

"*" indicates no data provided.

Appendix 4:
Scope 3 Detail Chart

The table below provides usage details for each of your Scope 3 emission sources.

	2019	2020	2021	2022	2023
Business Travel - Flights (passenger-km)	6,751,105	1,471,068	256,013	2,790,313	3,788,264
Business Travel - Ground (km)	491,048	385,285	278,841	3,183	4,444
Business Travel - Ground (passenger-km)	62,238	7,473	5,700	13,323	17,408
Employee Commuting (km)	*	*	247,455	247,455	782,718
Employee Commuting (passenger-km)	*	*	120,811	120,811	417,284
Paper (kg)	11,744	4,764	10,561	1,198	2,370
Product Transport (tonne-km)	*	840	728	2,500	4,050
Water (m^3)	*	*	*	*	112
Work From Home (tCO_2e)	*	*	89	76	29

"passenger-km" indicates public transit, whereas "km" represents single occupancy vehicles

"*" indicates no data provided.

Appendices

Appendix 5:

Scope 2 Electricity Details

Your Scope 2 emissions reflected in the report were calculated using the **market-based method**. The market-based method considers average emission factors for the electricity grids that provide your electricity and takes into account your renewable energy credit (RECs) purchases (if applicable). The **location-based method** does not include REC purchases.

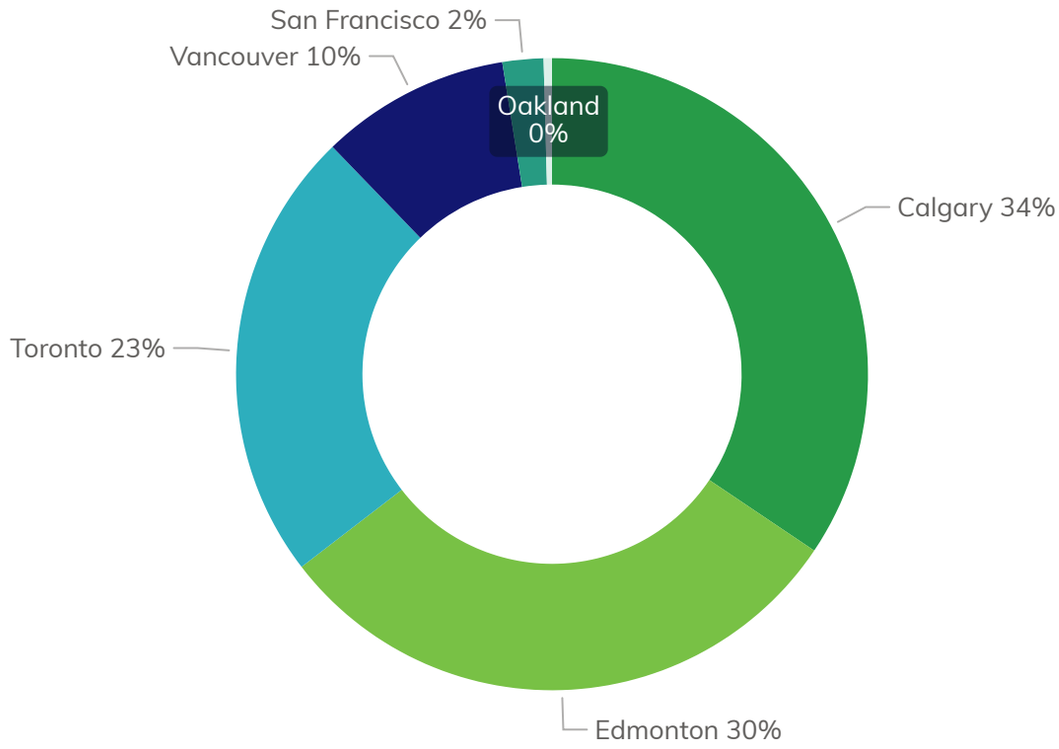
Market Based Method (tCO_2e)	2019	2020	2021	2022	2023
Electricity	849	714	289	455	506
Server Load	4	4	3	3	3
Renewable Energy Certificates	-59	-67	-36	-30	-30
Total	**794**	**652**	**256**	**428**	**480**

Location Based Method (tCO_2e)	2019	2020	2021	2022	2023
Electricity	849	714	289	455	506
Server Load	4	4	3	3	3
Total	**853**	**719**	**292**	**458**	**509**

Appendices

Appendix 6:
Emissions by Source by Facility

2023 Total Emissions by Facility (%)



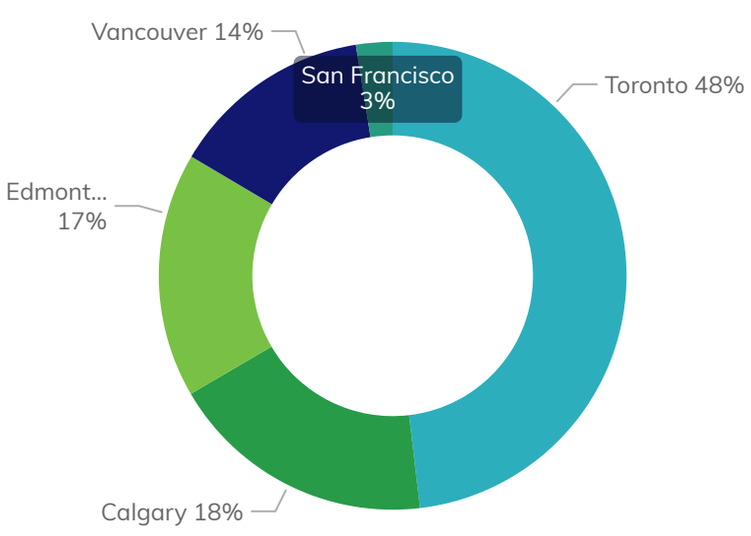
Total Emissions by Facility (tCO_2e)

	2019	2020	2021	2022	2023
Calgary	1,451	983	531	574	574
Edmonton	709	386	207	397	502
Oakland	*	*	5	5	7
San Francisco	27	23	22	41	35
Toronto	629	54	49	232	387
Vancouver	368	81	48	106	162
Total	**3,185**	**1,527**	**863**	**1,354**	**1,666**

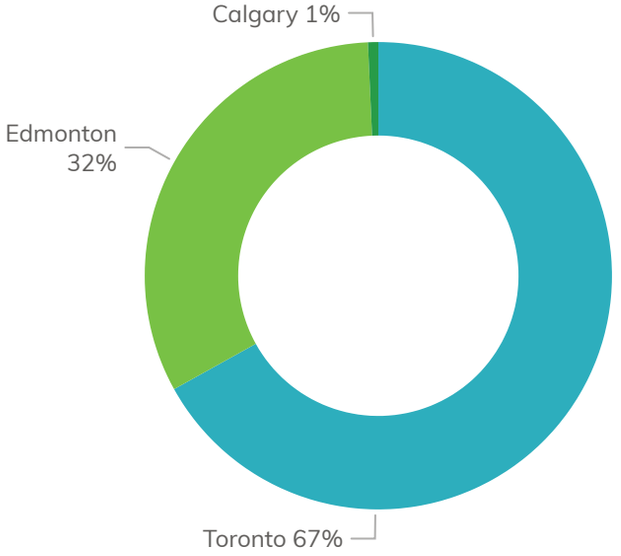
"*" indicates no data provided.

Appendices

2023 Business Travel - Flight Emissions by Facility (%)



2023 Business Travel - Ground Emissions by Facility (%)



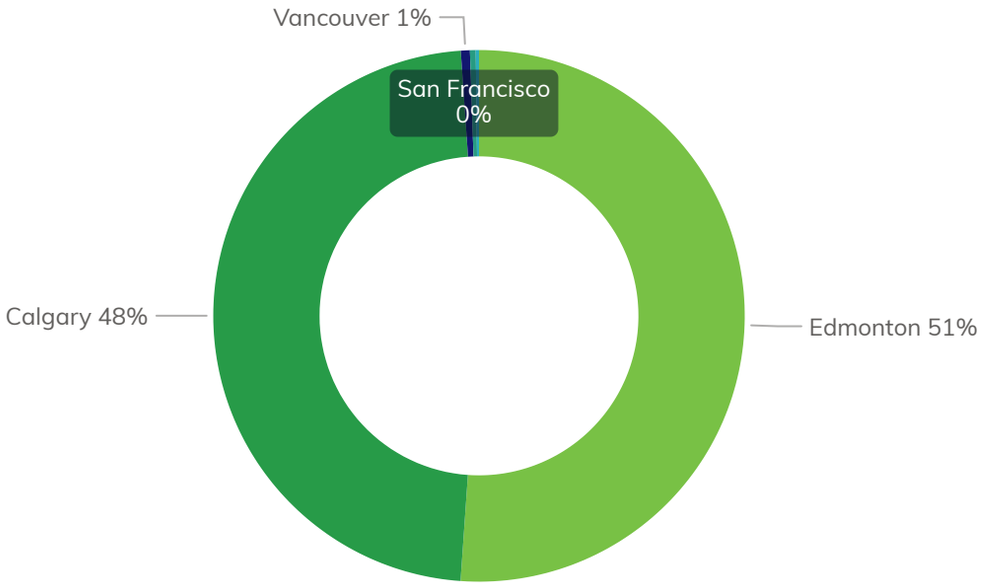
Business Travel Emissions by Facility (tCO_2e)

	2019	2020	2021	2022	2023
Business Travel - Flights	**1,717**	**373**	**50**	**548**	**750**
Calgary	553	182	22	134	138
Edmonton	283	64	7	99	127
Oakland	*	*	*	2	*
San Francisco	4	4	<1	21	19
Toronto	548	75	15	218	361
Vancouver	328	47	5	73	105
Business Travel - Ground	**136**	**105**	**76**	**1**	**2**
Calgary	40	28	15	<1	<1
Edmonton	30	33	24	<1	<1
San Francisco	*	<1	<1	<1	*
Toronto	51	29	26	<1	1
Vancouver	14	15	9	*	*
Total	**1,852**	**478**	**126**	**549**	**752**

"*" indicates no data provided.

Appendices

2023 Electricity Emissions by Facility (%)



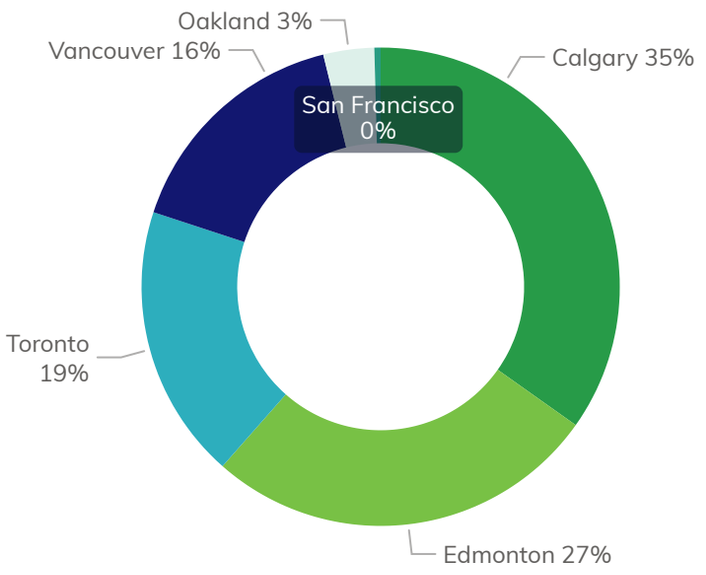
Electricity, Server Load and Renewable Energy Credit Emissions by Facility (tCO_2e)

	2019	2020	2021	2022	2023
Electricity	**849**	**714**	**289**	**455**	**506**
Calgary	559	517	242	253	242
Edmonton	276	189	40	195	259
Oakland	*	*	2	1	*
San Francisco	4	4	3	2	2
Toronto	6	2	1	1	<1
Vancouver	4	3	2	3	3
Server Load	**4**	**4**	**3**	**3**	**3**
Calgary	2	2	1	1	2
Edmonton	2	2	1	1	1
San Francisco	<1	<1	<1	<1	<1
Toronto	<1	<1	<1	<1	<1
Vancouver	<1	<1	<1	<1	<1
Total	**853**	**719**	**292**	**458**	**509**

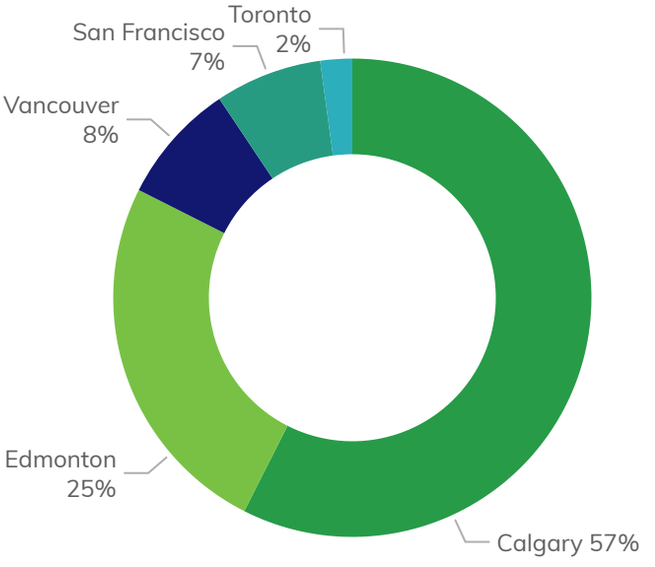
"*" indicates no data provided.

Appendices

2023 Employee Commuting Emissions by Facility (%)



2023 Natural Gas Emissions by Facility (%)



Employee Commuting and Natural Gas Emissions by Facility (tCO_2e)

	2019	2020	2021	2022	2023
Employee Commuting	*	*	**60**	**60**	**206**
Calgary	*	*	20	20	72
Edmonton	*	*	17	17	55
Oakland	*	*	<1	<1	7
San Francisco	*	*	<1	<1	<1
Toronto	*	*	11	11	38
Vancouver	*	*	11	11	33
Natural Gas	**469**	**363**	**254**	**230**	**177**
Calgary	268	237	125	129	102
Edmonton	110	96	92	62	44
Oakland	*	*	3	2	*
San Francisco	18	15	16	15	13
Toronto	64	2	2	5	4
Vancouver	10	12	16	16	14
Total	**469**	**363**	**314**	**290**	**383**

"*" indicates no data provided.

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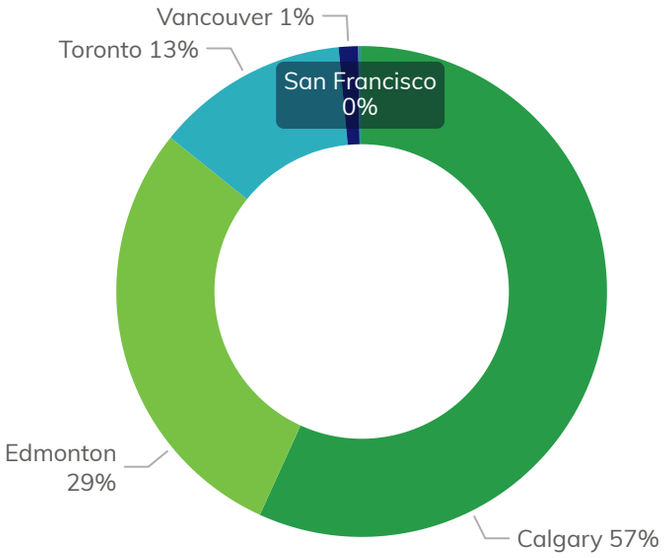
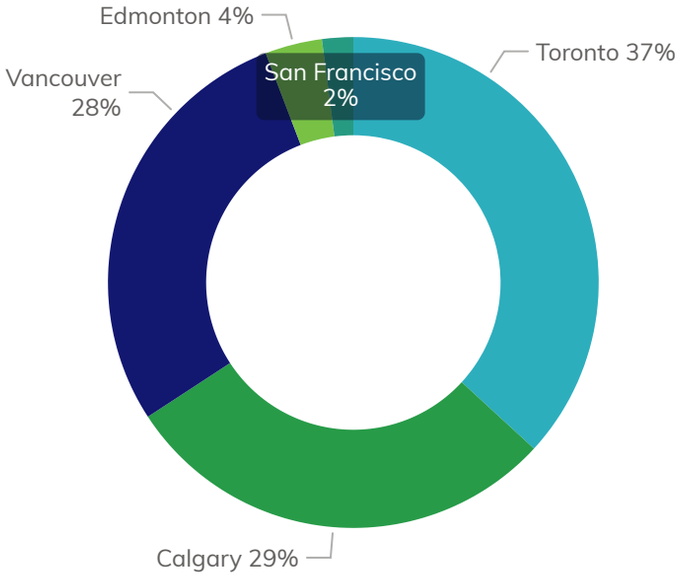
2023 Product Transport Emissions by Facility (%)



2023 Paper Emissions by Facility (%)



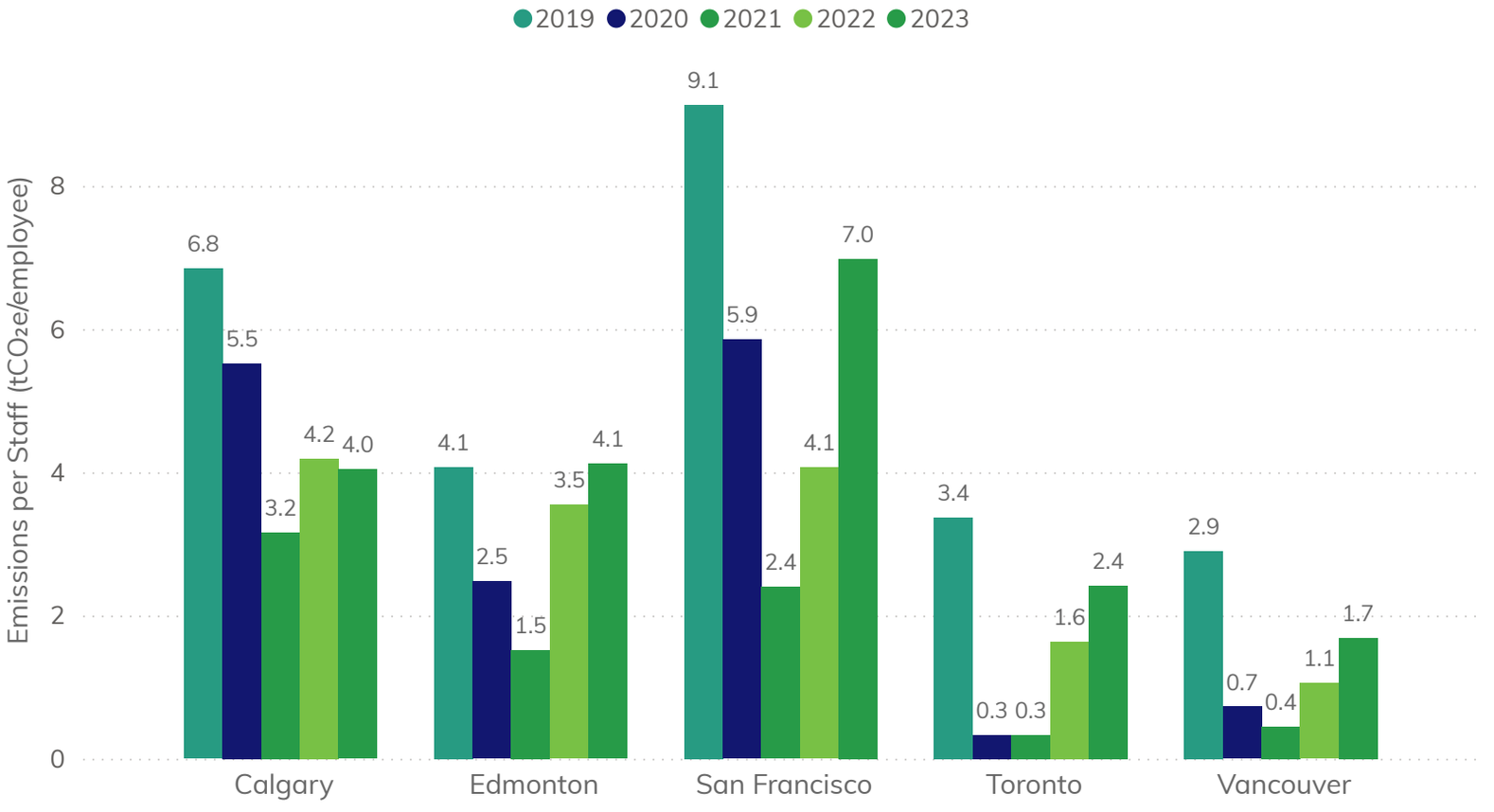
Product Transport and Paper Emissions by Facility (tCO_2e)

	2019	2020	2021	2022	2023
Product Transport	*	**<1**	**<1**	**1**	**2**
Calgary	*	<1	<1	<1	<1
Edmonton	*	<1	<1	<1	<1
San Francisco	*	<1	<1	<1	<1
Toronto	*	<1	<1	<1	<1
Vancouver	*	<1	<1	<1	<1
Paper	**69**	**35**	**78**	**10**	**20**
Calgary	29	15	67	4	6
Edmonton	8	2	<1	<1	<1
San Francisco	<1	<1	<1	<1	<1
Toronto	19	13	7	3	7
Vancouver	12	5	3	2	6
Total	**69**	**35**	**78**	**11**	**22**

"*" indicates no data provided.

Appendices

Appendix 7:
Emissions per Staff by Facility and Year



Note that Oakland staff are included under San Francisco.

This chart shows total emissions per full time employee, for each facility and year. It can be used to track changes in emissions intensity over time, and because it's normalized data it can provide a different way of understanding your emissions profile.

Overall, emissions per staff member have increased from 2022 to 2023 at all your locations, with the exception of your **Calgary** studio. While emissions from most sources have increased, those from flight emissions are most impactful. In future, it may be useful to analyze emissions against other factors, such as total sales. This may provide a greater insight into your GHG reduction efforts.

Inventory Notes

The following information offers context into decisions made related to the data you provided, during the inventory generation process. This can help identify opportunities to optimize your data collection practices and reduce the time spent on quality assurance for future inventories. Please discuss any questions you may have about assumptions and calculation methodologies with your Hub Manager.

- As part of our ongoing commitment to align with evolving carbon accounting best practices, we have updated Business Travel - Flight emission factors to include a Radiative Forcing factor. This incorporates the increased effect of CO_2 emissions at high altitude. As such, flight emissions for all years have increased relative to previous inventories. While your emissions from this source have decreased by 56% from your base year, they have increased by 37% from 2022.
- For flight entries that included an origin and destination but no distance data, we assumed a direct flight was taken. For Toronto NASH flights, we used the distance per flight to estimate haul length. Please enter individual flights as separate entries for more accurate results in future.
- Paper emissions have been revised to reflect updated emission factors. If the GSM was not provided, we used a value of 75. Similarly if the recycled content was not provided, we used 0%.
- Work From Home (WFH) emissions for 2021 and 2022 are greater than in your previous report. This is due to improved methodology, and updated emission factors. We assumed a standard office area of 150 square feet for all employees, and we can work with you to collect precise home office sizes in future.
- For Toronto area Business Travel - Ground, we applied a 10km distance for Presto fares above $2.70, with an additional 5km fare applied for free transfers.
- Dialog's share of water consumption in Vancouver was not provided, so we included 10% the provided total building consumption, as a rough estimation. Note that Water only accounts for <1% of Dialog's total emissions in 2023.
- 2022 - 2023 data were sourced from the "Carbon Accounting" Airtable base made available by Dialog Design. 2019 - 2021 data were extracted from Excel files titled "Carbon Tracking Input Data and Summary" for each year. Any discrepancies between the two data sets were not resolved. Note, Employee Commuting and Work From Home data for all years were extracted from annual survey results, whereas Business Travel - Ground data were collected from either the Airtable base or Excel files.