DIALOG

Greenhouse Gas Emissions Report for the 2018 Calendar Year

January 1, 2018 to December 31, 2018



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Key terms

For further terms, see Climate Smart's online glossary.

Baseline GHG Emissions Inventory: A comprehensive, quantified list of an organization's greenhouse gas emissions and sources for the initial reporting year (base year). The baseline GHG inventory is the level of greenhouse gas emissions against which future GHG inventories are compared.

Biologically sequestered carbon: Long-term carbon stored in biomass, such as forests, soils and peatland. Carbon is "locked" into organic matter through biological processes. This carbon can be released through e.g. burning of biomass as fuel or change in land use.

Carbon Dioxide Equivalent (CO₂e): The universal unit for comparing the emissions from various greenhouse gases. The carbon dioxide equivalent for a gas is derived by multiplying the mass of the gas by the associated global warming potential (GWP). For example, the GWP for methane is 21. This means that emissions of one metric tonne of methane are equivalent to the emissions of 21 metric tonnes of carbon dioxide.

Carbon Offset: A project or activity that results in a given amount of greenhouse gases being avoided or reduced in one place, that is used to 'balance out' another's total GHG emissions. Emission reductions that are real, additional (beyond business as usual), measurable, permanent, and verified can generate offset credits. Credits are tradable certificates.

Emission Factor: A factor that converts activity data to GHG emission values, e.g. lbs of carbon dioxide emitted per barrel of fossil fuel consumed.

Renewable energy certificates (RECs): RECs are tradable energy certificates representing proof that 1 megawatt-hour (MWh) of electricity was generated from an eligible renewable energy resource (e.g. solar or wind) and was fed into the electricity grid.

Climate Smart at a glance

Climate Smart is an award-winning certified B Corp that has developed a practical and solutions-based program for SMEs to **profitably track and reduce GHG emissions**. Climate Smart emphasizes the business case for GHG reduction: **operational efficiencies**, **cost savings**, and **competitive advantage**.

Using an SME tailored approach, Climate Smart provides **innovative tools and programming** for our "host partners" on the front lines—cities, ports, airports, chambers, and financial institutions—to disrupt old economic trajectories and invest in more efficient technologies to deliver cleaner products and services.

Since 2007, Climate Smart has worked with 40+ host partners to engage close to 1000 businesses to prepare for and participate in the low-carbon economy. <u>Case studies</u> from a sampling of 78 Climate Smart businesses show a total **annual cost savings of \$2.6 million**.

Climate Smart also links SMEs to global impacts through harnessing the power of SME derived data to inform estimates of emissions from SMEs at different geographical scales, through our Business Energy and Emissions Profiles (BEEPs). Climate Smart was awarded the Grand Prize in the 2016 MIT Climate CoLab contest and was judges' choice in 2018 for our BEEPs. We have produced BEEPs for cities across Canada and the US. Our goal is to produce 100 BEEPs across North America.

950+

5,148,000+

Climate Smart certified businesses to date (trained or in training) Total emissions measured by Climate Smart to date, in tonnes (t) ${\sf CO_2e}$

21%

\$397

Average reduction if businesses see a reduction between two years

Projected cost savings to a business, per tonne CO₂e reduced







DIALOG's 2018 calendar year carbon footprint

This report details the greenhouse gas emissions footprint for DIALOG during the 2018 calendar year, including the breakdown of emissions by source activity and DIALOG's plan to reduce their emissions going forwards. This report and inventory were compiled in compliance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, Revised Edition.

DIALOG is working to reduce their GHG emissions from:

Electricity

Employee commuting

&

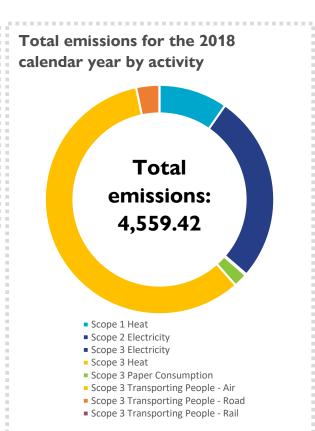
Paper use

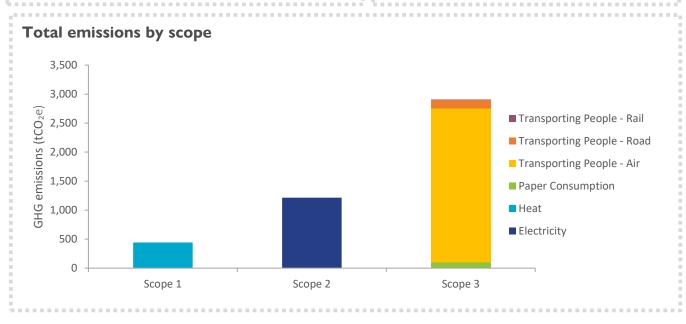
DIALOG' GHG emissions in their 2018 baseline year are equivalent to 967 passenger cars driven for one year¹.

967 cars



¹Source: EPA Greenhouse Gas Equivalencies Calculator











Analysis

DIALOG measured its first greenhouse gas inventory with Climate Smart for the 2018 calendar year (January 1, 2018 to December 31, 2018) and recorded emissions of 4,551.22 tonnes of carbon dioxide equivalent (tCO₂e). Overall, DIALOG's largest emissions sources were **air travel** (58%) and **electricity** (27%)). DIALOG is Climate Smart certified for 2019.

The following sections present the breakdown of DIALOG's emissions for their 2018 calendar year inventory by scope, as well as details of any emissions of CO₂ from combustion of biologically sequestered carbon and purchased offsets and renewable energy certificates (RECs).

Scope 1

Scope 1 emissions totalled 442 tCO₂e in DIALOG's 2018 calendar year:

Activity	Baseline Calendar 2018 (tCO2e)	% of emissions	Justifications & Additional Notes
Scope 1			
Heat	442.05	10%	Natural gas consumption for studio heating
Grand Total	442.05	10%	

Scope 2

Scope 2 emissions totalled 1,214 tCO₂e in DIALOG's 2018 calendar year:

Activity	Baseline Calendar 2018 (tCO2e)	% of emissions	Justifications & Additional Notes
Scope 2			
			Electricity consumption for studio equipment
Electricity	1,213.87	27%	and servers
Grand Total	1,213.87	27%	

Market based emission factors

The 2015 <u>GHG Protocol Scope 2 guidance</u> requires companies to report their Scope 2 emissions in two ways: **location-based** (reflecting grid emission factors), and **market-based** (using supplier specific emissions factors and/or those from contractual instruments such as renewable energy certificates - RECs). The table below shows emissions from purchased electricity calculated using these two methods. Note that location-based values are shown on the emissions summary charts presented in this report.



	Total kWh	Category of instruments	kWh	Total tCO₂e
	1,776,825	Alberta average	1,340,999.76	1,229.7
Location-based Calculation ¹		Ontario average	307,217	28.87
		BC provincial average	198,612	14.08
Supplier Specific Market-based Calculation ²		BC Hydro-specific	198,612	13.96
Supplier Specific Market-based Calculation-		Edmonton-specific	298,881	215.63
		Calgary and Toronto-specific factors were not available at		t available at
		the time of reporting		

Scope 3

Scope 3 emissions totalled 2,904 tCO₂e in DIALOG's 2018 calendar year:

Activity	Baseline Calendar 2018 (tCO2e)	% of emissions	Justifications & Additional Notes
Scope 3			
Electricity and Heat	8.21	0.18%	Electricity and natural gas consumption from the San Francisco office
Transporting People - Air	2,656.56	58%	Business travel by air between studios and for client work
Transporting People - Road	148.92	3%	Fuel consumption from rental cars, taxis and carshare for business trips
Transporting People - Rail	0.64	0.01%	Business trips by rail (metro and regional)
Paper Consumption	89.18	2%	Paper use for client work, 100% recycled paper
Grand Total	2,895	64%	

Release of sequestered carbon

Direct CO_2 emissions arising from the combustion of biologically sequestered carbon, such as from burning biomass or biofuels, are reported seperately from the scopes. For DIALOG's 2018 calendar year inventory, there was no reported release of sequestered carbon.

Offsets & renewable energy certificates

DIALOG purchased 3,750 tCO2e of carbon offsets in the 2018 calendar year from Community Forests International. These offsets arose from storage of carbon through sustainable forest management. These offsets were certified under the Verified Carbon Standard – Verra. The resulting net emissions in the 2018 calendar year total 801.22 tCO2e.

² Emission Factor based on BC Ministry of Environment: Best Practices Methodology for Quantifying GHG Emissions, 2016; Edmonton-specific factor provided by Mike Mellross at the City of Edmonton, December 20th 2018.









¹ Emission Factor based on Environment and Climate Change Canada: National Inventory Report, 2016.

DIALOG's emissions reduction plan - Edmonton studio

Based on their 2018 calendar year inventory, DIALOG will work to minimize their emissions by focusing on strategies aimed at electricity, staff commuting, paper use, and staff engagement. DIALOG's current reduction plan for the Edmonton studio is shown below. DIALOG is working to develop an organisational-wide reduction strategy in 2020 which will include the other studio locations in Calgary, Vancouver, Toronto and San Francisco.

Category	Strategy	Considering	Planned	Implemented
	Make use of natural lighting as much as possible	Dec 2023		
	Use standby settings on electronics	Dec 2023		
	Set computers to power saving mode	Dec 2023		
	Put up signage to help people remember to turn off lights		Dec	
	and equipment		2020	
	Regularly monitor your usage through your online	Dec 2023		
	account with your utility provider to identify inefficiencies	Dec 2025		
Electricity	Implement a policy that all office-based equipment and	Dec 2023		
	lighting is turned off when not in use	Dec 2023		
	Replace incandescent lightbulbs with light-emitting diodes			Jan 2019
	Purchase/install energy efficient office equipment as old	Dec 2023		
	ones expire	Dec 2023		
	Replace desktop computers with laptops at their end of	Dec 2023		
	life	Dec 2023		
	Install occupancy sensors in common areas	Dec 2023		
	Implement a regular maintenance program	Dec 2023		
	Check settings on programmable thermostats (if installed)			
	so that heat is turned down in the evenings and on	Dec 2023		
	weekends			
Heat	Conduct a commercial energy assessment	Dec 2023		
	Install programmable thermostats	Dec 2023		
	Install faucet aerators	Dec 2023		
	Substitute electric heat in the place of natural gas in cases		Dec	
	where temperature throughout your space is uneven		2020	
	Engage employees to consider lower carbon modes of		Dec	
	travel where possible for business trips		2020	
	Promote carpooling to work by installing a ride share			
	board or facilitating participating in local carpooling	Dec 2020		
	program			
	Promote public transit by providing (discounted) transit			Jan 2019
	passes to employees			34.1.2023
	Allow employees to telecommute	Dec 2020		
	Reduce business travel through the use of	Dec 2020		
Transportation	teleconferencing / videoconferencing			
	Participate in Ride-to-Work Week or similar programs			Jan 2019
	Provide bicycle parking			Jan 2019
	Provide shower facilities			Jan 2019
	Provide change room(s)			Jan 2019
	Provide eco-driver training to vehicle operators		Dec 2020	
	Source from local / regional suppliers whenever possible	Dec 2021		
	Transport goods with an eco-friendly shipping company	Dec 2021		
	Ship by rail instead of truck where possible	Dec 2021		







Category	Strategy	Considering	Planned	Implemented
	Switch shipments from air to truck, rail, or water where	Dec 2021		
	possible			
	Collect detailed travel data to inform future travel policy	Dec 2020		
	Put up signage to increase staff paper awareness		Dec	
			2020	
	Reduce paper consumption during meetings		Dec 2020	
			Dec	
	Re-use paper		2020	
Paper	Set computer defaults to double-sided printing			Jan 2019
	Switch from paper to electronic invoicing, where possible	Dec 2021		
	Switch from paper to electronic file storage			Jan 2019
	Employ a fax to email service	Dec 2021		
	Track and report on office paper use	Dec 2021		
	Purchase paper with recycled content			Jan 2019
	Purchase wheat-straw paper	Dec 2020		
	Participate in a battery recycling program			Jan 2019
	Increase waste diversion from landfill through improved			Jan 2019
	signage and other employee engagement activities			
Waste	Expand waste program to divert organic waste from landfill	Dec 2020		
	Expand recycling program to include soft plastics		Dec 2020	
	Request all suppliers to minimize their packaging		Dec 2021	
	Fix leaking taps			Jan 2019
Water	Install faucet aerators on high-use taps	Dec 2021		
	Install low-flow shower heads in shower facilities	Dec 2021		
	Communicate to staff why your company is getting		Dec	
	Climate Smart certified and how they can get involved		2020	
	Solicit ideas for greening operations from staff		Dec 2020	
	Install a green board to communicate GHG emissions			
	reduction initiatives and other sustainability-related activities	Dec 2020		
Employee	Establish an employee green team to help develop and			Jan 2019
engagement	coordinate GHG emissions reduction initiatives			Jan 2013
	Develop and include sustainability policy in operations and/or employee manual		Dec 2021	
	Regularly report to staff on GHG emissions reduction		Dec	
	initiatives and progress		2020	
	Build sustainability into employees' performance metrics	Dec 2021		
	Include sustainability as a metric for executive compensation	Dec 2021		
Offsets &	Purchase renewable energy certificates (RECs)	Dec 2024		
renewable energy		20202024		
certificates	Purchase carbon offsets			Jan 2015









Methodology

As a Climate Smart certified business, DIALOG conducted its GHG emissions inventory according to the Greenhouse Gas Protocol <u>Corporate Accounting and Reporting Standard</u>, Revised Edition. The GHG Protocol is an internationally recognized standard published by the World Resources Institute and the World Business Council on Sustainable Development.

Organizational Boundaries

DIALOG used the operational control approach to determine its organizational boundary and included in its inventory all facilities over which it has operational control.

Inventory Boundaries

The GHG Protocol requires the inclusion of Scope 1 and 2 emissions, and suggests including Scope 3 emissions from activities relevant to an organization's business and goals, and for which reliable data can be obtained. DIALOG included emissions from the following activities under Scopes 1, 2 and 3:

- Scope 1: includes direct GHG emissions from sources that are owned or controlled by the reporting company or organization
 - o natural gas consumption for heating
- Scope 2: includes indirect GHG emissions from purchased electricity and purchased heat
 - o purchased electricity
- Scope 3: includes indirect GHG emissions that are consequences of the reporting company's operations but occur at sources owned by another company
 - o business travel by air and road; and
 - o paper consumption.

Scope 3 emissions from staff commuting and waste were excluded from the inventory.

Emission factors

This inventory was conducted using the emissions factors from the Climate Smart web-based greenhouse gas management tool. The Climate Smart GHG management tool was designed for adherence to the GHG Protocol. Climate Smart's emission factors come from a variety of sources, such as Environment Canada, the GHG Protocol Initiative, the US Environmental Protection Agency and the Intergovernmental Panel on Climate Change. Climate Smart reviews its emission factors annually to update them based on refined industry methodology and changing electricity grids.

Climate Smart also acknowledges that complete adherence to the Protocol requires the six major greenhouse gases to be accounted for separately, and is working towards adding this feature at a future date. Further details on Climate Smart's emission factors, their sources, and methodology for updating them are available upon request to info@climatesmartbusiness.com.









Sources of data included

DIALOG used the following sources of data to estimate their greenhouse gas emissions for the 2018 calendar year:

Activity	Data source
Electricity > Purchased	The total kilowatt-hours of electricity used, based on utility bills, were entered into the Climate Smart software tool.
Heat > Generated	The total giga-joules of natural gas used were entered based on utility bills.
Paper Consumption	The paper type, paper bond weight, number of reams used and post-consumer recycled content were entered. The paperweight and paper type were entered into the paper calculator (http://papercalculator.org) to calculate emissions.
Transporting People > Vehicles owned by others > Air	The total kilometers travelled were entered by type of flight (short-, medium-, or long-haul).
Transporting People > Vehicles owned by others > Rail	The total kilometers travelled were entered.
Transporting People > Vehicles owned by others > Road	The total kilometers travelled were entered.

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