



ESG Advisory Services

**We innovate at the intersection of
community, creativity, and client
relationships to advance ESG
performance, and together,
redefine what's possible!**



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SECTION 1

Introduction to ESG Advisory Services

Who we are

Stantec is a global provider of integrated professional services that enrich the physical and social environment for the communities in which we live and work.

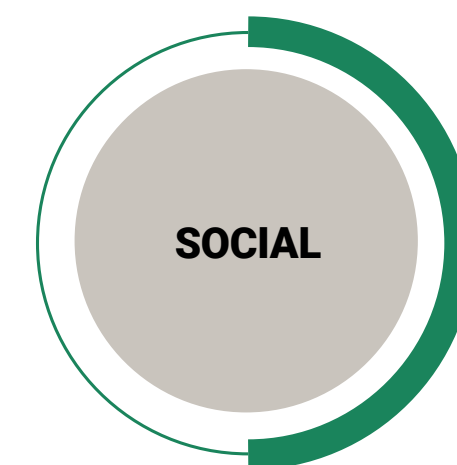
Together, we share a commitment to advance the quality of life through a diverse, balanced suite of services for our clients and the communities they serve. We draw on decades of consulting experience in environmental services, sustainability, supply chain, public health, and infrastructure to provide environmental, social, and governance (ESG) strategy and implementation to companies and portfolio investors that yield actionable opportunities and risk management.



Our Services Address Critical ESG Risks



Pollution and waste; biodiversity and ecosystems management; asset management and resilience; greenhouse gas management



Worker, consumer, and community health; social opportunity; human rights; Indigenous rights; modern slavery; community impacts; inclusion and diversity

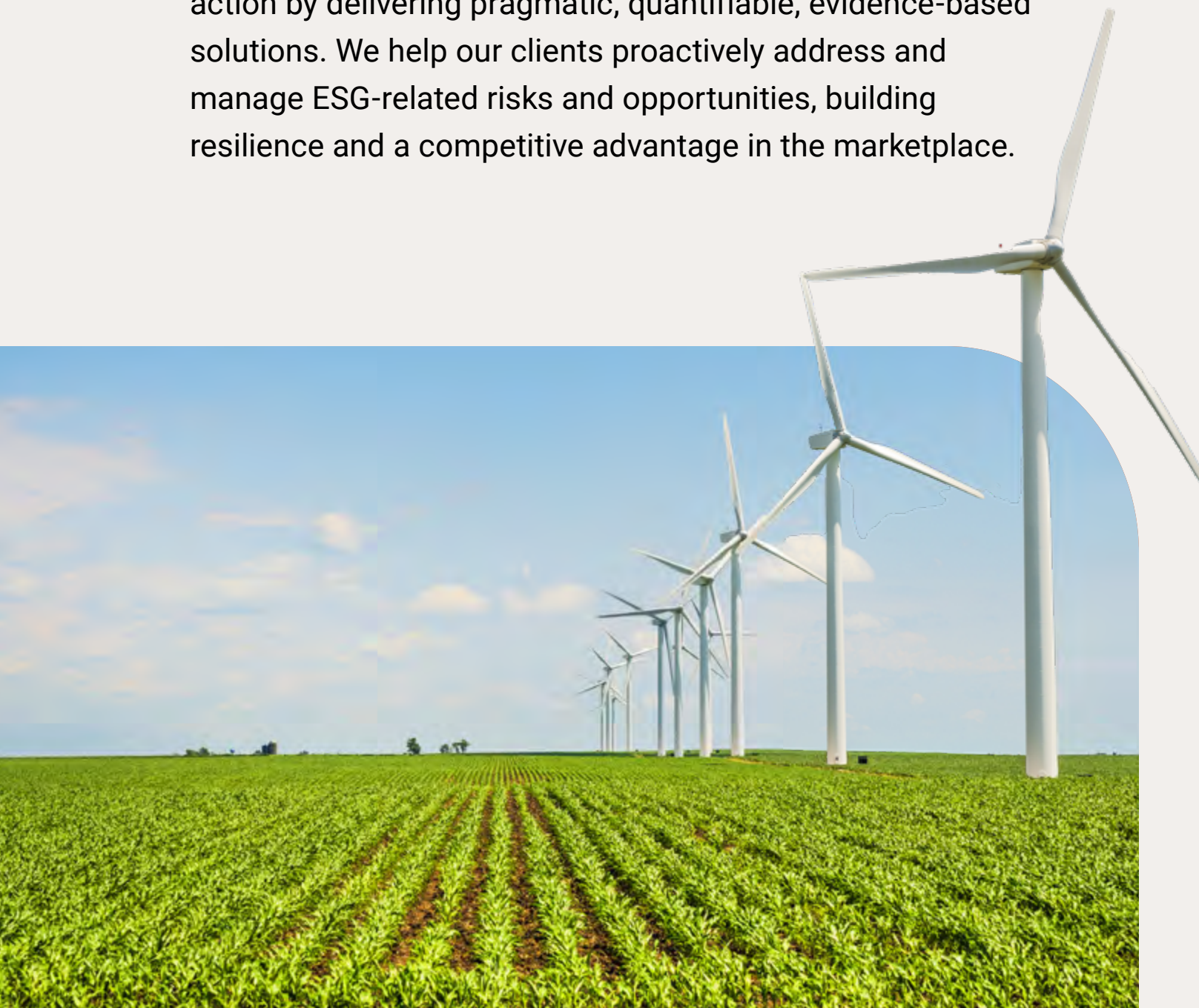


Corporate governance; corruption, bribery and corporate behavior; reporting

Our insight and value

Stantec supports corporate leaders and investors with the strategic planning, disclosure, and enhancement of ESG programming. Our advisors, with experience and technical depth across the pillars of ESG, enable leaders and investors to improve transparency, reduce risk, and enhance market value. We create clarity in the dynamic world of ESG frameworks, reporting standards, and benchmarks so that you may effectively generate value from your ESG program.

Our global team of technical experts turns ESG strategy into action by delivering pragmatic, quantifiable, evidence-based solutions. We help our clients proactively address and manage ESG-related risks and opportunities, building resilience and a competitive advantage in the marketplace.



Addressing the drivers

Corporate leaders and investors face increasing demand for accountability and transparency on sustainability performance as well as growing pressure to manage ESG risks.

Our services are designed to help clients:

- Meet and exceed the expectations of investors who see ESG performance as a reflection of management quality;
- Prepare for, and respond to, the expanding scope of ESG-related mandatory disclosures; and
- Engage employees and consumers, who are more likely to work for, or buy from, companies that share their values.

Investors see ESG performance as a direct reflection of management quality

Scope of ESG-related disclosures is expanding across borders



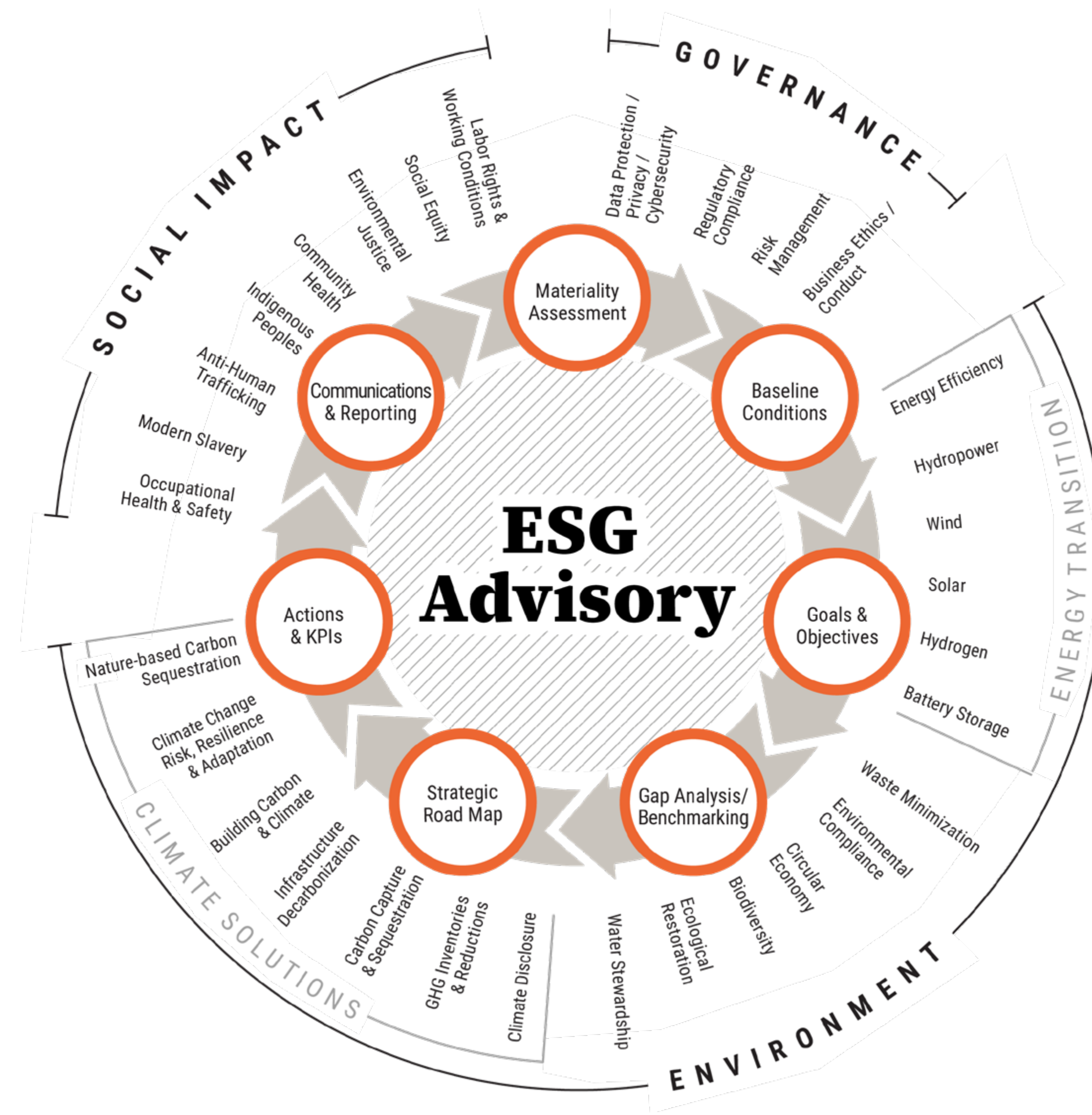
SECTION 2

Project Delivery

Our Approach

Whether you are just beginning your sustainability journey or aiming to demonstrate leadership, our team of advisors is prepared to partner with you to:

- Respond to mandatory and voluntary disclosures (e.g., European Union [EU] Corporate Sustainability Reporting Directive, California climate disclosure rules, Pending SEC climate regulation, UK Climate Related Financial Disclosure [UKCFD]).
- Align with sustainability frameworks and initiatives (e.g., Taskforce on Nature-related Financial Disclosures [TNFD]).
- Authentically communicate progress to stakeholders.
- Build resilience to ESG risks.
- Avoid accusations of greenwashing.
- Incorporate ESG considerations into due diligence.
- Generate a competitive market advantage.
- Create meaningful, measurable value for stakeholders.



Our Clients

Our global ESG experience spans many sectors.

- Aerospace
- Agrichemical
- Agriculture
- Apparel and footwear
- Chemical
- Electronics
- Energy
- Entertainment
- Financial institutions
- Food and beverage
- Healthcare
- Information technology
- Manufacturing
- Media
- Mining
- Oil and gas
- Pharmaceutical
- R&D laboratories
- Textiles
- Technology
- Transportation

ESG and Corporate Sustainability

We excel in seamlessly connecting the dots between strategy and implementation



*At Stantec, we believe in transforming disclosure and reporting into strategic insights and planning opportunities. We have expertise in ISSB IFRS, CSRD, SEC, CDP and TNFD.

Measure your impact



Plan and Strategize



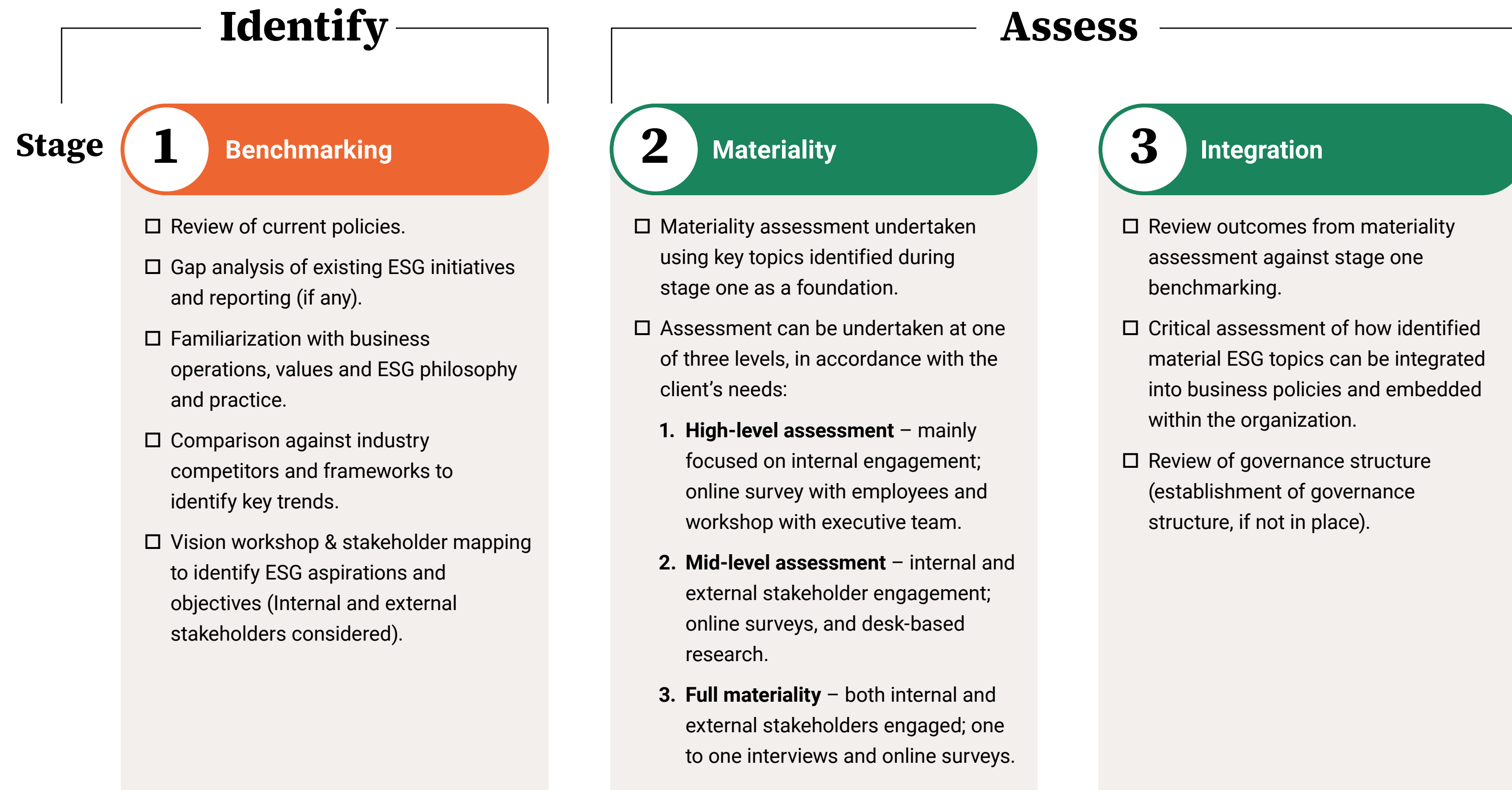
Take Action



Communicate Progress



Stantec's identification and assessment of material ESG topics



Scope 1 and Scope 2 GHG reporting

Stage:

1

Set your assessment boundaries

Aim:

To introduce the concept of GHG accounting and establish organizational and operational boundaries.

How:

We will work to educate you on GHG accounting. We will seek to understand your business operations to establish which accounting methodology is most suitable for you.

Deliverables:

- One-hour collaborative workshop

2

Data collection

Aim:

To collect data relating to your Scope 1 and Scope 2 emissions.

How:

We will issue a Request for Information (RFI) to collect data for a 12-month reference period covering your energy consumption and fuel usage within the reporting boundaries established in stage one. Data will be collected in accordance with the GHG protocol data hierarchy.

Deliverables:

- RFI tracker document

3

Calculate your emissions

Aim:

To calculate your Scope 1 and Scope 2 emissions relating to your business operations.

How:

We will identify and adopt the most appropriate conversion factors (CFs). We will then use the data collected in stage two, and multiply this by the relevant CFs to calculate your emissions.

Deliverables:

- Scope 1 and Scope 2 calculated emissions

4

GHG inventory report

Aim:

To provide you with a GHG inventory report covering your Scope 1 and Scope 2 emissions.

How:

We will use the output from stage three to develop a full inventory report, outlining your data collection processes, methodologies, and conversion factors adopted, and summary of your Scope 1 and 2 emissions.

Deliverables:

- GHG inventory report for Scope 1 and Scope 2



Scope 3 reporting, procurement, and supply chain

Phase 1 Assess, Analyze, & Strategize

Stage

1 Assess the baseline

- Review existing policies on ESG, procurement, and business travel.
- Comparison against industry competitors and frameworks.
- Workshop to set your assessment boundaries and start to collect.
- Gap analysis of previous GHG accounting and reporting (if any).

2 Analyze data and emissions

- Request for Information (RFI) issued to collect current reporting year data for full Scope 1-3 footprint.
- Data analytics through our programming tool to calculate emissions efficiently.
- Identification of hotspot categories.
- Deep-dive into procurement data.
- Supplier engagement.
- Supplier maturity assessment.

3 Strategize carbon reduction

- Review existing decarbonization plan and any reduction initiatives as planned or actioned.
- Model decarbonization pathways.
- Develop bespoke implementation initiatives designed to facilitate target achievement.
- Critical review of procurement policy.

Phase 2 Mobilize, Activate, & Implement

4 Mobilize value chain

- Supplier engagement program, including upskilling suppliers and developing supporting materials and guidance.
- Transition from spendbased accounting to a hybrid GHG accounting approach through supplier engagement.

5 Activate carbon reduction

- Revise existing procurement policy to develop a sustainable procurement policy.
- Onboard suppliers with carbon reduction targets.
- Develop implementation plan, including timescales for rollout; support implementation process.

Specialty Expertise

With more than 31,000 staff that includes scientists, engineers, and subject matter experts globally, Stantec is uniquely adept at operationalizing ESG strategy into effective solutions that mitigate risk and create value. Stantec has particular technical depth in the following critical areas.



Climate and Environment

Stantec's team of environmental scientists, engineers, ecological restoration specialists, and sustainability experts assist clients with comprehensive environmental support. Stantec's environmental teams support a broad range of clients globally from multinational firms, to regional and community businesses, with regulatory, process, technical, and nature-based solutions.

Climate & Environment Services

- Greenhouse gas emissions benchmarking and tracking
- Climate risk assessment and disclosure
- Natural resource economics including carbon market analysis
- Climate change impact and modeling
- Environmental systems analysis
- Brownfields support and development
- Natural resource damage assessment and response
- Environmental site assessment, permitting, and monitoring
- Cultural resource assessment
- Ecosystem restoration

Supply Chain

Global manufacturers face growing pressure from consumers, investors, and regulators to adopt responsible practices throughout their supply chains. As scrutiny intensifies, businesses are realizing the importance of integrating environmental and social considerations into their sourcing strategies. By taking a proactive approach to managing their supply chains, companies can better handle challenges like climate-related disruptions, reputational risk, and delays in sourcing materials. Our team provides supply chain solutions that integrate sustainability, fair labor practices, human rights, community health impacts, and business resilience.

Supply Chain Services

- Supply chain mapping, policy development, and implementation
- Geography, product, and services risk assessments
- Supplier capacity building and education
- Watchlists monitoring
- Modern slavery policy development and reporting

Health Services

The Stantec team has technical depth in the fields of epidemiology, industrial hygiene, toxicology, and risk assessment. Our scientists collaborate to thoroughly evaluate the complex relationships between chemical, physical, and biological exposures—as well as workplace, environmental, and social factors to inform assessments of human health outcomes. We are adept in the practical application of scientific concepts and methods to assess environmental and community health risks in the context of social, cultural, and economic differences. This allows our team to offer pragmatic, real-world solutions to address each client’s unique risk management needs.

Health Services

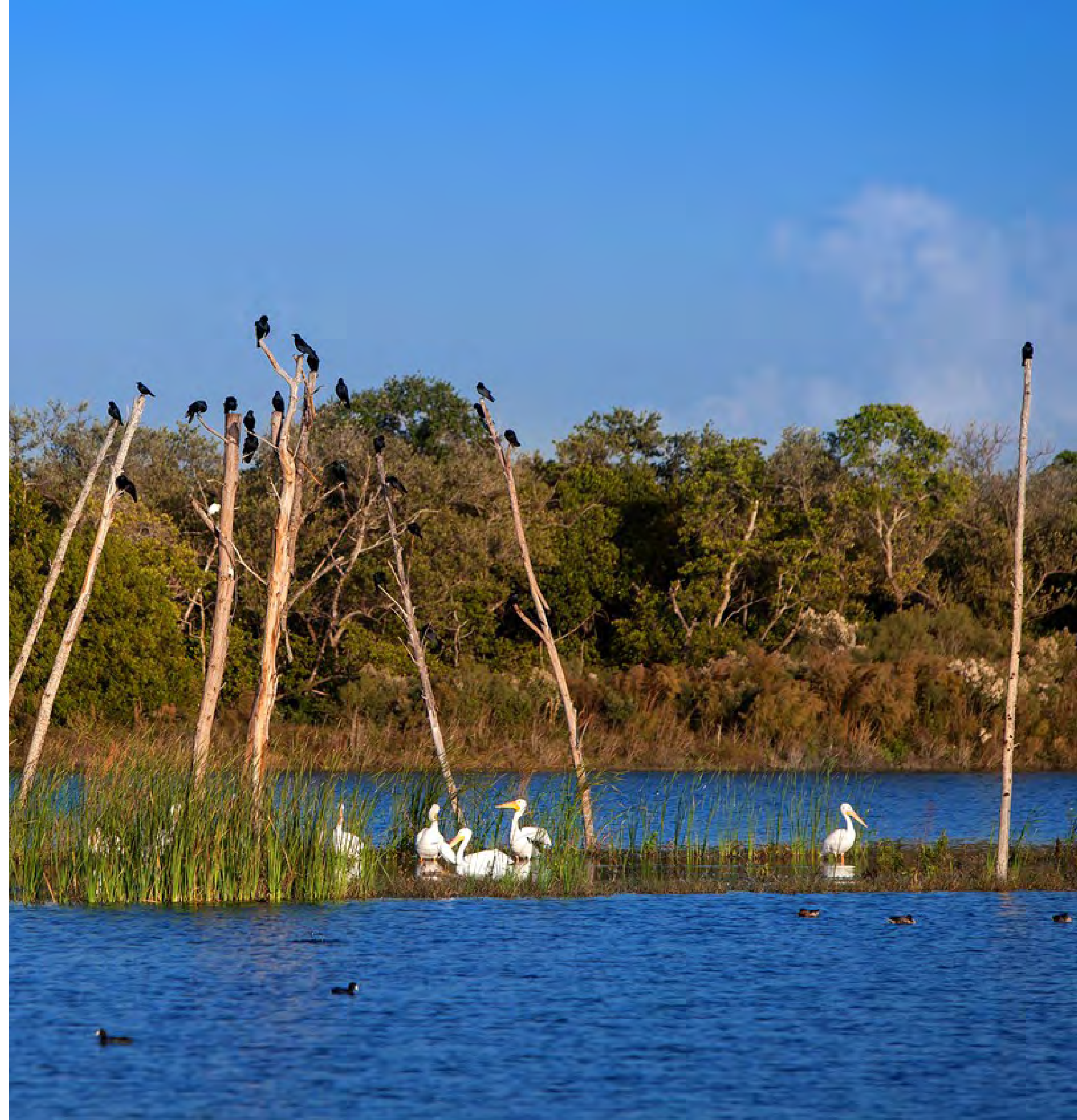
- Risk assessment (ecological, environmental, toxicological)
- Health and community impact assessment
- Occupational health monitoring and surveillance
- Exposure assessment and modeling services
- Product stewardship strategy and program development
- Health program design and evaluation
- Risk communication
- Stakeholder engagement
- Epidemiological study design, data management, and statistical analysis

Biodiversity and Ecosystem Management

Over half of the world’s economic activity is dependent on nature and the ecosystem services it provides. Biodiversity, essential to the processes that support life on earth, is also one of our most powerful tools in combatting climate change. We enable clients to systematically incorporate nature-related risks into strategic planning that identify opportunities to achieve nature-positive outcomes. We also have a multidisciplinary team of scientists and engineers who are skilled in the design and implementation of nature-based solutions that protect and enhance nature, mitigate climate change, and align with community priorities.

Biodiversity and Ecosystem Management Services

- Biodiversity sensitivity screening
- Geospatial land cover analysis
- Nature-related risk assessments
- TNFD due diligence, gap analysis, and disclosure
- Corporate biodiversity strategy development
- CSRD gap analysis and disclosure preparation for the E4 biodiversity and ecosystems topical standard



SECTION 3

ESG Strategy, Reporting, and Disclosure

Providing an ESG lens for all types of organizations

In today's rapidly evolving business landscape, ESG considerations are more critical than ever. Stantec's ESG advisors are dedicated to guiding clients across all sectors through the complexities of ESG reporting frameworks. We provide comprehensive support in strategy development, meticulous reporting, and transparent disclosure practices.

Our team collaborates closely with your organization to tailor ESG strategies that align with your unique goals and values. We ensure your reporting is not only compliant with the latest standards but also resonates with stakeholders, showcasing your commitment to sustainability and ethical governance.

By partnering with us, you gain a trusted ally in navigating the ESG landscape, enhancing your reputation, and driving long-term value. Together, we can build a more sustainable and responsible future for your business and the communities you serve.

We support clients across all sectors with the following reporting frameworks.

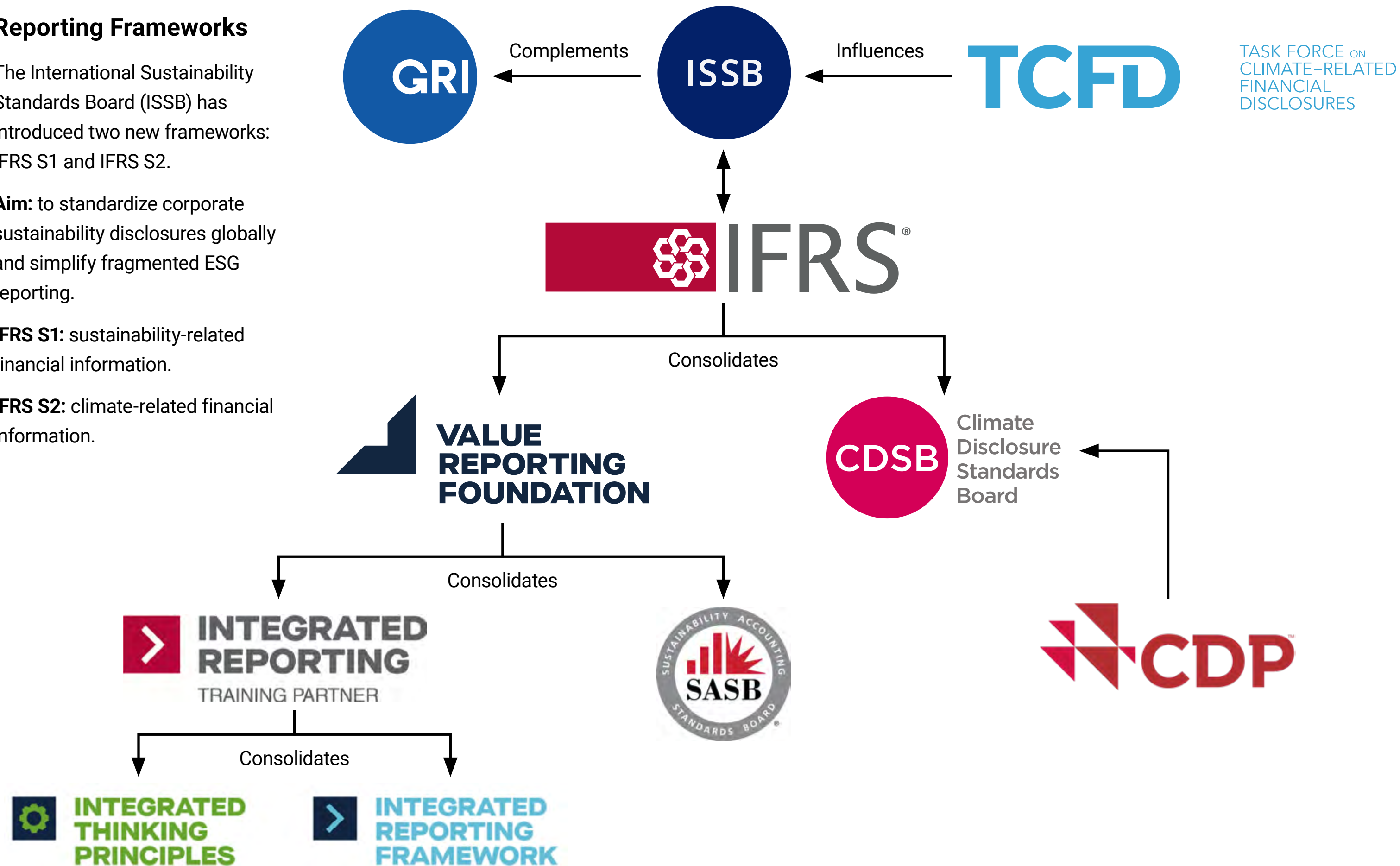
Reporting Frameworks

The International Sustainability Standards Board (ISSB) has introduced two new frameworks: IFRS S1 and IFRS S2.

Aim: to standardize corporate sustainability disclosures globally and simplify fragmented ESG reporting.

IFRS S1: sustainability-related financial information.

IFRS S2: climate-related financial information.



Carbon Disclosure Project (CDP)

Why disclose?

700+

financial institutions, representing **US\$142+ trillion** in assets, are requesting **33,000+ companies** to disclose to them through CDP in 2024.

Track and benchmark progress –

23,000+

companies representing **two thirds of global market capitalization** disclosed through CDP in 2023.

Boosts competitive advantage –

330+

CDP supply chain members, major buyers with **US\$6.4 trillion** in procurement spend requested thousands of their suppliers to disclose through CDP in 2023.

Uncover risks and opportunities

&

Get ahead of regulation.

We adopt a three-stage approach to CDP disclosure



Stage 1 – Collect and Assess

Issue a RFI to collect data on all aspects of CDP and complete application. Alternatively, Stantec can support from stage two, as a Technical Review if the application is already completed by the client.



Stage 2 – Analyze

Implement a gap analysis against CDP scoring methodologies. Provide a mock score based on data provided and recommendations for improving the existing score (current and future applications).



Stage 3 – Submit Application

Finalize and submit the application through CDP portal.

Taskforce on Nature-related Financial Disclosures (TNFD)

Governance

Disclose the organization's governance of nature-related dependencies, impacts, risks, and opportunities.

Strategy

Disclose the effects of nature-related dependencies, impacts, risks, and opportunities on the organization's business model, strategy, and financial planning where such information is material.

Risk and impact management

Describe the process used by the organization to identify, assess, prioritize, and monitor nature-related dependencies, impacts, risk, and opportunities.

Metrics and targets

Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks, and opportunities.

The TNFD follows the same structure as the Task Force on Climate-related Financial Disclosures (TCFD). Our TNFD approach aligns to the Locate, Evaluate, Assess, Prepare (LEAP) framework. We help companies customize pilot LEAP assessments according to their business objectives and unique profile of business activities.

1. Locate

- Understand how a company's activities, industry, and value chain interface with nature.
- Conduct high-level screening of the company's relevant dependencies and impacts on nature.
- Identify operations and key value chain assets in ecologically sensitive locations.

2. Evaluate

- Zoom in on priority assets, activities, and geographies to evaluate dependencies and impacts at the local level.
- Understand key ecosystem services underpinning core business activities.
- Map impact drivers to understand company's effects on nature.



3. Assess

- Inventory nature-related risks and opportunities.
- Analyze nature-related risks and opportunities at the site level.
- Integrate nature-related risks and opportunities into wider ESG risk frameworks, internal processes, and data management.

4. Prepare

- Communicate progress externally to key stakeholders.
- Develop roadmap to expand and deepen assessment toward full TNFD disclosure.
- Integrate results into other reporting and disclosure requirements, such as ISSB IFRS S1 and S2, CSRD, or EU Taxonomy.

Corporate Sustainability Reporting Directive (CSRD)

What is CSRD?

CSRD is an EU directive that obligates large and listed companies to disclose information on how they monitor ESG issues and their impact on the planet.

Aim: to drive accountability and transparency, while promoting sustainable practices and investments.

Requirements: CSRD goes beyond most regulatory regimes, requiring companies to undertake double materiality assessments, set targets, and attain, as a minimum, limited assurance for their emissions calculations.

Who does it apply to?

- Net turnover of more than €40 million (\$44.5 million USD)
- Balance sheet assets in excess of €20 million (\$22.2 million USD)
- More than 250 employees

1 Double Materiality Assessment

Aim:
Determine which ESG topics and disclosure requirements are material to the company.

- Activities:**
- Inventory ESG impacts, risks, and opportunities.
 - Evaluate impacts, risks, and opportunities using consistent materiality thresholds.
 - Finalize material impacts, risks, and opportunities as well as document results.

Outcomes:
We help clients begin the CSRD reporting process by determining which topical standards are relevant to the business and will inform the company's reporting strategy and requirements.

2 Gap Analysis

Aim:
Develop a baseline of ESG activities against CSRD disclosure requirements.

- Activities:**
- Activate cross-functional group to gather data and align on CSRD disclosure requirements.
 - Inventory policies, strategies, and programs to address ESG topics.
 - Identify priorities for ESG program development that address material CSRD topics.

Outcomes:
CSRD reporting is a major undertaking that requires up-front commitment and ongoing iteration. We help companies achieve internal buy-in, leverage existing ESG activities, and identify gaps to advance CSRD reporting readiness.

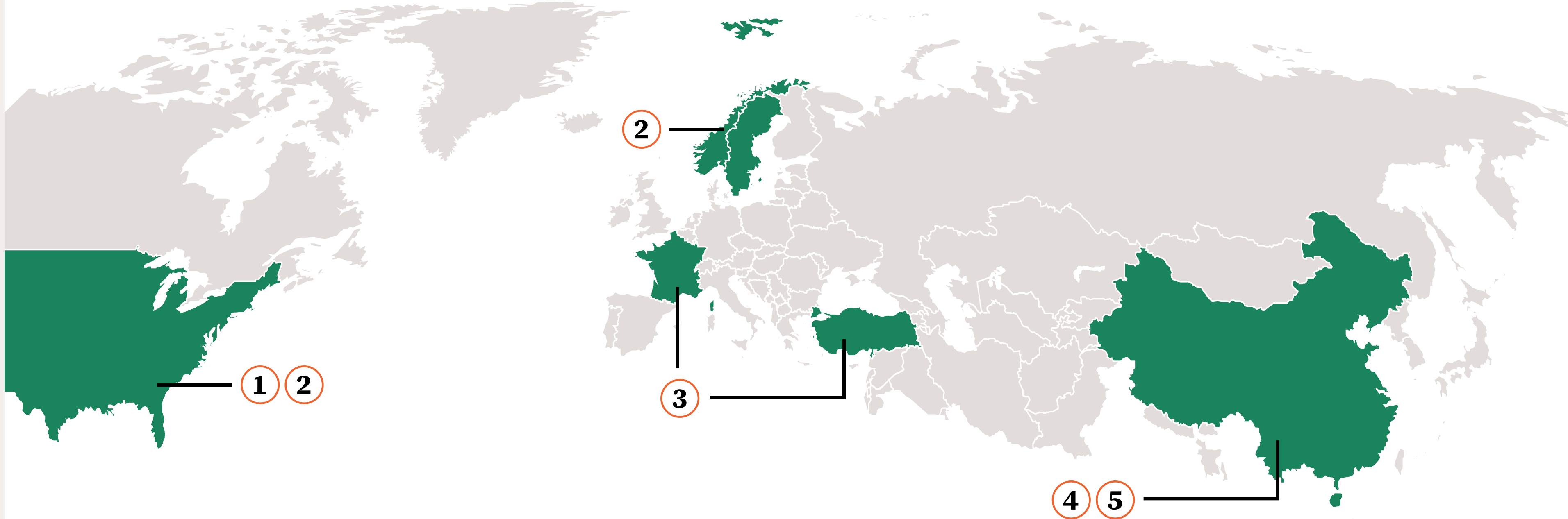
3 Disclosure

Aim:
Prepare disclosures against CSRD requirements to achieve compliance, increase transparency, and inform future ESG strategy.

- Activities:**
- Gather, organize, and transform internal ESG data according to material CSRD data points.
 - Draft quantitative and qualitative responses for audit readiness.
 - Integrate disclosures into existing reporting formats and processes.

Example Global Company Risks

Physical and transition risks exist across entire global supply chains



- 1** Water scarcity in gypsum suppliers in the United States impacts production processes for plasterboard, leading to shortages and delays in the supply chain.
- 2** Wildfires in the United States and Scandinavia disrupt the supply of timber, leading to shortages and increased prices. Additionally, deforestation due to climate change can reduce the availability of sustainably sourced timber.

- 3** Water scarcity in regions with cement suppliers impacts production processes, while extreme weather events can disrupt the availability of aggregates, essential for concrete production.
- 4** Severe storms striking roofing material suppliers in China can damage production facilities and disrupt transportation, affecting the availability of roofing materials.

- 5** Energy-intensive production processes for aluminum can be vulnerable to disruptions in energy supply, which can occur due to extreme weather events or regulatory changes aimed at reducing GHG emissions.
- 6** Extreme weather events causing disruptions to transportation and distribution routes.

ISSB IFRS S2 Disclosures

1. IFRS S2 Readiness

- Assess any public reporting against TCFD requirements, including CDP reports.
- Review any existing risk and opportunity assessment inventories.
- Use our ISSB IFRS S1 and S2 Readiness Tool to Identify gaps.
- This review can be supplemented by interviews with internal experts on processes and ISSB integration.

2. Climate Scenario Analysis

- Develop scenarios, define key business risks and opportunities.
- Assess risks and opportunities in each scenario context and prioritize by level of importance to the business.
- Develop climate-related risk and opportunity register.
- Qualitative impact assessment of climate risks and opportunities identified within risk and opportunity register.



3. Financial Impact

- Use scenario analysis to define impact pathways from selected risks and opportunities.
- Translate the impact pathways into corporate financial terms.
- Establish data availability and define a reference case across different timeframes.
- Overlay projections and information from risk management assessment with the impact pathways to calculate the resulting estimated financial impact.

4. Resilience

- Integrate GHG reduction targets and mitigation response options to assess business resilience.
- Engage with Emergency Risk Management (ERM) team to update risk metrics.
- Build publishable transition plan in alignment with the requirements from the UK Transition Plan Taskforce (TPT).

5. Reporting and Disclosure

- Peer review to inform best practice structure and content.
- Coverage of core content of ISSB IFRS S1 and S2 recommendations (governance, strategy, risk management, metrics and targets), and in alignment with the general requirement.



SECTION 4

Our Team

Global presence

Stantec has more than 100 ESG practitioners globally who are ready to help you address your ESG challenges and maximize related opportunities. We embrace a collaborative approach to create a tailored, responsible program that evaluates, improves, and manages material risks to your business.

Greater Stantec

The Stantec community unites more than 31,000 employees working in over 450 locations across 6 continents. Stantec is a global leader in sustainable engineering, architecture, and environmental consulting. The diverse perspectives of our partners and interested parties drive us to think beyond what's previously been done on critical issues like climate change, digital transformation, and future-proofing our cities and infrastructure. We innovate at the intersection of community, creativity, and client relationships to advance communities everywhere, so that together we can redefine what's possible.



ESG Advisory Teams Located In

- United States
- Canada
- Philippines
- United Kingdom
- Italy
- Australia/New Zealand



ESG Advisory Services - State Government Transportation Client
United States

Our state transportation services client demonstrates their commitment to the communities they serve by embracing a long-term perspective and agile approach in every aspect of their business. To help them have a positive impact, we've provided a suite of environmental, social, and governance (ESG) services since 2019.

We started by establishing a baseline for the client's greenhouse gas emissions

reporting and developed an emission reduction target validated by the Science Based Targets Initiative. We charted a decarbonization roadmap which included the identification of environmental efficiency improvements and on-site solar energy. To guide overall ESG strategy development and develop a risk management framework, we engaged key invested parties to identify the risks most material to the business. To characterize and communicate the client's ESG

program and progress to these parties, our team completed a range of reporting programs, including a Global Reporting Initiative index and GRESB submission. We also partnered with our client to implement a biodiversity pilot program that integrates native species along the roadway.

By applying new ESG technologies and operational strategies, our client is enhancing their positive environmental and social impacts.



Climate-Related Disclosure Support - Aviation Advisory Services
Global

Since 2022, we've supported the advancement of an environmental, social, and governance (ESG) strategy and reporting for a confidential aviation client. Collaborating closely with interested parties, we set practical, achievable ESG goals and performance benchmarks for both immediate and future sustainability progress. In coordination with company leadership, we guide the client through voluntary and mandatory ESG disclosures.

This includes crafting their annual sustainability report and response to the United Kingdom's climate-related financial disclosure (CFD) regulations.

A highlight of our support is the qualitative scenario analysis for the client's CFD response, which assessed material risks and opportunities and the transition to a lower-carbon economy. In addition to supporting transparent disclosure, this analysis helps inform the client's

short, medium, and long-term resilience and adaptation strategies through evolving global scenarios. This is all based on the Intergovernmental Panel on Climate Change Shared Socioeconomic Pathways, and the International Energy Agency World Energy Outlook.

With these enhanced strategies in hand, the client has support to build resilience in a shifting climate landscape.



Foundational ESG Strategy Development and Reporting

Various Locations, United States

Driven by business partner expectations for environmental, social, and governance (ESG) reporting, performance improvement, and emerging regulatory requirements for climate-related financial disclosures, an energy company wanted to initiate their ESG strategy and reporting process. They reached out to our team to help.

We began by benchmarking our client's performance against peers, expectations, and key frameworks such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). Working closely with business leaders, we conducted their first materiality assessment, established ESG priorities and associated performance targets, and identified discrete, feasible actions to achieve goals.

Building upon these actions, our team compiled the company's first corporate sustainability report that will communicate meaningful progress and next steps.

With this strong foundation for continued ESG action and reporting, our client can continue to align business activities with their core values and satisfy the goals of invested parties.



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