



## Management Approach: Achieving Net Zero

Stantec is committed to taking urgent action on decarbonization and contributing toward reductions in global greenhouse gas (GHG) emissions. Stantec has pledged to attain net zero. This pledge was made at the highest level of the Company with direct participation from the Executive ESG Committee, C-Suite, and the board-level Sustainability and Safety Committee. Our net zero pathway is in line with Business Ambition for 1.5 (led by the Science Based Target Initiative [SBTi] in partnership with the UN Global Compact and We Mean Business coalition) and Race to Zero criteria (a UN Climate Change initiative).

Stantec's net zero pathway is being accomplished in four phases:

1. Emissions reductions
2. Carbon neutrality
3. Net zero transition
4. Science-based net zero

### Phase 1: Emissions Reductions

For more than a decade, Stantec has focused on reducing operational emissions. After meeting previous emissions reduction goals, we set a science-based target (SBT) aligned with the most ambitious goal of the Paris Agreement. SBTi has validated that our emission reduction target ambition is in line with a 1.5°C trajectory.

Stantec commits to reduce our absolute scope 1 and 2 GHG emissions 47% by 2030 from a 2019 base year. We will also reduce our absolute scope 3 GHG emissions from business travel by 47% within the same timeframe.

We meet our goals by following best practices for energy conservation and further reduce our emissions by

- Consolidating offices into energy-efficient spaces
- Reducing travel
- Greening our vehicle fleet
- Engaging our supply chain and employees to reduce consumption of purchased goods
- Minimizing employee commute requirements

Our emissions reduction strategy has been formally integrated into our ISO 14001-certified Environmental Management System and is directly connected to our business efficiency and innovation strategies.

### Phase 2: Carbon Neutrality

While our primary focus is to reduce our emissions, we believe it is important to balance our impact throughout the journey. Beginning with our 2022 emissions, we will achieve carbon neutrality through the purchase of carbon credits equivalent to the amount of our residual emissions. We consider this purchase to be an emissions mitigation investment outside our value chain and in addition to our SBT.

Our focus is on credits that provide carbon storage and permanent removal (nature-based solutions and carbon capture). Because Stantec has subject matter expertise on this topic, our in-house experts evaluate credit options to ensure the high value of the purchased credits.

### Phase 3: Net Zero Transition

Once Stantec achieves carbon neutrality, we will begin our net zero transition. We will achieve our near-term SBT reductions and transition from paying third parties for the purchase of carbon credits to support projects that provide additionality. This means we will tap into our subject matter experts to produce renewable energy or carbon reductions that would not happen without our involvement. This includes actions such as adding renewable energy to the grid, developing nature-based solutions that reduce, store, and sequester carbon, and supporting carbon capture to remove carbon from the atmosphere.

Stantec's Innovation Office will play a key role in this effort. We will tap into our expertise, thought leadership, and R&D funding to pilot new approaches that will help Stantec achieve our goals. These solutions will then be applied to client work to help our clients achieve their goals.



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#### **Phase 4: Science-Based Net Zero**

The SBTi Net Zero Corporate Standard—released on October 28, 2021, in conjunction with COP26—provides the world's first official science-based certification for Corporate net zero claims. For a professional service firm, this SBTi definition includes a requirement to reduce emissions by 90% and allows only 10% of final emissions to be neutralized by carbon credits.

While Stantec is still evaluating the standard to see if it becomes the de facto net zero definition, we have added a phase four to our net zero journey that includes significant emission reductions beyond our validated near-term SBT<sup>1</sup>. We are still in the process of defining these new long-term emissions reduction targets and have already begun planning for even more drastic emissions reductions to get us as close to zero emissions as possible.

Once we attain our near zero emissions goal, we will address the small percentage of residual emissions by purchasing high value carbon credits and continuing to participate in direct investment projects that provide additionality (as described in Phase 3, above).

Many of Stantec's clients are also working on net zero strategies and implementations. Helping clients achieve net zero carbon emissions is a key pillar in Stantec's strategy and directly connects to our future growth. We will amplify Stantec's net zero influence by directly applying learnings from Stantec's net zero journey to the success of our clients' net zero ambitions.

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<sup>1</sup> Stantec's near-term SBT will be accomplished in 2030 as noted in Phase 3.