



## Management Approach: Risk Management

Stantec systematically identifies, manages, monitors, and reviews significant and emerging risks at the enterprise and project levels. Our risk management processes directly address climate change.

### Commitments and Practices

Responsibility for risk management and compliance is shared across the organization—from our Board of Directors, which establishes overall risk appetite and provides strategic direction and guidance on risk management, to senior executives, who are responsible for implementing risk management practices, to frontline employees, who apply risk management in day-to-day operations and decision making.

Stantec's certified Integrated Management System (IMS) delivers a disciplined and accountable framework that defines Company procedures, monitors risks and hazards, reduces inefficiencies, maximizes Company resources, and enables the implementation of our Sustainability Program.

### In Our Operations

Stantec's Enterprise Risk Management (ERM) program aligns with international standards and includes policies, practices, and systems to address our principal risks, which include



information from the Company's practice, geographic, and business operating unit leaders. We also lean on the



### Pandemic Preparedness

Stantec has long recognized the possibility of a pandemic presenting a significant challenge to the operation of any organization, as well as a serious risk to our employees' health. Since 2011, we've had a Pandemic Preparedness Plan to guide decision-making in the event of an outbreak.

In the case of a pandemic, a Pandemic Committee is formed consisting of qualified Stantec personnel who have the background and expertise to advise on issues surrounding pandemic preparedness and business continuity planning. During an outbreak, the committee oversees the implementation of the pandemic plan and offers advice where needed. The Pandemic Committee and our other preparations were instrumental in Stantec's success in maintaining our operations during the COVID-19 pandemic.

### Supporting Clients

Each project has unique risk conditions, and our overall project management process helps keep them top-of-mind for our project teams. Stantec's Project Management (PM) Framework provides a scalable framework to promote a pragmatic and disciplined approach to project delivery. It includes the critical tasks for managing risks and achieving quality delivery on typical projects.

At a project level, Stantec's PM Framework considers sustainability topics such as climate change, air and water quality, energy and resource use, human rights, ethics, stakeholder engagement, and Indigenous relations. Impacts are evaluated during the proposal and the health, safety, security, and environmental planning stages and then reviewed through project audits.

For projects with risks that have the potential for significant financial or reputational impacts, we have a formal risk review practice. The Project Risk Review Committee consists of senior Stantec leaders and subject matter experts.

### Climate Risks

Our risk management processes address climate change, and we evaluate climate-related risks for potential short-, mid-, and long-term impacts. Stantec tracks regulations and frameworks that might affect our operations or clients and monitors new technologies to improve our project delivery. Climate risks have been identified at enterprise, operational, and project levels. In addition to monitoring climate-related risks as part of our ERM program, Stantec has established task forces specific to project-level and operational risks.

Stantec's ERM, Strategy, Finance, and Corporate Sustainability teams proactively identify, analyze, and manage climate-related risks. Operationally, Stantec has carbon management and reduction programs in place, and we evaluate weather-related risks when looking at new office space. Significant environmental impacts are also incorporated into Stantec's ISO 14001-certified environmental management system. Environmental risks, including those pertaining to climate, are considered within the required aspects and impacts registers. We follow ISO 14001 guidance to identify relevant environmental aspects and determine which activities have an impact on the environment under normal, abnormal, and emergency operating conditions.

Stantec's Climate Solutions group and subject matter experts within each business operating unit review future climate impacts when approaching our designs. O



#### Accountability

Stantec has formal processes to encourage suggestions for improvement, address nonconformance, and identify opportunities for improvement and corrective action. We

- Monitor enterprise risks through ongoing management activities, separate evaluations, or the quarterly review of each risk's inherent and residual scores.
- Conduct internal practice audits annually that cover all regions and business lines (for compliance with ISO 14001, 45001, 9001, and IMS requirements) and operations are audited by an external third party
- Track client satisfaction by conducting surveys to assess performance, identify and prioritize improvement, and year-over-year relationships (satisfaction consistently measuring above 90%)
- Identify, review, approve, communicate, and document the impacts of practice changes; initiate change management procedures; review unintended consequences of changes; and act to mitigate adverse effects
- Include quality management targets as key performance indicator in Stantec's executive sustainability pay link

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Material Topics / Value Chain ee (l)Todes Covered

Risk Management – Overall /