

STANTEC LEADS EFFORTS TO ELEVATE NATURAL CAPITAL ECOLOGICAL SERVICES FINANCIAL VALUATION & MEASUREMENT OF NATURE-POSITIVE OUTCOMES

Stantec unites more than 31,000 employees working in over 450 locations across 6 continents in sustainable architecture, engineering, and environmental consulting, delivering the expertise, technology, and innovation communities need to manage aging infrastructure, demographic and population changes, and the energy transition, innovating at the intersection of community, creativity, and client relationships. Stantec's 2024-2026 Strategic Plan consists of three strategic growth initiatives: Climate Solutions; Communities and Infrastructure of the Future; and Future Technology. Combined with strategic and disciplined acquisitions, Stantec looks to grow net revenues to \$7.5 billion by the end of 2026, rounding out Q3 2024 with a robust and increased backlog of \$7.3 billion. In early 2024, Stantec completed the acquisition of ZETCON, a 645-person leading infrastructure firm in Germany, and closed the acquisition of Morrison Hershfeld, a leading transportation, buildings, and environmental services firm with 1,150 people predominantly in Canada and the US. In the spring of 2024, Stantec completed the acquisition of Hydrock, a 950-person integrated engineering design firm headquartered in Bristol, England that brings extensive capabilities in fire safety, energy and sustainability, civil and structural, MEP, transport, environmental, and geotechnical services.

Dom Kempson, Global Nature-based Solutions Program Lead. Mr. Kempson has 30 years of experience in the management of water and natural resources for public, commercial, and private clients. He oversees nature based coastal and marine solutions, ecosystem restoration, flood risk management, urban and watershed scale project development, climate adaptation, and support for water supply, treatment, and conveyance.

Understand there are several ways of defining natural capital services. The short answer is that natural capital encompasses all renewable and non-renewable resources provided by nature, with ecosystem services being examples of natural capital assets.

These ecosystem services can be further categorized as "provisioning," such as fiber and fuel provided by timber, "regulating," such as carbon storage in plants and soils mitigating climate change, or "supporting," such as the formation of fertile soil for plant growth. Stantec's involvement in natural capital typically includes assessing, valuing, protecting, and restoring these ecosystem services, which has been driven largely by the ongoing loss and degradation of global ecosystems. The World Bank estimates that the global economy could lose \$2.7 trillion (US) by 2030 if certain ecological systems collapse. Obviously, our

At Stantec, we're working with all of our clients to help them understand the value of their natural capital and how they can protect and restore it. This is a key part of our ESG strategy and is helping us to attract and retain top talent. We're also working with our clients to help them understand the value of their natural capital and how they can protect and restore it. This is a key part of our ESG strategy and is helping us to attract and retain top talent. We're also working with our clients to help them understand the value of their natural capital and how they can protect and restore it. This is a key part of our ESG strategy and is helping us to attract and retain top talent.

EBJ: What technological advancements have had the most significant impact on the way Stantec assesses, values, and restores ecological systems?

Kempson: Two technologies stand out: remote sensing using satellites, planes, or drones and environmental DNA (eDNA). Remote sensing using our ExtractX toolkit is dramatically changing how we measure ecological assets. For instance, remote sensing and machine learning can help us calculate how much carbon is being stored in vegetation and soils across large areas. We can monitor how nature-based carbon storage increases over time tracking the contributions of projects to climate change mitigation. Remote sensing helps us assess and value all kinds of ecosystems, from remote tundra ecosystems to mangroves that help protect coastal communities. eDNA is invaluable in helping us to see the unseen in a particular ecosystem. For example, the presence of a hard-to-find endangered Jefferson salamander might not show up in conventional survey methods,

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we can provide consultant advisory services and support to our clients.

EBJ: In which areas of the country are you experiencing a higher demand for these types of services and why?

Kempson: We can point to the western US, where there is a lot of work to restore salmon and steelhead fisheries by removing dams and culverts that don't allow fish passage. Assessing the value of restoring those fisheries versus the costs of upgrading dams is occurring regularly. Also, we are increasingly thinking of the value of

