

Management Approach: Innovation

Innovation is essential to providing value in an ever-changing world. Stantec's innovation strategy combines proven ideas with curiosity, creativity, and digital-forward approaches to find new ways to meet client challenges, increase efficiency, and improve profitability. Innovation facilitates collaboration, is essential to employee engagement, and advances environmental and social thought leadership.

Commitments and Practices

Stantec is committed to promoting innovation, and Stantec annually invests millions of dollars to fund grants and research.

In Our Operations

Stantec leaders promote creativity within all our business operating units and geographic locations. In our day-to-day, employees are encouraged to innovate and create the future. To accelerate the progress, Stantec has funded several formal innovation programs, including the Innovation Office (a department focused on encouraging, developing, and commercializing employee ideas); the Stantec Institute (a think tank to foster developments in technology and policy centered around climate change); and collaborative partnerships (working with industry and communities to develop and encourage new ideas).

Innovation Office

To develop leading-edge solutions, Stantec's <u>Innovation Office</u> nurtures ideas through ideation, capture, development, commercialization, and graduation phases.

Stantec's Innovation Office programs include

- Micro-grants: Every Stantec employee can easily submit their ideas through an Idea Machine app installed
 on the desktops of all employee computers. We support the ideation process and help employees develop
 their ideas.
- Greenlight Grants: Our Greenlight Program takes innovative ideas a step further by funding early-stage
 prototypes and research proposed by employees. We try to focus these efforts on projects that address
 mega-trends like climate change and urbanization and favor the creation of interconnected, digital products
 to address the challenges faced by our communities. Grant recipients are assigned collaborative coaches
 for support in developing their ideas.
- Innovation Fund: Once we have generated a prototype for an idea, the innovation fund offers more
 significant funding to scale an idea into a minimum viable product. The goal of this is to create a viable
 pathway for implementing innovative ideas in the market, while still providing significant support. Otherwise,
 many innovations remain "thought leadership" exercises, and don't get a chance to transform the industry.
- Innovative Business Opportunities: For a limited number of opportunities that we believe can transform Stantec's business, we have an independent funding mechanism that makes time and money available for detailed idea development. These Innovative Business Opportunities are intended to become financially self-sustaining businesses or products.
- Innovation Summit: Our Company accesses talent from around the world and understands that great
 achievements come from collaboration. We foster and support a high-performing culture and a stimulating
 work environment where we can learn from each other. Every other year, we sponsor an Innovation
 Summit that gathers employees from around the world to recognize and celebrate our most innovative
 projects and the people behind them, share best practices, and promote cross geography and business line
 collaboration.

Stantec, Inc. (Last update: March 28, 2024) Page 1 of 2



Stantec Institute

To explore the real-world impacts of a changing climate, Stantec created the <u>Institute for Applied Science</u>, <u>Technology & Policy</u>. The Institute studies the intersection of food, water, and energy challenges and advocates for decarbonization and circular economic principles.

The Institute engages scientists, engineers, and technology specialists across the globe to investigate questions at the forefront of climate change. In devising strategies for adaptation, resilience, and mitigation, Stantec recognizes the need to identify and accelerate the implementation of technology, employ tactical applied research, and forge strategic relationships with implementation partners.

Some of the areas of current investment include

- Identifying technologies for effective removal of PFAS from drinking water supplies and for destruction of PFAS following removal
- Developing technologies for managing reverse osmosis brines for treating brackish groundwater for drinking water supplies in inland areas and for reuse applications
- Real-time monitoring of infectious microbial agents in water reuse applications
- Developing insights on circularity from the perspective of the laws of thermodynamics to help introduce promote circularity

Collaborative Partnerships

Stantec makes regular investments to further industry adoption of innovative ideas.

We regularly partner with communities in need through our <u>North America Funding Program</u>, which helps progress community development and transformational climate action projects through mechanisms like low-interest loans and government grants. Our specialists help clients through research and strategy, application preparation, and grant administration. Stantec is one of the first architectural and engineering firms to offer such funding support.

Besides supporting Stantec-developed innovations through the Innovation Office, we also support development of new technologies with industry partners, both financially and with subject matter expertise. For example, we are currently collaborating with BlueSky Resources to track greenhouse gas emissions in real time using satellite technology and with the carbon removal startup Capture6 to explore technology that integrates decarbonization and brine management solutions.

To support our employees as they carry out research (when directly serving clients or when strengthening capacity in anticipation of client needs), we provide a Research and Development Resource eLibrary, pursue collaboration options with academic institutions, and partner with academic researchers to access federal funding for research.

Accountability

As part of our compensation key performance indicators, Stantec executives hold themselves accountable for innovation success through the number of commercialized initiatives funded by the Innovation Office.

Material Topic / Value Chain Node Covered:

Innovation / Operations

See all Stantec Management Approaches

Stantec, Inc. (Last update: March 28, 2024) Page 2 of 2