



# 2022 Task Force on Climate-related Financial Disclosures Report

MAY 2023

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## HOW TO USE THIS REPORT

This TCFD Report (“Report”) is an interactive PDF and is designed to be viewed with Adobe Reader and an Internet connection. The Report can also be viewed offline, but any external links will not be accessible.

All dollar amounts shown in this Report are expressed in Canadian dollars, unless otherwise indicated.

<sup>1</sup> Future Ready® is a registered trademark of WSP Global Inc. in Canada, the United States and New Zealand. WSP Future Ready (logo)® is a registered trademark of WSP Global Inc. in Europe, Australia and the United Kingdom.

# Introduction *from our* *Global Executive Director, ESG*

Climate change presents one of the most pressing challenges in human history. Impacts of climate change are observed globally across different sectors crucial to society and the economy — such as human health, water, energy and food security, infrastructure, and others — and are expected to become increasingly complex and disruptive.

As a leading global professional services, engineering, environmental and sustainability consulting firm, we are committed to accelerating the transition to a low-carbon economy and driving sustainable growth. This starts with evaluating and managing our own climate risks and opportunities.

This is our second report published in alignment with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). The Report highlights how we are embedding climate-related considerations into our operations and covers TCFD's four key elements: Governance, Strategy, Risk Management, and Metrics and Targets.

## Summary of Updates to our TCFD Reporting

Since the publication of our first TCFD report in early 2022, our understanding and management of climate-related risks have continued to evolve. We made the following progress in our TCFD journey in 2022:

1. We completed our quantitative climate scenario analysis, capturing the potential magnitude of the physical risks and the immense transition-related market opportunities available to WSP.
2. We published our Climate Transition Plan, describing the steps we will take to meet our greenhouse gas reduction targets.
3. We further integrated climate change within our risk management processes, by explicitly including two climate-related risks within our enterprise risk management (ERM) program.
4. We held climate-related education sessions with the Board of Directors of WSP Global Inc. (the "Board"), and global executive management, including the Global President and CEO and the Global CFO.

We plan to publish future updates to this Report as our understanding of climate risks and opportunities, as well as climate risk management, evolves and improves.

**André-Martin  
Bouchard**

Global Director,  
Earth & Environment  
and Global Executive  
Director, ESG



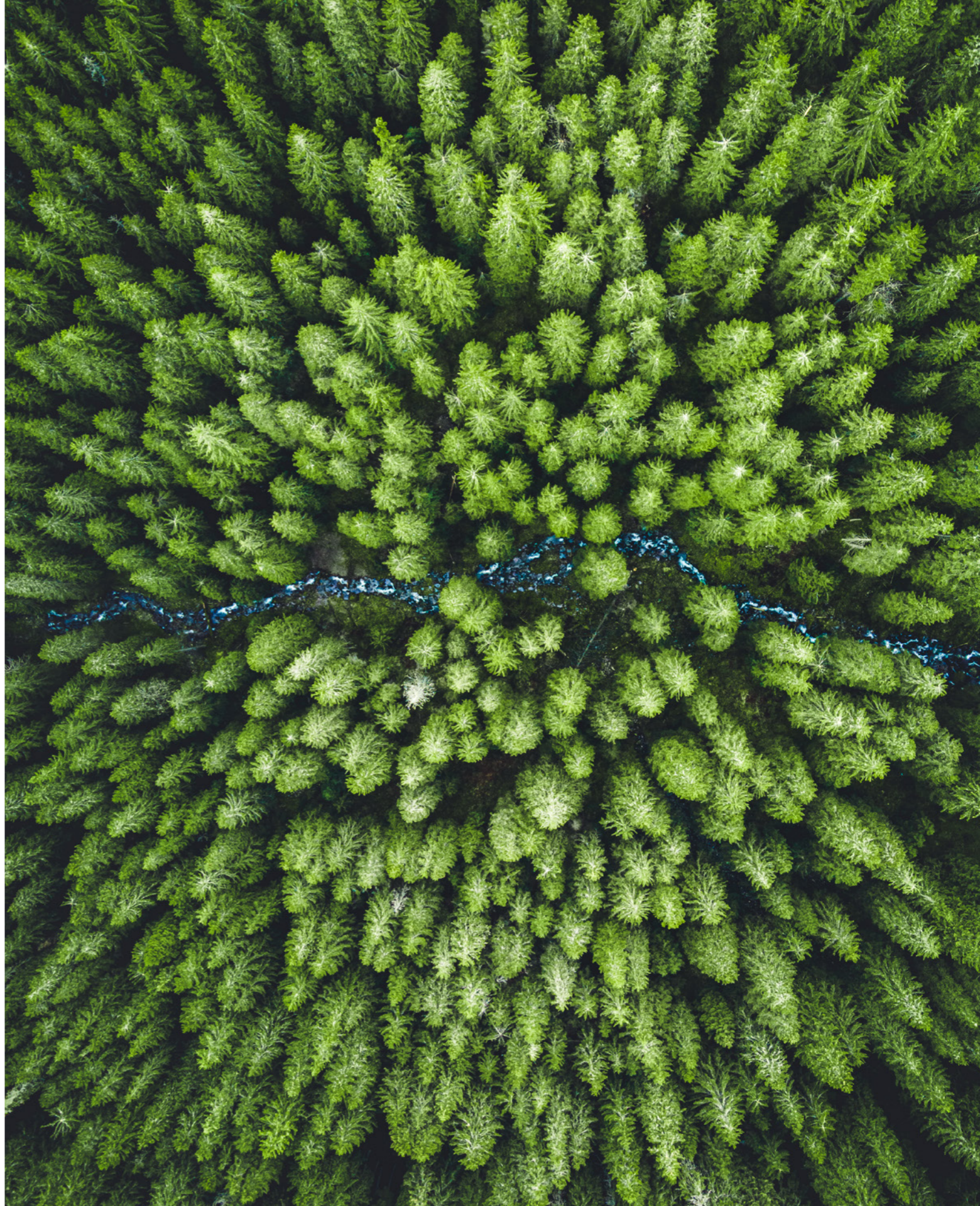
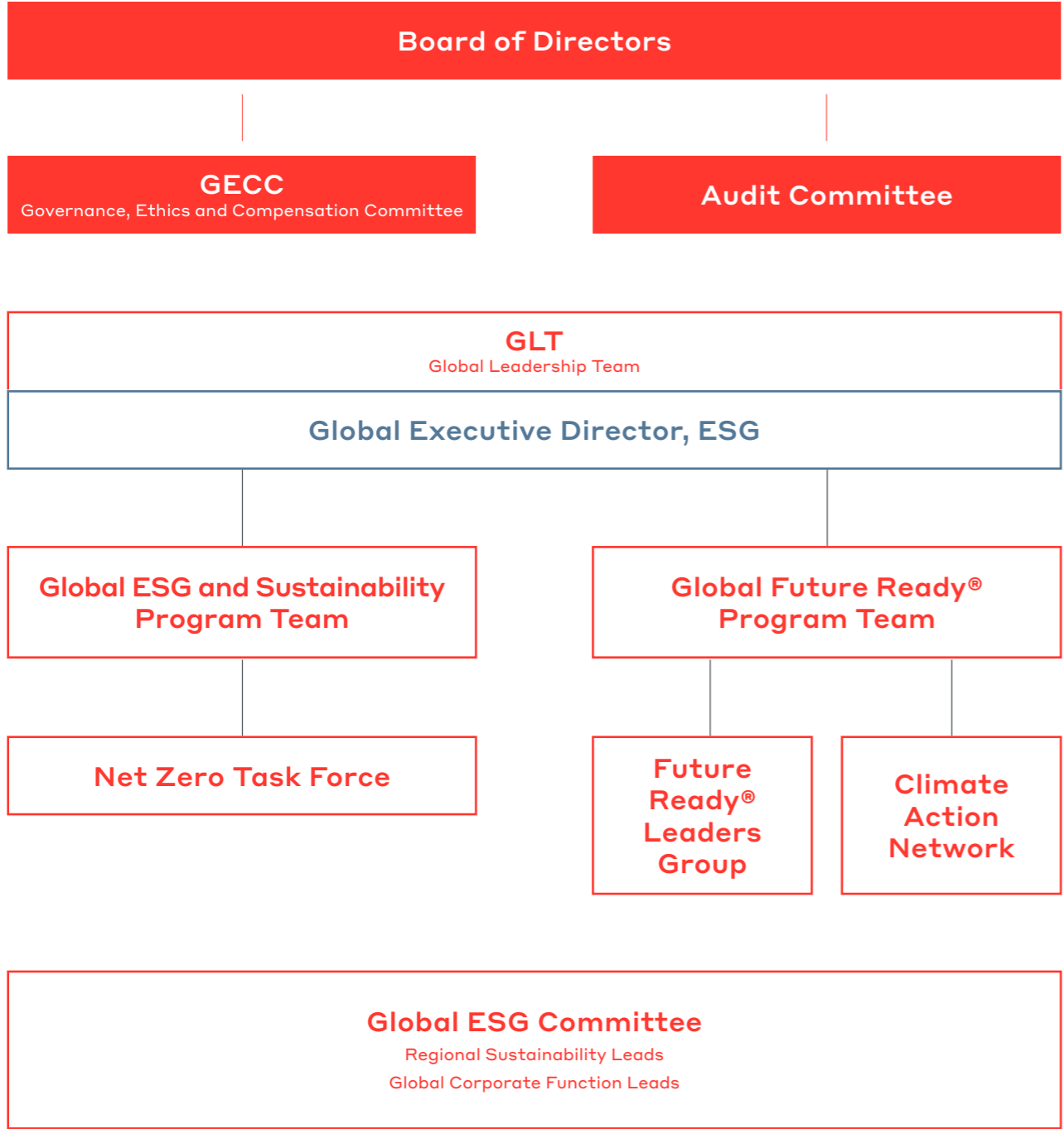
# Governance



WSP believes that oversight of climate-related issues at a Board and senior management level is instrumental for assessing and managing potential impacts of climate change on our strategic and financial planning and business performance. To this end, we are integrating climate-related considerations into our governance structure both at the Board and senior management levels.

In 2022, WSP conducted educational sessions for both the Board and global executive management, including the Global President and CEO and Global CFO, on the TCFD, as well as the climate risks and opportunities facing WSP.

**FIGURE 1** WSP's ESG Governance Structure



## Board Oversight

WSP's Board, together with the Governance, Ethics and Compensation Committee (GECC), is responsible for overseeing and monitoring implementation of procedures, policies and initiatives in relation to its corporate, social and environmental responsibilities. In addition, since December 2022, the Audit Committee has been responsible for reviewing the internal control and data verification process for ESG reporting.

Working with senior management, the Board oversees the development of corporate strategy, developing key financial and non-financial objectives for WSP's three-year strategic cycles to ensure that our growth is in harmony with ESG principles.

The GECC approved our Global ESG Statement, Biodiversity Statement and Health, Safety, Environment and Quality Policy Statement, which define our approach to embedding ESG matters throughout our operations and to protecting, restoring and enhancing ecosystems.

## Management Oversight

WSP's Global Leadership Team (GLT) focuses on assessing the risks that each business is facing and ensuring there are effective management processes in place to proactively identify and manage risk. Within the GLT, the Global Executive Director, ESG, is accountable for our global corporate sustainability efforts and coordinates strategies aimed at identifying material environmental and climate-related risks and opportunities, and for the implementation of climate mitigation measures, such as carbon reduction plans, carbon offsetting and energy efficiency. The Global Executive Director, ESG, briefs the Chair of the GECC, and provides quarterly reports on ESG to the GECC.

The Global ESG and Sustainability Program Team is responsible for developing and implementing WSP's ESG and sustainability strategy and plans regarding WSP's operations and supply chain. The Global Future Ready® Program Team is responsible for developing and implementing ESG and sustainability strategies and plans covering WSP's clients, designs and advice.

The Global Executive Director, ESG, is the chair of WSP's global Environment, Social and Governance Committee ("ESG Committee"), which is comprised of representatives from regions/subregions<sup>2</sup> and corporate functions who have been empowered to implement the ESG Committee's recommendations. The ESG Committee provides the platform to enhance ESG performance and advance initiatives from both a regional and global perspective and is responsible for the execution of our ESG program on behalf of all our stakeholders.

Members of the ESG Committee, regional risk representatives and other supporting regional ESG experts also work in tandem with our Risk Management function to begin to evaluate climate-related risks on a regular basis. The Risk Management function is responsible for WSP's ERM program, which is deployed both globally and regionally and provides a framework to identify, assess, and manage risks. Via the ERM, the Risk Management function takes an active role in the operationalization of risk management and governance across our core activities and acts as a risk advisor to key stakeholders.

<sup>2</sup> In this document, where we use the term "regions", we are referring generally to WSP's reportable segments: Canada, Americas (USA and Latin America), EMEIA (Europe, Middle East, India and Africa) and APAC (Asia Pacific – Asia, Australia and New Zealand). Where we use the term "subregions", we refer to a further breakdown which includes Canada, the USA, Latin America and the Caribbean, the UK, Central Europe, Nordics, Middle East, India, Africa, Australia, New Zealand and Asia.

# Strategy



As the world's leading environmental and sustainability consulting firm, we are poised to lead our clients through the low-carbon transition. Climate change will impact all sectors of the economy, including certain sectors in which WSP operates, notably Transportation & Infrastructure, Property & Buildings, Earth & Environment, Power & Energy, and Industry, both posing risks and offering opportunities as we transition to a low-carbon and resilient future. Several of these sectors have historically released significant greenhouse gas (GHG) emissions and are vulnerable to the impacts of extreme weather and climate change. Their transition is crucial.

WSP's business model and services support our clients to be Future Ready®, and influencing this transition is a significant opportunity for our firm. We expect increased demand for our designs and advice, for example through decarbonizing buildings, net zero infrastructure, and offering more Earth & Environment and ESG advisory services.

The scale and diversity of our business mean that our impact can be substantial. WSP is currently ranked first on the list of Top 225 International Design Firms by *Engineering News-Record* (ENR) magazine. We are sixth on ENR's Top 150 Global Design Firms list. Our leading position in the Buildings, Transportation, Power, Manufacturing and Hazardous Waste sectors is recognized with top 5 positions among the Top 225, including number 1 in Transportation. Our regional rankings include top 10 positions in Europe, Asia and Latin America and the Caribbean, and we rank first in the United States and Australia/Oceania. In addition, on ENR's Top 200 Environmental Firms list, we are ranked seventh in the world.<sup>3</sup>

Finally, the recent *Environment Analyst* report *ESG Strategies: Accelerating Impact and Net Zero Goals in Consultancy*<sup>4</sup> recognized WSP as one of only four Environment & Sustainability consultants to receive a five-star rating for its Net Zero Journey and ESG leadership.

At the beginning of 2022, we were also recognized by Verdantix as a global leader in ESG & Sustainability Consulting. The section "Climate Opportunities" in this Report describes more of our opportunities to provide services for a low-carbon future.

#### OUR FUTURE READY® PROGRAM

Future Ready® drives a mindset shift towards developing client solutions for long-term resilience and adaptability. It is important as many of the projects we work on have design lives of decades. Decades when society will have different needs and technologies will change. Decades when climate change will bring more extreme weather and also a phase-down of fossil fuels.

## WE SEE THE FUTURE MORE CLEARLY

Our experts analyze future trends through four lenses.



### CLIMATE

How will your project, infrastructure, or community hold up against the effects of global warming, flooding and rising sea levels, and more disruptive storms?



### SOCIETY

The way we move around our cities, the way we design our neighbourhoods, and the way we plan infrastructure are all impacted by changes in social and cultural norms.



### TECHNOLOGY

The speed of technological advancement has no historical precedent. It is disrupting almost every industry in every country, and the breadth and depth of changes are transforming entire systems of production, management, and governance.



### RESOURCES

By changing our thinking on how we produce what we need, we can create an economy that allows us to do so much more, with less.

<sup>3</sup> Sources: The Top 225 International Design Firms, ENR, August 8/15, 2022; The Top 200 Environmental Firms, ENR, July 25/August 1, 2022; The Top 150 Global Design Firms, ENR, August 8/15, 2022.

<sup>4</sup> Source: *ESG Strategies: Accelerating Impact and Net Zero Goals in Consultancy*, EA, April 27, 2023.



## Our Operations

Climate change can also expose our employees and office locations to physical risks and challenge our ability to perform day-to-day operations. Extreme weather events or temperatures, storm-related flooding or extended drought could cause disruption to offices, IT systems and our employees' ability to perform their work, especially onsite. More pronounced chronic impacts, such as increasing temperatures and sea level rise, may also raise our costs of doing business and impact our ability to deliver services to our clients in a timely manner. In addition, climate change impacts could pose market risks, influencing our ability to provide services to our clients.



## Business Strategy

Aligning with a low-carbon and resilient world is a clear opportunity, an organizational imperative, and a key part of WSP's strategic growth. Recent acquisitions of Golder, Climate Finance Advisors, Wood E&I, Capita REI, GL Hearn and BG Consulting Engineers highlight that we are prioritizing growth in capabilities to help clients transition to a low-carbon world.

In 2022, we published our [Climate Transition Plan](#), detailing how we intend to reduce GHG emissions and achieve net zero by 2040. ESG and climate-related matters also play an important role in our strategic planning. In our [2022-2024 Global Strategic Action Plan](#), we commit to frontloading our efforts to reduce GHG emissions by setting interim GHG emissions reduction targets that support our SBTi-approved 2030 targets and 2040 net zero commitment. We also set a target to earn over 50 percent of our gross revenues from projects that contribute to the United Nations Sustainable Development Goals (SDG-Linked Revenues<sup>5</sup>).

Further, in 2022 we made our voice heard for strong climate regulation. WSP in Canada responded to the comment period for the Canadian Securities Administrators' (CSA) draft proposal NI 51-107 on climate-related disclosures, and WSP in the USA responded to the US Securities and Exchange Commission's (SEC) SEC Proposed Ruling: The Enhancement and Standardization of Climate-related Disclosures for Investors. In both responses, WSP advocated for robust, detailed and regular climate disclosures for the purposes of investor transparency on climate-related risks. We also signed Corporate Knights' [COP27 Action Declaration on Climate Policy Engagement](#), committing to support climate action aligned with the Paris Agreement and to work with our major industry and trade associations to advance alignment.

<sup>5</sup> We previously reported "Clean Revenues", which were defined as revenues earned from services that had an environmental benefit and contributed to the UN SDGs. In line with industry practice, we have broadened our definition and enhanced our methodology to include revenues earned from services that contribute to any of the SDGs, and as a result, have renamed this metric "SDG-Linked Revenues".

## Scenario Analysis

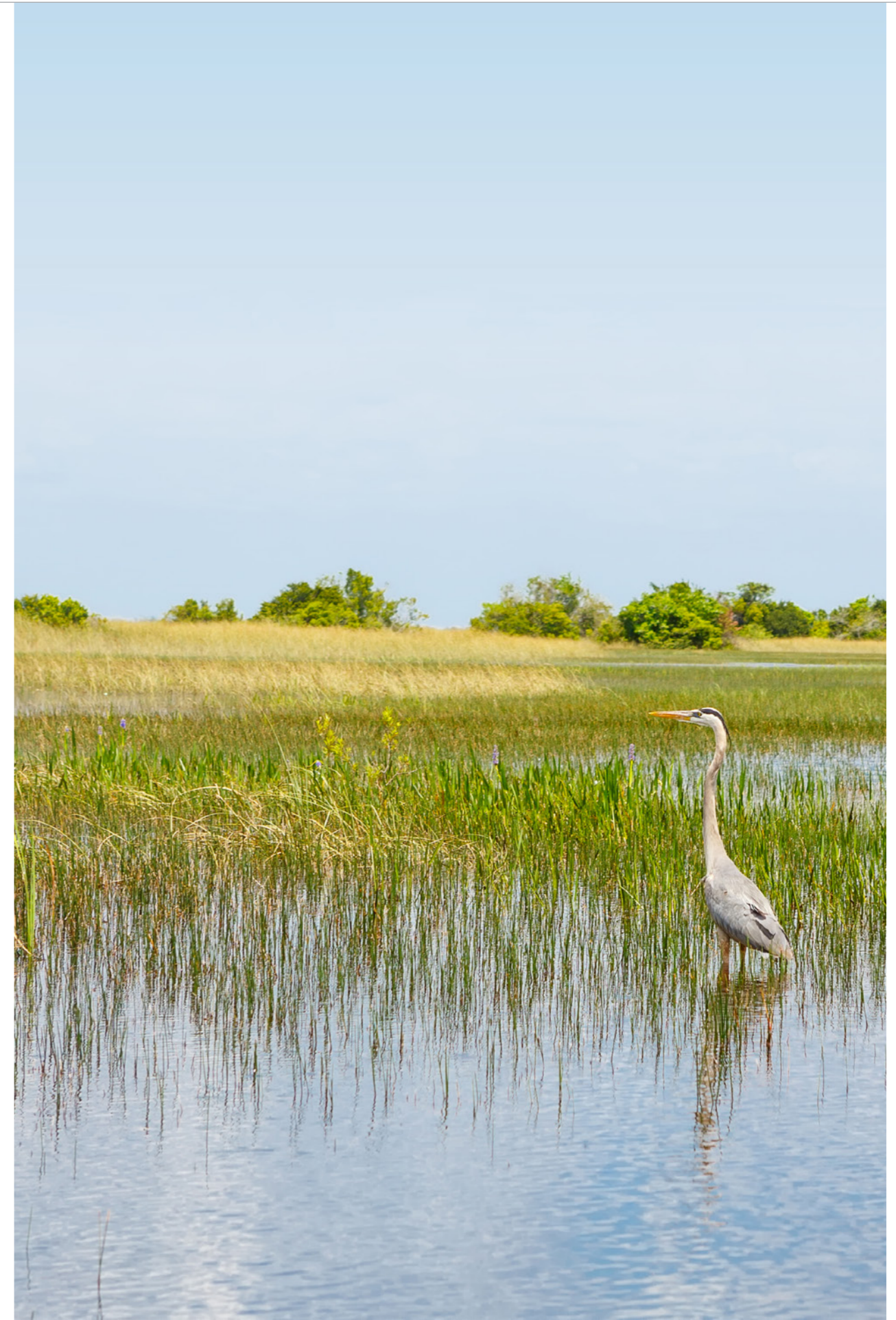
WSP continues to work to adapt its strategic management of climate risks and opportunities to changing climate conditions. Our understanding of our climate-related risks and opportunities is informed by multiple complementary scenario analyses.

In 2021, we conducted a qualitative climate scenario analysis in alignment with the TCFD recommendations. The scenario analysis allowed us to identify the top climate-related risks and opportunities for our business.

Based on the results of our qualitative analysis, we conducted a quantitative climate scenario analysis in 2022 to understand the order of magnitude of the financial impact from climate-related physical and transition risks and opportunities under different scenarios. Conducting a quantitative analysis further enhances our TCFD alignment by enabling us to have a better understanding of the financial implications of different climate risks and opportunities, relative to one another, and further prioritize our resources for mitigation and adaptation activities.

The collective results of our scenario analysis as outlined in the following sections highlight that WSP has limited physical risks, manageable transition risks, and immense transition opportunities.

Climate scenario analysis is an emerging discipline. We anticipate expanding and updating our analysis as our company grows, as the science of climate change evolves, and our understanding of climate-related impacts improves. As such, the results presented are representative of our current understanding and are subject to change.



## Physical Climate Scenario Analysis

Our physical risk scenario analysis reviews the risks to our operations and assesses the exposure of our offices and our people to the changing climate. The focus on offices and operations is guided by our qualitative analysis, which found these areas were most impacted by physical climate events. This methodology and the results of this analysis are presented in this Report.

### OUR PHYSICAL CLIMATE SCENARIO ANALYSIS METHODOLOGY

Our physical climate scenario analysis evaluated two warming scenarios. The first scenario captured a high emission or warming pathway which was based on an RCP8.5 scenario<sup>6</sup>. This scenario results in 3.2 – 5.4°C of average global temperature rise by 2100, relative to pre-industrial times. The second scenario was used with reduced warming known as the RCP4.5 scenario<sup>7</sup>. This scenario results in 1.7 – 3.2°C of warming by 2100, relative to pre-industrial times.

**TABLE 1** Physical Climate Scenarios

SCENARIO	RCP8.5	RCP4.5
<b>Warming</b>	3.2 – 5.4°C of average global temperature rise by 2100, relative to pre-industrial times	1.7 – 3.2°C of warming by 2100, relative to pre-industrial times
<b>Level of physical risk</b>	Higher	Lower
<b>Source</b>	Intergovernmental Panel on Climate Change (IPCC)	

Within each scenario, the potential impacts of a set of discrete climate hazards were evaluated. The hazards assessed included: extreme temperatures, drought and water stress, wildfire, coastal flooding and tropical cyclones.

These hazards were assessed at all our global leased office locations that were active in December 2021. Hazard exposure was measured as average decadal impacts between 2020 and 2100. We compiled the results for the decadal periods of 2020, 2030, and 2040 to be relevant for short-, medium-, and long-term analysis.

To understand how hazard exposure translates into financial impact for WSP, climate financial impact functions were applied. Impact functions are financial relationships which describe how changes in the climate may lead to financial impacts under different scenarios. The impact functions assess changes to WSP's operating

efficiency, employee health and safety, access to services, and potential capital damage from the selected climate hazards. Impacts were assessed based on our inherent vulnerability to risks, and do not consider existing or planned adaptation or resilience measures.

The impact functions did not assess the risk to availability, continuity, or profitability of our client projects. Our project portfolio is diversified across geographies and services, and climate events are unlikely to cause significant impact to our portfolio at a given time. Further, we do not expect a changing climate to meaningfully impact access to markets or demand for services, and may instead generate opportunities for WSP to help our clients and communities to build adaptive capacity. The choice to focus the quantitative effort on people and operations was informed by our qualitative assessment.

<sup>6</sup> RCP8.5 refers to a representative concentration pathway with 8.5 W/m<sup>2</sup> of additional forcing due to anthropomorphic CO<sub>2</sub> emissions, as established by the Intergovernmental Panel on Climate Change (IPCC).

<sup>7</sup> RCP4.5 refers to a representative concentration pathway with 4.5 W/m<sup>2</sup> of additional forcing due to anthropomorphic CO<sub>2</sub> emissions.

### TOP PHYSICAL CLIMATE RISKS

The quantitative scenario analysis revealed that, while WSP has exposure to climate hazards, the risk to our operations and people is not significant. We observe that our top risks are sea level rise, extreme heat, flooding and wildfire. These results align with the qualitative analysis presented in Appendix 2.



















As the table to the right indicates, extreme heat is a risk to our people and operations in the short-, medium-, and long-term. Sea level rise and fluvial flooding pose a greater risk to our operating regions over the medium- and long-term. The financial figures contained within the table and in the subsequent discussion should not be interpreted as performance forecasts for our business in future periods. Rather, they represent a range of potential impacts under climate change scenarios for our business. Please refer to our forward-looking statements on the final pages of this Report.

The table to the right captures the impacts for a high warming scenario. We do not observe significant differences between a high and low warming scenario over the time periods considered.

#### Legend

Risk level	Low risk	Medium risk	High risk
			
Average annual losses (\$2022 CAD/year)	<\$100,000,000	\$100,000,000 - \$1,000,000,000	>\$1,000,000,000

**TABLE 2** Hazard-specific Results for a High Warming Scenario

HAZARD	DESCRIPTION OF IMPACT	2020-2030	2030-2040	2040-2050
<b>Extreme temperatures</b>	Projected increases in the frequency and intensity of heat waves and hot days are common across all sites and may be exacerbated by urban heat island effects in major cities. Extreme temperatures impact employee health and productivity, strain heating and cooling systems and particularly expose those in the field. Alternatively, cold stress may strain office building systems and impact employee residences, particularly in certain Canadian regions.			
<b>Drought and water stress</b>	Drought and water stress are not expected to significantly impact the core regions in which we operate. Further, our business and assets are not significantly influenced by drought.			
<b>Wildfire</b>	Climate change creates warmer and drier conditions that may increase the potential for wildfires, poor air quality and associated public health impacts to employees working in the office, remotely or in the field.			
<b>Coastal flooding</b>	Rising sea levels could impact access to office and client sites, while impacting the livability of some of our major client centres.			
<b>Fluvial flooding</b>	Changes in precipitation patterns may exacerbate nuisance and flash flooding in cities where our offices are located, hindering employee access to offices and field sites.			
<b>Tropical cyclones</b>	Tropical cyclones and extreme storms can damage our office facilities and impact our employees' availability and capacity for work during post-event recovery. While the impact of individual cyclones can be severe, and some regions such as the coastal regions of south-east North America are exposed, the added risk due to climate change is not generally expected to be a high overall risk for WSP.			

## IMPLICATIONS FOR OUR BUSINESS

Overall, the climate scenario analysis indicated that the financial impacts of physical climate risks are small, ranging from a cumulative all hazard impact of \$1M to \$7M average annual impact within the time periods assessed. The amount is less than 0.1% of our annual revenue of \$11.9B reported in 2022, and a maximum of 1% increase in our non-personnel operating costs, reported as other operational costs of \$794M in our annual audited consolidated financial statements for the year ended December 31, 2022.

While the financial impact is generally small on an average annual basis, the impacts of individual catastrophic climate events may be significant for our people, operations, clients and communities. We are therefore continuing to explore options to enhance our enterprise resilience, protect our people, reduce our overall GHG footprint, and maintain a high quality of service under changing and challenging climatic conditions.

Additionally, WSP provides climate adaptation services which will be in high demand under these scenarios. We consider these physical climate risks to be a potential opportunity to help our clients and communities to build resilience and thrive in a world influenced by climate change.

### CASE STUDY Supporting the Center for Climate and Energy Solutions

From July 2021 through April 2022, WSP worked with the Center for Climate and Energy Solutions (C2ES), a leading US energy and climate policy think tank, to produce comprehensive guidance to assist companies in conducting TCFD-aligned climate risk and opportunity scenario analyses. WSP supported C2ES's efforts and co-led workshops and one-on-one interviews with members of the C2ES Business Environment Leadership Council to gather their opinions and insights on how to conduct a meaningful and decision-useful scenario analysis. The insights, combined with WSP's expertise, served as the foundation for a paper entitled "[Emerging Practices in TCFD-Aligned Climate Risk and Opportunity Analysis and Disclosure](#)".



## Transition Risk and Opportunity Scenario Analysis

### TRANSITION SCENARIO ANALYSIS METHODOLOGY

Our quantitative transition scenario analysis focuses on the impact of a low-carbon transition on WSP's market sectors. It evaluates how carbon policies, changes in energy markets, adoption of lower-carbon fuels and their impacts on the macroeconomic environment may influence demand for WSP's services. The qualitative analysis found markets to be a key driver of risk and opportunity and are therefore the focus of the quantitative analysis.

We used the transition scenarios provided by the Network for Greening the Financial System (NGFS). The NGFS provides indicators such as energy demand, carbon price, and metals production to describe the energy and economic impacts of various scenarios. Three such scenarios were applied as described in Table 3:

**TABLE 3** Transition Scenarios Applied


NGFS SCENARIO	CURRENT POLICIES SCENARIO	NET ZERO SCENARIO	DELAYED TRANSITION
<b>Narrative</b>	No further transition or carbon policies are proposed or implemented beyond what is in place today. This can be considered a “low-transition” scenario aligned with higher-warming scenarios.	Global changes to energy and economic systems are applied and the goal of net zero carbon emissions by 2050 is met.	There is little climate policy implemented over the next 5-10 years, with rapid changes in policy for subsequent periods. A net zero transition is achieved, but the transition is delayed and disorganized.
<b>Level of warming</b>	>2°C	<2°C	<2°C
<b>Level of transition risk or opportunity</b>	Low transition risk or opportunity	High transition risk and opportunity	High transition opportunity, with very high transition risk
<b>Source</b>	The Network for Greening the Financial System (NGFS)		

To assess the impact of these scenarios on our company, we broke down our revenue across our five key market sectors: Transportation & Infrastructure, Property & Buildings, Earth & Environment (including Resources), Power & Energy, and Industry. Revenue was further broken down by region and client sector.










For each WSP market sector, an indicator from the NGFS was assigned that most closely describes the productivity or output of the market sector, and by association the demand for WSP's services. This approach assumes that WSP's market share within a sector remains constant through the scenario. Given the limitations of the data available on the NGFS platform, not every market sector was assigned an optimal indicator. It is worth noting that this approach does not incorporate changes in competitive landscape, future acquisitions, or other factors which could influence WSP's market share. Impacts to WSP are calculated as an average annual impact from 2022-2050 for each region and business line.

## TRANSITION RESULTS AND WHAT THEY MEAN FOR OUR BUSINESS

### Legend

Opportunity level	Modest Opportunity 	Large Opportunity 	Immense Opportunity 
Revenue increase from a transition (\$2022 CAD/year)	0 – 10%	10% - 100%	>100%

**TABLE 4** Transition Opportunities for All Scenarios

SCENARIO	DRIVERS OF OPPORTUNITY	2020-2030	2030-2040	2040-2050
<b>Current Policies</b>	While a current policies scenario is the scenario with the lowest potential opportunity from a transition, we nonetheless see meaningful opportunity. The scenario finds that the current carbon and environmental policies lead to meaningful investment in lower-carbon technology and demand for climate and environmental advisory services.			
<b>Net Zero</b>	The net zero scenario sees immediate and immense opportunity as many clients globally will look to WSP for designs and advice to help thrive in a low-carbon transition.			
<b>Delayed Transition</b>	A delayed transition, by definition, sees net zero climate policies delayed until a future period (in our analysis, the transition to net zero begins in 2030). The initial transition is disorganized, but in the long term, investments in decarbonization of the built environment, of energy and industrial systems, and demand for climate and decarbonization advisory become immense opportunities for WSP.			

The scenario results suggest considerable opportunity to support clients with the transition to a low-carbon economy. We identify net opportunity in all scenarios, time frames, as well as in all market sectors.

As Table 4 suggests, there is the maximum potential opportunity in a net zero scenario. Achieving a net zero transition would require transformative investments in the built environment to decarbonize energy systems, transportation networks, and industry. WSP is a leading provider of designs and advice for each of these sectors, and we anticipate playing a major role in a low-carbon transition for our clients.

In addition, we anticipate playing a leading advisory services role to companies looking to understand their carbon footprint, decarbonize operations, manage climate risk and opportunity, and enhance overall sustainability. Our advisory teams in net zero, climate change, and sustainability will play an important role in helping clients assess the strategic implications of climate change and report to investors.

Within the analysis, we observe some potential revenue risk associated with a decline in demand from clients in high-carbon sectors and activities within the delayed transition and net zero scenarios. However, we expect additional revenue opportunities from supporting these clients as they transition their operations and assets to lower-carbon activities. Potential revenue risks are vastly exceeded by opportunities across the economy.

The findings reinforce key tenets of our 2022-2024 Global Strategic Action Plan. We see WSP as a positive and bold agent of change for our clients during the transition. Our Future Ready® mindset uniquely positions us to capitalize on these changes.

# Risk Management

A close-up photograph of a person's hands holding a small, vibrant green seedling with dark soil. The seedling has several leaves, some of which are glistening with water droplets. The background is a soft, out-of-focus landscape with warm, golden light, suggesting a sunrise or sunset. The overall mood is one of care, growth, and environmental stewardship.

Our Risk Management (RM) function provides a standardized risk management framework through the global ERM program, which is deployed at the subregion level. We have begun incorporating climate risk into our ERM program.



Our operating businesses report to the GLT regularly, identifying any material changes in the risk profile of their business/function and the adequacy of the mitigation measures in place to address them. In addition, the GLT undertakes regular reviews of the operating businesses via the corporate RM function, which focuses on assessing the risks that each business may face and ensuring there are effective management structures, escalation mechanisms, and processes in place to proactively identify and manage risk. Principal risks are reported to the Audit Committee of the Board on a quarterly basis.

Our RM function acts as a second line of defence, which ensures WSP's present and future key risks are identified adequately and in a timely manner, mitigated and monitored to support the successful achievement of our operational objectives, our business strategy and continuous growth. Our RM function provides a standardized risk management framework with the ERM program, which is deployed regionally. In addition, RM takes an active role in the operationalization of risk management and governance across our core activities and acts as a risk advisor to key stakeholders, strengthening resilience throughout our RM ecosystem.

The ERM program comprises a risk universe covering various areas such as People, Ethics, Projects, Information Technology, Regulatory, Finance, ESG, Disruptive Macro Events and Strategy, among others. These risk areas are further divided into categories, of which approximately 20 are identified by senior management and reported to the Audit Committee, as WSP's top risks. In terms of climate risk management, key related risks will be regularly evaluated under the ESG category, as part of our ERM program.

WSP's global risks are aligned with regional risks, alongside their respective mitigating mechanisms, which are periodically assessed to determine whether there is adequate mitigation. The Audit Committee reports to the Board on the company's processes for identifying, assessing and managing risk, major financial risk exposures and the steps taken to monitor and control such exposures.

The top risk categories are not static, as they evolve during quarterly discussions with the Audit Committee, as well as part of a structured annual review process with the Board. At any time, the list may also include ad hoc risks, such as risks related to major strategic corporate projects or initiatives in progress. Risk owners

are assigned at the global and regional level, and WSP's global RM team reports on a quarterly basis to the Audit Committee.

Our Risk Management governance includes a global delegation of authority policy (GDOA), and the regional delegations of authority are derived from this global framework. The GDOA, along with other related risk management policies, is managed and monitored by a global approval panel (GAP), which ensures compliance with the GDOA across WSP. As such, certain business decisions which may involve higher risks for WSP must be reviewed and approved by the GAP before proceeding.

Asset-level risks are identified and assessed throughout various business continuity planning activities. Regional business continuity plans, contingency plans and/or crisis management plans are being developed and/or maintained to minimize financial losses, and protect the interests of employees, clients, suppliers, communities and shareholders and safeguard the firm's reputation. This also aims to ensure stakeholders stay informed; ensure continuation of service/delivery of products to clients; and organize and accelerate decision-making processes during emergencies.

## Climate-related Risks and Enterprise Risk Management

In 2022, aligned with our risk management approach, we carried out the first full evaluation of two climate-related risks in our ERM program:

- **GHG Emissions:** failure to meet publicly disclosed GHG emissions targets, leading to reputational damage and increased operating costs.
- **Resilience and Transition to Low Carbon:** failure to comply with our Global ESG Statement by not preparing our clients for climate change and the low-carbon transition, or not providing expert consulting services on climate change, leading to loss of revenue/market share and reputational damage.

Inclusion of these risks now mandates that regional risk representatives attest to the adequacy of risk management activities to help mitigate the risks on a regular basis.

## Enhancing Organizational Resilience

We continually assess, monitor and respond to the risks posed by a changing climate, while providing continuity of services that help our clients manage those risks. We also monitor opportunities to enhance our adaptive capacity by making our people and operations more resilient. This involves ensuring preparedness of our employees, and expanding our services to address our clients' needs for ESG and climate resilience services, as well as facilitating their equitable transition to a low-carbon economy.

### EMPLOYEES

Extreme weather conditions or natural or other disasters, such as fires and floods, may cause postponement of the initiation and/or completion of our field activities. This may hinder the ability of employees to arrive at work, which may result in delays or loss of revenue and may cause us to incur additional non-compensable costs. To mitigate the risk to our employees, we develop and maintain business continuity, disaster preparedness, and contingency plans that are intended to help our employees prepare for, respond to, and recover from a major or catastrophic business disruption that affects our ability to meet client expectations. For example, our offices in the Asia Pacific region have Crisis Management Plans that are tested annually to ensure preparedness for seasonal typhoons. All our US offices have an emergency response plan, a business resumption plan, and an alert system in place which provides information as extreme events occur. Since WSP has a worldwide presence, we also have a global alert system, International SOS, which provides alerts and tracks WSP employees when they travel for business.

In 2022, we conducted a global employee commuting survey that asked employees to indicate the number of days they were impacted by extreme weather; the main reasons extreme weather caused disruptions; how often extreme weather impacted decisions to work remotely or commute to the office; and if they had experienced either physical or mental health issues related to extreme weather events. We plan to analyze this data in 2023 to inform the development of resilience metrics.

### CLIENTS

To ensure we provide long-term business resilience solutions to protect our clients' interests, future-proof the work we do and positively impact the communities in which we live and work, WSP has globally implemented its Future Ready® program. The program focuses on integrating forward and adaptive thinking into our project designs to consider long-term environmental, social, technological and economic trends. Global and regional Future Ready® checklists and toolkits allow WSP employees to build these considerations into their project pursuits, designs and execution.

### OFFICES

Since we are an organization providing consulting services that does not own any significant property or other real estate assets, we believe that our financial exposure to acute physical impacts from climate change is limited. That said, there is the potential risk that changes in climate such as extreme weather events, storm-related flooding or extended drought could disrupt offices, IT systems and the ability of our employees to travel to work and to our clients, particularly in Southeast Asia and other locations near or at sea level. Generally, we occupy modern offices in well-connected locations, and we have a significant regional, national and global presence, which ensures that not all offices would be disrupted by adverse climate impacts. Business continuity procedures, as well as our wide geographical footprint, enable staff to work from other offices, which minimizes operational disruptions and keeps productivity losses to a minimum. In addition, our revenues are not concentrated in one specific region, which prevents region-specific disruptions from unduly influencing our global operations and performance.

### REGIONAL AND URBAN CONTEXT

Although physical and transition risks may influence various locations where WSP operates, the likelihood and magnitude of the occurrence of these risks are uncertain and differ across regions and jurisdictions. Our initial qualitative climate scenario analysis indicates that although our business, people and clients may be impacted by inherent climate-related risks, and while we remain subject to potential extreme weather events, storm-related flooding or extended drought, we are actively addressing the risks that we have identified and do not consider these to pose a material financial risk to our business. We continue to evaluate our climate action planning and dependencies on critical infrastructure; monitor developments in climate scenario analysis; and enhance our understanding of the potential climate-related impacts on our business.

# Metrics and Targets

A photograph showing a person's arm in a pink shirt reaching to plug a yellow charging cable into a white electric vehicle charging station. The background is a clear blue sky with light clouds. The scene is brightly lit, suggesting a sunny day.

We measure a variety of climate-related metrics that inform our climate and overall business strategies. We signed the Business Ambition for 1.5°C commitment and joined the Race to Zero, which focus on action aligned with the most ambitious aim of the Paris Agreement, which is to limit warming to 1.5°C.

## Net Zero by 2040

In April 2021, we announced a commitment to achieve net zero emissions across our value chain by 2040 and set science-based emissions reduction targets that were approved by the SBTi. In 2022, we received approval of our net zero target according to SBTi's Net Zero Standard.

WSP's science-based GHG targets cover all scope 1 and 2 emissions, as well as all relevant scope 3 emissions, as defined by the GHG Protocol Corporate Accounting and Reporting Standard.

WSP's overall net zero target is as follows:

- WSP commits to reach net zero greenhouse gas emissions across its value chain by 2040 from a 2018 base year.

In support of reaching net zero, WSP has approved near and long-term science-based emissions reduction targets with the SBTi:

- Near-Term Target: WSP commits to reduce absolute scope 1 and 2 (market-based) GHG emissions 60% by 2030 from a 2018 base year. WSP also commits to reduce absolute scope 3 GHG emissions 30% within the same timeframe.

- Long-Term Target: WSP commits to reduce absolute scope 1, 2, and 3 GHG emissions 90% by 2040 from a 2018 base year.

In addressing our scope 1 and 2 emissions, we will focus on the energy efficiency of our global facilities, renewable energy procurement and vehicle fleet emissions. For example, by 2030 we are committed to sourcing 100% renewable electricity. In terms of indirect upstream scope 3 emissions, we will be engaging with our suppliers, contractors and sub-consultants on their own carbon reduction targets. In 2022, we developed a Low-Carbon Supplier Engagement Plan, and we began implementation of this plan in 2023. Our business travel footprint will also be re-evaluated to identify potential reduction opportunities. Our subregions are updating their local GHG emissions reduction plans, to match or exceed our global reduction aspirations, tailored to local operations and context.

To hold ourselves accountable to our stakeholders, we released a [Climate Transition Plan](#) to outline our achievement strategies. We also set interim 2024 targets as part of our 2022-2024 Global Strategic Action Plan. More details on our metrics and targets are provided in our most recent [Global ESG Report](#).

## Our Designs and Advice

We also have the potential to make a difference through our professional design and advisory services, and WSP is committing to better understand these emissions and collaborate with our clients and partners to drive reductions. We will support this by continuing to implement our Future Ready® approach in our project delivery process to contribute to climate change mitigation and promote positive social impact. In 2022, we launched a Global Climate Action Network with experts across markets and subregions to focus on delivering net zero action and climate resilience services in our designs and advice. The network launched a Climate Solutions Accelerator Course in 2022 to enhance climate literacy. This 90-minute course, developed by the Royal Scottish Geographical Society (RSGS), is aimed at all employee levels and provides an overview of a range of climate solutions, and the associated opportunities and challenges.

## Next Steps

As we embark on a path to net zero by 2040, we plan to continue implementing our Climate Transition Plan to meet our global scope 1, 2 and 3 science-based targets, longer-term net zero commitment, and associated 100% renewable electricity procurement.

We will continue further embedding Future Ready® into our business, contributing to our clients' solutions for a low-carbon future.

We will also continue to pursue opportunities associated with a low-carbon transition, while identifying and managing risks associated with climate change.

# Appendices

# TCFD Framework Structure

**TABLE 5** TCFD Framework Structure

TCFD CORE COMPONENT	TCFD RECOMMENDATION
Governance	Describe the Board’s oversight of climate-related risks and opportunities.
	Describe management’s role in assessing and managing climate-related risks and opportunities.
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
	Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.
	Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.
Risk Management	Describe the organization’s processes for identifying and assessing climate-related risks.
	Describe the organization’s processes for managing climate-related risks.
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
	Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

# Qualitative Scenario Analysis

In 2021, WSP conducted a qualitative physical and transition climate risk and opportunity assessment aligned with the TCFD recommendations.

Since we are an organization providing consulting services that does not own any significant property or other real estate assets, our qualitative physical climate risk analysis took a city-level rather than an asset-level approach to understand climate change impacts to both our offices and employees in 17 major cities where WSP operates across the globe. For each site, we considered the likelihood and consequence of acute risks (flooding, cyclonic events, drought and extreme temperatures), and chronic risks (increasing temperatures, rising sea levels and changes in precipitation patterns). We analyzed historical

trends and impacts between 1990 and 2018 and considered future climate projections for 2035 and 2060 based on modelled forecasts provided by the Intergovernmental Panel on Climate Change (IPCC) using the single emission scenario Representative Concentration Pathway (RCP) 8.5, which is aligned with industry best practice in assessing physical climate-related risk. We chose the RCP 8.5 scenario because it provides an upper boundary condition for the analysis, since it is considered a high-emissions scenario that would see a global average temperature rise exceeding 2 degrees Celsius by 2100. After developing our initial findings, we engaged leaders and experts from across our business to conceptually validate our results and discuss potential investment and mitigation strategies.

We also considered our exposure to a range of transition risks, including policy and legal, technology, market, and reputation risks associated with the transition to a low-carbon economy, across the same jurisdictions as the physical risk assessment. Our analysis used the International Energy Agency's (IEA's) 2020 World Energy Outlook global climate change scenarios for low GHG emissions (Sustainable Development Scenario) (IEA SDS) and high GHG emissions (Current Policies Scenario) (IEA CPS) for the 2035 timeframe. The single timeframe was chosen in a period relevant for our long-term corporate planning, but sufficiently into the future to allow the impacts of climate change and climate policy to fully manifest.

## Physical Climate Risks

The following are examples of specific acute and chronic physical climate-related risks and their potential impact considered by WSP in our qualitative TCFD-aligned scenario analysis.

**TABLE 6** Physical Climate Risks Considered by WSP in our Climate Risk and Opportunity Assessment

	DESCRIPTION	POTENTIAL PHYSICAL IMPACT
<b>Acute</b>	Risks vary by geography, but acute risks, particularly flooding and extreme temperatures (heat and/or cold stress), are likely to impact access to the office and employee health and well-being the most. Evaluated risks include flooding, cyclonic events, drought and extreme temperatures.	<p><b>Flooding:</b> Most offices are either in coastal cities threatened by storm surges or in regions with the potential for increased frequency and intensity of extreme rainfall events in the future. While there will likely be limited impact to the office space itself, flooding may inhibit employee access to offices and field assessments, and potentially cause employees to incur disruptions or productivity losses while working remotely.</p> <p><b>Extreme Temperatures:</b> Projected increases in the frequency and intensity of heat waves and hot days are common across all sites and may be exacerbated by urban heat island effects in major cities. Extreme temperatures impact employee health and productivity, strain heating and cooling systems and particularly expose those in the field. Alternatively, cold stress may strain office building systems and impact employee residences, particularly in certain Canadian regions. Employees in the field could be particularly exposed to these impacts.</p> <p><b>Drought:</b> While drought does not directly impact WSP's operations, it has the potential to create drier conditions that, paired with changes in temperature and precipitation regimes, may increase the potential for wildfires, poor air quality and associated public health impacts to employees working in the office, remotely or in the field. Our Sacramento, Santiago, Calgary, Edmonton and Oslo vulnerability assessments specifically mentioned these potential indirect impacts from drought.</p>
<b>Chronic</b>	Chronic risks may exacerbate acute risks and include the risks of impacts from long-term changes in climate and weather patterns. Evaluated risks include increasing temperatures, rising sea levels and changes in precipitation patterns.	<p><b>Sea Level Rise:</b> Rising sea levels and changes in precipitation patterns may exacerbate nuisance and flash flooding in cities where our offices are located, hindering employee access to offices and field sites.</p> <p><b>Increasing Annual Temperatures:</b> Increasing temperatures can enhance the impacts of extreme heat events, straining office cooling systems, impacting our operational energy costs for cooling, as well as affecting the remote workforce with no access to cooling. This may potentially alter fieldwork schedules.</p>



## Transition Climate Risks

The following are examples of specific transition climate-related risks that we considered in our qualitative TCFD-aligned scenario analysis. The inclusion of these examples does not characterize the probability, materiality or potential financial impact of these risks. In addition, given the nature of WSP's business, we have significant opportunities related to supporting our clients to mitigate and overcome these risks, as well as decarbonize their portfolios (see the section "Climate Opportunities").

**TABLE 7** Transition Climate Risks Considered by WSP in our Climate Risk and Opportunity Assessment

	DESCRIPTION	POTENTIAL BUSINESS IMPACT
<b>Carbon Policy Impacts</b>	Increased operating costs due to carbon pricing on energy, impacting our utility and fleet costs.	In a sustainable development scenario, our operating costs will increase due to carbon pricing on energy. However, we expect these impacts to be low as a percentage of revenue.
<b>Market Risks</b>	Our business serves traditional energy companies. These clients may face market pressures in a sustainable development scenario.	Although it represents a small share of our overall revenue, we may see lower demand from fossil fuel energy clients in a low-emissions scenario.
<b>Technology Risks</b>	New technologies may be introduced as part of the transition to a low-carbon economy that disrupt WSP's business model by decreasing the demand for our services.	While we may need to adjust our services to adapt to new technologies, no potential climate-related innovations were identified that fundamentally impact WSP's business.
<b>Reputational Risks</b>	<p>Projects that are not aligned with low-carbon transition could pose a reputational risk to WSP.</p> <p>Inability to meet our sustainability commitments may adversely impact our relationships with clients, investors and shareholders, local communities, and employees.</p>	<p>Employees are increasingly interested in their employer's commitment to combatting climate change and transitioning to a low-carbon economy. Our continued support of traditionally high-carbon projects, such as roads and buildings, can expose us to reputational impacts if they are not designed to support a low-carbon and resilient future.</p> <p>WSP also assists clients in the extractive sectors to plan and execute projects. While WSP supports robust and inclusive public engagement programs on behalf of clients, these projects may still face opposition from communities, landowners, Indigenous communities and other interested stakeholders.</p> <p>As a publicly listed company, we recognize that our investors and shareholders are becoming increasingly interested in our climate change strategy. There may be risk that investors or potential investors might not (or might not continue to) invest if WSP does not address climate-related risk or ESG issues.</p>
<b>Legal Risks</b>	As part of increasing awareness of global climate change, some experts have suggested that companies involved in industries that may impact the environment through their projects may be subject to litigation from governments, shareholders, or environmental activists.	WSP advises on large infrastructure projects which have expected lifespans of decades. Climate change may impact the long-term health and viability of the infrastructure, and failure to properly assess and account for climate-related impacts in the design phase may expose WSP to litigation or fines. Further, WSP's failure to comply with generally recognized and accepted guidelines on corporate, environmental, social and governance responsibilities could create liabilities or negatively impact our reputation and adversely affect our ability to obtain future projects.

## Climate Opportunities

WSP is well-positioned to drive the low-carbon transition by providing resilient solutions to our clients, and global efforts to decarbonize the economy already present a wealth of opportunities for WSP. The following table shows examples of specific climate-related opportunities that WSP identified. We already have a significant presence in the growth areas described below, and intend to continue to increase our service offerings in these areas. The inclusion of these examples does not characterize the probability, materiality or potential financial impact of these opportunities.

**TABLE 8** Climate Opportunities Considered by WSP in our Climate Risk and Opportunity Assessment

MARKET OPPORTUNITIES	DESCRIPTION	POTENTIAL BUSINESS IMPACT
<p><b>Low Carbon, Resilience and Future Ready® Services</b></p>	<p>As a global professional services firm, WSP experiences demand for services when companies invest in climate-resilient and sustainable infrastructure, and adapt to updated standards, and enhanced climate, ESG and environmental regulations.</p> <p>Cities and other local and state governments are increasingly recognizing the opportunity and obligation to develop and implement strategies to ensure their cities are livable, prosperous, equitable and resilient to the potential effects of climate change.</p>	<p>WSP is the leading environmental consulting firm globally, with approximately 20,000 experts dedicated to ESG, sustainability, environment, water and the geosciences, constituting the second-largest sector of WSP globally. As regards our ESG and sustainability capabilities, in 2022 WSP was ranked among the top four firms in the world by the analyst firm Verdantix. The Earth &amp; Environment sector is directly exposed to opportunities created by climate change, and we are expecting continued growth to support the challenges our clients face.</p> <p>In addition, WSP is a leader in ESG and climate resilience as evidenced by our Future Ready® approach, and we stand to benefit from increased investment in sustainable and climate resilient infrastructure. Our Future Ready® program applies a holistic lifecycle approach to complex challenges faced by our clients and the communities they serve.</p> <p>WSP delivers innovative solutions to our clients from the latest advances in micro-mobility, to new approaches to site remediation, to innovative tools for measuring project emissions.</p> <p>We have a number of service lines that are aligned with our Future Ready® program. Specifically, we help build sustainable and climate-resilient infrastructure, support green building certifications, help select sustainable construction materials, and reduce embodied energy and carbon. We provide mechanical, electrical and plumbing services supporting energy conservation, decarbonization and sustainable buildings and offer climate change advisory services to help our partners disclose their climate-related risks and opportunities in alignment with TCFD.</p> <p>WSP also helps address the complex challenges cities face by uniting their sustainability goals and priorities with planning and strategy development, integration, implementation and reporting. We develop stakeholder-led, inclusive city sustainability and climate mitigation and resiliency plans, conduct city-level climate vulnerability assessments, and create strategies to set and achieve GHG reduction goals.</p>

MARKET OPPORTUNITIES	DESCRIPTION	POTENTIAL BUSINESS IMPACT
<b>Low Carbon, Resilience and Future Ready® Services (cont'd)</b>		<p>We also advise on the adoption of zero emission vehicles in public and private transit electric bus fleets, helping to achieve carbon-free mobility across the globe.</p> <p>Although WSP works with clients in some carbon-intensive sectors, most notably mining and oil and gas, the majority of these revenues are associated with environmental services, such as compliance, remediation, mitigation, and decommissioning. In addition, we can support clients with the challenges faced by transition of the coal industry, such as closing down facilities, and cleaning up and repurposing sites. Another illustration of a growing opportunity is carbon capture and storage technology, where WSP can lend its expertise. Through the acquisitions of Golder and Wood E&amp;I, we have around 4,400 mining professionals dedicated to supporting the industry in delivering the metals and minerals required for a greener future, in a sustainable and responsible manner.</p> <p>There are many other examples where WSP can help clients make the transition. As a result, much of our work contributes to, or is aligned with, the broader shift to a low-carbon economy, and we can expect increased market demand in these areas over the next years.</p>
<b>Renewable Energy and Infrastructure</b>	<p>In scenarios where the world transitions to a low-carbon economy, energy companies, utilities and governments will have to invest in infrastructure and technology to build energy efficiency, to electrify (and potentially leverage hydrogen), and to take advantage of renewable power generation.</p>	<p>WSP is well positioned with our clients to be a trusted partner, regardless of sector, as they participate in a transition to a low-carbon economy. We are a recognized provider of professional services to the renewable energy industry, with expertise in a wide range of technologies including solar, onshore and offshore wind, and biomass. As solar and wind energy continues to expand, WSP assists solar and offshore wind energy developers in meeting the challenges they face in planning and executing projects, from assessing energy yield, to integrating state-of-the-art product offerings, to developing viable strategies for energy storage.</p>

## Adaptive Capacity

Following the physical risk assessment of our business and top operating regions, we qualitatively assessed WSP’s capacity to manage and mitigate climate-related risks and capture opportunities. For this adaptive capacity assessment, we used the United Nations definition of adaptive capacity: *“The ability of a system to adjust to climate change (including climate variability and extremes) to moderate potential damages, to take advantage of opportunities, or to cope with the consequences.”*

The scope of our assessment included four components (listed in Table 9 below), which are mission-critical to our operations and our ability to run and grow our business.

Following the qualitative assessment, we conducted a series of office-level climate risk, adaptive capacity, and resilience interviews to enhance our understanding of the offices’ and employees’ adaptive capacity on the ground to prepare for these climate hazards. Our findings suggest that we have established procedures in place to address each of the four components and scopes outlined below. However, a more consistent integration of extreme weather and climate considerations (both acute and chronic risks) in related processes will strengthen our approach. We will continue to enhance our adaptive capacity as we refine our processes and mature in our TCFD journey. Our work with Risk Management and other business functions is critical to enhance our adaptive capacity and integrate climate-related measures into regional and global business continuity planning.

**TABLE 9** Components and Scope of our Qualitative Adaptive Capacity Assessment

COMPONENTS OF ASSESSMENT	SCOPE OF ASSESSMENT
<b>Offices</b>	Physical infrastructure and operations as they relate to disaster preparedness, business continuity planning, facility-level risk assessment and IT vulnerability assessment
<b>Employees</b>	Training, commuting and health, safety and well-being of our employees
<b>Business impacts</b>	Our ability to continue operating safely through extreme weather and climate-related risks
<b>Regional and urban context</b>	Climate action planning and critical infrastructure dependencies, including power, water, emergency services and community engagement

## FORWARD-LOOKING STATEMENTS

In addition to disclosure of historical information, WSP may make or provide statements or information in this Report that are not based on historical facts and which are considered to be forward-looking information or forward-looking statements under Canadian securities laws. Forward-looking statements relate to future events or future performance and may include, but are not limited to, estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact, including in particular, our ESG objectives which include, without limitation, our objectives concerning accelerating the transition to a low-carbon economy and driving sustainable growth, evaluating and managing our own climate risks and opportunities, projections arising from quantitative and qualitative climate scenario analyses, possible physical impacts of climate change on WSP, embedding climate-related considerations into our governance and operations, plans to publish future updates to this Report, developing and implementing ESG and sustainability strategy and plans, achieving GHG emissions reduction targets, including net zero targets, implementing our Climate Transition Plan, sourcing 100% renewable electricity, better understanding GHG emissions associated with our designs and advice, frontloading our efforts to reduce GHG emissions, the impacts of different climate transition scenarios on markets in which WSP operates and the resulting business opportunities, the expected benefits of acquisitions and the expected synergies to be realized as a result thereof, playing a leading advisory services role to companies working towards a low-carbon transition, enhancing our adaptive capacity, ensuring preparedness of our employees, expanding our services to address our clients' needs for ESG and climate resilience services, developing and maintaining business continuity plans, monitoring developments in climate scenario analysis, enhancing our understanding of potential climate-related impacts on our business, implementing our Future Ready® approach

throughout project delivery, pursuing opportunities associated with a low-carbon transition, while identifying and managing risks associated with climate change, the impacts of extreme weather on employees and the impact of carbon pricing on our operating costs. A statement made is forward-looking when it uses what we know and expect today to make a statement about the future. Forward-looking statements can typically be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “forecast”, “project”, “intend”, “target”, “potential”, “continue” or the negative of these terms or terminology of a similar nature.

Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties and are based on several assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in, or implied by, such forward-looking statements and that our business outlook, objectives, plans and strategic priorities may not be achieved. These statements are not guarantees of future performance or events, and we caution you against relying on any of these forward-looking statements. Forward-looking statements are presented in this Report for the purpose of assisting readers in understanding, in particular, certain key elements of our climate risks and opportunities objectives, and in obtaining a better understanding of our anticipated operating environment. Readers are cautioned, however, that such information may not be appropriate for other purposes.

We have made certain operational and other assumptions in preparing the forward-looking statements contained in this report. In particular, our climate risks and opportunities are based on a number of assumptions including, without limitation, the following principal assumptions:

## FORWARD-LOOKING STATEMENTS

## KEY ASSUMPTIONS

<b>Measurement and Disclosure of Climate Risks and Opportunities</b>	<ul style="list-style-type: none"> <li>Our ability to obtain on a timely basis data from acquired companies</li> <li>Sufficiency of internal and external resources</li> <li>Our ability to conduct effective scenario analyses based on reasonable assumptions, available public data and data on WSP’s business</li> </ul>
<b>GHG Targets</b>	<ul style="list-style-type: none"> <li>Our ability to develop and implement various corporate and business initiatives, including new procedures, policies and targets to decarbonize our operations and supply chain, reduce our energy consumption and foster a new culture of low-carbon behavioural change and choices</li> <li>Our ability to replace our vehicle fleet with low/zero emission vehicles</li> <li>Our ability to reduce business travel</li> <li>Our ability to access and implement all technology necessary to achieve our science-based GHG emissions reduction targets (SBTs), as well as the development and performance of such technology</li> <li>Our ability to purchase sufficient credible carbon credits and renewable energy certificates to offset or further reduce our GHG emissions, if and when required</li> <li>Sufficient supplier and business partner engagement and collaboration in setting their own SBTs and reducing their own GHG emissions</li> <li>No new business acquisitions or technologies, investments or joint ventures that would materially increase our anticipated levels of GHG emissions</li> <li>No negative impact on the calculation of our GHG emissions from refinements in or modifications to international standards</li> <li>No required changes to our SBTs pursuant to the Science Based Targets initiative (SBTi) methodology that would make the achievement of our updated SBTs more onerous</li> </ul>
<b>Management of Climate Risks</b>	<ul style="list-style-type: none"> <li>We will have access to data needed to estimate physical and transition climate risks</li> <li>Sufficiency of internal resources, processes and systems to track and manage risk</li> </ul>
<b>ESG Governance and Compliance with Laws, including Auditing</b>	<ul style="list-style-type: none"> <li>We will have sufficient time and resources to prepare for new climate-related regulatory requirements in the markets in which we operate</li> </ul>
<b>Business Development and Growth, including SDG-Linked Revenues</b>	<ul style="list-style-type: none"> <li>Our belief that we are positioned to capture significant opportunities to support the low-carbon transition</li> <li>Our belief that our commitment to ESG will drive long-term value for stakeholders</li> <li>Our belief that we can reasonably estimate SDG-Linked Revenues</li> </ul>

These assumptions also include those described in the “Forward-Looking Statements” section of each of WSP’s 2022 Annual Management’s Discussion and Analysis (“MD&A”) dated March 8, 2023, and Managing our ESG Impacts document dated April 12, 2023, which sections are incorporated by reference in this cautionary statement. Our MD&A and Managing our ESG Impacts documents are available on our website, and the MD&A is also available at [sedar.com](https://www.wsp.com). Subject to various factors which are difficult to predict, we believe that our assumptions were reasonable at May 9, 2023. If our assumptions turn out to be inaccurate, actual results or events could be materially different from what we expect.

Important risk factors that could cause actual results or events to differ materially from those expressed in, or implied by, the previously-mentioned forward-looking statements and other forward-looking statements contained in this report, include, but are not limited to factors such as: the failure to implement sufficient corporate and business initiatives; delay in implementation of our global ERP system; difficulty in accurately measuring, evaluating and disclosing the company’s climate risks and opportunities; our inability to collect GHG emissions and climate risk and opportunities data from acquired companies including for historical years; the unwillingness of suppliers to disclose GHG emissions data and reduce emissions, including for historical years; unavailability of electric vehicles and

our failure to install electric vehicle chargers at leased office space; unavailability of energy efficient buildings; our failure to attract and retain qualified staff to support capturing opportunities associated with the low-carbon transition; negative stakeholder perception or reaction to our climate risk and opportunities performance or initiatives; our failure to identify climate-related opportunities as well as assess and manage climate-related risks; changes made to regulations that may affect our company’s business and the development of climate-related regulations; the failure of our internal data systems to track disclosures required by new climate-related regulations; the failure to retain the services of a qualified external GHG emissions verifier; and the failure of governments to commit to reduce GHG emissions and mitigate the impacts of climate change, which may cause events or results to differ materially from the results expressed or implied in any forward-looking statement.

These and other risk factors that could cause actual results or events to differ materially from our expectations expressed in, or implied by, our forward-looking statements are discussed in this report as well as in section 20, Risk Factors of the MD&A, which section, and the other sections of the MD&A referred to therein, are incorporated by reference in this cautionary statement.

WSP’s forward-looking statements are expressly qualified in their entirety by this cautionary statement. Unless otherwise indicated by us, the forward-looking statements contained in this report describe our expectations as of May 9, 2023, and, accordingly, are subject to change after such date. Except as may be required by applicable securities laws, we do not undertake any obligation to update or revise any forward-looking statements contained in this report, whether as a result of new information, future events or otherwise. All logos and marks depicted herein are the property of WSP Global Inc. and may not be reproduced without the prior written consent of WSP Global Inc. All rights reserved.



As one of the largest professional services firms in the world, WSP exists to future-proof our cities and our environment. It provides strategic advisory, engineering and design services to clients seeking sustainable solutions in the transportation, infrastructure, environment, building, energy, water and mining sectors. Its approximately 67,300 trusted professionals are united by the common purpose of creating positive, long-lasting impacts on the communities it serves through a culture of innovation, integrity, and inclusion. In 2022, WSP reported \$11.9 B (CAD) in revenue. The Corporation's shares are listed on the Toronto Stock Exchange (TSX: WSP).

**wsp.com**

We welcome and encourage your feedback on our 2022 TCFD Report:

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