Welcome to your CDP Climate Change Questionnaire 2019

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Stantec Inc. is a global professional services company that trades on the TSX and on the NYSE. We are designers, engineers, scientists, and project managers innovating together to support a more sustainable world. We provide professional consulting services in planning, engineering, architecture, interior design, landscape architecture, surveying, environmental sciences, project management, and project economics. Our 2018 gross revenue was $4.3 billion generated from our consulting services. Sustainability is critical to ensure our long-term competitiveness: it helped us achieve our position as a top 10 global design firm and remain profitable every year since our founding in 1954.

At Stantec, we recognize that managing our business with a triple-bottom-line focus benefits our people, clients, investors, and planet. Environmental, social, and governance (ESG) initiatives save the Company money by introducing efficiencies; providing a foundation for effective decision-making, risk management, and transparency; driving innovation; supporting our brand; and improving recruitment and retention. We take responsibility for the impacts of our internal operations by choosing approaches that are least likely to impact the environment, providing an inclusive and equitable workplace for our employees, actively volunteering in and engaging with our communities, and demonstrating ethical business behavior.

Although Stantec is committed to sustainable operations, we recognize that we most positively impact the world through the services we deliver to clients. At Stantec, we support a more sustainable future for our clients, big or small. We walk the path with them, identifying and capturing ways to make their projects more sustainable. While providing the best design solutions for our communities, we work with clients to balance their social, environmental, and economic needs. We see the big picture; in the context of a changing climate, shifting demographic trends, and evolving economic realities, we anticipate and address the long-term impacts of our design decisions. Sustainability runs deep at Stantec—each geography and business operating unit actively engages in creating a sustainable world, a world where buildings give back, water is valued, nothing gets wasted, development is responsible, and everyone can access renewable energy.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Row 1	January 1, 2018	December 31, 2018	No

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

Argentina
Australia
Barbados
Belgium
Canada
Chile
China
Ethiopia
India
Italy
Netherlands
New Zealand
Peru
Qatar
Taiwan, Greater China
Turkey
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

CAD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	Stantec's Board of Directors is responsible for climate-related issues. The board established a board-level Sustainability Committee (internally called the Health, Safety, Security, Environment, and Sustainability [HSSES] Committee). This committee was created to provide oversight on health and safety, security (physical and cyber), environmental (including climate change), and social performance. Climate-related issues are a standing agenda item at each board-level committee meeting.
Chief Operating Officer (COO)	Stantec's COO chairs our executive-level Sustainability Committee (internally called the Executive ESG Committee), which is accountable for our sustainability performance and responsible for communicating critical ESG knowledge and concerns to the CEO and board Sustainability Committee. The executive Sustainability Committee ensures that sustainability and stakeholder priorities align, that sustainability is integrated into our Strategic Plan and operations, and that sustainability-related impacts, risks, and opportunities are addressed. The executive Sustainability Committee is coordinated by the Environment/Sustainability director and committee members include the following: • COO (committee chair) • CFO • Chief Human Resources officer • SVPs of Corporate Strategy and of HSSE/Sustainability • VPs of Risk Management, Procurement, and Practice Services/Indigenous Relations

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding risk management policies Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	The board Sustainability Committee (internally called the HSSES Committee) is responsible for overseeing Stantec's overall climate-related framework, including risks and opportunities. The committee reviews, assesses, and makes recommendations regarding Stantec's performance on an on-going basis and provides leadership, focus, and guidance to management. An example of a way in which climate-related issues are integrated into the board's oversight via this committee is the board review of climate references in the risk management process and, specifically, the incorporation of climate change references into the management's discussion and analysis of our annual report.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Operating Officer (COO)	Both assessing and managing climate-related risks and opportunities	Quarterly
Chief Financial Officer (CFO)	Both assessing and managing climate-related risks and opportunities	As important matters arise
Sustainability committee	Both assessing and managing climate-related risks and opportunities	Half-yearly
Environmental, Health, and Safety manager	Both assessing and managing climate-related risks and opportunities	Quarterly
Environment/ Sustainability manager	Both assessing and managing climate-related risks and opportunities	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The COO provides the board Sustainability Committee (internally called the Health, Safety, Security, Environment, and Sustainability [HSSES] Committee) operational updates, with climate-related issues being a standing agenda item. The COO provides these updates because he is the chair of the executive Sustainability Committee (internally called the Executive ESG Committee) and the supervisor of the sustainability division of Stantec. Additionally, the CFO provides information to the board on investor and financial implications of climate change. The CFO is also a member of the executive Sustainability Committee.

Besides the COO and CFO, executive Sustainability Committee members include the chief Human Resources officer (CHR); senior vice president of Strategy; senior vice president of Environmental, Health, and Safety (internally called the HSSES department); the vice presidents of Risk Management, Procurement, and Practice Services/Indigenous Relations; and the Environment/Sustainability director. The committee members were selected based on their commitment to sustainability and their ability to impact organizational change, including that related to climate action (both internal operations and client-facing services). At Stantec, the "chief" positions (COO, CFO, CHR) all report to the CEO. The HSSES and Procurement positions report to the COO. The Risk Management position reports to the General Counsel (who reports to the CEO). The Practice Services/Indigenous Relations position reports to the Chief Projects Officer (who reports to the CEO). The Environment/Sustainability director reports to the senior vice president of HSSES, who reports to the COO.

The Environment/Sustainability director monitors climate issues and leads Stantec climate action. She provides regular updates to the executive Sustainability Committee, which officially meets twice a year to assess potential risks and discuss management approaches. The executive Sustainability Committee is accountable for climate performance and oversees assessment, management, and prioritization of climate risks and opportunities. The group communicates regularly throughout the year with the Environment/Sustainability director and each other to implement the climate program and to respond to issues and opportunities.

The COO (chair of the executive Sustainability Committee) provides quarterly updates to the board on sustainability topics and presents twice annual in-person updates to the board Sustainability Committee.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Who is entitled to benefit from these incentives?

Management group

Types of incentives

Recognition (non-monetary)

Activity incentivized

Efficiency project

Comment

Managers with responsibility for ISO14001 and other quality management systems (geographic, sector, and functional service leaders) have key performance indicators (KPIs) related to emission reductions within their performance expectations. Geographic and functional service managers are recognized and rewarded for operational efficiencies that translate into bottom-line savings, which also provide us benefits in the form of emission reductions. Evaluation of performance relative to KPIs is included in the annual career development performance review process, which is conducted prior to the review and award of incentive bonus awards for performance.

Who is entitled to benefit from these incentives?

Environmental, health, and safety manager

Types of incentives

Recognition (non-monetary)

Activity incentivized

Emissions reduction target

Comment

At Stantec, the sustainability program is part of the Health, Safety, Security, Environment, and Sustainability (HSSES) organization. While a specific KPI is not set for financial reward, success in reducing emissions provides a positive recognition to the overall HSSES team, and this specific manager.

Who is entitled to benefit from these incentives?

Environment/Sustainability manager

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction target

Comment

Success of the Stantec Sustainability Director is largely based on continual reductions to our emissions. Though a specific dollar amount has not been set for achieving a determined KPI, positive and negative results have a direct impact on this individual's annual raises and bonuses.

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	1	5	Stantec works against specific strategies using 5-year increments. After finishing a short-term goal cycle from 2013-2017, we are in the midst of a new short-term goal cycle from 2018-2023.
Medium-term	5	15	We are tracking our progress against medium-term goals, set from 2013-2028.
Long-term	15	30	We are tracking our long-term goals against long-term goals, set from 2013-2043.

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Six-monthly or more frequently	>6 years	The Board of Directors defines Stantec's risk management philosophy/appetite and ensures integration into strategic objectives, measurement processes, and decision-making. The board delegates risk oversight to the board-level Audit

			and Risk Committee, who ensures the company has an appropriate risk management system and that principal risks are brought to the board's attention. The board Sustainability Committee (internally the Health, Safety, Security, Environment, and Sustainability [HSSES] Committee) provides climate-related oversight and reviews the company's climate risk tolerance/risk retention policy. The executive Sustainability Committee (internally the Executive ESG Committee), a senior management-level committee chaired by our COO, ensures that climate-related risks are addressed and communicated directly to the board.

C2.2b

(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

To identify and assess climate-related risks, Stantec follows the process defined in our Enterprise Risk Management (ERM) program. The overall ERM Program is based upon the ISO 31000 Risk Management – Principles and Guidelines (the Standard). The Standard describes risk management as the logical and systematic method of identifying, analyzing, evaluating, treating, monitoring, and communicating risks associated with any activity, function or process in a way that will enable Stantec to minimize losses and maximize opportunities. We evaluate risks related to climate among other key risks related to health and safety, ethics and conduct, organic growth, project delivery, information security, market risks, etc. We recognize that one risk may impact another area of the organization and may create other risks. Our integrated, enterprise-wide risk management program allows us to address the interdependencies.

Stantec identifies potential events that, if they occur, will adversely affect our ability to successfully implement our strategy. We define our principal risks as those that may adversely affect our ability to deliver value to our stakeholders and group them into three categories: strategic risks, operational risks, and compliance & regulatory risks. Risks are analyzed, considering likelihood and impact, as a basis for determining how they should be managed. The potential size and scope of the impact are determined through discussions with subject matter experts and senior leadership. Under this model, risks are identified and assessed first for inherent risk (before considering risk mitigation), and secondly for residual risk (after consideration to risk mitigation). This view of residual risks allows management to assess whether current risk management techniques are sufficient, or if additional risk mitigation is required. We align the identification of our principal risks with the strategic planning process, such that key initiatives of our company are considered against our stated risk appetite and are appropriately managed to ensure we can deliver value to our stakeholders. Risks are ranked according to a series of financial and strategic business consequences, including impact to people, stakeholders/reputation/compliance, and clients/operations. Stantec defines

"substantive financial impact" in two ways: cost (more than $30M) and decrease of share price (more than 20%).

We maintain a risk register and our risks are evaluated and updated for accuracy on a quarterly basis. To populate the risk register, the Stantec ERM director identifies risks jointly with executives, business operating unit (BOU) directors, location leaders, and practice leaders. Specific to climate-related risks, potential impacts are identified and analyzed with the Environment/Sustainability director. Significant environmental impacts are also incorporated into Stantec's ISO 14001-certified Environmental Management System (EMS). Environmental risks, including those pertaining to climate, are considered within the EMS 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.

Climate risks have been identified at a corporate level as well as at a BOU level. They have been ranked against other risks using the process defined above. We regularly evaluate climate risks for potential short-term, mid-term, and long-term impacts.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Stantec has staff dedicated to understanding current regulations related to climate. These individuals support our company risks and client risks. The UN Paris Agreement and climate-related regulations in our major markets (Canada, US, UK, European Union, Australia, and New Zealand) directly impacted how we approach client work. For example, Stantec works in the state of California for industrial clients. The California cap-and trade program is characterized by some as slowing project investment in the state. Slower economic growth could represent slower revenue growth for Stantec. However, since Stantec provides a variety of sustainability services that help companies stay in compliance with climate regulations, regulations related to climate are more likely to create enable project opportunities. Stantec staff closely track environmental regulations. At a corporate level, our executive Sustainability Committee (internally called the Executive ESG Committee) and business unit management watch closely for potential regulation changes so that we can respond quickly to the impacts, both positive and negative. At a local level we rely on subject matter experts and tracking systems to help us stay in tune. For example, in the UK we use an online service called Newground to stay up to date with legislation.

Emerging regulation	Relevant, always included	Stantec closely follows emerging regulations that will impact the geographies where we work (to manage our potential impacts), as well as regulations that impact locations where our clients are located (so that we can be prepared to support our clients in managing their potential impacts). Relaxation or repeal of laws and regulations could also impact the demand for our services. New environmental regulations, laws, and policies could result in increased costs for our clients or create the potential for litigation, possibly preventing a project from going forward and thus reducing the potential for our services. For example, in the UK the new Streamlined Energy & Carbon Reporting (SECR) regulations introduce new reporting requirements for Stantec at a local level (traditionally our emissions reporting has been focused on the global corporate company). This creates an additional reporting effort that must be planned for (from a level of effort and cost stand-point). Stantec staff closely track environmental regulations. At a corporate level, our executive Sustainability Committee (internally called the Executive ESG Committee) and business unit management watch closely for potential regulation changes so that we can respond quickly to the impacts, both positive and negative. At a local level we rely on subject matter experts and tracking systems to help us stay in tune. For example, in the UK we use an online service called Newground to stay up to date with legislation. While being a risk, new regulations related to climate are often drivers that enable project opportunities for a company like Stantec since we provide the type of services that help companies be compliant with climate regulations. For example, Stantec is providing consulting services to the Canadian government regarding the Climate Lens program. Now, companies seeking federal funding for public infrastructure projects are asked to assess how their projects will contribute to or reduce carbon pollution and to consider climate change risks in the location, design, and planned operation of a project. This emerging regulation represents a significant business opportunity for a company like Stantec to provide consulting services that help our clients comply with the Climate Lens requirements.
Technology	Relevant, always included	Stantec looks at technology changes as disruptors in many aspects of our business. For example, the use of autonomous vehicles will require us to change our approach to infrastructure design and could impact our community development services. Additionally, technology connected to the use of “big data” can quickly change the competitive landscape, such as when technology companies, such as Sidewalk Labs, entered the city planning arena using big data analytics.

		As part of our Practice Services department, Stantec has a functional services team focused on tracking technology developments and designing technology solutions. The investment is made to give us a competitive advantage on client-facing project work, but the expertise provides us insight into technological trends and helps inform our risk management process. As well as risks, technology improvements introduced as the market transitions to a low-carbon economy presents opportunities to Stantec. It makes us more effective at our sustainability services and provides added value to our clients. We recognize this potential and have dedicated an R&D fund to help us further climate-related technology. For example, Stantec used investment funds to develop a program utilizing new technology around real-time visualizations to improve communication approaches on complicated environmental topics, including climate change.
Legal	Not relevant, included	Stantec plays close attention to legal risks related to climate change. Our evaluations, however, are less pertaining to Stantec's legal liability and more focused on the legal implications to our clients. For example, if Stantec provides water management services to a beverage manufacturing client that is cited for not managing their climate impacts, that could impact Stantec in the form of project delays or reputational damage. Our project risk evaluation process considers potential client legal implications as part of our "go-no go" process for potential projects. This is a risk factor we also monitor as projects progress.
Market	Not relevant, included	Stantec's supply chain includes office equipment/supplies, airlines, vehicles, and project subcontractors. Since these are standard commodities that are in ready supply with strong competition, as the market transitions to a low-carbon economy, we do not anticipate significant price increases for the products and services we procure. Examples of market risk for Stantec would be if one of our suppliers going out of business due to climate change requirements or if we need to eliminate a supplier from our value chain because they do not meet our minimum supplier-required climate standards. We consider this risk to be low because the types of products we buy and services we outsource tend to be fairly generic and there tend to have a significant number of replacement alternatives available. For example, if one of our office supply vendors goes out of business, there tend to be multiple other office supply vendors available as replacements. Our corporate Procurement team assesses this risk as part of our normal operations. Our dedicated team maintains relationships with a variety of suppliers and manages data through a centralized procurement management system.

		We should point out that as our current/potential suppliers respond to climate risks/opportunities, it improves Stantec's climate actions. For example, if our rental car vendor makes electric cars available as an alternative to gasoline-based cars, our Scope 3 emissions will be lower. Because Stantec is a consultant offering climate adaptation services, as the overall market focuses more on responding/adapting to climate change, we see additional opportunities arise and new markets where we can sell our sustainability services. For example, Stantec could provide subject matter expertise to a computer manufacturing company looking to install renewable energy on one of their manufacturing plants. We watch these trends closely to adjust our strategy accordingly. We are preparing for the market shifts by continuing to educate our people, investing in new technologies, and growing our service areas (organically and through acquisition) so we can best support our existing and future clients.
Reputation	Relevant, always included	Stantec's reputation is key to our success and we closely guard it as a company. We are leaders in selling sustainable solutions to our clients and negative perceptions have the potential to impact our ability to win future work. Additionally, our brand is built on "designing with community in mind". To truly design with community in mind is to consider how our work influences the social, environmental, and economic health of the community impacted by the project. If we are perceived as not addressing climate change, we run the risk of being seen as not protecting communities and we would lose our market differentiator. For example, Stantec provides ecosystem consulting services. As part of an environmental impact statement, we may report migration patterns of a species that are impacted by climate change and suggest an alternative route for a road, pipeline, or other development. If the client then makes a project decision contrary to our recommendations and there are protests, we could experience reputational damage due to our client association. To minimize this risk, we closely monitor for this potential scenario and work for clients whose value system matches that of our company. Stantec's Marketing and Communications team closely assess our market perceptions. We regularly survey our top clients, closely follow the media (industry, general, and social), and periodically hire external consultants for evaluation purposes. This team provides input into Stantec's risk management process.
Acute physical	Relevant, always included	The increase in the severity of extreme weather events presents a risk in the form of business interruption. Such events could result in closed offices, difficulty for staff coming to work, damage to our office space, project delays, and client dissatisfaction/claims. For example, many Stantec employees in the Florida Panhandle were directly affected by the 2018 hurricane. Staff had difficulty coming to the office and projects in the areas were delayed due to water or infrastructure damage.

		Our corporate Real Estate, Health and Safety, and location leadership teams assess this risk when determining the location of new office space. Our Risk Management and Project Management teams assess this risk when making go-no-go decisions for new projects. To mitigate the risk, we offer virtual work options for most employees to minimize the impacts to our operations. We maintain and practice our crisis management plan to respond in an efficient and coordinated manner to such events. We are also strategically diversified geographically to keep the overall revenue impact of natural disasters to a minimal.
Chronic physical	Relevant, always included	Long-term shifts in climate patterns causing sea level rise, unpredictable precipitation, and chronic heat waves can impact Stantec operations and our project work. Stantec operates primarily out of leased space so the cost of physical damage to the buildings structure where our offices are located is usually not our responsibility. However, breaking a lease because a building has been damaged or the inability to access an office while repairs are being made, can have cost implications. Also, if our leased space is damaged due to weather, interior renovations can be costly. Stantec maintains insurance to protect against costs related to damage and provides virtual work options for our employees so that they can continue their project work even if they are not able to come to the office. Chronic physical weather changes also present risks to our company as it relates to our client work. For example, Stantec is considered a leader in the design of hydropower. Changes in water supply (too much water and too little water) can impact the flow of rivers and change the efficiency of hydropower as a renewable energy option. With unpredictable water resources, clients could decide to pursue other power options, thus reducing our market potential. To address the risk, Stantec invests in modeling technologies that help us anticipate potential water flow and adapt hydropower design/location based on sound science and changing conditions. In addition, we offer multiple service offerings related to power generation so that we can provide alternative renewable power options if needed. Our corporate Real Estate, Health and Safety, and location leadership teams assess this risk when determining the location of new office space. Our Risk Management and Project Management teams assess this risk when making go-no-go decisions for new projects.
Upstream	Relevant, always included	Stantec's upstream risks are primarily related to our leased office space. Extreme weather events caused by climate change could result in closed offices, difficulty for staff coming to work, damage to our office space, project delays and client dissatisfaction and claims. As part of our

		Enterprise Risk Management System we evaluate weather risks when locating new office space, managing our insurance programs, and configuring our IT disaster recovery system. For example, during Hurricane Michael, we had multiple offices in Florida that were closed due to flooding and road damage. Our business continuity management system took into account the fact that employees would not be able to commute to the office.
Downstream	Relevant, always included	Stantec's downstream risks relate to our client projects and to our partners. Office closures due to extreme weather could result in project delays and client dissatisfaction and claims. Delays resulting from extended periods of poor weather in our construction projects may result in penalties for late completion (imposed by contract) or incur incremental costs arising from loss of productivity, compressed schedules, or overtime work used to offset time lost, reducing profitability. For example, Stantec works for the Peerless Trout First Nation in northern Alberta, Canada, where massive wildfires have the potential to delay construction of a school in the final stages of design. Stantec assesses this downstream risk as part of our project risk management process, where weather and natural disaster potential and mitigation plans are evaluated to as part of the project pursuit phase.

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

Stantec manages our business through a combination of centralized and decentralized control programs that address unique aspects of the various markets, cultures, and geographies where we operate. Our matrix-based leadership structure provides coordinated oversight of our business services and geographies. Risks and opportunities, including climate-related risks and opportunities, are managed through our Enterprise Risk Management (ERM) program and Strategic Planning program, respectively. Strategy and risk management go hand-in-hand in an iterative manner, with our risk appetite informing our strategic choices, and our strategic choices made within the context of our risk appetite. Monitoring is carried out by management and decisions are communicated down, across, and up in our company.

Once risks are identified, they are prioritized through our risk register using a heat map methodology that categorizes risks by level on a 4x4 matrix of probability of occurrence and impact on the organization. Specific projects and initiatives are identified, prioritized, assigned responsibility, and executed. Policies and procedures are established and implemented to help ensure the risk specific response (avoiding, accepting, reducing or sharing) aligns with our Board of Directors' and leadership's risk tolerance and appetite. Monitoring is accomplished through ongoing management activities, separate evaluations, or a combination of both. Our Practice Services team plays an essential role in monitoring operational compliance with our risk mitigation strategies by conducting internal practice audits each year to assess compliance with the ISO 9001-certified Quality Management System and the ISO 14001-certified

Environmental Management System. The team provides valuable feedback to the ERM program in identifying emerging risks and/or areas for further improvement.

Opportunities are evaluated at a corporate level by the Strategic Planning team. A Strategic Plan is written in conjunction with senior leadership and presented the Board of Directors for input and approval. Individual strategic issues are identified and connected to corporate-driven strategic objectives. A series of strategic growth initiatives are identified and funded. Implementation of business strategy happens at a business operating unit (BOU) level.

Stantec's climate risks and opportunities are managed in coordination with the Corporate Sustainability Director and subject matter experts located in each of our BOUs and geographies. Actions are approved by the executive Sustainability Committee (internally called the Executive ESG Committee – covering environmental, social, and governance topics) and reported to the board through the board Sustainability Committee.

The Board of Directors provides oversight and carries out its risk and opportunity management mandate. Climate change risks are specifically the responsibility of the board Sustainability Committee (internally called the Health, Safety, Security, Environment, and Sustainability Committee). On a quarterly basis the board and its committees receive a report on the principal risks and opportunities. This quarterly reporting ensures the board has proper oversight. The CEO, along with the C-suite roles, are directly accountable to the board for all risk and opportunity management practices and are supported by our risk management and strategic planning team.

An example of how the process has been applied to a transition opportunity is as follows. Stantec recognizes that new environmental regulations, laws, and policies or relaxation or repeal of laws and regulations could result in increased costs for our clients or create the potential for litigation, possibly preventing a project from going forward and thus reducing the potential for our services. We have subject matter experts located throughout our BOUs and geographies that closely monitor these changes. By partnering with our clients early in the process, we can help clients proactively address these changes in a way that provides them cost/reputation benefits, better protects the environment, and provides revenue for Stantec. Each of our business lines already has established components related to renewable energy, climate change adaptation, resiliency, sustainable buildings/infrastructure, environmental preservation, carbon capture, storage, and so forth.

An example of how the process has been applied to a physical risk is as follows. Extreme weather events due to climate change present a risk to Stantec operations in the form of business interruptions and staff safety. To respond, we incorporate weather-related risk reviews when we look at new office space, we have a coordinated business continuity management system that includes separate disaster recovery sites and flexible working for employees, we maintain a robust disaster recovery program, and we have emergency communication system to help our employees during times of disaster.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

No

C2.3b

(C2.3b) Why do you not consider your organization to be exposed to climate-related risks with the potential to have a substantive financial or strategic impact on your business?

	Primary reason	Please explain
Row 1	Risks exist, but none with potential to have a substantive financial or strategic impact on business	Stantec closely evaluates company risks from climate change. We do not consider our company to be exposed to climate-related risks for two primary reasons: first, because Stantec is a professional services company that operates out of leased office space and, second, because the professional services Stantec provides are largely connected to climate change adaptation/mitigation.. While extreme weather can have a direct impact on Stantec's business through business interruptions, staff safety, and project delays, we are able to mitigate this risk through contingency planning. We incorporate weather-related risk reviews to evaluate new office space. We also have a coordinated business continuity management system that includes separate IT disaster recovery sites and the ability of staff to continue their work in a virtual manner. For example, after Hurricane Michael, our offices in Panama City, Naples, and Miami were closed for several days due to flooding, power outages, and access challenges. We immediately implemented our crisis management plan and responded in a coordinated manner. Most employees took advantage of virtual work options and were able to keep their projects moving by working from home. Besides some staff downtime, there were no significant costs to Stantec because landlords did not require rent during the period our offices were inhabitable. The risk posted by new environmental regulations, laws, and policies related to climate change do not impact Stantec, but rather our clients. It is our clients that need to adapt tho new technologies, increased energy/fuel costs, difficulties navigating bureaucracy, disruption in work, or a change in public perceptions. This client risk is an opportunity for Stantec because we offer the subject matter expertise that helps our clients adapt. Stantec offers a balanced client portfolio so that if climate change minimizes the need for one of our services we have another that can take its place. For example, to minimize the revenue impact of delays of a pipeline project, Stantec is able to instead guide an oil and gas companies in their transition to a low carbon economy and/or work with other industries to implement renewable energy options.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Customer

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Type of financial impact

Increased revenue through demand for lower emissions products and services

Company-specific description

This opportunity references the growth of Stantec's existing sustainability services. Stantec is a recognized as a leader in sustainability services and climate change presents a business opportunity for us by increasing the demand for our subject matter expertise. Each of Stantec's BOUs and geographies offer sustainability services. Some of the climate-related services we provide include carbon accounting, renewable energy design, energy-efficient building design, water footprinting, water resource management, response planning for rising sea levels, disaster recovery planning/response, international development, resilience planning/design, sustainable infrastructure design, and automated car technologies.

Stantec has already begun to see the market evolve. We are now working with more municipalities to upgrade their infrastructure, resource companies (e.g., mining, oil & gas) as they respond to stakeholder pressures and changing climate-related regulations, and multinationals that need to proactively adapt to climate requirements around the world to maintain their brand reputations and market presence. We have identified climate change as an important megatrend connected to the future growth of the company. In 2018, identified four new strategic growth initiatives -- smart cities, invigorating infrastructure, coastal resilience, and energy remix -- which all refer to Stantec's role in addressing climate change and all offer a substantial business growth opportunity. For example, Stantec’s innovative approach to a stormwater retrofit project

in Naples, FL resulted in implementing a sustainable a living shoreline that included wetland restoration, water quality improvements, and ecological preservation. Another example specific to energy remix comes from Istanbul, Turkey where we were able to create the first energy from waste plant in Turkey, and the largest of its kind in Europe. Upon its completion, the plant will reduce Istanbul's waste by 15%, provide 1.5 million people with electricity, and reduce emissions by 1 million tons of CO2.

Not only does Stantec see an opportunity to sell more services, we also see our efforts attracting more investment capital as investors move towards more socially responsible and positive impact investing.

Time horizon

Current

Likelihood

Virtually certain

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

In order to quantify the potential financial impact of increased demand for our sustainability services, we are first determining what percentage of current revenue fits our sustainability criteria. For example, our project tracking system identifies the revenue we generate from designing transit facilities but does not specify what percentage of those buildings incorporate energy efficiency features. To guide the implementation of this tracking approach, we adopted the UN Sustainable Development Goals (SDG) framework and are currently in the process of configuring a business intelligence tracking system that will associate revenue from the types of projects we support and the specific services we provide to the individual SDGs. From that baseline understanding, we will be able to track the percentage of Stantec's current business associated with sustainability and set goals for improvement.

Strategy to realize opportunity

Stantec was an early provider of climate-related services and currently has a strong market presence. To realize the opportunity potential, we are leveraging our market position, increasing the variety of service we provide, and expanding our geographic footprint. Our inter-disciplinary, cross-BOU sustainability working group collaborates to

actively nurture an integrated approach to addressing climate change. We also have a $3 million per year innovation budget to support the efforts of our people to apply ideas that benefit our clients and communities. It consists of four areas: grants to develop new ideas (Greenlight), monetary awards for thought leadership (Publish and Speak), an Innovation Forum to recognize and celebrate innovative projects and the people behind them, and a Venture Fund that supports the startup of a new practice.

For example, our buildings team is already recognized as a sustainability leader but has the potential to do more. We saw potential in the Passive House certification and decided to bring it to North America (we designed the first Passive House-certified educational building, which is rated as the most airtight building in North America, using 90% less heating and cooling than a standard building and 70% less energy overall). Our marketing objective is to build more Passive House-certified projects. Stantec's pioneering efforts are positioning us to capitalize on our position as market leaders and grow associated revenue.

Cost to realize opportunity

0

Comment

The efforts to realize this opportunity have already commenced as part of funded investments in our Strategic Plan and our existing innovation fund.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Customer

Opportunity type

Markets

Primary climate-related opportunity driver

Access to new markets

Type of financial impact

Increased revenues through access to new and emerging markets (e.g., partnerships with governments, development banks)

Company-specific description

This opportunity references the growth of Stantec specialty services specifically related to climate change adaptation and international development. There are numerous regulations/ responses to climate change that are expanding Stantec's potential client base and creating new markets for Stantec services. For example, in Canada, the new federal carbon tax is creating a demand for our carbon accounting services. We have been partnering with governments of municipalities and provinces to help them figure out how to best respond to the requirements.

An example of Stantec's services getting applied to new markets includes our partnership with the European Bank for Reconstruction and Development to finance public and private sustainable energy investments through the Green Economy Financing Facility (GEFF) program. Our work started in Turkey (where Stantec's efforts, so far, have included more than 1,000 new renewable energy projects and over 500 MW of installed renewable energy contributing to the grid) and have expanded to Egypt and Kazakhstan (countries where Stantec has not yet had the opportunity to work), with potential for work in more than 20 additional countries.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

As climate change becomes more prevalent, a wider variety of clients need our services. Stantec has progressively seen a change as governments and companies try to respond to the UN Paris Agreement and Sustainable Development Goals. This is especially true for our International Development and Environmental Services teams who provide specialized expertise regarding carbon accounting and climate change adaptation/mitigation. We have seen consistent growth for these teams as well as continued increases in revenue but have not yet quantified the potential impact.

Strategy to realize opportunity

To capitalize on this market opportunity, we need to be recognized as technical experts in the industry. To continue to improve our thought leadership position, Stantec actively follows trends, policy changes, and the evolution of international frameworks. We invest in training our staff in new technical areas of expertise and in collaboration efforts between geographies to share knowledge and inspire ideas. We also have put a strong focus on funding innovation, research & development, and thought leadership so that we can stay at the forefront of our fields. Our innovation fund is typically $3 million per year with a large percentage going towards topics that advance response to climate change. Stantec-affiliated authors regularly write papers that are published in peer-reviewed technical journals and regularly partner with academic researchers on a

variety of topics, including climate change. On our website we have a section called the "Ideas Hub" with a section dedicated to thought leadership around sustainable design.

A thought leadership example can be seen through our work to develop the PIEVC Protocol (Public Infrastructure Engineering Vulnerability Committee) -- a multi-step framework that helps municipalities adapt to climate change by predicting weather changes and identifying risks to infrastructure.

Cost to realize opportunity

1,500,000

Comment

In 2018, we funded almost $3 million in our innovation and creativity projects to further thought leadership, innovative ideas, and research. Just over half of this innovation has been focused on sustainability-related projects. We anticipate similar innovation investments in future years.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Type of financial impact

Reduced operational costs (e.g., through use of lowest cost abatement)

Company-specific description

This opportunity references cost savings realized in our efforts to operate more efficiently, which also happen to produce a significant reduction in emissions. Stantec operates primarily out of leased office space where the landlords pay the utility bills and manage the facilities. This arrangement gives us very little direct control of the behavioral and operational factors that reduce our reported emissions. To address the situation, Stantec's strategy is to lease energy-efficient buildings and work with our landlords to influence energy-efficient features. Because climate change increases the cost of energy, landlords are encouraged to make the change through a shorter return on investment for addition of energy-efficiency features. Increased availability of energy-efficient buildings to lease has helped Stantec easier to meet our emissions reduction goals. Decreased cost of energy-efficient buildings has provided Stantec cost savings in meeting our goals. Additionally, as we plan for our moves, we also look for ways to optimize our office layouts for usability and comfort of our employees, while minimizing our space needs.

For example, when Stantec's lease ran out in our Waterloo, Ontario, we looked to move to a more energy-efficient building and found a sublease in a LEED Platinum building. Our costs were significantly reduced due to reduced energy needs, use of an existing buildout, leveraging of a longer-term lease to secure a significant reduction in lease costs, and layout design using in-house architectural staff.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

10,000,000

Potential financial impact figure – maximum (currency)

15,000,000

Explanation of financial impact figure

The positive financial impact of this opportunity comes when Stantec consolidates multiple offices into more cost- and energy-efficient leased office space. The number provided is based on an analysis performed by our corporate Real Estate team to estimate the annual cost savings from right-sizing our leased office space. The financial benefit is calculated through analysis of the savings realized from the new monthly lease, minus new costs such as penalties for early lease termination, cost of interior build-out, cost of move, etc.

Strategy to realize opportunity

To reduce the number of square feet per employee, our Real Estate team performs detailed analyses of space needs against lease terms. From this, they prioritize negotiation efforts to maximize the cost savings and energy efficiency. By the end of 2018, we had moved more than half of our global square footage to buildings with sustainability certifications, features, or both.

A successful example of the cost, emissions, and wellness benefits of consolidating office space can be seen in our Edmonton headquarters where we consolidated three offices and 1,200 employees into Stantec Tower, a LEED (Gold exteriors and Silver office space) building which uses energy and water efficiently, purchases renewable energy, encourages sustainable commuting, and focuses on the well-being of its occupants. This move significantly improved the quality of working conditions for our

Edmonton employees, produced considerable emission reductions, and saved the company a significant amount of money.

Cost to realize opportunity

0

Comment

The “potential financial impact figure” provided already takes into account the costs associated with each office move.

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Impacted	As our clients work to respond to a changing climate, demand increases for Stantec's sustainability expertise. This opportunity informs our business strategy and drives investment in new service areas and strategic investments. We align our offerings with the UN Sustainable Development Goals (SDGs). Our primary SDG focus is SDG 11 (sustainable cities and communities), but in supporting our communities we apply our leadership in supporting SDG 6 (clean water), 7 (affordable and clean energy), 9 (industry, innovation, and infrastructure), 13 (climate action), 14 (life below water), and 15 (life on land). In 2018, Stantec was awarded an SDG Leadership award from the UN Global Compact, Canada Network in recognition for our efforts. The magnitude of impact of this risk is medium while the opportunity is high because climate change creates demand for new Stantec sustainability services. When climate change creates market uncertainty (like the new European Union guidelines for climate-related disclosures, green bond standards, and climate benchmarks), demand for Stantec services increase (like climate change adaptation, carbon accounting, renewable energy production). Climate change conditions present an overall positive business impact to Stantec because we are able to provide more climate-related services. Improvements in industry ratings illustrate the benefits of focusing on climate change services. For example, Stantec's focus on sustainable building design has moved us up in the rankings published by the industry-recognized publication Engineering News Record. In 2017, Stantec ranked #9 in the list of Top 100 Green Buildings Design Firm. In 2018 we moved up a rung to the #8 position.

Supply chain and/or value chain	Impacted for some suppliers, facilities, or product lines	The impact to Stantec's supply chain from climate change and stakeholder pressures has been positive in that it has encouraged our vendors to offer products and services that are more energy-efficient or that utilize fewer resources. Many of our subcontractors are also increasingly aware of the need for climate change adaptation. This positive change in our supply chain provides us access to more environmentally friendly options, at a lower cost. The magnitude of impact is medium because Stantec is a service firm with a short value chain. As a professional services firm we lease office space and typically purchase off-the-shelf products (like office supplies). This change is positive to Stantec in that the more efficient our supply chain, the better able we are to improve our emissions and minimize our resource use. For example, climate change pressures are giving us access to more energy efficient buildings when looking for new office space; it has created new vendor options for printing services that help us minimize paper use and improves equipment reuse; and it has encouraged our offices supply vendors to offer new capabilities on their online platforms that encourage recycled paper use. We continue to encourage our supply chain to do more and have implemented green procurement requirements. We anticipate more availability of sustainable offerings from our supply chain in the future.
Adaptation and mitigation activities	Impacted	Stantec has needed to adapt our business operations to respond to climate change risk. To minimize our need for travel, we have modified our IT strategy and workplace expectations so that employees are better able to perform their work virtually. We also now include review of weather patterns and flood probability when selecting new office locations. The opportunity related to climate change adaptation and mitigation is positive for Stantec as we are regularly asked to provide expert advice to help our clients address this risk. In recent years, we have seen an increase in demand for climate change adaptation and mitigation services to clients. For example, for the European Commission, Stantec won the EUROCLIMA project to enhance climate resiliency across Latin America. We also have been asked to provide expertise to help the Marshall Islands and Seychelles prepare for rising sea levels. The magnitude of impact to Stantec is medium. There is a cost to us as we continually have to adjust our business approaches to respond to climate change, but it is overwhelmingly a positive opportunity as we help our clients in their progression.

Investment in R&D	Impacted	Climate-related opportunities in the area of thought leadership have impacted Stantec's investment in R&D. Annually, Stantec makes a multi-million-dollar investment (on average $3 million per year) in R&D to support innovation of climate resilient technologies. The magnitude of impact is considered high, because we have the ability to positively impact change through thought leadership. We invest in climate change technologies, quantification approaches, as well as adaptation and mitigation strategies. This investment improves our standing as thought leaders and creates new project opportunities with clients.
Operations	Impacted	Climate change pressures present a risk of increased operational costs for Stantec and thus encourage us to become more efficient as an operation. We work to anticipate future needs and connect cost cutting measures to emission reduction opportunities. When we look at new office space, we pay attention to weather patterns, floodplains, energy-efficiency of the office. When we purchase vehicles for our fleet, we pay attention to gas mileage and access to electric vehicle charging stations. When we travel, we pay attention to virtual meeting options as an alternative option. The magnitude of impact of extreme weather risks is low because we are a service company located in leased office space that is well suited to virtual work, but extreme weather has, and will continue, to cause problems with staff commutes and can potentially delay or cancel projects. The opportunities presented by climate change to our operations is positive because it creates new markets and increases the demand for the types of services we provide.
Other, please specify		

C2.6

(C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.

	Relevance	Description
Revenues	Impacted	Because climate change presents an opportunity for Stantec to sell additional sustainability services, Stantec plans for increased revenues as part of our financial planning process. The magnitude of impact of this opportunity is high because sustainability services are a significant part of our business offerings. Stantec offers such services in each of our business operating units and in each of the geographies where we operate. We track our “green revenue” based on projects that are coded in our financial system as relating to carbon/water accounting, renewable energy, sustainable infrastructure, etc. As the percentage of green revenue increases year-over-year, it justifies additional investment in our sustainability service offerings. For example, in 2018, during our strategic planning process the potential for additional revenue related to opportunities from climate change justified investments in four strategic growth initiatives (smart cities, invigorating infrastructure, coastal restoration, energy remix) and two strategic investments (Urban Places and resiliency). All investments are expected to result in increased company revenues.
Operating costs	Impacted	Stantec has budgeted costs for reporting and emissions management. The magnitude of impact is medium because we have been able to connect the majority of emissions reduction efforts to successful cost-reduction strategies so reducing emissions has played a part in lowering our overhead costs. For instance, to reduce operational costs, Stantec has been actively working on consolidating and optimizing offices in a way that maximize our space usage, saves costs, and reduces our emissions. For example, in Portland, Oregon, Stantec consolidated multiple offices into a new LEED and Energy-Star rated building. By using a modular interior design, the office was configured to accommodate the current employee count as well as anticipated growth. The approach minimized the needed square feet per employee, while at the same time focused on employee comfort, well-being, and flexibility in work styles. Similar office consolidation efforts save the company millions of dollars of operating costs annually. Additional examples of lowering operating costs through emissions reduction efforts include the benefits Stantec has received by reducing the amount of overhead travel and reduced paper usage.

Capital expenditures / capital allocation	Not yet impacted	As a professional services company providing intellectual property from leased office space, there are minimal capital costs required by Stantec in our response to climate change. Any costs we have tend to be incorporated into other operating expenses. For example, we have actions in place to “green” our fleet so that we improve fuel efficiency. While this is an expense, the vehicle upgrades are purchases that would be made anyway for operational purposes so the emission reduction efforts are not an additional expense. A pending capital expenditure that is being developed is an approach to provide additional access to renewable energy. For example, because Stantec is in leased office space where we do not have operational control of utility interactions, we are exploring options with companies like Bullfrog Power in Canada with their "green" electricity program where we purchase a green electricity certificate and they put renewable electricity onto the grid on our behalf. By voluntarily paying a premium for green power, we would be increasing demand for renewable energy and encouraging the development and expansion of clean energy projects. We are currently in the process of evaluating the potential costs of renewable energy options. If approved, we expect implementation of such programs (and the associated capital expenditures) to happen within the next 5 years.
Acquisitions and divestments	Impacted	Stantec has an aggressive growth strategy that is based on acquisitions. When we look for firms to acquire, we look for companies that align with our business culture, grow our geographic presence, or strengthen our service areas. The impact of this opportunity is medium-high because the acquisitions we make tend to improve our standing as sustainability subject matter experts. For example, recent acquisitions include MWH (a world leader in water resource management and hydropower), Peter Brett Associates (UK leaders in sustainable urban planning, including being selected as the Crown’s sustainability advisor), and Wood & Grieve (Australian leaders in sustainable building design). Additionally, our acquisition strategy has played a key factor in reducing our per person emissions as many of the companies we acquire operate out of geographies with more efficient energy sources, occupy energy-efficient buildings, and having lower per person square foot ratios.
Access to capital	Impacted	Stantec is considered a socially responsible investment option. In a 2018 analysis, we found that ESG investing was a predominant decision factor for many of our top investors. As Stantec improves our corporate successes in responding to climate change (ratings, recognition, awards) and increases the percentage of our revenue related to sustainability, we positively impact our ability to attract

		environmentally and socially responsible investors. For example, as we improve our position on sustainability-related investor indices, we have seen increased interest from existing and new investors that have a focus on ESG. This opportunity is likely to have a significant positive impact on Stantec. The magnitude of impact is considered high.
Assets	Not impacted	As a professional service firm operating out of leased space, the impact of climate change on our assets is nominal.
Liabilities	Not impacted	As a professional service firm operating out of leased space, the impact of climate change on our liabilities is nominal.
Other		

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

Yes, qualitative

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

Stantec's stated purpose is to "create communities" and our brand promise is to "design with community in mind". To truly design with community in mind is to consider how our work influences the social, environmental, and economic health of the community impacted by the project. In other words, to design with community in mind is to design with sustainability in mind. Our strategy recognizes climate as core to a healthy and sustainable community, so we minimize our climate impacts and help our clients minimize theirs.

Stantec has a significant opportunity to be our clients' trusted advisor as they adapt to a changing world. Stantec's strategic planning process includes forecasting three to five years ahead with frequent review and adjustments as the market conditions, the environment, and our internal imperatives change. We track and evaluate megatrends and other forces that are reshaping the world we operate in and the way we conduct business. Stantec's response to climate change is one of five global dynamics addressed in our Strategic Plan. All our strategic growth initiatives and investments refer to Stantec's role in addressing climate change, and we collaborate across our business lines to help clients thrive in a low-carbon economy. Stantec

recognizes the UN Paris Agreement and Sustainable Development Goals as well as the findings of the Intergovernmental Panel on Climate Change. We recognize the need for climate action.

Stantec has a senior vice president (SVP) of Strategy, with extensive global expertise and a commitment to responding to climate change challenges, who is supported by a dedicated strategic planning team that tracks and evaluates key changes and megatrends. The SVP of Strategy is an active member of the executive Sustainability Committee (internally called the Executive ESG Committee) and, jointly with the COO, leads planning discussions that connect climate change to strategic planning decisions.

(i) Stantec's business objectives and strategy have been influenced by climate-related issues in the following manner:

- Brand promise: Sustainability is a key component of our commitment to communities. Our promise is to design with community in mind, but to truly do so is to consider how our work impacts the social, environmental, and economic health of the communities impacted by our services. This is reflected in our project work and in our volunteer activities, which positively support the sustainability of communities.

- Client commitment: Stantec works on projects that are directly impacted by climate change. Our clients are experiencing impacts from escalating temperatures, water unpredictability, extreme weather events, and changes to biodiversity. Stantec helps our clients respond to these significant challenges by promoting sustainable development and assisting in their efforts to obtain the necessary social license for their projects to proceed. Stantec's role in positively addressing climate change is considered an important part of our growth strategy and working with clients to minimize climate change and adapt to changing conditions are a key part of our business focus. Stantec is considered an industry leader in sustainable infrastructure design, energy-efficient building design, and renewable energy design, and we are expected by our clients to stay at the forefront of sustainability practices. We respond to project opportunities related to climate change, but we also positively influence our clients' technical decisions to improve their sustainability and minimize their climate impact. We created an internal cross business operating unit sustainability working group tasked with developing and coordinating technical delivery of sustainability services in all our operating units and geographies and have begun to track associated company revenue in order assess our progress and set growth projections.

- Employee engagement: Most of Stantec's employees are scientists and engineers who recognize the importance of climate science and climate response. Besides being the "morally correct" thing to do for the world and a key element of our client-positioning, an internal focus on energy and resource efficiency are also key employee engagement criteria and deemed important for employee job satisfaction and employee retention. Stantec works hard to communicate our sustainability strategy to our employees. To enable Stantec staff in their exploration of creative solutions, we invest in promoting innovation and facilitating collaboration. A significant portion of our R&D funding supports energy efficiency-, climate change-, and/or resiliency-related projects.

- Acquisition strategy: Sustainability is also a consideration in our acquisition strategy as we look for companies that provide us long-term growth and stability.

(ii) Our strategy includes a focus on making our operations efficient, both from a cost and environmental perspective. Stantec's business strategy includes looking for environmental efficiencies (e.g. energy use reduction, GHG emissions reduction, and resource-use

conservation) to improve our own carbon footprint as well as mitigate risks and reduce costs. Our emissions reduction efforts are directly related to our support of world efforts to keep the increases in temperatures below 2 degrees Celsius. Stantec has set 2028 emission reduction goals of 40% (Scope 1 and 2 per employee) and 20% (Scope 3 per employee) with efforts underway to determine how and when we will be able to go carbon neutral.

(iii) Stantec's business objectives and strategy have been influenced by climate-related issues. In fact, in 2018 we funded new strategic growth initiatives, which each refer to Stantec's role in addressing climate change and how we can help clients thrive in a low-carbon economy. Our four strategies include:

- Making smarter cities to serve residents more sustainably and efficiently
- Invigorating infrastructure to improve performance and resource efficiency
- Creating resilient coastlines to prepare communities for sea-level rise and extreme weather
- Remixing energy to help the world's energy supply move from fossil fuels to renewable and low-carbon sources

We established teams focused on developing these growth initiatives using a cross section of subject matter experts across the business. For each topic, the teams tap into R&D funding to further our thought leadership, build branding campaigns to establish our credibility and market positioning, and actively pursue project opportunities. We have already begun to see success in our efforts. For example, as part of our smart cities investment, Stantec advanced smart city models by conducting an autonomous vehicle feasibility study in the suburbs of Atlanta, Georgia and our resilient coastlines initiative helped Stantec win the Mid-Breton Sediment Diversion project in Louisiana (which has one of the highest land-loss rates in the world).

C3.1d

(C3.1d) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios	Details
2DS Greenpeace IRENA	Stantec's strategic planning, risk management, and sustainability teams have been regularly meeting in order to further our progression regarding climate change scenario analysis. After review of available scenario options, we selected the scenarios that seem to best apply to a professional services organization. We have also spent time reviewing those created by the organization Business for Social Responsibility and those of some of our larger clients. We selected these scenarios because they are the ones used by the majority of companies within our sector who have robust climate-related governance structures. The entire Stantec organization has been considered in our scenario analysis discussions. We decided to align our scenario analysis timeline with our emissions reduction target year of 2028 (15 years from our 2013 baseline). This also aligns with the timeline of our risk considerations. Stantec is expected to meet the 2 degrees scenario analysis because of our goal to reduce emissions intensity by 40%

	by 2025. We also set a longer-term look at 2050 because those are the ones most relevant to Stantec's largest clients. Our desire is to be carbon neutral by this long-term date. For our current reduction commitments, we aligned our reduction goals against cost-cutting strategies because we knew those were the ones to most likely move forward. Our longer-term reduction aspirations look to more extensively incorporate renewable energy and technological advancements to reduce the emissions created by our energy use, supplemented by the use of carbon offsets. While our scenario analysis process is still evolving, the progress so far have directly informed Stantec's business objectives and strategies. For example, in our 2018 Strategic Planning process we focused on Stantec's role in addressing climate change and help clients thrive in a low-carbon economy. The result was direct investments in four new strategic growth areas: coastal resiliency, smart cities, energy remix, and sustainable infrastructure. Scenario analysis has also factored into our Enterprise Risk Management program and in response to climate-change risks, we have carbon management and reduction programs in place and we incorporate weather-related risk reviews when we look at new office space. Scenario analysis has also informed our visioning of how we will services clients in the future. We continue to invest in renewable energy (we design renewable energy including wind, solar, hydropower, battery storage, and cogeneration systems and support renewable energy financing), we are focused on designing energy-efficient buildings (including net zero and energy positive designs), we support access to clean water (including an investment in desalination, water reuse, and water conservation), and we are part of the research progressing of electric and automated car technology. We also provide a variety of environmental services to minimize client emissions and reduce overall environmental impact. For more information on how Stantec is adapting to future scenarios related to climate change, please reference our publication "Water Futures + 1" (https://ideas.stantec.com/the-future-of-water/water-futures-1) and read our upcoming publication Community Futures.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Scope

Scope 1+2 (location-based)

% emissions in Scope

100

Targeted % reduction from base year

40

Metric

Metric tons CO2e per unit FTE employee

Base year

2013

Start year

2013

Normalized base year emissions covered by target (metric tons CO2e)

3.6

Target year

2028

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

% of target achieved

90.8

Target status

Underway

Please explain

Stantec set an emissions reduction goal of 40% reduction of our per employee Scope 1 and 2 emissions (with a baseline of 2013 and completion of 2028). We applied Science Based Target (SBT) criteria as best we could to our type of company, but, because SBT do not yet apply to professional service firms, we are not able to yet certify our targets. We considered the Sectoral Decarbonization Approach (SDA) methodology (2015) in setting our goals, which predicts a 55% carbon intensity reduction in ‘service space’ per square meter by 2050. We set a goal of 40% reduction by 2028 as the first step of meeting that goal. Because we are making quicker progress than anticipated in making our reduction goal, we are considering resetting our reduction goal again next year and will again look to apply SBT criteria.

Please note, Stantec has a growth strategy of 15% per year based on a combination of organic and acquisition growth. As such, we are always adding staff, locations, and revenue. Our strategy is to make consistent changes with ourselves and those acquired

companies to reduce our emissions. Because of that, we track our progress though the reduction of emissions generated by each employee. While our absolute emissions may grow due to company expansion, our per person impact is progressively smaller.

% change anticipated in absolute Scope 1+2 emissions

48

% change anticipated in absolute Scope 3 emissions

0

Target reference number

Int 2

Scope

Scope 3: Business travel

% emissions in Scope

90.5

Targeted % reduction from base year

20

Metric

Metric tons CO2e per unit FTE employee

Base year

2018

Start year

2018

Normalized base year emissions covered by target (metric tons CO2e)

1.4

Target year

2028

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

% of target achieved

0

Target status

New

Please explain

Stantec has been progressively centralizing Corporate vendors as an effort to reduce costs, but also to provide more visibility to our spend. This consolidation effort made it feasible to efficiently track our Scope 3 emissions. In 2018 we finally felt like we had

made enough progress in working with our vendors in order to accurately and consistently track our emissions in a repeatable manner. We therefore set our Scope 3 baseline year as 2018 with a completion data of 2028. Our goal is a 20% reduction of per employee Scope 3 emissions.

Please note, Stantec has a growth strategy of 15% per year based on a combination of organic and acquisition growth. As such, we are always adding staff, locations, and revenue. Our strategy is to make consistent changes with ourselves and those acquired companies to reduce our emissions. Because of that, we track our progress though the reduction of emissions generated by each employee. While our absolute emissions may grow due to company expansion, our per person impact is progressively smaller.

% change anticipated in absolute Scope 1+2 emissions

0

% change anticipated in absolute Scope 3 emissions

26

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	6	100
To be implemented*	5	2,000
Implementation commenced*	3	3,245
Implemented*	4	3,177
Not to be implemented	1	100

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative type

Energy efficiency: Building fabric

Description of initiative

Other, please specify

Reduce Real Estate Square Footage through Consolidation, Right Sizing, and Workplace Strategies

Estimated annual CO2e savings (metric tonnes CO2e)

1,906

Scope

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

10,000,000

Investment required (unit currency – as specified in C0.4)

4,000,000

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

This initiative references Stantec's efforts to consolidate office space. We found that our greatest ability to minimize our per employee emissions is by more efficiently using our square footage. We are therefore focused on "right sizing" our real estate when we have multiple buildings in a geographic location or when we have unoccupied space. We have identified an optimal space per employee and have a standard office layout focused on energy efficiency and employee productivity/wellness. While we consolidate office locations, we also look to modify the layout of existing offices so that we accomplish the maximum use of space and increased employee productivity. The annual monetary savings figure provided is based on an analysis performed by our corporate Real Estate team to estimate the annual cost savings from right-sizing our leased office space through analysis of the savings realized from the new monthly lease, minus new costs such as penalties for early lease termination, cost of interior build-out, cost of move, etc. The investment required figure provided is an estimate of the associated penalties and costs.

Initiative type

Energy efficiency: Building fabric

Description of initiative

Other, please specify

Lease More Energy-Efficient Buildings

Estimated annual CO2e savings (metric tonnes CO2e)

510

Scope

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

300,000

Payback period

4 - 10 years

Estimated lifetime of the initiative

Ongoing

Comment

This initiative references Stantec's efforts to select energy-efficient buildings when deciding on new leased office space. Stantec operates primarily from leased space in multi-tenant buildings where separate metering is not available. Additionally, for consistency in budgeting, we try to negotiate utility costs into the lease price. This means that we have little control over facility improvements and energy efficiency measures do not necessarily result in demonstrable emission reductions. Accordingly, improvements in our behaviour around energy-efficiency comes from occupying energy-efficient buildings. When deciding on new office space to lease, Stantec uses a scorecard to make balanced business decisions, considering energy-efficiency, proximity to clients, employee commutes, access to public transportation, walkability, wellness, and costs. We specifically look for buildings that have energy-efficiency certifications (such as LEED/BOMA Best/Energy Label A) and buildings that have renewable energy features (such as passive orientation, good insulation, solar/wind/geothermal generation). In 2018, we moved into 4 new buildings with energy-efficiency certifications. This means essentially half of our global square footage is located in leased buildings with sustainability certifications, features, or both. While this effort sometimes results in more expensive buildings being leased, we do believe the overall benefits outweigh the additional cost.

Initiative type

Process emissions reductions

Description of initiative

Other, please specify

Replace old vehicles with more fuel-efficient vehicles in our fleet

Estimated annual CO2e savings (metric tonnes CO2e)

88

Scope

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

This initiative includes replacing Stantec fleet with more fuel-efficient options. The majority of fleet Stantec purchases are trucks used for field work, often in remote locations. The need for heavy duty vehicles in remote locations limits options for us to “green” our fleet. Our Fleet Management team understands the environmental impacts of our fleet and makes consistent improvements to decrease vehicle emissions. Whenever a vehicle needs replacing, the team works with our business centers to replace older vehicles with those that have more efficient options. Our 2018 fleet now includes trucks with a rating of 30 mpg. In Canada and the United States, 95 vehicles were replaced in 2018 to modernize the fleet with the latest in safety design and take advantage of reduced maintenance and repair expenses. There is no additional investment required for this initiative because changes in the way we amortize capital purchases makes replacement costs negligible. There is a cost benefit to using less fuel, but the amount is not quantifiable at this time.

Initiative type

Process emissions reductions

Description of initiative

Other, please specify

Reduce non-critical and non-billable travel

Estimated annual CO2e savings (metric tonnes CO2e)

673

Scope

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

500,000

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

This initiative involves reductions in Stantec's overhead travel. Because Stantec provides professional services to global clients, we must travel to respond to clients' needs. We recognize, however, that reducing business travel emissions is an area where we do have a considerable amount of control. Accordingly, we have implemented programs to help us travel more efficiently and reduce non-essential business travel. Skype has been enabled for all employees; increased online collaboration means less travel. Management has initiated other measures to reduce overall travel and costs, like increased scrutiny of travel requests and budget restrictions. Reduced airline travel also provides reductions in rental car travel.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Stantec manages, monitors, and improves our environmental performance with a formal Environmental Management System (EMS) that is ISO 14001-certified. Our EMS has set reduction goals. Offices are audited annually for performance against those goals.
Dedicated budget for low-carbon product R&D	Stantec's product is technical service to our clients in the fields of planning, engineering, architecture, and science. We put a strong focus on research and development and innovation to further the industry and give us technical advantages. In 2018, we invested $3 million to promote innovation and facilitate collaboration. More than 90% of the topics presented at our internal Innovation Forum related to sustainability, approximately 60% of research grants were for sustainability-related ideas, and about 50% of our Publish & Speak awards related to sustainability topics.
Internal incentives/recognition programs	Managers with responsibility for our EMS and quality management systems (primarily Geographic and Regional Leaders) typically have one or more key performance indicators (KPIs) within their performance expectations related to improving the efficiency of our organization (cost, energy, waste). Evaluation of performance relative to KPIs is included in the annual career development performance review process which is conducted prior to the review and award of incentive bonus awards for performance. The procurement team is specifically recognized for their efforts to reduce our emissions. Activities include co-locating offices to more efficient buildings (space and energy), sustainability criteria with vendors, reducing paper consumption, and reducing overhead business travel.
Employee engagement	Employees are encouraged to participate in programs that reduce our company emissions and resource use. We have an environmental point of contact in each office to gather information and share best practices. We also have green teams around the company filled with passionate advocates that actively work to reduce emissions.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

Stantec is a professional services company that provides engineering and scientific consulting services. We support our clients in numerous ways that result in avoided emissions. These projects range from waste-heat to- energy, landfill gas destruction, improved forest management, low income weatherization, transportation demand management, renewable power design, and battery storage. Our climate adaptation/ mitigation programs assist clients in developing climate strategies and inventories for quantifying and addressing emission sources. In many cases, this involves switching to cleaner sources of energy and improving process efficiencies.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

Qualitative examples provided

% revenue from low carbon product(s) in the reporting year

25

Comment

Stantec offers emission avoiding/emission reducing services throughout our business operating units and geographies. For a list of our services and project examples, please see our 2018 Sustainability Report pages 10-13 (www.stantec.com/sustainability).

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1, 2013

Base year end
December 31, 2013

Base year emissions (metric tons CO2e)
11,691

Comment

Scope 2 (location-based)

Base year start
January 1, 2013

Base year end
December 31, 2013

Base year emissions (metric tons CO2e)
32,083

Comment

Scope 2 (market-based)

Base year start
January 1, 2013

Base year end
December 31, 2013

Base year emissions (metric tons CO2e)
32,083

Comment
In 2013, Stantec only calculated using the location-based method. We are unable to recalculate the number and provide a market-based total, because the residual mix is not available for the base year. Please note that the location-based result has been used as a proxy since a market-based figure cannot be calculated.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

The Climate Registry: General Reporting Protocol

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

10,333

Start date

January 1, 2018

End date

December 31, 2018

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

37,810

Scope 2, market-based (if applicable)

36,234

Start date

January 1, 2018

End date

December 31, 2018

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

954

Emissions calculation methodology

Paper data: Paper data is normalized to an 8.5" x 11" equivalent. The value is then multiplied by an emission factor to determine the total tons of CO2e per 500 sheet packages. The emission factor varies based on the recycled content of the paper. Resources: 2016 British Columbia, Best Practices for Quantifying GHG Emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Paper purchased from central vendors.

Capital goods

Evaluation status

Not relevant, explanation provided

Explanation

As a professional service organization, we do not purchase a significant number of capital goods.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1,693

Emissions calculation methodology

Line Loss: Used the country-specific average % electricity lost in the transmission and distribution, based on the output and proportion of unallocated/estimated grid losses. Then extracted the facility emissions from electricity and applied the latest transmission and distribution loss factors for the United States (eGrid v1 2016 summary tables) and Canada (National Inventory Report 1990-2015-Part 3 - Annex 13) in order to calculate the total line loss emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Line loss calculated based on emissions from the electricity consumption.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Explanation

As a professional service organization, our upstream transportation and distribution from suppliers is nominal.

Waste generated in operations

Evaluation status

Not relevant, explanation provided

Explanation

As a professional services company, Stantec operates from shared office spaces in leased buildings or home offices. Our waste generation is nominal in that our typically waste is essentially office and kitchen wastes that are collected and comingled with other tenants' waste and home wastes. Because we care about resource conservation, Stantec does implement management systems and motivates employees to minimize waste generation on the location level and to recycle/compost all waste we can.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

26,672

Emissions calculation methodology

Airline Travel: Airline travel is documented and tracked through a consolidated travel booking system (distance travelled, locations--from and to). Travel is classified based on short, medium-or long-range flight. A different CO2e factor per KM is applied based on the length of each flight.

Rental Cars: Rental car travel is documented and tracked through a consolidated travel booking system (distance travelled, car-type). A different CO2e factor per mile/KM is applied based on car-type.

Personal Cars for Business Use: Miles/KM reimbursed are tracked through our expense management system. A CO2e factor per mile/KM is applied. This is the first year we have been able to report this figure as part of our Scope 3. This is the item not provided by suppliers.

Rail: For the UK only, KM travelled per rail using a CO2e factor is calculated.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

73

Explanation

Flights, rental cars, and rail travel (UK only) are tracked through central travel agencies.

Personal car use for business travel is tracked through Stantec financial systems.

Employee commuting

Evaluation status

Not relevant, explanation provided

Explanation

Stantec does not consider employee commutes relevant because our employees work a flexible schedule based on client and personal needs. Commutes are unpredictable and it is not practical to track the commutes of almost 20,000 employees in offices and rotating client sites around the world. We offer flexible work options so that employees can avoid a commute and work from home. We work hard to locate our offices near the homes of our employees to minimize car distances and to encourage commuting via bike. We also try to locate our offices near public transportation and offer incentive/ reimbursement programs. Additionally, when employees do need to drive, we encourage them to carpool/carshare.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Explanation

As a professional service organization, our upstream leased assets are nominal.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Explanation

As a professional service organization, our downstream transportation and distribution is nominal.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Explanation

As a professional service organization, we sell our services and do not have a sold physical product.

Use of sold products

Evaluation status

Not relevant, explanation provided

Explanation

As a professional service organization, we sell our services and do not have a sold physical product.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Explanation

As a professional service organization, we sell our services and do not have a sold physical product.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Explanation

We do not have downstream leased assets.

Franchises

Evaluation status

Not relevant, explanation provided

Explanation

We do not have any franchises.

Investments

Evaluation status

Not relevant, explanation provided

Explanation

We do not have any relevant investments.

Other (upstream)

Evaluation status

Not evaluated

Explanation

Other (downstream)

Evaluation status

Not evaluated

Explanation

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000011238

Metric numerator (Gross global combined Scope 1 and 2 emissions)

48,143

Metric denominator

unit total revenue

Metric denominator: Unit total

4,283,800,000

Scope 2 figure used

Location-based

% change from previous year

14.3

Direction of change

Decreased

Reason for change

Emissions reduction activities were the reason for the change in Stantec's Scope 1 and 2 emissions. One action taken was to improve the efficiency of our buildings by moving to more energy-efficient office buildings and another action involved reducing the square feet occupied per employee (by creating more efficient layouts that are more compact and employee-friendly allowing us to accommodate more employees into smaller spaces). While reducing our Scope 1 and 2 emissions, we increased our revenue, which resulted in a lower intensity figure.

Intensity figure

2.29

Metric numerator (Gross global combined Scope 1 and 2 emissions)

48,143

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

20,982

Scope 2 figure used

Location-based

% change from previous year

14.3

Direction of change

Decreased

Reason for change

Emissions reduction activities were the reason for the change in Stantec's Scope 1 and 2 emissions. One action taken was to improve the efficiency of our buildings by moving to more energy-efficient office buildings and another action involved reducing the square feet occupied per employee (by creating more efficient layouts that are more compact and employee-friendly allowing us to accommodate more employees into smaller spaces). While reducing our Scope 1 and 2 emissions, we increased our overall number of employees, which resulted in a lower intensity figure.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	10,291	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	8	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	34	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Canada	2,681
United States of America	6,979
United Kingdom of Great Britain and Northern Ireland	263
Australia	63
New Zealand	178
Other, please specify Smaller countries of operation	169

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Fleet	8,307
Natural Gas (Stantec Controlled)	1,995
LPG	31
Fuel Oil	0
Propane	0

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Canada	17,331	15,731	66,796	0
United States of America	16,235	16,237	42,782	0
United Kingdom of Great Britain and Northern Ireland	667	725	2,516	307
Australia	348	329	544	0
New Zealand	135	135	998	0
Other, please specify Smaller countries of operation	3,094	3,077	5,604	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Electricity	33,802	32,226
Natural Gas (Landlord Controlled)	3,609	3,609
Fuel Oil (Landlord Controlled)	329	329
Propane (Landlord Controlled)	70	70

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	There was no substantial change in Stantec's renewable energy consumption. Because we occupy almost entirely leased office space with little control over our energy purchase and/or physical installation of renewable energy features, this is a difficult area for us to influence. However, we are working very hard to identify alternatives and hope to be able to report a positive change in subsequent years.
Other emissions reduction activities	4,670	Decreased	8.8	In 2017, Stantec's Scope 1 and 2 emissions were 52,813 mtCO2e and, in 2018, our Scope 1 and 2 emissions were 48,143 mtCO2e. This means that the total change in emissions is 4,670 mtCO2e, equal to a 8.8% decrease, according to the formula in the explanation of terms, (4,670/52,813)*100=8.8%. This change is attributed to two reasons: moving to more energy efficient office space and consolidating the number of square feet allocated to each employee (through the use of more efficient layout). This absolute emissions reduction was accomplished even though, during that same period, we grew our employee numbers by 6.4% and revenue by 6.3%.
Divestment				

Acquisitions	0	No change	0	Stantec has a strategy of growth through acquisition, but in 2018 the firms acquired did not significantly change our emission ratios.
Mergers				
Change in output				
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other				

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	45,833	45,833
Consumption of purchased or acquired electricity		356	97,634	97,990
Consumption of purchased or acquired heat		0	21,250	21,250
Total energy consumption		356	164,717	165,073

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Natural Gas

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
10,987

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

Comment

Fuels (excluding feedstocks)
Diesel

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization

2,696

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

32,006

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

Fuels (excluding feedstocks)

Liquefied Petroleum Gas (LPG)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

144

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Diesel

Emission factor

0.0025

Unit

metric tons CO2e per liter

Emission factor source

Multiple emission factors used in GHG inventory:
United States and Canada: TCR default emission factors 2018
Outside North America: Country-specific emission factors. If not available, UK DEFRA conversion factors 2018 used.

Comment

Weighted average used for emission factor, multiple company vehicle emission factors used in GHG inventory, by country. Calculation for Scope 1 company vehicle diesel weighted average emission factor = total diesel mtCO2e/ total diesel liter. For MWh total, TCR default emission factors 2018 used for conversion from MMBTU/barrel to MWh/liter.

Liquefied Petroleum Gas (LPG)

Emission factor

0.00152

Unit

metric tons CO2e per liter

Emission factor source

UK DEFRA conversion factors 2018

Comment

LPG is applicable for the for UK only. The associated UK DEFRA emission factor is in kgCO2e/liter. Therefore, the value has been divided by 1000 to convert to mtCO2e/liter. For MWh total, TCR default emission factors 2018 used for conversion from MMBTU/barrel to MWh/liter.

Motor Gasoline

Emission factor

0.0023

Unit

metric tons CO2e per liter

Emission factor source

Multiple emission factors used in GHG inventory:
United States and Canada: TCR Default Emission Factors 2017
Outside North America: Country-specific Emission Factors. If not available, UK DEFRA Conversion Factors 2017 used.

Comment

Weighted average used for emission factor, multiple company vehicle emission factors used in GHG inventory, by country. Calculation for Scope 1 company vehicle motor gasoline weighted average emission factor = total motor gasoline mtCO2e/total motor gasoline litters. For MWh total, TCR default emission factors 2018 used for conversion from MMBTU/barrel to MWh/liter.

Natural Gas

Emission factor

0.00192

Unit

metric tons CO2e per m3

Emission factor source

United States: EPA stationary combustion emission factors 2015.
Canada: TCR default emission factors 2018
Outside North America: Country-specific emission factors. If not available, UK DEFRA conversion factors 2018 used.

Comment

Weighted average used for emission factor, multiple natural gas emission factors used in GHG inventory. Calculation = Total Scope 1 natural gas mtCO2e/total Scope 1 natural gas consumption (m3). GWP used: CH4 28, N20 265 from IPCC Fifth Assessment Report (AR5 – 100 year). For MWh total, TCR default emission factors 2018 used for conversion from BTU/square foot to MWh/cubic meters.

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor

Energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Wind

Hydropower

Region of consumption of low-carbon electricity, heat, steam or cooling

Europe

MWh consumed associated with low-carbon electricity, heat, steam or cooling

307

Emission factor (in units of metric tons CO2e per MWh)

0

Comment

Stantec is guaranteed 100% renewable electricity supply, from wind or hydro assets at our Leeds, High Wycombe, newcastle, Redditch (September to December only) and Edinburgh, UK offices. The generation is matched to Renewable Energy Guarantees of Origin (REGOs) enabling zero emission reporting for the market-based methodology. We consumed 307 MWh of renewable energy over the 2018 reporting period.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope
Scope 1

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Stantec Global Verification Statement Limited_Final_4.30.2019.pdf

Page/ section reference
1-2

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100
Stantec Global Verification Statement Limited_Final_4.30.2019.pdf

Scope
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Stantec Global Verification Statement Limited_Final_4.30.2019.pdf

Page/ section reference

1-2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Stantec Global Verification Statement Limited_Final_4.30.2019.pdf

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Scope

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Stantec Global Verification Statement Limited_Final_4.30.2019.pdf

Page/ section reference

1-2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Stantec Global Verification Statement Limited_Final_4.30.2019.pdf

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope

Scope 3- all relevant categories

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Attach the statement

Stantec Global Verification Statement Limited_Final_4.30.2019.pdf

Page/section reference

1-3

Relevant standard

ISO14064-3

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

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Disclosure module verification relates to	Data verified	Verification standard	Please explain
C5. Emissions performance	Year on year change in emissions (Scope 1 and 2)	ISO 14064-3	Even though Stantec tracks our emissions reductions against a normalized, per person basis, we decided to verify the change in our absolute emissions as an alternative tracking mechanism. Our year on year change in emissions (Scope 1 and 2) is tracked for the global organization. This is our first year of year on year change in emissions, but a data point we plan to continue to track for the future. While our absolute Scope 1 emissions increased by 8%, our Scope 2 location-based emissions decreased by 13% and Scope 2 market-based emissions decreased by 17%.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase

Credit purchase

Project type

CO2 usage

Project identification

Stantec has begun investigation of using carbon offsets for business travel. As a rule we try to reduce business travel as much as possible, but for the travel we cannot avoid, we have plans to use carbon offsets. As a pilot program, we offset travel for an innovation forum held in our Colorado, US offices which involved employees flying from our offices around the world.

Verified to which standard

Gold Standard

Number of credits (metric tonnes CO2e)

60.71

Number of credits (metric tonnes CO2e): Risk adjusted volume

0

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Compliance & onboarding

Details of engagement

Included climate change in supplier selection / management mechanism
Code of conduct featuring climate change KPIs
Climate change is integrated into supplier evaluation processes

% of suppliers by number

90

% total procurement spend (direct and indirect)

90

% Scope 3 emissions as reported in C6.5

95

Rationale for the coverage of your engagement

This engagement area references our diverse network of suppliers and vendors as managed by our corporate Procurement and Real Estate team. Stantec's upstream suppliers include leased buildings, vehicle fleet, and vendors (for purchases of IT hardware and software, telecommunications, furniture, office supplies, technical supplies, etc). The climate-related supplier engagement strategy covers 90% of Stantec's total suppliers because we are currently only able to effectively engage with suppliers in Canada, US, UK, NZ, and AU on environmental requirements. We are still working on integrating the rest of our global operations and newer acquisitions into our corporate systems and therefore have estimated that about 10% of our suppliers and spend do not have consistent engagement on climate considerations. This engagement

percentage will improve as our integration efforts continue.

For the supplier interactions where we are able to consistently apply our management approaches, Stantec's commitment to responsible procurement includes an expectation that suppliers conduct their operations in an environmentally sustainable and socially responsible manner. Thus, Stantec is able to use our global supply chain to promote sustainable business practices and support local businesses around the world.

Our climate change engagement comes in a variety of fashions.
• Our Partner Code of Business Conduct (including environmental expectations) is available publicly and shared with all suppliers as part of the procurement process.

• We require that all corporate suppliers provide emissions data for the items we purchase from them, provide recycling support, work with us to implement behavior changes with our staff that reduces our impact, and that they disclose their climate impacts.

• We incorporated sustainability considerations into our supplier evaluation process and climate change considerations have a direct impact on our supplier selection and management. These are the suppliers that provide data for essentially all of our Scope 3 reporting. We interact with these suppliers via our Corporate Procurement Group and our IT Services Group.

Impact of engagement, including measures of success

Companies must meet our minimal standards in order to work with us. We request suppliers have environmental certifications, ask them to participate in the circular economy, and ask them to regularly report on emissions so that we can track performance. When a supplier's environmental responsibility program does not quite meet our criteria, we work with them to make improvements.

We measure the impact of our engagement by the improvement in environmental programs of our suppliers. For example, when selecting a new corporate supplier for office supplies, we had two vendors make the short list. The vendor that had a better cost and service had deficiencies in their environmental programs according to our corporate standards. We engaged with that vendor to share the issues we saw with their programs and required improvements to their program a condition of contract award. The office supply vendor responded quite well and adjusted their sustainability efforts to meet our needs. They told us that they needed customer input like this in order to elevate the importance of their environmental programs.

Another example of how our engagement helped improve our supplier environmental programs can be seen in an example with one of our rental car vendors. We regularly rent cars from the major global rental car providers in locations around the world. It became evident in emissions reporting from one of the vendors that they had holes in their tracking mechanisms for locations outside of North America. Stantec engaged with the supplier in order to identify and correct the issue. This engagement improved the accuracy of our Scope 3 emissions tracking and proactively addressed data quality

issues for their other customers.

Additional examples of our 2018 supplier engagement success include:
-Requiring that our corporate card provider provide paperless statements (eliminating printed and mailed statements for more than 10,000 employees)
-Purchase of only EPEAT and Energy Star computer equipment
-Negotiating a takeback program for computers and cell phone devices with responsible and ethical disposal (99,635 kg of equipment and 1,380 cell phones)
-Working on landlord initiatives to improve energy efficiency (HVAC systems, LED lightbulbs, etc)
-Engaging print vendors to improve resource conservation (30% less paper, recycled 600 devices, and reducing waste by 9,000 kg)

Comment

In 2018, Stantec evaluated our procurement approaches to enhance efficiency and streamline the overall process. We have proposed a new approach that will give us more visibility and control over spending. The implementation plan, still in the works, will further enhance how we address sustainability considerations with suppliers.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

60

% Scope 3 emissions as reported in C6.5

1

Please explain the rationale for selecting this group of customers and scope of engagement

Each one of Stantec's business operating units and geographies offers sustainability services to clients. We have built a multi-disciplinary team ranging from marine scientists specializing in Arctic communities to coastal hazard and risk mitigation experts to sustainable design architects located across the world. As Stantec markets our services we routinely “sell” sustainability as part of our project approach. This comes in the form of choosing sustainable projects to pursue and educating clients on ways to incorporate sustainability features into existing project plans that have an opportunity to become even more sustainable. A few examples of our work includes minimizing

climate change impacts by engineering renewable energy systems (solar, wind, hydropower), designing sustainable infrastructure according to the Envision framework, performing GHG analysis, planning resilient structures to help cities adapt to climate change, designing net zero and energy positive buildings, developing plans to help communities conserve water, designing systems that treat and provide access to clean water, protecting biodiversity and providing land restoration, managing “green” financing programs, etc.

Because climate change response, adaptation, and mitigation is an integral part of Stantec's core business, it is a part of standard client discussions and we estimate that approximately 60% of our clients receive some sort of climate change education from our project teams. It is in the best interest of our clients if they better understand the implications of climate change and potential mitigation so that their projects can have more of a positive impact. It is our best interest to do the education to grow our business opportunities and to build our positive reputation in this field.

Impact of engagement, including measures of success

Stantec's executive Sustainability Committee (internally called the Executive ESG Committee) is in charge of prioritizing and approving the client facing KPIs regarding climate change. We have three criteria we use to measure the success of our customer engagement strategy: an 80% customer satisfaction score, a position in the top 10 of sustainability-related industry rankings, and that a significant portion of our revenue is associated with projects and services that have a sustainability impact.

To assess our customer satisfaction score, we measure as a part of our ISO 9000-certified Quality Management System. In 2018, 88% of customers surveyed noted that they were satisfied with our work, with many noting our positive impact in meeting climate change mitigation goals.

Our success with industry rankings related to climate change action comes from multiple sources. In 2018, Stantec was ranked as the #1 green design firm for educational facilities (Engineering News Record [ENR]), #2 green building firm (Building Design & Construction Magazine), #3 design firm in hydropower (ENR), #7 environmental firm (ENR), #9 design firm in wind power, #19 Best Corporate Citizen in Canada (Corporate Knights), and we were named an SDG Leader (UN Global Compact, Canada Network).

To assess the percentage of our projects and services with a sustainability impact, in 2018 we made a concerted effort to map our project work to the UN Sustainable Development Goals (SDG). We set up an inter-disciplinary internal SDG committee that meets monthly to identify opportunities, share best practices, improve tracking mechanisms, and increase our SDG-related project activity. We initiated configuration of a business intelligence tracking system that associates our revenue with individual SDGs. Results of this new tracking system are still pending, but we anticipate a high level of our revenue to be applicable. From this baseline understanding, we will be able to set goals for improvement based on actual metrics and track our progress over time to see trends and opportunities.

C12.1c

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.

Stantec value chain partners include subcontractors and industry peers.

For subcontractors and specialty partners that help us deliver our projects (for example, drillers, archaeologists, laboratories, surveyors, etc), we utilize a formal subcontractor management system to evaluate whether they meet our environmental standards. To become prequalified, a subcontractor must complete the Subcontractor Questionnaire, which is reviewed and scored by Stantec subject matter experts. A company not meeting our minimum environmental criteria is either eliminated from consideration or provided support to improve their programs. Our Partner Code of Business Conduct —which outlines Stantec environmental expectations—is available publicly and shared with our subcontractors as part of the contracting process.

For our industry peers, our climate-related engagement strategy is based on thought leadership and influence that encourages debate to push the whole industry towards accomplishing more. For example, Stantec has been a vocal proponent of climate-resilient infrastructure. We were active in developing the Envision and PIEVC framework, both which enable companies like us to build sustainable infrastructure. Stantec also gets involved in industry initiatives that result in industry commitments. For example, we were an active participant in the Global Engineering Congress in London, an event focused on climate action which brought together a worldwide community of 2,000-plus engineers. Stantec moderated a session on climate-related infrastructure to discuss contributions that the engineering profession could make, which resulted in a formal group commitment to develop a practical roadmap to achieve the Sustainable Development Goals for climate change, energy, water, innovation, and sustainable cities.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations
Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Climate finance	Support	Stantec consults with policy makers on climate finance activities. For example, with the European Bank for Reconstruction and Development we are supporting implementation of the European Union Green Economy Financing Facility (GEFF). We also are part of a program to improved Pacific Island access to Green Climate Fund financing to increase climate change resilience through flood management, drainage and water supply design, coastal and marine protection, ecosystem-based adaptation, and access to meteorological equipment.	Stantec efforts support legislation that enables a transition to renewable energy sources and climate change adaptation.
Adaptation or resilience	Support	Stantec consults with policy makers adaptation and resilience projects. For example, we work with the Rockefeller Foundation and city governments under the 100 Resilient Cities program (transitioning to the Adrienne Arsht Center for Resilience) to integrate resilience strategies so that cities can adapt to physical, social, and economic challenges. We are also assisting the European Commission for EUROCLIMA+ efforts across Latin America that will enhance environmental sustainability and climate resiliency. In the Seychelles, Stantec was instrumental in helping the government implement their Climate Change Strategy, as well as develop their Intended Nationally Determined Contribution for the 2015 Conference of Paris. Our work with the government under the Global Climate Change Alliance Plus Initiative (funded by the European Union) strengthens their climate change sector policy framework and provides capacity building and adaptation for coastal areas affected by climate change.	Stantec supports legislation that enables governments to respond to new climate change conditions.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Institute for Sustainable Infrastructure (ISI)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

ISI is an organization that takes active steps to address climate change. They have developed an integrated framework called Envision to incorporate sustainability features to infrastructure projects. Climate and risks are major components of the system, which looks at minimizing emission that may contribute to increased short- and long-term risks and ensuring that infrastructure projects are resilient in future climate conditions.

How have you influenced, or are you attempting to influence their position?

Stantec's vice president of Sustainable Development sits on ISI's board and Stantec played a role in creating the Envision framework. Stantec senior staff members actively participate in efforts to adapt the framework for applicability in additional infrastructure-type projects and to promote its utilization in infrastructure development. Stantec has used the framework on ten projects, including wastewater and road projects that were first in the world. Recently, Stantec has been integral in introducing the Envision framework to Europe.

Trade association

American Institute of Architects (AIA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The AIA is an organization that takes active steps to address climate change. Their Committee on the Environment (COTE) works to advance, disseminate, and advocate design practices that integrate built and natural systems and the environmental performance of the built environment. COTE works on behalf of AIA architects regarding sustainable design and building science and performance. The AIA has instituted a

challenge to their members so that all buildings and renovations are carbon neutral by 2030.

How have you influenced, or are you attempting to influence their position?

Stantec senior architects sit on the COTE and actively advocate for more aggressive programs within the organization that address climate change. We believe strongly in designing buildings that are net zero or net positive. We try to encourage change through example. We have designed some of the first LEED v4 certified buildings and have pioneered the use of passive house construction. Stantec has signed on to the 2030 Challenge and are taking active steps to promote carbon neutral design.

Trade association

Canadian Council for Aboriginal Business (CCAB)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Indigenous peoples are among the first to face the direct consequences of climate change. According to the UN, climate change exacerbates the difficulties already faced by Indigenous communities, including political and economic marginalization, loss of land and resources, human rights violations, discrimination and unemployment. The CCAB works to minimize the effects by promoting Indigenous relationships and an economy based on shared prosperity.

How have you influenced, or are you attempting to influence their position?

Stantec's vice president of Indigenous Relations sits on the CCAB board and is also a member of Stantec's executive Sustainability Committee (internally called the Executive ESG Committee). Stantec is an inaugural member of the CCAB Procurement Champions Group and works to offer ways that Indigenous businesses can participate in our supply chain, including projects connected to climate action. Stantec is currently working on projects with Indigenous communities involving the PIEVC protocol (Public Infrastructure Engineering Vulnerability Committee) developed jointly with Engineers Canada and Natural Resources Canada). This protocol helps communities protect themselves from the impacts of climate change and helps communities recover from extreme weather events.

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Stantec staff work with our clients to help advance climate change actions and respond to a changing climate. We undertake climate change adaptation, carbon offset and mitigation projects on behalf of public and private sector clients in a variety of sectors. In addition to provincial and state-wide reporting programs, Stantec has extensive expertise with voluntary programs including The Climate Registry and The Verified Carbon Standard. We design buildings that are LEED-, BOMA Best-, Net Zero-, and Passive House- certified and design infrastructure programs that are Envision-certified. We work with governments to develop

climate frameworks and implement programs adapt to changing conditions. For example, our work with the Seychelles government under the Global Climate Change Alliance Plus Initiative (funded by the European Union) strengthens their climate change sector policy framework and provides capacity building and adaptation for coastal areas affected by rising sea levels due to climate change. We also work with financing institutions like the European Bank for Reconstruction and Development to finance public and private sustainable energy investments through the Green Energy Financing Facility Program. We also partner with organizations that are focused on advancing resilience across the globe like with the Rockefeller Foundation under the 100 Resilient Cities program (transitioning to the Adrienne Arsht Center for Resilience). Stantec has employees that are certified in programs to advance climate change mitigation, including 900+ LEED-, 250+ Envision-, and 15 Passive House-certified professionals.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Stantec utilizes our risk management process (both at an enterprise and local level) and ISO 14001-certified Environmental Management System (EMS) to ensure our engagement with organizations, research organizations, and policy makers on activities influencing climate change policy are consistent with our overall climate change strategy. Our hierarchical management approval process involves geographic leaders, business line leaders, and subject matter experts that review and approve engagement activities before they move forward. Our EMS provides the framework and audit structure to evaluate actions against our strategy. If something is identified as inconsistent via audit or collaborative effort, a performance improvement plan is put into place to rectify the situation. Executive management closely monitor progress and resolution of performance improvement plans.

Stantec also has a collaborative approval approach implemented through our cross-BOU sustainability working group that addresses the integration and synchronization of climate change strategy, service offerings, and outreach. This group is composed of subject matter experts that meet monthly to share strategy, best practice, and opportunities.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Complete

Attach the document

2018-Stantec Sustainability Report.pdf

Page/Section reference

Sustainability Report: Climate change references are included throughout the report but please find sections focused on climate action (page 9), governance (page 9), the UN Sustainable Development Goals (page 13-14), environmental stewardship section (pages 15-24), strategy and risk (page 53), and GRI environmental (pages A9-10). This is a GRI-compliant report that follows TCFD and SASB requirements/recommendations.

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

2018 Annual Report.pdf

Page/Section reference

Annual Report: Climate change is incorporated throughout the report including strategy (page 10), governance (page M-44), and risk (page M-48).

Content elements

Governance
Strategy
Risks & opportunities

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

2019 Annual Information Form.pdf

Page/Section reference

Annual Information Form: Climate action is included as a reference to sustainability governance and strategy (page 11).

Content elements

Governance
Strategy

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

2019 Management Information Circular.pdf

Page/Section reference

Management Information Circular: Climate action is included as part of sustainability governance (pages 39-40).

Content elements

Governance

Comment