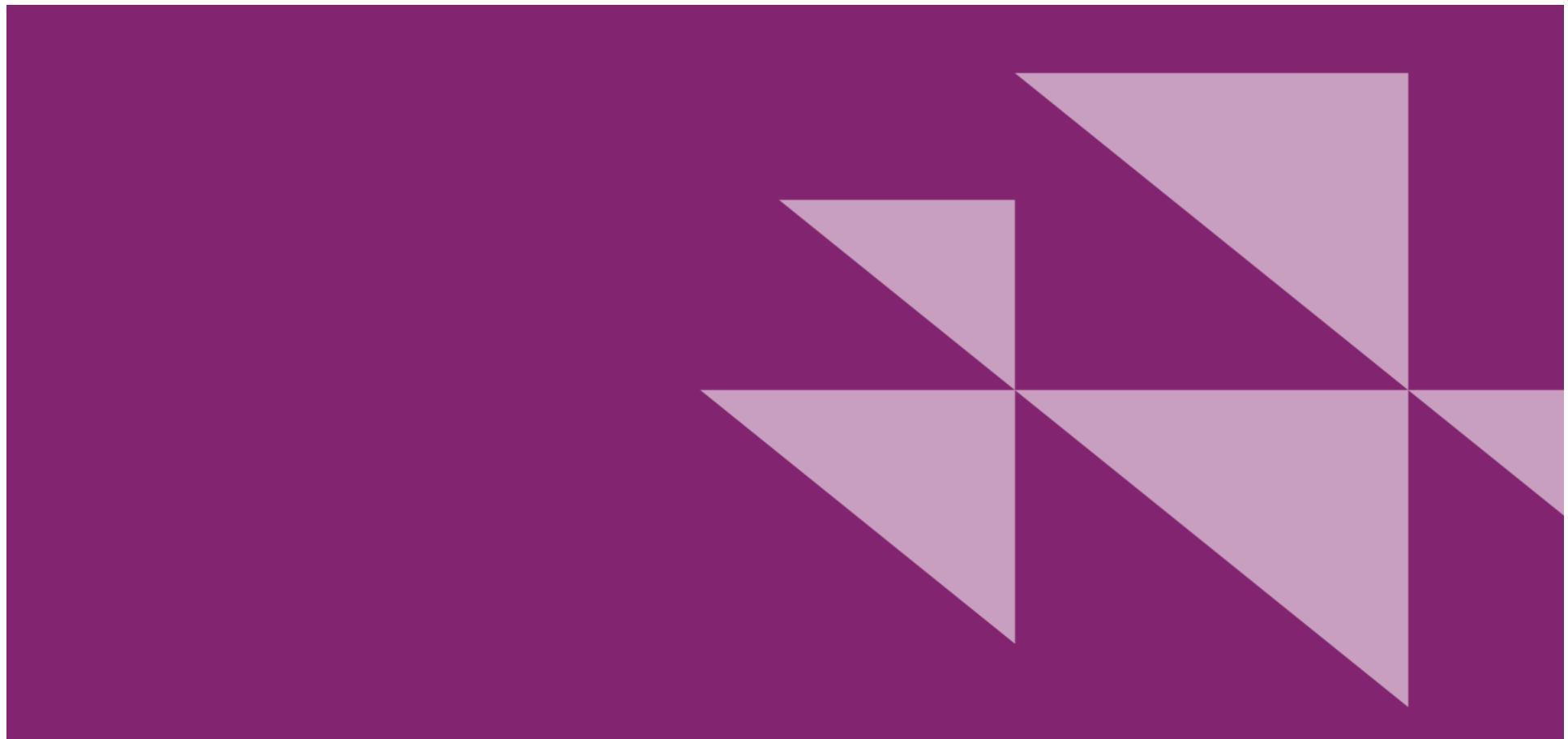

CDP Climate Change Questionnaire 2018 – Stantec Consulting Services



C0 Introduction

Introduction

(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. Continually striving to balance economic, environmental, and social (ESG) responsibilities, we are recognized as a global leader and innovator in the delivery of sustainable solutions. 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. We are designers, engineers, scientists, and project managers innovating together to support projects at all phases of the infrastructure and facilities project life cycle – planning, design, construction, commissioning, maintenance, decommissioning, and remediation.

Stantec organizes our business into two service offerings: Consulting Services and Construction Services.

Consulting Services: We provide professional consulting services in planning, engineering, architecture, interior design, landscape architecture, surveying, environmental sciences, project management, and project economics. Our 2017 revenue was \$4 billion generated from our infrastructure, buildings, water, environmental services, and energy & resources business operating units. We have 20,000 employees located in offices around the world. Stantec's sustainability disclosures (including this CDP submittal) cover our Consulting Services organization.

Construction Services: Our 2,000 employees provide construction and construction management services mainly on water-related projects. Our 2017 revenue was \$1.1 billion, generated from key long-term clients in the United States (US) and United Kingdom (UK).

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

01/01/2017 to 12/31/2017

Indicate if you are providing emissions data for past reporting years:

No

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

Argentina
Australia
Bahamas
Barbados
Belgium
Canada
Chile
China

Ethiopia
Fiji
India
Italy
Netherlands
New Zealand
Pakistan
Peru

Qatar
Saudi Arabia
Taiwan
Turkey
United Arab Emirates
United Kingdom
United States

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

CAD

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

Operational control

C1 Governance

Board oversight

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

Yes

(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.

Board/Executive Board

Stantec's Board of Directors is responsible for climate-related issues. The board has delegated oversight to a board-level Health, Safety, Security, Environment, and Sustainability (HSES) Committee. This committee was created to provide oversight on health, safety, security, environment, social, and governance performance. Stantec's impact to climate change is considered part of the environmental scope of activities and climate-related issues are a standing agenda item at each board-level committee meeting. Operationally, the day-to-day activities regarding climate change are led by an Environment and Sustainability Program Manager who monitors and reports issues to an executive-level Sustainability Committee (internally called the Executive ESG Committee). This executive-level Sustainability Committee is chaired by the COO, who interacts directly with the board-level HSES Committee on climate-related issues.

(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

Scheduled – all meetings

Governance mechanisms into which climate-related issues are integrated

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

Please explain

The board-level Health, Safety, Security, Environment, and Sustainability Committee is responsible for overseeing the 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.

(C1.2) Below board-level, provide the highest-level management 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	Both assessing and managing climate-related risks and opportunities	Half-yearly
Chief Financial Officer	Both assessing and managing climate-related risks and opportunities	Half-yearly
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	Half-yearly
Environment/Sustainability Manager	Both assessing and managing climate-related risks and opportunities	Half-yearly

(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.

As previously noted, Stantec has a board-level Health, Safety, Security, Environment, and Sustainability (HSSES) Committee with responsibility for Stantec’s climate-related action, among others. Twice a year, the COO provides this board committee operational updates, with climate being a standing agenda item. Additionally, the CFO provides information to the board on investor implications of climate change. Both the COO and CFO are members of an Executive Sustainability Committee (internal to Stantec, this is the Executive ESG Committee), with the COO being the Executive Sustainability Committee chair. The Executive Sustainability Committee is accountable for climate performance and oversees assessment, management, and prioritization of climate risks and opportunities. Besides the COO and CFO, additional Executive Sustainability Committee members include the Chief Strategy Officer; Senior Vice President (SVP) Health, Safety, Security, and Environment (HSSE); SVP Practice and Programs; VP Managing Counsel; VP Procurement and Real Estate, and the Environment and Sustainability Program Manager. The committee members were selected based on their commitment to sustainability and their ability to impact organizational change, including that related to climate. The Executive Sustainability Committee officially meets twice a year as a complete group but communicates regularly throughout the year with the Environment and Sustainability Program Manager to implement the climate program and to respond to issues and opportunities. The Environment and Sustainability Program Manager provides day-to-day monitoring of climate issues and leads Stantec climate action. This position reports up to the Environmental, Health, and Safety Manager (internal to Stantec, this is the SVP of HSSE), who reports to the COO.

Employee incentives

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

Yes

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.

Who is entitled to benefit from these incentives?	Types of incentives	Activity incentivized	Comment
Management Group	Recognition (non-monetary)	Efficiency Project	Managers with responsibility for ISO14001 and other quality management systems (primarily Geographic and Regional Leaders) have key performance indicators (KPIs) related to emission reductions within their performance expectations. Managers are also recognized and rewarded for operational efficiencies that translate into bottom-line savings, which also provide us benefits in the form of emission reductions. Additionally, our corporate purchasing group is expected to engage on sustainability objectives. 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.
Environmental, Health, and Safety Manager	Recognition (non-monetary)	Emissions Reduction Target	At Stantec, the sustainability program is part of the Health, Safety, Security, and Environment (HSSE) organization. While a specific KPI is not set for financial reward, success in reducing emissions provides a positive recognition to the overall HSSE team, and this specific manager.
Environment/ Sustainability Manager	Monetary Reward	Emissions Reduction Target	Success of the Stantec Sustainability Manager 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

Time horizons

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

Time horizon	From (years)	To (years)	Comment
Short-term	1 year	5 years	Stantec works against specific strategies using 5-year increments. We just finished a short-term goal cycle from 2013-2017. We have just embarked on a new short-term goal cycle from 2018-2023.
Medium-term	5 years	15 years	We are tracking our progress against medium-term goals, set from 2013-2028.
Long-term	15 years	30 years	We are tracking our long-term goals against long-term goals, set from 2013-2043.

Management processes

(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) 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
Six-monthly or more frequently	> 6 years	<p>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.</p> <p>The board-level Health, Safety, Security, Environment, and Sustainability (HSSES) Committee provides climate-related oversight and reviews the company's climate risk tolerance/risk retention policy.</p> <p>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.</p>

(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, BOU Directors, Location Leaders, and Practice Leaders. Specific to climate-related risks, potential impacts are identified and analyzed with the Environment and Sustainability Program Manager. Significant environmental impacts are also incorporated into Stantec’s ISO 14001-certified Environmental Management System’s (EMS) risk registers. 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 business operating unit 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) Which of the following risk types are considered in your organization's climate-related risk assessments?

Risk type	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>Stantec has staff dedicated to understanding current regulations related to climate. These individuals support our company risks, as well as client risks. The United Nations COP-21 Paris Agreement as well as climate-related regulations in our major markets (Canada, US, UK, European Union, Australia, and New Zealand) have a direct impact on how we approach client work. For example, our environmental services team provides permitting support for oil and gas clients. As emission requirements change at a national or state/province level, this creates uncertainty for our clients and might cause a client to rethink proceeding on a project. Delays or cancelation of a project can result in reduced revenue for Stantec. At the same time, regulations related to climate are often drivers that enable project opportunities for Stantec since we provide the type of services that help companies stay in compliance with climate regulations.</p> <p>Stantec staff closely track environmental regulations at a local level. For example, in the UK we use an online service called Newground to stay up-to-date with legislation. At a corporate level, our Executive Sustainability Committee (internally known as 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.</p>

Emerging regulation	Relevant, always included	<p>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). 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. Relaxation or repeal of laws and regulations could also impact the demand for our services. For example, Stantec performs carbon management consulting in Canada. We have been working with clients to prepare for the proposed carbon taxes (at a federal and province level). The recent announcement Ontario cancelling proposed cap and trade policies presents a risk to our business in that projects we have begun could potentially be cancelled or result in a significant change of scope.</p> <p>At the same time, 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.</p> <p>Stantec staff closely track emerging environmental regulations through a variety of methods. Our Executive Sustainability Committee (internally known as 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.</p>
Technology	Relevant, always included	<p>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 well as risks, technology improvements 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 new greenhouse building technology that supports food security and energy efficiency in high-Artic climates.</p>
Legal	Not relevant, included	<p>Stantec plays close attention to legal risks related to climate change. Our evaluations, however, are less pertaining 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.</p>

Market	Not relevant, included	Stantec's supply chain includes office equipment/supplies, airlines, vehicles, and project subcontractors. As the market transitions to a low-carbon economy, we do not anticipate significant price increases for the products and services we procure. If a supplier goes out of business due to climate change requirements or does not meet our minimum supplier-required climate standards, we tend to have a significant number of replacement alternatives available. In fact, as our current/potential suppliers respond to climate risks/opportunities, it improves Stantec's climate actions. Regarding Stantec as a service provider, 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. 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". If we are perceived as not protecting communities, we 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.
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 Texas, Louisiana, and Florida were directly affected by the hurricanes that hit those states. Staff had difficulty coming to the office and projects in the areas were delayed due to water or infrastructure damage. 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

		<p>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.</p> <p>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.</p>
Upstream	Relevant, always included	<p>Stantec’s upstream risks are primarily related to our leased office space. Extreme weather events could result in closed offices, difficulty for staff coming to work, damage to our office space, project delays and client dissatisfaction and claims. Please see the discussion under “Market and Acute Physical” above for examples and risk mitigation approaches.</p>
Downstream	Relevant, always included	<p>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. Please see the discussion under “Acute Physical and Chronic Physical” for examples and risk mitigation approaches.</p>

(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. 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 to address specific risks. Relevant information is captured and communicated in a timeframe that enables our people to carry out their responsibilities. 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.

The Board of Directors provides oversight and carries out its risk management mandate primarily through the board-level Audit and Risk Committee (ARC). Quarterly, both the ARC and the board receive a report on the principal risks which require the most attention by management (i.e. those principal risks with a residual risk rating of medium or higher). This quarterly reporting ensures the board has proper oversight of key risk initiatives. The CEO, along with the C-suite roles, are directly accountable to the board for all risk management practices and are supported by our risk management team.

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. 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 Environment and Sustainability Program Manager and subject matter experts located in each of our BOUs and geographies. Actions are approved by the Executive Sustainability Committee (internally known as the Executive ESG Committee – covering environmental, social, and governance topics) and reported to the board through the board-level Health, Safety, Security, Environment, and Sustainability Committee.

An example of how the process has been applied to a transition risk 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 this risk. While this regulatory uncertainty presents a risk, it also provides us a business opportunity. 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. This risk also presents an opportunity for Stantec as we offer climate adaptation services to clients that help them prepare and respond to extreme weather and rising sea levels.

Risk disclosure

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

Yes

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier	Where in the value chain does the risk driver occur?	Risk type	Primary climate-related risk driver	Type of financial impact driver	Company- specific description	Time horizon
Risk 1	Direct operations	Physical risk	Acute: Increased severity of extreme weather events such as cyclones and floods	Reduced revenue and higher costs from negative impacts on workforce (e.g., health, safety, absenteeism)	Extreme weather can have a direct impact on Stantec's business continuity. Events can include tropical storms, increased/decreased precipitation (flooding, drought), and more frequent/intensive fires. The impact to Stantec operations includes business interruptions, staff safety, and project delays. For example, our office in Houston, Texas was impacted by hurricane Harvey. This is a leased space and we experienced no physical damage to our interior space, but we did experience disruptions. Many roads from employee homes were flooded or damaged so that commuting became difficult and/or unsafe. There was damage to the office park where the building is located so, for about a week, it was not possible for employees to come to the office. We immediately implemented our crisis management plan and responded in a coordinated manner. Though we let employees take time off to deal with personal impacts, many employees took advantage of virtual work options and were able to keep their projects moving by working from home.	Current

Risk 2	Customer	Transition risk	Technology: Costs to transition to lower emissions technology	Technology: Costs to adopt/deploy new practices and processes	<p>Stantec provides engineering, environmental, and planning services for a variety of clients who will be impacted by the need to transition to a low carbon economy. We work for clients such as municipalities (e.g., transportation systems, water/wastewater treatment facilities, urban planning), resource companies (e.g., tailings management, site investigations, environmental services for new/retrofit pipelines), multinationals (e.g., water management for beverage manufacturing), and building managers (e.g., schools, hospitals, office buildings). Climate change can directly impact our client's projects in the form of their business continuity, investor interest (increased or decreased), disruption in work, or a change in public perceptions. This could impact the economies connected to our client's businesses, the availability of natural resources to continue their operations, and their social license to operate. New environmental regulations, laws, and policies could result in increased costs for our clients in their need for new technology, increased energy/fuel costs, difficulties navigating bureaucracy, need for additional protection/reporting activities, and possible carbon pricing mechanisms. These changes create the potential for possibly delaying or preventing an infrastructure project from going forward, thus reducing the potential for our services.</p>	Medium-term
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Risk 3	Direct Operations	Transition risk	Technology: Costs to transition to lower emissions technology	Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums)	<p>As the impacts of climate change are felt and the need increases for companies to respond (either voluntarily or due to regulation), the costs of energy and fuel will increase and the cost of complying with new regulations will rise. If we look specific to fuel, a significant amount of Stantec's overhead is allocated to travel since Stantec applies our expertise to projects around the world. We are attractive as an employer, in part, because we offer a global work experience that lets employees build a network of international colleagues and to work on international projects. Accordingly, Stantec employees must travel to meet client needs. Any increases in the cost of fuel usually increases the price of travel. This increases our operational costs, which in turn could negatively impact our bottom line. An example of a project that necessitated global expertise and global is the Stantec-designed third set of locks for the Panama Canal. Our team consisted of individuals from Panama, Buenos Aires, Lima, Chicago, Denver, Milan, London, Edinburgh, and Sydney who worked together to deliver this iconic project. Though much of the work was performed virtually, extensive travel was necessary. Any increases in price after a project is bid (including increased travel costs), comes off the bottom line.</p>	Short-term
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Likelihood	Magnitude of impact	Explanation of financial impact	Management method	Comment
1-Likely	Low	<p>We estimated the financial impact of this risk to be nominal, estimated at less than 1% of our revenue because we feel our business continuity and emergency response plans are sufficient to contain this risk. Regarding impacts on our project work, there is always the potential projects will be delayed to weather, but as long as the project moves forward, our virtual work options, geographically dispersed project teams, and redundant technical systems/human expertise means we can keep projects progressing even when some individuals are not available.</p>	<p>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 the ability of staff to continue their work in a virtual manner. WE also maintain a robust disaster recovery program. For example, when looking at office space in Florida, Louisiana, or Texas, we look floodplains as part of our decision analysis to minimize the impacts of flooding. For offices in Santiago, Christchurch, and San Francisco, we pay attention to the seismic ratings of office buildings. For offices in Lima, we look at the Tsunami risk in regards to proximity to the coast.</p> <p>To keep our employees safe in the case of an extreme weather event, Stantec's health and safety training and communication approaches are in place to keep employees prepared and informed. This applies to work safety as well as home safety.</p> <p>Redundancy in our IT systems minimize the impact of disruptions in a single data hub and we put a focus on flexible and virtual work options so that employees can easily work from home, or other locations, in the event of commuting disruptions.</p>	<p>The cost of managing this risk has already been realized by Stantec as a part of other risk management responses. There was no additional cost to implement the noted risk management programs.</p>

2-Unlikely	Medium	<p>While the risk could potentially touch all of our BOUs and service offerings, the likelihood is fairly low because Stantec has positioned ourselves as a company that can apply sustainability to our project work. The sort of clients that select Stantec are clients that are already proactive in managing their environmental and climate impacts. We estimate the potential financial impact of this risk to be about 5% of revenue.</p>	<p>While we do recognize this risk has the potential to negatively impact our business by slowing down or cancelling projects, we feel that climate change is more likely to create increased demand for Stantec services. We have positioned ourselves as a sustainable, socially-responsible company and have already incorporated sustainable infrastructure design into our company strategy. We are consistently increasing our share of the climate consulting market and focus on aligning our sustainability services across the company for consistency in messaging and leveraging of opportunities. Stantec also continues to grow through acquisition. We actively look for companies that align with our company culture and these sorts of companies often provide climate-related services. This organic and acquisition growth helps us diversify our service offerings and geographic markets to protect against this transition risk. For example, our larger recent acquisitions include MWH Global and RNL Architects. Both companies were recognized leaders in the sustainability field: MWH for water resource management and renewable energy, RNL for energy-efficient building design. While we continued to increase our sustainability offerings within the firm, the acquisitions helped us establish ourselves as a true player.</p>	<p>The marketing focus and cross BOU coordination efforts are already incorporated into our business culture. This is a point of engagement for many staff and a requirement of maintaining our reputation.</p>
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3-Virtually certain	Medium	Stantec has already begun experiencing the increases in operational costs related to climate change. We estimate that if we were to do nothing, our overhead costs would rise by 10%.	At a company level, Stantec's Procurement Team has been implementing a strategy to minimize the impact of increases in fuel and energy costs. The strategy streamlines operations and minimizes our overhead costs. For example, to reduce our emissions and save money, we have been consolidating offices and moving into energy-efficient office space. The layouts of the new spaces are optimized to keep the square foot per employee ratio low. This makes Stantec less vulnerable to energy cost increases. Regarding fuel, Stantec is implementing a strategy to reduce the impact increases in fuel costs. We have been working on "greening" our fleet (including purchase of vehicles with better gas mileage). We have also implemented management controls to reduce the amount we are traveling. Additionally, we have made significant investments in Skype so that people have more options for virtual meetings (audio and video) to further reduce the need for travel.	The management approaches that have been put in place result in cost savings that is greater than the costs of implementation. The good news is that these cost-cutting strategies are also resulting in lowering Stantec's overall emissions and helping us meet our emission reduction goals.
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Opportunity disclosure

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

Identifier	Where in the value chain does the opportunity occur?	Opportunity type	Primary climate-related opportunity	Type of financial impact	Company-specific description	Time horizon
Opp 1	Customer	Products and services	Development and/or expansion of low emission goods and services	Increased revenue through demand for lower emissions products and services	<p>Climate change presents a business opportunity for Stantec as we currently offer a variety of services connected to climate change assessment/mitigation/adaptation and anticipate that demands for our services will only increase with additional climate pressure. 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</p> <p>Stantec has already begun to see the market evolve. For example, 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.</p> <p>Not only does Stantec see an opportunity to sell more services, we also see our efforts attracting more investment capital as investors recognize us as a responsible investment choice.</p>	Current

Opp 2	Customer	Markets	Access to new markets	Increased revenues through access to new and emerging markets (e.g., partnerships with governments, development banks)	<p>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.</p> <p>An example of Stantec's services getting applied to new markets includes our partnership with the Rockefeller foundation under the 100 Resilient Cities program where we have been able to apply our existing technical expertise in water, infrastructure, and energy to a new type of opportunity where we partnered with cities worldwide in their adaptation to physical, social, and economic challenges presented by climate change.</p>	Medium-term
Opp 3	Direct operations	Energy source	Use of lower-emission sources of energy	Other: Cost-saving emission reductions	<p>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 factors that reduce our reported emissions. To address the situation, Stantec's strategy is to place our operations in energy-efficient buildings. Climate change has aided us in this approach by making energy-efficient buildings more readily, making it easier to find buildings that meet our needs. 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. Climate change is making new products available that utilize post-consumer waste, produce minimal off-gassing, and promote reuse/recycling/repurposing.</p>	Short-term

Likelihood	Magnitude of impact	Explanation of financial impact	Strategy to realize opportunity	Comment
1-Virtually certain	Medium-high	<p>Stantec tracks our projects through a series of product codes in our financial system. Analysis of our “green” service codes indicate a minimum 25% of our revenue directly supports climate action. Within the past 5 years, we have seen total dollar amount of these services grow steadily, year-after-year. If we project a similar amount of growth in the future, we anticipate up to 25% additional revenue within the next five years.</p>	<p>Stantec already provides a variety of climate-related services. We have progressively expanded our scope and now offer these services in each of our markets and in each of the geographies where we operate. This early positioning has helped us become recognized as industry leaders.</p> <p>To realize the opportunity potential, we are leveraging our market position, increasing the variety of service we provide, and expanding our geographic presence. We established an inter-disciplinary, internal sustainability committee that works together to actively nurture an integrated approach to addressing climate change. This team meets regularly to share expertise, knowledge, and innovative ideas; coordinate efforts to jointly pursue client opportunities; and monitor our project work to look for additional ways to support clients in their climate change endeavors. For example, our Buildings operating unit and our Water operating unit both work on the Denver Water Operations Complex Redevelopment, in two different capacities (water resource management as well as energy efficiency design and implementation). Our internal sustainability working group recognized synergies between our separate client efforts. By working together, we could collaborate in a way that improved our overall positive impact, increased our project profit, and expanded our operational knowledge base.</p>	<p>The efforts to realize this opportunity have already commenced as part of our Strategic Planning program. We do believe that additional investment of approximately \$500,000 is needed to accelerate our efforts and fully realize the opportunities.</p>

2-Very likely	Medium-high	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 Paris Agreement and Sustainable Development Goals. This is especially true for our International Development and Resiliency operations. Based on the trajectory of growth of these services so far, we have projected a 15% increase in revenue for these service lines.	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. Stantec-affiliated authors wrote 20 papers that were published in peer-reviewed technical journals. Additionally, Stantec regularly partners with academic researchers on a variety of topics, including climate change.	In 2017, we funded \$1.5 million in project grants to fund innovative ideas and research. We anticipate similar innovation investments in future years.
3-Likely	Medium-low	Stantec has already seen the financial benefits of these space reduction activities. 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. The million-dollar annual savings estimate is a conservative number based on results realized in 2017.	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. A successful case study can be seen in our New York City operations where we consolidated 5 offices into a LEED Silver building with an efficient layout that resulted in a considerable reduction of square feet per employee. This move significantly improved the quality of working conditions for our New York City employees, produced considerable emission reductions, and saved the company a significant amount of money.	Stantec believes this investment is relatively small as it has been incorporated into existing company strategies and relationships. We do anticipate there will be some investment needed when additional renewable energy options become more available with utility companies. We estimated \$100,000 of potential investment costs.

Business impact assessment

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

Area	Impact	Description
Products and services	Impacted	Climate change has created demand for new services (like climate change adaptation, carbon accounting, renewable energy production) while government changes in regulations have created market uncertainty (like the European Union non-financial disclosure requirements, the US pulling out of the Paris Agreement, and Ontario's pledge to roll back pending carbon tax legislation). These conditions present an overall positive business impact to Stantec because we are able to provide more climate-related services and have seen our market share grow. For example, in Turkey, there is new financing available for efficiency and renewable energy projects offered by the European Bank for Reconstruction and Development (EBRD). Stantec has been able to augment our technical consultant capabilities with financial acumen to help the EBRD promote and implement their Sustainable Energy Financing Facility program.
Supply chain and/or value chain	Impacted for some suppliers, facilities, or product lines	Climate change and stakeholder pressures have forced many of Stantec's vendors to offer products and services that are more energy-efficient or utilize fewer resources. Many of our subcontractors are also increasingly aware of the need for climate change adaptation. 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 improve 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 implemented a variety of adaptation efforts in our response to climate change. For example, 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. We also provide climate change adaptation and mitigation services to clients and have already seen an increase in demand. As an example, we are providing the Seychelles government support in developing policies and responses to rising sea levels. We have already begun similar work in other countries. We will continue to expand our capabilities in this area so that we can support our clients in their needs.
Investment in R&D	Impacted	Stantec recognizes the importance of thought leadership regarding climate change and, annually, makes a multi-million-dollar investment in R&D to support innovation. We invest in climate change technologies, quantification approaches, as well as adaptation and mitigation strategies. This investment will continue and our focus on innovation in relation to climate change will only increase.

Operations	Impacted	Climate change pressures encourage Stantec to become more efficient as an operation. Cost cutting measures often produce emission reduction opportunities. We continue our focus on reducing emissions and conserving resources due to our desire to be a responsible corporate citizen and in response to stakeholder pressures. Extreme weather has, and will continue, to cause problems with staff commutes and can potentially delay or cancel projects, but the opportunities presented by climate change to our operations outweigh the risks by creating new markets and increasing the demand for the types of services we provide.
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Financial planning assessment

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

Area	Relevance	Description
Revenues	Impacted	As part of our financial planning process, Stantec plans for increased revenues as the demand for climate change and overall sustainability services increase. 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 2017, additional revenues and market potential justified hiring two new Sustainability Practice Leaders for our Buildings and Water business operating units.
Operating costs	Impacted	Sustainability is included in our budgeting process. There are budgeted costs for reporting and emissions management, but most of our emissions reduction efforts are connected to cost-reduction strategies. For example, to reduce operational costs, Stantec has been actively working on consolidating offices to eliminate unused space. During the process, we have been able to move into energy-efficient buildings. These efforts have resulted in millions in cost savings as well as reductions in emissions.
Capital expenditures/capital allocation	Not 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, these are purchases that would be made anyway for operational purposes, so the emission reduction efforts are not an additional expense.
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. Since sustainability is already key service area for Stantec, the acquisitions we make tend to naturally expand our climate service offerings and reduce our per person emissions. For example, the acquisitions in the last two years of MWH

		Global and RNL have vastly expanded our climate-related services (e.g., expansions in water resources, international development, renewable energy, energy efficient building design) and have also reduced our per person emissions (e.g., by occupying energy efficient buildings, by operating out of geographies with more efficient energy sources, and by having lower per person square foot ratios.)
Access to capital	Impacted	As Stantec improves our corporate successes in responding to climate change and expands the amount of work we provide to clients related to climate change, we increase 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. We anticipate this trend to continue.
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.

C3 Business strategy

Business strategy

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

Yes

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

Yes, qualitative

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

Climate risks and opportunities have a direct influence on our business objectives and strategic planning process. Stantec's stated purpose—our positioning platform and the highest tier of our strategic plan—is to “create communities”. When we say community, we don't just mean the neighborhoods that people call home. We mean everyone and everything with a stake in the work that we do—from our Stantec and industry colleagues to the clients we collaborate with and the people and places we impact. We recognize that monitoring and managing climate risks is core

to a healthy and sustainable community. We therefore minimize our climate impacts and help our clients minimize theirs. This climate action has become a critical element of our long-term competitiveness and has helped us maintain our top 10 global design firm market position.

As part of our strategic planning process we identify, analyze, and monitor changes and trends in the marketplace to recognize opportunities and guard against risk. We forecast three to five years ahead and we frequently review the plan as the market conditions, the environment, and our internal imperatives change. We have a Chief Strategy Officer, 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.

Stantec works with industrial and government clients around the world on projects that are directly impacted by climate change and climate services are an important part of our growth strategy. Working with clients to minimize climate change and adapt to changing conditions are a key part of our business focus. We are considered industry leaders 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. In 2017, we named Sustainability Practice Leaders in our business operating units (BOUs) to strategically grow our services related to energy efficiency, water management, and renewable energy. We created a cross-BOU working group tasked with developing and coordinating technical delivery of sustainability services in all our operating units and geographies. We also began tracking the company revenue directly related to our "green" services in order set growth projections.

Operationally, we have management structures in place to ensure climate-related issues are integrated into our business objectives and strategies. This includes a board-level Sustainability Committee (internally called the Health, Safety, Security, Environment, and Sustainability Committee) and an executive-level Sustainability Committee (internally called the Executive ESG Committee), of which our Chief Strategy Officer is a member. We recognize the Paris Agreement, the UN Sustainable Development Goals, and the need to adapt to climate change. Our business strategy includes looking for environmental efficiencies (e.g. energy use reduction) to improve our own carbon footprint as well as risk mitigation and cost-reduction mechanisms. We are doing whatever we can to support world efforts to keep the increases in temperatures below 2 degrees Celsius by setting aggressive corporate targets for our energy reduction, GHG emission reduction, and resource-use conservation. Our business target is a 40% reduction in our GHG emissions (mtCO₂e) per employee by 2028, relative to a 2013 baseline.

Most of Stantec's employees are scientists and engineers who recognize the importance of climate science and climate response. Besides being the "right" think 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.

Sustainability is also a consideration in our acquisition strategy as we look for companies that provide us long-term growth and stability. For example, the acquisition of MWH Global increased our company capabilities in the areas of water scarcity management and renewable energy production. The acquisition of RNL grew our capabilities in energy-efficient building design.

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

Stantec's risk analysis related to climate change most closely follows the World Energy Outlook 2DS scenario. As we developed our updated emission reduction strategy, we looked to recommendations from the Paris Agreement and the Science Based Target initiative. We analyzed our impacts and opportunities to identify how we could support the world's efforts to keep the projected warming limit at under 2 degrees Celsius, impacts both internal and external to the company.

Internal to the company, the 2Ds scenario helped give us a framework so that we could drastically cut our emissions. We defined aggressive goals so that we could cut our company per person emissions by more than 40% from 2013 to 2050. We aligned our reduction goals against cost-cutting strategies because we knew those were the ones to most likely move forward. The results of our analysis also empowered us to further the use of renewable energy in our operations.

External to the company, we put a focus on designing renewable energy and reducing the overall energy needs of our projects. We evaluated how we could better connect our various design services in wind, solar, hydropower, battery storage systems, and cogeneration. We looked at financing trends for renewable energy projects and the role we could play. We projected our impact with carbon reductions as a result of energy-efficient building design and client emission reduction programs. We analyzed our support of electric and automated car technology, from our design of battery charging stations for Tesla throughout Canada, to our work on automated car proving grounds in Northern California. We also looked at the environmental support we provide for oil & gas companies to help them minimize their emissions and overall environmental impact.

C4 Targets and performance

Targets

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

Intensity target

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

Target reference number	Scope	% emissions in Scope	% reduction from baseline year	Metric	Base year	Start year	Normalized baseline year emissions covered by target (metric tons CO2e)
Int 1	Scope 1+2 (location-based)	100%	40%	Metric tons CO2e per unit FTE employee	2013	2013	3.60
Int 2	Scope 3	89.7%	20%	Metric tons CO2e per unit FTE employee	2017	2017	1.36
Int 3	Scope 1+2 (location-based)	100%	5%	Metric tons CO2e per unit FTE employee	2013	2013	3.60

Target year	Is this a science-based target?	% achieved (emissions)	Target status	Please explain	% change anticipated in absolute Scope 1+2 emissions	% change anticipated in absolute Scope 3 emissions
2028	Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science Based Targets Initiative	64%	New	<p>Stantec had a 5-year mtCO2/FTE employee reduction goal for the time-period of 2013-2017 but decided to expand the timeframe to 2028 and set an overall more aggressive reduction schedule utilizing Science Based Target (SBT) criteria. Because SBT do not yet apply to professional service firms, we took the criteria and tried to apply it as best we could to our type of company. 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.</p> <p>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 through 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.</p>	48%	0%
2028	No, but we anticipate setting one in the next 2 years	0%	New	<p>In 2017, Stantec integrated MWH Global operations. This had a significant impact on our Scope 3 numbers because global travel distances are much larger than the pre-acquisition previous travel of exclusively North America. Additionally, historically Stantec's business travel included airlines and rental cars, but for the first time, in 2017, we were able to capture business travel of employees with their personal cars. As a result, we are setting our Scope 3 reduction goals based off a 2017 baseline year.</p> <p>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 through the reduction of</p>	0%	52.2%

				emissions generated by each employee. While our absolute emissions may grow due to company expansion, our per person impact is progressively smaller.		
2017	No	100%	Expired	As noted above, Stantec had a 5-year mtCO2/FTE employee reduction goal for the time-period of 2013-2017. At the end of 2017, this target was complete.	20%	0%

Emissions reduction initiatives

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

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tons CO2e (only for rows marked *)
Under investigation	7	2,000
To be implemented*	4	915
Implementation commenced*	2	14,000
Implemented*	4	2,205
Not to be implemented	0	0

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

Activity type	Description of activity	Estimated annual CO2e savings (metric tons CO2e)	Scope	Voluntary/Mandatory
A. Energy efficiency: Building fabric	Other: Consolidate Real Estate	1,500	Scope 1; Scope 2 (location-based)	Voluntary
B. Energy efficiency: Building fabric	Other: Lease More Energy-Efficient Buildings	180	Scope 1; Scope 2 (location-based)	Voluntary
C. Process emissions reductions	New Equipment	165	Scope 1	Voluntary
D. Process emissions reductions	Changes in operations	360	Scope 3	Mandatory

Estimated lifetime of the initiative	Comment
Ongoing	Stantec has found that our greatest ability to minimize our emissions is to more efficiently use our office space. We are focused on consolidating our real estate when we have multiple buildings in a location or unused office space. We also work to modify the layout of existing offices for maximum use of space. We have identified an optimal space per employee and have a standard office layout focused on energy efficiency and employee productivity/wellness, which also happens to provide cost-saving benefits.
Ongoing	Stantec operates primarily out of 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. While we do work with landlords to reduce operational energy use and encourage energy-efficiency upgrades, to reduce our emissions in a way where we can show results we focus on occupying buildings that are already energy-efficient. We use a real estate 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 2017 we moved into 7 buildings with varied levels of energy standards. While this effort often results in more expensive buildings being leased, we do believe the overall benefits outweigh the additional cost.

Ongoing	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 2017 fleet now includes trucks with a rating of 26 mpg and next year will include trucks with a rating of 30 mpg. In Canada and the United States, over 100 vehicles were replaced in 2017 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.
Ongoing	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. In 2017, Skype was 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) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
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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 2017, we invested \$3 million to promote innovation and facilitate collaboration (\$1.5 million specific to project grants and research and development). Approximately 60% of the money went towards sustainability topics, including energy efficiency and adaptation to a low-carbon world.

Internal incentives/recognition programs

Managers with responsibility for ISO14001 and other 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 consumptions, 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.

Low-carbon products

(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) Please 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.

Aggregation	Description of product/ Group of products		Comment
Group of products	<p>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.</p>	Avoided emissions	<p>Stantec Emission Avoidance Stats:</p> <ul style="list-style-type: none"> • We have designed 175,000+ MW of renewable energy (150,000+ MW of hydropower, 15,000+ MW of wind, and 10,000+ MW of solar) • We have performed 5,100+ atmospheric science projects and 80+ greenhouse gas and energy action plans • We have restored 1,600+ kilometers (1,000+ miles) of rivers • We have 880+ LEED-certified professionals and have designed 620+ LEED-certified, 40 net-zero registered, and 2 Passive House-registered buildings, including Canada's first net-positive commercial building, net-zero industrial building, and Passive House educational building. <p>A few project examples of projects include:</p> <ul style="list-style-type: none"> • Confidential Client, Canada: Stantec performed carbon neutral studies and energy audits for large federal facilities with a combined total floor area of approximately 160,000 m² (1,700,000 ft²). These buildings had a combined annual energy use of 133,000 GJ/year. The studies identified potential energy savings of approximately 56,000 GJ/year GHG emission savings of some 1,700 mtCO₂e/year. • Turkey Sustainable Energy Financing Facility (TurSEFF) Program, Turkey: Stantec is supporting a European Union, European Bank for Reconstruction and Development program with the aim of providing finance for sustainable energy investments in the public and private sectors. Over EUR 500 million of funds have been utilized to finance more than 1,000 energy efficiency and renewable energy projects resulting in 448 MW of new renewable energy power installed and emission reductions equivalent to that emitted by more than 800,000 cars every year and the total energy savings are equivalent to the energy consumed by more than 3 million in Turkey every year. • Thames Water, eight2O Program, England: By helping the client embracing circular economy concepts, Stantec's actions resulted in a 25% reduction in embodied carbon emissions, use of 90% recycled aggregates, zero waste to landfill and zero net loss of biodiversity, recycle/reuse of 98% of construction and demolition waste, drainage and flood resilience improvements, and local community support. • Chacayes Hydropower Plant, Chile: Stantec designed a run-of-river hydropower facility that produces 111 MW of power, enough energy to supply more than 300,000 homes. The project abates over 374,000 mtCO₂/year.

C5 Emissions methodology

Base year emissions

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

Scope	Base year start	Base year end	Base year emissions (metric tons CO2e)	Comment
Scope 1	01/01/2013	12/01/2013	11,691	
Scope 2 (location-based)	01/01/2013	12/01/2013	32,083	
Scope 2 (market-based)	01/01/2013	12/01/2013	32,083	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.

Emissions methodology

(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

Scope 1 emissions data

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

9,585

Scope 2 emissions reporting

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

Scope 2, location-based	Scope 2, market-based	Comment
We are reporting a Scope 2, location-based figure	We are reporting a Scope 2, market-based figure	

Scope 2 emissions data

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

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
43,228	43,606	

(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

Scope 3 emissions data

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

Sources of Scope 3 emissions	Evaluation status Metric tons CO2e	Emissions calculation methodology Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, calculated 739.20	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. 100%	Paper purchased from central vendors.
Capital goods	Not relevant, explanation provided 0	Not Applicable 0%	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)	Relevant, calculated 1,987.80	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 v2 2014 summary tables) and Canada (National Inventory Report 1990-2014-Part 3 - Annex 13) in order to calculate the total line loss emissions. 0%	Line loss calculated based on emissions from the electricity consumption.
Upstream transportation and distribution	Not relevant, explanation provided 0	Not Applicable 0%	As a professional service organization, our upstream transportation and distribution from suppliers is nominal.

Waste generated in operations	Not relevant, explanation provided 0	Not Applicable 0%	As a professional services company, Stantec operates from shared office spaces in leased buildings or home offices. 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	Relevant, calculated 24,073.30	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 traveled per rail using a CO2e factor is calculated. 73%	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	Not relevant, explanation provided 0	Not Applicable 0%	Stantec does not consider employee commutes relevant because our employees work a flexible schedule based on client and personal needs.

			<p>Commutes are unpredictable and not practical to track almost 20,000 employees in offices and 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.</p>
Upstream leased assets	<p>Not relevant, explanation provided</p> <p>0</p>	<p>Not Applicable</p> <p>0%</p>	<p>As a professional service organization, our upstream leased assets are nominal.</p>
Downstream transportation and distribution	<p>Not relevant, explanation provided</p> <p>0</p>	<p>Not Applicable</p> <p>0%</p>	<p>As a professional service organization, our downstream transportation and distribution is nominal.</p>
Processing of sold products	<p>Not relevant, explanation provided</p> <p>0</p>	<p>Not Applicable</p> <p>0%</p>	<p>As a professional service organization, we sell our services and do not have a sold physical product.</p>
Use of sold products	<p>Not relevant, explanation provided</p> <p>0</p>	<p>Not Applicable</p> <p>0%</p>	<p>As a professional service organization, we sell our services and do not have a sold physical product.</p>
End of life treatment of sold products	<p>Not relevant, explanation provided</p> <p>0</p>	<p>Not Applicable</p> <p>0%</p>	<p>As a professional service organization, we sell our services and do not have a sold physical product.</p>

Downstream leased assets	Not relevant, explanation provided 0	Not Applicable 0%	We do not have downstream leased assets.
Franchises	Not relevant, explanation provided 0	Not Applicable 0%	We do not have any franchises.
Investments	Not relevant, explanation provided 0	Not Applicable 0%	We do not have any relevant investments.
Other (upstream)	Not evaluated 0	Not Applicable 0%	
Other (downstream)	Not evaluated 0	Not Applicable 0%	

Carbon dioxide emissions from biologically sequestered carbon

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

No

Emissions intensities

(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	Metric numerator	Metric denominator	Metric denominator	Scope 2 figure used	% change	Direction of change	Reason for change
.0000131083	52,813.20	Unit total revenue	4,029,000,000	Location-based	17.9%	Increased	The 2017 increase is due to a difference in 2016 calculation methodologies. You see, in 2016, Stantec was unable to provide an accurate intensity figure per unit of total revenue because the operations from the MWH Global, Inc acquisition were not part of the emissions boundary, but were part of the Consulting Services revenue (e.g., Scope 1 + 2 emissions were legacy Stantec only but Consulting Services revenues were for both legacy Stantec + legacy MWH). Because we do have an accurate intensity figure in 2017, we went ahead and calculated the artificially low 2016 intensity figure per unit of total revenue. Since our Scope 1 + 2 per person intensity figures dropped between 2016 and 2017, we suspect our intensity figures per unit of total revenue also dropped in reality, but we are unable to accurately demonstrate the reduction.
2.68	52,813.20	FTE employee	19,716	Location-based	14.8%	Decreased	The reductions in emissions are a result of specific reduction activities. Activity #1 improves the efficiency of our buildings by moving to more energy-efficient office buildings. The most significant decrease comes from Activity #2 where Stantec reduced the amount of square feet we occupy by employee. We have worked on consolidating offices in the same location and creating more efficient layouts that are more compact. This allows us to accommodate more employees into smaller spaces, lowering the emissions per employee.

C7 Emissions breakdown

Scope 1 breakdown: GHGs

(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?

Yes

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

Greenhouse gas	Scope 1 emissions (metric tons of selected GHG, in CO2e)	GWP Reference
CO2	9,544.1	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	8.0	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	32.9	IPCC Fifth Assessment Report (AR5 – 100 year)

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

Country/Region	Scope 1 emissions (metric tons CO2e)
Canada	2,605.6
USA	6,441.7
UK	91.4
AU	90.4
NZ	164.1
Other – Smaller countries of operation	191.8

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

By business division

By activity

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

Business division	Scope 1 emissions (metric tons CO2e)
Consulting Services	9,585

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

Activity	Scope 1 emissions (metric tons CO2e)
Fleet	8,246.6
Natural Gas (Stantec controlled)	1,314.6
LPG	23.8
Fuel Oil	0.0
Propane	0.0

Scope 2 breakdown: country

(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	18,484.5	18,892.6	61,164.5	0
USA	20,262.2	20,229.8	48,204.8	0
UK	427.8	451.5	1,556.8	0
AU	345.0	334.6	551.5	0
NZ	145.5	145.7	980.5	0
Other – Smaller Countries of Operation	3,563.0	3,551.8	6,587.3	0

Scope 2: business breakdowns

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

By business division

By activity

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

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Consulting Services	43,228	43,606

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

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Electricity	39,339.0	39,716.9
Natural Gas (Landlord Controlled)	3,364.2	3,364.3
Fuel Oil (Landlord Controlled)	401.6	401.6
Propane (Landlord Controlled)	123.2	123.2

Emissions performance

(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?

Increased

(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.

Reason	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Other emissions reduction activities	2,205	Decreased	4.61%	Stantec reduced its Scope 1 and 2 emissions by 2,205 mtCO2e (as reported in C4.3a) due to several emission reduction activities implemented during 2017. Since Stantec's 2016 Scope 1 and 2 emissions were 47,781, we were able to reduce our absolute emissions by 4.61%. Emissions value (percentage) calculation = $((2,205/47,781)*100=4.61\%)$. However, please note that during that same period, Stantec's business grew through acquisition (as noted in the acquisitions row below). Thus, our absolute emissions were higher in 2017 than in 2016, but not as high as they would have been if we hadn't implemented reduction activities during the year.

Divestment				
Acquisitions	5,032	Increased	10.5%	Between 2016 and 2017, Stantec incorporated the MWH acquisition (our largest acquisition ever) into our Scope 1 and 2 accounting. Even with a 30% increase in the number of employees due to the acquisition, we were able to keep our Scope 1 and 2 emissions increase to only 10.5% as a result of concerted efforts to improve efficiency. Emissions value calculation = $(1 - (52,813 (2017 \text{ Scope 1 and 2}) / 47,781 (2016 \text{ Scope 1 and 2}))) = 10.5\%$ increase. Change in emissions (mtCO ₂ e) calculation = $52,813 (2017 \text{ Scope 1 and 2}) - 47,781 (2016 \text{ Scope 1\&2}) = 5,032 \text{ mtCO}_2\text{e}$.
Mergers				
Change in output				
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other				

(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

Energy spend

(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%

Energy-related activities

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

Activity	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) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Energy carrier	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (MWh's in LHV)	HHV	0	41,455.0	41,455.0
Consumption of purchased or acquired electricity	N/A	80	99,265.0	99,345.0
Consumption of purchased or acquired heat	N/A	0	19,698.0	19,698.0
Consumption of purchased or acquired steam	N/A	0	0	0
Consumption of purchased or acquired cooling	N/A	0	0	0
Consumption of self-generated non-fuel renewable energy	N/A	0	0	0
Total energy consumption	N/A	80	160,418.0	160,498.0

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

Fuel application	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
	No

Consumption of fuel for the generation of steam	
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

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

Fuels	Heating value	Total MWh consumed by the organization	MWh consumed for the generation of electricity
Natural Gas	HHV	7,234.0	0
Diesel	HHV	2,677.0	0
Motor Gasoline	HHV	31,432.0	0
LPG	HHV	112.0	0

MWh consumed for the generation of heat	MWh consumed for the generation of steam	MWh consumed for the generation of cooling	MWh consumed for cogeneration or trigeneration
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0

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

Fuels	Emission factor (mtCO _{2e} /MWh)	Unit	Emission factor source	Comment
Natural Gas	0.00193	Metric tons CO _{2e} per m ³	United States: EPA Stationary Combustion Emission Factors 2015. Canada: TCR Default Emission Factors 2017 Outside North America: Country-specific Emission Factors. If not available, UK DEFRA Conversion Factors 2017 used.	Weighted average used for emission factor, multiple natural gas emission factors used in GHG inventory. Calculation = Total Scope 1 Natural Gas mtCO _{2e} / Total Scope 1 Natural Gas Consumption (m ³). GWP Used: CH ₄ 28, N ₂ O 265 from IPCC Fifth Assessment Report (AR5 – 100 year). For MWh total, TCR Default Emission Factors 2017 used for conversion from BTU/square foot to MWh/cubic meters.
LPG	0.00151	Metric tons CO _{2e} per liter	UK DEFRA Conversion Factors 2017	LPG is applicable for the for UK only. The associated UK DEFRA Emission Factor is in kgCO _{2e} per liter. Therefore, the value has been divided by 1000 to convert to mtCO _{2e} per liter. For MWh total, TCR Default Emission Factors 2017 used for conversion from MMBTU/barrel to MWh/liter.
Diesel	0.00260	Metric tons CO _{2e} per liter	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.	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 mtCO _{2e} / Total Diesel Gallons. For MWh total, TCR Default Emission Factors 2017 used for conversion from MMBTU/barrel to MWh/liter.
Motor Gasoline	0.00233	Metric tons CO _{2e} per liter	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.	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 mtCO _{2e} / Total Motor Gasoline Gallons. For MWh total, TCR Default Emission Factors 2017 used for conversion from MMBTU/barrel to MWh/liter.

(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	Low-carbon technology type	MWh consumed associated with low-carbon electricity, heat, steam or cooling	Emission factor (in units of metric tons CO2e per MWh)	Comment
Energy attribute certificates, Guarantees of Origin	Wind Hydropower	22.34	0	Stantec is guaranteed 100% renewable electricity supply, from wind or hydro assets at our Leeds, UK office. The generation is matched to Renewable Energy Guarantees of Origin (REGOs) enabling zero emission reporting for the market-based methodology. We consumed 22.34 MWh over the 2017 reporting period.

C9 Additional metrics

Other climate-related metrics

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

None

C10 Verification

Verification

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

Scope 1 – Third-party verification or assurance process in place

Scope 2 – Third-party verification or assurance process in place

Scope 3 – Third-party verification or assurance process in place

(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	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported emissions verified (%)
Scope 1	Annual process	Complete	Limited assurance	Attached	1-2	ISO14064-3	100%
Scope 2 location-based	Annual process	Complete	Limited assurance	Attached	1-2	ISO14064-3	100%
Scope 2 market-based	Annual process	Complete	Limited assurance	Attached	1-2	ISO14064-3	100%

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

Scope	Verification or assurance cycle in place	Status in the current reporting year	Attach the statement	Page/section reference	Relevant standard
Scope 3-all relevant categories	Annual process	Complete	Attached	1-2	ISO14064-3

Other verified data

(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?

No, but we are actively considering verifying within the next two years

C11 Carbon pricing

Carbon pricing systems

(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

Project-based carbon credits

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

No

Internal price on carbon

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

No, and we don't anticipate doing so in the next two years

C12 Engagement

Value chain engagement

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

Yes, our suppliers and our customers

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

Type of engagement	Details of engagement	% of suppliers by number	% total procurement spend (direct and indirect)	% Scope 3 emissions as reported in C6.5	Rationale for the coverage of your engagement	Impact of engagement, including measures of success	Comment
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Compliance & Onboarding

Included climate change in supplier selection / management mechanism

Climate change is integrated into supplier evaluation processes

% of suppliers by number

90%

% of total procurement spend (direct and indirect)

90%

% Scope 3 emissions as reported in C6.5

95%

Rationale for the coverage of engagement:

Stantec has made a corporate commitment to only work with suppliers that espouse and match our environmental values. As a rule, we engage with all these suppliers on climate change issues. We request that all corporate suppliers provide emissions data for the items we purchase from them, ask them to follow our Partner Code of Business Conduct, request that they provide recycling support, require that they work with us to implement behavior changes with our staff that reduces our impact, and require that they disclose their climate impacts. As a professional service firm, Stantec's suppliers include travel agencies (for flights and hotels), rental cars companies, office supply companies, printing outsourcing, fleet, furniture, and

computer equipment. These Stantec teams have 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. We interact on environmental requirements with 100% of these suppliers in Canada, US, UK, NZ, AU. We are still working on integrating the rest of our global operations from the MWH acquisition 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. Please note, that for our carbon reporting we did collect environmental data from vendors from countries that have not yet been integrated. This is the reason for the higher percentage reported in the Scope 3 portion of the question.

Impact of engagement, including measures of success

Stantec asks our suppliers to demonstrate their environmental commitments during the vendor selection process. Environmental criteria is weighted on our evaluation scorecard and companies must meet our minimal standards in order to work with us. We request suppliers have environmental certifications (for example, EPEAT and Energy Star for our computer equipment), ask them to participate in the circular economy (for example, our printing suppliers and office vendors are required to take back used equipment, use paper with recycled-content, and utilize recycled toner), and ask them to regularly report on emissions so that we can track performance. When a supplier does not have a strong enough sustainability program, we try to work with them to make improvements. For example, we are currently in the process of selecting a new corporate supplier for office supplies. We had two vendors make the short list. One of the office supply vendors had a much stronger commitment to the environment than the other. We reached out to the vendor whose program was lacking and shared with them the issues we saw with their program and told them that if they did not make changes, we could not work with them. This office supply vendor responded quite well. They told us that they needed customer input like this in order to elevate the importance of their environmental programs. This company made changes to their programs to accommodate our requests. This put the two office supply vendors on an even playing field and allowed the procurement team to focus on evaluating against cost-related factors. If the office supplier had not responded to our environmental requests, they would have been eliminated from the selection process.

Comment

This question has been answered from the context of Stantec’s North American Consulting Services (Canada and the US), which covers the majority (84%) of Stantec’s Consulting Services employees. While our procurement programs are comprehensive within North America, we are still working on expanding the program to cover all of our global operations as part of the MWH acquisition integration process.

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

Engagement category	Engagement type	Size of engagement	% Scope 3 emissions as reported in C6.5	Please explain the rationale for selecting this group of customers and scope of engagement	Impact of engagement, including measures of success
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Collaboration & innovation

Run a campaign to encourage innovation to reduce climate change impacts

Size of engagement

60%

% Scope 3 emissions as reported in C6.5

1%

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

The reason Stantec engages with our customers on climate change is because we offer climate-related consulting services on projects around the world. For example, specific to minimizing climate change impacts, we engineer renewable energy systems (solar, wind, hydropower), we perform GHG analysis, we plan resilient structures to help cities adapt to climate change, we design net zero and energy positive buildings, we develop plans to help communities conserve water, we design systems that treat and provide access to clean water, we protect biodiversity and provide land restoration, we support “green” financing programs, etc. Beyond our climate change-specific services, when clients come to us for projects that do not inherently have a sustainability feature, it is our business practice to try to educate them and suggest sustainability features or considerations that can be incorporated into project designs. We would estimate that there is some sort of climate change education connected to about 60% of our projects. 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

The impact of Stantec’s engagement with customers can be seen through our expanded service offerings and increased revenue from climate change mitigation services. An example can be seen in our work for a water utility in the UK. By helping the client embracing circular economy concepts, Stantec’s actions resulted in a 25% reduction in embodied carbon emissions, use of 90% recycled aggregates, zero waste to landfill and zero net loss of biodiversity, recycle/reuse of 98% of construction and demolition waste, drainage and flood resilience improvements, and local community support.

We also innovate with our customers to reduce climate change impacts. For example, we designed Canada’s first post-secondary education facility targeting Passive House certification and first commercial net positive energy building, we designed the first Envision-verified wastewater treatment and transportation projects, and we designed Canada’s largest biofuel energy facility and the first closed-loop integrated organics waste management system in North America.

We measure our success through increased revenue from climate-related services, client satisfaction and industry recognition. Between 2016 and 2017, Stantec was able to increase our climate-specific revenue from \$425 million to \$997 million CAD, a 134% increase. As a part of our ISO 9000-certified Quality Management System, we monitor overall customer satisfaction and, in 2017, 91% of customers surveyed noted that they were satisfied with our work. Regarding industry recognition, in 2017 we were named the Top 5 Green Design Firm by Sector and the Top International Design firm in Power-Hydro Plants by Engineering News Record.

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

Stantec has numerous subcontractors and specialty partners that help us deliver our projects (for example, drillers, archeologists, laboratories, surveyors, etc). In 2017 we began engaging with these partners so that they meet our standards, including climate change criteria. We implemented a new Partner Code of Business Conduct and added related selection criteria to our prequalification process for all tier 1 partners. We now require that these partners follow business practices consistent with Stantec's environmental, social, and governance standards. Through our formal subcontractor management system, we evaluate all of our subcontractors to determine if they meet our standards. To become prequalified, a subcontractor must complete the Subcontractor Questionnaire, which is reviewed by Stantec subject matter experts. Stantec defines a subcontractor as "high risk" if it does not meet our minimum criteria. The score a subcontractor receives in our evaluation process determines if we will work with them. "Approved" means they meet all our identified criteria; "conditional approval" recognizes that the subcontractor might be higher risk but allows us to work with them under stricter observation; and "do not use" means they are considered too high of risk for us to do business with their company. For our North America operations, we assessed 2,500 subcontractors in the last 3 years. Of that, 116 subcontractors received "conditional approval" and we worked with them to address/improve their programs. There were also 23 that received "do not use" status because they could not meet our standards.

Public policy engagement

(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) 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 Turkey Sustainable Energy Financing Facility. 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 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) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

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

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you influenced, or are you attempting to influence the position?
Institute for Sustainable Infrastructure (ISI)	Consistent	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.	Stantec has senior staff members that sit on various ISI boards. We are part of the creating and management of 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.
American Institute of Architects (AIA)	Consistent	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.	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.

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

Not Applicable

(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 In the Seychelles to develop climate frameworks and implement programs adapt to changing conditions. For example, Stantec was instrumental in helping the Seychelles 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 rising sea levels due to climate change.

We also work with financing institutions to help encourage energy efficiency. For example, Stantec supports the European Bank for Reconstruction and Development's efforts to finance public and private sustainable energy investments through the Turkey Sustainable Energy Financing Facility Program. Over EUR 500 million of funds have been utilized to finance more than 1,000 energy efficiency and renewable energy projects resulting in 448 MW of new renewable energy power installed. The resulting emission reductions are equivalent to what is emitted by almost 80,000 cars every year and the total energy savings are equivalent to the energy consumed by almost 3 million people in Turkey every year.

We also partner with organizations that are focused on advancing resilience across the globe. For example, we partnered with the Rockefeller Foundation under the 100 Resilient Cities program, providing financial and technical assistance to cities worldwide. Integrated urban resilience strategies helped cities adapt to physical, social, and economic challenges resulting from climate change.

Stantec has employees that are certified in programs to advance climate change mitigation, including 800+ LEED-, 240+ Envision-, and 12 Passive House-certified professionals. We also have 12 Green Globes, 4 Pearl-qualified, and 3 Greenroads professionals.

(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. We have a hierarchical management approval process that 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. We also have a 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. 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.

Communications

(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	Status	Attach the document	Content elements
In voluntary sustainability report	Complete	Sustainability Report	Governance Strategy Risks & opportunities Emission figures Emission targets Other metrics
In mainstream reports	Complete	Annual Report	Strategy Risks & Opportunities