

Welcome to your CDP Climate Change Questionnaire 2020

C0. Introduction

C0.1

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

Stantec Inc. is a global professional services company that trades on the TSX and on the NYSE. We are designers, engineers, scientists, and project managers innovating together to support a more sustainable world. We provide professional consulting services in planning, engineering, architecture, interior design, landscape architecture, surveying, environmental sciences, project management, and project economics. Our 2019 gross revenue was \$4.8 billion. Sustainability is critical to ensure our long-term competitiveness: it helped us achieve our position as a top-rated global design firm and remain profitable every year since our founding in 1954.

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

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

C0.2

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

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	January 1, 2019	December 31, 2019	No

C0.3

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

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

C0.4

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

CAD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C1. Governance

C1.1

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

Yes

C1.1a

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

Position of individual(s)	Please explain
Board-level committee	<p>Stantec’s Board of Directors is responsible for climate-related issues. The board established a board-level Sustainability Committee (internally called the Health, Safety, Security, Environment, and Sustainability [HSSES] Committee). This committee was created to provide oversight on health and safety, security, environmental (including climate change), and social performance. Climate-related issues are a standing committee agenda item.</p>
Chief Financial Officer (CFO)	<p>Stantec’s CFO chairs our executive-level Sustainability Committee (internally called the Executive ESG Committee, which is accountable for our sustainability performance) and is responsible for communicating critical ESG knowledge and concerns to the CEO, her C-Suite colleagues, and board Sustainability Committee.</p> <p>The Sustainability Committee ensures that sustainability and stakeholder priorities align, that sustainability is integrated into our Strategic Plan and operations, and that sustainability-related impacts, risks, and opportunities are addressed.</p> <p>The executive Sustainability Committee is coordinated by the Environment/Sustainability VP and committee members include the following:</p> <ul style="list-style-type: none"> • CFO (Committee Chair) • COO, Global Operations • Chief Human Resources Officer • SVPs of Corporate Strategy and Environmental Services • VPs of Risk Management, Practice Services, and European Operations <p>Among other activities, the Sustainability Committee is in the process of setting new emission reduction targets (Science-Based Targets) and is working towards a carbon neutrality plan. Our CFO is actively facilitating decisions and approvals.</p>

C1.1b

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

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

C1.2

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

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify Chief Practice and Project Officer	Both assessing and managing climate-related risks and opportunities	Quarterly
Chief Financial Officer (CFO)	Both assessing and managing climate-related risks and opportunities	As important matters arise
Sustainability committee	Both assessing and managing climate-related risks and opportunities	Quarterly
Environment/ Sustainability manager	Both assessing and managing climate-related risks and opportunities	Quarterly

C1.2a

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

There are multiple, senior-level hierarchies that monitor and respond to climate-related issues at Stantec.

1. As noted above, the executive Sustainability Committee (internally called the Executive ESG Committee) provides oversight and guidance of Stantec's sustainability practices and commitments. This committee is chaired by the CFO and coordinated by the Environment/Sustainability VP, with active participation from the COO of Global Operations; Chief Human Resources Officer (CHRO), senior vice presidents of Strategy and Environmental Services; and vice presidents of Risk Management, Practice Services, and European Operations. The committee members were selected based on their commitment to sustainability, their understanding of climate-related implications on our business and the world at large, and their ability to impact organizational change in relation to climate action (both internal operations and client-facing services). This team communicates and meets regularly to share information regarding environmental, social, and governance implications (potential risks and opportunities, as well as management approaches) on our business and acts accordingly. The Sustainability Committee is accountable for climate performance and oversees assessment, management, and prioritization of climate risks and opportunities. As Committee chair, the CFO interacts with the CEO, her C-Suite colleagues, and board on climate-related issues. Additionally, the CFO provides updates because she is responsible for overseeing the financial and investor implications of climate change.

2. The hierarchy of the corporate sustainability function rolls up to the Chief Practice and Project Officer (CPPO), who regularly receives updates on climate-related issues from the Environment/Sustainability VP. Because he is the line manager of corporate sustainability function at Stantec, on a quarterly basis the CPPO provides the board Sustainability Committee (internally called the Health, Safety, Security, Environment [HSSE] and Sustainability Committee) operational updates, with climate-related sustainability issues being a standing agenda item.

3. The Environment/Sustainability VP monitors climate issues and leads Stantec climate action. She provides regular updates to the executive Sustainability Committee and to the CPPO.

At Stantec, the "chief" positions (CFO, COO, CPPO, CHRO) all report to the CEO. The Environment/Sustainability VP reports to the CPPO.

C1.3

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

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

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

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Management group	Non-monetary reward	Efficiency project	Managers with responsibility for ISO14001 and other quality management systems (geographic, sector, and functional service leaders) have key performance indicators (KPIs) related to emission reductions within their performance expectations. Geographic and functional service managers are recognized and rewarded for operational efficiencies that translate into bottom-line savings, which also provide us benefits in the form of emission reductions. Evaluation of performance relative to KPIs is included in the annual career development performance review process, which is conducted prior to the review and award of incentive bonus awards for performance.
Environment/Sustainability manager	Monetary reward	Emissions reduction project Emissions reduction target Efficiency project Behavior change related indicator	Success of the Stantec Environment/Sustainability VP 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.
Chief Financial Officer (CFO)	Monetary reward	Emissions reduction target	Stantec's CFO is charged with managing investor relations. Investors are increasingly focused on evaluating investments through

			the lens of sustainability, ascribing greater market value to companies with a clear focus on ESG. Our CFO's bonus is partially based on success in building relationships with investors and successfully communicating Stantec's commitment to ESG performance. One item of investor concern is Stantec's progression towards meeting emission reduction targets. Thus, in an indirect manner, our CFO's monetary reward is connected to Stantec reducing our emissions.
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C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	1	5	
Medium-term	5	15	
Long-term	15	30	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Stantec defines “substantive financial impact” in two ways: cost (more than \$30M) and decrease of share price (more than 20%). 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.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

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 maintain a risk register and our risks are evaluated and updated for accuracy on a quarterly basis. To populate the risk register, the Stantec ERM director identifies risks

jointly with executives, business operating unit directors, location leaders, and practice leaders. Specific to climate-related risks, potential impacts are identified and analyzed with the Environment/Sustainability VP. Significant environmental impacts are also incorporated into Stantec's ISO 14001-certified Environmental Management System (EMS). Environmental risks, including those pertaining to climate, are considered within the EMS aspects and impacts registers. We follow ISO 14001 guidance to identify relevant environmental aspects and determine which activities have an impact on the environment under normal, abnormal, and emergency operating conditions.

Climate risks have been identified at a corporate level as well as at a 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.

An example of how our risk process addressed a physical risk can be seen in our IT management system. Wildfire was identified as a physical risk for our Edmonton, Alberta headquarters, which is also our IT hub. We recognized that local offices also had the potential for loss of IT-related intellectual property due to climate-related weather issues (such as fires, hurricanes, flooding, severe storms). In response, Stantec's IT Disaster Recovery systems features a full redundant server system at an off-site location in Edmonton with each local office backing-up data on their networks nightly with a tape sent off-site each weekend. This approach is registered to the ISO20000 IT Service Management Standard.

Stantec forecasts three to five years ahead as part of an official strategic planning process. This involves a deep dive review into megatrends and market conditions. Trends and forces are grouped into the following categories: climate change and resource security; demographic, social, and urbanization changes; economic power, market shifts, and geopolitics; and incremental and breakthrough technology. In our most recent planning cycle, 2019, we named four strategic growth initiatives where Stantec has competitive advantage and that represent key needs of clients and communities (Coastal Resilience, Ecosystem Restoration, Smart Cities/Urban Places, and Energy Transition). Each year, at a business unit level, Stantec business managers review and refresh local goals against the corporate strategy. This includes SWOT, risk, and opportunity analyses.

For a company like Stantec, climate risks are often opportunities. For example,

- The physical risk of sea level rise creates opportunities for Stantec. Our Coastal Resilience campaign includes both natural and built solutions that include a combination of ecosystem restoration, land management, and physical defenses, such as our work for the Prime Hook National Wildlife Refuge in the Delaware Bay, US that involved design of a protective beach barrier system.
- The transition risk of new policies creates opportunities for Stantec's buildings group as climate change is causing price inflation in insurance premiums. As a long-term cost-saving measure that avoids skyrocketing long-term operational costs, clients are increasingly looking for companies like Stantec to design sustainable buildings and

infrastructure, such as our work for the Varennes Library, Quebec, Canada that meets net-zero objectives to lower long-term operational costs.

Value chain stage(s) covered

Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

Stantec's Project Management Ecosystem specifies Stantec's expectations of project managers and provides a scalable framework to promote a pragmatic and disciplined approach to project delivery. It includes the critical tasks for managing risks and achieving quality delivery on typical projects.

Our Project Risk Review Committee reviews projects that have a potential for significant financial and/or reputational impact, including impacts related to climate change. This Committee consists of senior Stantec leaders as well as relevant subject matter experts (depending on the scope of the project).

At a project level, Stantec frameworks consider sustainability topics such as climate change, water use, air emissions, energy use, human rights, ethics, stakeholder engagement, and Indigenous relations. Impacts are evaluated during the proposal and the health, safety, security, and environmental planning stages and then reviewed through project audits.

The project risk review happens as part of the go/no-go process. It is a forum to enable a candid and open discussion to evaluate risks, identify the probability/potential impact of such risks, establish mitigation measures, apply lessons learned from past projects, provide technical review and guidance, and consider the impact to Stantec's total risk portfolio. The process is triggered when a project meets a set of pre-established criteria. Project teams provide detailed information on the project, that is then reviewed by a Business Operating Unit Risk Committee, Executive Leadership Risk Committee, or both. At the conclusion of the risk review the Committee makes recommendations. If the project is a "go", conditions are set, and continued oversight is provided.

C2.2a

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

	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 and client risks. The UN Paris Agreement and climate-related regulations in our major markets (Canada, US, UK, European Union, Australia, and New Zealand) directly impacted how we approach client work.</p> <p>For example, Stantec has a significant operation in the UK and we have been closely tracking the UK government commitment and subsequent regulatory framework to be net zero by 2050. This has had a direct impact on our project work. Because of this government commitment, the UK water utilities (more than 55% of our UK revenue) has made a commitment to achieve net zero by 2030. This is an opportunity because Stantec provides consulting to help these clients meet their goals, but is also a risk because there is an expectation that Stantec will set similar goals for our operations if we hope to continue working for these clients.</p> <p>Also in the UK, the Streamlined Energy & Carbon Reporting (SECR) regulations introduced new reporting requirements for Stantec at a local level (traditionally our emissions reporting had been focused on the global corporate company). This created an additional reporting effort (from a level of effort and cost standpoint).</p> <p>Stantec staff closely track environmental regulations. At a corporate level, our executive Sustainability Committee (internally called the Executive ESG Committee) and business unit management watch closely for potential regulation changes so that we can respond quickly to the impacts, both positive and negative. At a local level we rely on subject matter experts and tracking systems to help us stay in tune. For example, in the UK we use an online service called Newground to stay up to date with legislation.</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). Relaxation or repeal of laws and regulations could also impact the demand for our services. New environmental regulations, laws, and policies could result in increased costs for our clients or create the potential for litigation, possibly preventing a project</p>

		<p>from going forward and thus reducing the potential for our services.</p> <p>Stantec staff track environmental regulations. At a corporate level, our executive Sustainability Committee (internally called the Executive ESG Committee), Sustainability Working Group, business unit management, and subject matter experts watch for potential regulation changes so that we can respond quickly to the impacts, both positive and negative. At a local level we rely on subject matter experts and tracking systems to help us stay in tune. For example, as previously mentioned, in the UK we use an online service called Newground to stay up to date with legislation.</p> <p>While being a risk, new regulations related to climate are often drivers that enable project opportunities for a company like Stantec since we provide the type of services that help companies be compliant with climate regulations. For example, in Alberta, Canada, Stantec has a new opportunity in addressing the emerging Technology Innovation and Emissions Reduction (TIER) regulation. This regulation is intended to reduce emissions from large industrial emitters (applies to facilities that emitted 100,000 tCO₂e or more). TIER is passed and is in place, but not all benchmarks are published so there is still confusion in the marketplace. This emerging regulation presents an opportunity for Stantec to win new business and we have already begun to help clients understand the implications to their business and have proposed on projects to provide support in developing new reporting requirements.</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. Stantec is advancing smart city models through projects such as an autonomous vehicle feasibility study in the suburbs of Atlanta, Georgia, US and the first autonomous electric shuttle pilot project in Montreal, Quebec, Canada.</p> <p>Additionally, technology connected to the use of “big data” can quickly change the competitive landscape, such as when technology companies, like Sidewalk Labs (owned by Alphabet Inc), entered the city planning arena using big data analytics. To address this risk, Stantec partners with technology companies. We provide the hands-on subject matter expertise and the technology companies help us envision creative and innovative alternatives. For example, Stantec partnered with Sidewalk Labs on plans for the, now-cancelled, Quayside high-tech neighborhood in Toronto, Ontario, Canada.</p> <p>To manage risks and look for opportunities, Stantec has a functional services team focused on tracking technology developments and designing technology solutions. The investment is made to give us a</p>

		<p>competitive advantage on client-facing project work, but the expertise provides us insight into technological trends and helps inform our risk management process. This team, for example, has made investments in drone technology to support advancements in remote sensing to track climate change impacts on large land areas.</p> <p>Technology improvements introduced as the market transitions to a low-carbon economy presents opportunities to Stantec. It makes us more effective at our sustainability services and provides added value to our clients. We recognize this potential and have dedicated an R&D fund to help us further climate-related technology.</p> <p>For example, Stantec is a leader in wind farm design. When unintended impacts to the local ecology surfaced via bat mortality, we created an interactive tool to visualize acoustic bat data recorded atop wind turbines, better understand factors affecting risk to bats, and strategically design programs that prevent turbine operation only when bats are most active. By using technology to focus on periods of highest risk, these “smart curtailment” strategies reduce risk to bats and promote conservation while allowing considerably more energy production.</p>
Legal	Not relevant, included	<p>Stantec plays close attention to legal risks related to climate change. Our evaluations, however, are less pertaining to Stantec’s legal liability and more focused on the legal implications to our clients. For example, if Stantec provides water management services to a beverage manufacturing client that is cited for not managing their climate impacts, that could impact Stantec in the form of project delays or reputational damage. Our project risk evaluation process considers potential client legal implications as part of our “go-no go” process for potential projects. This is a risk factor we also monitor as projects progress.</p>
Market	Not relevant, included	<p>Stantec’s supply chain includes office equipment/supplies, airlines, vehicles, and project subcontractors. Since these are standard commodities that are in ready supply with strong competition, as the market transitions to a low-carbon economy, we do not anticipate significant price increases for the products and services we procure. Examples of market risk for Stantec would be if one of our suppliers going out of business due to climate change requirements or if we need to eliminate a supplier from our value chain because they do not meet our minimum supplier-required climate standards. We consider this risk to be low because the types of products we buy and services we outsource tend to be generic and there tend to have a significant number of replacement alternatives available. For example, if one of our office supply vendors goes out of business, there tend to be multiple other office supply vendors available as replacements.</p> <p>Our corporate Procurement team assesses this risk as part of our</p>

		<p>normal operations. Our dedicated team maintains relationships with a variety of suppliers and manages data through a centralized procurement management system.</p> <p>We should point out that as our current/potential suppliers respond to climate risks/opportunities, it improves Stantec’s climate actions. For example, if our rental car vendor makes electric cars available as an alternative to gasoline-based cars, our Scope 3 emissions will be lower.</p> <p>Because Stantec is a consultant offering climate adaptation services, as the overall market focuses more on responding/adapting to climate change, we see additional opportunities arise and new markets where we can sell our sustainability services. For example, Stantec provides subject matter expertise to a computer manufacturing company looking to install renewable energy on one of their manufacturing plants. We watch trends closely to adjust our strategy accordingly. We prepare for 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.</p>
<p>Reputation</p>	<p>Relevant, always included</p>	<p>Stantec’s reputation is key to our success and we closely guard it as a company. One of our core values is "we do what is right", which means protecting the environment and addressing social justice. We are leaders in selling sustainable solutions to our clients and negative perceptions have the potential to impact our ability to win future work. Our brand is built on “designing with community in mind”. To truly design with community in mind is to consider how our work influences the social, environmental, and economic health of the community impacted by the project. If we are perceived as not addressing climate change, we run the risk of being seen as not protecting communities and we would lose our market differentiator.</p> <p>For example, Stantec provides ecosystem consulting services. A number of years back, one of our clients did not follow recommendations regarding migration patterns of marine species. A local non-profit protested the project and through "guilt by association," it caused reputational damage to the company. To minimize this risk on future projects, we now closely monitor for this potential scenario and work for clients whose value system matches that of our company.</p> <p>Stantec’s Marketing and Communications team closely assess our market perceptions. We regularly survey our top clients, closely follow the media (industry, general, and social), and periodically hire external consultants for evaluation purposes. This team provides input into Stantec’s risk management process.</p>

<p>Acute physical</p>	<p>Relevant, always included</p>	<p>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. To minimize the impact of this risk, we are strategically diversified geographically to keep the overall revenue impact of natural disasters to a minimal. 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.</p> <p>For example, in 2019, bushfires in New South Wales, Australia impacted many Stantec employees. Staff had difficulty coming to the office and projects in the areas were delayed. When offices were shut during the fires, employees were able to continue their work from home. While the field work of numerous projects were delayed, we were able to maintain client relationships and further the work that could be done virtually to minimize the impact.</p> <p>Physical risks are also taken into consideration taken by our corporate Real Estate, Health and Safety, and location leadership teams assess this risk when determining the location of new office space.</p> <p>Finally, our Risk Management and Project Management teams assess this risk when making go-no-go decisions for new projects.</p>
<p>Chronic physical</p>	<p>Relevant, always included</p>	<p>Long-term shifts in climate patterns causing sea level rise, unpredictable precipitation, and chronic heat waves can impact Stantec operations and our project work. Stantec operates primarily out of leased space so the cost of physical damage to the buildings structure where our offices are located is usually not our responsibility. However, breaking a lease because a building has been damaged or the inability to access an office while repairs are being made, can have cost implications. Also, if our leased space is damaged due to weather, interior renovations can be costly. Stantec maintains insurance to protect against costs related to damage and provides virtual work options for our employees so that they can continue their project work even if they are not able to come to the office.</p> <p>Chronic physical risks have the potential to impact our project work. For example, 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 hydropower market potential. To address the risk, Stantec invests in modelling technologies that help us anticipate potential water flow and adapt hydropower design/location based on sound science and</p>

		<p>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> <p>It can also present opportunities for new client work. For example, the aging United States' infrastructure includes over 600,000 bridges and climate change has a potential impact on the structural integrity of thousands of bridges transecting highways and towns. Take steel girder bridges that rely on expansion joints. The higher temperature swings presented by climate change can produce unpredicted thermal stress that can cause buckling and cracking. This presents new project opportunities for Stantec to help clients anticipate and address these changes and to incorporate climate change modelling.</p> <p>To manage chronic physical risks and opportunities, our corporate Real Estate, Health and Safety, and location leadership teams assess this risk when determining the location of new office space. Our Risk Management and Project Management teams assess this risk when making go-no-go decisions for new projects.</p>
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C2.3

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

No

C2.3b

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

	Primary reason	Please explain
Row 1	Risks exist, but none with potential to have a substantive financial or strategic impact on business	<p>Stantec closely evaluates company risks from climate change. We do not consider our company to be exposed to climate-related risks for two primary reasons: first, because Stantec is a professional services company that operates out of leased office space and, second, because the professional services Stantec provides are largely connected to climate change adaptation/mitigation. Addressing climate risks is at the heart of our business and results in substantial business opportunities.</p> <p>First: While extreme weather can have a direct impact on Stantec's business through business interruptions, staff safety, and project delays, we are able to mitigate this risk through contingency planning and by having a diversified business portfolio across geography, sectors, and services. We incorporate weather-related risk reviews to</p>

		<p>evaluate new office space. We also have a coordinated business continuity management system that includes separate IT disaster recovery sites and the ability of staff to continue their work in a virtual manner. For example, after Hurricane Michael, our offices in Panama City, Naples, and Miami were closed for several days due to flooding, power outages, and access challenges. We immediately implemented our crisis management plan and responded in a coordinated manner. Most employees took advantage of virtual work options and were able to keep their projects moving by working from home. Besides some staff downtime, there were no significant costs to Stantec because landlords did not require rent during the period our offices were inhabitable.</p> <p>Second: The risk posted by new environmental regulations, laws, and policies related to climate change do not impact Stantec, but rather our clients. It is our clients that need to adapt to new technologies, increased energy/fuel costs, difficulties navigating bureaucracy, disruption in work, or a change in public perceptions. This client risk is an opportunity for Stantec because we offer the subject matter expertise that helps our clients adapt. Stantec offers a balanced client portfolio so that if climate change minimizes the need for one service, we have another that can take its place. For example, to minimize the revenue impact of delays of a pipeline project, Stantec is able to instead guide an oil and gas companies in their transition to a low carbon economy and/or work with other industries to implement renewable energy options.</p>
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C2.4

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

Yes

C2.4a

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

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

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

Stantec has already begun to see the market evolve. We are now working with more municipalities to upgrade their infrastructure and multinationals that need to proactively adapt to climate requirements around the world to maintain their brand reputations and market presence. We have identified climate change as an important megatrend connected to the future growth of the company. In 2019, we named four strategic growth initiatives (Energy Transition, Smart Cities/Urban Places, Coastal Resilience, and Ecosystem Restoration), which all refer to Stantec's role in addressing climate change and all offer a substantial business growth opportunity.

Two examples of the sorts of new opportunities we are seeing include:

- For the City of Houston, Texas, US, Stantec is part of a post Hurricane Harvey resilience recovery effort called #HOUSTONOF THE FUTURE. The project looks to address the impacts of climate change, social inequality, and environmental degradation while advancing the community's overall economic competitiveness.
- In the Galapagos Islands, Ecuador, Stantec is transitioning half of the island's energy generation from diesel to wind power while protecting habitat.

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

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)**Potential financial impact figure – minimum (currency)**

100,000,000

Potential financial impact figure – maximum (currency)

600,000,000

Explanation of financial impact figure

Most projects that Stantec undertakes are impacted by climate change, whether it is accessing new energy sources, building infrastructure that withstands future weather conditions, providing access to clean water, or enabling projects to progress in a way that protects the environment. For our clients to continue to thrive with climate change, they need a company like Stantec to help them adapt. For this reason, the revenues from this opportunity are intermingled with revenues from our core service areas. However, as mentioned in other parts of this submittal, we believe our four new strategic growth initiatives (noted above) present additional opportunity for growth. The financial impact estimate provided for this question is based on Energy Transition because it is key to helping our clients thrive in a low carbon economy and touches all of our business lines and geographies.

We have calculated our upper estimate using the latest IEA World Energy Investment data that estimates 2020 energy transition market (in 2019 dollars) at \$972 billion per year. Of this market, only about 25% (or \$243 billion) of it is addressable by Stantec (due to factors such as geography and service limitations). Assuming that design services are 5% of this value, the total potential energy transition design market size is \$12 billion. If Stantec could capture 5% of that market, it would result in revenues of \$600 million. For the lower estimate, through internal analysis, we estimate the gross revenue potential of energy transition work with a key number of existing clients as being \$100 million.

Cost to realize opportunity

3,000,000

Strategy to realize opportunity and explanation of cost calculation

Stantec was an early provider of climate-related services and currently has a strong market presence. To realize the opportunity potential, we are leveraging our market position, becoming bolder in our thought leadership and technological development, focusing on collaboration between business lines, and increasing the variety of services we provide. Each of our four strategic growth initiative have been assigned leaders and pursuit teams from existing employee resources. Our multi-disciplinary, Sustainability Working Group regularly collaborates to provide integrated support across business operating units. We also have an innovation budget to financially support the development of new ideas and thought leadership.

For example, our Energy & Resources team leads the Energy Transition strategic growth initiative. Our vice president of marketing for the unit has been assigned as the

growth leader. She works with subject matter experts within the Energy & Resources team and via the Sustainability Working Group to pursue and execute new opportunities. She also taps into the innovation fund money to explore market differentiators (such as a new microgrid heat map technology that enables municipalities to evaluate power needs of existing infrastructure against climate action and environmental justice goals to determine the most appropriate locations of microgrids to balance the load of their overall grid and address social justice issues related to energy stability).

The cost to realize this opportunity fits our current marketing model of business development representing 2-5% of projected revenue (figure provided is 3% of the lower revenue estimate of \$100 million).

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Markets

Primary climate-related opportunity driver

Access to new markets

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

This opportunity references the growth of Stantec specialty services specifically related to climate science and climate change adaptation. There are numerous regulations/responses to climate change that are expanding Stantec's potential client base and creating new markets for Stantec services.

For instance, the Government of Canada requires that projects seeking access to new major infrastructure funding need to assess how their projects will contribute to or reduce carbon pollution. Stantec now offers a Climate Lens Assessment service, which gauges anticipated greenhouse gas emissions and anticipates how the project will withstand, respond, and recover from a climate change-related disruption. Since the government launched the program, our team has completed over 40 Climate Lens Assessment for various infrastructure projects across Canada including the Arctic.

Our specialty Climate Lens Assessment service takes into account:

-Emissions: We estimate emissions and advise on methods to reduce. For example, we

might recommend HVAC improvements or window glazing.

-Project life span: For example, if we are evaluating a bridge, we use the design code for its service life (75 years) and then analyze potential climate impacts on the asset over the service life or longer.

-Long-term costs: Over the life cycle of an asset, 80% of total costs go towards operations and maintenance. We assess how costs could increase in the future because of climate change and how to mitigate the risk. For example, in a recent assessment, we found that maintaining assets in a state of good repair reduced climate risks by up to 30%.

-Extreme events: For example, our assessment may inform a design team that increasing the capacity of the drainage system to handle more intense rainfall in the future can improve resiliency. In addition, inspections and repairs can help assets be more resilient to weather.

Specialty services like these open new doors for Stantec, such as introducing us to new clients/industries and/or establishing trusting relationships through early strategic consulting work that can turn into higher revenue follow-on design work.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

3,000,000

Potential financial impact figure – maximum (currency)

18,000,000

Explanation of financial impact figure

As climate change becomes more prevalent, a wider variety of clients need our services. Stantec has progressively seen a change as governments and companies try to respond to the Paris Agreement and UN Sustainable Development Goals. This is especially true for our Environmental Services teams who provide specialized expertise regarding carbon accounting and climate change adaptation/mitigation.

Our upper estimate of potential is based on figures provided by the Climate Change Business Journal, which notes the climate change consulting business is valued at \$1.8 billion per year. If Stantec was to capture 1% of the market, our upper limit potential

gross revenue would be \$18 million. For the lower estimate, through internal analysis, we estimate the gross revenue potential of specialty climate change services to be \$3 million.

Cost to realize opportunity

540,000

Strategy to realize opportunity and explanation of cost calculation

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 regularly write papers that are published in peer-reviewed technical journals and regularly partner with academic researchers on a variety of topics, including climate change. On our website we have a section called the "Ideas Hub" with a section dedicated to thought leadership around sustainable design.

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

The cost to realize this opportunity fits our current marketing model of business development representing 2-5% of projected revenue (figure provided is 3% of the lower revenue estimate of \$3 million).

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

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

For example, in 2019, Stantec completed our move to our new corporate headquarters in Edmonton, Alberta, Canada. The new Stantec Tower brought together 1,200 team members from three offices into one new LEED-certified, energy and water efficient building that also focused on cultural inclusion and employee well-being. This move significantly improved the quality of working conditions for our Edmonton employees, produced considerable emission reductions, and saved the company a significant amount of money.

We recognize that consolidating offices may result in longer commutes for some employees. To address, we do make office selections that consider the average travel distance for employees, access to public transportation, and access to clients and amenities. Additionally, we do offer employee smart working/telecommuting options to minimize the negative impact of commuting.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)**Potential financial impact figure – minimum (currency)****Potential financial impact figure – maximum (currency)**

Explanation of financial impact figure

Stantec is a company with a strategy of growth through acquisition. Because we are a professional service company, each acquisition comes with additional employees working from leased office space. Accordingly, each year our real estate footprint and associated costs grow, sometimes quite extensively based on the size of acquisitions for that year. The positive financial impact of this opportunity is not new revenue or direct cost savings. It is instead reduced additional real estate costs as a result of an acquisition. For example, in 2019, Stantec's real estate costs increased by \$16 million as a result of moving into our new Stantec Tower headquarters and because of the new office space resulting from the acquisition of Wood and Grieses and Peter Brett Associates. At the same time, Stantec was able to consolidate offices around the world to minimize the cost impact.

Cost to realize opportunity

16,000,000

Strategy to realize opportunity and explanation of cost calculation

To reduce the number of square feet per employee, our Real Estate team performs detailed analyses of space needs against lease terms. Each year the Real Estate team improves Stantec's average square feet per employee. Between 2018 and 2019 we were able to lower our global average square feet per employee by 12% while progressively moving to more buildings with improvements to employee well-being as well as sustainability certifications and energy/water-efficiency features.

The cost calculation is a result of a comparison of the year-end 2019 real estate costs (\$200.6M) against that of year-end 2018 real estate costs (\$184.3M). Our overall costs increased by \$16 million between 2018 and 2019 as a result of our new corporate headquarters and an increase in size due to acquisition.

Please note that the figures provided are not IFRS adjusted and do not include lease incentives or other costs that do not fall under real estate. Also, these figures are cash based and will not line up with Stantec's profit and loss statements.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

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

Yes, qualitative

C3.1b

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

Climate-related scenarios and models applied	Details
2DS Greenpeace IRENA	<p>In 2019, Stantec’s strategic planning, risk management, and sustainability teams met in order to further our progression regarding climate change scenario analysis. We spent time reviewing existing scenario options to find scenarios that best apply to a professional services organization, including those created by the organization Business for Social Responsibility and those of some of our larger clients. We selected these scenarios because they are the ones used by companies within our sector who have robust climate-related governance structures.</p> <p>In our scenario analysis discussions we considered impacts to the entire Stantec organization. Originally we aligned our scenario analysis timeline with our emissions reduction target year of 2028 (15 years from our 2013 baseline), but have adjusted the date to 2030 to make it more consistent with industry best practice, to align with carbon neutrality plans that are in discussion, and to match the timeline of our risk considerations. We also look to 2050 because it is relevant to the goals of many of Stantec’s largest clients.</p> <p>For our current emission reduction commitments, we aligned our emission reduction goals with cost-cutting strategies because we knew those were the ones to most likely move forward. Our longer-term reduction aspirations (including a focus on carbon neutrality) look to more extensively incorporate renewable energy, carbon offsets, and technological advancements.</p> <p>While our scenario analysis process is still evolving, the progress so far has directly informed Stantec’s business objectives and strategies. We identify major</p>

	<p>trends and uncertainties, and then use qualitative scenarios to inspect and interrogate the possible implications and develop strategy. For example, in our 2019 Strategic Planning process we focused on Stantec’s role in addressing climate change and help clients thrive in a low-carbon economy. The result was an evolution of our strategic growth areas: Coastal Resiliency, Ecosystem Restoration, Smart Cities/Urban Places, Energy Transition. Scenario analysis has also factored into our Enterprise Risk Management program. In response to climate-change risks, we have carbon management and reduction programs in place and we incorporate weather-related risk reviews when we look at new office space.</p> <p>Scenario analysis has also informed our visioning of how we will service clients in the future. We continue to invest in renewable energy (we design renewable energy including wind, solar, hydropower, and battery storage and support renewable energy financing), we are focused on designing energy-efficient buildings (including net zero and energy positive designs), we support access to clean water (including an investment in desalination, water reuse, and water conservation), and we progress technological advances (such as research related to electric and automated car technology). We also provide a variety of environmental services to minimize client emissions, promote conservation, and reduce overall environmental impact.</p> <p>For more information on how Stantec is adapting to future scenarios related to climate change, please reference our publication “Community Futures” (https://ideas.stantec.com/urban-places/community-futures-think-globally-act-locally-has-never-mattered-more).</p>
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C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>Stantec's strategic planning process tracks and evaluates megatrends and other forces that are reshaping the world we operate in and the ways we conduct business. With strong expertise across the buildings, energy and resources, environmental services, infrastructure, and water sectors, Stantec is well positioned to address new opportunities that are emerging as a result of climate change, urbanization, market shifts, and technology.</p> <p>Climate-related risks have influenced our strategy by</p>

		<p>presenting opportunities related to our products and services. We have identified growth areas that will have the most positive impact on the world and present the greatest revenue opportunity for Stantec: Smart Cities/Urban Places, Energy Transition, Coastal Resilience, and Ecosystem Restoration. Over the next decade, an incremental US\$2 trillion in related engineering and design opportunities are expected worldwide. We see the growth potential of all initiatives to start immediately and produce a benefit in the short-term (1-5 years) with the large implications for our business coming at the medium- (5-15 years) and long-term (15-30 years), which is consistent with the time horizons defined as part of our climate-related risk assessments.</p> <p>Our most immediate strategic growth initiative is Smart Cities/Urban Places since it is core to our purpose (creating communities), our promise (we design with community in mind), and business goal (to be a top-tier global design and delivery firm that is recognized for our creative, technology-forward, and collaborative approach), and touches all of our business operating units and geographies. We see how technology can help cities transition to a low carbon economy, future-proof assets, deliver services more efficiently, and boost transparency to make cities (and citizens) vibrant, healthy, and resilient. Stantec's role is to help communities understand the options, figure out how to best achieve community end-goals, and build a sense of place. We use technology and planning to relieve pressure on urban areas with desired outcomes including smart mobility (electric vehicles, shared autonomous vehicles, alternative transport), energy and resource conservation (renewable energy, energy efficient buildings), improved health and well-being (green, outdoor spaces), and accessibility.</p>
<p>Supply chain and/or value chain</p>	<p>Yes</p>	<p>-Upstream: This involves vendors for purchases of IT hardware and software, travel providers, telecommunications, office supplies, technical supplies, and other materials. We recognize the items we chose can influence responsible behaviors. We participate in the circular economy and include sustainability considerations in our vendor selection process. We require vendors to provide activity data for emissions reporting. We see the impact in the medium- and long-term as it will take time for their new products to provide climate-related benefits to Stantec. For example, anticipated changes in airline and rental vehicle options (such as sustainable fuel, electrification) will have a</p>

		<p>direct effect in helping Stantec meet our emission reduction goals.</p> <p>-Stantec Operations: This involves leased buildings, vehicle fleet, travel providers, employees, future employees, subcontractors, and subconsultants. Stantec works to positively manage our operational performance. We recognize the potential impact of climate on locations of leased office space, actively select buildings based on efficiency and wellness criteria, and track emissions. Our employees passionately care about the impact of climate change and are extremely engaged in encouraging Stantec to take action. We see the impact in the short- and medium-term because Stantec has the ability to directly control interactions with vendors and landlords. For example, we are already seeing the benefits of cost-cutting measures to consolidate office space. Also, we have made local pledges to avoid single use plastics, purchase recycled items, and work with subcontractors and subconsultants so that they follow our values and expectations regarding climate action.</p> <p>-Downstream: Our most strategic area of positive influence in addressing climate change comes from our work on projects. Clients are recognizing climate change and asking for our technical advice on how to address their sustainability challenges. Stantec has an opportunity to proactively drive the change. We see immediate growth potential with the strategic change to our business coming at the medium- and long-term.</p> <p>All references of short- (1-5 years), medium- (5-15 years), and long-term (15-30 years) are consistent with the time horizons defined as part of our climate-related risk assessments.</p>
Investment in R&D	Yes	<p>Innovation is an essential element of our past and future success and our innovation strategy directly addresses climate risks and opportunities to find new ways to meet client challenges, increase efficiency, and improve profitability.</p> <p>To promote innovation and facilitate collaboration, Stantec annually invests approximately \$3 million into grants and research. While many provide a return in the short-term (1-5 years), overall this is an investment in the future that is anticipated to produce the most benefit in the medium- (5-15 years) and long-term (15-30 years), which is consistent with</p>

		<p>the time horizons defined as part of our climate-related risk assessments.</p> <p>Our investment in innovation consists of:</p> <p>-Project Grants: Our Greenlight Program provides project grants to support innovative ideas and research proposed by employees and project teams that improve our Company and help our clients and communities. In 2019, 93% of the grants advance environmental and social thought leadership.</p> <p>-Innovation Fund: We identify hundreds of potential opportunities each year, from our people, our clients, and through partnerships with post-secondary institutions. From those, we choose 50 ideas for incubation and business acceleration. Five to ten of those are chosen for funding, and our goal is to commercialize more than three ideas per year. This is our area of most strategic impact in regard to R&D. Stantec is currently exploring creating an incubation fund specific to climate value offerings.</p> <p>-Innovation Forum: Each year, we sponsor an Innovation Forum that brings employees from around the world to recognize and celebrate our most innovative projects and the people behind them, share best practices, and promote cross geography and business line collaboration. Each year, a key focus is how to address climate risks and opportunities. In 2019, the theme was innovations regarding digital/data and 100% of presentation topics ended up having a connection to sustainability.</p> <p>-Research: Stantec employees frequently carry out research when directly serving clients or when strengthening capacity in anticipation of client needs. On average, we attract approximately half a million dollars to research pertinent scientific topics, including climate change.</p>
Operations	Yes	<p>Stantec recognizes the impact of climate change on how we operate. This is a key employee engagement item (employees are very vocal about the need for Stantec to take a leadership position), an element of our business development efforts (as a supply chain requirement of our clients, we must meet certain sustainability criteria), and important to our investors (we are considered a socially responsible investment choice which means we must demonstrate continual improvement in operating sustainably).</p>

		<p>To address, we have stated values (we put people first, we are better together, we do what is right, we are driven to achieve) that are in direct alignment with sustainable behavior, we have a Corporate Sustainability team dedicated to influencing sustainable behavior throughout the company (including emission reductions and resource conservation), our risk teams incorporate climate change into our business contingency planning, our strategy teams incorporate climate change in our business planning, and we enable a Sustainability Working Group (comprised of subject matter experts from each business operating unit that encourage environmental and social best practices in our project work). Specific to climate-related services, we have thousands of employees with technical expertise in helping communities address and adapt to the impacts of climate change (with expertise ranging from hazard-resistant design, hydro-climate variability, energy conservation, environmental health, food security, water supply planning, circular economy, capacity building, climate change vulnerability, shoreline protection, and ecosystem protection, to name a few).</p> <p>Additionally, we do include climate change as part of our acquisition strategy. We look to acquire firms whose cultures match our values, who have low emissions commitments, and who offer services that enhance our climate adaptation/mitigation positioning.</p> <p>Stantec sees the growth potential of all initiatives to start immediately and produce a benefit in the short-term (1-5 years), providing benefits through the medium- (5-15 years) and long-term (15-30 years), which is consistent with the time horizons defined as part of our climate-related risk assessments.</p>
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C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Indirect costs Acquisitions and divestments Access to capital	<p>Revenues: Because climate change presents an opportunity for Stantec to sell additional sustainability services, Stantec plans for increased revenues as part of our financial planning process. The magnitude of impact of this opportunity is high because sustainability services are a significant part of our business offerings. Stantec offers such services in each of our business operating units and in each of the geographies where we operate. We track our “green revenue” based on projects that are coded in our financial system as relating to carbon/water accounting, renewable energy, sustainable infrastructure, etc. As the percentage of green revenue increases year-over-year, it justifies additional investment in our sustainability service offerings. We expect the opportunities presented by "green revenue" to impact Stantec's financial planning process in the short- (1-5 years) and mid-term (5-15 years) horizons, We see climate risks as a key element of the company’s growth. As previously noted, our four strategic growth initiatives (Coastal Resilience, Ecosystem Restoration, Smart Cities/Urban Places, and Energy Transition) are all connected to climate change prevention, mitigation, and adaptation.</p> <p>Indirect Costs: Stantec has budgeted money to support reporting and emissions management. We are working towards a carbon neutrality goal that will have an associated cost (for purchase of renewable energy and offsets). Our company's largest operational costs is leased real estate, which is directly influenced by climate. Our greatest impact at reducing emissions comes from consolidating office space to reduce our square feet per employee (a cost savings) and selecting energy-efficient buildings (usually at a price premium). By using a standard, modular interior design, consolidated offices are configured to accommodate the current employee count as well as anticipated growth. The approach minimizes the needed square feet per employee, while at the same time focuses on employee comfort, well-being, and flexibility in work styles. Overall, office consolidation efforts save the company millions of dollars of operating costs annually. Additional examples of lowering direct costs through emissions reduction efforts include the benefits Stantec has received by reducing the amount of overhead travel and reduced paper usage. We expect the emission reducing opportunities presented by office consolidation and other cost-cutting measures to impact Stantec’s financial planning process in the short-term (1-5 years).</p>

		<p>Acquisitions: 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, and strengthen our service areas. The impact of this opportunity is medium-high because the acquisitions we make tend to improve our standing as sustainability subject matter experts. For example, our 2019 acquisition of Wood & Grieve Engineers (Australia) expanded our standing in sustainable building design. Additionally, our acquisition strategy has played a key factor in reducing our per person emissions as many of the companies we acquire operate out of geographies with more efficient energy sources, occupy energy-efficient buildings, and having lower per person square foot ratios. For example, due to the acquisition of Wood & Grieve Engineers, our Australia Scope 1 and 2 emissions per person dropped by 16%. Stantec has a growth strategy based on acquisitions and expect the impact to Stantec’s financial planning to be in the short- (1-5 years), medium- (5-15 years), and long-term (15-30 years).</p> <p>Access to Capital: Stantec is considered a socially responsible investment option and we routinely find that ESG investing is a predominant decision factor for many of our top investors. As Stantec improves our corporate successes in responding to climate change (ratings, recognition, awards) and increases the percentage of our revenue related to sustainability, we positively impact our ability to attract environmentally and socially responsible investors. For example, as we improve our position on sustainability-related investor indices, we have seen increased interest from existing and new investors that have a focus on ESG. This opportunity is likely to have a significant positive impact on Stantec. The magnitude of impact is considered high. We have seen the investor interest in ESG grow consistently. Because investors are still figuring out their needs, we expect the impact to Stantec’s financial planning to be in the medium (5-15 years) and long-term (15-30 years).</p> <p>All time horizons referenced are consistent with the time horizons defined as part of our climate-related risk assessments.</p>
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C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

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

Intensity target

C4.1b

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

Target reference number

Int 1

Year target was set

2013

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Intensity metric

Metric tons CO₂e per unit FTE employee

Base year

2013

Intensity figure in base year (metric tons CO₂e per unit of activity)

3.6

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

100

Target year

2028

Targeted reduction from base year (%)

40

Intensity figure in target year (metric tons CO₂e per unit of activity) [auto-calculated]

2.16

% change anticipated in absolute Scope 1+2 emissions

67

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year (metric tons CO2e per unit of activity)

2.21

% of target achieved [auto-calculated]

96.5277777778

Target status in reporting year

Underway

Is this a science-based target?

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

Please explain (including target coverage)

Stantec set an emissions reduction goal of 40% reduction of our per employee Scope 1 and 2 emissions (with a baseline of 2013 and completion of 2028). We applied Science Based Target (SBT) criteria as best we could to our type of company. At the time, SBT did not directly apply to professional service firms so we were not able to certify our targets. We considered the Sectoral Decarbonization Approach (SDA) methodology (2015) in setting our goals, which predicts a 55% carbon intensity reduction in 'service space' per square meter by 2050. We set a goal of 40% reduction by 2028 as the first step of meeting that goal.

Please note, Stantec has a long-term compound annual revenue growth target of 10% based on a combination of organic and acquisition growth. As such, we are always adding staff and locations. Because of this consistently anticipated growth, our strategy was to normalize our results based on FTE employee so that we could track our relative emissions reduction progress.

Because we are making quicker progress than anticipated in making our reduction goal, in 2020 we are setting new reduction goals and plan to apply SBT criteria (including SBTi verification).

Target reference number

Int 2

Year target was set

2018

Target coverage

Country/region

Scope(s) (or Scope 3 category)

Scope 3: Business travel

Intensity metric

Metric tons CO₂e per unit FTE employee

Base year

2018

Intensity figure in base year (metric tons CO₂e per unit of activity)

1.4

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

90.5

Target year

2028

Targeted reduction from base year (%)

20

Intensity figure in target year (metric tons CO₂e per unit of activity) [auto-calculated]

1.12

% change anticipated in absolute Scope 1+2 emissions

0

% change anticipated in absolute Scope 3 emissions

30

Intensity figure in reporting year (metric tons CO₂e per unit of activity)

1.34

% of target achieved [auto-calculated]

21.4285714286

Target status in reporting year

Underway

Is this a science-based target?

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

Please explain (including target coverage)

Stantec has been progressively centralizing Corporate vendors as an effort to reduce costs, but also to provide more visibility to our spend. This consolidation effort made it feasible to efficiently track our Scope 3 emissions. In 2018, we made enough progress in working with our vendors to accurately and consistently track our emissions in a repeatable manner. We therefore set our Scope 3 baseline year as 2018 with a completion data of 2028. Our goal is a 20% reduction of per employee Scope 3 emissions.

Please note, as referenced in target Int2 above, Stantec has a long-term compound annual revenue growth target of 10% based on a combination of organic and acquisition growth. As such, we are always adding staff and locations. Because of this consistently anticipated growth, our strategy was to normalize our results based on FTE employee so that we could track our relative emissions reduction progress.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

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

Yes

C4.3a

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	9	0
To be implemented*	1	2,000
Implementation commenced*	2	500
Implemented*	5	3,700
Not to be implemented	0	0

C4.3b

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

Initiative category & Initiative type

Company policy or behavioral change
 Site consolidation/closure

Estimated annual CO₂e savings (metric tonnes CO₂e)

2,000

Scope(s)

Scope 2 (location-based)
 Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

0

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

16,000,000

Payback period

1-3 years

Estimated lifetime of the initiative

Ongoing

Comment

This initiative references Stantec's efforts to consolidate office space. We found that our greatest ability to minimize our per employee emissions is by more efficiently using our square footage. When we have multiple buildings in a geographic location or when we have unoccupied space, we "right size" our real estate. We have identified an optimal space per employee and have a standard office layout focused on energy efficiency and employee productivity/wellness. While we consolidate office locations, we also look to modify the layout of existing offices so that we accomplish the maximum use of space and increased employee productivity. Even though there are projects where densifying our footprint and reducing space has saved the company money, in 2019, Stantec's overall real estate costs increased mainly due to two factors: our new Stantec Tower company headquarters coming on line and the global acquisitions of Wood and Grieve and Peter Brett Associates. With the COVID requirement of staff working from home full-time, after office re-entry is possible, we anticipate opportunities to minimize our real estate footprint, lower our costs, and reduce our emissions further as employees opt to continue to work from home (either part or full-time). However, this change will be gradual as it is difficult to quickly transition from long-term leases. This office consolidation effort is ongoing.

Initiative category & Initiative type

Company policy or behavioral change
Change in procurement practices

Estimated annual CO₂e savings (metric tonnes CO₂e)

500

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

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

0

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

0

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

This ongoing initiative references Stantec's efforts to select energy-efficient buildings when deciding on new leased office space. Stantec operates primarily from leased space in multi-tenant buildings where separate metering is not available or practical. Additionally, for budget consistency, we tend to negotiate utility costs into the lease price. This means that we have little control over facility improvements and energy efficiency measures do not necessarily result in demonstrable emission reductions. Accordingly, the best way for Stantec to reduce our emissions within a leased space is through selecting energy-efficient buildings. When deciding on new office space, we look for buildings with energy-efficiency certifications (such as LEED) and buildings that have renewable energy features (such as passive orientation, good insulation, solar/wind/geothermal generation), but that is not the sole decision factor. Besides costs and energy-efficiency, Stantec uses a scorecard to make balanced business decisions considering proximity to clients, employee commutes, access to public transportation, walkability, and wellness. We find that energy-efficient buildings (with or without certifications) typically have a higher base rent, but operating costs tend to be lower (because of lower energy costs), making the investment required negligible. In 2019, a little over half of our global square footage was in leased buildings with sustainability certifications, features, or both.

Initiative category & Initiative type

Company policy or behavioral change
Supplier engagement

Estimated annual CO2e savings (metric tonnes CO2e)

50

Scope(s)

Scope 3

Voluntary/Mandatory

Mandatory

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

2,000,000

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

0

Payback period

<1 year

Estimated lifetime of the initiative

<1 year

Comment

Stantec standardized our print management approach across the United States. We worked with a new vendor, ARC, to introduce a behavior-based program that encourages employees to print less, mandates the use of recycled paper, streamlines the number of print devices, and always recycles toner, ink, and unused equipment. The program is paid for based on a per click costs and required no capital investment yet is estimated to immediately save the company on average \$2 million/year (as compared with print costs before implementing the program). The emissions reductions are the result of a significant reduction in paper use and consistent use of paper made with post-consumer recycled paper. The rollout to the United States is complete. Similar efforts towards paperless programs have been put in place in Italy and the Netherlands. Investigations are underway to see if this approach could work in Canada as well as other geographies.

Initiative category & Initiative type

Transportation
Company fleet vehicle replacement

Estimated annual CO₂e savings (metric tonnes CO₂e)

550

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

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

0

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

0

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

Stantec leases our fleet vehicles and typically replaces vehicles at the end of the lease terms. Our Fleet Management team understands the environmental impacts of our fleet and makes consistent improvements to decrease vehicle emissions. As a rule, Stantec fleet are replaced with more fuel-efficient options. In Canada and the United States, 33 vehicles were replaced in 2019 to modernize the fleet with the latest in safety design and take advantage of reduced maintenance and repair expenses. Most fleet vehicles in the US and Canada are trucks used for field work, often in remote locations. The need for heavy duty vehicles limits options for us to “green” our fleet but our 2019 fleet does now include trucks with a rating of up to 30 mpg. In the UK and the Netherlands emissions caps are placed on vehicle lease options. In the Netherlands, since most of our driving is shorter distances in urban locations, we have been able to add electric vehicles to the fleet. There is no additional investment required for this initiative because vehicles are being replaced anyway for financial reasons and the way we amortize capital purchases makes replacement costs negligible. There is a cost benefit to using less fuel, but the amount is not currently quantifiable. Our Fleet Management team is closely watching for developments in hybrid and electric vehicle options and when those become feasible for our business needs, we will analysis the additional investment required.

Initiative category & Initiative type

Transportation
Business travel policy

Estimated annual CO2e savings (metric tonnes CO2e)

600

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

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

0

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

0

Payback period

No payback

Estimated lifetime of the initiative

3-5 years

Comment

Because Stantec provides professional services to global clients, we must travel to respond to clients' needs. We recognize, however, that reducing our overhead airline travel is an area where we do have a considerable amount of control. Accordingly, in 2019, we continued initiatives to reduce our non-essential airline travel to save costs and reduce our emissions. Microsoft Teams was been enabled for all employees (increased online collaboration means less needed travel) and management initiated other measures to reduce overall travel and costs, like increased scrutiny of travel requests and budget restrictions. There is no added investment since our Teams investment is already a part of our IT infrastructure strategy and we already use Concur for airline booking so the management approaches are already available for implementation. As of yet we have not seen a cost savings but anticipate them in the future.

An added benefit not currently quantified or reflected in this initiative is that reduced airline travel also results in reductions in rental car travel.

Please note: In 2020, due to the pandemic, Stantec has had virtually no travel since mid-March. We have found that this has created minimal disruption to our overall business. As travel restrictions begin to lift, we know that some travel is an essential part of our work but we do intend to maintain travel reductions relative to pre-pandemic levels.

C4.3c

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

Method	Comment
Compliance with regulatory requirements/standards	Stantec manages, monitors, and improves our environmental performance with a formal Environmental Management System (EMS) that is ISO 14001-certified. Our EMS has set reduction goals. Offices are audited annually for performance against those goals.
Dedicated budget for low-carbon product R&D	Stantec's product is technical service to our clients in the fields of planning, engineering, architecture, and science. We put a strong focus on research and development and innovation to further the industry and give us technical advantages. In 2019, we invested \$3 million to promote innovation and facilitate collaboration. A full 100% of the topics presented at our internal Innovation Forum had a connection to sustainability (environmental, social, and governance) and over 90% of our Greenlight Program grants (grants for innovative ideas and research) advanced environmental and social thought leadership. Additionally, in 2019, Stantec created a new chief innovation officer position and filled it with a PhD in water treatment.
Internal incentives/recognition programs	<p>Managers with responsibility for our EMS and quality management systems (primarily Geographic and Regional Leaders) typically have one or more key performance indicators (KPIs) within their performance expectations related to improving the efficiency of our organization (cost, energy, waste). Evaluation of performance relative to KPIs is included in the annual career development performance review process which is conducted prior to the review and award of incentive bonus awards for performance.</p> <p>The procurement team is specifically recognized for their efforts to reduce our emissions. Activities include co-locating offices to more efficient buildings (space and energy), sustainability criteria with vendors, reducing paper consumption, and reducing overhead business travel.</p>
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 have Green Teams around the company filled with passionate advocates that actively work to reduce emissions. Stantec has a Developing Professionals Group that take leadership in driving change around emissions reductions and climate action. Additionally, each year we hold a week-long celebration of community service, Stantec in the Community Week, where employees around the globe volunteer for causes that support their communities; many projects focused on the environment.

C4.5

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

Yes

C4.5a

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

Level of aggregation

Group of products

Description of product/Group of products

Stantec is a professional services company that provides engineering and scientific consulting services. We support our clients in numerous ways that result in avoided emissions. These projects range from renewable power design, battery storage, waste-heat to-energy, landfill gas destruction, improved forest management, low income weatherization, and transportation demand management. We are also leaders in the implementation of sustainability frameworks including LEED, BOMA Best, Envision, etc and regularly implement the energy-efficiency best practices into our buildings and infrastructure design. Our climate adaptation/mitigation programs assist clients in developing climate strategies and inventories for quantifying and addressing emission sources. In many cases, this involves switching to cleaner sources of energy and improving process efficiencies.

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

Avoided emissions

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

Other, please specify

Stantec is unable to calculate the avoided emissions of our services. We are involved in the design phase and sometimes into construction, but rarely are a part of the operations where the avoided emissions are measured.

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

25

Comment

Stantec offers emission avoiding/emission reducing services throughout our business operating units and geographies but we do not specifically track the percentage of our revenue that comes from low carbon products. We are positive that the 25% of revenue related to low carbon products is very low but is the only repeatable figure available to us. It is an estimate based on an internal tracking system we have created to evaluate our impact on the UN Sustainable Development Goals (SDG). This figure provided on

the percentage of our revenue coming from projects that support SDG #7 (Affordable and Clean Energy) and SDG #13 (Climate Action). For a list of our full sustainability-related services and project examples, please see our 2019 Sustainability Report page 8 (www.stantec.com/sustainability).

C5. Emissions methodology

C5.1

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

Scope 1

Base year start

January 1, 2013

Base year end

December 31, 2013

Base year emissions (metric tons CO₂e)

11,691

Comment

Scope 2 (location-based)

Base year start

January 1, 2013

Base year end

December 31, 2013

Base year emissions (metric tons CO₂e)

32,083

Comment

Scope 2 (market-based)

Base year start

January 1, 2013

Base year end

December 31, 2013

Base year emissions (metric tons CO₂e)

32,083

Comment

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

C5.2

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

The Climate Registry: General Reporting Protocol

C6. Emissions data

C6.1

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

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

7,540

Comment

C6.2

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

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

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

Reporting year

Scope 2, location-based

40,726

Scope 2, market-based (if applicable)

34,738

Comment

C6.4

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

No

C6.5

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

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

780

Emissions calculation methodology

Paper data: Paper data is normalized to an 8.5" x 11" equivalent. The value is then multiplied by an emission factor to determine the total tons of CO₂e per 500 sheet packages. The emission factor varies based on the recycled content of the paper.

Resources: 2018 British Columbia, Best Practices for Quantifying GHG Emissions.

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

100

Please explain

Paper purchased from central vendors.

Capital goods

Evaluation status

Not relevant, explanation provided

Please explain

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

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

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

1,480

Emissions calculation methodology

Line Loss: Used the country-specific average % electricity lost in the transmission and distribution, based on the output and proportion of unallocated/estimated grid losses. Then extracted the facility emissions from electricity and applied the latest transmission and distribution loss factors for the United States (eGrid v1 2018 summary tables) and Canada (National Inventory Report 1990-2017-Part 3 - Annex 13) in order to calculate the total line loss emissions.

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

0

Please explain

Line loss calculated based on emissions from the electricity consumption.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

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

Waste generated in operations

Evaluation status

Not relevant, explanation provided

Please explain

As a professional services company, Stantec operates from shared office spaces in leased buildings or home offices. Our waste generation is nominal in that our typically waste is essentially office and kitchen wastes that are collected and comingled with other tenants' wastes. Our waste generation is not considered to be material. Because

we do really 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. For example, in the Netherlands we recycle or compost almost 70% of plastic, organic, paper, and residual waste with efforts underway to eventually eliminate all disposed waste.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

27,041

Emissions calculation methodology

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

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

Personal Cars for Business Use: Miles/KM reimbursed are tracked through our expense management system. A CO₂e factor per mile/KM is applied. This is the item not provided by suppliers.

Rail (UK only): KM travelled per rail using a CO₂e factor is calculated.

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

76

Please explain

Flights, rental cars, and rail travel (UK only) are tracked through central travel agencies. Personal car use for business travel is tracked through Stantec financial systems.

Employee commuting

Evaluation status

Not relevant, explanation provided

Please explain

Stantec does not consider employee commutes relevant because our employees work a flexible schedule based on client and personal needs. Commutes are unpredictable and it is not practical to track the commutes of almost 20,000 employees in offices and rotating client sites around the world. We offer flexible work options so that employees can avoid a commute and work from home. When selecting new office space, we work

hard to locate our offices near the homes of our employees to minimize car distances and to encourage commuting via bike. We also try to locate our offices near public transportation and offer incentive/ reimbursement programs. Additionally, when employees do need to drive, we encourage them to carpool/carshare.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

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

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

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

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

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

Use of sold products

Evaluation status

Not relevant, explanation provided

Please explain

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

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

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

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

We do not have downstream leased assets.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

We do not have any franchises.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

We do not have any relevant investments.

Other (upstream)

Evaluation status

Not evaluated

Please explain

Other (downstream)

Evaluation status

Not evaluated

Please explain

C6.7

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

No

C6.10

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

Intensity figure

0.0000099985

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

48,266

Metric denominator

unit total revenue

Metric denominator: Unit total

4,827,300,000

Scope 2 figure used

Location-based

% change from previous year

11

Direction of change

Decreased

Reason for change

Due to emissions reduction activities, such as consolidating office space into energy-efficient buildings (Scope 2), Stantec's total energy consumption and GHG emissions were less than they would have been without these initiatives. Additionally, our revenue improved by 12.6% over this same time leading to a reduction in this intensity figure.

Intensity figure

2.21

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

48,266

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

21,852

Scope 2 figure used

Location-based

% change from previous year

3.7

Direction of change

Decreased

Reason for change

Due to emissions reduction activities, such as consolidating office space into energy-efficient buildings (Scop2), Stantec's total energy consumption and GHG emissions were less than they would have been without these initiatives. Additionally, our employee numbers increased by 4.1% leading to a reduction in our intensity figure.

C7. Emissions breakdowns

C7.1

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

Yes

C7.1a

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

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	7,510	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	3	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	27	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

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

Country/Region	Scope 1 emissions (metric tons CO ₂ e)
Canada	1,112
United States of America	5,754
United Kingdom of Great Britain and Northern Ireland	95
Australia	210
New Zealand	192
Other, please specify Smaller countries of operation	177

C7.3

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

By activity

C7.3c

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

Activity	Scope 1 emissions (metric tons CO ₂ e)
Fleet	7,429
Natural Gas (Stantec Controlled)	80
LPG	31

C7.5

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

Country/Region	Scope 2, location-based (metric tons CO ₂ e)	Scope 2, market-based (metric tons CO ₂ e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling in Scope 2 market-based (MWh)
Canada	21,209	15,037	71,998	0
United States of America	14,423	14,542	41,003	0
UK and Northern Ireland	724	855	3,113	317
Australia	964	913	1,180	0
New Zealand	131	131	1,077	0

Other, Smaller countries of operation	3,275	3,260	6,099	0
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C7.6

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

By activity

C7.6c

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

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Electricity	33,474	27,486
Natural Gas	6,915	6,915
Fuel Oil	310	310
Propane	27	27

C7.9

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

Increased

C7.9a

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

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	There was no substantial change in Stantec's renewable energy consumption. Because we occupy almost entirely leased office space with little control over our energy purchase and/or physical installation of renewable energy features, this is a difficult area for us to influence. We are currently in the process of

				evaluating the purchase of RECs. We are also exploring options to directly put renewable energy onto the grid (for example, working with landlords to install renewables, and working with clients/communities to convert to renewables).
Other emissions reduction activities	3,504	Decreased	7.3	In 2019, Stantec implemented a variety of emission reduction activities that lowered our Scope 1 and 2 emissions, including consolidating offices into more energy efficient buildings, consolidating the number of square feet allocated to each employee (through the use of more efficient layout), and moving to more fuel-efficient fleet vehicles. These produced a combined decrease of 3,504 mtCO ₂ e when compared to Stantec's 2018 Scope 1 and 2 emissions of 48,143 mtCO ₂ e. Therefore, Stantec reduced Scope 1+2 emissions by 7.3% due to "other" emission reduction activities $((3,504/48,143)*100=7.3\%)$.
Divestment	0	No change	0	Stantec did not divest any companies in 2019.
Acquisitions	887	Increased	1.84	In 2019, Stantec acquired the company Wood & Grieve Engineers (WGE), a multidiscipline Australian consulting firm bringing more than 600 engineers with expertise in buildings, land development, and infrastructure projects. In 2019, the WGE acquisition added 887 mtCO ₂ e to our Scope 1 and 2 emissions, or an 1.84% increase when compared to Stantec's 2018 Scope 1 and 2 emissions of 48,143 mtCO ₂ e $((887/48,143)*100=1.84\%)$.
Mergers	0	No change	0	Stantec had no mergers in 2019.
Change in output	0	No change	0	Stantec is a professional services firm and does not have a product measured by output.
Change in methodology	0	No change	0	Stantec did not change our emissions calculation methodology in 2019.

Change in boundary	0	No change	0	Stantec did not change our emissions boundary in 2019.
Change in physical operating conditions	3,627	Increased	7.5	<p>In October 2018, Stantec opened a new headquarters building in Edmonton, Alberta, Canada called Stantec Tower. Our lease on the previous office space continued throughout 2019 and, after completion of the move to the Stantec Tower in 2019, this previous office space sat vacant. Since, technically, we still had physical control of the vacant space, we included it in our 2019 emissions, accounting for a temporary increase. This number will decrease in 2020 because the leases on the extra, vacant space will no longer be valid.</p> <p>In 2019, the Edmonton vacant space added 3,627 mtCO₂e to our Scope 2 emissions, or a 7.5% increase when compared to Stantec's 2018 Scope 1 and 2 emissions of 48,143 mtCO₂e $((3,627/48,143)*100=7.5\%)$.</p>
Unidentified	0	No change	0	
Other	0	No change	0	

C7.9b

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

Location-based

C8. Energy

C8.1

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

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

C8.2

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

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

C8.2a

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

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	31,768	31,768
Consumption of purchased or acquired electricity		379	84,925	85,304
Consumption of purchased or acquired heat		0	39,166	39,166
Total energy consumption		379	155,859	156,238

C8.2b

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

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

C8.2c

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

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

440

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Emission factor

0.00192

Unit

metric tons CO2 per m3

Emissions factor source

United States: EPA stationary combustion emission factors 2018.

Comment

Weighted average used for emission factor; multiple natural gas emission factors used in GHG inventory. Calculation = Total Scope 1 natural gas mtCO₂e/total Scope 1 natural gas consumption (m³). GWP used: CH₄ 28, N₂O 265 from IPCC Fifth Assessment Report (AR5 – 100 year). For MWh total, TCR default emission factors 2019 used for conversion from BTU/square foot to MWh/cubic meters.

Fuels (excluding feedstocks)

Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

1,714

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Emission factor

0.0028

Unit

metric tons CO₂ per liter

Emissions factor source

Multiple emission factors used in GHG inventory: United States and Canada: TCR default emission factors 2019 Outside North America: Country-specific emission factors. If not available, UK DEFRA conversion factors 2019 used.

Comment

Weighted average used for emission factor, multiple company vehicle emission factors used in GHG inventory, by country. Calculation for Scope 1 company vehicle diesel weighted average emission factor = total diesel mtCO₂e/ total diesel liter. For MWh total, TCR default emission factors 2019 used for conversion from MMBTU/barrel to MWh/liter.

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

29,470

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Emission factor

0.0023

Unit

metric tons CO2 per liter

Emissions factor source

Emission Factor Source: Multiple emission factors used in GHG inventory: United States and Canada: TCR Default Emission Factors 2019 Outside North America: Country-specific Emission Factors. If not available, UK DEFRA Conversion Factors 2019 used.

Comment

Weighted average used for emission factor, multiple company vehicle emission factors used in GHG inventory, by country. Calculation for Scope 1 company vehicle motor gasoline weighted average emission factor = total motor gasoline mtCO2e/total motor gasoline liters. For MWh total, TCR default emission factors 2019 used for conversion from MMBTU/barrel to MWh/liter.

Fuels (excluding feedstocks)

Liquefied Petroleum Gas (LPG)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

144

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Emission factor

0.00152

Unit

metric tons CO2e per liter

Emissions factor source

UK DEFRA conversion factors 2019

Comment

LPG is applicable for the for UK only. The associated UK DEFRA emission factor is in kgCO₂e/liter. Therefore, the value has been divided by 1000 to convert to mtCO₂e/liter. For MWh total, TCR default emission factors 2019 used for conversion from MMBTU/barrel to MWh/liter.

C8.2e

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

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Wind

Country/region of consumption of low-carbon electricity, heat, steam or cooling

United Kingdom of Great Britain and Northern Ireland

MWh consumed accounted for at a zero emission factor

317

Comment

Stantec is guaranteed 100% renewable electricity supply, from wind or hydro assets at our Leeds, Newcastle, Redditch and Edinburgh, UK offices. The generation is matched to Renewable Energy Guarantees of Origin (REGOs) enabling zero emission reporting for the market-based methodology. We consumed 317 MWh of renewable energy over the 2019 reporting period.

C9. Additional metrics

C9.1

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

C10. Verification

C10.1

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

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

C10.1a

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

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 global-ghg-verification-2019.pdf

Page/ section reference

Page 1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance for Scope 2 emissions.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 global-ghg-verification-2019.pdf

Page/ section reference

Page 1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 global-ghg-verification-2019.pdf

Page/ section reference

Page 1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

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

Scope 3 category

Scope 3: Purchased goods and services

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 global-ghg-verification-2019.pdf

Page/section reference

Page 1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 global-ghg-verification-2019.pdf

Page/section reference

Page 1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 global-ghg-verification-2019.pdf

Page/section reference

Page 1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

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

Yes

C10.2a

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

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C5. Emissions performance	Year on year change in emissions (Scope 1)	ISO14064-3	Even though Stantec tracks our emissions reductions against a normalized, per person basis, we verify the change in our absolute emissions as an alternative tracking mechanism. Our year on year change in emissions (Scope 1) is tracked for the global organization. Our absolute Scope 1 emissions decreased by 27%.
C5. Emissions performance	Year on year change in emissions (Scope 2)	ISO14064-3	Even though Stantec tracks our emissions reductions against a normalized, per person basis, we verify the change in our absolute emissions as an alternative tracking mechanism. Our year on year change in emissions (Scope 2) is tracked for the global organization. Our absolute Scope 2 location-based increased by 8% while our market-based decreased by 4%.
C5. Emissions performance	Year on year change in emissions (Scope 3)	ISO14064-3	Even though Stantec tracks our emissions reductions against a normalized, per person basis, we verify the change in our absolute emissions as an alternative tracking mechanism. Our year on year change in emissions (Scope 3) is tracked for the global organization. Our Scope 3 business travel increased by 1%, business travel rail (UK only) decreased by 5%, energy transmission and line loss decreased by 13%, and purchased good decreased by 18%.
C11. Carbon pricing	Renewable energy products	ISO14064-3	We verified the GHG offset purchase of 88 mtCO ₂ .

C11. Carbon pricing

C11.1

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

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

C11.2

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

Yes

C11.2a

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

Credit origination or credit purchase

Credit purchase

Project type

Methane avoidance

Project identification

Canadian landfill methane capture.

Verified to which standard

VER+ (TÜV SÜD standard)

Number of credits (metric tonnes CO₂e)

88

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

88

Credits cancelled

Not relevant

Purpose, e.g. compliance

Voluntary Offsetting

C11.3

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

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

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

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

C12.1a

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

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

90

% total procurement spend (direct and indirect)

90

% of supplier-related Scope 3 emissions as reported in C6.5

95

Rationale for the coverage of your engagement

This engagement area references our diverse network of suppliers and vendors as managed by our corporate Procurement and Real Estate team. Stantec's upstream suppliers include leased buildings, vehicle fleet, and vendors (for purchases of IT hardware and software, telecommunications, furniture, office supplies, technical supplies, etc). The climate-related supplier engagement strategy covers 90% of Stantec's total suppliers because we are currently only able to effectively engage with suppliers in Canada, US, UK, NZ, and AU. For logistical and due to unique local, cultural considerations, our smaller operations outside of these geographies are not integrated into our centralized, corporate systems. We have estimated that about 10% of our suppliers and spend do not have consistent engagement on climate considerations. In regards to Scope 3 coverage, all but the 5% of our emissions related to line loss involve referenced suppliers.

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

sustainable business practices and support local businesses around the world.

Our climate change engagement comes in a variety of fashions.

- Our Partner Code of Business Conduct (including environmental expectations) is available publicly on our website and shared with suppliers as part of the procurement process.
- We require that corporate suppliers provide emissions data for the items we purchase from them, provide recycling support, work with us to implement behavior changes with our staff that reduces our impact, and that they disclose their climate impacts.
- We incorporated sustainability considerations into our supplier evaluation process and climate change considerations have a direct impact on our supplier selection and management. These are the suppliers that provide data for essentially all Scope 3 reporting. We interact with these suppliers via our Corporate Procurement Group and our IT Services Group.

Impact of engagement, including measures of success

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

We measure the impact of our engagement through the enhancements the supplier is able to provide to Stantec environmental performance. For example, in 2019, Stantec worked together with our supplier, ARC, to roll out a print management system across our operation in the United States. While the most visible benefit of this program was a significant cost savings (approximately \$2 million per year), by working with ARC we were able to achieve significant environmental benefits as well. Stantec operations using this system experienced a 30% reduction in paper use and, for the paper used, we were able to mandate the use of paper made with post-consumer recycled content. Besides reducing paper, this program reduces the number of print devices needed, decreases the supply inventory, and consistently recycles toner, ink, and unused equipment. This engagement improved the accuracy of our Scope 3 emissions tracking and lowered our paper-based reported emissions.

Additional examples of our 2019 supplier engagement success include:

- Purchase of only EPEAT and Energy Star computer equipment
- Requiring our vendors for computers and cell phone devices have a takeback program that includes responsible and ethical disposal (5,007 computers and 2,557 cell phones)
- Working on landlord initiatives to improve energy efficiency (HVAC systems, LED lightbulbs, etc)
- Approved a centralized e-procurement management system to give us more visibility and control over spending, standardize purchasing approaches, negotiate discounts for sustainable materials, and influence purchasing choices

Comment

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

% of suppliers by number

5

% total procurement spend (direct and indirect)

7

% of supplier-related Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

Numerous Stantec offices have Green Teams that work with local vendors to reduce our emissions and consumption. These initiatives are not quantifiable at a global level and do not translate into lower reported emissions, but they are a significant motivator for Stantec employees and encourage behaviors that extend to our project work and home lives. The percentage of suppliers indicated references the UK, Netherlands, and Italy operations. While we engage with 100% of these supply chains, this makes up approximately 7% of our global supplier spend.

Impact of engagement, including measures of success

An example of our most active Green Teams is in the Netherlands (Delft and Arnhem) where our colleagues continually challenge themselves to reduce the waste produced in their offices. Currently, they recycle or compost 68% of the plastic, organic, paper, and residual waste.

The Netherlands staff carefully evaluate the need for every office purchase and support each other in repurposing, recycling, or composting waste. Successes and lessons learned are communicated between Stantec employees and with our communities. For example, in 2019, the Arnhem office hosted a session with other local companies to share their successes and failures in going plastic-free.

To reduce their environmental footprint, the Netherlands offices also

- Convinced co-tenants in Arnhem to introduce a separate waste collection system
- Added more electric cars to the fleet
- Offer free electric charging stations to employees
- Purchase Ecolabel-certified field clothing made from recycled fabrics that are returned to the company at end of life for recycling
- Use biodegradable sampling equipment for field work
- Provide reusable lunch bags for employees to reduce plastic

- Purchase recycled office supplies (such as chairs and carpets)
- Source only vegetarian and locally produced food for events
- Use their organic waste as a resource for a worm hotel to create vermicompost

Comment

C12.1b

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

Type of engagement

Education/information sharing

Details of engagement

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

% of customers by number

60

% of customer - related Scope 3 emissions as reported in C6.5

0

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

Each of Stantec's business operating units and geographies provide services that help address climate change. We have built a multi-disciplinary team ranging from marine scientists specializing in Arctic communities to coastal hazard and risk mitigation experts to sustainable design architects located across the world. As Stantec markets our services we routinely "sell" sustainability as part of our project approach. This comes in the form of choosing sustainable projects to pursue and educating clients on ways to incorporate sustainability features into existing project plans that have an opportunity to become even more sustainable. We can safely estimate that Stantec provides sustainability services to about 60% of our global client base. The number is likely higher but is not possible to quantify at this point in time.

An example client engagement can be seen in our work in New York City. In 2019, New York City's new Carbon Emissions Bill, Local Law 97, created carbon emissions limits for most buildings over 25,000 square feet and alternative compliance paths for certain types of buildings. This Bill has been called the most ambitious climate legislation for buildings enacted by any city in the world. Stantec architects have leveraged our expertise in net zero carbon buildings (new and existing), climate risk analysis, and sustainable infrastructure to educate and inform building owners and developer customers respond to the requirements.

Impact of engagement, including measures of success

Stantec has examples like the above around the world and deem ourselves successful when project metrics are met and when we win repeat project work. We have three criteria we use to measure the success of our customer engagement strategy: an 80% customer satisfaction score, a position in the top 10 of sustainability-related industry rankings, and that a significant portion of our revenue is associated with projects and services that have a sustainability impact.

We measure a customer satisfaction score as part of our ISO 9000-certified Quality Management System. In 2019, 97% of customers surveyed noted that they were satisfied with our work, with many noting our positive impact in meeting climate change mitigation goals.

Our success with industry rankings related to climate change action comes from multiple sources. For example, in 2019, Stantec was ranked as one of 100 Most Sustainable Companies in the World (Corporate Knights), Top 100 Smart Cities Providers (Newsweek), #3 Top 215 Green Design Firms (Building Design & Construction magazine), #8 Top 100 Design Firms (Engineering News Record [ENR]), and #8 Top 200 Environmental Firms (ENR).

To assess the percentage of our projects and services with a sustainability impact, in 2019, we continued to map our project work to the UN Sustainable Development Goals (SDG). Our inter-disciplinary internal SDG committee meets monthly to identify opportunities, share best practices, improve tracking mechanisms, and increase our SDG-related project activity. We rolled out a Power BI tracking system to help us associate our revenue with individual SDGs.

C12.1d

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

Stantec value chain partners include subcontractors, industry peers, and specialty partners.

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

For our industry peers, our climate-related engagement strategy is based on thought leadership and influence that encourages debate to push the whole industry towards accomplishing more. For example, Stantec has been a vocal proponent of climate-resilient infrastructure. We were active in developing/evolving the Envision and, BOMA-Best, LEED, PIEVC frameworks, which

enable companies like us to build sustainable buildings and infrastructure. Stantec also gets involved in industry initiatives that result in industry commitments. For example, to encourage climate action in the UK, Stantec, Heriot Watt University, and the Institution of Civil Engineers jointly hosted the sixth annual lecture series on climate and resilience in the United Kingdom called “Using AI to Assess Climate Risk to the Built Environment.” We signed on to the UK Civil Engineers Declare a Climate and Biodiversity Emergency, and one of our senior leaders is president of the UK Association of Civil Engineers and was key in encouraging the industry Pledge to Net Zero.

For specialty partners we look for ways to jointly promote energy efficiency in the industry. For example, we have begun conversations with Autodesk to investigate whether Stantec, a significant user of Autodesk products, can provide expert input to the development of future Autodesk product enhancements that encourage energy efficiency in building and infrastructure design.

C12.3

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

- Direct engagement with policy makers
- Trade associations
- Other

C12.3a

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

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Climate finance	Support	Stantec consults with policy makers on climate finance activities. For example, we are currently active participants in the CFO Taskforce for the SDGs, a UN Global Compact effort focused on creating funding mechanisms that further progress of the Sustainable Development Goals, including SDG #13, Climate Action. Our CFO, sustainability director, and investor relations director are working with an international group of counterparts from other companies to further the options related to climate finance.	Stantec efforts support legislation and financial backing to enable a transition to renewable energy sources and climate change adaptation.
Energy efficiency	Support	Stantec consults with policy makers to further energy efficiency and world access to renewable energy. For example, we work with the European Union to promote sustainable energy through the Global Technical Assistance Facility (TAF) for Sustainable	Stantec supports legislation that enables governments to proactively address climate change conditions.

		<p>Energy program, with the goal of doubling the share of renewable energy, doubling the rate of energy efficiency, and ensuring universal access to modern energy services. The Global TAF for Sustainable Energy is the EU's largest external aid consultancy contract for sustainable energy. The initiative aims to improve sector governance, increase investments in sustainable energy, and create a conducive business environment by assisting partner countries in Latin America, Asia, the Middle East, Africa, the Caribbean, and the Pacific increase their capacities in the energy sector.</p>	
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C12.3b

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

Yes

C12.3c

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

Trade association

Institute for Sustainable Infrastructure (ISI)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

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

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

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

Europe and certified the Naples-Bari rail line as the first Envision project in Europe, receiving Platinum rating (the highest level available).

Trade association

American Institute of Architects (AIA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The AIA is an organization that takes active steps to address climate change. Their Committee on the Environment (COTE) works to advance, disseminate, and advocate design practices that integrate built and natural systems and the environmental performance of the built environment. COTE works on behalf of AIA architects regarding sustainable design and building science and performance. The AIA has instituted a challenge to their members so that all buildings and renovations are carbon neutral by 2030.

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

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

Trade association

Canadian Council for Aboriginal Business (CCAB)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

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

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

Stantec is an inaugural member of the CCAB Procurement Champions Group and works to offer ways that Indigenous businesses can participate in our supply chain, including projects connected to climate action. Stantec is currently working on projects with Indigenous communities involving the PIEVC protocol (Public Infrastructure Engineering Vulnerability Committee, developed jointly with Engineers Canada and

Natural Resources Canada). This protocol helps communities protect themselves from the impacts of climate change and helps communities recover from extreme weather events.

C12.3e

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

Stantec staff work with our clients to help advance climate change actions and respond to a changing climate. We undertake climate change adaptation, carbon offset and mitigation projects on behalf of public and private sector clients in a variety of sectors. In addition to provincial and state-wide reporting programs, Stantec has extensive expertise with voluntary programs including The Climate Registry and The Verified Carbon Standard. We design buildings that are LEED-, BOMA Best-, Net Zero-, and Passive House- certified and design infrastructure programs that are Envision-certified. We work with governments to develop climate frameworks and implement programs adapt to changing conditions. For example, our work with the Seychelles government under the Global Climate Change Alliance Plus Initiative (funded by the European Union) strengthens their climate change sector policy framework and provides capacity building and adaptation for coastal areas affected by rising sea levels due to climate change. We also work with financing institutions like the European Bank for Reconstruction and Development to finance public and private sustainable energy investments through the Green Energy Financing Facility Program. We also partner with organizations that are focused on advancing resilience across the globe like with the 100 Resilient Cities program of the Adrienne Arsht Center for Resilience (previously of the Rockefeller Foundation). Stantec has employees that are certified in programs to advance climate change mitigation, including 850+ LEED-, 260+ Envision-, 16 Passive House-, and 15 Green Star-certified professionals.

C12.3f

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

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

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

C12.4

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

Publication

In voluntary sustainability report

Status

Complete

Attach the document

 2019 Stantec Sustainability Report.pdf

Page/Section reference

Pages 9, 14-22, and 26-29

Content elements

Governance
Strategy
Emissions figures
Emission targets

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

 stn-annual-report-2019.pdf

Page/Section reference

Pages 9, 10, M-2, M-13, M-33, and M-37

Content elements

Governance
Strategy
Risks & opportunities

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

 stn-annual-information-form-2020.pdf

Page/Section reference

Page 13

Content elements

Governance
Strategy

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

 stn-management-information-circular-2020.pdf

Page/Section reference

Pages 26, 27, 34, and 36

Content elements

Governance
Strategy
Risks & opportunities

Comment

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Financial Officer	Chief Financial Officer (CFO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms