

## Stantec Inc. - Climate Change 2021

### 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, advisors, 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 2020 gross revenue was \$4.7 billion. Our ability to design and deliver sustainable solutions for our clients is critical to our long-term competitiveness and key to us achieving a position as a top-rated global design firm.

At Stantec, we recognize that managing our business with a triple-bottom-line focus benefits our people, clients, communities, investors, and the 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 environmental impacts of our internal operations by choosing approaches that provide the least possible harm and highest possible benefits, provide an inclusive and equitable workplace for our employees, actively volunteer in and engaging with our communities, and demonstrate 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 the clients and communities we serve. 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 and is woven directly into the fabric of our leadership—each geography and business operating unit actively engages in creating a sustainable world.

#### 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	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	No	<Not Applicable>

#### C0.3

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

- Argentina
- Australia
- Bahrain
- Barbados
- Belgium
- Canada
- Chile
- China
- Czechia
- Ethiopia
- Germany
- India
- Italy
- Kuwait
- Netherlands
- New Zealand
- Peru
- Qatar
- Slovakia
- 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	Stantec's board-level Sustainability Committee (internally called the Sustainability and Safety Committee) was established by the Board of Directors and has board-level oversight in managing climate-related issues. This committee was created to provide oversight on Stantec's climate change response as well as environmental, social, and health and safety performance. Emissions management is a standing committee agenda item. 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. As an example of a climate-related decision made by the Sustainability Committee, the Committee recently progressed a commitment to 1.5C emission reduction targets (Science-Based Targets), a carbon neutrality plan, and a net-zero plan.
Chief Financial Officer (CFO)	Stantec's CFO interacts regularly with investors on climate-related topics and overall ESG performance. She is an ESG advocate within the organization, 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 the board-level Sustainability Committee. An example of a climate-related decision made by the CFO includes progression of a formal climate scenario analysis and purchase of the GeSI-CDP Scenario Analysis Toolkit to quantify related risks and opportunities. The executive-level Sustainability Committee our CFO chairs, is responsible for overseeing Stantec's overall climate-related framework, including materiality, scenario planning, and climate-related risks and opportunities. The Committee reviews, assesses, and makes recommendations regarding Stantec's performance on an on-going basis and provides leadership, focus, and guidance to management.

C1.1b

**(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	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	The board Sustainability Committee (internally called the Sustainability and Safety 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. The board committee regularly reaches out to subject matter experts (internal to Stantec and in the broader industry) to better understand climate risks and opportunities. 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)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Chief Practice and Project Officer)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Chief Financial Officer (CFO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	As important matters arise
Sustainability committee	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Environment/ Sustainability manager	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	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. The executive Sustainability Committee (internally called the Executive ESG Committee) provides oversight and guidance of Stantec's sustainability practices and commitments. In recognition of the importance of climate action to our Company strategy, the executive-level Sustainability Committee members include C-Suite and senior corporate strategy leaders including :

- CFO (Committee Chair)
- COO, Global Operations
- Chief Practice and Project Officer
- Chief Human Resources Officer
- SVPs of Corporate Strategy
- VPs of Environment/Sustainability, Risk Management, and Practice Services
- Leader of Continental Europe 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). Half of Stantec's C-Suite and our most senior corporate strategy leader have voluntarily asked to be a part of this committee in recognition of the importance of climate action to our Company strategy. This Committee officially meets quarterly but interacts and communicates regularly to share information regarding environmental, social, and governance implications (potential risks and opportunities, as well as management approaches) on our business. In their leadership positions, the team then acts accordingly. The executive 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 reporting line hierarchy of the corporate sustainability function rolls up to the Chief Practice and Project Officer, 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, this C-Suite member is responsible for providing the board Sustainability Committee (internally called the Sustainability and Safety Committee) quarterly operational updates, with climate-related sustainability issues being a standing agenda item. Additionally, the Chief Practice and Project Officer interacts with board members on climate-related sustainability issues outside of board meetings on an as-needed bases.

3. The Environment/Sustainability VP monitors climate issues, manages Stantec's climate performance, and leads Stantec climate action. She provides regular updates to the Chief Financial Officer, the Chief Practice and Project Officer, the overall executive Sustainability Committee, the CEO, and the board.

At Stantec, the "chief" positions all report to the CEO. The Environment/Sustainability VP reports to the Chief Practice and Project Officer.

### 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.
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction target	Stantec implemented a series of environmental, social, governance, and financial performance indicators that form the basis of the CEO Scorecard. This scorecard is used to assess the Company's achievement of its near-term business goals and to determine the short-term incentive plan (STIP) award. Recently, a climate-related assessment criterion was added to the STIP scorecard. The new key performance indicators include Stantec meeting our 1.5C science-based reduction targets as well as our carbon neutral and net-zero pledges.

## 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	This is the timing of our interim emission reduction and carbon neutrality goals.
Medium-term	5	15	This is the timing of our SBT and net-zero goals.
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) 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**

RISKS: To identify and assess climate-related risks, Stantec follows the process defined in our Enterprise Risk Management (ERM) program. The overall ERM Program is based upon the ISO 31000 Risk Management – Principles and Guidelines and 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 on a quarterly basis using the "Plan-Do-Check-Act" cycle. To populate the risk register, the Stantec ERM director identifies risks jointly with executives, business operating unit directors, location leaders, and practice leaders. Regarding transitional risks, potential climate-related 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 impact registers. For example, through this assessment, we identified risk of decreased revenues and business opportunity from governmental (public) clients if Stantec does not move towards having net zero operations, especially in the UK. We assessed this to be a strategic and operational risk because if we are unable to deliver on our commitments aligned with current regulations and show our role in meeting net-zero goals, we may lose business opportunities. The likelihood was determined to be 'Likely' and the impact as 'Medium' because the time horizon for this risk is long-term (15-30 years). Regarding physical risks, through our EMS and analysis by the Environment/Sustainability VP, we identified risk in business interruption from increased weather events. We consider this to be an operational risk because it may impact our ability to deliver on projects. The likelihood was determined to be 'Very Likely' and the impact as 'Medium-high' because with our global presence, it is very likely that a weather event extreme enough to cause project delays will occur at some point in the year. This risk has a time horizon of 1-30 years (short-, medium- and long- term) because we may experience acute impacts from each weather event that is expected to increase in frequency over the next 30 years. OPPORTUNITIES: Identification of climate-related opportunities is a key part of our official strategic planning progress. Stantec forecasts three to five years ahead and Stantec business managers review and refresh local goals against the corporate strategy. This includes SWOT, risk, and opportunity analysis. Our most recent planning cycle was held in 2019 and included deep dive review into megatrends and market conditions. Trends and forces were 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. We took those trends, looked at the key needs of clients and communities, and matched them with areas where Stantec has competitive advantage. This resulted in the naming of growth initiatives: Coastal Resilience, Ecosystem Restoration, Smart Cities/Urban Places, and Energy Transition. These growth initiatives recognize the importance of climate action to Stantec's strategic future. Examples of how our strategic planning process addresses physical and transitional opportunities can be seen by looking closer at some of our strategic growth initiatives. Sea level rise is a chronic physical risk caused by long-term shifts in climate patterns. Stantec's Coastal Resilience and Ecosystem Restoration growth initiatives work together to address that risk. Our project work includes both natural and built solutions with a combination of ecosystem restoration, land management, and physical defenses. For example, Stantec is lead designer of a reconstructed wharf at the southern tip of Manhattan that will raise the waterfront esplanade approximately 5 feet (1.5 m) above its current elevation—11 feet (3.4 m) above Mean Sea Level—to protect the park and nearby community, as the 20-acre (8-hectare) Battery Park currently sits at an elevation that will be submerged as sea levels rise. A business opportunity to address a transition risk is seen by Stantec's ability to combine technologies. For example, for an off-grid First Nations Community, Stantec designed the first fully integrated remote renewable energy-storage microgrid in Canada. This solution combined solar power, battery storage, and grid technology to replace approximately 34,000 gallons (130,000 liters) of diesel fuel per year. From this project experience, the team was able to create a repeatable process that allows the approach to be applicable to other off-grid communities, combining the technologies that make the most sense for the individual community environmental conditions.

**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**

Through our project work, Stantec helps our clients identify and manage their climate risks. Each project has unique conditions that are addressed accordingly, but our overall project management process helps keep this top-of-mind for our project teams. Our integrated teams of professionals bring a consistent approach to sustainability across our various business operating units. Stantec's Project Management Ecosystem specifies Stantec's expectations of project managers and provides a scalable PM Framework to promote a pragmatic and disciplined approach to project delivery. It includes the critical tasks for managing risks, including climate risks, and achieving quality delivery on typical projects. At a project level, Stantec's PM 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. For projects with risks that have the potential for significant financial and/or reputational impacts, including impacts related to climate change, we have a formal risk review practice. The Project Risk Review Committee consists of senior Stantec leaders as well as relevant subject

matter experts. 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 (with information generated via consultation with internal safety, legal, tax, etc advisors/experts), that is then reviewed by a Business Operating Unit Risk Committee, Executive Leadership Risk Committee, or both (calling in subject matter expertise as needed). 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	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 impact how we approach client work. An example of a current regulatory risk type that is considered in our assessment is potential decreased revenues and business opportunity from governmental (public) clients if Stantec does not move towards having net zero operations. Our ability to deliver on this commitment is also important to our clients, many of whom have made similar commitments, and it allows us to sign up to external pledges such as the UK's The Association for Consultancy and Engineering's Net Zero pledge. If we are unable to deliver on our commitments that are aligned with current regulations and show our role in meeting net-zero goals, we are likely to lose business opportunities. Also in the UK, the Streamlined Energy & Carbon Reporting 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 additional tracking, measuring, verification, and reporting requirements (from a level of effort and cost standpoint). Stantec staff closely track environmental regulations. At a corporate level, our corporate sustainability team, executive Sustainability Committee (internally called the Executive ESG Committee), and business unit leadership closely 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.
Emerging regulation	Relevant, always included	Stantec closely follows emerging regulations that will impact the geographies where we work (to manage our potential impacts), as well as regulations that impact locations where our clients are located (so that we can be prepared to support our clients in managing their potential impacts). Relaxation or repeal of laws and regulations could also impact the demand for our services. New environmental regulations, laws, and policies could result in increased costs for our clients or create the potential for litigation, possibly preventing a project from going forward and thus reducing the potential for our services. A risk type that is included is increased claims liability from emerging mandates and regulation of new construction projects. As more legislation and regulation around emissions and resource efficiency develop for new buildings and construction, Stantec clients may face increased claims liability (and resulting increased indirect expenditures) if we commence implementation of a project without being aware of these new regulations. We must also be sure that our contractors and subcontractors are aware of these new regulations because we may be held accountable if we procure services or materials from them without performing our due diligence. 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. 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, also in the US, the Biden Executive Order on climate change and the new US Treasury rules for carbon capture tax credits are already presenting opportunities for Stantec to assist clients in calculating the carbon sequestration potential of the projects we are designing for them.
Technology	Relevant, always included	Stantec looks at technology changes as disruptors in many aspects of our business. A technology risk that is included is increased claims liability costs due to the increased prevalence of autonomous vehicles. Autonomous vehicles are transforming technological and automotive landscape by offering safe vehicles with better mileage and high potential to reduce street congestions; this makes this type of a vehicle a solution for emissions management. However, urban planning and city development projects may need to take features of autonomous vehicles into design considerations in order to offer a safe experience. If Stantec and our clients are unable to adapt our strategy and solutions in community development and city planning to meet the technological developments and needs of autonomous vehicles, we may risk claims liability in case of accidents caused by decisions in city planning. 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 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. Technology improvements introduced as the market transitions to a low-carbon economy presents opportunities to Stantec. It makes us more effective at our sustainability services and provides added value to our clients. We recognize this potential and have dedicated an R&D fund to help us further climate-related technology. For example, many of our renewable energy or sustainable infrastructure projects have an impact on local ecosystems. We use technology to reduce the strain that human interactions have on animals and the environment. For subterranean ecosystems, our eDNA biodiversity monitoring techniques can detect and monitor aquatic invertebrates, which are indicators of aquifer ecological health.
Legal	Not relevant, included	Stantec plays close attention to legal risks related to climate change. Our evaluations, however, are less pertaining to Stantec's legal liability and more focused on the legal implications to our clients. For example, if Stantec provides water management services to a beverage manufacturing client that is cited for not managing their climate impacts, that could impact Stantec in the form of project delays or reputational damage. Our project risk evaluation process considers potential client legal implications as part of our "go-no go" process for potential projects. This is a risk factor we also monitor as projects progress.
Market	Relevant, always included	An example of a market risk type that is included in our risk assessment is increased operating costs due to variable pricing of energy attribute certificates. Because the price is so variable, it is difficult to budget purchases accordingly. For example, the latest 2020 statistics published by AIB show that prices have doubled from the start of the year. Since Stantec operates primarily out of leased offices and expands the business through acquisitions, energy attribute certificates are an important way for us to reduce our global carbon footprint and manage our operational emissions. Our corporate Procurement team assesses this risk as part of our normal operations. Our dedicated team maintains relationships with a variety of suppliers and manages data through a centralized procurement management system. We should point out that as our current/potential suppliers respond to climate risks/opportunities, it improves Stantec's climate actions. For example, we are actively waiting for the new suite of electric vehicles coming to market to help reduce our Scope 1 emissions. Because much of our fleet is used for fieldwork, we need four-wheel-drive, high clearance, and extensive range. We have been closely following the Ford (our fleet provider) reveal of the Lightning F-150 to help us move our fleet towards electric. 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. 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.
Reputation	Relevant, always included	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. For example, Stantec provides ecosystem consulting services. Some years back, one of our clients did not follow our explicit 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 purposely try to work for clients whose value system matches that of our company. Stantec's Marketing and Communications team closely assess our market perceptions. As a fundamental aspect of our ISO 9001 certified Quality Management System, we regularly survey our top clients, closely follow the media (industry, general, and social), and periodically hire external consultants for evaluation purposes. The input informs Stantec's risk management process.
Acute physical	Relevant, always included	The increase in the severity of extreme weather events presents a risk in the form of business interruption. Such events could result in closed offices, difficulty for staff coming to work, damage to our office space, project delays, and client dissatisfaction/claims. 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. For example, starting in late 2019 and into early 2020, 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. Physical risks are also taken into consideration taken by our corporate Real Estate, Health and Safety, and location leadership teams who assess this risk when determining the location of new office space. Finally, our Risk Management and Project Management teams assess this risk when making go-no-go decisions for new projects.

	Relevance & inclusion	Please explain
Chronic physical	Relevant, always included	Long-term shifts in climate patterns causing sea level rise, unpredictable precipitation, and chronic heat waves can impact Stantec operations and our project work. Stantec operates primarily out of leased space so the cost of physical damage to the buildings structure where our offices are located is usually not our responsibility. However, breaking a lease because a building has been damaged or the inability to access an office while repairs are being made, can have cost implications. Also, if our leased space is damaged due to weather, interior renovations can be costly. Stantec maintains insurance to protect against costs related to damage and provides virtual work options for our employees so that they can continue their project work even if they are not able to come to the office. Chronic physical 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 changing conditions. In addition, we offer multiple service offerings related to power generation so that we can provide alternative renewable power options if needed. 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. 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.

## C2.3

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

No

## C2.3b

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

	Primary reason	Please explain
Row 1	Risks exist, but none with potential to have a substantive financial or strategic impact on business	Stantec regularly conducts assessments to evaluate climate related risks with respect to our operations and to our clients. Specific to our operations, we have identified climate-related risks, but none of the risks and their impacts meet our definition of substantive impact, which is an impact that would financially impact us by more than \$30 million and decrease share prices by more than 20%. Stantec has determined that there are no substantive climate-related risks on our business through identification and analysis with the Environment/Sustainability VP, the executive-level Sustainability Committee, and operational leaders. 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 and incorporate actions into our business continuity management system. The success of our business continuity planning was put to the test with the pandemic. In 2020, we immediately implemented our crisis management plan and responded in a coordinated manner moving the majority of our staff to remote work. Thanks to extensive disaster planning, a comprehensive IT infrastructure, established and interconnected virtual teams, and our diverse business offering, we were able to end the year with revenue numbers close to budget. In relation to the climate change risks our clients face, because of the services we provide, these translate into significant business opportunities for Stantec. Our clients need to adapt to new technologies, increased energy/fuel costs, difficulties navigating bureaucracy, disruption in work, or a change in public perceptions and Stantec offers the necessary subject matter expertise. 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, we routinely help oil and gas companies in their transition to a low carbon economy through renewable energy options, remediation capabilities, and ecosystem restoration services.

## 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 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 (strategic consulting and technical design work). Each of Stantec's business operating units and geographies already offer sustainability services (such as climate science, carbon/water footprinting, strategic advisory to reduce emission levels, renewable energy design, energy-efficient building/infrastructure design, water resource management, response planning for rising sea levels, disaster recovery planning/response, international development, resilience planning/design, sustainable infrastructure design, automated car technologies, etc). Stantec sees incredible potential as the market evolves and grows. We are now working with more municipalities to create climate action plans and to upgrade their infrastructure. As well, multinationals are proactively adapting to global climate requirements. We have identified climate action as an essential component in future growth of the company and named four strategic growth initiatives that refer to Stantec's role in addressing climate change (Energy Transition, Smart Cities/Urban Places, Coastal Resilience, and Ecosystem Restoration). Each offers substantial business growth opportunities. Examples of project

opportunities include: -Using our knowledge of food processing and biomass waste management, Stantec designed a system that generates renewable biofuel from Cavendish Farms' potato waste products to power its plant's steam boilers. This reduced GHG production by 35% and eliminates 1,000 miles a day spent on trucking waste offsite. -To keep up with the increase in demand for electric vehicle charging infrastructure, Stantec helped the City of Pasadena, California design and install the largest fast charging station in the nation, consisting of 44 public fast chargers at the Marengo Charging Plaza. The examples given above are categorized under the Energy Transition growth initiative portfolio. Stantec expects a 20% increase in Energy Transition revenues in the coming years. Not only does Stantec see an opportunity to sell more climate action services to our clients, 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)**

<Not Applicable>

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

96000000

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

600000000

**Explanation of financial impact figure**

Most projects that Stantec undertakes are impacted by climate change, whether it is accessing new renewable energy sources, building infrastructure that withstands future weather conditions, addressing water scarcity, or enabling projects to progress in a way that protects the environment. For our clients to continue to thrive with a changing climate, they need a company like Stantec to help them adapt. For this reason, the revenues from this opportunity are integrated in the revenues from our core service areas. However, as mentioned in other parts of this submittal, we believe our four new strategic growth initiatives (noted in the company specific description above) present additional opportunity for growth. The financial impact estimate provided for this question is based on our Energy Transition strategy 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 maximum estimate using the International Energy Association's World Energy Investment data that estimates 2020 energy transition market (in 2019 dollars) at US\$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 available energy transition design market size is \$12 billion. If Stantec were to capture 3% of the available market, it would result in revenues of \$600 million. Addressable market = total market (\$972 billion) x 25% = \$243 billion Available market = addressable market (\$243 billion) x 5% = \$12 billion Maximum impact = available market (\$12 billion) x 5% = \$600 million. For the minimum estimate, through internal analysis, we estimated the gross revenue potential of energy transition work with a key number of existing clients. We estimated a potential new revenue average of approximately \$8 million each of 12 key clients. This estimate was based on analyzing the new revenue potential based on existing backlog, the value of work that is being bid/negotiated, and estimates of potential future work. Minimum impact = average revenue potential for key clients (\$8 million) x 12 key clients = \$96 million

**Cost to realize opportunity**

3000000

**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 initiatives 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 business operating unit (BOU) leads the Energy Transition strategic growth initiative. One of the technology leaders in this BOU led the Energy Transition team in exploring ways for communities to evaluate power needs of existing infrastructure against climate action and environmental justice goals. Microgrids represent an opportunity to shift from centralized power towards more localized and distributed energy sources. Their research influenced Stantec's decision to bid on the Gull Bay Microgrid project, which Stantec won. Its use of solar power, battery storage, and grid technology will supply half of the remote, off-grid, Indigenous community's energy needs during the day, replacing 130,000 liters of diesel fuel per year with clean solar power. Stantec provided engineering services and designed the solar farm array, collection system, and the tie-in to the battery energy storage and existing grid. A key outcome of this project is that it is a repeatable solution that works well with the cultural values of Indigenous communities but can be equally applicable to any remote town or work site. The repeatability of this solution is important in growing Stantec's Energy Transition business as a market leader in microgrid technology. In Canada alone, there are 630 Indigenous communities and 292 remote communities that could benefit from this microgrid technology approach. The cost to realize this opportunity fits our internal estimating model that values the cost of business development to be 2-5% of projected revenue. Cost to realize = estimated minimum revenue (\$100 million) x typical cost of business development (3%) = \$3 million

**Comment**

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**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**

In 2020, Stantec's backlog for projects associated with climate change mitigation and adaptation services was \$740 million. We anticipate that the numerous regulations/responses to climate change are expanding Stantec's potential client base and creating new markets for Stantec services. For example, to limit climate change to safe levels, beyond avoiding/reducing emissions, effort must be taken to remove emissions from the atmosphere. To support removal, Stantec sees considerable new market opportunities coming from removal through nature based solutions (NbS). These services leverage targeted green infrastructure projects to address challenges

resulting from climate change and often take the form of ecosystem restoration. They provide a multiplicity of benefits that can include carbon sequestration as well as conservation, biodiversity protection, expanded migratory corridors, enhanced water and air quality, soil health, heightened resilience, recreational access, and sustainable development opportunities for local communities. Examples of our project opportunities include: -Ecologists supported the transformation of a low-grade sewage farmland to Green Park, a business park in Reading, UK. The infrastructure design included an innovative flood relief scheme that created a biodiverse rich landscape. -To restore the natural flow and of a river in Columbus, Ohio, US, Stantec removed a legacy dam that was trapping pollutants and sediment. The natural channel design included creation of four wetlands, planting of native vegetation, and restoration of prime mussel habitat. The NbS examples given above are categorized under the Ecosystem Restoration growth initiative portfolio. To service this emerging market, Stantec has experts in 10 discipline groups focused on ecosystem restoration. To date, we have restored 40,000+ acres and 1,000+ miles of streams and rivers. Stantec expects a 30% increase in Ecosystem Restoration revenues in the coming years. 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**

Medium-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)**

<Not Applicable>

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

70000000

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

210000000

**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. To estimate our financial impact figure, we looked to the United Nations. According to a 2021 UN report called "Ecosystem Restoration for People, Nature and Climate", by 2030 investments will need to be over US\$350 billion per year for land based ecosystem restoration. Another study looks at the cost of the nature-based solutions on land needed to meet climate, biodiversity and land degradation targets; it states that by 2030 investments will need to be over \$350 billion per annum (UNEP, WEF, ELD forthcoming). This does not include the cost of restoring marine ecosystems. Using the \$350 billion figure, Stantec estimates that approximately 10% of that market is addressable to Stantec (due to factors such as geography and service limitations), or \$35 billion. Assuming that 20% of that amount will go to design services, the total available market size is \$7 billion. Our maximum estimate is based on Stantec capturing 3% of the market and the minimum is based on us capturing 1% of the market. Addressable market = total market (\$350 billion) x 10% = \$35 billion Available market = addressable market (\$35 billion) x 20% = \$7 billion Maximum impact = total market size (\$7 billion) x 3% = \$210 million Minimum impact = total market size (\$7 billion) x 1% = \$70 million

**Cost to realize opportunity**

2600000

**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 and the best advisors. We must be leaders in technical solutions and know how to communicate with our clients and their stakeholders about the reasons and urgency for change (sometimes under adverse circumstances), about the opportunities, the risks, and the possible solutions/alternatives. We must be able to help guide our clients through the transition. To address this opportunity, Stantec has assigned a global leader for climate change services. This individual is an environmental scientist, at the executive vice president level, and is a strong proponent of nature-based solutions. He has established a network across business operating units to facilitate collaboration, implement best practices, and promote thought leadership. Across the globe, 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 so that we can stay at the forefront of our fields. Our efforts have already begun to see progress. For example, in Louisiana, USA, Stantec was hired to provide services to help with shoreline restoration restored 50 acres (20 hectares) of submerged aquatic vegetation. Invasive species were replaced with native species, providing increased diversity and habitat. Not only does this project estimate sequestration of 42 tons of carbon each year (after maturation), it also supports coastal restoration and provides an appreciated nature area near New Orleans. A key outcome is development of a new service line focused on helping clients address their net-zero commitments through projects that promote ecosystem restoration. The cost to realize this opportunity fits our current marketing model of business development representing 2-5% of projected revenue. For the cost we took the middle range of 3%. Cost to realize = lower revenue estimate (\$87.5 million) x typical cost of business development (3%) = \$2.6 million

**Comment**

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**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 (giving us very little direct control of the behavioral and operational factors that reduce reported emissions). To address the situation, Stantec's primary emissions reduction strategy is to optimize the amount of space allocated to each employee. Whenever possible, we look to lease energy-efficient buildings (we currently occupy approximately 50 buildings with energy efficiency certifications) and work with our landlords to influence energy-efficient features (such as LED lighting, automatic off switches, and programmable thermostats). Because climate change

increases the cost of energy, landlords are incentivized to make the requested changes. Additionally, we try to always use our physical office space in the most efficient manner possible and avoid maintaining vacant space by looking for ways to optimize our office layouts for usability and comfort of our employees. A successful example can be seen in Stantec's move to our new corporate headquarters in Edmonton, Alberta, Canada that brought together 1,200 team members from three offices into one new LEED-certified, energy and water efficient building. This was equivalent to a 20% total efficiency in energy and water compared to the previous office and an annual 15% cost reduction seen in our utility bills. In 2020, we undertook a detailed review and analysis to look at further optimizing office space. While this initiative began early in the year, sending our entire workforce to work from home during the pandemic gave us a unique view into the scale of the opportunity and the sentiment of our employees. We surveyed our staff to ask them about their preferred work model after the pandemic to inform our newly established flexible workplace model. Stantec set a target to reduce our existing physical real estate footprint by approximately 30% by the end of 2023. Achieving a lower space per employee ratio is key to Stantec meeting the emission reduction goals as committed in our 1.5C science-based target.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

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

38000000

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

45000000

**Explanation of financial impact figure**

Beginning in late 2019, Stantec began targeting a total cost savings value of roughly \$38 million to \$45 million to be fully realized by 2023. While the cost details used to calculate this figure are not available publicly, they are based on IFRS office lease expenses + net office lease expenses + net office space expenses + fit-out and furniture depreciation. The projected savings totals were publicly disclosed in our 2020 Annual Report (see page M11) and our Q42020 earnings call (recording available on stantec.com). Discussions note that the implementation of our strategic initiative to optimize occupancy costs are expected to drive an initial incremental earning of approximately \$0.10 per share in 2021. With further reduction in our occupancy footprint, we expect to increase earnings per share by an additional \$0.25 to \$0.30 by the end of 2023.

**Cost to realize opportunity**

19500000

**Strategy to realize opportunity and explanation of cost calculation**

To achieve the reduction of Stantec's real estate footprint, our Corporate Real Estate team did an analysis of all lease terms against current and projected occupancy. The team analyzed the square foot per employee ratios in various geographies to determine optimal space configurations and worked with our client facing interior designers to determine the most effective layouts to maintain/enhance productivity. With the knowledge that approximately 50% of our lease space will renew over the next three years and a marketing plan to sublease certain leased office spaces that were determined to no longer be needed for the remainder of their lease terms, the Corporate Real Estate team is in the process of reducing our real estate footprint by 30%. An example of the consolidation process can be seen in the Denver, Colorado, US metro area where Stantec had six offices. This is largely due to acquisition of multiple companies with a Front Range presence. The Corporate Real Estate team did an analysis of employee home locations, commute options, access to clients, and employee work preferences to identify potential new office locations. They worked through the various lease terms and energy efficiency features to identify the optimal consolidated office location. Staff associated with these offices work in a mixture of full-time at the office, part-time at the office in a shared workspace, and full-time at home. For the cost calculation, as of December 31, 2020, the assets that were designated to be subleased under the formal plan were removed from their respective cash generating units and indicators of impairment were assessed. As noted on page F-33 of Stantec's 2020 Annual Report, the impairment associated with property and equipment was \$19.5 million. The cost calculation details follow accepted accounting principles. Our consolidated financial statements were audited by Ernst & Young LLP Chartered Professional Accountants. This cost to realize opportunity is already accounted for in the \$38-\$45 million cost savings noted above.

**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) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?**

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	

**C3.2**

**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

Yes, qualitative and quantitative

**C3.2a**

**(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.**

Climate-related scenarios and models applied	Details
2DS RCP 2.6 RCP 4.5 RCP 8.5 IEA Sustainable development scenario	<p>Stantec’s strategic planning, enterprise risk management, and sustainability teams met to develop our approach to a climate change scenario analysis. We reviewed existing options to find scenarios that best apply to a professional services consulting organization. We created three scenarios based on input predicting a world under the IPCC’s RCP 2.6, RCP 4.5, and RCP 8.5 models with a time horizon of 2050 and key inputs gathered from the 2 Degrees Celsius (2DS) and the IEA Sustainable development scenarios. We facilitated a workshop with our executive Sustainability Committee (internally known as the Executive ESG Committee) and other key business leaders to identify risks and opportunities as well as degree of impact and time horizon. We are in the process of utilizing the GeSI-CDP Scenario Analysis Toolkit to understand the financial impact of the risks and opportunities arising from climate change. Outputs from this scenario analysis will drive action through risk mitigation and opportunity realization. The IPCC RCP scenarios were selected because they clearly describe the potential future based on action and inaction and were a model that aligned with our strategic planning mindset. A few of the key assumptions utilized included economic power shifts, demographic changes, incremental/breakthrough technology, and geopolitics. The Absolute Contraction scenario was selected due to its wide acceptance as a robust form of analysis with methods that are consistent with the level of decarbonization required to keep global temperature below 2C compared to pre-industrial temperatures. All areas of company operations that are under Stantec’s operational control were considered as part of this analysis. Inputs to the analysis included the inventory of Stantec’s Scope 1, 2, and 3 emissions and annual quantified reductions in these emissions consistent with levels necessary to be aligned with the 2C scenario according to the IPCC’s Fifth Assessment Report. Short- (1-5 years), medium (5-15 years), and long-term (15-30 years) time horizons were selected to incorporate potential future developments of Stantec as well as complement existing targets to be carbon neutral by 2022 and achieve net-zero operations by 2030 across our entire global footprint. While our scenario analysis process is still evolving, our progress so far has directly informed Stantec’s business objectives and strategies. For example, through our analysis, we identified offices in the Middle East, Latin America, and western North America that will potentially incur higher operating costs/ increased Scope 1+2 emissions due to increased air conditioning needs in higher temperatures. This analysis has also directly influenced our decision to increase investments in renewable energy and establish our energy transition strategic growth area. For example, we are strengthening our portfolio by designing renewable energy infrastructure and supporting financing. For example, in Turkey we became technical consultants for Sustainable Energy Finance (SEF) resulting in over EUR 500 million of funds financing more than 1,000 energy efficiency and renewable energy projects (448 MW of new renewable energy power installed). In this program, Stantec is a technical bridge between the entities making climate change commitments and the institutions financing the work. From the work in Turkey, we have been able to expand our services in support of 15 additional SEF programs and see incredible potential to perform these services in more geographies (in both the developed and developing world). Consistent with the results of our scenario planning, Stantec will continue to invest in renewable energy, we are focused on being the leaders in design of energy-efficient buildings, we will creatively address water scarcity; we will progress technological advances, and we will continue to develop nature based solutions.</p>

**C3.3**

**(C3.3) 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	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. A substantive strategic decision is Stantec's decision to sign a Letter of Intent to acquire Wenck, a US-based environmental engineering firm with core expertise in air, water, waste, food processing, natural resources, and infrastructure. Wenck's engineering and environmental services experience strengthen Stantec's ability to support industrial, infrastructure, energy, and real estate sectors and helps Stantec and our clients realize opportunities brought about by climate change. Over the next decade, market research indicates an incremental US\$2 trillion in climate-related engineering and design opportunities worldwide. The potential to increase Stantec revenues by addressing the climate-related risks and opportunities has directly influenced our company's strategic growth. We have identified climate change services as a key company focus and, during our strategic planning process, we named and funded four growth areas that present the greatest revenue opportunity: -Coastal resilience - Ecosystem Restoration -Smart Cities and Urban Places -Energy Transition 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.
Supply chain and/or value chain	Yes	Climate change has impacted Stantec's value chain strategy by influencing what we purchase and how we interact with our clients. A substantive strategic decision is our announcement of a targeted 30% reduction of our existing worldwide real estate footprint by 2023. We also continue to actively incorporate sustainability and energy efficiency into our request for proposal process for selection of vendors and office locations. Stantec's value chain includes: Upstream (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. Stantec Operations (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. Downstream (clients): 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. 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.
Investment in R&D	Yes	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. To promote innovation and facilitate collaboration, Stantec annually invests approximately \$3 million into grants and research. While many innovation investments 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 the time horizons defined as part of our climate-related risk assessments. A substantive strategic decision is the funding of our first Innovative Business Opportunity to further environmental and social benefits of self-driving cars. Stantec GenerationAV™ is a Stantec-funded program created in concert with the re-launch of Stantec's Innovation Office, which was designed to identify, incubate, accelerate, and operationalize client-focused research into scalable infrastructure solutions. The Innovation Office centrally drives the development of products and services by mobilizing an incubator which underwrites hundreds of company-funded grants for employee practitioners to develop client-facing, creative project solutions. Annually, the organization selects a targeted number of staff innovations for deeper investment and companywide deployment. Another strategic decision example is connected to Stantec's net-zero commitment. We are using our Innovation Office to develop new ideas and opportunities for companies to provide "additionality" as it relates to carbon capture and sequestration. We are piloting a series of innovative ideas within Stantec with the future intent of sharing them with clients to help clients meet their net-zero aspirations.
Operations	Yes	Stantec recognizes the impact of climate change on how we operate. This is a key employee engagement item (employees want Stantec to take a leadership position), an element of our business development efforts (sustainable behavior is good for our brand), and important to our investors (we are considered a socially responsible investment choice). To address, we have a Corporate Sustainability team dedicated to influencing sustainable behavior throughout our operations, our risk teams incorporate climate change into our business contingency planning, and our strategy teams incorporate climate change in our business planning. The opportunity to increase profitability (through lower costs) has influenced our operational strategy, making sustainability a key element of business management decisions. For example, reduced travel and a smaller real estate footprint lowers both our costs and emissions. We have a cross-business operating unit working group focused on addressing client-facing climate change service opportunities. Across the business we have thousands of employees with technical expertise to address and adapt to the impacts of climate change (with expertise including 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). A substantive strategic decision example is that, in 2020, Stantec acquired three companies to expand our capabilities specifically around SDG 7 (Affordable and Clean Energy) and SDG 11 (Sustainable Cities and Communities). By bringing expertise on power delivery engineering, spatial development, infrastructure, GIS, and environmental studies, services, and solutions, these three firms will help with the portfolio expansion of the four key growth areas identified through our climate-related risk assessment (coastal resilience, ecosystem restoration, smart cities and urban places, and energy transition). 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.

C3.4

**(C3.4) 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><b>REVENUES:</b> 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. Based on project coding in our financial system, we track our sustainability-related revenue in two ways: SDG-related revenue and climate change mitigation/adaptation revenue. As the percentage of sustainability-related revenue increases year-over-year, it justifies additional investment in our sustainability service offerings. We expect the opportunities presented by sustainability-related 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. <b>INDIRECT COSTS:</b> Stantec has budgeted money to support reporting and emissions management. In 2020, we committed to a carbon neutrality to net-zero goal that will have an associated cost (for carbon neutral this includes the purchase of renewable energy and offsets, for net-zero, this involves investments towards additionality). Our company's largest operational costs are 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 (sometimes at a price premium). In 2020, we implemented a new flexible working plan to give options to our employees post-pandemic. Some employees will work from home full-time, some will come back to the office, and some will take a hybrid approach. This change will give our employees choice to work in the way that best suits their needs and will allow us to reduce our real estate by approximately 30%. By using a standard, modular interior design, consolidated offices are configured to accommodate the current employee count as well as anticipated growth. 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 are managing post-pandemic travel expectations to maintain a significant reduction in travel when compared to 2019. 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). <b>ACQUISITIONS:</b> 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 2020 acquisitions of Teshmont (Canada) expanded our capabilities in renewable energy, AGEL (Netherlands) supported sustainable development, and Wenck (United States) grew our environmental service offerings. 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 have lower per person square foot ratios. 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). <b>ACCESS TO CAPITAL:</b> 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. Additionally, as a demonstration of our commitment to long-term sustainable action, we are currently exploring metrics for a sustainability linked loan. Actions such as these are likely to have a significant positive impact on Stantec. The magnitude of impact is considered high. We have seen the investor and financial institution interest in ESG grow consistently. Because these entities 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). All time horizons referenced are consistent with the time horizons defined as part of our climate-related risk assessments.</p>

**C3.4a**

**(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

Please see Stantec's Management Discussion and Analysis in our Annual Report for additional information on how climate-related risks and opportunities have influenced our strategy and financial planning. Also, please see Stantec's Sustainability Report for information on our low-carbon transition plan.

**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**

2020

**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)**

1.84

**% of target achieved [auto-calculated]**

122.222222222222

**Target status in reporting year**

Achieved

**Is this a science-based target?**

No, but we are reporting another target that is science-based

**Target ambition**

&lt;Not Applicable&gt;

**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). At the time the target was set, we applied Science Based Target (SBT) criteria as best we could to our type of company (when setting this target, SBT did not yet apply to professional service firms). 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 as the first step of meeting that goal. We set this as an intensity target because Stantec has a growth target based on acquisitions. As such, we are always adding staff and locations. By normalizing our results to per employee, we gained visibility to our relative emissions reduction progress. Initially, we had a completion date of 2028 but were able to implement business changes to significantly increase our speed of reduction. Because we met our reduction targets with our 2020 emissions, we decided to retire this target and set a new SBT that aligned with 1.5C scenario. This new target is discussed below.

---

**Target reference number**

Int 2

**Year target was set**

2018

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 3 (upstream)

**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**

2020

**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)**

0.65

**% of target achieved [auto-calculated]**

267.857142857143

**Target status in reporting year**

Achieved

**Is this a science-based target?**

No, but we are reporting another target that is science-based

**Target ambition**

<Not Applicable>

**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. Our goal was a 20% reduction of per employee Scope 3 emissions. We set this as an intensity target because Stantec has a growth target based on acquisitions. As such, we are always adding staff and locations. By normalizing our results to per employee, we gained visibility to our relative emissions reduction progress. Initially, we had a completion date of 2028 but were able to implement business changes to significantly increase our speed of reduction. Because we met our reduction targets with our 2020 emissions, we decided to retire this target and set a new SBT that aligned with 1.5C scenario. This new target is discussed below.

---

**Target reference number**

Int 3

**Year target was set**

2019

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 1+2 (location-based) +3 (upstream)

**Intensity metric**

Metric tons CO2e per unit FTE employee

**Base year**

2019

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

3.28

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

100

**Target year**

2030

**Targeted reduction from base year (%)**

47

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

1.7384

**% change anticipated in absolute Scope 1+2 emissions**

30

**% change anticipated in absolute Scope 3 emissions**

50

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

2.49

**% of target achieved [auto-calculated]**

51.2454592631032

**Target status in reporting year**

New

**Is this a science-based target?**

Yes, we consider this a science-based target, but it has not been approved by the Science Based Targets initiative

**Target ambition**

1.5°C aligned

**Please explain (including target coverage)**

Stantec is in the process of setting a new SBT but has not yet completed our analysis and validation so we set Int3 as an interim target to guide our operation in the meantime. This target reflects business commitments that produce the reductions necessary to meet 1.5C expectations. This target is for reductions of Scope 1, 2, and 3 emissions (our Scope 3 upstream includes business travel, line loss, and paper use). For this target, we decided to set our base year as 2019 with a target year of 2030 so that the target aligned with our new SBT (still in development). Additionally, for SBT alignment, this target is set against Scope 2 market-based emissions so that our progress reflects a commitment to transition to renewable energy. For our SBT (still in development) we are evaluating whether the new target will be absolute or intensity. For this Int3 target, we decided a normalized number made the most sense so that we could easily track future progress against our historical progress. This target will run in parallel with our finalized SBT and is anticipated to be utilized for a newly developed sustainability linked loan.

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C4.2

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

Net-zero target(s)

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C4.2c

**(C4.2c) Provide details of your net-zero target(s).**

**Target reference number**

NZ1

**Target coverage**

Company-wide

**Absolute/intensity emission target(s) linked to this net-zero target**

Int3

**Target year for achieving net zero**

2030

**Is this a science-based target?**

Yes, and we have committed to seek validation of this target by the Science Based Targets initiative in the next 2 years

**Please explain (including target coverage)**

Stantec has made a commitment to achieve net-zero by 2030 that will be accomplished in three phases. Phase 1: We are setting a 1.5C SBT and accelerating our programs to reduce emissions. Phase 2: We will purchase energy attribute certificates and CDP-approved, certified carbon offsets for all emissions we cannot reduce (Scopes 1, 2, and 3) and declare "carbon neutral" against our 2022 emissions. Phase 3: We will progressively transition away from offsets towards additionality and, by 2030, will be net-zero in accordance with the SBT criteria (that is still in development).

**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	5000
Implementation commenced*	3	1900
Implemented*	4	15000
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)**

400

**Scope(s)**

Scope 1

Scope 2 (location-based)

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

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

12670000

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

0

**Payback period**

<1 year

**Estimated lifetime of the initiative**

3-5 years

**Comment**

Due to COVID-19, in 2020, the majority of our staff worked from home. During our absence from our leased office spaces, we worked with landlords to minimize energy use and were able to significantly reduce our related emissions. The associated reductions inspired the company to make policy changes and institutionalize virtual work conditions. Partway through the year, we created a flexible workplace strategy that will continue post-pandemic. This new strategy involves a rethink of how we use our office space. By allowing some employees to work from home full-time, some to work in a hybrid home/office mix, and some to be in the office full-time, we will be able to

reduce our office footprint and continue to reduce our operational emissions (as well we will create new opportunities for enhanced global collaboration and enable more personal work preferences.) By implementing this new workplace strategy, we have committed to reduce our existing real estate footprint by 30% by 2023. This real estate reduction will produce a total cost savings of roughly \$38 million to \$45 million by 2023. This is based on increased earnings per share of \$0.10 initially and an additional \$0.25 to \$0.30 by the end of 2023. For additional details on how we calculated the monetary savings, please see Opp3 on question C2.4a. The annual monetary savings estimate above is based on breaking down the lower figure of \$38 million over a 3-year period (\$38 million/3 years = \$12.67 million per year).

**Initiative category & Initiative type**

Company policy or behavioral change	Other, please specify (Reduced use of fleet vehicles and transition to e-vehicles)
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**Estimated annual CO2e savings (metric tonnes CO2e)**

200

**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**

<1 year

**Estimated lifetime of the initiative**

1-2 years

**Comment**

Stantec's fleet is primarily used as shared vehicles that are available for employee use for client meetings and field work. Due to COVID-19, in 2020, a fewer number of employees were requested/able to travel for work, which reduced our overall use of fleet. There were nominal cost savings presented by this COVID restriction as we still continued to pay our fleet lease obligations. This reduced travel allowed us to retire some of our older fleet vehicles (that had higher emissions). During the pandemic, we were also able to further our transition to more energy efficient fleet options and encourage lower overall vehicle travel. For example, in the Netherlands, we changed the fleet lease policy so all new vehicles will be fully electric and provided free electric car charging, free public transport passes, and financial support for e-bike purchases; in the United Kingdom we implemented emissions caps on vehicle purchases; and in North America we continued to replace aging fleet with more fuel efficient vehicles.

**Initiative category & Initiative type**

Company policy or behavioral change	Other, please specify (Reduced travel)
-------------------------------------	--

**Estimated annual CO2e savings (metric tonnes CO2e)**

13500

**Scope(s)**

Scope 3

**Voluntary/Mandatory**

Voluntary

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

11250000

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

0

**Payback period**

<1 year

**Estimated lifetime of the initiative**

3-5 years

**Comment**

Due to COVID-19, in 2020, Stantec experienced 8 months of significant reductions in our travel. This was due to the cancellation of client and internal meetings (or the move to virtual), the postponement of many field projects, the cancelation of flights by airlines, and border restrictions imposed by many countries. To maintain these lower travel levels, we implemented new guidelines and management controls to minimize the amount of future overhead travel. To devise our monetary savings figure for this question, we compared our airline travel from 2019 against 2020 and noted a savings of approximately \$30 million. If we extrapolate this savings for a full year, we estimate this to be \$45 million (\$30 million/8 months = \$3.75 million per month x 12 months = \$45 million). For the future, if Stantec is able to maintain 25% of this travel reduction through our new management approaches intended to minimize travel, we estimate a cost savings of at least \$11.25 million per year (\$45 million x 25% = \$11.25 million). This estimation is based on airline travel only and does not take into account the additional savings that would come from hotel and rental car usage.

**Initiative category & Initiative type**

Low-carbon energy consumption	Low-carbon electricity mix
-------------------------------	----------------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

900

**Scope(s)**

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)**

2000

**Payback period**

No payback

**Estimated lifetime of the initiative**

Ongoing

**Comment**

In 2020, Stantec began our efforts towards meeting our carbon neutrality goals through the purchase of RECs, REGOs, and Green Tariffs for our Scope 2 electricity use. We issued an RFP to select a green energy vendor and made a pilot purchase for North America Green-e RECs and we worked with utility providers to support renewable energy production through. REGOs and Green Tariffs. This strategy will be amplified in subsequent years.

**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 2020, we invested \$3 million to promote innovation and facilitate collaboration. An example of our R&D investment can be seen through our Innovative Business Opportunity called Stantec Generation AV. Together with our best-in-class industry partners, we are helping clients deploy autonomous vehicles for the good of their community. The long-term benefits of self-driving vehicles are extensive: they are expected to reduce traffic accidents and the resulting injuries and fatalities of humans and wildlife, curb emissions, allow city planners to focus on green space instead of roads, and give commuters time back in their days.
Internal incentives/recognition programs	Managers with responsibility for our EMS and quality management systems (primarily Geographic and Regional Leaders) typically have one or more key performance indicators (KPIs) within their performance expectations related to improving the efficiency of our organization (cost, energy, waste). Evaluation of performance relative to KPIs is included in the annual career development performance review process which is conducted prior to the review and award of incentive bonus awards for performance. The procurement team is specifically recognized for their efforts to reduce our emissions. Activities include co-locating offices to more efficient buildings (space and energy), sustainability criteria with vendors, reducing paper consumption, and reducing overhead business travel. Our C-Suite is also incentivized to reduce emissions. In 2020, a key performance indicator related to meeting emissions reductions targets was added to their short-term compensation program.
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. In 2020, Stantec's Developing Professionals Group (a company-wide volunteer-based organization that brings together people who are beginning their careers) decided to step up their leadership regarding climate action. They named sustainability a key pillar of their organization and dedicated a global leader to engage staff around the globe. They will be key in helping Stantec accelerate our efforts to drive change around emissions reductions and climate action.

**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?**

Low-carbon product and avoided emissions

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

Other, please specify (We categorize our project work against the 169 subtargets of the 17 SDGs )

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

49

**% of total portfolio value**

<Not Applicable>

**Asset classes/ product types**

<Not Applicable>

**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 do track the amount of project work focused on our core SDGs and have identified that approximately 49% of our revenue is related to our core SDGs: SDG 6. Clean Water and Sanitation, SDG 7. Affordable and Clean Energy, SDG.9 Industry Innovation and Infrastructure, SDG 11. Sustainable Cities and Communities, SDG 13. Climate Action, SDG 14. Life Below Water, and SDG 15. Life on Land. Additionally, in our 2020 Sustainability Report, we also reported against SASB Engineering Standards and reported that 17% of our backlog is related to climate change mitigation and adaptation services. These are estimates based on an internal tracking system we have created based on project coding in our financial system.

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**C5. Emissions methodology**

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**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)**

11691

**Comment**

**Scope 2 (location-based)**

**Base year start**

January 1 2013

**Base year end**

December 31 2013

**Base year emissions (metric tons CO2e)**

32083

**Comment**

**Scope 2 (market-based)**

**Base year start**

January 1 2013

**Base year end**

December 31 2013

**Base year emissions (metric tons CO2e)**

32083

**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

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**(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

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

## C6. Emissions data

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### C6.1

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**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO<sub>2</sub>e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO<sub>2</sub>e)**

13412

**Start date**

<Not Applicable>

**End date**

<Not Applicable>

**Comment**

### C6.2

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**(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

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**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO<sub>2</sub>e?**

**Reporting year**

**Scope 2, location-based**

25289

**Scope 2, market-based (if applicable)**

20864

**Start date**

<Not Applicable>

**End date**

<Not Applicable>

**Comment**

### C6.4

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**(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

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**(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

168

### 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

We have collected information for paper purchased from centralized vendors.

## Capital goods

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

Capital goods is not a relevant category for us because Stantec is a global professional services company, providing a broad range of services and solutions in project/program management, digital, technology, engineering, architecture, and design. Due to the nature of our business, we do not manufacture or produce goods. We also lease almost all of our office facilities.

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

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

1220

### 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 1990-2018-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 is calculated based on emissions from electricity consumption.

## Upstream transportation and distribution

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### 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

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

Waste generation is not a relevant category for us because Stantec is a global professional services company, providing a broad range of services and solutions in project/program management, digital, technology, engineering, architecture, and design. Stantec operates from shared office spaces in leased buildings or home offices. Our waste generation is minimal and essentially office/kitchen wastes from employees that are collected and comingled with other tenants' wastes. Though we are unable to track our waste generation, 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

12166

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

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

64

### Please explain

Data for flights, rental cars, and rail travel (UK only) are provided by centralized suppliers. Personal car use for business travel is tracked through in-house Stantec financial systems.

## Employee commuting

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

Employee-funded commuting is not within Stantec's operational boundary/control and is not generally in scope for our environmental measurement program. In situations where employee commuting is reimbursed by the company, it is included in our Scope 3 methodology. Reimbursement for commuting has typically accounted less than 5% of our total expenditures, so this category is not relevant for Stantec. We do offer flexible work options so that employees can avoid a commute and work from home. We work hard to locate our offices near the homes of our employees to minimize car distances and to encourage commuting via bike. We also try to locate our offices near public transportation and offer incentive/ reimbursement programs. Additionally, when employees do need to drive, we encourage them to carpool/carshare.

## Upstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

Upstream leased assets is not a relevant category for us because Stantec is a global professional services company, providing a broad range of services and solutions in project/program management, digital, technology, engineering, architecture, and design. Due to the nature of our business, we do not have upstream leased assets.

## Downstream transportation and distribution

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

Downstream transportation and distribution is not a relevant category for us because Stantec is a global professional services company, providing a broad range of services and solutions in project/program management, digital, technology, engineering, architecture, and design. Due to the nature of our business, we do not have downstream transportation and distribution requirements.

## Processing of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

Processing of sold products is not a relevant category for us because Stantec is a global professional services company, providing a broad range of services and solutions in project/program management, digital, technology, engineering, architecture, and design. Due to the nature of our business, we do not manufacture or produce goods and thus do not have a sold product.

## Use of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

Use of sold products is not a relevant category for us because Stantec is a global professional services company, providing a broad range of services and solutions in project/program management, digital, technology, engineering, architecture, and design. Due to the nature of our business, we do not manufacture or produce goods and thus do not have a sold product.

## End of life treatment of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

End of life treatment of sold products is not a relevant category for us because Stantec is a global professional services company, providing a broad range of services and solutions in project/program management, digital, technology, engineering, architecture, and design. Due to the nature of our business, we do not manufacture or produce goods and thus do not have a sold product.

## Downstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

Downstream leased assets is not a relevant category for us because Stantec is a global professional services company, providing a broad range of services and solutions in project/program management, digital, technology, engineering, architecture, and design. Due to the nature of our business, we do not have downstream leased assets.

## Franchises

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

Franchises is not a relevant category for us because Stantec is a global professional services company, providing a broad range of services and solutions in project/program management, digital, technology, engineering, architecture, and design. Due to the nature of our business, we do not own any franchises.

## Investments

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

Investments is not a relevant category for us because Stantec is a global professional services company, providing a broad range of services and solutions in project/program management, digital, technology, engineering, architecture, and design. Due to the nature of our business, we are not capital intensive and do not have any relevant investments.

## Other (upstream)

### Evaluation status

Not evaluated

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

## Other (downstream)

### Evaluation status

Not evaluated

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### 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 CO<sub>2</sub>e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

**Intensity figure**

0.000008181

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO<sub>2</sub>e)**

38701

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

4730100000

**Scope 2 figure used**

Location-based

**% change from previous year**

18

**Direction of change**

Decreased

**Reason for change**

This reduction is due to emission reduction activities as reported in C4.3b, including office consolidation, travel reductions, purchase of more energy efficient fleet, and a move to renewable energy.

**Intensity figure**

1.84

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO<sub>2</sub>e)**

38701

**Metric denominator**

full time equivalent (FTE) employee

**Metric denominator: Unit total**

20985

**Scope 2 figure used**

Location-based

**% change from previous year**

17

**Direction of change**

Decreased

**Reason for change**

This reduction is due to emission reduction activities as reported in C4.3b, including office consolidation, travel reductions, purchase of more energy efficient fleet, and a move to renewable energy.

## 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 CO <sub>2</sub> e)	GWP Reference
CO <sub>2</sub>	13331	IPCC Fifth Assessment Report (AR5 – 100 year)
CH <sub>4</sub>	6	IPCC Fifth Assessment Report (AR5 – 100 year)
N <sub>2</sub> O	75	IPCC Fifth Assessment Report (AR5 – 100 year)

## C7.2

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

Country/Region	Scope 1 emissions (metric tons CO2e)
Canada	5666
United States of America	6861
United Kingdom of Great Britain and Northern Ireland	369
Australia	144
New Zealand	152
Other, please specify (Smaller countries of operation)	220

## C7.3

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

By activity

### C7.3c

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

Activity	Scope 1 emissions (metric tons CO2e)
Fleet	7207
Natural Gas (Stantec Controlled)	5839
LPG	26
Fuel Oil	305
Propane	35

## C7.5

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

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Canada	10870	7131	35040	0
United States of America	10906	10453	29193	1261
United Kingdom of Great Britain and Northern Ireland	319	251	1366	645
Australia	772	729	967	0
New Zealand	98	98	999	0
Other, please specify (Smaller countries of operation)	2324	2202	4631	232

## 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	25289	20864

## C7.9

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

Decreased

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

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	919	Decreased	2.2	Because we occupy almost entirely leased office space with little control over our energy purchase and/or physical installation of renewable energy features, the direct use of renewable energy is difficult for us to influence. Even so, Stantec occupies two offices with solar panels on the buildings. Additionally, we were able to increase our renewable energy contributions this year by purchasing energy attribute certificates (RECs, REGOs, green tariffs). This has allowed us to reduce our market-based Scope 2 emissions. Formula: Change in Scope 1+2 emissions attributed to 'change in renewable energy consumption/previous year Scope 1+2 market-based emissions*100 =(919/42,278)*100=2.2%
Other emissions reduction activities	588	Decreased	1.4	Even during COVID-19 office shut-downs, Stantec was able to continue efforts optimize our physical office footprint/reduce the amount of space we occupy per person as a primary strategy to reduce emissions. When we move into new office space we purposefully look for energy efficient building options to occupy. This has allowed us to reduce our Scope 1+2 emissions. Formula: Change in Scope 1+2 emissions attributed to change in other emissions reduction activities/previous year Scope 1+2 market-based emissions *100 =(588/42,278)*100=1.4%
Divestment	0	No change	0	Stantec did not divest any companies in 2020.
Acquisitions	0	No change	0	Even though Stantec made three acquisitions at the end of 2020, they were very small and had a nominal impact on our 2020 emissions.
Mergers	0	No change	0	Stantec did not merge with any companies in 2020.
Change in output	6495	Decreased	15.4	In 2020, due to COVID-19, the vast majority of Stantec's staff worked from home and were unable to travel. The number of vacant offices differed by country due to infection rates and government restrictions. As a result, we experienced a significant difference in office energy use. We appreciate that 2020 represent an anomaly year for emissions reductions, but we are working on ways to institutionalize some of the behavior changes so that we can to maintain as many of the reductions as possible. For example, we are implementing a new flexible working strategy that gives employees choice in where they work, which will result in additional office consolidations Formula: Change in Scope 1+2 emissions attributed to change in output/previous year Scope 1+2 market-based emissions*100 =(6,495/42,278)*100=15.4% Please note: Beyond Scope 1+2, due to COVID-19, in 2020 we also drastically reduced Scope 3 business travel. To maintain as many of these reductions as possible, we are instituting changes to restrict overhead travel and are encouraging virtual meetings.
Change in methodology	0	No change	0	In 2020, in preparation for setting an SBT, Stantec updated our reference point from The Climate Registry to the GHG Protocol. The change represented only minor modifications of our calculation methodology and did not impact our gross global emissions results.
Change in boundary	0	No change	0	In preparation for our new SBT and as a part of the move to the GHG Protocol, Stantec modified our Scope 1 and 2 emissions boundaries so that Scope 2 became electricity only and all other fuel sources moved to Scope 1. This new approach makes it easier for us to keep track of market-based implications. This change was just a shift between Scope 1 and Scope 2 and did not impact our gross global emissions results.
Change in physical operating conditions	0	No change	0	Stantec will resume office consolidations in 2021 as a part of our new management approaches to maintain some of the emissions reduction benefits experienced during COVID-19.
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?**

Market-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	No
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	63702	63702
Consumption of purchased or acquired electricity	<Not Applicable>	2265	69931	72196
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	2265	133633	135898

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**

32143

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Emission factor**

0.00193

**Unit**

metric tons CO2e per m3

**Emissions factor source**

United States: EPA stationary combustion emission factors 2020.

**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 2020 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**

2438

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

&lt;Not Applicable&gt;

**MWh fuel consumed for self-generation of cooling**

&lt;Not Applicable&gt;

**MWh fuel consumed for self-cogeneration or self-trigeneration**

&lt;Not Applicable&gt;

**Emission factor**

0.007

**Unit**

metric tons CO2e per liter

**Emissions factor source**

Multiple emission factors used in GHG inventory: United States and Canada: TCR default emission factors 2020. Outside North America: Country-specific emission factors. If not available, UK DEFRA conversion factors 2020 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 2020 used for conversion from MMBTU/barrel to MWh/liter.

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**Fuels (excluding feedstocks)**

Motor Gasoline

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

27641

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

&lt;Not Applicable&gt;

**MWh fuel consumed for self-generation of cooling**

&lt;Not Applicable&gt;

**MWh fuel consumed for self-cogeneration or self-trigeneration**

&lt;Not Applicable&gt;

**Emission factor**

0.0023

**Unit**

metric tons CO2e per liter

**Emissions factor source**

Emission Factor Source: Multiple emission factors used in GHG inventory: United States and Canada: TCR Default Emission Factors 2020 Outside North America: Country-specific Emission Factors. If not available, UK DEFRA Conversion Factors 2020 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 2020 used for conversion from MMBTU/barrel to MWh/liter.

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**Fuels (excluding feedstocks)**

Liquefied Petroleum Gas (LPG)

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

121

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

&lt;Not Applicable&gt;

**MWh fuel consumed for self-generation of cooling**

&lt;Not Applicable&gt;

**MWh fuel consumed for self-cogeneration or self-trigeneration**

&lt;Not Applicable&gt;

**Emission factor**

0.00155

**Unit**

metric tons CO2e per liter

**Emissions factor source**

UK DEFRA conversion factors 2020

**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 2020 used for conversion from MMBTU/barrel to MWh/liter.

**Fuels (excluding feedstocks)**

Fuel Oil Number 6

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

1201

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

&lt;Not Applicable&gt;

**MWh fuel consumed for self-generation of cooling**

&lt;Not Applicable&gt;

**MWh fuel consumed for self-cogeneration or self-trigeneration**

&lt;Not Applicable&gt;

**Emission factor**

0.0036

**Unit**

metric tons CO2e per liter

**Emissions factor source**

Emission Factor Source: Multiple emission factors used in GHG inventory: Canada: TCR Default Emission Factors 2020 United States: EPA stationary combustion emission factors 2020.Outside North America: Country-specific emission factors. If not available, UK DEFRA conversion factors 2020 used.

**Comment**

Weighted average used for emission factor; multiple fuel oil emission factors used in GHG inventory. Calculation = Total Scope 1 fuel oil mtCO2e/total Scope 1 fuel oil consumption (litres-converted from gallons). GWP used: CH4 28, N2O 265 from IPCC Fifth Assessment Report (AR5 – 100 year). For MWh total, TCR default emission factors 2020 used for conversion from BTU/square foot to MWh/litre.

**Fuels (excluding feedstocks)**

Propane Gas

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

158

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

&lt;Not Applicable&gt;

**MWh fuel consumed for self-generation of cooling**

&lt;Not Applicable&gt;

**MWh fuel consumed for self-cogeneration or self-trigeneration**

&lt;Not Applicable&gt;

**Emission factor**

0.0016

**Unit**

metric tons CO2e per liter

**Emissions factor source**

Emission Factor Source: Multiple emission factors used in GHG inventory: Canada: TCR Default Emission Factors 2020 United States: EPA stationary combustion emission factors 2020.

**Comment**

Weighted average used for emission factor; multiple propane emission factors used in GHG inventory. Calculation = Total Scope 1 propane mtCO2e/total Scope 1 propane consumption (litres-converted from gallons). GWP used: CH4 28, N2O 265 from IPCC Fifth Assessment Report (AR5 – 100 year). For MWh total, TCR default emission factors 2020 used for conversion from BTU/square foot to MWh/litre.

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## C8.2e

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**(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/area of consumption of low-carbon electricity, heat, steam or cooling**

Netherlands

**MWh consumed accounted for at a zero emission factor**

232

**Comment**

Stantec is guaranteed 100% renewable electricity supply, from wind or hydro assets at our Delft and Arnhem, Netherlands offices. The generation is matched to Renewable Energy Guarantees of Origin (REGOs) enabling zero emission reporting for the market-based methodology. We consumed 232 MWh of renewable energy over the 2020 reporting period.

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**Sourcing method**

Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

**Low-carbon technology type**

Wind

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

United States of America

**MWh consumed accounted for at a zero emission factor**

1261

**Comment**

Stantec is committed to the energy transition towards renewable energy. We have purchased unbundled RECs for wind power in the US, which can be reflected in our market-based emissions. We retired 1261 MWh of renewable energy over the 2020 reporting period.

---

**Sourcing method**

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

**Low-carbon technology type**

Low-carbon energy mix

**Country/area 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**

645

**Comment**

Stantec is guaranteed 100% renewable electricity supply, from wind or hydro assets at a number of our UK offices. The generation is matched to Renewable Energy Guarantees of Origin (REGOs) enabling zero emission reporting for the market-based methodology. We consumed 645 MWh of renewable energy over the 2020 reporting period.

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## C9. Additional metrics

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### C9.1

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

## C10. Verification

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### C10.1

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(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

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(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 Stantec GHG Verification Statement Limited CY2020.pdf

**Page/ section reference**

Pages 1 and 2.

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

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C10.1b

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

**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 Stantec GHG Verification Statement Limited CY2020.pdf

**Page/ section reference**

Pages 1 and 2

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

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**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 Stantec GHG Verification Statement Limited CY2020.pdf

**Page/ section reference**

Pages 1 and 2.

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

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C10.1c

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(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 Stantec GHG Verification Statement Limited CY2020.pdf

**Page/section reference**

Pages 1 and 2

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

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**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 Stantec GHG Verification Statement Limited CY2020.pdf

**Page/section reference**

Pages 1 and 2.

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

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**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 Stantec GHG Verification Statement Limited CY2020.pdf

**Page/section reference**

Pages 1 and 2.

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

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C10.2

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(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

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**(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 9%. Global Stantec GHG Verification Statement Limited CY2020.pdf
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. Both our absolute Scope 2 location-based and market-based decreased by 24%. Global Stantec GHG Verification Statement Limited CY2020.pdf
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 decreased by 55%, business travel rail (UK only) decreased by 87%, energy transmission and line loss decreased by 18%, and purchased good decreased by 78%. Global Stantec GHG Verification Statement Limited CY2020.pdf
C11. Carbon pricing	Renewable energy products	ISO14064-3	We verified the GHG offset purchase of 303 mtCO2 Global Stantec GHG Verification Statement Limited CY2020.pdf

**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**

Wind

**Project identification**

UN Framework Convention on Climate Change REFERENCE: VC17055/2020

**Verified to which standard**

CDM (Clean Development Mechanism)

**Number of credits (metric tonnes CO2e)**

300

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

300

**Credits cancelled**

Yes

**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

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### (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

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### (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. As to be expected, 2020 was an odd year for working with suppliers due to COVID-19. Many of these organizations had individuals working from home for the first time, without full access to company resources and systems. This lack of access and in-house support created a number of problems in our environmental reporting. For example, our fleet management company struggled to run needed usage reports because saved reports were not available when accessed from remote computers with employees working from home. Also, due to illness or care for individuals who were ill, staff members were not available at the time reports were needed. To resolve, the Stantec procurement and emissions management team spent considerable time with vendors (in virtual meetings) to evaluate data and create new reports to correct inaccuracies. This engagement improved the accuracy of our Scope 1 and 3 emissions tracking. Additional examples of our 2020 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 so that they implemented energy saving measures while staff were working from home due to the pandemic (turning off lights, turning down heat, etc.) Success is measured by the increase in the number of suppliers who have formal environmental sustainability programs in place and report to us emissions data at least once a year. In the reporting year, Stantec engaged with approximately 20 suppliers who complied with our request to report emissions data, all which were accounted for in our Scope 3. Our procurement team also incorporated environmental sustainability program requirements into the proposal process to replace one primary supplier.

#### Comment

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## C12.1b

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

**Type of engagement**

Collaboration & innovation

**Details of engagement**

Other, please specify (Work with them to enhance environmental performance of their projects)

**% of customers by number**

60

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

0

**Portfolio coverage (total or outstanding)**

<Not Applicable>

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

Stantec engages with approximately 60% of customers through this method because 49% of our revenue is related to project work focused on our core SDGs (SDGs 6, 7, 9, 11, 13, 14, 15). Additionally, 17% of our backlog is related to climate change mitigation and adaptation services. Each of Stantec's business operating units and geographies provide SDG-related services that directly 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. We provide stand-alone sustainability services and 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. An example client engagement can be seen through our investment of money and technical expertise in autonomous vehicles (AVs). A primary reason for our focus is the recognition of the environmental benefits (standardizing driving to reduce fuel consumption, facilitating adoption of multi-person and on-demand commuting, minimizing the amount of space needed for roads, etc). We work closely with clients to find practical applications for AV adoption and have participated in a number of pilot programs. Communities see AVs as a key component to help them reduce their carbon footprints. Industry sees AV technologies as a way to reduce their carbon footprints and save money through efficiencies (fuel and time). Another example involves the inclusion of sustainability criteria into existing project work. This can be illustrated through our Buildings business operating unit. Stantec committed to the American Institute of Architecture's 2030 challenge. This commitment says that, by 2030, all designs for new buildings, developments, and major renovations will be carbon neutral. To meet this challenge, Stantec set up a program so that on all projects our design teams work with clients to analyze project site design possibilities for the micro-and macroclimate, set energy benchmarks, find ways to meet and even exceed those benchmarks, perform energy modeling, and conduct workshops to identify sustainable solutions.

**Impact of engagement, including measures of success**

Stantec has examples on project around the world (like the above) 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 2020, 93% 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 2020, Stantec was ranked by Corporate Knights as #5 in the 100 Most Sustainable Companies in the World and #1 in North America. To assess the percentage of our projects and services with a sustainability impact we 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. Stantec engages with approximately 60% of customers through this method resulting in 49% of our revenue related to project work focused on our core SDGs (6. Clean Water and Sanitation, 7. Affordable and Clean Energy, 9. Industry Innovation and Infrastructure, 11. Sustainable Cities and Communities, 13. Climate Action, 14. Live Below Water, and 15. Life on Land). Additionally, 17% of our backlog is related to climate change mitigation and adaptation services.

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**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, academic institutions, 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 such as the Pledge to Net Zero in the UK that was initiated by the Institution of Civil Engineers and the Association of Consulting Engineers, both organizations in which we play leadership roles.

Another example includes university collaborations. Again in the UK, Stantec has partnered with the University of Reading to create a Better Places (Social Value) Toolkit as part of a Knowledge Transfer Partnership. The program aims to develop a toolkit that helps industry connect the different components of social value and translate the elements into quantitative data. The results of the study will enable more informed decision-making around strategic land developments to develop nature-based solutions that help communities address climate change.

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**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, VP Sustainability/Environment, and VP Investor Relations 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, Stantec supports the European Union in implementing its climate change programs across developing countries of the world. This includes input to their annual Conference of Parties organized by the UN Framework Convention on Climate Change. In 2020, Stantec's support to the secretariat was acknowledged in the UN Climate Change Annual Report. We are also managing the European Union's largest external aid consultancy contract for sustainable energy (EU Global Technical Assistance Facility) which aims to increase investments in sustainable energy by assisting partner countries in Latin America, Asia, the Middle East, Africa, the Caribbean, and the Pacific to expand their capacities in the renewable energy sector.	Stantec supports legislation that enables governments to proactively address climate change conditions.

**C12.3b**

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

Yes

**C12.3c**

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

**Trade association**

Institute for Sustainable Infrastructure (ISI)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

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

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

Stantec's SVP 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 Envision 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. 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).

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**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.

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**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.

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**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 Verified Carbon Standard and the Nature Based Solutions to Climate Change. We design buildings that are LEED-, BOMA Best-, Net Zero-, and Passive House- certified and design infrastructure programs that are Envision-certified and have employees that are certified in programs to advance climate change mitigation, including LEED-, Envision-, Passive House-, and Green Star-certified professionals.

We 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). As well, we are focused on addressing issues related to water management. For example, our research and development team partners with Johns Hopkins University to better understand issues affecting our water supplies and to push the limits of beneficial technologies. In 2020, we created the new Stantec Institute for Water Technology and Policy to shape the future of water use through thought leadership/key partnerships to transform technology and regulatory policy.

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**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. Any decisions needing approval are vetted by our executive Sustainability Committee (internally called the Executive ESG Committee) with final approval coming from the CEO.

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**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**

2020 Stantec Sustainability Report.pdf

**Page/Section reference**

Full document

**Content elements**

Governance  
Strategy  
Risks & opportunities  
Emissions figures  
Emission targets  
Other metrics

**Comment**

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**Publication**

In mainstream reports

**Status**

Complete

**Attach the document**

STN 2020 Annual Report.pdf

**Page/Section reference**

Management's Discussion and Analysis, page M-1

**Content elements**

Governance  
Strategy  
Risks & opportunities

**Comment**

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**C15. Signoff**

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**C-FI**

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**(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**

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(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)

## SC. Supply chain module

### SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

Please see the introduction listed in the Climate Change questionnaire.

### SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	4730100000

### SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

### SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	CA	85472N1096

### SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

### SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

### SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Customer base is too large and diverse to accurately track emissions to the customer level	Stantec is a consulting company that provides architectural, engineering, and planning services for clients around the world. Each of our projects solves a unique challenge that would require us to set up customized tracking mechanisms on a project-by-project basis. At year-end 2020, Stantec had more than 48,000 active projects in our central financial system making tracking our emissions at a project level a momentous task. At this moment, there is nothing immediately identifiable that would make it easier to provide customized emissions tracking for the volume of active projects we complete each year.

### SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

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**(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.**

As noted above, Stantec is a consulting company that provides architectural, engineering, and planning services for clients around the world. Each of our projects solves a unique challenge that would require us to set up customized tracking mechanisms on a project-by-project basis. At year-end 2020, Stantec had more than 48,000 active projects in our central financial system making tracking our emissions at a project level a momentous task. The sort of tracking we could provide is related to project funded-travel as that detail is accounted for on a project level. For emissions tracking beyond travel, us to provide such tracking would increase costs for our customers and put our focus on tracking versus action. We have instead decided to put our efforts into improving the environmental and social performance of our project work, whether it be instituting new energy efficiency concepts into a building design, suggesting co-generation options for a water treatment plant design, generating renewable energy, or the use of nature-based solutions that sequester carbon. At an operational level, our goal is to focus on real action versus more tracking. Upon request, when included in the project scope, we are able to provide information on emissions of the associated project designed by our subject matter experts.

SC2.1

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**(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.**

SC2.2

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**(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?**

No

SC4.1

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**(SC4.1) Are you providing product level data for your organization's goods or services?**

No, I am not providing data

Submit your response

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**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	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

**Please confirm below**

I have read and accept the applicable Terms