



2013
Sustainability Report

Design with community in mind

STN
TSX · NYSE

Table of Contents

3 Stantec At a Glance

Overview

6 About this Report
7 Letter from our President & CEO
8 2013 Highlights and Recognition
9 Targets and Progress
11 Sustainability Strategy
11 Health and Safety
12 Corporate Governance
13 Ethics and Integrity
13 Management Systems

What Matters Most

14 Materiality
14 What Our Stakeholders Tell Us

Economic

16 Financial Review

Social

18 Community Engagement
20 HR and Employees

Environment

26 Environmental Services
28 Environmental Footprint

Appendices

32 Supply Chain
32 Additional HR Data
36 Third-Party Review

Who is Stantec?

We're active members of the communities we serve. That's why at Stantec, we always design with community in mind.

The Stantec community unites more than 13,000 employees working in over 200 locations. We collaborate across disciplines and industries to bring buildings, energy and resource, and infrastructure projects to life. Our work—professional consulting in planning, engineering, architecture, interior design, landscape architecture, surveying, environmental sciences, project management, and project economics—begins at the intersection of community, creativity, and client relationships.

Since 1954, our local strength, knowledge, and relationships, coupled with our world-class expertise, have allowed us to go anywhere to meet our clients' needs in more creative and personalized ways. With a long-term commitment to the people and places we serve, Stantec has the unique ability to connect to projects on a personal level and advance the quality of life in communities across the globe. Stantec trades on the TSX and the NYSE under the symbol STN.

We achieve success by living our values, which also drive our strategy.



We Put People First

We will evolve by attracting talent and developing our people. We will engage and develop leadership and focus on a diverse and inclusive work environment.



We Are Better Together

When we combine our strengths, we truly reach our full potential as an organization and as a trusted advisor to our clients.



We Do What Is Right

Our high standard of business practices is articulated in our project management frameworks, code of ethics, and policies and practices. Working with integrity is a promise we make to our clients, colleagues, and shareholders.



We Are Driven To Achieve

Achievement at every level begins and ends with a firm commitment to being the best that we can be. We are committed to being a top 10 global design firm and plan on achieving an average compound growth rate of 15%.

Community Engagement

At Stantec, we aim to make lasting connections with the communities where we live and work. We partner with a number of charitable and community organizations regularly to help support the growth and development of everything from social projects to environmental projects to charitable initiatives. We target donating 1% of our annual pre-tax profits, through direct cash contributions or services in kind, to charitable or not-for-profit endeavors in the arts, education, environment, and health and wellness.

Our purpose—to Create Communities—speaks to the importance of being active members of our communities. In 2013, we held a Company-wide Stantec in the Community Day so that our employees could spend the day volunteering in their communities—this is in addition to the many community outreach activities we already participate in throughout the year.



Report Overview

About This Report

Welcome to Stantec's seventh annual Sustainability Report, prepared in accordance with the newly issued Global Reporting Initiative's (GRI) G4 comprehensive framework.

Reporting to the G4 framework for the first time has resulted in further focus on the impacts that are most significant within our operations. The primary readers of this report are our employees, our clients, our shareholders, and the communities where we live and work. The report addresses our commitment to reducing the environmental impacts and to improving the social impacts of our operations while continuing our strong economic growth.

Data Collection and Independent Verification

To ensure the information presented in this report is accurate and reliable, we established internal controls and a formal review process. Senior-level management in each functional area (e.g., Human Resources, IT, Finance, Health & Safety, and Sustainable Development) approved, reviewed, and signed off on final content. Members of the Executive Leadership Team reviewed the information for overall quality.

The following data in this report have been (or will be) independently verified:

- All data extracted from or referenced in our 2013 consolidated financial statements by Ernst and Young LLP Chartered Accountants
- Greenhouse Gas (GHG) emissions inventory for the 2013 reporting year by Bureau Veritas (scheduled to be verified in May 2014)

Canadian Business for Social Responsibility, a third-party reviewer, evaluated the content and quality of the report. We also received the GRI Check from GRI Report Services confirming that our report meets the Materiality Matters requirements. The Canadian Business for Social Responsibility Review letter is

provided in the Appendices. Complete details of data verification are provided in the GRI Content Index, available as a separate [document](#).

Scope

To better align with our strategic planning cycle, we will publish shorter update reports annually and a comprehensive report every three years. In 2015, a shorter update report will be published. The next comprehensive report will be published in the first half of 2016, following the June 2015 comprehensive strategic planning process.

Unless otherwise specified, the information in this report relates to all Stantec operating companies worldwide and applies only to employees working in premises owned or leased by Stantec. One notable exception is the health and safety data, which covers all Stantec employees wherever they work and the contractors we are legally responsible for. The list of all entities included in the financial statements (for GRI disclosure G4-17) appears in the 2013 Annual Report pages F-9, F-34, F53, and F-54.



Letter From Our President & CEO



I am pleased to present this year's Sustainability Report. Annual reporting helps us follow through on one of our core values: we do what is right.

In September 2013, we strengthened our brand and launched a renewed visual identity to articulate the Company's ongoing commitment to community, creativity, and client relationships. The renewal supports Stantec's strategy to provide integrated services to our clients in various sectors across many regions. We celebrated by holding *Stantec in the Community Day* that saw approximately 4,000 staff members volunteer in their communities.

Here is a look at our performance in 2013.

Economic

We exceeded expectations with strong organic revenue growth that demonstrates the Company's ability to capitalize on market opportunities. Stantec achieved increases in gross and net revenues, and we maintained a strong balance sheet with an increase in operating cash flows.

Environment

Internally, we updated our corporate targets for energy consumption, GHG emissions, waste, and paper use. Because we are typically a tenant and do not own most of our office facilities, our control and reduction of energy consumption, in particular, are a continuing challenge.

We recognize that Stantec makes its most significant impact by working with clients. To serve them, we have trained more than 50 professionals in Envision™, the rating system and planning framework for Integrated Sustainable Infrastructure.

In 2014, a key external sustainability goal will be to develop our capabilities in Integrated Sustainable Infrastructure and Climate Change Adaptation.

Social

We recognize the ongoing challenge to increase workforce diversity and better align it with the communities where we work. Because we know that we are better together, we'll strive to increase diversity and inclusion, particularly to increase the representation of women and visible minorities in management and executive positions.

Regarding health and safety, our total recordable incident rate was higher than expected; however, we've developed robust programs and introduced an Occupational Health and Safety Management System using the OHSAS 18001 framework.

We improved employee retention in Canada in 2013, clearly reflecting our commitment to putting people first. In 2014, our Company will continue to improve retention in a number of ways, especially in the US where we saw an increase in employee turnover. This will include rolling out an updated onboarding program for new hires, better defining career streams, and creating more leadership development opportunities.

Although 2013 was a good year, Stantec faces challenges, such as changing market conditions and possible economic downturns. Other market factors, including increased environmental impacts and climate change risk, can bring both opportunities and challenges.

Our team of professionals is already delivering on—and is well-positioned to respond to increased demand for—environmental services, including sustainable building design, climate change mitigation, and adaptation plans in local communities. While our overall footprint as a professional services firm is not large, we recognize that we need to continuously manage and reduce our energy use and GHG emissions related primarily to office occupancy and business travel.

We believe we are a stronger company because of our employees' efforts. We thank them for keeping our promise to design with community in mind. We thank our clients for entrusting us with their projects. And we thank our stakeholders for their commitment to Stantec.

A handwritten signature in black ink, appearing to read 'Bob Gomes'.

Bob Gomes, P.Eng.
President & CEO

2013 Highlights and Recognition

Highlights



Donated 1% of pre-tax profits to charity



Launched *Stantec in the Community Day* with 4,000+ employees volunteering



Achieved a 19.6% increase in gross revenue and a 20.8% increase in net income over 2012



Ranked on the Canadian Carbon Disclosure Leadership Index for the fourth year in a row



50+ Stantec professionals received their ENV SP Envision™ Sustainability Professional Credential

Third-Party Recognition

#21 Corporate Knights Top Corporate Citizens



Fourth year in a row



Fourth year in a row



Seventh year in a row



#13 Top 100 Green Design Firms - ENR



Targets and Progress

Table 1: 2013 Performance on Past Targets

	Achieved	Not Achieved	On Track	Work In Progress Extended	Notes
Stakeholders and What Matters Most					
Evaluate and improve current processes for engaging with key stakeholders				✓	Incorporated secondary research and analysis into our stakeholder engagement
Continually improve materiality assessment (what matters most)	✓				Reevaluated our materiality assessment and will continue doing this annually
Stantec Services					
Expand service offerings in › Climate change adaptation › Integrated sustainable infrastructure			✓		Delivered more than 30 projects in climate change mitigation and adaptation
Environment					
Review, refine, and implement green purchasing guidelines in relevant categories			✓		By the end of 2014
Energy, waste, paper: Assess performance on past environmental targets and goals; develop action plans	✓				Set new targets for 2017
Begin tracking GHG emissions for business travel				✓	Deferred until 2015 when we can track under consolidated travel agency system
Increase Cool Commute Challenge rate of participation by 10%				✓	By the end of 2014
Community Engagement					
Link Community Investment to Corporate Strategic Plans	✓				Looked for sponsorship opportunities that strengthen our presence in and with the community and with our clients
Donate 1% of pre-tax profits to charity	✓				
Health & Safety					
Reduce Total Recordable Incident Rate (TRIR) below 0.60		✓			Ended 2013 at 0.77
Develop an Occupational Health and Safety Management System	✓				OHSAS 18001 was implemented
Implement a Company-wide system for corrective action tracking and reporting	✓				Generated improvement plans and corrective action at an office level where any significant health and safety incidents occurred
Implement enhanced training initiatives	✓				Tracked training needs through improvement plans and corrective action at the office level
Diversity					
Promote senior leadership awareness	✓				Discussed at executive leadership meetings
Create a Diversity and Inclusion Council	✓				The council was formed and has set short- and long-term objectives
Prepare a Diversity and Inclusion Plan				✓	By the end of 2014

2014 and Beyond Targets



Economic



Environment



Social

Design With Community In Mind: Integrated Sustainable Infrastructure

100

At least 100 Stantec professionals achieve Envision™ ENV SP credential

12

Undertake 12 projects that apply the Envision™ framework, with 3 projects receiving certification

- ➔ Become a Top 10 Global Design Firm
- ➔ Achieve a compound average growth rate of 15% through a combination of organic and acquisition growth

End of 2017 corporate targets:

- ➔ **Energy**
Reduce energy consumption by 5% per capita
- ➔ **GHG Emissions**
Reduce GHG emissions by 5% per capita
- ➔ **Waste**
Implement local recycling programs that align with local collection standards
- ➔ **Paper**
 - ⊕ Consumption: Reduce per capita paper use by 10%
 - ⊕ Recycled content: Increase to at least 80% weighted average recycled content

- ➔ **Health & Safety**
Ongoing target to reduce Total Recordable Incident Rate (TRIR) below 0.60 and Total Injury Rate (TIR) below 0.45
- ➔ **Community Engagement**
Donate 1% of pre-tax profits to charity annually
- ➔ **Diversity**
Continue to improve workforce diversity by developing and implementing a plan that has short- and long-term objectives

Sustainability Strategy

During the annual planning process, our Executive Leadership Team assesses and revises Stantec's strategic priorities. The more comprehensive strategic planning sessions, conducted every three years, will next occur in 2015. To devise plans for addressing materially significant issues that impact our business, an annual risk report is compiled, our board of directors meets quarterly, and an annual leadership forum is held.

The [2012 Sustainability Report](#) outlines the four core strategic focus areas in our sustainability strategy:

1. Environment: Operational efficiencies
2. Community engagement
3. Diversity
4. Health and safety

While those remain our priorities in 2014, we reevaluated and set new environmental targets within the ISO14001:2004 Environmental Management System for the end of 2017. The targets are explained in detail in the 2014 and Beyond Targets, as well as the Environmental Footprint section.

Our client work has tremendous potential to positively impact our business and communities. In 2014, we will focus on being an industry leader in Integrated Sustainable Infrastructure with Envision. Offered by the Institute for Sustainable Infrastructure (Washington, DC), Envision is a training, credentialing, evaluation, and awards program that comprehensively addresses the design, planning, construction, and maintenance of civil infrastructure. This program addresses the full project life cycle and the triple bottom line of social, economic, and environmental goals, as well as focuses on sustainable return on investment for our clients and communities. This complements our already robust capability in sustainable building design.

Health and Safety

In 2013, we implemented a corporate Occupational Health and Safety Management System using the OHSAS 18001 framework. This framework promotes a disciplined approach to hazard/risk assessment and mitigation and enables us to better capture enterprise-wide health and safety trends that require attention. In addition, we generate improvement plans and corrective action at the office level where significant health and safety incidents can occur.

To support these initiatives, we recruited a senior director of Health & Safety for the corporate Health, Safety & Environment (HSE) group.

In 2014, Stantec will continue to report recordable incidents and injuries. Reporting both internally and externally means that Stantec will be evaluated using a methodology consistent across all industries. We will continue reporting Total Recordable Incident Rate (TRIR)* and we will begin reporting Total Injury Rate (TIR). TRIR will include injuries and illnesses as defined by the Occupational Health and Safety Administration (OSHA).

* TRIR is defined as the number of recordable incidents that a company experiences during a year normalized to 100 full-time employees. Recordable incidents are those injuries and illnesses incurred by employees and serious enough to warrant medical attention beyond basic first aid. TRIR is the number of injuries and illnesses multiplied by 200,000, then divided by the number of worker hours of exposure. This does not include minor injuries. TIR is calculated the same way as TRIR, except that only incidents classified as injuries are included. The TIR will always be equal to or lower than the TRIR.

Health and Safety Stats

- 100% of field work requires that a Risk Management Strategy be created and documented prior to initiation, as well as monitored throughout the project life span.
- 33% of Stantec offices (70 out of 211) have joint management-worker health and safety committees. These safety committees consist of 614 members, which is 4.5% of Stantec's total workforce.
- At the end of 2013, our TRIR was 0.77.
- Our target is to achieve a TRIR of less than 0.60 and a TIR of less than 0.45 in 2014.

Despite our continual improvement initiatives, at the end of 2013, Stantec's TRIR and TIR were 0.77 and 0.62, respectively. We fell short of our goal of achieving a TRIR below 0.60.

The corporate HSE group will continue working with all business operating units to

- Further establish and build accountability around leading indicator metrics
- Promote a culture of proactive injury prevention

Project managers and supervisors will conduct planned job observations, and senior leadership will actively participate in site inspections. We will also begin every internal Stantec meeting with a safety moment.

Environmental Services Team Earns Shell Safety Award

Environmental scientist David Wolfe and environmental technologist Lu Nguyen of our Markham office gauged and sampled select groundwater monitoring wells. These wells are located within the active lanes of two roadways and are adjacent to a former Shell property in Toronto, Ontario.

Realizing that another unrelated construction project was taking place in the area, our field crew assessed the proposed Stantec work area, consulting with those managing the other project. Everyone agreed that the additional lane closure would cause too much confusion for drivers and create additional risk for workers and the public. So what did they do? They enacted their STOP WORK authority.

Because they took these actions, URS (Stantec's partner) and Stantec were jointly presented with the Health, Safety, Security, and Environmental (HSSE) and Social Performance (SP) Award, which is given out quarterly by our client Shell. "The URS and Stantec teams have helped ensure general public, consultant and contractor safety and have kept us on track in our drive to Goal Zero," says Kristina Riel, Region Manager - Canada, Soil and Groundwater - Focused Delivery Group, Shell Canada.

Corporate Governance

At Stantec, we know that the integrity of a company's board of directors sets the tone for its operations. We have a group of qualified, knowledgeable directors in place. All board members fulfill their roles by strategically guiding the management of the Company's business and affairs while adhering to sound corporate governance practices.

We have developed and implemented policies and guidelines that enhance our accountability and further protect the interests of our stakeholders. Good governance is not merely a legal requirement but is also one of our core values—we do what is right—and we do this for all the communities we serve.

Our nine board members are profiled by gender, minority groups, and age as follows:

Table 2: 2013 Board of Directors by Gender, Minority Groups, and Age

Board of Directors Composition by Gender, Minority Groups, and Age	
Women	22.2%
Minority Groups	0%
Age: Under 30	0%
Age: 30 to 50	0%
Age: Over 50	100%

Details on governance and board and executive-level remuneration and incentives are available in the [2013 Management Information Circular](#).

Ethics and Integrity

Our ideals and practices are those shared by all good companies—strong governance, transparent accounting, and long-term shareholder value. We reinforce these values by providing consistent training, clear policies, and annual employee reviews, and by committing to ethical action.

Our business is based on solid practices—a matrix organizational structure that balances the operational and technical aspects of our Company, a focused business model that allows us to manage risk while pursuing continued growth, Practice and Risk Management teams dedicated to ensuring good professional practices and loss prevention, and training and development for employees throughout our organization. As our Company evolves, we continue to invest in staff training. We are committed to having the best-trained, best-informed, and best-equipped employees in our industry in order to improve our client service delivery.



To do what is right at Stantec, we embrace the highest standards of personal and professional integrity and we never compromise our business principles.

All employees are required to complete annual business compliance training. The training covers topics on ethics, integrity, and anti-corruption. For more information on Stantec’s ethics and integrity commitment, visit the Corporate Governance [page](#) of our website.

Management Systems

Stantec’s integrated management system incorporates continual improvement approaches for quality, health, safety, and environmental management. Our integrated management system uses the following frameworks to support continual improvement:

- Quality Management ISO 9001
- Environment ISO 14001
- Health and Safety OHSAS 18001
- ISO/IEC 2000

The integrated management system is comprised of the following:

Table 3: Components of Stantec’s Integrated Management System

Business Planning	Strategic planning Enterprise risk assessment Environmental Footprint process Business continuity management New employee orientation
Service Delivery	Project management framework Regulatory compliance Career Development Performance Review IT management processes
Performance Assessment	Client feedback Internal and external audits
Review and Improvement	Improvement plans

Through the integrated management approach, we have strengthened our continual improvement system by developing high-priority improvement plans. This system helps us identify those areas that require senior leadership involvement, and leadership reviews it monthly.

In 2013, we added the following recent Company acquisitions to the scope of certifications (ISO 9001 and ISO 14001): Caltech, Cimarron, Bonestroo, and FSC Architects & Engineers. Additionally, we successfully integrated our International operations into the scope of certifications.

What Matters Most

Materiality

The following ranks the priority of sustainability issues based on the level of potential risk and their impact on the economic, environmental, and social health of our organization.

Priority Issues and Issues to Manage (See Table 4) form the basis of the content for this report.

Table 4: Material Sustainability Issues

Priority Issues	Issues to Manage	Issues to Track
<ul style="list-style-type: none"> • Ethics and integrity • Health and safety • Economic performance • Diversity and inclusion • Community engagement • Project execution and quality • Operational efficiencies – energy, GHG, waste, resource (paper) use • Integrated Sustainable Infrastructure 	<ul style="list-style-type: none"> • Regulatory compliance – health, safety, and environment • Employee engagement • Board and executive-level engagement on sustainability issues • Greener buildings 	<ul style="list-style-type: none"> • Water scarcity as a societal issue

What Our Stakeholders Tell Us

Stantec’s key stakeholders include our employees, our clients, our shareholders, and the communities where we live and work. Key stakeholders are those who are either most significantly impacted by our operations or able to significantly impact our operations. The list of stakeholders is evaluated annually to ensure all key stakeholders are included.

We ask our key stakeholders to tell us what issues are significant to them. We review the issues, and these help inform our strategic priorities.

The following table provides details about our discussions with stakeholders.

Table 5: Stakeholder Engagement

Stakeholder	Description of Stakeholder Engagement	Part of Report	
		Development Process	Priority Issues Raised by Stakeholders
Employees	Annual employee survey – analysis of results for sustainability-related topics	✓	Health and safety Employee engagement Economic performance Ethics Energy and GHG management Greener buildings Diversity and inclusion
	Town hall meetings with employees		
	Career Development Performance Reviews		
Clients	Regularly scheduled client meetings		Project execution and quality Services – Integrated Sustainable Infrastructure and Envision Ethics Health and safety Energy and GHG management Compliance with regulations (health, safety, environment)
	Client surveys		
	Supplier questionnaires	✓	
	Secondary research of select client sustainability values and priorities (via client websites and reports to collect insights on sustainability values)	✓	
Investors	Annual General Meeting		Board and executive-level engagement and oversight Economic performance Compliance with regulations (health, safety, environment) Health and safety Ethics Water scarcity (emerging issue)
	Quarterly investor updates		
	Response to investor disclosure requests		
	Online survey to gather feedback on the prior year’s report and to better understand perceived strengths and weaknesses, and areas to focus on for sustainability	✓	
	Secondary research on select shareholders and priorities (website and Sustainability Report research)	✓	

The following Material Aspects and Boundaries and Stakeholder Engagement GRI Disclosures appear on this page and on the preceding page: G4-18 (also appears on page 6), G4-19, G4-20, G4-21, G4-24, G4-25, G4-26, and G4-27 (also appears on page 8). Refer to the GRI Content Index for G4-23.

Economic

Financial Review

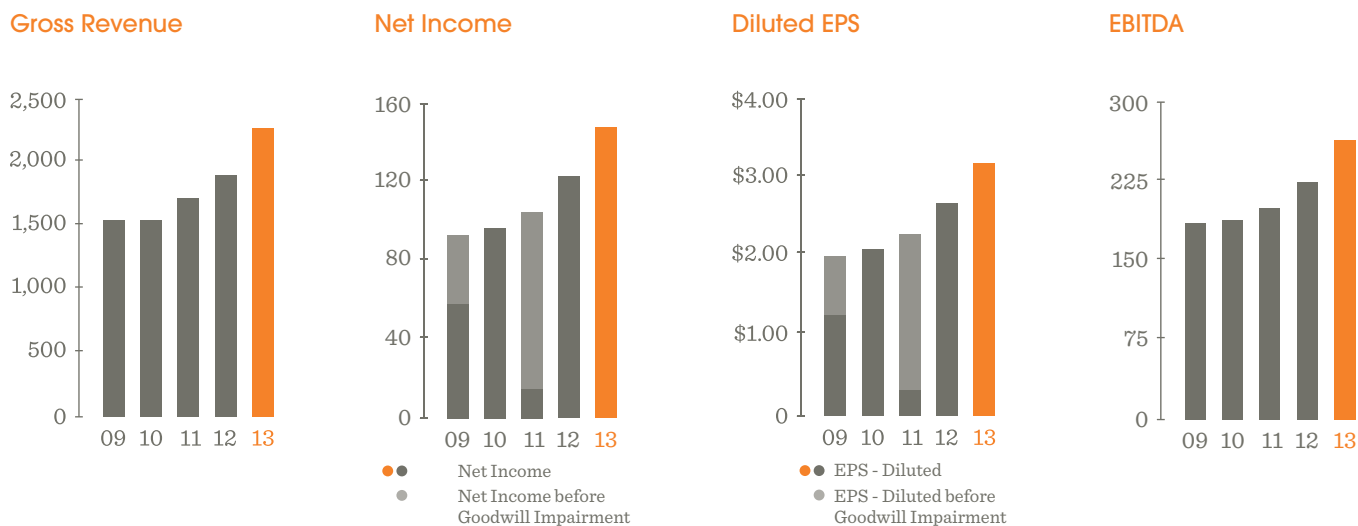
In 2013, we generated C\$2,236 million in gross revenue, an increase of 19.6% over 2012. Our net income was up 20.8% to C\$146 million.

The realignment of our organization and the renewal of our brand, together with our refreshed visual identity, have resulted in Stantec being well positioned for future growth by capitalizing on market opportunities with our integrated expertise and geographic reach.

A key area where our Company saw the positive results of our integrated expertise in 2013 was in resource-related sectors. Our Environment and Industrial practices combined their strengths to respond to increased activity in large-scale projects in Canada's oil and gas sector.

For more information on our financial performance, see our [2013 Annual Report](#).

Figure 1: 2009 to 2013 Financial Performance



All charts represent millions of Canadian dollars, except for diluted EPS. All numbers are in compliance with IFRS, except 2009 numbers, which are reported under CGAAP. Figures for 2012 are restated for IFRS 10 and 11. Material Aspects and Boundaries GRI disclosure G4-22 appears in the Annual Report pages F-20 to F-22 and page 20 of this report.



Social

Community Engagement

At Stantec, we aim to make lasting connections with the people where we live and work. We regularly partner with a number of community organizations to help support the growth and development of everything from social projects to environmental projects to charitable initiatives.

Some of the broader fundraising initiatives that Stantec continues to support include Habitat for Humanity, Movember, Oxfam, and United Way. We commit to donating 1% of pre-tax profits to charities each year.

Across Canada, employees rolled up their sleeves to donate blood, helping to save lives within their local communities through the Canadian Blood Services' national Partners for Life program. Stantec employees contributed 1,313 blood donations in 2013, achieving 109% of our donation goal.



In 2013, over \$1.18 million was contributed, many volunteer hours were given, and numerous communities were helped through the collective efforts of our local offices.

Stantec in the Community Day

In 2013, we celebrated our relationship with community by updating our brand to reflect our focus, joining together on *Stantec in the Community Day*, and continuing to give back locally.

Nearly 4,000 employees worldwide (almost one-third of our workforce) across more than 200 offices participated in *Stantec in the Community Day*. It was so successful that we have committed to observe it annually.

Highlights from Our Offices

The activities below highlight some ways that we've made a difference in our local communities throughout 2013.

- In Irvine, California, we shared our love for engineering with high school students in a classroom presentation during National Engineers Week
- In Lexington, Kentucky, employees put together a Relay for Life team and went all out for cancer research, taking part in a hula dress show, a golf scramble, and the run itself
- In Tampa, Florida, we ran our own campaign to raise funds and food donations to help Metropolitan Ministries feed the homeless in our community
- In Boston, Massachusetts, we gathered a team to help the Greater Boston Food Bank with its operational needs for a day
- In Alberta, we rallied together and cycled for two days along the Rockies to help end cancer
- In Calgary, Alberta, staff collected trash along the Bow River as host sponsor of the Calgary River & Pathway Cleanup, providing much-needed support after the southern Alberta flooding
- In Ottawa, Ontario, we laced up skates to host the annual Charity and Networking Hockey Tournament, supporting Camp Smitty for kids with disabilities
- In Dartmouth, Nova Scotia, we raised funds for work programs that help people with disabilities gain independence

More stories are available [here](#).



Stantec's Partnership with Oxfam

On June 16, 2013, Uttarakhand, India, experienced one of the worst cloudbursts in recent history, severely impacting villages and the agricultural terraces that characterize the terrain in this part of India.

Part of our response to support the reconstruction was setting up a Cash-for-Work (CFW) program. "This is good work for me; this is good work for the village, and really helpful at a critical time when some of us simply could not work," says Jamutra Devi (shown above). She expresses gratitude for how the money provided helped them recover their lives so quickly. "In the beginning (June), people were becoming sick because of the bad water that was being consumed."

Since 2012, Stantec has donated \$100,000 to Oxfam's Emergency Relief Fund. This critical fund allows Oxfam to respond quickly to localized humanitarian emergencies such as the June 2013 floods in Jamutra's village of Maikhand, Uttarakhand.

Stantec opened an office in Ahmedabad, India, in 2010, making our connection to the community there even more significant.

Aboriginal Partnerships and Community Engagement

Sustainable development in northern Canada requires a commitment to and understanding of Aboriginal cultures, as well as an understanding of related economic, environmental, and social conditions. Because we are better together, Stantec is the minority partner and legal operator in 10 Aboriginal partnerships across northern Canada.

We welcomed three new partners in 2013:



Hobiye'e Stantec Ltd. unites Hobiye'e Management Ltd. and Stantec Consulting Ltd. (Stantec) to provide the full suite of environmental services in the energy and resource sector throughout the north-central coast of British Columbia.



The CRE-Stantec Ltd. partnership between Christina River Enterprises (CRE) and Stantec is located in the Fort McMurray First Nation traditional territory. CRE Stantec is a strategic addition to our business because the opportunity to deliver environmental services is increasing in this area of Alberta.



Nunami Stantec Limited was established in 2006 between Sakku Investments Corporation and Stantec. This year, we welcome the Kitikmeot Corporation as a new partner in this well-established company.

For the full list of our partnerships, please visit www.stantec.com.

Continuing our corporate commitment to Aboriginal partnerships, we designated \$25,000 to Stantec's partnership-related community engagement activities. The 2013 investment went to fund programs and events including the Kangidluaksuk Archeology program, Yellowknives Dene career fair, Aboriginal Sport Circle, Inuvialuit Library, Le Geoff School Learning program, and Nunavut Literacy Council.

Funding for 2014 has been increased to \$30,000 to support additional initiatives within partnership communities.

HR and Employees

Workforce

At Stantec, we put people first. This means we always look for ways to improve the working lives of our employees.

In 2013, we made progress towards meeting our goals to

- Finalize four distinct career paths: discipline, project, business, and executive
- Develop a new job classification structure that better assigns roles to categories of specialization, discipline, and level
- Implement a new framework and approach for a blended learning environment
- Introduce new employee onboarding and exit interview programs to help improve retention rates

Historically for this report, Stantec has used fiscal authority to group employees into the following categories: employee, frontline manager, middle manager, and senior manager. For this year and future years, we have chosen to present workforce data by Equal Employment Opportunity (EEO) in the United States and Equal Employment Opportunity Group (EEOG) in Canada. This better reflects the make-up of our workforce and is the most common basis for providing data to public agencies, government agencies, and clients in North America. Restatements of 2012 data are available in Appendix B.

At the end of 2013, 12,680 employees and 691 contract employees worked for Stantec (13,371 in total). Our total workforce increased slightly, by 3.3%, over 2012.

Table 6: 2013 Global Workforce by Region and Employee Type

Location	Full- and Part-Time Employees		Casual/Temporary Employees		Contract Employees		Total by Gender		Grand Total
	Female	Male	Female	Male	Female	Male	Female	Male	
United States	1,322	3,303	100	286	7	72	1,429	3,661	5,090
Canada	2,520	4,408	146	292	91	521	2,757	5,221	7,978
International	80	223	0	0	0	0	80	223	303
Total	3,922	7,934	246	578	98	593	4,266	9,105	13,371

Career Learning and Development

Upgrading Employee Skills

The primary mandate of corporate learning is to make sure that every Stantec employee has access to the learning required for his or her continuing success. Corporate learning includes compliance training (topics such as health and safety, and ethics), generic performance management learning (topics such as project management, supervision, and leadership), and technical and professional learning (dictated by our discipline, sector, and business line needs).

Our employees learn through a variety of methods, but primarily, learning occurs on the job. We provide a blended learning environment: a mix of strategic work assignments; career path guidance, coaching and mentoring, and leadership development programs.

Our programs include the following:

- *Succession Planning and Emerging Leaders Programs:* All senior executives and managers in Stantec participate in our succession planning program. Short- and long-term succession plans with potential candidates are identified and documented through this process.
- *Leadership Development Program:* This program focuses on organizational values, builds leadership capabilities around key principles and competencies, and promotes effective collaboration.
- *Supervisory Development Program:* This program focuses on tactical leadership content and tools from the Leadership Development Program. It is designed to support new supervisors with the foundational elements necessary to lead others.

- *Emerging Leaders Program:* This program is provided at a local level, with selected participants attending corporate functions.
- *Project Management Training:* This is provided in the form of a face-to-face “boot camp” supplemented by online courses.

In 2013, we had a 20% increase in participation in the Leadership Development Program by high-performing and high-potential employees. Over 300 emerging leaders participated in the Supervisory Development Program. In 2014, we will conduct more training sessions, focusing on our US locations.

With the assistance of their supervisors, our employees define a specific career development program every fall as a formal part of the Career Development Performance Review (CDPR) process.

A total of 98.9% of our eligible workforce completed CDPRs in 2013.

In 2013, the total average number of logged hours of training per employee was 23.9.

In 2014, the corporate learning program will focus on

- Increasing on-the-job **coaching** by supervisors and project managers
- Increasing informal **mentoring** by leaders
- Continuing definition for and communications about our new **Career Streams**
- Updating our HR-based **orientation programs** and materials
- Continuing the expansion of our **leadership and supervisory training courses** with more trainers; expanding our local **Emerging Leader Programs**
- Continuing roll-out of **project management training**, particularly virtual courses and boot camps with more trainers
- Designing and implementing regional Emerging Leaders Programs using external facilitators to strengthen the leadership pipeline

Table 7: 2013 Average Number of Training Hours and CDPR Completion Rates by Gender and Employment Category (EEOG)

	CDPR Completion Rate	Average Training Hours Per Employee
Female	99.0%	23.0
Male	98.9%	24.3
Senior managers	100.0%	7.2
Middle and other managers	99.4%	19.3
Professionals	98.8%	26.8
Semi-professionals and technicians	99.3%	25.3
Supervisors	100.0%	0
Supervisors: Crafts and trades	100.0%	0
Administrative and senior clerical personnel	98.5%	19.1
Clerical personnel	100.0%	0
Skilled crafts and trades workers	100.0%	0
Semi-skilled manual workers	97.0%	5.1
Other manual workers	98.2%	19.1
Acquisition workers	78.6%	2.5
Total	98.9%	23.9

Note: Those on leave, contractors, and casual and temporary employees, as well as those hired after August 31, 2013, are not considered eligible employees for performance reviews in 2013. The time period to complete the CDPR process extends through the first quarter of 2014; therefore completion rates are based on a mid March 2014 report.

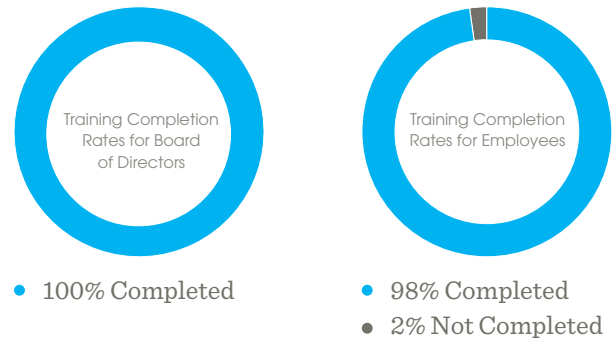
Ethics, Integrity, and Anti-Corruption Training

The Company’s integrity, ethics, and anti-corruption policies and procedures are communicated to all Stantec employees and all members of the board of directors. To consolidate training efforts, information from previous years’ Global Anti-Bribery and Corruption training has been incorporated into our Ethics training.

Stantec’s training program follows an annual cycle. In 2013, the training period was from February to June. The completion rates presented within the graphs are based on a June 2012 to June 2013 time frame. New employees hired and acquired during the second half of 2013 will complete the training during the 2014 training period. At the end of 2013, of 12,680 permanent employees, 10,441 permanent employees out of 12,680 had completed anti-corruption training, for a completion rate of 82.3%

In the United States, employees take training every year. In Canada, employees take the training every two years. A new online training module on global anti-bribery and Corruption will be rolled out to all employees in the first half of 2014.

Figures 2 and 3: 2013 Ethics, Integrity, and Anti-Corruption Training Completion Rates



Employee Turnover and Retention

In 2013, the overall employee turnover rate was 14.7%, with little change from 2012 when the overall turnover rate was 14.6%. Canadian turnover decreased from 16.0% in 2012 to 13.4% in 2013, while the US rate increased from 12.7% in 2012 to 15.9% in 2013. Our international operations experienced a slight decrease in turnover from 26.0% in 2012 to 24.0% in 2013.

Table 8: 2013 Number and Rate of New Employee Hires and Employee Turnover by Region

	Canada	United States	International
Number of new employee hires	1,185	595	132
Rate of new employee hires	8.8%	14.4%	17.4%
Employee turnover count	925	712	107
Rate of employee turnover	13.4%	15.9%	24.0%

Note that turnover rates represent both voluntary employee departures and dismissals.

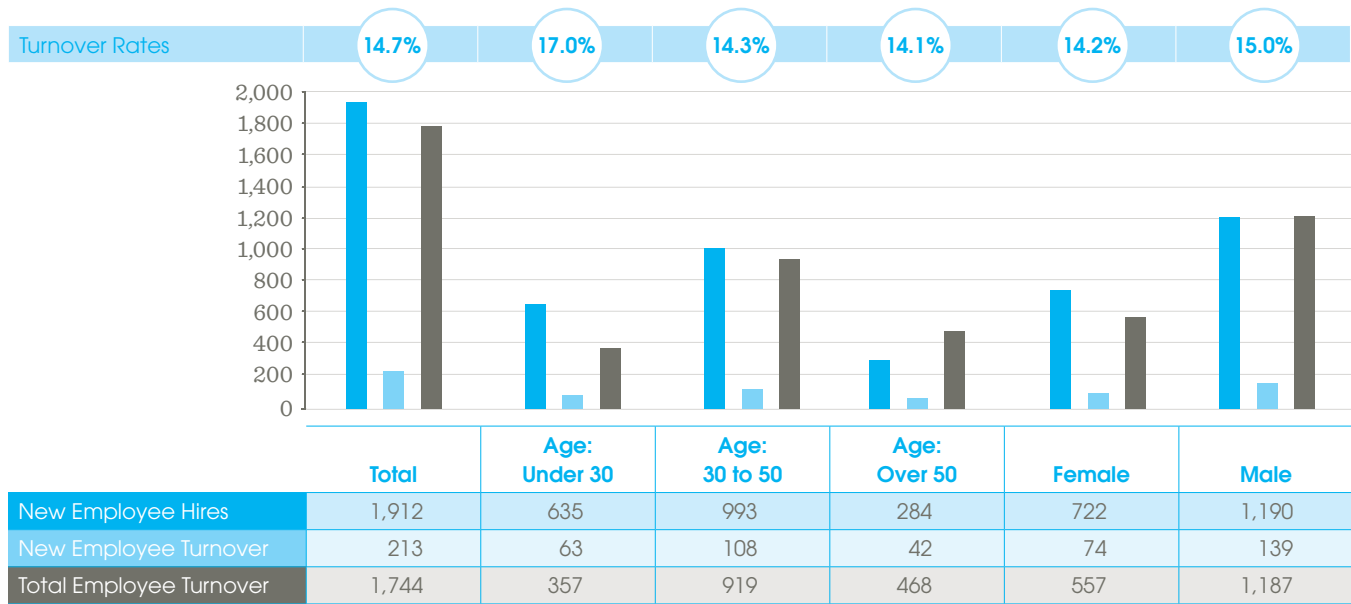
The following table presents 2013 parental leave data.

Table 9: 2013 Parental Leave

Parental Leave	Female	Male	Total
Number of employees entitled to take parental leave in 2013	3,190	6,544	9,734
Number of employees who took parental leave in 2013	156	51	207
Number of employees who returned to work in 2013 after leave ended	36	35	71
Number of employees due to return to work in 2013 after leave ended	53	45	98
Number of employees still employed 12 months after parental leave	137	39	176

Note: Because we have just begun tracking parental leave for GRI reporting, we do not have complete data spanning employee retention rates after 12 months’ return after parental leave. The 2014 report will include complete return to work and retention rate data.

Figure 4: 2013 Number and Rate of New Employee Hires and Turnover and Total Turnover (Total, Age, and Gender)



New Employee Onboarding

We updated the onboarding process that welcomes our new employees to Stantec. New checklists were developed to ensure that employees experience a consistent and comprehensive introduction to Stantec.

New Exit Interview Process

In 2014, we will update our exit interview process to provide departing employees with enhanced confidentiality to encourage more candid information sharing, better employee survey response tracking, and the option for personal discussions.

Strengthening our onboarding program and gaining insight into why employees leave should help to increase employee satisfaction and retention and, as a result, enhance company performance.

Benefits

We offer a comprehensive health and wellness package to our employees and their eligible dependents. Because our focus is on putting people first, our overall program provides access to information, tools, and support to help employees improve their health and well-being.

Stantec’s retirement program provides advice, a pension program with matching contributions, and a stock purchase plan. For comprehensive details about the benefits program, refer to the summary provided in our [2012 Sustainability Report](#).

Additional details on compensation are provided in Appendix A.

Alternative Work Arrangements

In the 2012 report, we described our new plans to introduce a formalized process for alternative work arrangements—summer hours, compressed schedules, and telecommuting.

Diversity

Workforce Diversity

We continue to develop a Diversity and Inclusion Plan, initiated in 2013. The plan will help us

- Develop a better understanding of how we compare to other companies that are exhibiting leadership in diversity and inclusion
- Manage, monitor, and report on the coordination of diversity and inclusion initiatives, management and supervisor sensitivity training, and employee surveys
- Train our managers on recruitment and selection, including bias-free selection processes, self-identification opportunities, liaising with diversity-related support groups, and reaching out to diverse candidates

Stantec is already engaged with various partners to promote opportunities for recruitment of women and visible minorities. For example, in Canada we are working with

- The ECO Canada BEAHR Program to develop culturally relevant, skills-based environmental training programs for Aboriginal participants
- WISEST, a University of Alberta program that enhances the attraction, retention, and advancement for women of all ages in science, engineering, and technology
- Catalyst, an organization striving to develop and improve ways to recruit, retain, and advance women in the workplace
- Equitek, a partnership of job recruitment sites that promotes our open positions to Aboriginal organizations

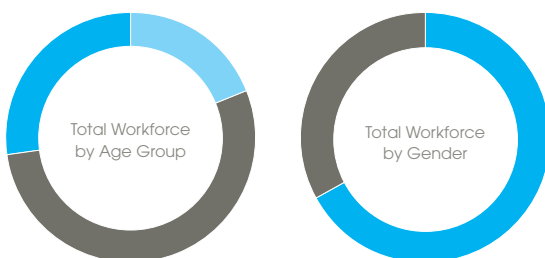
In Canada, the diversity of our workforce remained relatively consistent, with 16.6% of employees belonging to one of Visible Minority, Aboriginal, or Disabled groups (compared to 15.8% in 2012). The proportion of Visible Minority group representation in senior management was 4.3% in 2013, compared to 2.2% in 2012..

In the United States, we participate in diversity job fairs relating to various diverse groups such as the ACE (Architecture, Construction, Engineering) and CREW (Commercial Real Estate Women) mentorship programs. To help us achieve our diversity and outreach goals, we hired a senior compliance manager in US Equal Employment Opportunity and Affirmative Action planning. We joined the Equal Employment Advisory Council and Catalyst, organizations that help us with government affairs and diversity outreach. We post our job opportunities on more than 200 diversity-focused websites.

In 2013, the diversity of our workforce in the United States remained relatively consistent, with 17.9% of employees belonging to one of Veteran, Disabled, or Protected Characteristics group (compared to 18.1% in 2012). In the United States, the proportion of Veteran, Disabled, Protected Characteristics representation in executive/senior-level management was 8.6% and the proportion for first and mid-level officials management was 11.4%.

In 2013, the proportion of female representation in senior management was 2.4% and the proportion in middle and other management was 11.3%, compared to 33% female make-up of the total workforce. This remained constant compared to 2012 when the proportion of female representation in senior management was 2.2% and among middle and other managers was 11.2%

Figures 5 and 6: 2013 Global Workforce by Age Group, and Gender



- 19% Age: Under 30
- 54% Age: 30 to 50
- 27% Age: Over 50
- 67% Male
- 33% Female

Figure 7: 2012 and 2013 Canadian Workforce by Visible Minority, Aboriginal, and Disabled Groups

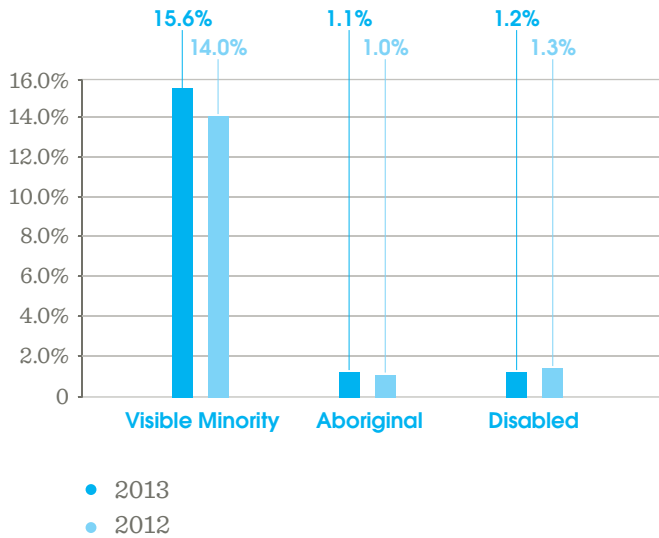
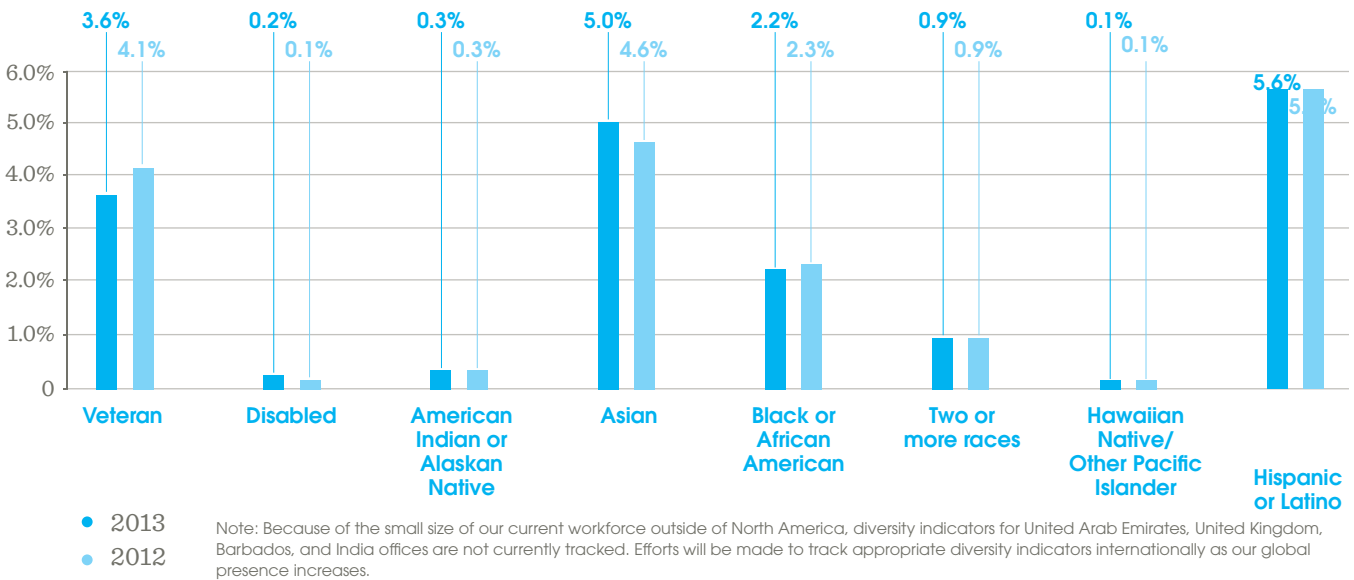


Figure 8: 2012 and 2013 US Workforce by Veteran, Disabled, and Protected Characteristics



For details on Stantec’s global workforce, broken down by employee category and by employee type, gender, and age, refer to Appendix B.

Supplier Diversity

In 2013, in the United States, our proportional contract value with small business and small disadvantaged business was 13.8% or \$49.2 million (US currency). While this represents a slight decrease in the proportional spend from 2012 (14.9%), the total volume is up in 2013 (from \$45.6 million in 2012).

Environment

Environmental Services

Stantec is a recognized leader in environmental design and consulting. Our services cover sustainable community and land planning, sustainable building design, climate change, energy and resource management, natural systems, sustainable infrastructure, and water management.

We work with clients in the oil and gas, power, mining, commercial, water, waste, and transportation sectors to

- Provide environmental impacts assessments.
- Apply social, financial, and environmental criteria for least-impact approaches to resource extraction and remediation for the cleanup of decommissioned sites or sites slated for new commercial development.
- Survey wetlands and other natural environments to determine if native plants and any endangered species are making their home in these areas. We gather data that tells us how to protect the natural environment.

We continue to be leaders in the sustainable design of buildings and communities through progressive energy and building information modeling, net zero energy, and Leadership in Energy and Environmental Design (LEED) projects.

The number of Stantec employees with LEED accreditation in 2013 was 649 (compared to 657 in 2012). To date, Stantec has been involved in more than 239 projects that have achieved LEED certification and several hundred more projects with LEED-registered status. In addition, we have been involved in 8 net zero energy projects.

Design With Community in Mind

Integrated Sustainable Infrastructure

A major part of Stantec's business is the design of infrastructure. Integrated Sustainable Infrastructure integrates life-cycle environmental, social, and economic factors into the decision-making process for infrastructure development.

Zero Net Carbon Emission Project: Issaquah ZHome

This project was created to develop a pioneering ten-home residential complex that was aimed at attaining zero energy status. Stantec participated as a consulting engineer in the zHome energy analysis, created during the development design phase of the project, and also provided the mechanical design.

The development design demonstrated a project that would achieve net zero energy use on an annual basis for each of the ten housing units in the project. Stantec also facilitated a charette to generate a variety of ideas that could be implemented into the project to increase sustainability, comfort, and functionality while meeting overall project goals.

Energy Modeling and Building Information Modeling (BIM)

Stantec is undertaking a long-term study on the integration of building information modeling (BIM) and energy modeling technologies. Working jointly with Autocad, a BIM software developer, we are developing a tool to improve workflow between designers and engineers for a holistic analysis in energy modeling. Some of our preliminary research results have already been incorporated into Autocad's software development.

The integration of BIM and energy modeling technologies will result in better analysis and reduced energy use, increased air quality, and ability to achieve net zero energy for buildings. The tool is expected to be completed and launched in November 2014.

The Envision™ system is a framework for planning and evaluating infrastructure projects and for rating these projects against the needs and values of the community. The system evaluates the economic, social, and environmental benefits of all types and sizes of infrastructure projects, such as roads, bridges, water supply systems, and recreational facilities. It provides infrastructure owners, design teams, community groups, environmental organizations, planners, regulators, constructors and policy makers with a consistent, objective, and holistic infrastructure planning and design tool.

Specifically, Envision promotes practices which

- Enhance community safety, accessibility, and quality of life
- Encourage stakeholder engagement and collaborative approaches to development
- Focus on resource and habitat conservation and protection
- Incorporate planning for a changing climate

After several years in development, Envision is now being rolled out across North America. Stantec has been involved in both the development and implementation of Envision.

In 2013, Stantec committed to having at least 100 professionals complete training to earn their Envision™ Sustainability Professional (ENV SP) credential. By year-end, we reached the halfway point: more than 50 Stantec professionals earned their ENV SP credential. Stantec teams throughout North America are engaged in educating clients about Envision, incorporating Envision into proposals and presentations, and working on pilot projects.

In 2014, we are aiming to undertake at least 12 projects that incorporate Envision and to certify our first 3 projects under the Envision system. We will continue to help our clients design and build innovative and resilient high-performance infrastructure that aligns with local priorities and needs.

Climate Change Adaptation and GHG Management Services

We help clients address challenges associated with climate change, including Greenhouse Gas (GHG) quantification, verification, mitigation planning, and adaptation strategies.

In 2013, more than 30 projects in climate change mitigation and adaptation were completed for clients, including action plans for Phillips66, Thompson Rivers University (TRU), and Mohawk College. We validated and verified over 15 innovative carbon offset projects and assisted in the authorship of a guide for using carbon finance to leverage low-income home weatherization programs in the United States.

We assessed the climate change vulnerability of infrastructure and programs, and we developed climate change adaptation plans for clients, including the Northwest Territories Department of Transportation,



SEED house design competition brings out the best in our Moncton, New Brunswick, team.

Through Habitat for Humanity, our Moncton, New Brunswick, team won the Unlock the Dream! design competition. The team designed a sustainable, environmentally efficient dwelling (SEED)—an efficient-to-build and easy-to-maintain affordable micro-home. SEED houses started because modestly scaled but safe and secure housing was urgently required by people in need.

One key challenge was getting the house to fit on a flatbed truck. This meant designing a fully functional living space that was contained within roughly 275 square feet (25 square metres). A host of innovative solutions—shared circulation spaces, movable storage units, a serviced wet-wall including a linear bathroom—helped us meet the challenge. A vegetated roof, rainwater collection tank, solar/photovoltaic panels, and sunshades reduce the house's dependence on municipal utilities.

NRCan, International Institute for Sustainable Development (IISD), University of Winnipeg, Maryland State Highway Administration (SHA), and St Lucia Dennery.

For more details about our work and services, visit our www.stantec.com.

Thompson Rivers University (TRU) Campus Master Plan

We developed a plan that transformed a disparate, car-oriented commuter campus into a vibrant, pedestrian-focused, mixed-use destination university.

Environmental Footprint

Stantec strives for least-impact approaches to its operations. A comprehensive analysis indicates that energy consumption, paper consumption, waste generation, and spills (in labs or chemical storage rooms) are the significant environmental aspects of our operations.

Since 2012, our integrated management system has provided for continual improvement of the significant environmental aspects of our operations (known as environmental footprint). In 2013, we were certified under the ISO 14001:2004 framework for the second consecutive year.

Our last set of environmental footprint targets came due in 2012. As a result, in 2013, we reevaluated our targets, including energy, paper, and waste. To establish new targets, we looked at averages and trends for Stantec, eight peer companies (all measure and report their carbon footprint), and North American market sectors in general.

We also introduced a Greenhouse Gas (GHG) reduction target. We know that GHGs are directly related to our energy consumption. Reduction of GHG emissions is also an important issue for our stakeholders—our employees, our clients, and our shareholders.

In addition to setting new 2017 targets, Stantec's recent acquisitions have led to significant changes in occupied square footage and number of employees. As a result, we established a new baseline year (2013) from which we will measure progress. Because of the new baseline, a full comparison to 2012 and prior years' energy and GHG performance is not considered meaningful and therefore has not been provided in this report.

In 2014, we will also begin tracking GHG emissions from business travel, which will be added to our Scope 3 GHG emissions inventory. Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

End of 2017 Targets

- Energy: 5% per capita reduction (1.25% annual average)
- GHG emissions: 5% per capita reduction (1.25% annual average)
- Waste: Implement recycling programs that align with local collection standards
- Paper
 - › Consumption: 10% per capita reduction (2.5% annual average)
 - › Recycled content: At least 80% weighted average recycled content by the end of 2017 (60% by the end of 2014, 70% by 2015, and 75% by 2016).

To improve our environmental footprint and meet the new targets, we will

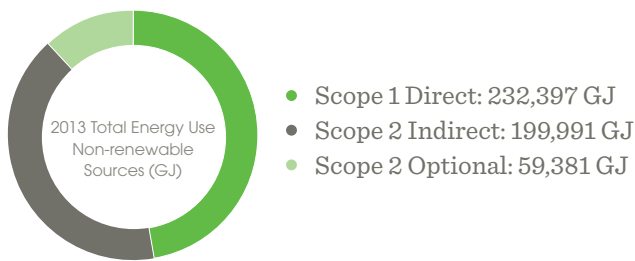
- *Focus Initiatives on Local Office Management:* Work with office leaders and facility managers to make improvements towards these environmental targets
- *Issue Office Environmental Footprint Report Cards:* We will issue reports cards to every office annually. These report cards will include the office performance metrics, as well as targeted suggestions on how to improve upon them (e.g., HVAC controls, lighting upgrades, appliance selection, waste programs, paper procurement).
- *Collaborate with Landlords to Develop Standards for New Leases:* Wherever possible, local leadership will work with landlords to improve control and HVAC systems. The sustainable development and real estate teams will also collaborate to develop more sustainable policies and metrics in our longer-term real estate transactions.
- *Continue with Ongoing Initiatives:* We will continue ongoing energy saving initiatives, such as purchasing energy-efficient IT equipment and appliances and using the Green Planet program, which automatically shuts off computers and monitors during nonwork hours.

Energy

In 2013, Stantec’s total energy use from non-renewable sources was 492,000 gigajoules (GJ). Total energy use from renewable sources (solar) was 49.1 GJ.

Total per capita energy use was approximately 40.5 GJ per full-time employee (FTE). A full-time employee count of 12,135 was used to determine intensity ratios for energy and GHG emissions. This is based on the number of full-time employees as of December 31, 2013, with the exception of employees who work in offices that were excluded from the footprint due to unavailable data.

Figure 9: 2013 Total Energy Use



Total energy includes Scope 1 Direct fuel from stationary combustion sources (natural gas, propane, fuel oil) and mobile emissions (gasoline, diesel); Scope 2 Indirect includes energy from electricity; and Scope 2 Optional includes natural gas, propane, fuel oil, and steam from office buildings where we do not occupy the whole space or are not separately metered from other tenants that occupy the building.

Table 10: 2013 Energy Use by Type

Energy Use Type	Energy Use (GJ)
Electricity	199,991
Heating and Cooling	133,602 (Scope 1 Direct: 73,681, Scope 2 Optional: 59,381)
Steam	3,066

Greenhouse Gases

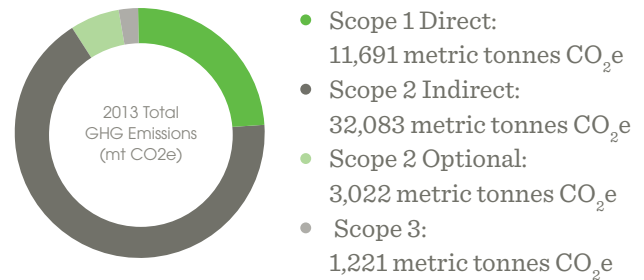
Using The Climate Registry’s General Reporting Protocol methodology and the operational control approach, data was collected at the office level for 233 offices and facilities (of a total of 247), representing 96% of our total square footage of office and facility space. The remaining 4% of offices that we were not able to obtain data for were excluded from our inventory.

Our 2012 data was third-party verified by Bureau Veritas, resulting in a restatement of 2012 GHG emissions for Scope 1 of 8,400 tonnes (originally reported as 11,300 tonnes) and Scope 2 of 30,300 tonnes CO₂e (originally reported as from 29,586 tonnes). The adjusted total is 42,600 tonnes (includes Scope 1, Scope 2, Scope 2 Optional, and Scope 3).

The 2013 data provided within this report is preliminary and will be verified in May 2014. The following gases were included in the inventory: carbon dioxide, nitrous oxide, methane, and hydrofluorocarbons.

In 2013, total GHG emissions were 48,000 tonnes CO₂e. In 2013, per capita (FTE) GHG emissions were 4.0 tonnes of CO₂e per full-time employee.

Figure 10: 2013 GHG Emissions by Type



Scope 1 emissions sources include natural gas, propane, fuel oil, fleet, off-road fuel use, and fugitive emissions from refrigerants. Scope 2 emissions source is electricity. Scope 2 Optional emissions sources include steam, natural gas, propane, and fuel oil. Scope 3 emissions source is paper use. Figures presented in the text have been rounded to three significant numbers.

Paper

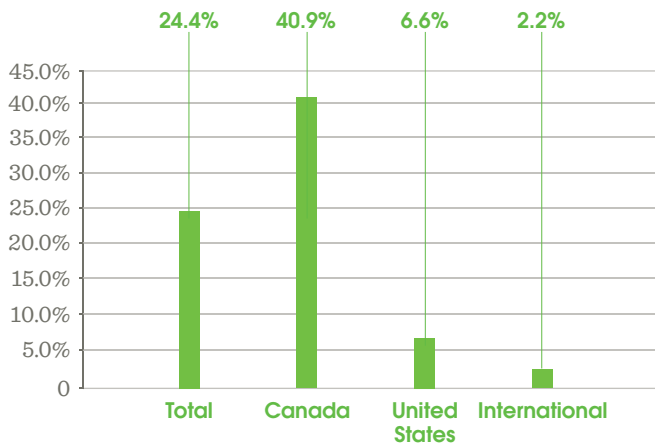
In 2013, Stantec offices used the equivalent of 104,000,000 8.5" × 11" sheets or 8,545 8.5" × 11" sheets per full-time employee. This represents a 5.1% increase in per capita paper use compared to 2012. Ongoing paper reduction efforts include converting paper filing to electronic file storage wherever possible and promoting reduced paper consumption at the office level by

- Communicating with the offices about our targets
- Offering a narrow selection of recycled content paper options through corporate vendors

In 2013, the total weighted average of post-consumer recycled content was 24.4%. Recycled content decreased from 2012, when the total average recycled content was 38.4%.

To increase the percentage of recycled content of paper used, we will focus on promoting cost-effective recycled-content paper options to our offices, available through our corporate vendor. We will also prioritize work with the offices that currently use paper with less recycled content on average.

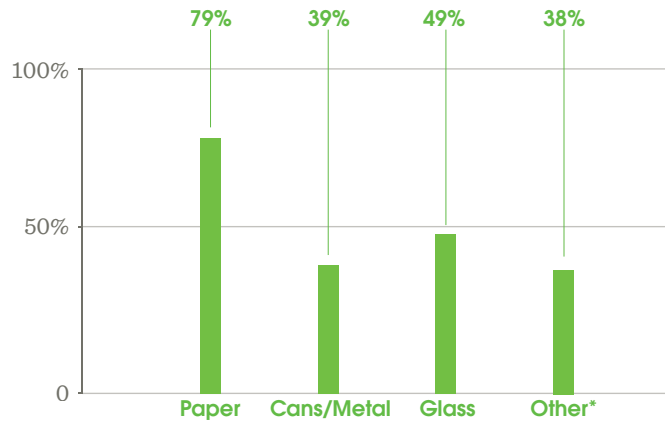
Figure 11: Weighted Average Recycled Content



Waste and Recycling – Office Level

In 2013, 81% of Stantec offices offered at least one type of recycling (paper, plastic, glass, metal) and 17% offered composting. This is a slight improvement over 2012, when 76% of offices offered recycling and 10% offered composting. The proportion of offices that offer each type of recycling is presented in the following graph.

Figure 12: Types of Recycling Offered in Stantec Offices (% of each type)



*Other includes batteries, local IT equipment, and paints.

Measuring waste in 2012 was a challenge. As a result, our target for 2014 focuses on ensuring that Stantec offices are meeting or exceeding recycling standards in local municipalities. We will work with offices to implement local waste diversion programs, focusing on offices where there are gaps between Stantec programs and locally available collection options.

While implementing this program, we will evaluate best practices in waste methodologies and consider resuming waste tracking in future years.

Waste and Recycling – Corporate Initiatives

In 2013, we recycled more than 5,000 computer products (46.9 tonnes) through our recycling partner. Also, our wireless equipment gets sent to one of our partners for refurbishment or recycling.

Through one of our office supply vendors, our Edmonton headquarter offices continue to participate in the box return program, reducing the number of office supply shipment boxes that get discarded. We intend to promote this program to other offices where the service is provided in 2014 and beyond.

Green Purchasing

In 2013, Stantec used a selection of laptop computers that are Energy Star rated for improved energy efficiency and are certified to the EPEAT Gold standard. The EPEAT system combines strict, comprehensive criteria for design, production, energy use, and recycling with ongoing independent verification of manufacturer claims.

In 2013, 24.5% of product expenditures represented greener office products, based on at least one attribute or benefit, such as third-party certification, minimum 30% post-consumer recycled content, made with renewable resources, and reduced packaging. This is an increase in proportional purchase of greener products, up from 16.5% in 2012.

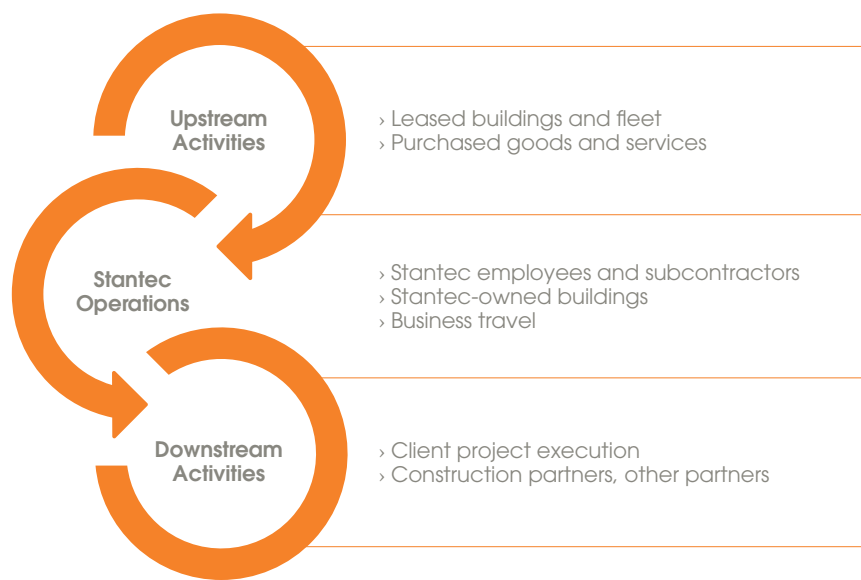
Green Buildings

At the end of 2013, eight of Stantec's office locations were LEED certified (out of a total of approximately 209 offices), with an additional five expected to be certified in 2014.

Appendices

Appendix A: Stantec Supply Chain

Figure 13: Stantec's Supply Chain



Appendix B: Additional HR Data

Table 11: 2013 Global Workforce by Employee Category (EOG), Type, Gender, and Age Groups

	Senior Manager	Middle and Other Managers	Professionals	Semi-Professionals and Technicians	Supervisors	Supervisors: Crafts and Trades	Admin and Senior Clerical Personnel	Clerical Personnel	Skilled Crafts and Trades Workers	Semi-Skilled Manual Workers	Other Manual Workers	Acquisition Employees	Total
Total	82	1061	6405	3590	28	1	1048	279	3	39	78	66	12,680
Female - count	2	120	2071	878	20	0	866	183	0	1	6	21	4,168
Female %	2.4%	11.3%	32.3%	24.5%	71.4%	0%	82.6%	65.6%	0%	2.6%	7.7%	31.8%	33%
Male - count	80	941	4334	2712	8	1	182	96	3	38	72	45	8,512
Male %	97.6%	88.7%	67.7%	75.5%	28.6%	100.0%	17.4%	34.4%	100.0%	97.4%	92.3%	68.2%	67%
Age: Under 30	0%	0%	20.5%	18.8%	0%	0%	16.2%	50.9%	33.3%	23.1%	47.4%	12.1%	18.6%
Age: 30 to 50	14.6%	49.1%	57.9%	54.2%	64.3%	100%	50.9%	31.5%	0%	43.6%	39.7%	66.7%	54.6%
Age: Over 50	85.4%	51.0%	21.6%	27.0%	35.7%	0%	32.9%	17.6%	66.7%	33.3%	12.8%	21.2%	26.9%

Table 12: 2013 Percentage of Canadian Workforce by Employee Category (EEOG), Visible Minority, and Designated Groups

	Senior Managers	Middle and Other Managers	Professionals	Semi-Professionals and Technicians	Supervisors	Supervisors: Crafts and Trades	Administrative and Senior Clerical Personnel	Clerical Personnel	Skilled Crafts and Trades Workers	Semi-Skilled Manual Workers	Other Manual Workers	Acquisition Employees
Visible Minority	2.1%	7.5%	17.5%	16.8%	0%	0%	10.3%	13.0%	0%	0%	3.3%	13.6%
Aboriginal	2.1%	0.4%	0.8%	1.4%	0%	0%	2.1%	2.5%	0%	0%	3.3%	3.0%
Disabled	0.00%	1.5%	0.7%	1.6%	0%	0%	2.4%	0.6%	0%	0%	3.3%	0%

Table 13: 2013 Percentage of US Workforce by Veteran, Disabled, and Protected Characteristics Groups

	Executive and Senior-Level Officials and Managers	First- and Mid-Level Officials and Managers	Professionals	Technicians	Administrative Support Workers	Craft Workers	Operatives	Laborers and Helpers	Acquisition Employees	Total
Veteran	2.9%	4.2%	2.8%	6.0%	1.2%	9.1%	0.0%	8.7%	0%	3.6%
Disabled	0%	0.5%	0.1%	0.2%	0%	9.1%	0.0%	0%	0%	0.2%
American Indian or Alaskan native	0%	0%	0.2%	0.6%	0.2%	0%	0%	0%	0%	0.3%
Asian	0%	3.1%	7.0%	3.1%	2.8%	0%	0%	1.4%	0%	5.0%
Black or African American	0%	0.4%	2.0%	2.4%	5.7%	0%	0%	1.4%	0%	2.2%
Hispanic or Latino	5.7%	2.4%	4.8%	7.9%	9.6%	9.1%	0%	1.4%	0%	5.6%
Native Hawaiian/ Other Pacific Islander	0%	0.2%	0.1%	0.1%	0.4%	0%	0%	0%	0%	.01%
Two or more races	0%	0.7%	1.0%	1.0%	1.0%	0%	0%	0%	0%	0.9%

Table 14: 2013 Ratio of Total Annual Compensation for Organization's Highest Paid Employee to Median Annual Compensation

	Compensation Details	% Increase 2012-2013	Ratio of Compensation	Ratio of % Increase
Canada				
Highest Paid	\$2,448,280	15.0%	33.6	14.4
Median Compensation - All other employees	\$72,800	1.0%		
United States				
Highest Paid	\$1,272,366	6.2%	15.9	6.1
Median Compensation - All other employees	\$80,201	1.0%		
India				
Highest Paid	\$159,765	96.7%*	21.8	9.6
Median Compensation - All other employees	\$7,338	10.1%		
United Arab Emirates				
Highest Paid	\$309,311	17.1%	4.5	6.6
Median Compensation - All other employees	\$68,674	2.6%		
United Kingdom				
Highest Paid	\$186,824	5.7%	2.0	8.4
Median Compensation - All other employees	\$95,067	.7%		

*Note: This number is particularly high because the work week and compensation package for highest paid was restructured in 2013.

Tables 15 and 16: 2013 Canada and US Ratio of Basic Salary including Bonus Pay by Employee Category, Gender, and Significant Operations (in Canadian dollars)

Canada					
CA EEOG Category	Gender - Employee Counts		Basic Salary		
	Female	Male	Female	Male	Ratio Male:Female
Senior Managers	2	45	235,603	391,189	1.66
Middle and Other Managers	63	407	146,178	168,457	1.15
Professionals	1253	2278	72,079	93,784	1.3
Semi-Professionals and Technicians	642	1734	65,515	76,116	1.16
Supervisors	13	5	98,422	108,072	1.09
Supervisors: Crafts and Trades	-	-	-	-	-
Administrative and Senior Clerical Personnel	547	115	\$52,421	\$79,585	1.52
Clerical Personnel	122	39	\$49,824	\$65,079	1.30
Skilled Crafts and Trades Workers	0	0	-	-	-
Semi-Skilled Manual Workers	1	4	53,060	54,841	1.03
Other Manual Workers	2	28	43,875	42,444	.97
Total	2645	4655	816,977	1,079,567	1.32

United States					
CA EEOG Category	Gender - Employee Counts		Basic Salary		
	Female	Male	Female	Male	Ratio Male:Female
Senior Managers	0	35	-	332,441	N/A
Middle and Other Managers	57	522	142,156	165,843	1.2
Professionals	771	1929	78,589	97,355	1.2
Semi-Professionals and Technicians	224	913	61,933	67,686	1.2
Supervisors	7	3	104,634	127,343	1.2
Supervisors: Crafts and Trades	0	1	-	94,436	N/A
Administrative and Senior Clerical Personnel	302	52	54,235	54,028	1.0
Clerical Personnel	57	56	48,414	44,906	.9
Skilled Crafts and Trades Workers	0	3	-	60,893	N/A
Semi-Skilled Manual Workers	0	31	-	52,393	N/A
Other Manual Workers	4	44	56,617	36,913	.6
Total	1,422	3,589	N/A	N/A	N/A

The following tables present restatements of 2012 data as a result of the recategorization of employee categories by EEO and EEOG. These restatements enable us to provide a meaningful comparison of 2012 to 2013 results.

Table 17: 2012 Global Workforce by Employee Category (EEOG), Type, Gender, and Age Groups

	Senior Manager	Middle and Other Managers	Professionals	Semi-Professionals and Technicians	Supervisors	Supervisors: Crafts and Trades	Admin and Senior Clerical Personnel	Clerical Personnel	Skilled Crafts and Trades Workers	Semi-Skilled Manual Workers	Other Manual Workers	Acquisition Employees	Total
Total	89	1014	5,663	3,219	31	1	934	274	2	35	79	952	12,293
Female - count	2	114	1,757	760	23	0	776	182	0	0	8	270	3,892
Female %	2.3%	11.2%	31.0%	23.6%	74.2%	0%	83.1%	66.4%	0%	0%	10.1%	28.4%	31.7%
Male - count	87	900	3,906	2,459	8	1	158	92	2	35	71	682	8,401
Male %	97.8%	88.8%	69.0%	76.4%	25.8%	100.0%	16.9%	33.6%	100%	100%	89.9%	71.6%	68.3%
Age: Under 30	0	0	1,180	670	0	0	163	153	0	9	34	175	2,384
Age: 30 to 50	17	539	3,260	1,722	20	1	477	81	1	16	33	511	6,678
Age: Over 50	72	475	1,223	827	11	0	294	40	1	10	12	266	3,231

Table 18: 2012 Percentage of Canadian Workforce by Employee Category (EEOG), Visible Minority, and Designated Groups

	Senior Managers	Middle and Other Managers	Professionals	Semi-Professionals and Technicians	Supervisors	Supervisors: Crafts and Trades	Administrative and Senior Clerical Personnel	Clerical Personnel	Skilled Crafts and Trades Workers	Semi-Skilled Manual Workers	Other Manual Workers	Acquisition Employees	Total
Visible Minority	1.1%	3.2%	8.9%	9.6%	3.2%	0%	0%	5.8%	8.0%	0%	3.8%	4.7%	9.2%
Aboriginal	1.1%	.02%	0.4%	0.9%	0%	0%	1.0%	1.1%	0%	0%	1.3%	0%	0.5%
Disabled	0%	0.6%	0.5%	1.2%	0%	0%	1.5%	0.4%	0%	0%	1.3%	0%	0.7%

Table 19: 2012 Percentage of US Workforce by Veteran, Disabled, and Protected Characteristics Groups

	Executive and Senior-Level Officials and Managers	First- and Mid-Level Officials and Managers	Professionals	Technicians	Administrative Support Workers	Craft Workers	Operatives	Laborers and Helpers	Acquisition Employees	Total
Veteran	7.7%	4.1%	3.4%	6.7%	1.5%	10.0%	33.3%	10.0%	3.9%	4.1%
Disabled	0%	0.2%	0.1%	0.2%	0%	0%	0%	0%	0.3%	0.1%
American Indian or Alaskan native	0%	0.2%	0.2%	0.7%	0.4%	0%	0%	0%	0.3%	0.3%
Asian	0%	2.6%	5.9%	4.1%	2.6%	0%	0%	1.7%	4.3%	4.6%
Black or African American	0%	0%	1.4%	2.0%	4.3%	0%	0%	0%	6.4%	2.3%
Hispanic or Latino	5.1%	1.5%	3.6%	6.6%	7.4%	10.0%	0%	1.7%	13.6%	5.6%
Native Hawaiian/ Other Pacific Islander	0%	0.2%	0.2%	0%	0%	0.4%	0%	0%	0%	.01%
Two or more races	0%	0.6%	0.9%	0.9%	1.3%	0%	0%	0%	1.0%	0.9%



Letter: Third Party Report Assessment

May 6, 2014

Stantec retained the services of CBSR in reviewing its 2013 draft Sustainability Report to provide (1) comments on how well the report adheres to the GRI principles for defining content and quality and (2) general feedback on the substance of the report and its disclosures.

General Findings

Stantec's 2013 Sustainability Report illustrates a seamless transition to the latest version of the GRI Guidelines – G4. In response to the new G4 requirements, Stantec's Sustainability Report emphasizes the company's broader influence through projects and its wider supply chain; and gender-specific labour data. Furthermore, the report encompasses substantial explanations on Stantec's management of material issues in the *Disclosures on Management Approach*.

Stantec's 2013 report reflects the significant progress made since the 2012 reporting year: greater emphasis on material issues and conciseness; more robust internal controls and senior-level ownership over ESG aspects, key performance metrics and data reliability; expanded stakeholder consultations; more emphasis on the wider value chain and performance of projects; and integration of more quantitative targets.

Opportunities for Improvement

Stantec followed the recommendations provided through the consultation with CBSR and introduced the following improvements into the 2013 report:

- Provided brief remarks on the transition to G4 and corresponding revisions to the scope.
- Provided a more comprehensive explanation of Stantec's *ethics and integrity* practices (stakeholders identified this issue as one of the most material.)
- Reconciled language (e.g. strategic priority titles and headings) to improve consistency.
- Clarified and added context for industry specific terminology and (e.g. Envision™, TRIR).

Below are additional longer-term (3-5 year) opportunities for Stantec to advance its reporting practices:

- Illustrate how material issues intersect among internal and external stakeholders, and explain how such are prioritized in the business.
- Continue testing methodologies to evaluate broader impacts of projects, and eventually consider reporting key performance metrics of Stantec's projects.
- Consider adopting more impact / outcome focused goals to strengthen the strategy and enhance Stantec's ability to evaluate performance against targets.
- Consider potential of broader long-term risks related to water, energy and labour, which can create challenges to Stantec's business in the future.

CBSR commends Stantec's ongoing commitment to advancing its performance on wide-ranging social, environmental and governance issues, and for continually improving its disclosures.

Agnieszka Rum Moore
Associate, CBSR

A handwritten signature in black ink, appearing to read 'Agnieszka', written in a cursive style.

Contact us for more information

Head Office

200, 10160 – 112 Street
Edmonton AB T5K 2L6
Canada

Ph: (780) 917-7000

Fx: (780) 917-7330

sustainability@stantec.com

Learn more about Stantec's sustainability efforts at www.stantec.com/sustainability.

