

2014 Sustainability Report

We create  
communities

**STN**  
TSX · NYSE





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Who is Stantec?

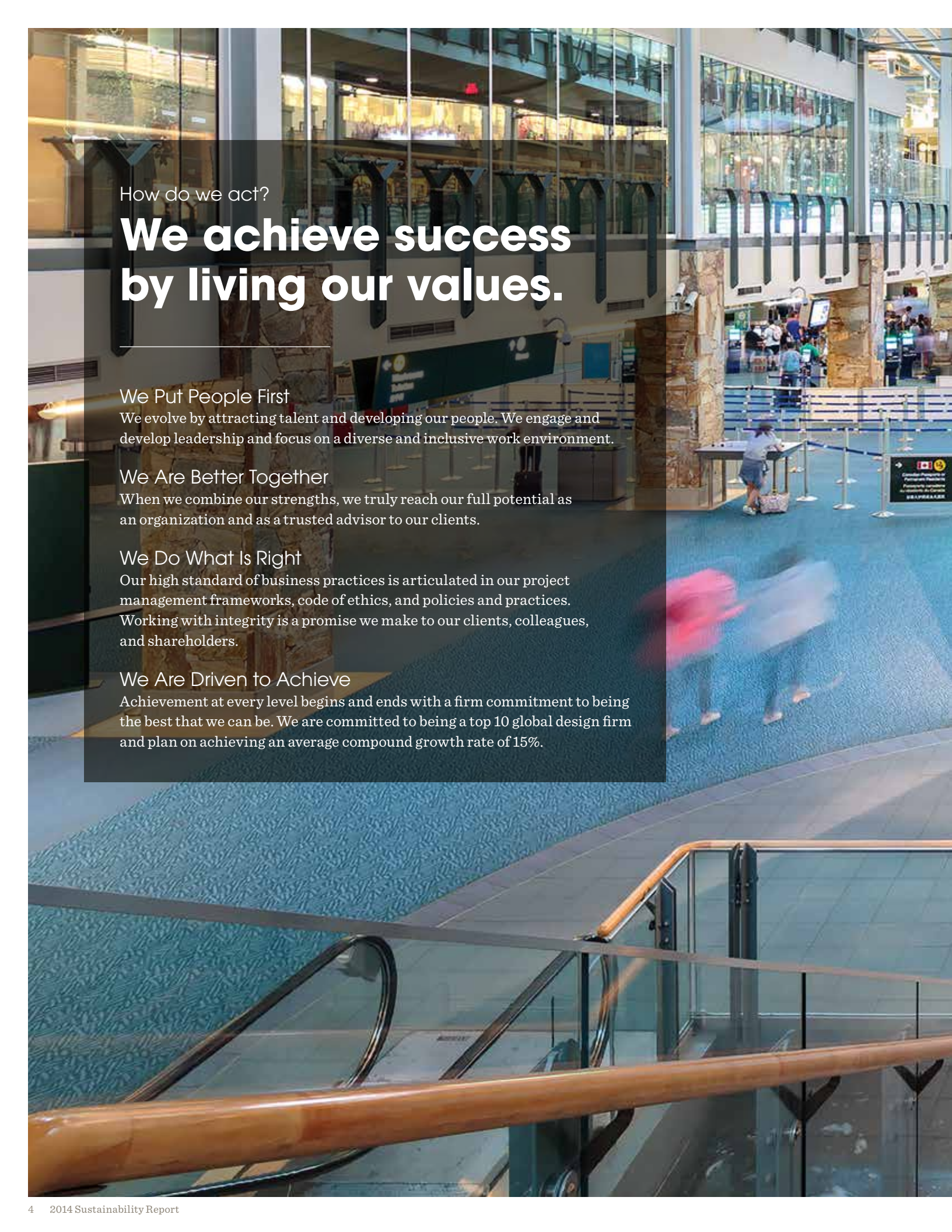
# We're active members of the communities we serve. That's why at Stantec, we always design with community in mind.

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The Stantec community unites over 15,000 employees working in over 250 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.





How do we act?

# We achieve success by living our values.

## We Put People First

We evolve by attracting talent and developing our people. We 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.

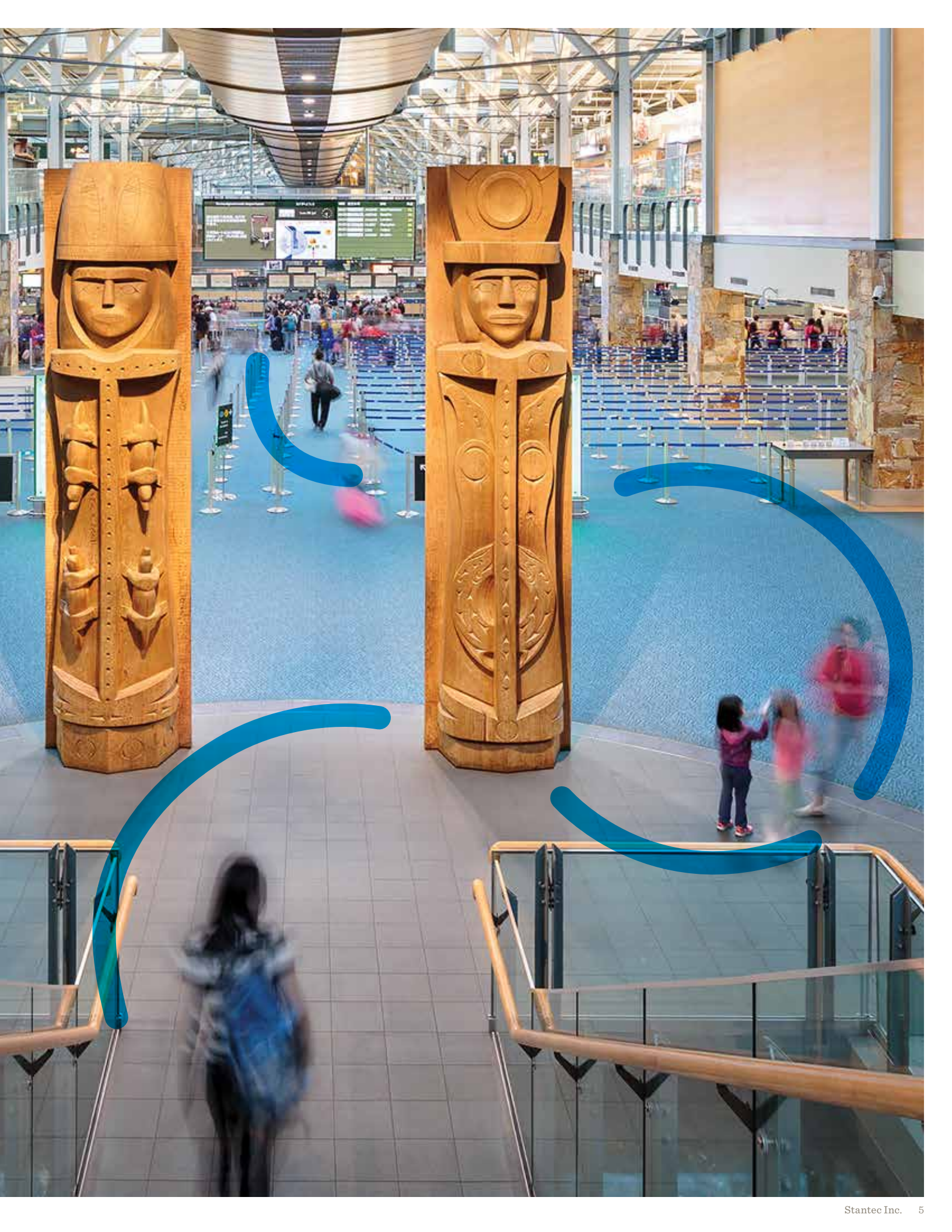
## We Do What Is Right

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%.





# About This Report

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Welcome to Stantec's eighth annual Sustainability Report. Annual reporting helps us to set the bar for improving our sustainability performance each year and to fulfill our commitment to transparent public disclosure.

This report was prepared in accordance with the Global Reporting Initiative's (GRI's) G4 comprehensive framework, which is widely used internationally to facilitate greater organizational transparency and improve the consistency of sustainability reporting across economic, social, and environmental indicators.

This report outlines our focus and our commitment as a Company:

- We focus on our key stakeholders—employees, clients, investors, and members of the communities where we live and work—and regularly communicate to them about our performance, priorities, and commitments on the issues that matter most to them and our business
- We commit to reducing our environmental impacts and improving the social impacts of our operations while we continue to strengthen economically

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## Data Collection Methodology and Independent Verification

### Data Collection Methodology

Data and other information for this report are collected from multiple functional areas across the Company, including but not limited to human resources, finance, IT, community investment, sustainable development, corporate real estate, health and safety, learning, and research and development. We established internal controls and a formal review process to check that the information in this report is accurate and reliable.

Senior-level management in each functional area across the Company reviewed and approved the final content. Members of the Executive Leadership Team reviewed the information at various stages during the production of this report and conducted a final review for overall quality before its release.

### Independent Verification

We extracted data from our 2014 consolidated financial statements for this report and referred to it in this report. Our consolidated financial statements were audited by Ernst & Young LLP Chartered Accountants. Our greenhouse gas (GHG) emissions inventory for the 2014 reporting year was independently verified by Bureau Veritas.

In addition to the independently verified data explained above, we commissioned Canadian Business for Social Responsibility (CBSR) to conduct a third-party review of this report. CBSR evaluated the content and quality of this report: refer to the results in a letter from them in the Appendices.

For additional details about our operations and data verification, refer to the [GRI Content Index](#) (a separate, complementary document).



## Scope

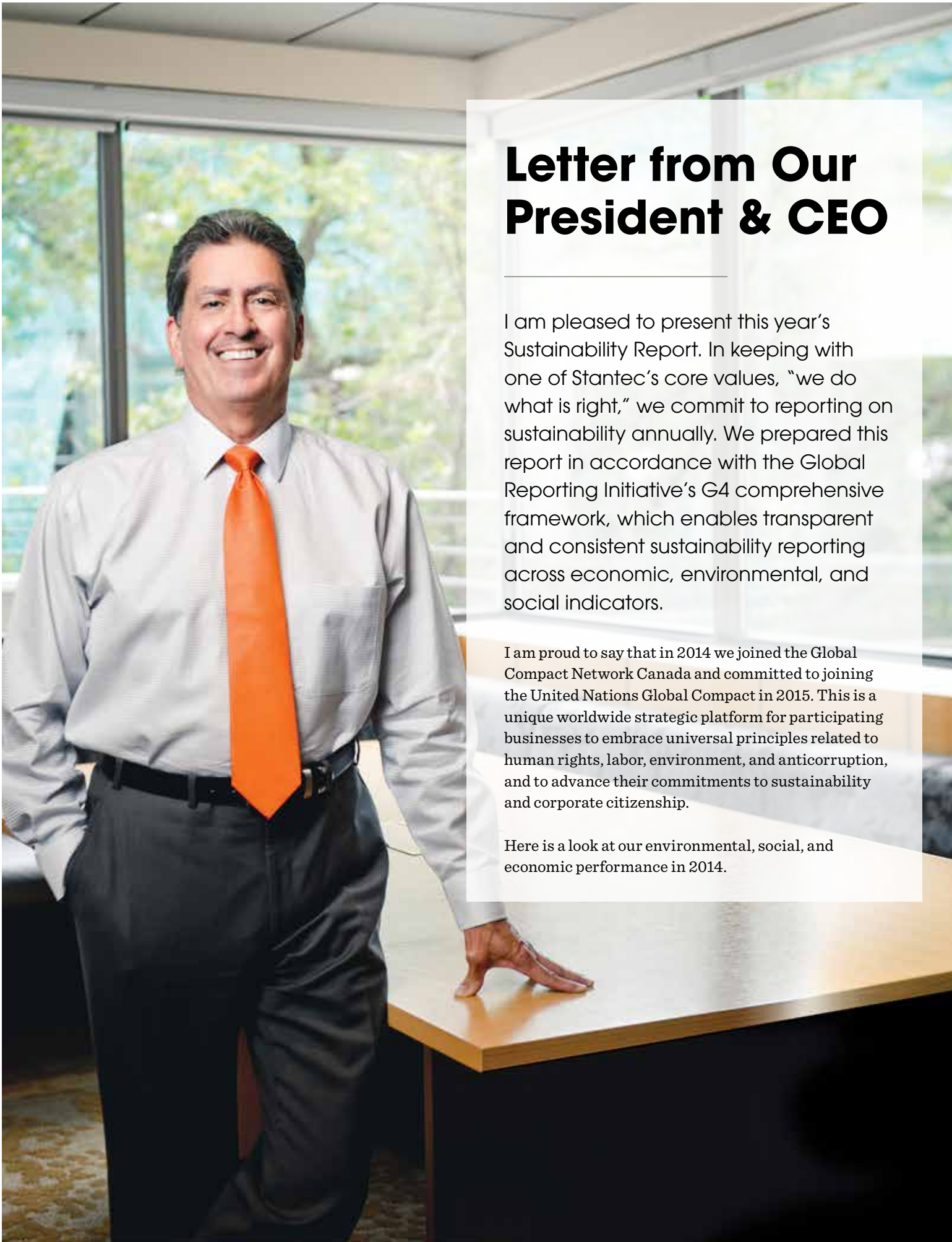
To better align with our strategic planning cycle, we will publish a baseline sustainability report every three years and then update reports annually. The next baseline report will be published in the first half of 2016, after our 2015 comprehensive strategic planning process.

In this report, you will find information about Stantec's social, environmental, and economic performance for our 2014 fiscal year (which matches the calendar year) and our forward-looking plans for 2015 and beyond.

Unless otherwise specified, this information relates to all Stantec operating companies worldwide and to employees working only in premises leased or owned by Stantec. Note, however, that the health and safety data covers all Stantec employees wherever they work.

The list of all entities included in the financial statements (for GRI disclosure G4-17) appears in the 2014 Annual Report on pages F-9, F-30, and F-49 to F-51.





# Letter from Our President & CEO

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I am pleased to present this year's Sustainability Report. In keeping with one of Stantec's core values, "we do what is right," we commit to reporting on sustainability annually. We prepared this report in accordance with the Global Reporting Initiative's G4 comprehensive framework, which enables transparent and consistent sustainability reporting across economic, environmental, and social indicators.

I am proud to say that in 2014 we joined the Global Compact Network Canada and committed to joining the United Nations Global Compact in 2015. This is a unique worldwide strategic platform for participating businesses to embrace universal principles related to human rights, labor, environment, and anticorruption, and to advance their commitments to sustainability and corporate citizenship.

Here is a look at our environmental, social, and economic performance in 2014.



## Environmental

In 2014, we mandated the use of a consolidated travel agency system and began tracking greenhouse gas (GHG) emissions related to our business travel to achieve a more accurate picture of our environmental footprint. Our GHG emissions per employee (excluding emissions from business travel) increased 1.7% compared to 2013, indicating that we are not on track to meeting our target to reduce GHG emissions by 5% by the end of 2017. We recognize that we have to increase our efforts to achieve reductions over the next three years. We also saw a slight increase of 0.5% in per capita energy consumption in 2014. We did, however, reduce paper use by 9.5% per employee, exceeding our annual average reduction goal of 2.5%.

As a professional services firm, we have a smaller environmental footprint than many industrial greenhouse gas emitters; however, we recognize that we must continue to monitor and manage—and ultimately reduce—our energy use and greenhouse gas emissions, especially as they relate to office occupancy and business travel.

Our work has tremendous potential to positively impact the communities where we live and work. In 2014, we continued to progress toward being a leader in integrated sustainable infrastructure. By July 2014, we achieved our goal of having 100 Stantec professionals achieve their Envision Sustainability Professional (ENV SP) credential. Furthermore, these talented professionals initiated five projects that use the Envision sustainable infrastructure framework and rating system, and two of these projects are targeting Envision certification in 2015. Also, in the design work in our Buildings practice, we continue to follow sustainable principles, including Leadership in Energy and Environmental Design (LEED) protocols.

## Social

We continued to engage with the communities we serve. Through direct cash contributions and services in kind, we donated approximately 1% of our pre-tax profits to charity.

Although we must do more work, in 2014, we did make progress toward our goal of improving diversity and inclusion in our workforce. Working with the Canadian Centre for Diversity and Inclusion, we assessed our Company's status for diversity and inclusion, then worked on establishing a Company-wide Diversity and Inclusion (D&I) Plan. The plan's focus is awareness and education, plus our deliberate effort to increase the number of under-represented groups in our workforce, particularly in management and executive positions.

In 2015, we will incorporate our first D&I census into our Annual Employee Survey and will develop two D&I councils—one in Canada and one in the United States—to support implementing our plan.

Health and safety matters greatly to our stakeholders, especially to our employees. Our Total Recordable Incident Rate in 2014 improved over 2013; however, we fell short of our ongoing target to reduce the rate to below 0.60. We reinforce our commitment to a culture of safety by beginning every internal meeting with a safety moment, and we monitor legislative changes that could impact our operations and lead to changes in our health, safety, and environment policies and program documentation. In 2014, we added the Occupational Health & Safety Management System certification (OHSAS 18001: 2007) to our Integrated Management System.

In 2014, we declared two courses mandatory for all employees—Policies & Procedures, and Ethics and Code of Conduct—and an additional two health and safety courses that are mandatory for all supervisors.

## Economic

In 2014, we achieved solid financial performance, with growth in all business operating units and geographic regions. Our solid performance speaks to the strength of our diversified business model and to the collective efforts of our employees.

We generated C\$2.5 billion in gross revenue, an increase of 13.1% over 2013. Our net income was up 12.5% to C\$164.5 million and our diluted earnings per share increased 10.8% to C\$1.74 over 2013.

We continue to respond to an increased demand for our environmental services, which include integrated sustainable infrastructure design and planning, resilience planning, climate change mitigation and adaptation services, remediation work, and sustainable building design.

We believe that achievement begins and ends with a strong commitment to being the best that we can be. I would like to thank our employees for their efforts throughout 2014 and for keeping our promise to design with community in mind.



Bob Gomes  
President & CEO



# 2014 Highlights and Recognition

## Highlights

- ✓ Donated approximately 1% of pre-tax profits to charity
- ✓ Held our second annual Stantec in the Community Day with approximately 5,500 employees volunteering (up from approximately 4,000 in 2013)
- ✓ Achieved a 13.1% increase in gross revenue and a 12.5% increase in net income over 2013
- ✓ Ranked on the Canadian Carbon Disclosure Leadership Index for the fifth year in a row
- ✓ 100+ Stantec professionals received their ENV SP Envision Sustainability Professional Credential
- ✓ Achieved Occupational Health & Safety Management System certification (OHSAS 18001: 2007) by adding it to our Integrated Management System

## Third-Party Recognition





# Targets and Progress

In the 2013 Sustainability Report, we reported our results in meeting and moving toward many of our previous targets. Some of our previously established targets are highlighted below:

## 🔑 Stakeholders and What Matters Most

- Continually improve materiality assessment (what matters most)

## 🌳 Environment

- Energy, waste, paper: Assess performance on past environmental targets and goals; develop action plans

## 🏠 Community Engagement

- Link community investment to corporate strategic plans
- Donate 1% of pre-tax profits to charity

## 👤 Health and Safety

- Develop an Occupational Health & Safety Management System
- Implement a Company-wide system for corrective action tracking and reporting
- Implement enhanced training initiatives

## 👥 Diversity

- Promote senior leadership awareness
- Create a Diversity and Inclusion Working Group and an Implementation Plan

A few of our past targets have been carried forward to our 2014 list and beyond. See Table 1 on the next two pages for our comprehensive list of targets, along with our progress toward each.





Table 1: Targets for 2014 and Beyond

Target	Achieved	Not Achieved	On Track	Work in Progress Extended	Notes
<b>Stakeholders and What Matters Most</b>					
Evaluate and improve current processes for engaging with key stakeholders by the end of 2015			✓		Target was carried forward from 2013. Sustainability-related questionnaires will be developed for key stakeholders in 2015.
<b>Stantec Services</b>					
Integrated sustainable infrastructure:					
100 or more Stantec professionals achieve the Envision ENV SP credential by the end of 2014	✓				By July 2014, more than 100 Stantec professionals achieved their ENV SP credential.
Undertake 12 projects that apply the Envision framework; receive certification for 3 of those projects by the end of 2014				✓	At least 5 projects across the Company included an Envision component or applied the Envision framework; 2 of these projects initiated in 2014 are actively targeting certification.  We have revised our target for 2015. We will undertake 12 projects that apply the Envision framework, with 4 projects receiving certification by the end of 2015.
<b>Environment</b>					
Continue to review, refine, and implement green purchasing guidelines in relevant categories			✓		Target was carried forward from 2013.  We work with corporate vendors that continue to expand their range of greener products.  We negotiate discounts on a list of core products that includes a number of green products.  In 2014, we switched to a new corporate office supplies vendor that makes online ordering of green products easy for our offices.
Begin tracking GHG emissions for business travel in 2014	✓				Target was carried forward from 2013.  We mandated the use of a consolidated travel agency system in February 2014. In 2014, 65% of our air, rail, and hotel bookings were made through this new system, and we have received equivalent GHG emissions.
Increase participation rate for the Cool Commute Challenge by 10% each year from the previous year		✓			Target was carried forward from 2013.  The 2013 participation rate in the challenge was 18%. In 2014, participation dropped 3.4% to 14.6%, but the total distance we travelled using more sustainable means increased.  We will revisit this goal in 2015.
Energy: Reduce energy consumption by 5% per capita (1.25% annual average) by the end of 2017		✓			Energy consumption per capita increased slightly (0.5%) from 2013. However, when using a different indicator—energy per square foot—the 2014 results show a 1.6% decrease from 2013.

Table 1: Targets for 2014 and Beyond (continued)

Target	Achieved	Not Achieved	On Track	Work in Progress Extended	Notes
<b>Environment (continued)</b>					
GHG emissions: Reduce GHG emissions by 5% per capita (1.25% annual average) by the end of 2017		✓			GHG emissions in 2014 (excluding Scope 3 emissions from business travel) were 3.85 tCO <sub>2</sub> e, per employee, up 1.7% from 2013. Although the 2014 results indicate that we are not on track to achieving our four-year target, we did anticipate a slower start. We will continue monitoring our progress.
Waste: Implement local recycling programs that align with local collection standards by the end of 2017			✓		Many of our offices met or exceeded local municipal recycling standards in 2014. We will work with those offices that did not meet local recycling standards to implement waste diversion programs that align with locally available collection options.
Paper consumption: Reduce per capita paper use by 10% (2.5% annual average) by the end of 2017			✓		In 2014, per-employee paper use decreased 9.5% from 2013.
Paper – recycled content: Increase to at least 80% weighted average recycled content by the end of 2017 (end of 2014, 60%; end of 2015, 70%; end of 2016, 75%)		✓			By the end of 2014, the total weighted average recycled content paper used by Stantec offices was only 24.5%. We recognize that we have a long way to go to meet our end-of-2017 target and will work with our offices to encourage the purchase of higher recycled-content paper whenever possible.
<b>Community Engagement</b>					
Donate approximately 1% of pre-tax profits to charity every year	✓				Donated approximately 1% of pre-tax profits to charity through direct cash contributions and services in kind.
<b>Health and Safety</b>					
Reduce Total Recordable Incident Rate (TRIR) below 0.60 and Total Injury Rate (TIR) below 0.45 by the end of 2014			✓		At the end of 2014, our TRIR was 0.62 and our TIR was 0.45.
<b>Diversity</b>					
Develop a Diversity and Inclusion (D&I) Plan with short- and long-term objectives by the end of 2014				✓	Target was carried forward from 2013. In 2014, Stantec began work with the Canadian Centre for Diversity and Inclusion (CCDI) to assess our Company's current situation for diversity and inclusion, then worked toward establishing a Company-wide D&I Plan.
<b>Economic</b>					
Become a top 10 global design firm			✓		We focused on the following:
Achieve a compound average growth rate of 15% through a combination of organic and acquisition growth			✓		<ul style="list-style-type: none"> <li>Using the strength of our local positioning to bring our world-class expertise to the communities in which we live and work</li> <li>Driving a client-focused culture and highlighting our quality and creativity</li> <li>Positioning ourselves among the top-tier service providers in the sectors and geographic locations we operate in</li> <li>Expanding our capabilities and geographic reach through strategic hires and acquisitions</li> </ul>





# Sustainability Strategy

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During the annual planning process, our Executive Leadership Team assesses and revises Stantec's strategic priorities. The more comprehensive strategic planning sessions occur every three years. The next comprehensive session is scheduled to take place throughout 2015. To devise plans for addressing issues that are materially significant—those that most impact our business—an annual risk report is compiled, our Board of Directors meets quarterly, and an annual leadership forum is held.

## Focus Areas for Our Sustainability Strategy

### **Internal Focus Areas**

#### **Environmental: Operational Efficiencies**

To continue to reduce our impact on the environment, we are progressing toward least-impact approaches to resource and energy use, waste diversion, and greenhouse gas emissions (GHG), and are continuing to monitor and report on progress.

## Health and Safety

Stantec is committed to the health and safety of its workforce and strives to foster a culture in which all employees, partners, contractors, and subcontractors share a commitment to health, safety, and the environment. We will continue to foster a culture of health and safety for all employees and stakeholders through our Company-wide Occupational Health & Safety Management System where we track and report corrective actions, provide enhanced training initiatives, and create focused action plans for improvement.

## Diversity

Our marketplace and the communities in which we live and work are increasingly diverse, so to further meet the needs of our clients, communities, suppliers, and shareholders, we must shape the diversity of our own workforce. Improving our awareness of diversity and building essential skills relating to diversity will help lay the groundwork for promoting a more inclusive workplace environment at Stantec.

## Community Engagement

We want to enhance the knowledge, prosperity, health, and quality of life within our local communities. Our Community Engagement program leads the way by defining how we connect with the communities where we live and work. Corporately, we provide the framework that guides decision making and aligns our community engagements with our organizational objectives so that they resonate with our employees and community business leaders. And we recognize that local employees understand best how to match our resources and unique capabilities with their communities' priorities and how to provide support to organizations that make a local difference.

## External Focus Areas

### Design with Community in Mind:

#### Integrated Sustainable Infrastructure

We know that our client work has tremendous potential to positively impact our business and the communities where we live and work. In 2014, we continued to invest corporately to lead in integrated sustainable infrastructure. We promoted and applied the Institute for Sustainable Infrastructure's (ISI's) Envision Sustainable Infrastructure Rating System, which provides infrastructure owners, designers, and policy makers with a consistent, objective, and holistic infrastructure planning and design framework and rating system. To learn more about ISI and Envision, visit [www.sustainableinfrastructure.org](http://www.sustainableinfrastructure.org).

Here are a few of the many reasons that we believe a continued investment in integrated sustainable infrastructure and Envision is essential:

- *Envision brings together the diverse skills and talents of our professionals and directly reflects our promise to design with community in mind.* When we deliver creative, innovative, and more sustainable designs, we respond to the distinctive needs and challenges faced by our clients. Using Envision, we are better able to incorporate the interdisciplinary collective experience and knowledge of our professionals. It enhances the quality of our infrastructure designs and provides a more holistic, systems-oriented approach to urban planning.
- *Envision adds value.* Envision strengthens the design process because we follow authentic sustainability principles that are intrinsic to the work we do every day. Furthermore, Envision supports effective stakeholder engagement and the proper accounting of the social, economic, and environmental impacts of infrastructure across its full life cycle: from early planning and design through to construction, operations, and maintenance, and, ultimately, to decommissioning.
- *Envision is being adopted by municipalities across North America as a chosen approach to dealing with the challenges associated with infrastructure resilience, longevity, and replacement.* As a Charter Member of the Institute for Sustainable Infrastructure, Stantec has been involved in developing and refining the Envision system since 2010. In 2014, we launched a comprehensive strategy to accelerate the use and promotion of Envision.

Stantec's Sustainable Infrastructure Task Force—consisting of senior business leaders across many of our regions and sectors—provides the overall strategic direction and guidance to the Sustainable Development team, which is charged with incubating this emerging service line.

In 2014, Stantec reached its goal: over 100 Stantec professionals achieved their Envision Sustainability Professional (ENV SP) credential. Stantec also invested in the training of two professionals as ISI Trainers and another professional as an Envision verifier, bringing the total number of Envision verifiers employed by Stantec to four. In 2014, at least five Stantec projects began applying the Envision framework; two are already targeting certification in 2015, and at least two additional project certifications are anticipated in 2015.



# Health and Safety

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As outlined in the “What Matters Most” section of this report, health and safety is one issue that matters most to Stantec’s stakeholders: employees, clients, investors, and the communities where we live and work.

We approach occupational health and safety by empowering our leaders—from Executive Leadership Team members to the office leader—to take responsibility for keeping our employees safe and to drive a health and safety culture that is consistent with our core value of putting people first. Our leadership is strongly supported by a team of health and safety professionals to achieve their safety metrics at all levels of the organization. Furthermore, to verify their health and safety systems and performance, subcontractors must participate in Stantec’s prequalification process. Prequalifying demonstrates a willingness to address occupational health and safety as an integral component of the work to be undertaken.

During our formal internal audit process, our audit team evaluates Stantec’s overall performance against our OHSAS 18001-certified Occupational Health and Safety Management System (OHSMS) and provides transparent reporting to the Executive Leadership Team and other

leadership levels. Consistent with our OHSAS 18001 certification, regulatory and legislative changes are monitored and improvement plans are created and assigned to leadership for implementation and follow-up.

Clients communicate their health and safety needs to Stantec through ongoing discussions with Stantec account managers and project managers as services are delivered and through our clients’ prequalification processes.

Last year, we committed to separately reporting recordable incidents and injuries. Reporting both internally and externally means that we will be evaluated using a methodology consistent across all industries. We will continue to report our Total Recordable Incident Rate (TRIR)<sup>1</sup> and Total Injury Rate (TIR)<sup>2</sup>. TRIR includes injuries and illnesses as defined by the Occupational Health and Safety Administration (OSHA).

<sup>1</sup> 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 calculated as 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.

<sup>2</sup> 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.



Table 2: Year-over-Year Comparison of Total Recordable Incident Rate and Total Injury Rate

	Target	2013 Results	2014 Results	% Change
Total Recordable Incident Rate (TRIR)	Reduce TRIR to below 0.60	0.77	0.62	TRIR decreased 19.5% in 2014 compared to 2013
Total Injury Rate (TIR)	Reduce TIR to below 0.45	0.62	0.45	TIR decreased 27.4% in 2014 compared to 2013

Noticeable improvements in Stantec’s TRIR and TIR have been made since 2013; however, at the end of 2014, our TRIR was 0.62 and TIR was 0.45, just shy of our corporate goals of reducing our TRIR to below 0.60 and our TIR to below 0.45.

In April 2014, we published a significant revision of Stantec’s Alcohol and Drug Practice. A subsequent communications and training initiative took place: over 1,100 supervisors were trained on their roles and responsibilities relating to this practice in 2014.

Regrettably, Stantec suffered its first workplace fatality in September 2014. A subsequent OSHA investigation resulted in no citation against Stantec; even so, after the incident investigation, the lessons we learned were produced and communicated to help protect our employees in the future.

After achieving OHSAS 18001 certification in 2014, we began various improvement initiatives, including operationalizing health and safety by making performance and results the direct responsibility of our regional operating leadership. This work is continuing in 2015 and will include recruiting a new vice president of Health & Safety who reports directly to the chief operating officer.

### OHSAS 18001 Occupational Health and Safety Management Certification

In the fall of 2014, Stantec achieved OHSAS 18001 certification, recognizing Stantec’s Occupational Health and Safety Management System (OHSMS) as assessed against the consensus international standard for occupational health and safety. Our OHSAS 18001-certified OHSMS is integrated with our previously certified ISO 9001 Quality Management and ISO 14001 Environmental Management systems to create a true Integrated Management System (IMS) that is subject to establishing business objectives, internal and external audits, corrective action, regular reporting, and a senior management review.

Internal practice auditors visited 68 offices across multiple regions, business operating units, sectors, and disciplines. Additionally, 19 of these offices were audited by third-party external auditors. The external auditors evaluated how effectively we manage our quality, environmental, and health and safety performance—key components of Stantec’s IMS.

The audits provided leadership with a comprehensive assessment of the improvement opportunities we should consider to better manage health, safety, quality, and environmental performance.





# Corporate Governance

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## Integrity

At Stantec, one of our core values is we do what is right. We embrace the highest standards of personal and professional integrity. Our ideals are those shared by all good companies—sound governance, transparent accounting, and long-term shareholder value.

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 Services and Risk Management teams dedicated to ensuring good professional practices and loss prevention
- Training and development for employees throughout our organization

As our Company evolves, we continue to invest in employee training. To improve our client service delivery, we are committed to having well-trained, well-informed, and well-equipped employees. All employees are required to complete annual business compliance training that covers ethics, integrity, and anticorruption.

We know the integrity of a company's board of directors sets the tone for its operations, and we have a strong group of qualified, knowledgeable directors. All board members fulfill their roles by guiding the management of the Company's business and affairs while adhering to sound corporate governance practices. Our corporate governance model—in compliance with the corporate governance guidelines set out in National Policy 58-201 (NP 58-201)—addresses Stantec's practices in three major areas: stewardship, independence, and expertise.

### Stewardship

As stewards of our Company, directors of our board participate in Stantec's strategic planning process with senior management. As well, they periodically review management's performance while management works to meet key strategic and operational objectives. The board reviews succession plans, particularly for the president and chief executive officer, and board member compensation.

To protect shareholder value, the board reviews the Company's principal risks and regularly monitors the systems in place for managing those risks.

Our board also performs the essential task of defining the responsibilities of management to ensure the integrity of internal control and management information systems.

### Independence

We maintain a board structure in which a majority of directors are independent. As well, the board's two committees—the Corporate Governance and Compensation Committee and the Audit and Risk Committee—are composed entirely of independent directors. Each board meeting includes a session held without management present. The Corporate Governance and Compensation Committee carries out performance assessments of the board and its committees each year and may authorize individual directors to consult independent advisors at the Company's expense.

### Expertise

We host management presentations at board meetings throughout the year on topics relating to various aspects of Company business. Meetings are held at Stantec offices across North America so that directors have the opportunity to meet local managers.

Additional practices include maintaining a Directors' Reference Manual, which is updated regularly, and having measures in place to ensure the financial literacy and expertise of our Audit and Risk Committee. When necessary, we provide orientation and education for new directors.

## Board Composition

Of our nine board members, two (22%) are women and seven (78%) are men. All members of our board are over the age of 50; no one is a member of a minority group. Details about governance and board- and executive-level remuneration and incentives are available in our [Management Information Circular](#).

A man with short, graying hair and glasses, wearing a dark suit, white shirt, and red tie, is seated at a desk. He is looking down and writing in a notebook with a blue pen. The desk has several papers and a spiral-bound notebook. The background shows a window with blinds, suggesting an office environment.

### Stantec's Integrity Policy

Stantec strives to conduct business in an ethical and professional manner, complying with all applicable laws and regulations and its internal policies. Stantec's Board of Directors encourages employee comments and concerns relating to both financial and nonfinancial matters, including violations of applicable laws, regulations, and internal policies. To encourage discussion about observations and concerns, complaints can be made anonymously.

Employees who become aware of issues relating to accounting, internal controls, auditing, or other financial or nonfinancial matters can report them to the Company's Integrity Hotline, which is managed by an independent third party.

For more information about Stantec's Integrity Policy, visit the [Corporate Governance](#) page at [www.stantec.com](http://www.stantec.com).



# Management Systems

Stantec's Integrated Management System (IMS) incorporates continual improvement approaches for quality, health, safety, and environmental management. Our IMS is based on the following systems and internationally recognized management standards:

- Quality Management System (ISO 9001: 2008)
- Environmental Management System (ISO 14001: 2004)
- Health & Safety Management System (OHSAS 18001: 2007)
- IT Service Management System (ISO/IEC 20000-1: 2011)

Figure 1 on the next page describes the composition of the IMS.

In 2014, Stantec recertified to the ISO 9001: 2008, ISO 14001: 2004, and ISO/IEC 20000-1: 2011 standards and added the OHSAS 18001: 2007 (Occupational Health & Safety) certification to our IMS, an objective in our strategic plan. The external audit required additional effort by BSI Management to confirm compliance with the requirements of our OHSMS.

In total, the external registrar spent 92 audit days in 19 offices across the Company.

In 2014, we added the following recently acquired companies to the scope of our certifications: Greenhorne & O'Mara, Inc.; IBE Consulting Engineers; Landmark Survey; Corzo Castella Carballo Thompson Salnan, PA; and Architecture 2000.





**Figure 1: Components of Stantec's Integrated Management System**





# What Matters Most

## Materiality

Our key stakeholders—employees, clients, investors, and the communities where we live and work—play a crucial role in our success and ability to achieve our goal of being a top 10 global design firm. We define “key stakeholders” as those who are either significantly impacted by our operations or able to significantly impact our operations.

Annually, using a variety of tools and processes, we engage our key stakeholders to continue to focus on and refine what matters most. Material issues are those that matter most to our stakeholders and that directly intersect with our business.

Table 3: Material Sustainability Issues (below) highlights issues that are our priority; the priority is determined based on the level of potential risk and impact on the economic, environmental, and social health of our organization. “Priority Issues” and “Issues to Manage” (listed in the table) are the basis for the content of this report.

Table 3: Material Sustainability Issues

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

## Stakeholder Engagement

Table 4 highlights the ways we engage our key stakeholders.

Table 4: Stakeholder Engagement

Stakeholder	How We Engage	Part of Report Development Process	Priority Issues Raised
Employees	Annual employee survey – analysis of results for sustainability, and diversity and inclusion-related topics	✓	<ul style="list-style-type: none"> <li>• Health and safety</li> <li>• Employee engagement</li> <li>• Economic performance</li> <li>• Ethics</li> <li>• Energy and GHG management</li> <li>• Greener buildings</li> <li>• Diversity and inclusion</li> </ul>
	Integrity Hotline		
	Post-acquisition surveys		
	Town hall meetings with employees		
	Career Development Performance Reviews		
Clients	Regularly scheduled client meetings		<ul style="list-style-type: none"> <li>• Project execution and quality</li> <li>• Services – Integrated Sustainable Infrastructure and Envision</li> <li>• Ethics</li> <li>• Health and safety</li> <li>• Energy and GHG management</li> <li>• Compliance with regulations (health, safety, and environment)</li> </ul>
	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		<ul style="list-style-type: none"> <li>• Board- and executive-level engagement and oversight</li> <li>• Economic performance</li> <li>• Compliance with regulations (health, safety, and environment)</li> <li>• Health and safety</li> <li>• Ethics</li> <li>• Water scarcity (emerging issue)</li> </ul>
	Quarterly investor updates		
	Response to investor disclosure requests		
	Online survey to gather feedback on the previous year's report and to better understand perceived strengths and weaknesses and the areas to focus on for sustainability	✓	
	Secondary research on select shareholders and priorities (website and Sustainability Report research)	✓	
Community	Stantec in the Community Day		<ul style="list-style-type: none"> <li>• Vary, though some overall issues have been identified, including <ul style="list-style-type: none"> <li>• Access to cost-effective and safe shelter</li> <li>• Improved food security</li> <li>• Clean environment</li> <li>• Education and youth</li> <li>• Health</li> </ul> </li> </ul>
	Other locally driven engagement initiatives (varies by regional and local office)		
	Other corporately driven and locally implemented initiatives such as Earth Week and Feed the Need		



# Economic

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## Financial Review

In 2014, we generated C\$2.5 billion in gross revenue, an increase of 13.1% over 2013. Our net income was up 12.5% to C\$164.5 million.

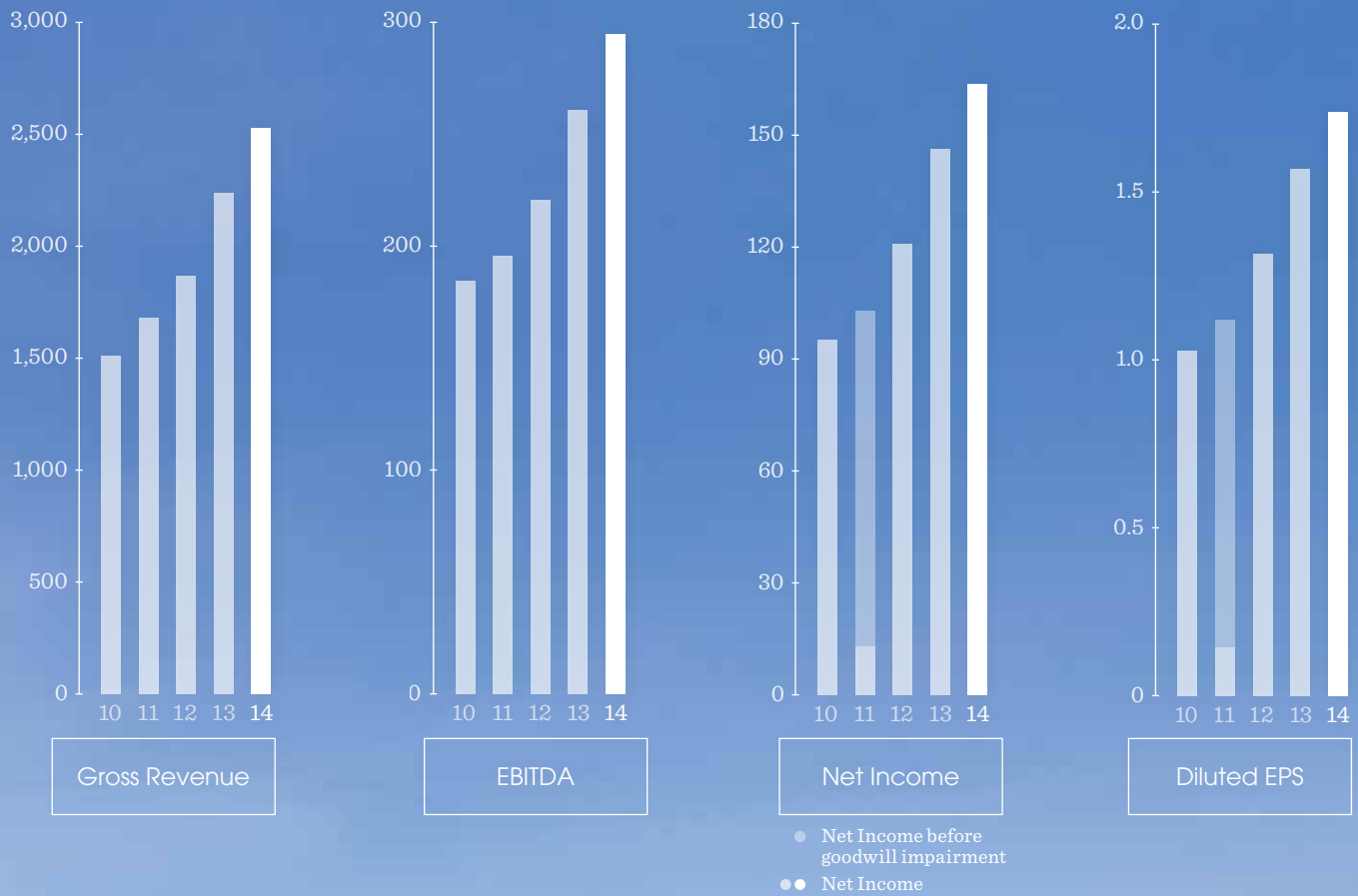
Our Company achieved solid performance in 2014. We had organic gross revenue growth in all of our business operating units and geographic regions. This growth demonstrates our ability to adapt to shifting market conditions because of the effectiveness of our diversified business model.

By effectively executing eight acquisitions in 2014, we strengthened our ability to capitalize on areas of opportunity, particularly in the United States. By remaining disciplined in our strategies, we consistently provide value to our shareholders.

For more information about our financial performance, see our [2014 Annual Report](#).



Figure 2: 2010 to 2014 Financial Performance



Notes:

- Dollar figures in the charts above are in millions of Canadian dollars, except for diluted EPS.
- Diluted EPS for 2010 to 2013 has been adjusted for the November 14, 2014 two-for-one share split.
- Figures for 2012 are restated for IFRS 10 and 11.
- Material Aspects and Boundaries GRI disclosure G4-22 appears in the Annual Report (page F-9).





# Social

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## Community Engagement

To create communities: that is our purpose. This purpose speaks to the importance of being active members of our communities. We partner with a number of charitable and community organizations to help support the growth and development of everything from social and 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 and not-for-profit endeavors in the arts, education, environment, and health and wellness.

To highlight our commitment to communities, in 2014, we held the second Company-wide Stantec in the Community Day so that our employees could spend the day volunteering in their communities. This event adds to the many community outreach activities we already participate in throughout the year.

## Stantec in the Community Day

Stantec in the Community Day, an annual event launched in 2013, gives employees the opportunity to give back to the communities that support our clients, Company, employees, and families. During the inaugural year, 4,000 Stantec employees participated.

Stantec's second Stantec in the Community Day was held on September 15, 2014. Participation rates increased by 37.5% over 2013. Approximately 5,500 Stantec employees volunteered at community organizations in Canada, the United States, Barbados, the United Kingdom, the United Arab Emirates, and India.

### Highlights from Our Offices

The activities below highlight some of the ways we made a difference in our local communities on the second annual Stantec in the Community Day:

- *Albany, New York:* We challenged students to solve two transportation problems using the knowledge they learned during an InRoads model

demonstration on highway design—part of the Architecture, Construction, and Engineering (ACE) mentorship program

- *Alberta North region:* We assisted 22 organizations in Edmonton, Grande Prairie, Fort McMurray, Cold Lake, and Lac La Biche. We sorted about 318 kilograms (700 pounds) of baby clothing for distribution to families in need, cleaned 40 hectares (98 acres) of park in the Edmonton river valley, and harvested approximately 372 square metres (4,000 square feet) of garden at Flowering Footprints
- *Anchorage, Alaska:* We organized brush removal along the popular Tony Knowles Coastal Trail in cooperation with the Municipality of Anchorage's Parks & Recreation Department, which improved trail access for cyclists and walkers
- *Atlantic Canada region:* We planted 100 plants and shrubs at Upton Farm at the Confederation Forest site in Charlottetown, Prince Edward Island; cleaned up the Clovelly Trail in the East End of St. John's, Newfoundland; served 268 meals at food banks across the region; and held a musical jam session for residents of the Pine Groves nursing home in Fredericton, New Brunswick
- *Bakersfield, California:* We hosted an ice cream social—involving an array of entertainment such as games and live music—at a local retirement facility
- *Charlotte, North Carolina:* We helped clean approximately 1.5 miles (2.4 kilometres) of stream and collected nearly 200 pounds (91 kilograms) of debris
- *Lexington, Kentucky:* We participated in the Fayette County Relay for Life event, raising nearly US\$13,000 to help fight cancer
- *London, England:* We cycled and baked to raise over £1,200 to support the Great Ormond Street Hospital for Children
- *San Juan, Puerto Rico:* We cleaned 2 square miles (5 square kilometres) of beachfront, removing 12 bags of trash from the area
- *San Luis Obispo, California:* We participated in the United Way's "Stuff the Bus" campaign by collecting and donating school supplies for local public schools

More stories are available [here](#).



## Stantec's Partnership with Habitat for Humanity

Habitat for Humanity has helped more than one million families—about five million people—improve their living conditions since the organization was founded in 1976. During its 2014 fiscal year, Habitat for Humanity served more than 300,000 families, which is about 1.6 million people in more than 70 countries, by constructing homes, helping with renovations and critical home repairs, and providing products and services to improve shelters for families.

To support our community during Stantec's 60th anniversary, we donated \$50,000 to Habitat for Humanity in 2014 (in addition to our regional donations and participation in Habitat builds). Stantec has been a long-term partner with Habitat for Humanity in many of our communities, providing local board involvement, design services in kind, sweat equity in builds, and cash donations.



## 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 the economic, environmental, and social conditions. In 2014, Stantec was the minority partner and legal operator in 10 Aboriginal partnerships across northern Canada, and we continue to investigate other potential partners.

We designated \$30,000 in 2014 (up from \$25,000 in 2013) to community engagement activities relating to our Aboriginal partnerships. This investment was allocated to local community programs that focused on education, culture, and health.

Examples follow:

- *Education:* Beaufort Delta Education Council Reading Program, Cold Lake First Nations Experiential Learning, Le Goff Literacy Program, Aboriginal Home Instruction for Parents of Preschool Youngsters (HIPPOY), and Students on Ice Scholarship
- *Culture:* Tulita Recreational Drumming Program, Labrador Youth Resiliency Program, Aboriginal Sport Circle Traditional Games, and Terrace Aboriginal Awareness Day celebration
- *Health:* Dettah and Ndilo school lunch programs and Food First

For more information, visit [Aboriginal Partnerships](http://www.stantec.com) on [www.stantec.com](http://www.stantec.com).

# Our People

## Workforce

At Stantec, we put people first—we continually look for ways to improve the working lives of our employees.

In 2014, we accomplished the following:

- Better defined and communicated our distinct career paths
- Developed a new job classification structure that will help facilitate career planning at the employee level and enable resource planning at the business level
- Expanded training and learning programs for employees
- Improved the career development and performance review application

At the end of 2014, 13,909 employees worked for Stantec (13,000 full- and part-time employees and 909 casual and temporary employees). If we include contractors, the total count is 14,496. We include all employees on leave at year end in our total employee count in this report, but not in our Annual Report. Our total workforce increased by 9.7% over 2013 (this figure includes employees and excludes contractors).

Table 5: 2014 Global Workforce By Region and by Gender and Employee Type

Location	Employees				Total Employees
	Full- and Part-Time Regular Employees		Casual and Temporary Employees		
	Female	Male	Female	Male	
Canada	2,534	4,336	141	280	7,291
United States	1,786	4,027	157	331	6,301
International	82	235	0	0	317
<b>Total</b>	<b>4,402</b>	<b>8,598</b>	<b>298</b>	<b>611</b>	<b>13,909</b>

Location	Contractors (Nonemployees)		Total by Gender (including Contractors)		Grand Total (including Contractors)
	Female	Male	Female	Male	
	Canada	59	399	2,734	
United States	18	111	1,961	4,469	6,430
International	0	0	82	235	317
<b>Total</b>	<b>77</b>	<b>510</b>	<b>4,777</b>	<b>9,719</b>	<b>14,496</b>



# Career Learning and Development

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## 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 continued 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 (topics focused on our discipline, sector, and business operating unit needs).

Our employees learn through a variety of methods but primarily they learn 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 major learning programs and accomplishments include the following:

- *Succession Planning:* All senior executives and managers in Stantec participate in our succession planning program. Short- and long-term succession plans for potential candidates are identified and documented throughout this process.
- *Business Compliance and Mandatory Training:* We do what is right. Two courses were declared mandatory for all employees (Policies & Procedures, and Ethics and Code of Conduct). In addition, two health and safety courses are mandatory for all supervisors. Over the year, we carried out a corporate-wide campaign to have all employees complete these mandatory courses.
- *Health and Safety Series:* A variety of courses is provided to all employees and supervisors. As an integral part of our project management activities, specialized courses are available for those undertaking specialized tasks and field work.
- *Leadership Development Program:* This program focuses on organizational values, builds leadership capabilities around key principles and competencies, and promotes effective collaboration. In 2014, we had a 21% increase in participation by high-performing and high-potential employees. In addition, we held leadership sessions in India and Dubai.
- *Supervisory Development Program:* This program focuses on tactical leadership content and tools from the Leadership Development Program and is designed to provide new supervisors with the solid foundation necessary to support and lead others.









- *Emerging Leader Program:* We provide the program at the local level. In 2014, three local sessions that began in 2013 were completed in Alberta North, Manitoba, and Alberta Central and Territories. In September 2014, we rolled out the program in 10 regions across the Company—240 participants are set to complete these programs in June 2015. Program participants also have an opportunity to attend corporate functions.
- *Project Management Training:* This training consists of face-to-face “boot camp” sessions, supplemented by online courses. As of year-end, we delivered 67 boot camp sessions to approximately 740 employees in 25 offices across the Company. The complementary online courses were created and are now accessible to employees through our Learning Portal.

- *Business Discipline for VPs Training Program:* This training was implemented in 2014 for all vice presidents and senior vice presidents. Delivered by our chief operating officer and general counsel in a face-to-face setting, the training focuses mainly on ethics, integrity, and business discipline practices.

In our corporate learning program in 2014, the average number of training hours logged per employee was 29. There were approximately 23,390 course completions from our three main training programs: 8,954 employees completed our Employee Orientation Series, 4,352 completed our Project Management Series, and 10,084 completed our Health, Safety & Environment Series.

Training hours logged per employee increased in 2014 compared to 2013 because of the series of mandatory training modules that was introduced for all Stantec employees.

## Looking Forward

From a training and learning perspective, we will continue to focus on the following during 2015:

- Translating training materials into French
- Defining and communicating our new career streams
- Updating our Orientation Training modules
- Expanding our Emerging Leader, Supervisory Development, and Leadership Development programs
- Rolling out Project Management Training by providing more trainers, boot camps, and virtual courses
- Scheduling and delivering integration training to newly acquired employees
- Delivering the Business Discipline for VPs Training Program

We will also work toward the following in 2015:

- Increasing on-the-job coaching by supervisors and project managers
- Increasing informal mentoring by leaders
- Centralizing training records to permit employees and their supervisors to track course completion
- Launching the second annual Stantec Learn @ Work Week to promote our learning programs to Stantec employees
- Urging new hires to complete mandatory training within their first week of employment

## Career Development

With the assistance of their supervisors, employees define a specific career development path every fall as a formal part of the Career Development Performance Review (CDPR) process. A total of 99.6% of our eligible workforce completed CDPRs in 2014.

Table 6: CDPR Completion Rates and Average Number of Training Hours by Gender and Employment Category for 2013 and 2014

	CDPR Completion Rate			Average Training Hours per Employee		
	2013	2014	% Difference	2013	2014	% Difference
Female	99.0%	99.6%	<b>0.6%</b>	23.0	27.5	<b>19.7%</b>
Male	98.9%	99.6%	<b>0.7%</b>	24.3	30.0	<b>23.5%</b>
Senior managers	100.0%	100.0%	<b>0.0%</b>	7.2	15.0	<b>108.6%</b>
Middle and other managers	99.4%	99.7%	<b>0.3%</b>	19.3	24.8	<b>28.3%</b>
Professionals	98.8%	99.5%	<b>0.7%</b>	26.8	31.6	<b>18.0%</b>
Semiprofessionals and technicians	99.3%	99.7%	<b>0.4%</b>	25.3	30.8	<b>21.9%</b>
Supervisors	100.0%	N/A	<b>N/A</b>	0.0	N/A	<b>N/A</b>
Supervisors: Crafts and trades	100.0%	N/A	<b>N/A</b>	0.0	N/A	<b>N/A</b>
Administrative and senior clerical personnel	98.5%	99.4%	<b>0.9%</b>	19.1	12.3	<b>-35.8%</b>
Clerical personnel	100.0%	99.3%	<b>-0.7%</b>	0.0	39.2	<b>100.0%</b>
Skilled crafts and trades workers	100.0%	N/A	<b>N/A</b>	0.0	N/A	<b>N/A</b>
Skilled sales and and service personnel	N/A	100.0%	<b>N/A</b>	N/A	10.4	<b>N/A</b>
Semi-skilled manual workers	97.0%	100.0%	<b>3.0%</b>	5.1	8.0	<b>56.9%</b>
Other manual workers	98.2%	100.0%	<b>1.8%</b>	19.1	60.4	<b>216.0%</b>
Acquisition employees	78.6%	N/A	<b>N/A</b>	2.5	19.4	<b>674.0%</b>
<b>Total</b>	<b>98.9%</b>	<b>99.6%</b>	<b>0.7%</b>	<b>23.9</b>	<b>29.2</b>	<b>22.2%</b>

Notes:

- Because Stantec is a Canadian-based company, we use Canada's Employment Equity Occupational Groups (EEOG) employee categories throughout this report. Employees are automatically assigned to these categories based on job classification.
- Employees in the United States and the other countries in which we operate have been mapped to these EEOG categories.
- Employees noted as "acquisition employees" joined the organization through acquisition and had not yet been placed in an EEOG category at the time of reporting.
- Assignment to the employee categories changed slightly in September 2014, making CDPR completion rates and training hours logged no longer applicable for certain categories.



## Ethics, Integrity, and Anticorruption Training

To reinforce our understanding of business compliance and make the best decisions, all employees and contractors are required to complete Ethics and Code of Conduct training, part of Stantec’s Business Compliance Training Program. Ethics training reinforces that we do what is right, what is ethical, what is legal, and what is safe. It helps us comply with federal regulations and requirements, while we demonstrate to our stakeholders our commitment to ethics, integrity, and safety.

In 2014, all Stantec employees and contractors completed 2014 Ethics and Code of Conduct training, up 2% over 2013. New hires and contractors completed the training as part of their orientation, and all employees who joined through acquisition completed the training as part of their integration.

Changes to the Ethics and Code of Conduct course in 2014 included incorporating a substantial section on Global Anti-Bribery and Corruption. A video introduction to the topic, delivered by Stantec’s chief operating officer, explains why making it personal and doing what is right is important to the organization and to every Stantec employee. The Ethics training was translated into French for our employees in Quebec.

As previously mentioned in the “Upgrading Employee Skills” section, we also developed a Business Discipline for VPs Training Program that is delivered by our chief operating officer and general counsel for all current vice presidents and senior vice presidents to emphasize the importance of business ethics and integrity at the most senior leadership levels.

## Employee Turnover and Retention

In 2014, the overall employee turnover rate was 15.6%, up from 14.7% in 2013. Our Canadian turnover rate was 16.3%, up from 13.4% in 2013; our US turnover rate decreased from 15.9% in 2013 to 13.9% in 2014. Our international operations saw an increase in turnover rate from 24.0% in 2013 to 29.7% in 2014. These results are summarized in the table below.

Differences in turnover year over year and by region may be attributed to

- Ongoing voluntary turnover caused by continued talent shortages and competition in some Canadian sectors
- Economic challenges in Canada resulting in employee reductions in our Oil & Gas and Mining sectors, as well as in Environmental Services
- Improved economic activity in the United States

Table 7: Number and Rate of New Employee Hires and Employee Turnover by Region for 2013 and 2014

	Canada		United States		International		Company-Wide (Total)	
	2013	2014	2013	2014	2013	2014	2013	2014
Number of new employee hires	1,185	838	595	1,736	132	114	<b>1,912</b>	<b>2,688</b>
Rate of new employee hires	17.1%	12.2%	13.3%	36.0%	29.7%	29.9%	<b>16.1%</b>	<b>20.7%</b>
Employee turnover count	925	1,122	712	808	107	94	<b>1,744</b>	<b>2,024</b>
Rate of employee turnover	13.4%	16.3%	15.9%	13.9%	24.0%	29.7%	<b>14.7%</b>	<b>15.6%</b>

Note: Turnover rates represent both voluntary and involuntary employee departures.

Table 8: Number and Rate of New Employee Hires and Turnover, as well as Total Turnover (Total, Age, and Gender) for 2013 and 2014

	Age: Under 30		Age: 30 to 50		Age: Over 50		Female		Male		Total	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
New employee hires	635	799	993	1,090	284	799	722	964	1,190	1,724	<b>1,912</b>	<b>2,688</b>
New employee turnover	63	75	108	133	42	27	74	91	139	144	<b>213</b>	<b>235</b>
New employee turnover rate	9.9%	9.4%	10.9%	12.2%	14.8%	3.4%	10.3%	9.4%	11.7%	8.4%	<b>11.1%</b>	<b>8.7%</b>
<b>Total employee turnover</b>	<b>17.0%</b>	<b>19.0%</b>	<b>14.3%</b>	<b>15.8%</b>	<b>14.1%</b>	<b>12.9%</b>	<b>14.2%</b>	<b>14.7%</b>	<b>15.0%</b>	<b>16.0%</b>	<b>14.7%</b>	<b>15.6%</b>

Note: New employee hires refers to employees, including acquisition employees, joining the organization for the first time. New employee hires does not include rehires, casual and temporary workers, or contractors.

The following table presents 2014 parental leave data.

Table 9: Parental Leave Data by Gender for 2013 and 2014

Parental Leave	Female		Male		Total	
	2013	2014	2013	2014	2013	2014
Number of employees who took parental leave	156	180	51	57	<b>207</b>	<b>237</b>
Number of employees due to return to work (in same year) after leave ends	53	161	45	56	<b>98</b>	<b>217</b>
Number of employees who returned to work (in same year) after leave ended	36	56	35	50	<b>71</b>	<b>106</b>
Number of employees still employed 12 months after parental leave	137	209	39	61	<b>176</b>	<b>270</b>



## New Employee Onboarding

The onboarding process at Stantec starts with hiring employees and ends with integrating new employees into our organization. Leaders and hiring managers receive an enrollment package that provides information and material about the onboarding process. New hires receive new hire checklists, taxation material, orientation programs facilitated by Human Resources at the regional level, and online modules focused on ethics, our CDPR process, health and safety, and information about our Company.

## Benefits

We offer a comprehensive health and wellness package to our employees and their eligible dependents. Because we put people first, our overall program provides access to information, tools, and support to help employees improve their physical and mental health and well-being.

Stantec's retirement program provides advice, a savings program with matching contributions, and a stock purchase plan. In Canada and the United States, our country-specific benefits program is standard for all full-time employees and for permanent part-time employees working at least 20 hours per week. In other countries, program eligibility is consistent with the local market.

- *Medical, vision, and dental care:* We offer comprehensive medical, vision, and dental care coverage for employees and their eligible dependents. By participating in Stantec's voluntary wellness program, employees can access free information, tools, and support programs to help them and their families improve their health and well-being.
- *Employee and Family Assistance Program (EFAP):* Stantec offers EFAP, a voluntary, confidential counseling and referral service available at no cost to employees and dependent members of their households. This program is designed to help with personal and work-related problems, pressures, and stresses.
- *Group Retirement Program:* Stantec provides comprehensive and personalized retirement programs with a focus on advice and planning to meet employees' specific needs and financial goals. We offer several types of group retirement plans with a wide variety of investment options. This includes employer-matching contributions for retirement savings plans in Canada, the United States, Puerto Rico, Barbados, and the United Kingdom.

We also have stock purchase plans in Canada, the United States, and Puerto Rico; and a Tax-Free Savings Plan in Canada.

We continually monitor our benefits programs, making regular enhancements to remain competitive within our industry. To facilitate the acquisition, integration, and relocation of employees, we strive for consistency and quality of our programs in each country we operate in. In 2014, several cost-sharing and other plan enhancements were made in Canada, the United States, and the United Arab Emirates.

- *Canada:* Stantec provided salaried employees with paid time off during the office closure period between Christmas Day and New Year's Day. Vacation time was improved for our Canadian employees: it changed from two to three weeks' vacation at hire and a fifth week of vacation time was added for employees with over 20 years of service. We also made some enhancements to physiology and audiology coverage, as well as improved prescription drug coverage for maintenance prescriptions.
- *United States:* Stantec provided salaried employees paid time off during the office closure period between Christmas Day and New Year's Day. Other changes to our benefits in the United States included adjustments to life insurance plans to accommodate older employees that allow spousal participation in the health risk appraisal component of our Wellness plan. Additionally, life insurance coverage was modified to better align with the changes made to the US plan.
- *United Arab Emirates:* Life insurance coverage was increased but was kept at a lower premium.

## Alternative Work Arrangements

In 2014, Stantec's senior leadership approved the concept of providing a formalized program that offers alternative work arrangements to employees at the discretion of the business leader.

Several options for alternative work arrangements are being considered, and final decisions will be made in 2015.

In 2014, approximately 417 US employees and just over 1,300 Canadian employees participated in alternative work arrangements.

## Diversity and Inclusion

### Workplace Diversity and Inclusion

Stantec believes that fostering an inclusive workplace is the right thing to do. Our leadership, employees, clients, and communities all understand that a diverse workforce is best for the organization and all of our stakeholders.

Furthermore, embracing diversity and inclusion is in sync with our core values:

- We put people first
- We are better together
- We do what is right
- We are driven to achieve

In 2014, we established an interim Diversity and Inclusion working group to start developing a formal Diversity and Inclusion (D&I) Plan. Stantec began work with the Canadian Centre for Diversity and Inclusion (CCDI); their focus is to help employers, like Stantec, achieve significant transformations in organizational diversity by providing tools, knowledge, information, and education to create a more inclusive workplace.

CCDI conducted focus groups and one-on-one interviews to assess our current state of inclusiveness and further understand what must be addressed in our D&I Plan. CCDI also provided research on diversity and inclusion in our industry and overall best practices for success. Through this research, we found that many of our competitors are outpacing Stantec in their dedication to diversity and inclusion. We must make continued progress toward promoting a diverse and inclusive workplace.

Regional diversity and inclusion committees were also established in 2014 to advance our local efforts (some are noted in the “Partnerships for Success” section in the next column).

In 2015, Stantec will considerably step up its diversity and inclusion efforts. We plan to undertake a diversity survey with all employees in conjunction with our annual employee survey by the end of the second quarter of 2015. Once this survey is complete, we will have the data required to finalize our D&I Plan, develop training for senior leadership, and determine how best to direct resources to achieve the short- and long-term objectives of the plan.

### Partnerships for Success

Stantec is engaged with various partners to promote opportunities for engagement and recruitment of women, persons with disabilities, Aboriginal peoples, and members of visible minorities in Canada; and of women, veterans, people with disabilities, and people with diverse ethnic origins in the United States.

In North America, we are members of Catalyst, the organization striving to develop and improve ways to recruit, retain, and advance women in the workplace.

In Canada, we do the following:

- Employ people with disabilities through the Partners for Workplace Inclusion Program (PWIP) developed by the Canadian Council on Rehabilitation and Work (CCRW) and funded by the Government of Canada’s Opportunities Fund.
- Employ people with special or different needs and abilities for administrative assistant support roles through the Saskatchewan Abilities Council (SAC).
- Continue to engage and educate through Women @ Stantec, which was launched in March 2014.
- Continue to actively participate in many initiatives run by the Edmonton Region Immigrant Employment Council (ERIEC), including Speed Career Networking, Smart Connections, and Career Mentorship programs. In 2014, Stantec was recognized by ERIEC as an employer partner, receiving the Partnership Northern Star Awards for special volunteer achievements during the year. Stantec employees were also recognized for their personal contributions.
- Continue to participate in events and career fairs put on by Women in Scholarship, Engineering, Science & Technology (WISEST), a unit of the University of Alberta that encourages women and a diversity of voices in the fields of science, engineering, and technology; Canadian Coalition for Women in Engineering, Science, Trades and Technology (CCWESTT) conference, and Women in Engineering (WIE) committees.



In the United States, we are involved in the following:

- Member of the Equal Employment Advisory Council (EEAC), a nonprofit association providing guidance to member companies with their equal employment opportunity and affirmative action plans. We have 53 Affirmative Action plans with specific regional outreach goals.
- Members and a sponsor of Commercial Real Estate Women (CREW)—a national organization with over 9,000 members across more than 70 chapters throughout the United States and Canada. CREW's mission is to influence the success of the commercial real estate industry by advancing the achievements of women through networking opportunities, conducting and publishing research studies, leadership development, training and mentoring, and career outreach. Stantec is a Premier Lead sponsor of CREW Network (the national organization); in 2014, we had five CREW members in the United States—four in Boston and one in Philadelphia.
- Corporate sponsors of the ACE mentorship program, and over 100 Stantec employees provide mentoring to more than 300 high school students across the United States.
- Currently recruiting through organizations such as the Society of Hispanic Professional Engineers (SHPE), the National Society of Black Engineers (NSBE), the Society of Women Engineers (SWE), and the Women's Transportation Seminar (WTS) organization.
- Actively involved with the National Organization of Minority Architects (NOMA) and Latinos in Architecture, a subset of the American Institute of Architects (AIA), as well as sponsors of the AIA's Design Equity Project (The Missing 32%), a national effort looking at the diminishing representation of women in the industry.

### Stantec's Partnership ECO Canada

In Canada, we are working with the ECO Canada BEAHR (Building Environmental Aboriginal Human Resources) Program to develop culturally relevant, skills-based environmental training programs for Aboriginal participants. In 2014, the BEAHR program was conducted through two of our Aboriginal partners—Nu Nennè-Stantec and CRE-Stantec—with participants from Fort McMurray First Nation and Cold Lake First Nation. Seven successful graduates transferred their class skills to the field.



BEAHR Program graduates from Fort McMurray and Cold Lake First Nations, 2014

### Diversity at Stantec: By the Numbers

As part of our strategic workforce planning, we track various demographics so that we can measure our progress and put initiatives in place to work toward achieving our goals. We also recognize that the diversity and demographics of our workforce can shift significantly over time due to new acquisitions.

In Canada, Stantec participates in the Employment Equity program, administered by the federal government.

In the United States, Stantec complies with both Equal Employment Opportunity (EEO) and Affirmative Action Plan (AAP) guidelines and all applicable federal, state, and local laws that govern the hiring and treatment of its employees.

Globally, we track the age and gender of our workforce. Details are presented in Table 10 on the next page.

Table 10: Global Workforce by Age Group and Gender (2013 and 2014)

	Age: Under 30	Age: 30 to 50	Age: Over 50	Male	Female
2013	19%	54%	27%	67%	33%
2014	18%	54%	28%	66%	34%
<b>% Difference</b>	<b>-1%</b>	<b>0%</b>	<b>1%</b>	<b>-1%</b>	<b>1%</b>

Within Canada, we closely track four employee categories: gender, visible minorities, aboriginal peoples, and persons with disabilities. Details are presented in Table 11 below.

Stantec understands and appreciates the work that we have to do to continue to improve these statistics.

Table 11: Canadian Workforce by Gender, Visible Minorities, Aboriginal Peoples, and Persons with Disabilities (2013 and 2014)

	Gender		Visible Minorities	Aboriginal Peoples	Persons with Disabilities
	Male	Female			
2013	63.8%	36.2%	15.6%	1.1%	1.2%
2014	63.3%	36.7%	16.3%	1.2%	1.4%
<b>% Difference</b>	<b>-0.5%</b>	<b>0.5%</b>	<b>0.7%</b>	<b>0.1%</b>	<b>0.2%</b>

In the United States, we track the percentage of our workforce by gender, veteran status, people with

disabilities, and ethnic origins. Details are presented in Table 12 below.

Table 12: US Workforce By Gender, Veteran Status, People with Disabilities, and Ethnic Origins (2013 and 2014)

	Gender		Veteran Status	People with Disabilities	American Indian or Alaskan Native	Asian	Black or African American	Two or More Races	Hawaiian Native/ Other Pacific Islander	Hispanic or Latino
	Male	Female								
2013	71.6%	28.4%	3.6%	0.2%	0.3%	5.0%	2.2%	0.9%	0.1%	5.6%
2014	69.2%	30.8%	3.3%	0.2%	0.3%	5.4%	2.4%	1.2%	0.1%	7.3%
<b>% Difference</b>	<b>-2.4%</b>	<b>2.4%</b>	<b>-0.3%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.4%</b>	<b>0.2%</b>	<b>0.3%</b>	<b>0.0%</b>	<b>1.7%</b>

## Supplier Diversity and Sustainability

Stantec is committed to doing business with companies of all sizes and backgrounds. Our Supplier Diversity team focuses on working with diverse suppliers and provides socioeconomic source lists of existing and prospective suppliers, guidance on strategic team partnerships, contract reporting assistance, benchmarking, and employee training. Small and diverse businesses seeking to do business with Stantec are encouraged to submit socioeconomic information through Stantec's Supplier Registration portal.

In the United States in 2014, our proportional contract value with small businesses and small disadvantaged businesses was 13.4% or US\$55.5 million. While this represents a slight decrease in the proportional spend—14.9% in 2012 and 13.8% in 2013—the total volume is up in 2014—from US\$45.6 million in 2012 and from US\$49.2 million in 2013.







# Environment

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## Environmental Services

Stantec is a recognized leader in environmental design and consulting. We provide a wide range of environmental services, including preparing complex permit applications; monitoring sites during construction; designing decommissioning plans; providing environmental assessments and technical support for projects requiring municipal, provincial, state, or federal environmental approvals and licenses; GHG validation and verification; ecosystem and land reclamation; and environmental risk assessments.

We also continue to be leaders in the sustainable design of buildings and communities through progressive energy and building information modeling, net-zero energy, Envision, BOMA Building Environmental Standards (BESt), Green Globes, and Leadership in Energy and Environmental Design (LEED) projects.

### Sustainable Solutions: By the Numbers

- Number of Stantec employees with LEED accreditation was 740 in 2014 (up from 649 in 2013). This increase was partly due to Stantec's acquisition in May 2014 of SHW Group—a 300-person firm that provides architectural, interior design, planning, and engineering services and has a significant number of LEED Accredited Professionals.
- Approximately 350 LEED-registered projects and 328 LEED-certified projects to date.
- 8 net-zero projects, and more to come in 2015.
- 80 BOMA BESt projects since 2010, covering more than 230 offices, light industrial buildings, retail plazas, and multi-unit residential buildings across Canada.
- 100+ Envision Sustainability Professionals (ENV SPs) across North America.
- 5+ projects incorporating the Envision sustainable infrastructure framework since 2012, with at least 2 targeting Envision certification in 2015.

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## Design with Community in Mind

### Integrated Sustainable Infrastructure

A significant portion 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.

The Envision Sustainable Infrastructure Framework and Rating System is a proven approach for planning and evaluating infrastructure projects and rating them against the needs and values of the community.

The system evaluates the environmental, social, and economic benefits of all types and sizes of infrastructure projects such as roads, bridges, wastewater treatment plants, 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.

Investing in the use of Envision is a strategic priority for Stantec. For more information, refer to the “Sustainability Strategy” section of this report.



## Grand Bend Wastewater Treatment Facility

The municipalities of Lambton Shores and South Huron commissioned Stantec to convert one of four existing lagoons to an extended aeration mechanical treatment facility and wetland nature reserve for two main reasons: to prevent effluent discharges from adversely impacting surface and groundwater quality and to enable responsible future community development.

As part of the detailed design, the project team used the Envision framework to include sustainable features (e.g., using a constructed wetland to encourage local native wildlife species and further buffer treated effluent, thus exceeding regulatory requirements).

In late 2014, the interdisciplinary Stantec project team formally submitted the design of the Grand Bend Area wastewater treatment facility to the Institute for Sustainable Infrastructure for verification against the Envision framework. The team is targeting the Platinum level award, the highest level of Envision verification available. This infrastructure project is on track to be the first in Canada to receive Envision verification and the first ever wastewater facility in North America to be ISI Envision-verified.



### Fairburn Livable Centers Initiative

The City of Fairburn, a small city near Atlanta, Georgia, is in the process of redesigning its central intersection to create a plaza that will stimulate economic development and enhance mobility.

The Stantec design team used the Envision framework to identify opportunities for elevating their design to better meet the city's needs and priorities. This project continued to be active at the end of 2014.

### Climate Change Adaptation, GHG Management, and Resilience Services

Preparing for the impacts of climate change—through risk and vulnerability assessments, adaptation strategies, and climate modeling—complements mitigation efforts and is a necessary component of a comprehensive climate change program. These measures lead to realistic and cost-effective action plans while increasing the resilience and adaptive capacity of infrastructure, systems, and communities. Stantec works with clients to plan and implement the strategies, including those within an ISO framework, relating to any number of discrete or interrelated impacts, such as the following:

- Sea level rise and shoreline erosion
- Floods, droughts, and wildfires
- Air and water quality degradation
- GHG generation from land-use decisions
- Ecosystem and natural resource deterioration
- Energy supply, demand, and delivery systems

### Climate Programs and Capacity Building

Stantec assisted the Alberta Urban Municipalities Association and the Municipal Climate Change Action Centre to develop new programs and capacity-building initiatives that enable municipalities in Alberta to increase energy efficiency, reduce GHG emissions, and adapt to climate change.

In 2014, we completed nine climate change adaptation projects. Two projects were a Climate Vulnerability Assessment and Risk Mitigation for both the St. Lucia Dennery and the St. Lucia Vieux Fort Water Supply

Projects. Another project was a Climate Change Adaptation Pilot Study and Climate Vulnerability Assessment of the State Highway System for the Maryland State Highway Administration.

Our GHG Management Services helps organizations benchmark, manage, and verify their greenhouse gas emissions. Embarking on the GHG journey can seem daunting, but Stantec professionals guide clients through each step of a multifaceted process that addresses some or all of the following:

- GHG emission inventory development
- GHG reduction strategy and process development
- GHG risk and opportunity assessment
- Environmental impact assessment
- GHG strategic management plans
- Sustainability audits and planning
- Climate change mitigation planning
- Vulnerability assessments and adaptation strategies

In 2014, Stantec completed more than 25 projects in climate change mitigation for clients, including action plans and strategies for the Municipal Climate Change Action Centre, Nexen, and Amtrak. We validated and verified over 18 innovative carbon offset projects, ranging from low-income residential home weatherization programs to oil and gas compressor engine energy efficiency retrofit programs and to forestry conservation offset projects.

In 2014, we began mobilizing a wide range of Stantec's sector and discipline leaders around the theme of resilience. Our goal is to better help our clients address the resilience of their infrastructure and communities. In 2015, our ongoing efforts will include the following:

- An internal communication campaign to help employees understand what our experts talk about when they talk about resilience, the resilience-related challenges our clients face, and opportunities for Stantec employees to address resilience in their work
- Research into public and private resilience funding initiatives
- Content strategies—such as conferences, blogs, and webinars—to help clients better understand the issues and challenges of designing with resilience in mind
- Promoting our resilience-related project work and thought leaders



# Environmental Footprint

## Overview

Stantec strives for least-impact approaches to its operations. We are particularly concerned with reducing energy consumption, GHG emissions, waste generation, paper consumption, and spills (in labs and chemical storage rooms).

Since 2012, our Integrated Management System has provided for continual improvement of the significant environmental aspects of our operations (known as the “environmental footprint”). In 2014, we were recertified to the ISO 14001: 2004 Environmental Management System standard.

In 2013, we established a new set of environmental targets to take us to the end of 2017. Our targets are

- *Energy*: 5% per capita reduction (1.25% annual average)
- *GHG emissions*: 5% per capita reduction (1.25% annual average)<sup>3</sup>
- *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 (60% by the end of 2014, 70% by the end of 2015, and 75% by the end of 2016).

In 2014, we marked the second year of our environmental footprint since a new baseline and set of environmental targets were established in 2013. All Stantec offices and facilities (such as labs and warehouses)—294 in total—that were open for all or part of 2014 completed the annual environmental footprint office survey, which contained questions about changes in office square footage; lighting, heating, and cooling systems; fleet vehicles; recycling and composting; and paper use; as well as ISO 14001 questions that are used for internal auditing and compliance.

In addition to completing this survey, each office was asked to submit supporting documentation such as utility bills, fuel receipts, and paper purchase

receipts. These were used to calculate office-level environmental footprints and then aggregated to provide a Company-wide environmental footprint. We collected documentation from 266 offices, representing just over 96% of our total office square footage. Where possible, we estimated emissions for offices that submitted little to no documentation, rather than excluding them from our GHG inventory.

Our methodology is in accordance with The Climate Registry’s General Reporting Protocol, operational control approach. The 2014 data provided within this report was third-party verified by Bureau Veritas. The data presented in the 2013 Sustainability Report was preliminary—pending third-party verification; as such, the 2013 results presented in this report are the final, revised numbers.

The aggregated results and summary of our Company-wide performance against our environmental targets is outlined in the “Targets and Progress” section of this report and is further detailed in the sections that follow.

To improve our environmental footprint and meet these environmental targets, we will

- Continue to work with office leaders, facility managers and regional leaders to make improvements where we can at a local level
- Institute standards and enforce policies, where applicable
- Continue to issue scorecards to our offices, indicating year-over-year performance against our targets, providing suggestions on how to improve performance, and requesting formal improvement plans from offices, as required
- Collaborate with landlords, whenever possible, to improve data acquisition and Heating, Ventilation, and Air Conditioning (HVAC) systems and controls, and to develop more sustainable policies and metrics in our longer-term real estate transactions
- Continue ongoing energy-saving initiatives, such as purchasing energy-efficient IT equipment and appliances and using power management settings for computers on the Stantec network

<sup>3</sup> When we initially set our energy reduction and GHG reduction targets, we anticipated a slower start—i.e., lower reductions in year one (2014) with greater reductions in years two, three and four.

## Energy

Table 13 presents a high-level overview of our energy use.

Table 13: Total Energy Use in 2014 Compared with the 2013 Baseline Year

Scope	2013 (Baseline)	2014	% Difference
Scope 1 Direct (GJ*)	229,868	196,107	<b>-14.7%</b>
Scope 2 Indirect (GJ)	197,826	252,859	<b>27.8%</b>
Scope 2 Optional (GJ)	59,346	87,764	<b>47.9%</b>
<b>Total GJ</b>	<b>487,040</b>	<b>536,730</b>	<b>10.2%</b>

\*Gigajoules

Notes:

- All figures presented above are rounded to the nearest whole number.
- Scope 1 Direct emissions sources are those within Stantec's control, such as separately metered natural gas, propane, fuel oil, fleet, and off-road fuel use.
- Scope 2 Indirect emissions source is electricity.
- Scope 2 Optional emissions sources include steam, natural gas, propane, and fuel oil where Stantec is not separately metered (e.g., emissions resulting from natural gas combustion in a centralized boiler).

Our total energy use from nonrenewable sources<sup>4</sup> in 2013 was 487,040 gigajoules (GJ). In 2014, it was 536,730 GJ—a 10.2% increase.

Total per capita energy use in 2014 was 38.6 GJ per employee, which is a 0.5% increase from our use of 38.4 GJ per employee in 2013. An employee count of 13,909 was used to determine per capita energy use and GHG emissions in 2014, and an employee count of 12,680 was used for 2013. These counts are based on the number of employees on December 31 of each year.

Our total energy use per square foot in 2013 was 0.127 GJ. In 2014, it was 0.12—a 1.6% decrease. These results were calculated based on a total office square footage of over 3.8 million square feet in 2013 and 4.3 million square feet in 2014.

In 2014, five offices—including Stantec's headquarters in Edmonton, Alberta—generated renewable electricity through solar and geothermal systems, reducing their dependence on electricity from nonrenewable sources.

## Greenhouse Gases

The following gases were included in our inventory: carbon dioxide (CO<sub>2</sub>), nitrous oxide (N<sub>2</sub>O), methane (CH<sub>4</sub>), and hydrofluorocarbons (HFCs), all expressed in tonnes of carbon dioxide equivalents (tCO<sub>2</sub>e).

<sup>4</sup> This figure includes Scope 1 Direct, Scope 2 Indirect, and Scope 2 Optional.

Table 14 presents a high-level overview of our GHG inventory.

Table 14: GHG Emissions per Type in 2014 Compared with the 2013 Baseline Year

Type of GHG Emissions	Tons of Carbon Dioxide Equivalents (tCO <sub>2</sub> e)		
	2013 (Baseline)	2014	% Difference
Scope 1 Direct	11,032	11,734	<b>6.4%</b>
Scope 2 Indirect	31,490	35,112	<b>11.5%</b>
Scope 2 Optional	3,020	4,402	<b>45.8%</b>
Scope 1 and 2 emissions calculated by intensity factor*	1,270	1,172	<b>N/A**</b>
<b>Total—Scopes 1 and 2</b>	<b>46,812</b>	<b>52,420</b>	<b>12.0%</b>
Scope 3 – Paper only	1,191	1,182	<b>-0.8%</b>
Scope 3 – Business travel only	N/A	8,149	<b>N/A</b>
<b>Total—All scopes</b>	<b>48,003</b>	<b>61,751</b>	<b>28.6%</b>

Notes:

- All figures presented above are rounded to the nearest whole number.
- Scope 1 Direct emissions sources are those within Stantec's control, such as separately metered natural gas, propane, fuel oil, fleet, off-road fuel use, and fugitive emissions from refrigerants.
- Scope 2 Indirect emissions source is electricity.
- Scope 2 Optional emissions sources include steam, natural gas, propane, and fuel oil where Stantec is not separately metered (e.g., emissions resulting from natural gas combustion in a centralized boiler).
- Scope 3 represents emissions from paper use and business travel.

\* This includes Scope 1 Direct, Scope 2 Indirect, and Scope 2 Optional emissions that were estimated for offices for which little or no data (e.g., in the form of utility bills) were collected.

\*\* An increase or decrease in estimated emissions is not relevant to Stantec's performance and, as such, year-over-year percentage change is not a meaningful comparison.

In 2014, total GHG emissions were 61,751 tCO<sub>2</sub>e, and per capita GHG emissions were 4.4 tCO<sub>2</sub>e per employee, up from 2013, when total GHG emissions were 48,003 tCO<sub>2</sub>e and per capita GHG emissions were 3.79 tCO<sub>2</sub>e. One significant reason for this increase is the inclusion of emissions from business travel in 2014 (business travel was not included in 2013). For a more direct comparison between 2014 and the 2013 baseline, total GHG emissions in 2014—excluding emissions from business travel—were 53,602 tCO<sub>2</sub>e or 3.85 tCO<sub>2</sub>e per employee. Therefore, GHG emissions per employee in 2014 were up 1.7% in 2014.

When we set our current target to reduce GHG emissions by 5% per capita by the end of 2017, we anticipated a slow start—in other words, we anticipated a slight increase



or no reduction in year one (2014), followed by greater reductions in years two, three, and four. Based on the 2014 results, we are not currently on track to achieving our four-year goal; however, we will look for ways to improve efforts to reduce our per capita GHG emissions in 2015 and beyond.

## Paper

Table 15 presents a high-level overview of our paper usage.

Table 15: Paper Use in 2014 Compared with 2013 Baseline Year

Paper Indicator	2013 (Baseline)	2014	% Difference
Company-wide paper use (8.5" x 11" sheets)	101,114,306	100,345,099	<b>-0.8%</b>
Company-wide paper use (reams)	202,229	200,690	
Per employee paper use (8.5" x 11" sheets)	7,974	7,214	<b>-9.5%</b>
Per employee paper use (reams)	15.9	14.4	

Note: The figures presented are rounded to the nearest whole number, except for per-employee paper use, which is expressed in reams (a ream is 500 sheets of paper).

In 2014, Stantec offices used the equivalent of 100,345,099 8.5" x 11" sheets of paper (approximately 200,690 reams) or 7,214 8.5" x 11" sheets (14.4 reams) per employee. (A ream is 500 sheets of paper.) This represents a 9.5% decrease in per capita paper use compared to 2013.

In 2014, the total weighted average of post-consumer recycled content paper used was 24.5%, a 0.6% decrease from 2013, when it was 25.1%. The use of recycled content paper varies by regional operating unit. In 2014, the weighted average recycled content paper used in Canada was 38%, whereas in the United States, it was 14%, and internationally, it was 0%. One of the potential issues impacting our performance in this area is the lack of a viable, cost-effective paper supply that has a high percentage of recycled content. We do recognize that our current performance in this area is unsatisfactory; therefore, we are developing support and enforcement options to significantly improve performance.

We will continue our ongoing efforts to reduce paper consumption and increase the percentage of recycled content of paper used by

- Converting paper filing to electronic file storage whenever possible
- Promoting reduced paper consumption at the office level by communicating with our offices about our rationale and options for meeting our targets and by offering a narrow selection of required recycled content paper options through our corporate vendors
- Encouraging exclusive use of corporate vendors for all paper purchases
- Requiring offices to submit and adhere to environmental improvement plans based on office-level scorecards received

## Waste and Recycling - Office Level

Table 16 shows the percentage of Stantec offices that offer each type of recycling.

Table 16: Percent of Each Type of Recycling Offered in Stantec Offices for 2014 Compared with 2013 Baseline Year

Material Types	2013 (Baseline)	2014	% Difference
Paper and cardboard	79%	86%	<b>7%</b>
Cans and metal	39%	74%	<b>35%</b>
Glass	49%	54%	<b>5%</b>
Other (e.g., batteries, paints)	38%	59%	<b>21%</b>

In 2014, 89% of our offices offered at least one type of recycling (paper and cardboard, cans and metal, glass, other [e.g., batteries, paints]). This is an improvement over 2013, when 81% of offices offered at least one type of recycling. In 2014, 14% of offices offered composting, down 3% from 2013.

After further consideration during 2014, we decided to drop an explicit waste reduction target supported by office-by-office quantified waste measurement. We made this decision after evaluating the difficulty we had acquiring meaningful and comparable waste data across widely divergent jurisdictions and offices. We decided that a programmatic approach that targets and tracks the implementation of complete and active programs that align with jurisdiction offerings would provide a more

meaningful basis for making and gauging progress. We will continue to work with offices to implement local waste diversion programs, focusing on offices with gaps between Stantec programs and locally available collection options.

### **Waste and Recycling - Corporate Initiatives**

In 2014, we recycled more than 48,678 kilograms (107,317 pounds) of electronic waste through our recycling partner, up from 46,899 kilograms (103,396 pounds) in 2013.

In August 2014, we transitioned our corporate office supplies program to a new partner. While our new partner does not offer a box return program to reduce the number of office supply shipment boxes that get discarded, it does provide “right-sized” packaging that creates a box that fits the shipment, thereby reducing cardboard waste. Furthermore, our corporate office supplies partner offers several recycling programs in the United States, including a technology trade-in program, ink and toner cartridge recycling, a free technology recycling program, and a rechargeable battery recycling program. In Canada, our partner offers ink and toner recycling and technology recycling services.

Also in 2014, we underwent a smartphone refresh: Stantec smartphones were replaced with a new model that—after extensive testing and analysis by our IT department—provided the best combination of security features, breadth of applications, and collaboration capabilities. During the smartphone refresh, we recycled more than 5,000 wireless devices and accessories through our wireless recycling partner. Plus, we developed and used an electronic Wireless Equipment Application (WEA) for the smartphone refresh project, resulting in an estimated savings of 15,000 sheets (30 reams) of paper. This initiative was so successful that we are now developing an online WEA form to replace all paper applications for a wireless device.

Also, we developed and used an online corporate card application form that may be rolled out for all future acquisitions and new hires.

### **Green Purchasing**

In 2014, the entire line of desktop computers, laptops, and standard monitors that we ordered were Energy Star rated for improved energy efficiency and were certified to the

EPEAT Gold standard. Managed by the Green Electronics Council, EPEAT is a global rating system for more environmentally preferable (greener) electronics. The EPEAT system combines strict, comprehensive criteria for design, production, energy use, and recycling with ongoing independent verification of manufacturer claims.

We also signed an agreement with our supplier of fleet vehicles that will provide Stantec with trucks manufactured with high-strength aluminum alloy bodies. We estimate that we will achieve a weight savings of over 317 kilograms (700 pounds) per vehicle. The lighter weight of these vehicles will save fuel over previous models and will provide additional benefits like decreased tire wear and reduced damage to roads. In addition, these alloy bodies are fully recyclable and will not rust, reducing our overall cost of ownership.

Over 10,000 environmentally preferable or “green” products are available from our new corporate vendor for office supplies. On the vendor’s website, users can take advantage of drop-down boxes to select only green items. Although we quite recently (August 2014) signed on with this new corporate vendor, our business operating units across the Company are responding positively and each month are increasing their purchases of green products. We have also negotiated discounts for a core list of products—including green products—that our offices use most often. We work hand in hand with our corporate vendors to adjust this product list based on our quarterly and annual office supply use.

In 2014, 27.8% of product expenditures purchased from our corporate office supply vendors in Canada and the United States represented green office products, based on at least one attribute or benefit, such as third-party certification, post-consumer recycled content, made with renewable resources, and reduced packaging. This is an increase in the proportional purchase of greener products, up from 24.5% in 2013.

### **Green Buildings**

We support and encourage green and sustainable practices in our offices and facilities by

- Requiring information about sustainability programs and features from prospective landlords
- Evaluating those considerations when selecting new leased sites



- Encouraging local Stantec operations to consider LEED, BOMA BEST, and Green Globes certified spaces, as well as spaces that promote energy efficiency
- Including requirements in leases for landlords to provide utility usage information

At the end of 2014, 17 offices across our Company were LEED certified—8 in Canada, 8 in the United States, and 1 in India. Most of our LEED-certified offices have achieved certification to the LEED Interior Design and Construction (LEED ID+C) standard or the LEED Canada for Commercial Interiors (LEED Canada-CI) standard, a handful have achieved certification to the LEED Building Operations and Maintenance (LEED O+M) standard, and a few have achieved certification to the LEED Building Design and Construction (LEED BD+C) standard.

Three new locations in Canada are progressing toward LEED or Green Globes certification. Two are on track to be occupied in 2015; the other is on track to be occupied in 2018.

## Other Corporate Initiatives

### Earth Week

From April 21 to 25, employees across Stantec implemented sustainability measures in their offices as part of our Earth Week celebrations. During this time, many offices pursued local recycling and composting options to reduce landfill waste, collected garbage on roads and highways, reduced paper use by having no-print days and using double-sided printing, and saved energy by turning off lights and computers at the end of each day.

### Highlights from Our Offices

Read about some ways that we celebrated Earth Week:

- *St. John's, Newfoundland:* Employees pledged to replace chemical cleaners with natural products, use less water, eat at least one vegetarian meal a week for a month, switch all paper statements to eBilling before the end of April, and go paperless for Earth Week. This office also attended a lunch-and-learn session about energy efficiency and held a local-food dessert potluck.
- *Sidney, British Columbia:* Employees participated in a number of Earth Week challenges, including a carbon-offset lunch-and-learn, a no-print day, and a viewing of sustainability-focused talks and documentaries.

- *Okemos, Michigan:* Employees participated in the Michigan Department of Transportation Adopt-A-Highway Program. Okemos employees picked up garbage along a four and a half-mile stretch of roadway and pledged to do this three times a year.

### Feed the Need

Feed the Need is a Company-wide initiative to collect food items and raise money for local food banks, shelters, and other charitable organizations. This initiative is run annually from late November to mid-December. To inspire healthy competition among our participating offices and to maximize contributions in 2014, we gave a cash reward to each of the three offices that donated the most food items or cash equivalents per employee. These offices donated their cash rewards (in addition to money raised during Feed the Need) to the registered charity of their choice. In total, 54 offices participated, 5,660 food items were collected, and over C\$22,500 was donated.

### Cool Commute Challenge

Each June, Stantec runs a Cool Commute Challenge, an initiative that encourages employees to get to work in a more sustainable way: walking, cycling, carpooling, using public transportation, using a shuttle bus, and teleworking. Employees across the Company sign up to participate, log miles travelled, and indicate the transportation method used each day during the challenge. Offices compete to have the highest office participation, the greatest average distance travelled, and top place for cycling, walking, carpooling, transit use, and teleworking. During 2014, 2,031 employees—117 teams across the Company—participated in the Cool Commute Challenge, covering 915,913 kilometres (569,122 miles). Table 17 on the next page compares our 2014 results to 2013 results.

Although we experienced a 3.4% decrease in participation from 2013 to 2014, the total distance we travelled using more sustainable means actually increased. This means that, on average, employees participating in 2014 travelled farther using sustainable modes of transportation.

In 2013, an average of 396 kilometres (246 miles) was travelled sustainably per participant in 2013; in 2014, the average was 451 kilometres (280 miles)—a 13.9% increase.

Table 17: Cool Commute Challenge Results in 2014 Compared with 2013

	Employee Participation (#)	Employee Participation Rate	Total Distance Travelled	Average Distance Travelled Per Participating Employee
2013	2,280	18.0%	902,288 kilometres (560,656 miles)	396 kilometres (246 miles)
2014	2,031	14.6%	915,913 kilometres (569,122 miles)	451 kilometres (280 miles)
<b>% Difference</b>	<b>-10.9%</b>	<b>-3.4%</b>	<b>1.5%</b>	<b>13.9%</b>





# Research and Development

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Stantec carries out research and development (R&D) in the context of client projects and, strategically, in anticipation of future client needs. R&D is the responsibility of leadership in each of Stantec's eight business lines, and support for R&D is provided through the Stantec R&D Fund, which allocates \$1 million each year in project grants in response to applications from employees and project teams. In 2014, these allocations were matched by partner funding in the order of \$4 million. Some projects extend over several years, and the amounts represent approximate rolling annual averages.

Stantec claims innovation tax credits in Canada and the United States, and uses the tax savings to finance further research.

In 2014, approximately 40% of the \$1 million R&D fund was used to fund sustainability-related research initiatives, including

- Characterizing and addressing site contamination
- Assessing human and ecological risks for energy-from-waste treatment facilities
- Conducting environmental assessments in deep sea research
- Evaluating the performance of restored streams
- Evaluating the off-shore activity of bats along the mid-Atlantic coast
- Testing rapidly renewable materials for structural applications
- Evaluating the performance of buildings with respect to efficient use of resources and occupant satisfaction
- Improving roads by participating in long-term research projects

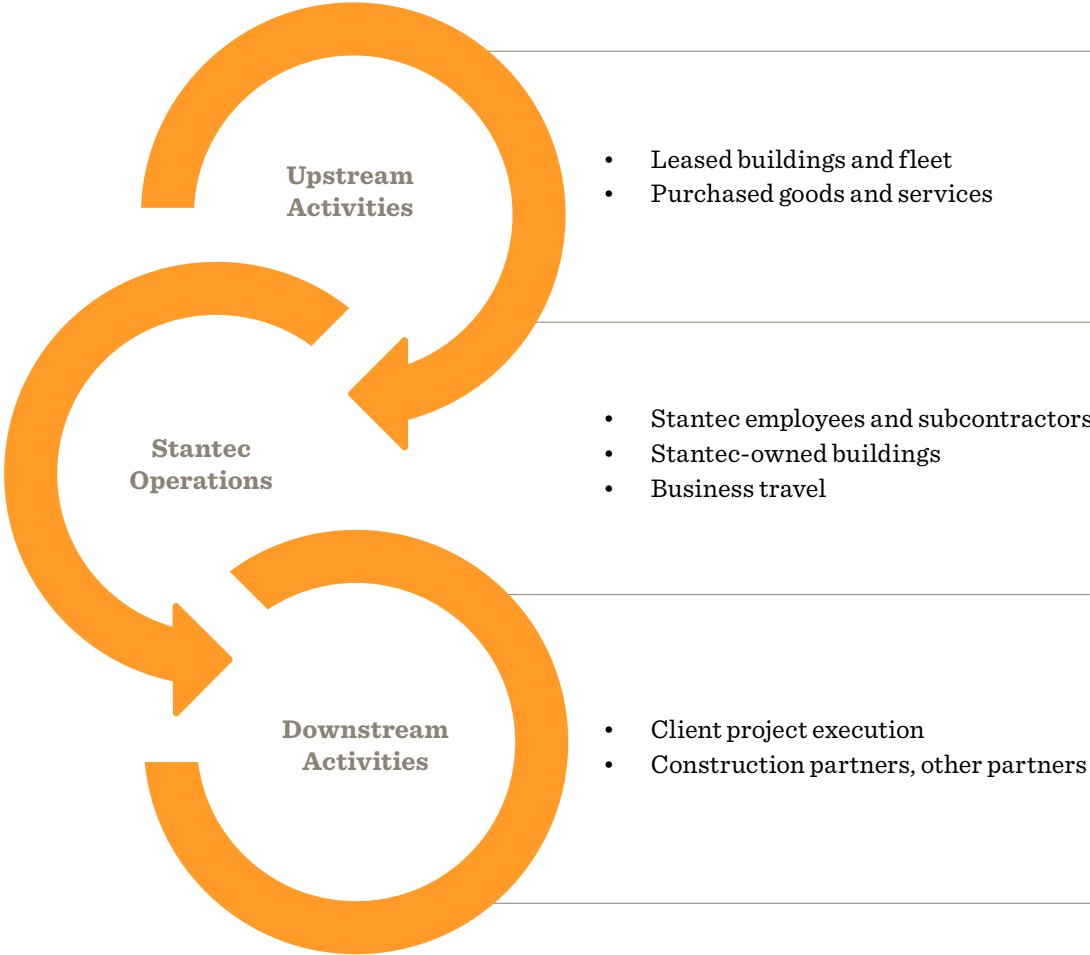
To help our in-house researchers stay at the forefront of their fields, online access is provided to 5,500 technical journal subscriptions in Stantec's eLibrary. Stantec leverages federal scholarship funding by contributing to selected employees' advanced studies, either part time or during academic leave. In some sectors, clients and Stantec employees partner to publish research papers, journal articles, and reports about scientific advances achieved or attempted during the completion of client projects.

The R&D Fund, innovation tax credit claims, and eLibrary programs are staffed by Stantec's Research Support team, which is geographically distributed and uses low-environmental-impact work arrangements—including teleconferences, email, and screen-sharing technology—to circumvent in-person visits, when possible. Moreover, the environmental impacts of hardcopy libraries are avoided by providing the eLibrary, which saw 18,000 paperless downloads (approximately 10 pages per download) in 2014.

# Appendices

## Appendix A: Stantec's Supply Chain

Figure 3: Stantec's Supply Chain





## Appendix B: Additional HR Data

Table 18: 2014 Global Workforce by Employee Category and by Gender and Age Groups

	Senior Managers	Middle and Other Managers	Professionals	Semi-Professionals and Technicians	Supervisors	Supervisors: Crafts and Trades
<b>Total</b>	<b>477</b>	<b>711</b>	<b>6,979</b>	<b>4,343</b>	<b>0</b>	<b>0</b>
Female count	39	168	2,104	1,179	0	0
Female %	8.2%	23.6%	30.2%	27.2%	N/A	N/A
Male count	438	543	4,875	3,164	0	0
Male %	91.8%	76.4%	69.9%	72.9%	N/A	N/A
Age: Under 30	0	12	1,317	985	0	0
Age: 30 to 50	154	429	3,991	2,243	0	0
Age: Over 50	323	270	1,671	1,115	0	0

Notes:

- Because Stantec is a Canadian-based company, we use Canada's Employment Equity Occupational Groups (EEOG) employee categories throughout this report. Employees are automatically assigned to these categories based on job classification.
- Employees in the United States and in the other countries in which we operate have been mapped to these EEOG categories accordingly.
- Those noted as "acquisition employees" joined the organization through acquisition and had not yet been placed in an EEOG category at the time of reporting.
- Total employee count does not include contractors.

Table 19: 2014 Percentage of Canadian Workforce by Employee Category and by Visible Minorities, Aboriginal Peoples, Persons with Disabilities, and Women

	Senior Managers	Middle and Other Managers	Professionals	Semi-Professionals and Technicians	Supervisors	Supervisors: Crafts and Trades
<b>Visible Minorities</b>	<b>6.6%</b>	<b>7.0%</b>	<b>18.2%</b>	<b>17.6%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Aboriginal Peoples</b>	<b>0.5%</b>	<b>0.6%</b>	<b>0.8%</b>	<b>1.5%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Persons with Disabilities</b>	<b>0.5%</b>	<b>1.7%</b>	<b>0.8%</b>	<b>1.9%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Women</b>	<b>10.4%</b>	<b>28.0%</b>	<b>33.3%</b>	<b>28.6%</b>	<b>0.0%</b>	<b>0.0%</b>

Notes:

- Designated groups presented above are as outlined in the Employment Equity Act.
- In 2014, there were no Canadian acquisitions.

Table 20: 2014 Percentage of US Workforce by Employee Category and by Veteran Status, People with Disabilities, and Ethnic Origins

	Executive and Senior-Level Officials and Managers	First- and Mid-Level Officials and Managers	Professionals	Technicians
<b>Veteran Status</b>	<b>2.7%</b>	<b>3.2%</b>	<b>2.6%</b>	<b>5.8%</b>
<b>People with Disabilities</b>	<b>0.8%</b>	<b>0.4%</b>	<b>0.1%</b>	<b>0.3%</b>
<b>American Indian or Alaskan Native</b>	<b>0.0%</b>	<b>0.4%</b>	<b>0.3%</b>	<b>0.4%</b>
<b>Asian</b>	<b>2.3%</b>	<b>1.4%</b>	<b>7.1%</b>	<b>3.5%</b>
<b>Black or African American</b>	<b>0.0%</b>	<b>0.4%</b>	<b>2.1%</b>	<b>2.7%</b>
<b>Hispanic or Latino</b>	<b>4.2%</b>	<b>2.8%</b>	<b>6.7%</b>	<b>9.0%</b>
<b>Native Hawaiian or Other Pacific Islander</b>	<b>0.4%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.0%</b>
<b>Two or More Races</b>	<b>0.0%</b>	<b>1.4%</b>	<b>1.2%</b>	<b>1.3%</b>

Notes:

- EEO job categories are the employee groupings required by the Joint Reporting Committee (EEOC and DOL) for EEO-1 reports.
- Disability definitions are based on the ADAAA legislation.
- Veteran categories are determined by amendments to VEVRAA.
- Acquisition employees are employees who joined Stantec through acquisition but were not placed in an employee category at the time of reporting.

Administrative and Senior Clerical Personnel	Clerical Personnel	Skilled Crafts and Trades Workers	Semi-Skilled Manual Workers	Skilled Sales and Service Personnel	Other Manual Workers	Acquisition Employees	Total
<b>1,034</b>	<b>315</b>	<b>0</b>	<b>25</b>	<b>3</b>	<b>17</b>	<b>5</b>	<b>13,909</b>
920	285	0	1	1	0	3	<b>4,700</b>
89.0%	90.5%	N/A	4.0%	33.3%	0.0%	60.0%	<b>33.8%</b>
114	30	0	24	2	17	2	<b>9,209</b>
11.0%	9.5%	N/A	96.0%	66.7%	100.0%	40.0%	<b>66.2%</b>
193	21	0	4	0	5	2	<b>2,539</b>
515	172	0	9	0	7	3	<b>7,523</b>
326	122	0	12	3	5	0	<b>3,847</b>

Administrative and Senior Clerical Personnel	Clerical Personnel	Skilled Crafts and Trades Workers	Semi-Skilled Manual Workers	Skilled Sales and Service Personnel	Other Manual Workers	Acquisition Employees	Total
10.6%	12.2%	0.0%	14.3%	0.0%	0.0%	N/A	<b>16.3%</b>
2.6%	2.4%	0.0%	0.0%	0.0%	0.0%	N/A	<b>1.2%</b>
2.4%	1.8%	0.0%	0.0%	0.0%	0.0%	N/A	<b>1.4%</b>
91.6%	90.9%	0.0%	14.3%	33.3%	0.0%	N/A	<b>36.7%</b>

Administrative Support Workers	Craft Workers	Operatives	Laborers and Helpers	Acquisition Employees	Total
1.1%	10.0%	0.0%	5.9%	0.0%	<b>3.3%</b>
0.2%	0.0%	0.0%	0.0%	0.0%	<b>0.2%</b>
0.5%	0.0%	0.0%	0.0%	0.0%	<b>0.3%</b>
4.0%	0.0%	0.0%	0.0%	0.0%	<b>5.4%</b>
5.5%	0.0%	0.0%	0.0%	20.0%	<b>2.4%</b>
9.7%	10.0%	0.0%	0.0%	0.0%	<b>7.3%</b>
0.5%	0.0%	0.0%	0.0%	0.0%	<b>0.1%</b>
1.3%	0.0%	0.0%	0.0%	0.0%	<b>1.2%</b>

Table 21: 2014 Ratio of Total Annual Compensation for Organization's Highest-Paid Employee to Median Annual Compensation

	Base Salary Compensation	% Increase 2013 to 2014	2014 Bonus	Total Compensation	Ratio of Base Compensation	Ratio of % Increase	Ratio of Total Compensation
<b>Canada (Canadian Dollars - \$)</b>							
Highest paid	850,005	126.7%	1,147,500	1,997,505	11.3	36.6	26.6
Median compensation - All employees	74,997	3.5%	11,000	75,017			
<b>United States (US Dollars - \$)</b>							
Highest paid	525,013	60.1%	696,594	1,221,607	7.1	62.0	16.4
Median compensation - All employees	73,590	1.0%	5,500	74,688			
<b>India (Indian Rupees - INR)</b>							
Highest paid	8,999,991	39.2%	600,000	8,999,991	23.4	20.3	23.4
Median compensation - All employees	383,994	2.0%	300,000	383,994			
<b>United Arab Emirates (United Arab Emirates Dirham - AED)</b>							
Highest paid	1,026,929	10.0%	72,000	1,026,929	4.0	2.5	4.0
Median compensation - All employees	259,210	4.0%	15,750	259,210			
<b>United Kingdom (British Pound - £)</b>							
Highest paid	120,003	15.0%	20,000	140,003	2.9	5.0	3.2
Median compensation - All employees	41,223	3.0%	3,000	44,223			
<b>Barbados (Barbadian Dollars - BBD)</b>							
Highest paid	212,667	0.0%	17,000	229,667	4.1	0.0	4.1
Median compensation - All employees	52,475	0.0%	2,500	55,842			

Notes:

- All salaries are annualized to full-time hours for the country the employee works in.
- The table includes only employees eligible for benefits.
- Salaries are reported in local currency.
- Bonus figures are included only for employees who are eligible for bonuses.
- Total compensation covers all benefit-eligible employees.
- Base salaries are effective December 31, 2014.
- Reported bonuses are for 2014.
- Total compensation is based on 2014 salary and 2014 bonus.
- Salaries for employees in our Saudi Arabian and Qatar offices are not reported due to the very low sample size (two employees in Saudi Arabia and two employees in Qatar).



Table 22: 2014 Ratio of Basic Salary, including Bonus Pay, by Employee Category, and by Gender, in Canada (in Canadian Dollars)

CA EEOG Category	Gender - Employee Counts		Average Base Salary		Base Salary Percentage Ratio Male:Female	Average Base + Bonus		Base + Bonus Ratio Male:Female
	Female	Male	Female	Male		Female	Male	
Senior managers	21	188	\$161,805	\$194,898	1.20	\$205,186	\$258,509	1.26
Middle and other managers	95	243	\$112,335	\$130,158	1.16	\$124,748	\$147,153	1.18
Professionals	1,005	2,075	\$75,630	\$96,166	1.27	\$77,308	\$100,078	1.29
Semi-professionals and technicians	622	1,699	\$66,350	\$74,953	1.13	\$66,701	\$75,788	1.14
Supervisors	0	0	-	-	N/A	-	-	N/A
Supervisors: crafts and trades	0	0	-	-	N/A	-	-	N/A
Administrative and senior clerical personnel	490	44	\$51,062	\$58,204	1.14	\$51,095	\$58,256	1.14
Clerical personnel	138	15	\$50,714	\$51,610	1.02	\$50,721	\$51,610	1.02
Skilled crafts and trades workers	0	0	-	-	N/A	-	-	N/A
Semi-skilled manual workers	1	3	\$55,731	\$47,385	0.85	\$55,731	\$47,385	0.85
Skilled sales and service personnel	1	2	\$119,925	\$111,101	0.93	\$119,925	\$111,101	0.93
Other manual workers	0	0	-	-	N/A	-	-	N/A
<b>Total</b>	<b>2,373</b>	<b>4,269</b>	<b>\$68,918</b>	<b>\$93,431</b>	<b>1.36</b>	<b>\$70,608</b>	<b>\$99,434</b>	<b>1.41</b>

Note: Employees who were on leave as of December 31, 2014, are not included, nor are acquisition employees that were not assigned to an EEOG employee category at the time of reporting.

Table 23: 2014 Ratio of Basic Salary, including Bonus Pay, by Employee Category, and by Gender in the United States (in US Dollars)

CA EEOG Category	Gender - Employee Counts		Average Base Salary		Base Salary Percentage Ratio Male:Female	Average Base + Bonus		Base + Bonus Ratio Male:Female
	Female	Male	Female	Male		Female	Male	
Senior managers	17	245	\$171,382	\$181,879	1.06	\$193,706	\$213,828	1.10
Middle and other managers	72	268	\$108,492	\$122,834	1.13	\$118,610	\$133,236	1.12
Professionals	854	2,318	\$74,423	\$91,548	1.23	\$76,550	\$95,027	1.24
Semi-professionals and technicians	331	1,056	\$61,173	\$64,045	1.05	\$61,979	\$64,622	1.04
Supervisors	0	0	-	-	N/A	-	-	N/A
Supervisors: crafts and trades	0	0	-	-	N/A	-	-	N/A
Administrative and senior clerical personnel	347	42	\$47,360	\$45,880	0.97	\$47,507	\$45,999	0.97
Clerical personnel	132	13	\$52,692	\$57,979	1.10	\$52,734	\$57,979	1.10
Skilled crafts and trades workers	0	0	-	-	N/A	-	-	N/A
Semi-skilled manual workers	0	15	N/A	\$71,198	N/A	N/A	\$71,198	N/A
Skilled sales and service personnel	0	0	-	-	N/A	-	-	N/A
Other manual workers	0	17	N/A	\$41,503	N/A	N/A	\$41,503	N/A
<b>Total</b>	<b>1,753</b>	<b>3,974</b>	<b>\$67,268</b>	<b>\$91,035</b>	<b>1.35</b>	<b>\$69,120</b>	<b>\$95,891</b>	<b>1.39</b>

Note: Employees who were on leave as of December 31, 2014, are not included, nor are acquisition employees who were not assigned to EEOG employee categories at the time of reporting.

The disparity between male and female average base pay in Tables 22 and 23 reflects, in part, the age demographics of our workforce. In both Canada and the United States, there are significantly more men than women in the over-45 age group, which is the category where our higher income earners reside. This disparity is also a reflection of the dominance, historically, of men in engineering. While the differential in compensation is less apparent in the 24 to 44 age group, particularly in Canada where the male-to-female ratio is more balanced, we fully acknowledge that we still have work to do to address compensation inequities. Our Diversity & Inclusion (D&I) Plan will bring focus to the progression of women and other diverse populations in our workforce through training, awareness, and other initiatives.

Our compensation philosophy is to provide an overall compensation package for employees that is based on performance and that places Stantec in a competitive position within our industry. Each year, senior leadership reviews local market and competitive salary data, which serve as a guide for each employee category. This data reflects the varying levels of scope, responsibility, and accountability generally associated with specific positions within Stantec. The data is used by senior leadership to review and approve recommendations for individual salary adjustments. The D&I Plan will address measures to mitigate past inequities and provide tools for our leadership and hiring managers to foster a more diverse, inclusive, and equitable workplace.

## Appendix C: Third-Party Review Letter



Letter: Third Party Report Assessment

April 27, 2015

Canadian Business for Social Responsibility (CBSR) reviewed Stantec's 2014 sustainability report. Specifically, CBSR conducted a high-level assessment of (1) the content and disclosures of Stantec's 2014 Sustainability Report (report) against the 10 GRI principles for defining content and quality; and (2) the extent to which Stantec incorporated previously received stakeholder feedback from the 2013 reporting cycle (e.g., the CSR reporting peer review group of the Global Compact Network Canada (GCNC) and judging panel of the Chartered Professional Accountants of Canada (CPA) 2014 Corporate Reporting Awards) in the 2014 report.

### General Findings and Improvements

Stantec has made significant progress in the quality, structure, and comprehensiveness of its 2014 report, while clearly addressing stakeholder feedback. CBSR's assessment revealed that eight of the ten GRI principles are fully met and two are partially met—namely the materiality and sustainability context principles. Below is a summary of notable improvements Stantec made in the 2014 report.

- **Improved structure and consistency** – Greater alignment in the use of language and headings related to the key focus areas, thus enhancing readability and consistency.
- **Clearer methodologies related to data** – Ample explanations of data collection practices, methodologies, management systems, controls, and verification to ensure accuracy.
- **Visible value chain impact management** – Greater focus on supply chain and the management of project impacts (e.g., wider use of the Envision Framework).
- **Closer alignment of corporate and sustainability strategies** – Alignment between the business and sustainability strategies (including the value of relevant initiatives) was enhanced.
- **Widespread use of quantitative targets and assessment against progress** – Comprehensive assessment of progress and performance against key targets and goals.
- **Improved ethics and integrity disclosures** – Detailed overview of Stantec's robust approach to ensuring a high degree of ethics and integrity, which has been identified as a material aspect.
- **Improved comparability** – Historical performance trends added, enabling comparison.
- **Greater context** – Context for trends related to key metrics and issues of high priority to stakeholders.

### Further Opportunities for Improvement

The following represent the main opportunities for Stantec to consider in advancing reporting practices.

- **Describe the materiality process** – Clarify the process of identifying priorities and how internal business and external stakeholder priorities intersect, using a matrix to illustrate (if possible).
- **Describe the sustainability governance structure and senior leadership involvement** – Specify how senior leaders and Stantec's Board of Directors engage in the oversight of sustainability; and describe the broader sustainability governance structure and process.
- **Link performance to the wider context of sustainability** – Consider connecting performance and metrics to environmental and social pressures and limits at the sector, regional, or global level.
- **Continue focus on project impacts** – Further focus is encouraged to expand and refine the application of methodologies to measure wider impacts of projects.

CBSR commends Stantec's commitment to improving its reporting practices and disclosures as well as the progress made in 2014 on key performance indicators.

A handwritten signature in black ink, appearing to read 'Agnieszka Rum', is positioned above the printed name.

Agnieszka Rum  
Associate CSR Advisor  
CBSR



Learn more about Stantec's sustainability efforts at [www.stantec.com/sustainability](http://www.stantec.com/sustainability).

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