



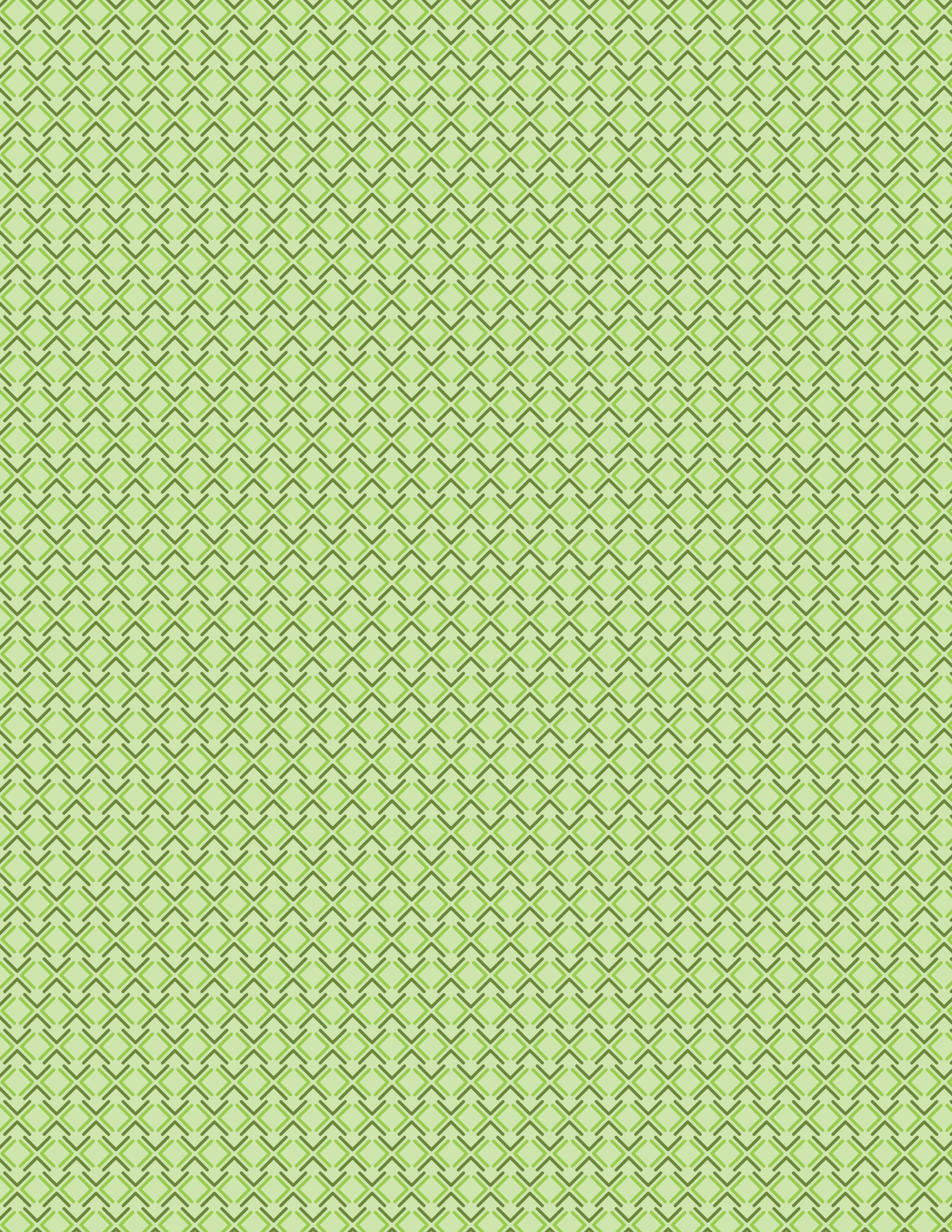
# FOCUS



STANTEC INC. 2011 SUSTAINABILITY REPORT

STN • TSX • NYSE

One Team. Integrated Solutions.



# »» AT STANTEC, OUR FOCUS IS ON SUCCESSFULLY IMPLEMENTING OUR BUSINESS STRATEGY TO CONSISTENTLY DELIVER RESULTS FOR OUR CLIENTS, EMPLOYEES, AND SHAREHOLDERS.

From across North America and internationally, we provide our clients with integrated design and consulting services in architecture, engineering, interior design, landscape architecture, urban planning, surveying, environmental sciences, economics, project management, and many other disciplines.

In simple terms, the world of Stantec is the water we drink, the routes we travel, the buildings we visit, the industries in which we work, and the neighborhoods we call home.

Our services are provided on projects around the world through approximately 11,000 employees operating out of more than 170 locations in North America and 4 locations internationally. Stantec is publicly traded on the TSX and on the NYSE under the symbol STN.

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# STANTEC AT A GLANCE



## > VISION

To become and remain a top 10 global design firm.

Being top 10 means

- Recognition for the quality of our work among the top 10 firms in our industry
- Working on complex projects for top, long-term clients
- Attracting and retaining highly talented, innovative employees

# TOP 10

## > MISSION

To be One Team providing integrated solutions to create shared value for our clients, employees, shareholders, and communities.



# ONE TEAM

## > STRATEGY

To achieve our vision, we focus on

- Positioning Stantec among the top-three service providers in our geographic locations
- Focusing on operational excellence
- Providing expertise and value-added services to our clients with a commitment to excellence in project execution through an integrated quality management system
- Driving a client-focused culture through cross-selling efforts and account management strategies

The successful implementation of our business strategy results in growth. The three key drivers of our strategic plan are our foundation, our clients, and our people. We create shareholder value through building on our foundation, attracting and retaining the best clients, and



focusing on our people. Based on our successes in those areas, we believe that we are well positioned to realize our vision of becoming and remaining a top 10 global design firm.

## > SUSTAINABILITY

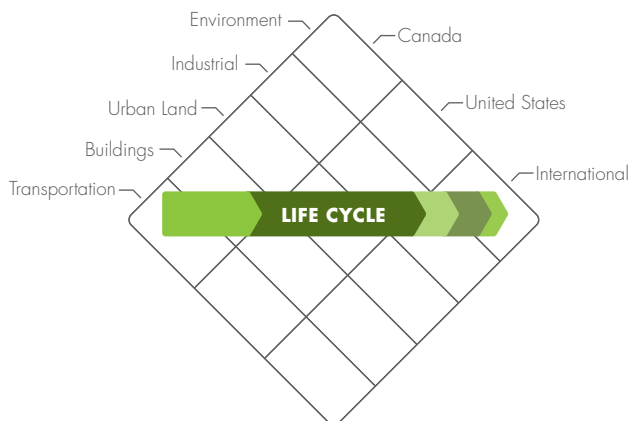
We are committed to being a leader and model of sustainability by doing business in a way that meets the needs of the present while contributing to an environmentally, socially, and economically sustainable future. This commitment is at the heart of how we operate and how we deliver solutions to our clients, and is vital to our long-term success in achieving our vision.



## > BUSINESS MODEL

Our business model is based on providing integrated services across diverse geographic locations, distinct practice area units, and all phases of the infrastructure and facilities project life cycle—planning, design, construction, maintenance, and decommissioning.

This three-dimensional, sustainable approach ensures that we do not have to depend on any single geographic location, practice area unit, or life cycle phase for our work. Each time we strengthen any of the three dimensions, we increase and diversify our business.



## > GEOGRAPHIC DIVERSIFICATION

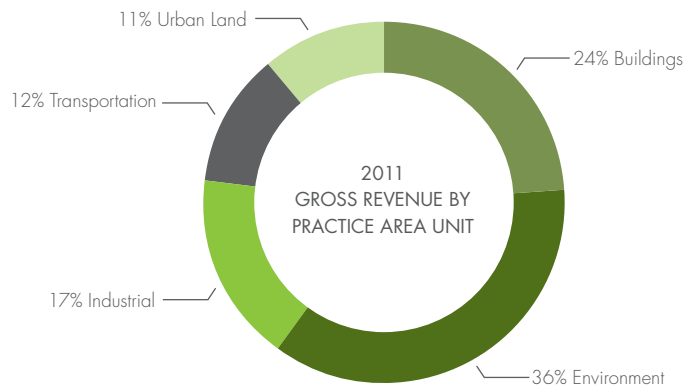
We operate in three main geographic regions: Canada, the United States, and International. Our aim is to offer the power and resources of a large global entity while maintaining the personality and service delivery attitude of a small, local business.



TOP: Castle Rock Ridge Wind Power  
Pincher Creek, Alberta

## PRACTICE AREA UNIT SPECIALIZATION

Currently, we provide services in five specialized and distinct practice area unit groupings: Buildings, Environment, Industrial, Transportation, and Urban Land. Focusing on this combination of project services helps differentiate us from our competitors and allows us to enhance our presence in new geographic locations and markets while establishing and maintaining long-term client relationships.



**BUILDINGS** Stantec's Buildings team works with our clients to design high performance, cost-effective, and sustainable buildings. Services include

- Pre-design services including project and program definition and planning
- Architectural and interior design
- Structural, mechanical, electrical, and acoustical engineering
- Sustainability and performance engineering
- Post-construction services including commissioning and systems optimization

**ENVIRONMENT** Stantec's Environment team provides our clients with integrated, professional, and sustainable solutions to their environmental concerns. Services include

- Water supply, treatment, storage, and distribution
- Wastewater collection, pumping, treatment, and disposal
- Watershed management
- Environmental assessment, documentation, and permitting
- Ecosystem restoration planning and design
- Environmental site management and remediation
- Subsurface investigation and characterization
- Geotechnical engineering

**INDUSTRIAL** Stantec's Industrial team provides integrated, practical solutions for complex industrial projects that meet functional needs and are sensitive to the environment. Services include

- Project planning and development
- Functional programming
- Engineering
- Project management
- Project services including construction support
- Strategic advisory services

**TRANSPORTATION** Stantec's Transportation team provides a full range of innovative services to facilitate the safe and efficient movement of people and goods through a variety of modes of transportation. Services include

- Project management
- Transportation planning and investment studies
- Engineering
- Construction administration
- Infrastructure management

**URBAN LAND** Stantec's Urban Land team works to enhance the quality of life where people work, live, and play by providing client solutions that are environmentally responsible, aesthetically beautiful, functional, and technically sound. Services include

- Planning
- Landscape architecture
- Geomatics
- Engineering
- Project management
- Conceptual and master planning
- Development approvals and entitlement
- Infrastructure design
- Construction review

- |   |   |   |
|---|---|---|
| 1 | 2 | 1. US Route 1, Section 6V Replacement<br><i>North Brunswick, New Jersey</i>                                       |
| 3 |   | 2. Channelside Redevelopment<br><i>Tampa, Florida</i>   |
| 4 | 5 | 3. Edmonton International Airport Expansion<br><i>Edmonton, Alberta</i>   |
|   |   | 4. Boundary Dam Integrated Carbon Capture and Sequestration Demonstration Project<br><i>Estevan, Saskatchewan</i> |
|   |   | 5. Kentucky River Locks and Dams Engineering Services<br><i>Various Locations, Kentucky</i>                       |



# 2011 PERFORMANCE HIGHLIGHTS

## > FOCUS ON OUR SHAREHOLDERS

- > We once again earned a spot on the Canadian Carbon Disclosure Leadership Index
- > We have been included in the Jantzi Social Index since 2007
- > Our gross revenue increased 11.3% to \$1.7 billion

## > FOCUS ON OUR PARTNERS

- > We launched our enhanced Supplier Diversity program
- > Our spend for small businesses was \$48.6 million, representing 18.6% of our total US spend
- > Total revenue for our Aboriginal partnerships was over \$13 million

## > FOCUS ON OUR CLIENTS

- > Our team received double honors at Green Living Enterprise's Awards for Excellence in Corporate Responsibility
- > We achieved ANSI accreditation for greenhouse gas verification under ISO 14065
- > Our internal research and development fund increased by 50%, up to \$450,000

## > FOCUS ON OUR COMMUNITIES

- > We were recognized as one of the Best 50 Corporate Citizens in Canada
- > Cash donations made through our Community Investment program totaled \$901,000
- > To promote employee volunteerism, we expanded our Dollars for Doers program to all offices

## > FOCUS ON OUR EMPLOYEES

- > We were selected as one of Canada's Ten Best Companies to Work For
- > Our wellness program won two ClearAdvantage corporate wellness program awards in the US
- > We initiated an "Emerging Leaders" program for employees with promising leadership potential

## > FOCUS ON OUR ENVIRONMENT

- > We were again named one of Canada's Greenest Employers
- > Our integrated management system was registered to the ISO 14001:2004 standard
- > The number of our offices with a local Sustainability Team grew to 88





## ABOUT THIS REPORT

This is Stantec's fifth annual sustainability report, providing an overview of the Company's environmental, social, and economic sustainability performance for the 2011 calendar year. This report focuses on information pertinent to Stantec's most material issues and priorities and was prepared in accordance with the internationally recognized G3.1 Sustainability Reporting Guidelines developed by the Global Reporting Initiative (GRI).

Unless otherwise indicated, the information in this report includes all Stantec operating companies worldwide and applies only to employees working in premises owned or leased by Stantec. Information about work carried out on client sites and by contracted employees is largely excluded. One notable exception is health and safety data, which cover all Stantec employees wherever they work, as well as all contractors for whom we are legally responsible.

Financial data included in this report and previously disclosed in our 2011 Financial Review were prepared according to International Financial Reporting Standards (IFRS). Unless otherwise indicated, all funds are in Canadian dollars.

Our Company's disclosure controls and procedures are designed to ensure that financial information we are required to disclose in reports filed with securities regulatory agencies is recorded, processed, summarized, and reported on a timely basis. Further information on our disclosure controls and

procedures is available on pages M-72 and M-73 in our 2011 Financial Review. Significant accounting judgments, estimates, and assumptions used in preparing our financial information are described in note 5 on pages F-19 to F-21 in our 2011 Financial Review.

All other information in this report, including nonfinancial information, is subject to internal data management systems and controls. When possible, details regarding data collection techniques, internal controls, and estimations are provided in subsequent sections of this report as well as in the GRI index at the end.

All data extracted or referenced from our 2011 consolidated financial statements, found in our 2011 Financial Review, have been audited. In 2012, a third-party auditor will verify our greenhouse gas (GHG) emissions inventory for the 2011 reporting year. We did not seek external independent verification for other data contained in this report. In 2011, we assessed the feasibility of third-party assurance for this report and decided not to pursue formal assurance at this time.

To evaluate the content and quality of this report, we have engaged a third-party organization to facilitate a stakeholder advisory roundtable. Through regular engagement with our key stakeholders, we can ensure that our sustainability reports meet their expectations. For more information on our stakeholder engagement strategy, see pages 22 to 24.

# MESSAGE TO STAKEHOLDERS

Despite the ongoing challenges of the business environment in 2011, Stantec remained focused on our long-term vision to become and remain a top 10 global design firm and had the resilience to not only expand our operations, but also increase investment in improving our sustainability performance. We anticipate that providing solutions that are both innovative and sustainable will continue to be critical to our success in reaching this goal.

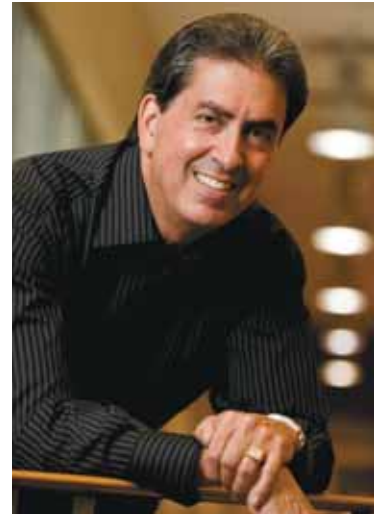
Sustainability is becoming increasingly important to us as complex global issues such as climate change and the scarcity of natural resources assume greater significance, posing risks and opportunities for both ourselves and various stakeholders. On the one hand we see risks such as project interruptions or delays resulting from unexpected environmental conditions. At the same time, we foresee opportunities to respond to increased market demand for services that address these pressing challenges.

We continued to grow in 2011, enhancing our local strength and expanding the depth and breadth of our services. But no matter how much we grow, we remain committed to supporting environmental, social, and economic responsibility by continuing to improve and by helping our clients achieve their sustainability goals, carrying out our business in a way that meets the needs of the present while contributing to a sustainable future.

We recognize that Stantec's key sustainability impacts result from both our in-office operations and the services we provide. Therefore, our sustainability strategy is focused on 1) understanding the extent of those impacts, 2) integrating sustainability principles into our overall operations and daily practices, and 3) building a leading sustainability consulting practice.

In 2011, we took some focused steps towards achieving our long-term sustainability vision:

- **FOCUS ON OUR SHAREHOLDERS.** We ended the year with a strong balance sheet and an increase in operating cash flows, giving us the flexibility to continue to grow both organically and through acquisitions
- **FOCUS ON OUR CLIENTS.** We achieved accreditation by the American National Standards Institute (ANSI) for greenhouse gas (GHG) verification under ISO 14065, which will enhance our ability to provide GHG services to our clients
- **FOCUS ON OUR EMPLOYEES.** We developed several new Health, Safety & Environment (HSE) training modules, strengthening our capacity to maintain a healthy and safe workplace
- **FOCUS ON OUR ENVIRONMENT.** We implemented and successfully registered an organization-wide environmental management system (EMS) to the ISO 14001:2004 standard, building a strong foundation for benchmarking and improving our environmental performance



- 
- **FOCUS ON OUR PARTNERS.** We launched our enhanced Supplier Diversity program, which we expect will improve our utilization of small business subcontractors, thus increasing our capacity to support our clients' needs
  - **FOCUS ON OUR COMMUNITIES.** Cash donations made through our Community Investment program totaled \$901,000 (1.8 percent of our annual pre-tax profits), demonstrating our commitment to supporting the communities in which we work

In 2011, Stantec was named one of the Best 50 Corporate Citizens in Canada and one of Canada's Ten Best Companies to Work For. For the second year in a row, we were selected as one of Canada's Greenest Employers, and our exceptional climate change information disclosure practices once again earned us a spot on the Canadian Carbon Disclosure Leadership Index. Accomplishments such as these demonstrate that we are improving our performance in all aspects of sustainability—economic, environmental, and social.

While we have many achievements to celebrate, we recognize that we still have much work to do. We need to continue building a workforce that includes regionally appropriate representation of women, visible minorities, and individuals with disabilities, especially in management and leadership positions. This will ensure that we have the breadth of talent, perspectives, and experiences needed to succeed in our global workplace. With these goals in mind, we are developing a more comprehensive diversity strategy. Another ongoing challenge is to develop better systems for tracking nonfinancial data such as environmental metrics—namely, GHG emissions, energy, materials, and water use. As we continue to enhance our capabilities in these areas, we will be in a better position to set appropriate goals and measure our progress toward achieving them.

Over the next few years, we also plan to increase sustainability awareness at all levels within the organization and to develop more comprehensive and consistent methods of engaging with our key stakeholders—our employees, clients, shareholders, partners, and community members—so that we can better ensure that we are prioritizing our sustainability efforts appropriately.

I am pleased to present Stantec's fifth annual sustainability report, based this year on the updated G3.1 Sustainability Reporting Guidelines developed by the Global Reporting Initiative (GRI), an international, multistakeholder network of sustainability experts. We believe that this report is a reasonable presentation of Stantec's economic, environmental, and social performance for 2011.



Bob Gomes, P.Eng.  
*President & CEO*

# AWARDS AND RECOGNITIONS

## > 2011 COMPANY AWARDS AND RECOGNITIONS



### 2011 Best 50 Corporate Citizens in Canada

Stantec was once again included as one of the Best 50 Corporate Citizens in Canada in this 10th anniversary ranking by *Corporate Knights* magazine. This year Stantec ranked #30 on the list.



### 2011 Excellence in Corporate Responsibility Awards

Stantec received double honors at Green Living Enterprise's inaugural Awards for Excellence in Corporate Responsibility. Marty Janowitz, Stantec Vice President, Sustainable Development, captured an individual award for team leadership in the category of large companies in the financial, insurance, and professional services industries. Stantec's Sustainable Development team received an honorable mention in the same category.



### 2011 Canada's Ten Best Companies to Work For

Stantec was named one of Canada's Ten Best Companies to Work For by the *Financial Post*. This competition recognizes fast-growing companies that offer tremendous career advancement opportunities together with leading-edge employee perks and benefits.



### 2011 Canada's Top 100 Employers

Stantec was selected for the first time as one of Canada's Top Employers by Mediacorp Canada Inc. Eligible employers are evaluated using criteria such as work atmosphere, employee benefits, and training and skills development.



### 2011 Alberta's Top 50 Employers

Stantec was selected as one of Alberta's Top Employers for the third year in a row by Mediacorp Canada Inc. This special designation recognizes Alberta employers that lead their industries in offering exceptional places to work.



### 2011 Canada's Greenest Employers

Stantec was selected for the second year in a row as one of Canada's Greenest Employers by Mediacorp Canada Inc. This award recognizes employers that lead the nation in creating an organizational culture of environmental awareness.



### 2011 Canada's Top Employers for Young People

Stantec was selected for the first time as one of Canada's Top Employers for Young People by Mediacorp Canada Inc. Employers on this list are Canada's leaders in attracting and retaining younger employees to their organizations.



### Jantzi Social Index

Since 2007, Stantec has been included in the Jantzi Social Index (JSI). Compiled and maintained by Jantzi Sustainalytics, the JSI is a socially screened, market-capitalization-weighted common stock index modeled on the S&P/TSX 60. It is a select list of Canadian companies that pass a set of broadly based environmental, social, and governance rating criteria.



### Climate Registered™

Stantec achieved Climate Registered™ status by successfully measuring its carbon footprint according to The Climate Registry's best-in-class program, then having it third-party verified and reporting the data on The Registry's website. We are a founding member of the Climate Registry and are recognized as a full reporter.



### CDP Carbon Disclosure Leader

For the second year in a row, Stantec was selected for the CDP's Canadian Carbon Disclosure Leadership Index. This recognition highlights the top 20 companies within the Canada 200 Index that have exceptional climate change information disclosure practices. This year Stantec ranked #7 out of the top 20 leaders.



### Engineering News-Record

Stantec was included on a variety of rankings by *Engineering News-Record* (ENR). 2011 recognitions included:

- No.21, Top 150 Global Design Firms
- No.66, Top 100 Green Design Firms
- No.22, Top 200 Environmental Firms

### Building Design + Construction

Stantec was included on a variety of rankings by *Building Design + Construction*. 2011 recognitions included:

- No.8, Top 208 Green Design Firms
- No.5, Top 196 University Design Firms
- No.6, Top 176 Healthcare Design Firms



Stantec's projects are regular recipients of design awards, which is a testament to our creative design and solid project execution. For a select list of project awards received in 2011, visit [www.stantec.com/2011awards](http://www.stantec.com/2011awards).



## SELECT PROJECTS THAT GAINED NATIONAL OR INTERNATIONAL RECOGNITION IN 2011

### Targeting Net Zero

Stantec provided mechanical and electrical engineering and sustainable design services for the U.S. Department of Energy's National Renewable Energy Laboratory (NREL) Research Support Facility in Golden, Colorado. A LEED® Platinum-certified project, the lab has a host of national awards under its belt, including the American Council of Engineering Companies (ACEC) Grand Award, the American Institute of Architects Committee on the Environment Top Ten Green Projects Award, and an Associated General Contractors of America Aon Build America Merit Award. The NREL holds claim as the largest commercial building designed for net-zero energy use in North America. The 222,000-square-foot (20,625-square-metre) office building and data center was designed so that its 800 occupants consume only the amount of energy generated by the renewable power on and near the building. The NREL project had previously earned 15 design and construction awards from various organizations.

### Bringing New Life to an Old Dam

The Kentucky River Locks and Dams project required rehabilitation of a century-old dam on the Kentucky River. The old dam was not meeting current criteria for structural stability, and Stantec provided a design solution that involved construction of interconnected, concrete-filled sheet pile cells, using an "in-the-wet" construction approach, which resulted in cost and schedule savings, a reduced construction footprint, and reduced environmental impacts. The project spanned more than five years with approximately 40 project team members fulfilling many different roles and services. It was recognized as a national finalist in the ACEC's annual awards program, after receiving a Grand Award from ACEC at the state level.

### Improving Educational Environments

"The Springfield School District has proven that their unique curriculum is effective and they strongly believe that the facility, designed specifically to support that curriculum, improves that effectiveness," says Rob Pillar, Stantec's principal-in-charge of the Springfield School District – Literacy Center project in Springfield, Pennsylvania. Stantec's design supports a maximum class size of 15 students in first grade, enables the teaching of each student according to their primary learning style, and immerses students and visitors in the teaching and learning of literacy on all fronts. It received the grand prize award for Outstanding Educational Facility Design in the 20th Anniversary Spring 2011 edition of *Learning by Design*, and the American Institute of Architects Committee on Architecture for Education Award of Merit.



1. Kentucky River Lock and Dam No. 6  
*Multiple Sites, Kentucky*
2. US Department of Energy's National Renewable Energy Laboratory (NREL) Research Support Facility,  
*Golden, Colorado.*  
Architect: RNL Design  
LEED® Platinum-certified
3. Springfield School District Literacy Center  
*Springfield, Pennsylvania*  
LEED® Gold-certified



### And the Academy Award Goes to...

The Central Manchester Hospitals Project in Manchester, England, involved the reconstruction of a major healthcare campus established more than a century ago, which over time had suffered from tangled, piecemeal development. The new hospital fully integrates building form with leading-edge clinical planning in setting a new standard for care in Manchester. David Martin, project research institute design leader, reflects on the Highly Commended – Best Hospital over 40,000SM award conferred on the project at the Design & Health Academy Awards: “The project team is elated that the clarity of our design approach—the integration of three existing hospitals, a newly created children’s hospital, and a significant academic research institute—has resulted in an award-winning translational medical and research center, designed to translate research findings more quickly into medical practice” he says. “This was our first project that physically co-locates researchers and clinicians into a single building, and its expression reflects this synergy architecturally, while transforming an urban precinct within Manchester.”

### Working Hard So People Can Play Hard

Soldiers Field Soccer/Lacrosse Stadium at Harvard University in Cambridge, Massachusetts, won the Distinguished Facility award for Single Field Facilities from the American Sports Builders Association. Stantec provided sport design and engineering services for the new NCAA soccer and lacrosse stadium, which includes an infilled synthetic turf surface, custom team areas and a game management area, raised bleacher seating for 1,000, a sports lighting system, and berm seating. The berm seating saved project-export costs by keeping excess soils on site, while also creating a natural outdoor stadium.

### Innovation for Pollution Control

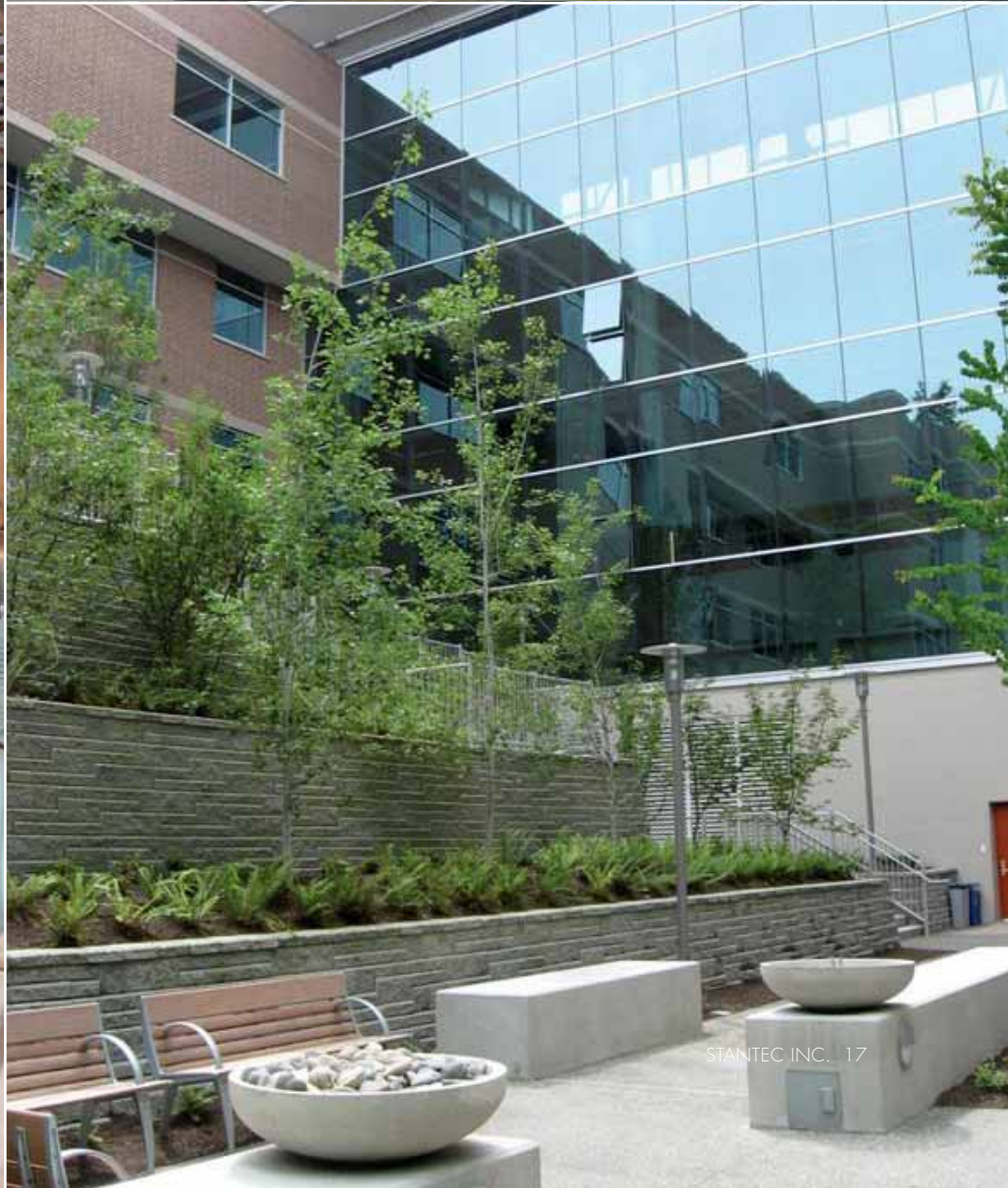
“London takes pride in being a city of opportunity,” says Elvio Zaghi, environmental infrastructure principal in Stantec’s London, Ontario, office. “This award reinforces the city’s pride in being recognized across Ontario and Canada as a city of ingenuity, innovation, and invention.” The award was a Canadian Consulting Engineering Award of Excellence. The project is London’s Oxford Pollution Control Plant, the largest membrane biological reactor municipal pollution control plant in Canada. Stantec provided engineering services to study, design, and construct the plant, and by leveraging our expertise from across North America, a creative low-cost solution was identified and ultimately constructed to convert the existing plant. This affordable solution both tripled the capacity of existing tankage and improved treatment performance to tertiary-level (advanced contaminant removal) quality at an overall cost comparable to secondary (intermediate biological contaminant removal) treatment.

### Putting Healthcare First

Abbotsford Regional Hospital and Cancer Centre is British Columbia’s first Public-Private Partnership (P3) acute-care hospital and the first LEED® Gold-certified acute-care hospital in Canada. It recently won first place in the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Technology Awards, Healthcare Facilities category. Stantec provided full mechanical engineering services for this new, modern healthcare center in the Fraser Valley, including HVAC, plumbing, medical gas, and fire protection.

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| 1 | 2 |
| 3 | 4 |
1. Harvard Soccer/Lacrosse Stadium at Soldiers Field  
*Boston, Massachusetts*
  2. Central Manchester Hospitals  
*Manchester, England*
  3. Oxford Pollution Control Plant Expansion  
*London, Ontario*
  4. Abbotsford Regional Hospital and Cancer Centre  
*Abbotsford, British Columbia*  
Architect: Musson Cattell Mackey Partnership  
*LEED® Gold-certified*





# PERFORMANCE AND GOALS

2011-2012 ACTION PLAN			
Targets	Deadline	2011 Performance	Status
<b>Governance, Management, and Accountability</b>			
Further formalize the Executive Sustainability Steering Committee's mandate, membership, and operations	2011	We continue to explore mechanisms to enhance and formalize effective executive oversight of sustainability commitments. (see page 28)	✓
Launch a Sustainable Operations Steering Committee	2011	We did not achieve this formality in 2011, although the underlying goal of enhanced communication and collaboration pertinent to sustainability objectives was advanced. Going forward, we expect to further develop formal and informal mechanisms to build more effective interdepartmental relationships. (see page 28)	✓
Develop a comprehensive sustainability stakeholder engagement, analysis, and materiality process	2011	Efforts ongoing. (see pages 22 to 27)	⇒ 2012
Evaluate the feasibility of third-party assurance for our 2011 sustainability report	2011	We evaluated this option have decided not to pursue formal assurance at this time. However, we have engaged CBR to conduct a stakeholder roundtable to solicit feedback on this report. (see pages 9 and 27)	✓
Integrate sustainability goals into the corporate strategic plan	2012	Efforts ongoing. (see page 28)	➔
Increase sustainability awareness at the board level	2012	We continued our efforts to increase sustainability awareness at all levels within our organization. (see page 28)	➔
Upgrade our current Oracle 11i E-Business Suite to version 12i.	2012	Efforts ongoing. (see page 30)	○
<b>Our Clients</b>			
Establish functional, collaborative Integrated Sustainability Services teams in multiple priority areas of expertise	2011	Collaborative Integrated Sustainability Services teams have been established which coordinate and leverage our expertise in seven different client opportunity areas. Further exploration is needed to determine how to get them functioning more effectively. (see pages 37 to 39)	✓
Achieve accreditation by the American National Standards Institute (ANSI) for GHG verification under ISO 14065	2011	In February 2011, Stantec was awarded formal accreditation by ANSI for GHG verification under ISO 14065. (see page 38)	✓
Achieve \$7.1 million in gross revenue from sustainability projects (a 50 percent increase compared to 2010)	2011	In 2011, we tracked \$6.4 million in gross revenue from sustainability projects. Due to challenges tracking sustainability projects, this amount only represents a portion of such revenue. (see page 38)	✓
Enhance our system for tracking sustainability projects	2011	We continue to work on making our tracking system more effective. (see page 38)	⇒ 2012
Develop an effective system for tracking sustainability business pursuits	2012	Efforts ongoing. (see page 38)	➔



2011-2012 ACTION PLAN			
Targets	Deadline	2011 Performance	Status
<b>Our Employees</b>			
Implement a more streamlined HSE incident reporting and management system	2011	Efforts ongoing. (see pages 49 to 50)	⇒ 2012
Reduce our total recordable injury rate (TRIR) to 0.60	2011	In 2011, our TRIR was 0.79. In 2012, our target is again to reduce our TRIR to 0.60. (see page 50)	✘
Work together with facilities that accounted for the greatest percentage of injuries in 2011 to develop and implement site-specific safety improvement plans.	2012	Efforts ongoing. (see page 50)	○
Improve our safety orientation program for new employees to better educate them about HSE responsibilities and program requirements.	2012	Efforts ongoing. (see page 50)	○
Create a senior role focused on employee diversity and inclusion	2011	We assigned an employee to the role of Director, Diversity and Inclusion. (see page 46)	✓
Roll out a new anti-corruption learning module for employees.	2012	Efforts ongoing. (see page 53)	○
<b>Our Partners</b>			
Consider approving a Supplier Diversity Policy.	2012	Efforts ongoing. (see page 56)	○
<b>Our Communities</b>			
Donate at least 1 percent of our annual pretax profits to charitable and nonprofit organizations	2011	Cash donations made in 2011 through our CI program totaled \$901,000, representing 1.8 percent of our annual pre-tax profits, almost double our goal. (see page 63)	✓✓
Develop a Company-wide program to encourage employee volunteerism	2011	Our Dollars for Doers program was rolled out to all of our offices. (see page 64)	✓
Complete a thorough evaluation of our Community Investment program, including our focus areas, partners, and outcomes	2011	Due to a key personnel change, this will now be undertaken in 2012. (see page 64)	⇒ 2012
Donate at least 1 percent of our annual pretax profits to charitable and nonprofit organizations	2012	Efforts ongoing. (see page 63)	○

2011-2012 ACTION PLAN			
Targets	Deadline	2011 Performance	Status
Our Environment			
Complete a GHG emissions inventory of our North American operations (scope 1 and 2), with more than 95 percent of offices reporting local data	2011	Approximately 98 percent of our offices reported local data for inclusion in our 2011 GHG emissions inventory. (see page 70)	✓✓
Complete an environmental footprint of our North American operations	2011	Concurrently with our carbon footprint, we completed an environmental footprint of our North American operations. (see page 71)	✓
Implement and successfully register an organization-wide EMS to the ISO 14001:2004 standard	2011	In September 2011, we successfully completed a certification audit for ISO 14001 by BSI Management Systems. We received our official ISO 14001 certification in January 2012. (see page 68)	✓
Develop a GHG emissions reduction strategy	2011	As part of our ANSI accreditation process, we developed an in-house GHG Management System, which we apply internally to support improved GHG management, reduction, and disclosure. (see pages 38 and 68 to 70)	✓
Establish a set of time-bound environmental improvement targets	2011	Our ISO 14001 EMS includes time-bound environmental improvement targets. (see page 68)	✓
Reduce paper use by switching to electronic paystubs	2011	We now offer electronic paystubs in both Canada and the US, where 97 percent of our employees are located. (see page 74)	✓
Get 2,500 employees to participate in Stantec's Cool Commute Challenge (CCC), thus avoiding commuting to work via a single-occupant vehicle for at least one day	2011	Employee participation in the CCC increased by 10 percent from approximately 2,000 in 2010 to 2,200 in 2011, though we did not reach our goal of 2,500. (see page 78)	✓
Reinstate our automatic computer hibernation program	2011	In June 2011, we implemented the Green Planet power management tool on all Company desktops and PCs. (see page 74)	✓
Reduce the need for business travel and commuting by increasing employee access to collaborative remote communication tools	2012	In 2011, we rolled out Lync, an instant messaging program with video chat capabilities, to all Stantec staff. In 2012, we plan to upgrade to the latest version of Sharepoint. (see pages 76 to 77)	➡
Develop an interactive database to streamline the collection and reporting of environmental data	2012	In 2011, we developed a more interactive database which achieved these two goals. (see page 72)	✓✓
Increase the consistency of office-level environmental data	2012	Our enhanced database contributed to increased consistency of office-level environmental data. (see page 72)	✓✓
Increase the number of our offices that meet a LEED-certified standard to nine	2012	In 2011, we added two new LEED-certified offices and vacated one, leaving us with eight LEED-certified offices in total. (see page 73)	➡
Reduce per capita energy consumption by 4 percent from 2010 baseline data	2012	Efforts ongoing. (see page 74)	○
Reduce per capita paper usage by 10 percent from 2010 baseline data	2012	Efforts ongoing. (see page 75)	○
Increase percentage of 100-percent post-consumer recycled paper to 60 percent of paper purchased	2012	Efforts ongoing. (see page 76)	○
Reduce per capita waste generation by 5 percent from 2010 baseline data	2012	Efforts ongoing. (see page 75)	○

## LEGEND

✓✓	Exceeded/Achieved ahead of schedule	➡	On track
✓	Achieved	➡	Deadline extended
✓	Partially achieved/Achieved after schedule	○	New goal
		✗	Not achieved



1. BC Place – New Roof with Interior and Exterior Enhancements  
 Architect: Stantec Architecture Ltd. in association with Cannon Design (Turf & Seating)  
 Vancouver, British Columbia



# WHAT MATTERS MOST

As a diverse and global company, it can be challenging to determine which sustainability issues matter most and are, thus, the most important to address. To help us decide where to focus our sustainability efforts, we continually engage with the people and organizations that have the greatest influence on the success of our business and are the most directly affected by our operations and activities—our stakeholders. By engaging with our stakeholders and identifying their key concerns and priorities, we can then use this information to help us decide which sustainability initiatives to prioritize.

Our three primary stakeholder groups are our shareholders, our clients, and our employees. Our shareholders help determine the external valuation of our Company, are impacted by our existing and anticipated financial performance, and hold us accountable for improved performance in all areas. Our clients drive our business and can be directly affected by anything that could impact the quality of our services. Our employees are our most important competitive resource and are essential to driving organizational success; therefore, keeping them engaged and motivated is critical.

A growing number of our clients and institutional shareholders are enhancing their sustainability commitments and standards and are thus making the companies they are engaged with increasingly accountable for sustainability performance. We are also seeing increased support for sustainability

values among our employees, prospective employees, and individual shareholders. To build and maintain strong relationships with all of these groups, it is essential that we advance sustainability initiatives and continuously improve our sustainability performance.

As we continue to grow, two additional stakeholder groups, our partners and our communities, are becoming increasingly important. By building partnerships with small and diverse businesses as well as with Aboriginal communities and governments, we can augment our expertise and better support our clients' needs. Building strong relationships with the communities in which we work is becoming more critical as citizens grow to expect greater transparency, accountability, and engagement from corporations in all industries.

We recognize that our vision can only be realized by maintaining a balance of interests among all of these stakeholder groups and by encouraging each of them to provide valuable input to support continued operational improvements. This annual sustainability report is a key vehicle for communicating with all of our stakeholders about our sustainability priorities, commitments, and performance and it provides a foundation for stakeholder engagement. This report has thus been primarily organized around the five stakeholder groups above.



## STAKEHOLDER ENGAGEMENT

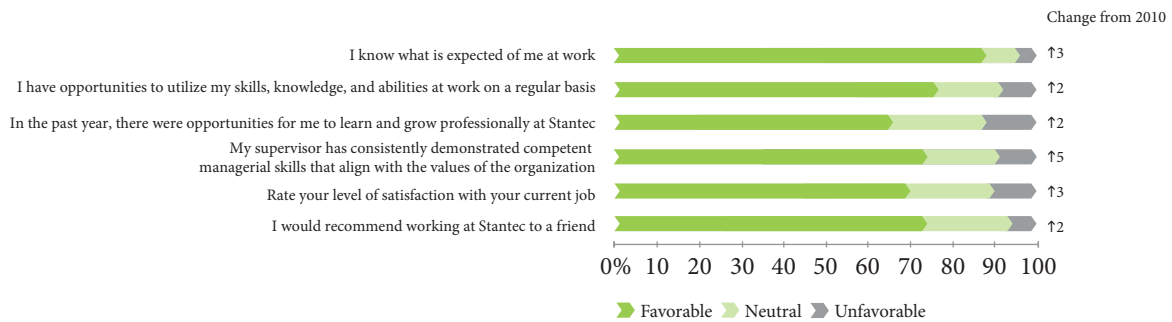
We engage with our key stakeholder groups in a variety of ways. We use traditional media, such as interviews of and articles by Company leaders and subject-matter experts in publications, and interactive social media, such as our blog, Twitter, and Facebook, to engage with a variety of stakeholders. A third-party monitoring service has rated our social media outreach as above average. For an overview of our key stakeholders and our specific approaches to engaging with each of them, see the table below.

We regularly respond to requests for sustainability disclosures from investors, analysts, and clients. Such requests typically ask us to complete a detailed survey regarding our sustainability policies, practices, and performance. From our end, our practice leaders are required to conduct a minimum of four client feedback surveys each year, and the results of these surveys are shared with regional and practice area unit leaders.

To continually assess the health of our organization and to uncover opportunities for improvement, we conduct annual employee surveys. Because our employees know our Company best, we highly value their suggestions and the roles that they may play in driving improved practices. Once a year, we distribute a confidential online employee survey to gather feedback on important issues such as career development, leadership performance, and workplace satisfaction. For some key results from the 2011 employee survey, see the table on the next page.

STANTEC'S ONGOING ENGAGEMENT APPROACHES WITH KEY STAKEHOLDERS	
Stakeholder Group	Engagement Approach
Shareholders	<ul style="list-style-type: none"> <li>Investor meetings (e.g., annual general meeting, conference calls)</li> <li>Investor publications (e.g., financial review, quarterly reports, completed disclosure requests)</li> <li>Participation in investor events</li> </ul>
Clients	<ul style="list-style-type: none"> <li>Client feedback interviews and surveys</li> <li>Client meetings and events</li> <li>Print and electronic communications (e.g., business review, brochures, publications, completed supplier questionnaires)</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Annual online employee feedback survey</li> <li>Internal communications (e.g., Inform quarterly print newsletter, emails, Company intranet, SharePoint sites, staff events)</li> <li>Sustainability Engagement program (see pages 77 to 79)</li> <li>Training programs (see pages 53 to 55)</li> </ul>
Partners	<ul style="list-style-type: none"> <li>Supplier Diversity program (see pages 56 to 57)</li> <li>Aboriginal partnerships (see pages 56 to 61)</li> </ul>
Communities	<ul style="list-style-type: none"> <li>Community Investment program (see pages 62 to 67)</li> <li>Employee volunteerism (see page 64)</li> <li>Local, national, and international sponsorships</li> </ul>

KEY RESULTS FROM 2011 GLOBAL EMPLOYEE SURVEY



Favorable responses were up compared to 2010 in every one of the 14 overall performance criteria surveyed, which demonstrates that we have successfully listened to and responded to the majority of our employees’ needs. The 2011 survey results highlighted three key priority areas where our employees felt that we can improve overall as an organization. For a list of these priority areas along with associated actions and targets, see the table below.

After an extensive review of the 2011 employee survey results, our Human Resources team worked with leadership to develop goals and action plans to address priority issues for the Company as a whole. In addition, our regional leaders worked closely with business unit leaders to develop action plans to address concerns at the regional and local level. We have been working on implementing these plans throughout the year.

We encourage our regional, sector, and practice leaders to solicit input on our strategy from employees and then to share the best ideas with our Executive Leadership Team. In November 2011, we invited all these leaders from across the Company to attend a leadership forum in Denver, Colorado, to share and discuss ideas together and to help shape our strategic plan.

We are continually exploring ways to more consistently and effectively communicate with our employees. In 2012, we will develop a communication-focused performance metric for senior leadership, with each senior vice president required to report on their office visits so we can measure their effectiveness in having more face-to-face meetings.

KEY PRIORITIES IDENTIFIED FROM 2011 EMPLOYEE SURVEY		
What Our Employees Want	What We’re Doing	Performance Targets
To know more about Stantec’s strategic plan and our vision for the future.	We communicate Stantec’s strategic plan to employees via our quarterly employee magazine, our intranet, eBulletins, and leadership office visits.	In 2012, we will launch our improved community pages on our Company intranet, StanNet, which will help to support improved two-way communication and collaboration.
A well-defined career path for various job functions at Stantec to help them more clearly understand what options they have to build their career with the Company.	We are developing clear career path documentation for each of the job functions within Stantec.	In 2012, we plan to create distinct career path streams that are equally valued in terms of fiscal authority, responsibility, and growth and compensation potential.
To be compensated fairly and to have access to a competitive benefits program.	We have a dedicated Compensation team that reviews market data on a regular basis so that we can accurately benchmark our total compensation package with our industry peers and ensure that we remain competitive. Our analysis shows that, overall, we are at or above our industry peers in nearly all areas.	We will continue to conduct regular reviews of industry data and to make adjustments as required to ensure that we remain competitive. We also aim to remain transparent about our compensation and benefits program.



## MATERIALITY ANALYSIS

We measure and report on our sustainability performance because we believe that what gets measured gets managed. To confirm that our sustainability initiatives are appropriately focused, we are developing a more systematic approach to evaluate and prioritize the materiality of issues that are of greatest importance to our business and our key stakeholders. In consideration of changing business and stakeholder needs, we aim to review our material issues annually. This will help us confirm that our sustainability priorities remain relevant and focused as our Company continues to grow and evolve.

Following on work started in 2010, we continue to advance a process of strengthening our materiality assessment practices. We considered a broad range of sustainability issues using indicators primarily derived from the GRI G3 sustainability reporting guidelines and the Ceres Roadmap for Sustainability. We then assessed the degree to which each issue is important to our key stakeholders and may impact our environmental, social, and economic performance, as well as the extent to which Stantec has an ability to influence each issue. By categorizing issues that ranked as “medium” or “high” for each of these factors as “material” to Stantec, we identified an initial list of 15 material sustainability issues. For a summary of this analysis, see the table below.

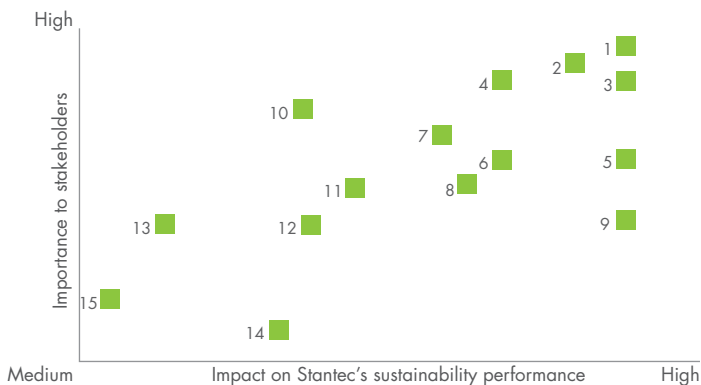
The table on the next page lists the 15 initial material issues identified in order of assessed relative importance and references the report section where further information on each issue can be found. Our intention is to prioritize measuring, evaluating, and improving our sustainability performance in these areas and to regularly refine or adjust our core focus areas as we gain insight from our key stakeholder groups.

Towards this objective, prior to releasing our 2010 sustainability report, we developed a short online survey focused on our sustainability efforts, performance, and communications. We invited all our employees to provide feedback via this mechanism to help us assess their key concerns and priorities regarding our sustainability strategy.

For this initial effort we attained a statistically significant response rate from employees, with almost 700 staff members completing the survey. In addition we undertook a pilot version of this survey with a small sample of our key clients and investors. While this pilot survey was not statistically significant as it had less than 10 respondents from each group, the effort yielded preliminary feedback and a useful basis from which to develop more robust external stakeholder outreach in the future.

In addition to other questions, each stakeholder was asked to rank the 15 preselected material sustainability issues according to relative importance to them. Their input was informative in refining our material topics and priorities. For the results of this exercise, see the table on the next page.

STANTEC'S MATERIAL SUSTAINABILITY ISSUES



Numbers correspond with Stantec's 15 material sustainability issues listed in the table on page 26

STANTEC'S MATERIAL SUSTAINABILITY ISSUES			
#	Sustainability Issue	Ranking by Employees	Report Section
1	Financial revenues	13	Pages 32 to 33
2	Executive level accountability of sustainability issues	10	Page 28
3	Sustainability policies and management systems	6	Pages 29 to 31 and 68
4	Stakeholder engagement and dialogue	15	Pages 22 to 27
5	Client satisfaction, respect, and confidentiality	8	Pages 23 and 89
6	GHG emissions, management, and reduction	7	Pages 69 to 70
7	Employee training and career development	3	Pages 53 to 55
8	Waste generation, management, and reduction	1	Pages 71 to 79
9	Integrating sustainability into our services	4	Pages 36 to 41
10	Employee equity and diversity	11	Pages 46 to 48
11	Occupational health and safety	9	Pages 49 to 50
12	Community investment and involvement	5	Pages 62 to 67
13	Employee benefits and wellness programs	2	Pages 51 to 52
14	Board oversight of sustainability issues	14	Page 28
15	Sustainable supply chain management	12	Pages 56 to 57 and 76

Going forward, we aim to increase engagement with employees, clients, investors, and other key stakeholders who will help us confirm that our sustainability strategy is focused on both who and what matters most.

To that end, in 2012, we will expand distribution of the invitation to complete our revised sustainability survey. By promoting this survey through various traditional and social media avenues, we expect to solicit feedback from a greater and more diverse mix of our stakeholders. For example, we will explore more extensive means of reaching our investor community, such as by including a link to the survey in the proxy package we mail out to all of our investors. By better engaging with our key client account managers across the Company, we can gain feedback from more of our clients.

In 2012, we plan to solicit feedback via this survey as we promote the release of this sustainability report. This timing will enable us to use stakeholder feedback to inform our sustainability strategy and reporting for the subsequent year. For more information about this survey, see the back inside cover.

We are also evaluating means of strengthening our relationships with key stakeholders by developing a more systematic stakeholder engagement, analysis, and materiality approach. This approach will consider opportunities to engage with a more diverse mix of participants, as well as additional engagement opportunities, to confirm that our processes for materiality assessment focus on what matters most: discerning the main interests, expectations, and priorities raised by stakeholders; our significant economic, environmental, and social impacts; and our impact and influence on our stakeholders' assessments and decision making.

## > THIRD-PARTY ASSESSMENT

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We are also taking steps to gain more independent and informed feedback specifically focused on the structure, content, and quality of our sustainability report. This will help us to continually improve these reports and make them more useful for our stakeholders.

As a first step, we enlisted a third party to conduct a limited high-level assessment of our 2010 sustainability report. We engaged Canadian Business for Social Responsibility (CBSR), a member-led organization that works with companies to improve their social and environmental performance and to which Stantec belongs. CBSR reviewed our report, identified its key strengths and weaknesses, and assessed the degree to which it adhered to the 10 GRI principles for sustainability report content and quality. CBSR's findings and recommendations were outlined in an eight-page report provided to Stantec as well as in a one-page summary, which was published at the back of our 2010 sustainability report. We incorporated several of CBSR's suggestions when preparing our 2011 sustainability report.

To assess our 2011 sustainability report and to determine whether we made progress in areas highlighted for improvement, we asked CBSR to convene a small advisory group made up of a few key stakeholders. This stakeholder roundtable reviewed a draft version of our report and presented feedback and recommendations during a half-day event held in Toronto in May 2012. The roundtable's findings and recommendations were included both in a report presented to Stantec, as well as in a short summary statement, which can be found on page 92. These suggestions will be taken into account when preparing our 2012 sustainability report.

Another avenue for gathering independent feedback on our annual sustainability report is by entering corporate reporting award competitions. Our 2010 sustainability report was the first one which we submitted for consideration for awards. We submitted it to the Canadian Institute of Chartered Accountants (CICA) Corporate Reporting Awards, as well as to the Corporate Register Reporting Awards. In the CICA awards, we were ranked second in the Sustainable Development reporting category for our industry group. For both of these competitions, we received constructive feedback from judges or voters as to the strengths and weaknesses of our report, which was used to plan for improvements to our 2011 sustainability report.

As described on pages 23 to 26, in 2012 Stantec will continue to evaluate means of strengthening our relationships with key stakeholders, as well as to develop systematic processes by which we can improve the materiality and quality of our sustainability reporting.

# GOVERNANCE AND MANAGEMENT

WE BRING VALUE TO OUR DIVERSE STAKEHOLDERS BY ENSURING GOOD GOVERNANCE, STRONG LEADERSHIP, AND EFFECTIVE MANAGEMENT OF ENVIRONMENTAL, SOCIAL, AND ECONOMIC ISSUES.

Our Sustainable Development (SD) group strives to achieve this vision on behalf of Stantec through two core objectives:

1. to build a leading sustainability consulting practice in the markets we serve, and
2. to integrate sustainability into our overall operations and everyday practices.

The SD group includes a small team of dedicated staff who collaborate with other teams across the Company to achieve these objectives. Our Vice President, Sustainable Development leads this group and holds operational responsibility for sustainability efforts, although overall accountability for sustainability performance still ultimately belongs to the Chief Executive Officer (CEO). For more information about the SD group and its initiatives, see pages 37 to 39.

During the past three years members of our Executive Leadership Team (ELT) have acted as an informal Executive Sustainability Steering Committee, championing sustainability efforts, holding senior leadership responsibility, and guiding the Vice President, Sustainable Development. Recognizing the ongoing need to strengthen both executive engagement and oversight, in 2012 we intend to explore opportunities to enhance and formalize these reporting mechanisms.

We are committed to continually improving our management and governance of sustainability issues. In 2011, to provide a platform for representatives from all corporate support groups (such as Human Resources, Financial Services, and Risk Management) to collaborate in setting and achieving sustainability goals, we planned to establish a Sustainable Operations Steering Committee. While we accomplished worthwhile steps towards the underlying goals of enhanced communication and collaboration, they did not result in establishing a formal committee. Going forward, we plan to further address this objective by assessing the most effective means of organizing interdepartmental relationships in the context of shared sustainability objectives and overlapping responsibilities. In 2012, we also plan to assess the most productive means of evaluating and approving sustainability goals and considering their integration into our corporate strategic plan, as well as to increase sustainability awareness at all levels within our organization.

We recognize that if we are going to truly embed sustainability into our organizational culture, we need to involve staff at all levels. This is why we have made it a priority to educate our employees on sustainability topics and engage them in sustainability issues via our companywide Sustainability Engagement program. For more information about this initiative, see pages 77 to 79.

## STANTEC'S SUSTAINABILITY VISION IS TO ACHIEVE THE FOLLOWING:

- Environmental Progress—Reduce our impact on the environment by progressing toward least-impact approaches to resource and energy use, waste, and emissions of carbon and toxins
- Social Progress—Engage with stakeholders and support the communities in which we operate
- Economic Viability—Demonstrate that our sustainability efforts lead to long-term business vibrancy and viability in concert with Stantec's overall vision, strategic plan, and business objectives



## > POLICIES AND PRACTICES

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Stantec's board of directors approves all policies that impact the stewardship or governance of the Company, and the COO approves all remaining Company policies. Employees agree to comply with Stantec's policies and practices via sign-off on their employment agreement at the point of hire as well as annually during their career development and performance review. Our Code of Ethics; Integrity; Majority Voting; and Health, Safety, and Environment policies are disclosed in the Investors/Governance section of our public website, [stantec.com](http://stantec.com). All other policies are published internally on our Company intranet.

Our Code of Ethics policy dictates that we conduct business in accordance with high ethical, moral, and legal standards, efficiently, in good faith, with due care, and in the best interests of the Company, its employees, its shareholders, and other stakeholders. Some of our other business conduct policies address issues such as human rights (e.g., our Harassment and Discrimination policy) and anticorruption (e.g., our Conflict of Interest and Insider Trading Prohibition policies).

Our Integrity Policy provides a number of media through which confidential complaints or grievances can be made.

Our corporate Sustainability policy underscores our long-time commitment to sustainability and articulates our approach to achieving our sustainability vision.

## > STANTEC SUSTAINABILITY POLICY

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Stantec is committed to being a leader and model of sustainability by doing business in a way that meets the needs of the present while contributing to an environmentally, socially, and economically sustainable future. This commitment is at the heart of how Stantec operates and how it delivers solutions to its clients and is vital to its long-term success in achieving its vision.



## INTEGRATED MANAGEMENT SYSTEM

At Stantec, our core commitment to technical, project management, and client service excellence forms the foundation for the growth and diversity of the organization. Our practice and quality management team, led by our Vice President, Practice and Quality Management, is committed to developing collaboration tools and systems, certified frameworks, and training modules that are strong enough to provide consistent, high-quality project delivery while maintaining the flexibility required to accommodate our diverse regions and practice areas as well as the ever-changing professional services environment.

Our formal Integrated Management System (IMS) provides a disciplined and accountable framework for managing risks, quality outcomes, and regulatory compliance across the Company. This IMS has been implemented and registered to three internationally recognized ISO standards:

- ISO 9001:2008 Quality Management Standard – aligns business processes with strategic objectives, provides a disciplined approach to managing risk, and promotes quality outcomes and management transparency
- ISO 14001:2004 Environmental Management Standard – promotes the reduction of the organization’s environmental footprint and drives regulatory compliance (see page 68)
- ISO/IEC 20000-1:2005 IT Service Management Standard – promotes the quality, consistency, reliability, and value of information technology services

*“The commitment of your firm’s leadership and design team was integral to our success in delivering a world-class system with functional capability for the 2011 hurricane season. Your dedication to quality and delivery has been evident, resulting in improved public safety and risk reduction.”*

—Walter O. Baummy Jr.

*New Orleans District, US Army Corps of Engineers*

Our IMS, in addition to our strong enterprise system, collectively helps us to manage our operations effectively and creates shared value as it

- Aligns critical business processes with strategic objectives
- Provides a disciplined, holistic approach to managing risks
- Supports operational effectiveness
- Promotes transparent accountability
- Provides a competitive differentiator
- Clarifies expectations for employees and management

As illustrated in the diagram on the next page, there are four distinct components that make up the IMS: business planning processes, service delivery processes, performance assessment processes, and review and improvement processes.

At the heart of the IMS is our 9-Point Project Management (PM) Framework that, along with the more detailed practice frameworks that exist in some practice areas, clearly conveys the steps employees must take to achieve more consistent and successful project outcomes.

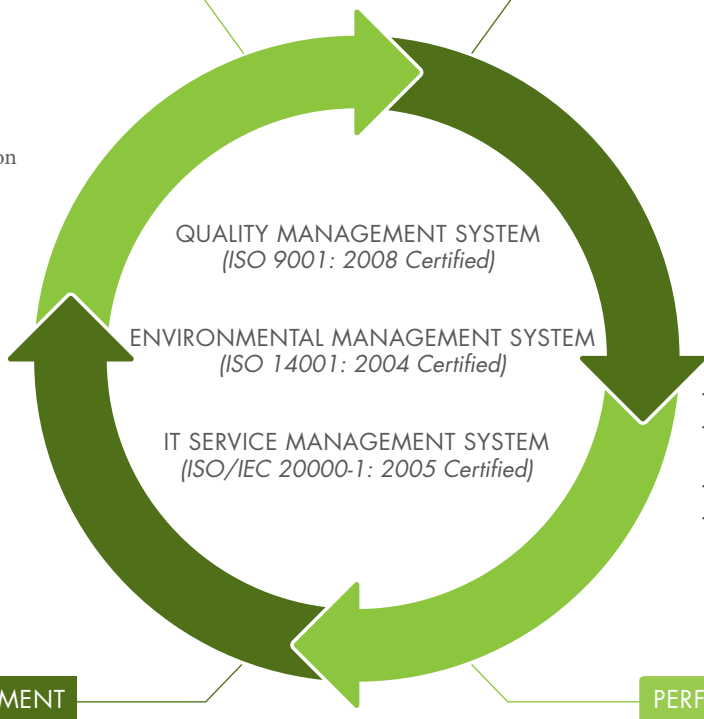
To optimize our backend business processes, in 2012, we plan to upgrade our current Oracle 11i E-Business Suite to the most recent version 12i. This will be the largest upgrade we have undertaken since first implementing Oracle in 2003. We also plan to develop an enterprise-wide Oracle project management system, scheduled for phased implementation in 2013.

**BUSINESS PLANNING**

- Strategic Plan
- Core Values
- Enterprise Risk Assessment
- Carbon Footprint Reduction Targets
- Business Continuity Management
- Policies
- Employee Orientation

**SERVICE DELIVERY**

- PM Framework
- Project Delivery Processes
  - 1 Contracting Practices (Client Agreements, Sub-consultants, Subcontractors)
  - 2 Project Execution Plan (Scope, Project Risk Assessment, Budget, Schedule, Resources)
  - 3 Record Control
  - 4 Health, Safety & Environmental Risk Assessment
  - 5 Project Controls & PM Dashboard
  - 6 Scope Management
  - 7 Quality Assurance Checking
  - 8 Mandatory Peer Review
  - 9 Project Close-Out
- Regulatory Compliance
- Career Development and Performance Review
- Sustainability Report
- IT Management Processes



**REVIEW & IMPROVEMENT**

- Management Review
- External Audit

**PERFORMANCE ASSESSMENT**

- Client Feedback Surveys
- Internal Practice Audit
- Improvement Plans

**INTEGRATED MANAGEMENT SYSTEMS CREATE VALUE:**

- Aligns critical business processes with strategic objectives
- Provides a disciplined, holistic approach to managing risks
- Supports operational effectiveness
- Promotes transparent accountability
- Provides a competitive differentiator
- Clarifies expectations for employees & management
- Creates scalable foundation for growth
- Promotes quality outcomes in services we deliver



# FOCUS ON OUR SHAREHOLDERS

WE BRING VALUE TO OUR SHAREHOLDERS BY MAINTAINING PROFITABILITY, REDUCING RISK, ENHANCING TRANSPARENCY, AND ENSURING THAT WE GROW SUSTAINABLY.

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We offer our shareholders a proven track record and the ability to grow while remaining profitable and working towards sustainability. Since our founding in 1954, we have achieved 58 years of consecutive profitability.

Continued financial success enables us to increase our revenue as well as our workforce by acquiring companies and hiring new staff, contributing to the overall strength of our economy while satisfying the expectations of our shareholders. We also direct some of our profits back into the communities where we work (see pages 62 to 67.)

Despite the ongoing challenges of the business environment, in 2011 we again delivered solid results. Once more, we ended the year with a strong balance sheet and an increase in operating cash flows, giving us the flexibility to continue to grow both organically and through acquisitions. At the same time, we achieved revenue growth and our Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) increased.

Thanks to our financial strength and confidence in our ability to generate sustained cash flow, in February 2012, Stantec's board of directors approved a dividend policy and concurrently declared our first quarterly dividend, payable on April 17, 2012, to shareholders of record on March 30, 2012. Our board of directors and management are confident in our ability to generate ongoing cash flow from operations, continue to grow revenue, and complete strategic acquisitions while providing enhanced shareholder returns.

In 2011, gross revenue increased 11.3% to \$1.7 billion (from \$1.5 billion in 2010). Net income was \$102.7 million, and diluted earnings per share increased 9.2% to \$2.25 (from \$2.06 in 2010), excluding a \$90 million noncash goodwill impairment in the fourth quarter. Our EBITDA increased 5.3% to \$195.7 million (from \$185.4 million in 2010).

For a complete look at our financial statements, see our 2011 Financial Review. For an overview of our corporate strategy, see our 2011 Business Review. Both of these publications can be found in the **Investors/Reports & Financials** section of [stantec.com](http://stantec.com).

## > 2011 HIGHLIGHTS

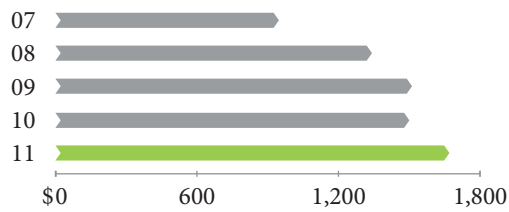
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- We were recognized as a Canadian Carbon Disclosure Leader for the second consecutive year.
- Our gross revenue increased 11.3% to \$1.7 billion.
- We completed our 58th year of uninterrupted profitability.

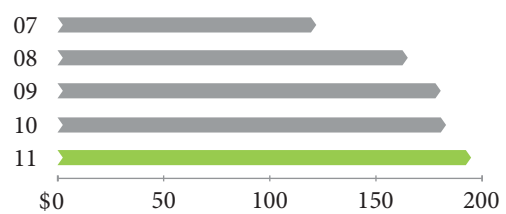




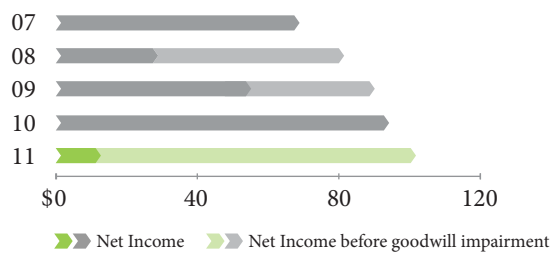
### GROSS REVENUE



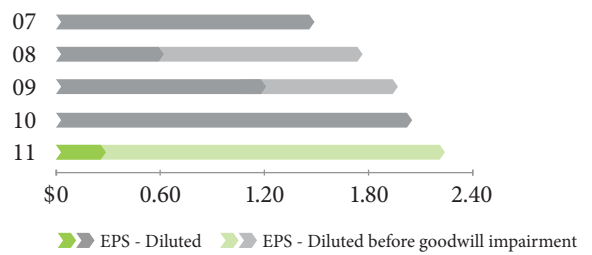
### EBITDA



### NET INCOME



### DILUTED EARNINGS PER SHARE



All charts represent millions of Canadian dollars, except for diluted EPS. 2011 and 2010 numbers are in compliance with IFRS. Prior years are not restated but are reported under CGAAP.

**GROSS REVENUE**  
**\$1.7**  
**BILLION**

**CANADIAN**  
**CARBON DISCLOSURE**  
**LEADER**

**COMPLETED**  
**58<sup>th</sup> YEAR**  
**OF UNINTERRUPTED**  
**PROFITABILITY**

> **SOCIALLY RESPONSIBLE INVESTMENT**

We regularly respond to requests for environmental, social, and governance information from the investment community. By responding to these requests, Stantec shares become eligible for inclusion in stock indices and portfolios that screen based on socially responsible investing (SRI) criteria. Stantec shares have been included in several SRI stock indices and portfolios.

For example, since 2007, Stantec has been included in the Jantzi Social Index (JSI). Compiled and maintained by Jantzi Sustainalytics, the JSI is a socially screened, market-capitalization-weighted common stock index modeled on the S&P/TSX 60. It is a select list of Canadian companies that pass a set of broadly based environmental, social, and governance rating criteria.

We continue to enhance our ability to disclose pertinent sustainability-related information to assist the growing group of investors who apply SRI screening criteria to their portfolios.

## > CARBON DISCLOSURE

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We recognize that to develop an effective greenhouse gas (GHG) reduction strategy, it is essential we are able to accurately measure our emissions. This is why we have devoted significant effort over the past few years to creating a sophisticated carbon management system. We publicly disclose our emissions by responding to an annual questionnaire from the Carbon Disclosure Project (CDP). Our disclosure on 2011 performance was our fourth CDP report.

The CDP is an independent, not-for-profit organization that holds the largest database of primary corporate climate change information in the world. Since 2003, the CDP has been asking corporations to measure and disclose their GHG emissions, assess the potential risks and opportunities that climate change presents to their organization, and report on emissions reduction strategies. Signatories to the CDP include 655 institutional investors with combined assets of US\$78 trillion. In 2011, more than 3,700 of the world's largest companies (including 81% of the Global 500) responded to the CDP questionnaire. In Canada, the CDP request is distributed to 200 of the largest Canadian corporations as defined by market capitalization, known as the Canada 200.

As part of our report to the CDP, we assessed the potential risks and opportunities presented to our Company by climate change. For Stantec, climate change poses risks including

1. an increased likelihood that our projects will be interrupted or delayed because of unanticipated weather or environmental conditions or disruptions in material supply chains, and
2. an increased underestimation of project costs, along with higher operational costs, resulting from inflated prices for increasingly scarce resources.

Climate change also presents opportunities for increased demand for many of our services, such as GHG emission inventories and management plans; GHG verification; climate change vulnerability assessments and adaptation strategies; energy modeling, auditing, and analysis; design and retrofit of energy-efficient and climate-resilient facilities; renewable energy production; sustainable community planning; and air quality management.

In 2011, Stantec was selected for the CDP's Canadian Carbon Disclosure Leadership Index (CDLI) for the second year in a row, based on our disclosure for the 2010 reporting year. The CDLI includes the leading 10% of companies (20) from the Canada 200, ranked by carbon disclosure score. Stantec ranked #6 out of the top 20 Canadian leaders. The carbon disclosure score represents the quality and comprehensiveness of individual company responses, measuring both the quantity and depth of information provided.

For more information about the CDP or to view Stantec's response, visit [www.cdproject.net](http://www.cdproject.net).

# FOCUS ON OUR CLIENTS

WE BRING VALUE TO OUR CLIENTS BY PROVIDING FOCUSED PROJECT SOLUTIONS THAT ARE ECONOMICALLY VIABLE, SOCIALLY RESPONSIBLE, AND ECOLOGICALLY CONSCIENTIOUS.

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We support public and private sector clients in a diverse range of markets at every stage, from the initial conceptualization and financial feasibility study to project completion and beyond. Continually striving to balance economic, environmental, and social responsibilities, we are recognized as a world-class leader and innovator in the delivery of sustainable solutions.

We excel in sustainable design because of our ability to provide integrated, multidisciplinary consulting services—from developing strategic policies and programs for businesses and communities, to offering infrastructure design, commissioning, and monitoring—at every scale of built, natural, and organizational environments. We are committed to sustainability and encouraging responsible stewardship in every area of practice and across the value chain.

While sustainability concepts have long been incorporated in the services that we provide, sustainability planning and sustainable design have become much more systematic in recent years. Municipalities, government agencies, and firms, including many of our clients, are more frequently assessing the sustainability of their operations and implementing performance improvement strategies. As the market for focused sustainability services continues to grow, we are well positioned to compete for these projects.

We can add value for our clients by augmenting traditional technical solutions with enhanced sustainability elements, and because of our technical expertise, we can address sustainability challenges more strategically, thus bringing sustainability “down to earth.” Through provision of new sustainability services, we can open up additional dimensions in existing client relationships and engage with clients at a deeper, more strategic level.

Growing our sustainability business not only makes sense, it is also the right thing to do. As global resources continue to deplete rapidly and populations continue to climb, organizations around the world are expected to take greater responsibility for their sustainability impacts. To ensure health and prosperity for everyone, we must all do our part to reduce resource use, increase resource efficiency, and promote social equity.

## > 2011 HIGHLIGHTS

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- We were accredited by the American National Standards Institute for GHG verification under ISO 14065
- Our Sustainable Development team received double honors at Green Living Enterprise’s inaugural Awards for Excellence in Corporate Responsibility
- To support new client services, our internal research and development fund was increased by 50%, up to \$450,000



## > SUSTAINABLE DEVELOPMENT

To meet the evolving needs of our clients, in 2009, we established a Sustainable Development group, which is responsible for coordinating and growing Stantec's sustainability business. Professional sustainability services are inherently multidisciplinary, with most sustainability projects involving one or more of our conventional practice areas combining their services with specialized sustainability expertise to offer something in a unique way. Our core Sustainable Development group links to professionals and centers of expertise throughout Stantec to access, integrate, and finely match teams to meet client

challenges. Creation of this group was one more step in our evolution toward becoming a leading sustainability consultancy and continues to enhance our ability to advance the sustainability goals of our valued clients.

Our efforts to build and enhance Stantec's sustainability services are organized around seven unique client opportunity areas, listed below, each of which targets a key multidisciplinary sustainability issue that spans and advances all of our traditional or emerging services.

### STRATEGIC SUSTAINABILITY SERVICES

Drawing on our business planning and management disciplines, we help organizations integrate corporate and sustainability objectives spanning governance, strategy, communication, reporting, stakeholder engagement, community investment, and ultimately top-line and bottom-line excellence.

### SUSTAINABLE COMMUNITY AND LAND PLANNING

Applying our broad community, regional, and urban planning and consultation experience, we offer integrated or topical sustainability planning solutions to urban and rural communities.

### CLIMATE CHANGE

Through a wide range of technical and advisory services, we address challenges associated with climate change, including GHG emissions quantification and verification, mitigation planning, and adaptation strategies.

### ENERGY AND RESOURCE MANAGEMENT

We provide technical services for the assessment, planning, design, and implementation of alternative, renewable, or district energy, and other integrated resource management initiatives.

### NATURAL SYSTEMS

Stantec professionals provide assessment, planning, design, ecological engineering, reporting, and monitoring related to natural systems as the primary means to protect, enhance, or reclaim ecological integrity, biodiversity, and carrying capacity.

### BUILDING PERFORMANCE

We offer architecture and engineering solutions to advance our clients' building performance objectives through leading-edge design, modeling, policy development, auditing, commissioning, measurement, verification, and evaluation.

### WATER

Recognizing the importance of our water resources and the challenges we all face to protect this precious resource, we apply our broad expertise to help our clients proactively make complex decisions regarding water conservation, treatment, and management.

These sustainability client opportunity areas are advanced and coordinated by Integrated Sustainability Services teams drawn from a multidisciplinary group of professionals across the Company. Given the geographical distribution and diversity of these teams, efforts are ongoing to determine how to most effectively support them and leverage their potential.

Stantec is primarily focused on providing solutions that, in many cases, contribute to building more sustainable societies, and we have a longstanding focus on sustainability in all of our various disciplines. However, as described on page 37, we have recently made it a priority to develop new sustainability-oriented services in all of our disciplines. We have been exploring options to better gauge the growth of these emerging specialties and, in 2010, we established a preliminary mechanism for defining and tracking these uniquely designated sustainability projects. We set a goal for 2011 to increase our gross revenue from such sustainability projects by 50 percent compared to 2010, up to \$7.1 million. However, in 2011, changes to the organization as well as to financial tracking systems associated with sustainability reduced our potential to gather reliable data for these projects. Therefore, despite informal indications of continued growth in this area, only \$6.4 million in gross revenue from such projects were explicitly recorded in 2011. In 2012, we will explore alternative methods for better defining and thus tracking our sustainability business pursuits and better understanding associated financial implications.

In 2011, Stantec was awarded formal accreditation by the American National Standards Institute (ANSI) for GHG verification under ISO 14065. The ANSI certification is applicable to a broad spectrum of industries and provides accreditation for verifiers such as Stantec seeking to participate in a wide range of GHG programs and registries. Stantec provides services to clients that include assisting with the development of GHG emissions inventories in preparation for a formal verification by a third party, or acting as a third party to formally verify the client's GHG emission assertions. As part of the ANSI accreditation process, Stantec developed an in-house GHG Management System, which we have applied both internally and with several clients to support improved GHG management, reduction, and disclosure.

In 2011, Stantec's Sustainable Development team received double honors at Green Living Enterprise's inaugural Awards for Excellence in Corporate Responsibility, which celebrate corporate Canadians for outstanding work and dedication towards creating sustainable and ethical practices in business. Marty Janowitz, Stantec Vice President, Sustainable Development, captured an individual award for team leadership in the category of large companies in the financial, insurance, and professional services industries. Stantec's Sustainable Development team received an honorable mention in the same category. Judging was based on leadership and innovation, performance and results, and process. "These are actually awards for our exceptional Stantec team, including the core Sustainable Development team and our many collaborators in departments and offices across the company," says Marty. "Our team has shown tremendous commitment and creativity in moving the company towards sustainability."

Although we made definite progress in 2011 in increasing the coordination of sustainability services across Stantec, there is still much room for improvement. Building a globally integrated sustainability practice will continue to be a priority through 2012 and beyond.

## LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN

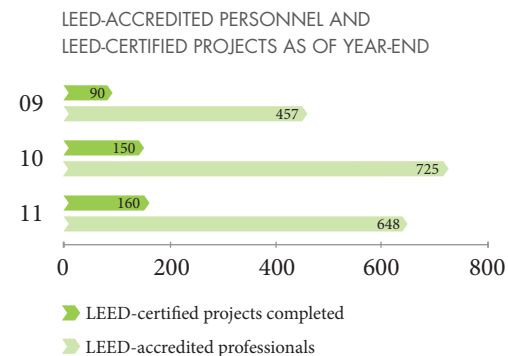
One of our strengths is designing leading-edge, high-performance sustainable buildings that meet or exceed the standards of Leadership in Energy and Environmental Design (LEED)—a rigorous, independent, third-party rating program that recognizes buildings for their incorporation of green design principles.

Stantec has an industry-wide reputation for green building design and one of the largest integrated building design teams in North America. Over the past three years, the number of our employees with LEED accreditation has increased from 457 in 2009 to 648 in 2011. Over the same period, the number of LEED-certified projects we have worked on has almost doubled from 90 to 160, and hundreds more projects are currently LEED registered (awaiting certification).

Stantec has achieved certifications for a wide variety of projects under a range of LEED rating systems. We contributed to the first phase of the Dockside Green mixed-use development project in Victoria, British Columbia, which earned a LEED Platinum designation with a world-record score of 63 out of 70 points. We

designed a new terminal for the Winnipeg International Airport, the first airport terminal in Canada to target LEED certification. We have also worked on several groundbreaking, “beyond LEED Platinum” net-zero energy and living buildings including the U.S. Department of Energy’s National Renewable Energy Lab (NREL) Research Support Facility in Golden, Colorado.

In addition to our work on LEED projects, we are helping to further develop the LEED standard. Stantec staff serve as faculty members on the Canada Green Building Council (CaGBC), providing training in LEED products, as well as on Technical Advisory Groups for the CaGBC and the United States Green Building Council, providing input for the development of new LEED standards and programs.



## FOCUS ON OUR PEOPLE: Marty Janowitz

Stantec’s sustainability initiatives are led by Marty Janowitz, Vice President, Sustainable Development. In 2011, Marty was named one of Canada’s Clean50 Outstanding Contributors to Clean Capitalism. Selected by Delta Management Group as one of a group of 50 individuals, he was recognized for his significant contributions to advancing the cause of sustainability and clean capitalism in Canada. In collaboration with other award winners, Marty contributed to producing 50 great ideas that will help accelerate Canada’s ability to become a more sustainable society.





## RESEARCH AND DEVELOPMENT

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Effective research and development will keep Stantec on the leading edge of new technology and emerging services, while building relationships with academic and industry partners. We have created an internal Research and Development (R&D) Fund to support priority initiatives that can improve our competitiveness. In 2011, this fund was increased by 50%, up to \$450,000 from \$300,000 in 2010.

In 2011, research and development funding was allocated to several innovative projects, all of which are expected to be complete by the end of 2012.

### Learning How to Care for Bears

One environmental monitoring project that received R&D funding may help to conserve grizzly bear populations across British Columbia. Our research team developed a noninvasive technique to determine which factors put the bear populations at greatest risk. By analyzing bear hair to see what metals were present, they could subsequently assess diet, contaminant exposure, and health risks in grizzlies. This breakthrough advances Stantec's position in ecological protection science.

### Power Not Gone with the Wind

Another project allocated funding in 2011 was an alternative power infrastructure project. Stantec is participating as a consultant in PowerShift Atlantic, a joint research and development project that aims to determine how utilities can more effectively integrate renewable energy sources such as wind, whose power generation capabilities can fluctuate more than traditional energy sources. PowerShift is investigating whether one solution may be to shift patterns of energy consumption through load control.

### Reducing Emissions by Reducing Trips

While many of Stantec's research projects are science and engineering experiments, some also explore social innovations that can help to accelerate the transition to sustainability. One such project funded in 2011 focused on developing a Transportation Demand Management (TDM) strategy for three of our own offices in the Metro Vancouver region. In 2012, the team will survey the commuting habits of Stantec employees and then will engage with them to determine the key barriers to increasing use of transportation modes with a reduced environmental impact. The intent is to create an implementation plan and monitoring framework, and then to implement initiatives to reduce the number of trips made by single-occupant vehicles. Another goal of this project is to create a modeling tool we can use to assist clients pursuing TDM strategies.

It is important for our professionals to stay up-to-date on the latest research in their field, and we provide support for them to do so. In 2011, Stantec subscribed to several online databases specializing in scholarly research articles focused on sustainability. Making current and high-quality technical literature available at no cost to all Stantec employees is one way that we are supporting employee awareness of and involvement in leading-edge sustainability research.



## > IN FOCUS: GOING RETRO

*Stantec is helping Maxxam Analytics achieve its sustainability goals*

### RETROCOMMISSIONING

*noun* a systematic investigation process for improving or optimizing a building's operation and maintenance.<sup>1</sup>

Retrocommissioning is one of several sustainability-related services Stantec provides to Maxxam Analytics, Canada's largest independent analytical laboratory services company. "We've had a long-standing relationship with Maxxam, having used their labs for environmental testing for many years," says vice president and sustainability lead Marty Janowitz. "We went from client to consultant when Maxxam wanted to improve its environmental performance. We outlined how they might develop a comprehensive sustainability strategy from the ground up."

Flash forward eight months and Maxxam had a corporate sustainability mission, vision, policies, and road map; buy-in from its leadership; and a newly-appointed director of sustainability. "We worked with Maxxam's executives at the strategic level," says Marty, "so we were able to get inside their thinking to understand where the business is going rather than just operating as vendors on a commercial level."

We then conducted environmental assessments on Maxxam's building portfolio, which includes office and testing facilities across Canada. We audited all building systems at the same time and made recommendations for improved sustainability performance.

Stantec's Sustainability team delivered a comprehensive final report to Maxxam, which established environmental baselines, outlined best practices, and provided recommendations in a diverse range of areas, including

- Operations (energy, water, waste and hazardous material, etc.)
- Sustainable procurement
- Community involvement and investment
- Accountability and transparency

We have the ability to help Maxxam with the diverse range of challenges outlined. Following the report, we were commissioned to complete detailed energy assessments for all their facilities across the country. We're also identifying innovative solutions, such as the latest in demand control ventilation, LED lighting systems, and high-efficiency boilers and cooling systems, to help them reduce energy use.

<sup>1</sup>Oregon Office of Energy, *Retrocommissioning Handbook for Facility Managers*, March 2001

## > FOCUS ON OUR PEOPLE: Paul Marmion

In 2011, the Green Building Certification Institute (GBCI) named Stantec's Paul Marmion to the inaugural class of LEED Fellows. The LEED Fellow Program is GBCI's new and most prestigious professional designation that recognizes exceptional contributions to green building and significant professional achievement within the rapidly growing community of LEED Professionals. Paul was among 34 of the world's most distinguished green building professionals to be selected as LEED Fellows through a peer nomination and portfolio review process.



# FOCUS ON OUR EMPLOYEES

WE BRING VALUE TO OUR EMPLOYEES BY SAFEGUARDING THEIR HEALTH AND WELL-BEING, INVESTING IN THEIR CAREERS, PROVIDING EQUAL OPPORTUNITIES, AND INSTILLING PRIDE IN THE WORK THEY DO.

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To achieve our vision of becoming a top 10 global design firm, we need to recruit and retain talented and motivated employees. Our people are our most important competitive resource and are essential to driving organizational success. We take great strides to ensure that we continually offer a dynamic, challenging, and rewarding work environment. Our employee practices and guidelines mandate fair and consistent adherence to regulatory requirements and applicable laws, support excellence in business and employee performance, and reinforce high employee engagement.

In 2011, we were proud to be selected for the first time as both one of Canada's Top 100 Employers by Mediacorp Canada Inc. and one of Canada's Ten Best Companies to Work For by the *Financial Post*. Both of these competitions recognize progressive and forward-thinking employers that offer terrific career advancement opportunities together with leading-edge employee perks and benefits. We were also recognized for the third consecutive year as one of Alberta's Top 50 Employers by

Mediacorp Canada Inc. For all of these competitions, employers are evaluated using criteria such as work atmosphere, employee benefits, performance management, training and skills development, and community involvement.

In addition, we were selected as one of Canada's Top Employers for Young People, again by Mediacorp Canada Inc., in recognition of our leading efforts to attract and retain younger employees. This demonstrates that we are providing our young employees with the tools and opportunities to build long, successful careers at Stantec.

Stantec strives to be one of the top employers to work for in every country in which we operate. Our Vice President, Human Resources oversees all employee matters including turnover, benefits, diversity and inclusion, and career development and training.

## > 2011 HIGHLIGHTS

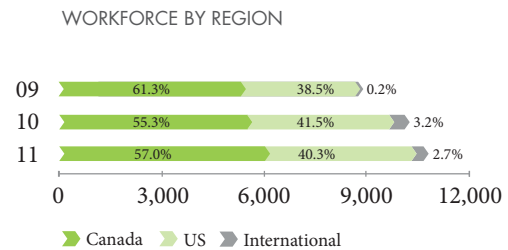
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- Stantec was selected for several top employer awards, including Canada's Ten Best Companies to Work For
- Our wellness program won two ClearAdvantage corporate wellness program awards in the US
- Stantec was one of the founding signatories of the Legal Leaders for Diversity and Inclusion initiative
- We initiated an "Emerging Leaders" program for employees with promising leadership potential



## WORKFORCE AND TURNOVER

Stantec's workforce is primarily made up of permanent, full-time employees, the majority of whom are professionals or technicians. Our number of in-house employees as of the end of 2011 was 10,819, a 6-percent increase as compared to 10,237 at the end of 2010. There were 533 contract employees that also supported our operations, bringing our total employee base to 11,352. Of our in-house employees, only 8 percent are on fixed-term or temporary contracts, and the remaining 92 percent are on indefinite contracts. In addition, only 772 (7 percent) of our in-house employees are part-time, working less than 37.5 hours a week, and the remainder (93 percent) are full-time. In total, 58 percent of our employees were located in Canada and 39 percent were in the US, with less than 3 percent of our employees based internationally.



Location	Permanent Employees		Temporary Employees		Contractors		Total		Grand Total	Percentage
	Female	Male	Female	Male	Female	Male	Female	Male		
Canada	2,002	3,728	126	307	65	361	2,193	4,396	6,589	58.1%
US	1,144	2,861	86	268	18	84	1,248	3,213	4,461	39.3%
International	64	176	16	41	1	4	81	221	302	2.6%
TOTAL	3,210	6,765	228	616	84	449	3,522	7,830	11,352	100.0%

This table includes inactive employees,\* thus the numbers differ slightly from those published in our 2011 Financial Review

\*For a definition of this and other terms, see the Glossary on page 90

Stantec values its employees and tries to retain its talent as much as possible. Before turning to layoffs, we review alternatives including job sharing, reduced work weeks, relocation of employees, temporary leaves, and appropriate access to government unemployment benefits programs to offset part-time employment. We regularly monitor turnover\* trends across regions, age groups, and gender, so that we can target improvement for groups with higher voluntary turnover.

We achieve much of our employee growth through the acquisition of professional consulting services firms. This type of growth is typically accompanied by higher staff turnover in the first three years following the completion of an acquisition.

Our Canadian employee turnover rates have continued to decrease over the past three years, with our 2011 rate remaining relatively stable at just under 16 percent. Our US employee turnover rate increased slightly from 13.9 percent in 2010 to 15.5 percent in 2011, though it remains substantially lower than the 28.5 percent turnover rate we experienced in this region in 2009.

From 2010 to 2011, turnover rates for employees under age 30 increased almost 6 percentage points, which we largely attribute to an improved North American economy and, thus, more opportunities. Turnover rates for employees in our international locations increased significantly from 9.5 percent in 2010 to 48.2 percent in 2011. This increase was expected as we realigned our international workforce in response to extremely challenging economic conditions.

One key tool for improving staff retention is our annual career development and performance (CDPR) review process. By helping to align employee career goals with organizational goals, it can increase employee engagement and thus reduce voluntary turnover. For more information about our CDPR program, see page 54. Other key tools for improving staff retention include supervisory and leadership development, business unit action plans, and exit interviews. Our annual employee survey is a critical tool for measuring staff engagement and holding leadership accountable for addressing the reasons behind voluntary employee turnover.

\*For a definition of this and other terms, see the Glossary on page 90

2011 TURNOVER FOR NEW EMPLOYEES				
	New Employee Hires Entering Stantec		New Employee Hires Leaving Stantec	
	Number	% of total employees	Number	% of new hires
<b>Breakdown by Age</b>				
Under 30	443	25.0%	35	7.9%
Age 30 to 50	632	11.6%	60	9.5%
Over 50	176	6.4%	21	11.9%
<b>Breakdown by Gender</b>				
Female	413	12.8%	40	9.7%
Male	838	12.3%	76	9.1%
<b>Breakdown by Region</b>				
Canada	890	15.5%	82	9.2%
US	275	7.0%	26	9.5%
International	86	23.8%	8	9.3%
<b>TOTAL</b>	<b>1,251</b>	<b>12.5%</b>	<b>116</b>	<b>9.3%</b>

EMPLOYEE TURNOVER BY YEAR						
	2009		2010		2011	
	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees
<b>Breakdown by Age</b>						
Under 30	251	15.7%	234	13.5%	339	19.1%
Age 30 to 50	1,060	22.8%	844	15.9%	976	17.8%
Over 50	508	24.3%	338	13.5%	357	12.9%
<b>Breakdown by Gender</b>						
Female	600	22.0%	498	16.1%	569	17.7%
Male	1,219	21.8%	918	14.2%	1,103	16.2%
<b>Breakdown by Region</b>						
Canada	898	17.6%	840	15.9%	892	15.6%
US	909	28.5%	547	13.9%	606	15.5%
International	12	44.4%	29	9.5%	174	48.2%
<b>TOTAL</b>	<b>1,819</b>	<b>21.8%</b>	<b>1,416</b>	<b>14.8%</b>	<b>1,672</b>	<b>16.7%</b>



## DIVERSITY AND EQUAL OPPORTUNITY

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We are committed to providing a working environment which values diversity and offers equal opportunity. We recognize that a diverse workforce will help ensure that we have the breadth of talent, perspectives, and experiences needed to succeed in our global workplace. We aim to maximize each employee's potential by creating a productive environment in which diverse ideas are respected and diverse skills are fully utilized. In 2011, we assigned an employee to the role of Director, Diversity and Inclusion to ensure that due attention is paid to this topic.

We support and participate in a variety of diversity and inclusiveness initiatives across the Company. We make efforts to ensure that our workplaces are accessible for people with physical disabilities. When feasible, Stantec makes special provisions to accommodate employees with diverse backgrounds and abilities. For example, select offices have a designated quiet room to make it easier for staff to practice religious rites in privacy and comfort during the day. Stantec's flexible work schedules and support for telework facilitate employment for parents, the disabled, and the sick or injured.

We have been recognized for our efforts by being named as one of Canada's Best Diversity Employers in 2010 and 2012, though we did not win this award in 2011.

Our diversity and inclusion strategy is focused on strengthening our processes in the following areas:

- Recruitment and retention
- Diversity awareness and training
- Communications and engagement
- Supplier diversity

### Recruitment and Retention

In an effort to reach a more diverse pool of job candidates, we now post our opportunities on more than 50 diversity job sites. Through our reporting tools, we determine which groups of candidates may lie outside of our primary recruitment pools, then we use this information to support our targeted outreach strategy.

In our competitive job market, we recognize that we need to play an instrumental role in developing future talent. Stantec is a strong supporter of Women in Scholarship, Engineering, Science, and Technology (WISEST), which aims to engage and advance women in science and engineering. We partner with a number of community organizations to recruit new immigrants. We also support summer programs for youth with the National Organization of Minority Architects.

### Diversity Awareness and Training

We provide online staff training in Equal Employment awareness and workplace harassment.

### Communications and Engagement

We continually communicate and engage with employees on the progress of our diversity and inclusion initiatives.



## HARASSMENT AND DISCRIMINATION POLICY

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Stantec prohibits harassment or discrimination of an employee on the basis of characteristics such as race, sex, gender, color, creed, religious beliefs, citizenship status, national origin, place of origin, age, marital status, sexual orientation, or physical or mental disability. The Company is committed to creating and maintaining a working environment that is free of such objectionable and disrespectful conduct. Harassment or discrimination of or by employees, clients, or visitors of Stantec shall not be tolerated. Any person who engages in harassment while acting as an employee of Stantec or while at a Stantec workplace is in violation of this policy. The term "workplace" includes both Stantec premises and off-site locations.

## Supplier Diversity

Stantec is committed to supporting small and diverse businesses in the communities in which we work. For more information on our supplier diversity program, see pages 56 to 57.

Below are some examples of our recent diversity initiatives.

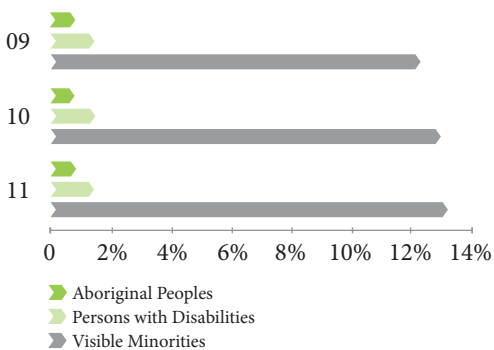
- In 2011, Canada's general counsel community launched Legal Leaders for Diversity and Inclusion, an initiative to promote diversity. Stantec's Vice President and Corporate Counsel signed the pledge, making us one of over 40 founding signatories and publicly demonstrating our commitment to diversity.
- Our staff has been involved in attending national conventions, recruiting, and participating in activities with organizations including the National Society of Black Engineers, the Society of Hispanic Professional Engineers, and the Society of Women Engineers.
- To support diversity hiring initiatives, we have significantly increased our involvement with organizations such as the Edmonton Region Immigrant Employment Council and the Alberta Association for Community Living (AACL). The AACL is a family based nonprofit federation that advocates for meaningful community inclusion on behalf of children and adults with developmental disabilities and their families. Stantec has been actively involved with AACL through the hiring of five persons with developmental disabilities in our Edmonton, Alberta, office.
- In Canada, Stantec participates in the Employment Equity program administered by the federal government.

The diversity and demographics of our workforce can shift significantly over time due to new acquisitions. Over the past three years, the percentage of Canadian employees from minority groups increased slightly, from 14.5 to 15.5 percent. Over the same period, the percentage of US employees from ethnic minority groups decreased from 14.0 to 12.4 percent.

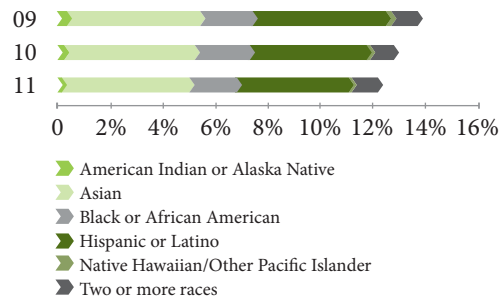
Over the past three years, the percentage of women in management positions has increased, while the percentage of visible minorities has decreased and the percentage of disabled people has remained relatively constant. Over the same period, we have seen a significant increase in the percentage of managers between age 30 to 50, along with a corresponding significant decrease in the percentage of managers over age 50. This is likely due to increased retirement rates because of an aging workforce in North America, which underscores the importance of succession planning.

We believe that having management and leadership groups that are more representative of our communities is important because it demonstrates to employees that upward mobility at Stantec is based on ability. We currently have two women on our 19 member Executive Leadership Team as well as two women on our nine-member board of directors. While we recognize that gender balance and workforce diversity are industry-wide challenges, Stantec is proactively working to increase the representation of women, the disabled, and people from minority groups at senior management levels.

CANADIAN WORKFORCE BY MINORITY GROUP MEMBERSHIP



US WORKFORCE BY MINORITY GROUP MEMBERSHIP



MANAGEMENT POSITIONS BY DIVERSITY INDICATORS												
	2009				2010				2011			
	Frontline Manager	Middle Manager	Senior Manager	TOTAL	Frontline Manager	Middle Manager	Senior Manager	TOTAL	Frontline Manager	Middle Manager	Senior Manager	TOTAL
<b>Breakdown by Age</b>												
Under 30	0.4%	0.2%	0.0%	0.3%	0.8%	0.2%	0.0%	0.6%	0.8%	0.0%	0.0%	0.5%
Age 30 to 50	52.0%	30.0%	21.6%	44.4%	64.5%	43.5%	27.9%	56.5%	63.7%	42.4%	23.4%	55.6%
Over 50	47.6%	69.8%	78.4%	55.3%	34.8%	56.3%	72.1%	42.9%	35.5%	57.6%	76.6%	43.9%
<b>Breakdown by Minority Group Membership</b>												
Female	18.3%	6.2%	4.9%	14.3%	20.2%	8.9%	5.3%	16.2%	20.4%	9.9%	4.5%	16.6%
Visible Minority	11.0%	4.8%	3.9%	8.9%	8.1%	4.7%	4.4%	6.9%	7.6%	5.2%	3.6%	6.7%
Disabled	0.8%	0.6%	0.0%	0.7%	0.6%	0.6%	0.0%	0.6%	0.6%	1.0%	0.0%	0.7%
Veteran (US only)	-	-	-	-	-	-	-	-	1.9%	2.1%	3.6%	2.0%

All data excludes contractors. Disabled and visible minority status is currently tracked in the US and Canada only. Visible minority status includes all racial and indigenous groups.



## > OCCUPATIONAL HEALTH AND SAFETY

We are committed to providing and maintaining a healthy and safe workplace and to responsibly managing the environmental aspects of our business. As such, our Health, Safety & Environment (HSE) program is intended to reduce risks to people, the environment, and our business. The program is designed to help workers identify and take the appropriate steps to evaluate and manage hazards, risks, and opportunities.

Our corporate HSE team, led by our HSE Director, works collaboratively with our various practice areas with the goal of reducing our recordable incident rate to zero. We have a regional safety and environment coordinator in each of our four major operating regions. Local Office Safety and Environment Coordinators (OSECs) facilitate the day-to-day operation of the HSE program by collecting and distributing information and encouraging the use of effective practices. We also have a workers' compensation claims coordinator for both Canada and the United States. Ultimate responsibility for HSE matters rests with our Vice President, Practice & Quality Management.

The following key elements comprise Stantec's HSE program:

- Risk and hazard identification. This program element includes task inventories, job hazard analyses, identification of environmental aspects and potential impacts, site assessments, analyses of client requirements, and inspections.
- Evaluation. This element involves analysis of risks associated with each hazard or impact, legal reviews, identification of items requiring action, and establishment of priorities.
- Management and control. This element includes
  - **Planning**—determining objectives, setting targets, preparing action plans, writing procedures, developing emergency response plans, and identifying required resources
  - **Implementation**—assigning appropriate responsibilities and resources for implementing plans and communicating required information
  - **Monitoring and measurement**—reporting incidents, conducting investigations, maintaining records and statistics, and preparing reports to leadership

The HSE program applies to all employees, including independent contractors, working for all Stantec operating companies. All workers, with respect to the services they provide on behalf of Stantec, are responsible and accountable for health, safety, and environmental performance and are expected to understand and comply with health, safety, and environmental practices.

Despite many challenges, we made several improvements to our HSE program in 2011:

- We updated the Corporate HSE Manual to represent a more comprehensive safety system and to better comply with applicable legislative and regulatory requirements.
- We developed and implemented an OSEC training and qualification program
- We developed a comprehensive Workstation Ergonomics program to address an increase in injuries associated with employee workstations. This included a Workstation Ergonomics Safe Work Practice as well as an online tutorial designed to guide employees through the steps necessary to minimize ergonomic hazards.
- In an effort to increase safety awareness and engagement at a local level, Office Safety Committees were created at the Irvine, California, and Lexington, Kentucky, offices. These offices will be used to test safety culture programs and systems for potential deployment at other sites.
- We developed a Subcontractor Prequalification System designed to evaluate and preapprove subcontractors and subconsultants, significantly reducing potential liability associated with unsafe job performance.

HSE INCIDENT RATE SUMMARY									
	Canada			US			All Regions		
Year	Lost Time Days*	TRIR*	LTIR*	Lost Time Days	TRIR	LTIR	Lost Time Days	TRIR	LTIR
2009	125	0.84	0.37	71	0.62	0.06	196	0.74	0.23
2010	14	0.78	0.12	100	0.72	0.13	114	0.75	0.12
2011	230	0.68	0.26	23	0.92	0.14	253	0.79	0.21

Our total recordable injury rate (TRIR)\* increased from 0.75 in 2010 to 0.79 in 2011. Over the same period, our lost time injury rate (LTIR)\* increased from 0.12 to 0.21. These increases in injury rates are attributed in part to the increase in size and complexity of the organization over the same period. We anticipate that injury rates will decrease as newly acquired employees become more familiar with Stantec's HSE program.

In 2011, our HSE staff worked closely with nine offices that accounted for 52 percent of all injuries in 2010 in order to develop and implement site-specific safety improvement plans. These offices subsequently reduced their recordable injuries by 50%, from 26 in 2010 to 13 in 2011. In 2012, a similar strategy will be applied to facilities that accounted for the greatest percentage of injuries in 2011. In 2012, our target is again to reduce our TRIR to 0.60.

Another goal for 2011 was to have all supervisors complete a learning module on HSE rights and responsibilities. Over 650 employees participated in this training in 2011, bringing total attendance up to almost 2,850 in the past 2 years. This included 100% of all senior leaders at the vice president level or higher. We also rolled out a new course on HSE hazard recognition, assessment, and control, which almost 130 employees attended in 2011.

In 2012, the HSE team will focus on determining the exact issues that expose our employees to risk of injury, thus enabling a more direct approach to improved safety performance. To accomplish this, we will undertake the following initiatives:

- Improve hazard recognition – Through focused training and an increased HSE Awareness and Communication program, we aim to increase the ability of our employees to recognize the hazards associated with the work they do, empowering them to take actions required to protect themselves.

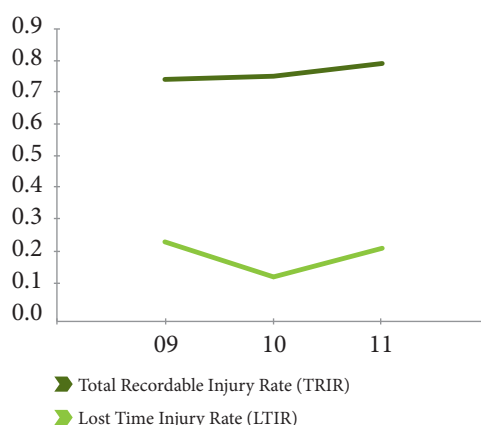
- Streamline our incident reporting and management system – We will develop an online dashboard to measure both leading and lagging indicators, to better enable focused and directed safety improvement plans.
- Develop a Safety Management System – We will develop a risk-based Safety Management System using the internationally recognized OHSAS 18001: 2007 standard as a guide, to enable a more focused approach to protecting our employees.

We will also improve our safety orientation program for new employees to better educate them about HSE responsibilities and program requirements.

For more information about Stantec's HSE program, see [stantec.com](http://stantec.com) under **About/Health and Safety**.

\*For a definition of this and other terms, see the Glossary on page 90

INJURY RATES



## EMPLOYEE BENEFITS

In order to attract and retain top talent for Stantec to achieve its strategic goals, we provide a comprehensive benefits plan for our staff. We continually monitor our benefits program, making regular enhancements to ensure that it remains competitive in our industry. To facilitate acquisition integration and employee relocations, we strive for consistency and quality of care of our programs across each of our operating countries. Our benefits team, led by our Director, Compensation & Benefits, works together with our outside partners and regional human resources representatives to support these programs.

In Canada and the US, our benefits program is standard for all full-time employees as well as for permanent part-time employees who work at least 20 hours a week. In other countries of operation, program eligibility is consistent with the local market and culture.

We offer comprehensive medical, vision, and dental care coverage for employees and their eligible dependents. In addition, our voluntary wellness program provides access to free information, tools, and support programs to help employees and their families improve their health and wellbeing. By participating in learning opportunities and completing various tasks and challenges, employees can earn incentives in the form of reduced medical premiums in the United States and additional health and wellness spending account credits in Canada. These accounts give employees the flexibility to spend benefit dollars where they need them most. Spending account dollars can be used to pay for approved healthcare expenses that may not be covered under the Company's group benefits plan, to reimburse paid premiums, or to pay for things like fitness memberships or classes, exercise and sports equipment, and sports registration fees.

Stantec also provides an Employee and Family Assistance Program (EFAP), which is a voluntary, confidential counseling and referral service available at no cost for employees and fully dependent members of their household. This program is designed to help with personal or work-related problems, pressures, stresses, or concerns. We also encourage staff to use their vacation time to help maintain a healthy work-life balance.

We offer several types of group retirement plans with a wide variety of investment options. This includes retirement savings plans in Canada, the United States, Puerto Rico, Barbados, and the UK, all for which Stantec provides employer-matching contributions. We also have stock purchase plans in Canada, the US, and Puerto Rico.

Through our Awards of Excellence program, we formally recognize and reward employees who have demonstrated excellence in their work and have, therefore, made an outstanding contribution to the success of our organization. Employees can nominate their coworkers or staff in one of seven categories including "One Team", design and technical, marketing and business development, managerial, customer service, asset management, and health and safety. Since the program's launch in 2010, we have distributed over 500 awards to deserving individuals and teams, often through on-site award presentations. At the end of 2011, for the first time, we also selected the "best of the best" winners for each category, who will be recognized at our annual meeting in 2012. Our Awards of Excellence program is integral to building and strengthening a culture of excellence in our organization.

In 2011, our wellness program won two ClearAdvantage corporate wellness program awards in the US. We were the runner up out of 44 entrants in the Wellness Program Participation category based on the program's 98-percent participation rate among US staff. We also placed first in the Overall Results category based on multiyear data collected on our US workforce that showed

- Significant improvements in employees' baseline health
- Low risk levels of biometric measures such as cholesterol, blood pressure, body mass index (BMI), and glucose
- Decreased risk for heart disease
- A decline in obesity rates despite a rise in the national rate

For example, from 2006 to 2011, average total cholesterol levels for our US employees reduced from 199mg/dl to 188mg/dl, compared to the national average of 203mg/dl. During the same period, as the national obesity rate climbed from 26% to 34%,<sup>2</sup> the obesity rate for Stantec's US employees dropped from 27% to 25%.

In the 2011 Canada's Top 100 Employers survey, our health and family-friendly benefits were rated as "very good" by competition judges.

In 2012, we will switch to a Canadian benefits vendor that offers an online employee self-service model. This will enhance the member experience, improve customer service capabilities, and increase reporting capabilities.

For an overview of our benefits program by region, see the table below.

<sup>2</sup>Source: Center for Disease Control and National Institute of Health

SUMMARY OF STANDARD EMPLOYEE BENEFITS								
Benefit	Canada	US	Puerto Rico	Panama	Barbados	UK	UAE	India
Healthcare (Medical, dental, vision)	Yes—All	Yes—All	Yes—All	Yes—Medical only	Yes—All	Yes—All	Yes—All	Yes—Medical only
Disability coverage	Yes	Yes	Yes—ITD; STD from government	Yes—Government	Yes—Government	Yes	Yes	Yes
Maternity / paternity leave	Yes	Yes	Yes	Yes—Excludes paternity	Yes—Government	Yes—Government	Yes	Yes
International business travel (health and emergency evacuation) and expatriate benefits	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Healthcare navigation and second opinion service	Yes	No	No	No	No	No	No	No
Wellness program	Yes	Yes	Yes	No	No	No	No	No
Flexible Spending Account	Yes	Yes	No	No	No	No	No	No
Life, critical illness, and accidental death and dismemberment insurance	Yes	Yes—Includes Universal Life	Yes—Excludes Critical Illness	No	No	Yes—Excludes Critical Illness	Yes—Excludes Critical Illness	Yes
Employee and Family Assistance Program	Yes	Yes	Yes	No	No	Yes	No	No
Legal assistance plan	Yes	Yes	Yes	No	No	No	No	No
Retirement plan	Yes	Yes	Yes	No	Yes	Yes	No	No
Stock purchase plan	Yes	Yes	Yes	No	No	No	No	No

## CAREER DEVELOPMENT AND TRAINING

We are committed to having the best-trained, best-informed, and best-equipped employees in our industry. To meet these expectations, we provide learning opportunities for our employees to enhance their personal and organizational effectiveness and to enable them to move into management and specialist roles. Stantec's Learning Services team provides central support for all career development and training.

Our online Career Development Center provides resources to help employees identify, plan for, and achieve their career goals. We offer a variety of customized learning programs and tools, including internal courses, eLearning, and guided reading. Our internal training courses cover topics ranging from project management and leadership to marketing and green building design. Courses are typically delivered by employee faculty members, thus providing additional leadership development opportunities. We also partner with various institutions and associations to provide select internal courses that are approved for credit toward continuing education requirements for licensed professionals.

All employees are required to complete our mandatory new hire orientation, health and safety, and business ethics training programs. Select employee groups are provided with training in workplace harassment, integrity, and equal employment opportunity training. We also plan to roll out a new anti-corruption module in 2012. In an effort to make training accessible to as many employees as possible, we are developing more eLearning modules.

We also encourage staff to pursue external learning opportunities. For example, employees who have completed one year of full-time employment with Stantec may be eligible for our tuition assistance program, which could reimburse up to 75 percent of the costs of relevant courses taken on an employee's own time. In addition, we encourage employees to participate in relevant professional and educational activities, including conferences, seminars, and tradeshows, and we support employee involvement in professional and industry associations, committees, and councils.

Over the past year, the average number of training hours per employee increased by 11 percent, from 18.9 hours in 2010 to 21 hours in 2011. In 2011, the average number of training hours for men was 2.4 hours higher than that for women. As expected, training hours were highest for employees with the fewest supervisory responsibilities.

To achieve our strategic objectives, we must develop and maintain a strong foundation of leaders throughout the organization. As the baby boomer generation steps out of leadership and into retirement, it is critical to determine who is going to fill their shoes. By supporting and encouraging learning relationships developed through mentoring and leadership development, we can ensure that the valuable knowledge, experience, and skills of our senior staff are transferred on to the next generation of Stantec employees.

	2009			2010			2011		
	Female	Male	TOTAL	Female	Male	TOTAL	Female	Male	TOTAL
Employee (Non-Manager)*	-	-	16.4	-	-	19.2	19.5	23.3	21.9
Frontline Manager*	-	-	16.2	-	-	18.7	19.4	19.2	19.2
Middle Manager*	-	-	16.1	-	-	18.4	14.2	16.2	16.0
Senior Manager*	-	-	6.1	-	-	4.5	4.0	7.0	6.9
<b>TOTAL</b>	-	-	-	-	-	18.9	19.4	21.8	21.0

\*For a definition of this and other terms, see the Glossary on page 90

Our customized leadership development program focuses on organizational values, strategic objectives, and communal leadership skills. It is a comprehensive, two-part program that consists of independent work, classroom instruction, and a 360-degree review process. This unified approach to leadership training helps to standardize Stantec's leadership culture in accordance with Company values. Our goal is to have at least 80 employees complete this program each year, and in 2011, we exceeded this goal, with 89 employees completing the training. In 2011, we developed a learning program to support new supervisors.

Mentors can offer support, resources, contacts, opportunities, and guidance to help employees reach their long-term career goals. Stantec has a formal Mentorship program that requires a year-long commitment. It includes an orientation for mentors and protégés as well as a comprehensive Mentor Guide and Protégé Guide to help program participants effectively navigate the mentorship process.

A valuable alternative to formal mentoring is coaching, a process of providing people with the tools, knowledge, and opportunities they need to develop their skills. Whereas mentoring supports long-term career development, coaching is focused on shorter-term skill development. Stantec offers an internal course called Coaching Others, and coaching is also a focus of our leadership development programs.

In 2011, we initiated an “Emerging Leaders” program for young employees identified as rising stars. Up-and-coming leaders are invited to attend Stantec's Annual General Meeting, participate in strategy sessions, and network with the Executive Leadership Team. Some offices have also developed their own leadership development initiatives. For example, the Vancouver Leadership Development Group (VLDG) is a small, multidiscipline team of 11 young Stantec professionals in our Vancouver, British Columbia, office. Under the guidance of local leadership, they've spent numerous hours, many outside the typical workday, learning about themselves, each other, and Stantec. Through that process they have developed a strong One Team mentality and a better understanding of the potential of the firm.

We know that career and performance development are critical for the professional growth of our employees and the organization; therefore, all employees are expected to participate in an annual career development and performance review (CDPR) process with their supervisor. This is a focused discussion to review work performance during the past year and develop an action plan to address any gaps in performance. Employees are also asked to prepare a formal career development plan including short-term and long-term goals, and to set achievable and measurable objectives for the following year. This helps to ensure that adequate planning and guidance are in place to assist employees in achieving their full potential and enjoying a satisfying and rewarding career with us. In 2011, 93.2 percent of eligible employees completed a CDPR.

PERCENTAGE OF TOTAL EMPLOYEES THAT COMPLETED A CDPR IN 2011		
	Percent of Eligible Employee Base	Percent that Completed a CDPR
Female	31.6%	94.2%
Male	68.4%	92.7%
TOTAL	100.0%	93.2%

Includes only employees actively assigned during the CDPR period. Excludes employees terminated during the CDPR period as well as new employees with no performance to review.

## > IN FOCUS: THE START OF SOMETHING GOOD

*Stantec is providing young employees with a step up in their careers*

Famed American poet Ralph Waldo Emerson said, “Our chief want is someone who will inspire us to be what we know we could be.” At Stantec, that inspiration is found through our mentorship and leadership development programs.

“Stantec recognizes that leadership is hard work and requires a commitment from the Company to invest in young staff,” says Graham Senft, 32, a sustainability consultant and member of the Vancouver Leadership Development Group (VLDG). “That’s why Stantec works to nurture, support, and engage its next generation of leaders. They understand that effective leadership must be developed deliberately over time. It doesn’t happen by accident.”

Kari Ward, a Transportation project manager based out of Duluth, Georgia, is part of an informal mentoring relationship. For her, the opportunity to cultivate a personal relationship with a trusted individual is priceless. “My mentoring relationship has really helped me on my career path,” says Kari. “I think making that time commitment is so important,” she says.

“Mentoring has been an integral part of my career development,” says Dean Mochrie, a senior project manager in our Rancho Cordova, California, office and a participant in the Emerging Leaders Program. “In the beginning of my career, I would seek out mentors that could provide technical guidance and knowledge. As my career developed, the balance of knowledge sharing shifted from technical to operational guidance. I am now in a position where I get to be on both sides of the mentoring table, gaining an even deeper operational knowledge of the company from my superiors, while providing technical guidance for those just starting out in their careers.”

Employees like Dean recognize the value of mentorship. He says “the process of knowledge sharing promotes strong working relationships, mutual respect, and transparency, all of which benefit the mentee, the mentor, and Stantec.”

Stantec’s mentoring program was evaluated as part of the PhD thesis of David Parkes, chair of the Human Resources Management Program at Grant MacEwan University. “Stantec has a well-grounded formal mentoring program,” says David. “The Company’s program is voluntary, offers learning opportunities for both mentors and mentees, and supports the mentee in well-developed relationship supervision.” Based on other organizations, David says that Stantec is following best practices in supporting mentee development. His thesis concluded that key ingredients in a successful mentoring relationship are feelings of mutual trust and safety, factors that are effectively encouraged and supported at Stantec.



Six of the 11 inaugural members of the VLDG, including (left to right) Graham Senft, Sarah Busby, Emily Dunlop, Alex Hutton, Marc Trudeau, and Tariq Amlani.

# FOCUS ON OUR PARTNERS

WE BRING VALUE TO OUR PARTNERS BY DEVELOPING LASTING AND MUTUALLY BENEFICIAL RELATIONSHIPS, BUILDING CAPACITY IN LOCAL COMMUNITIES, AND ENCOURAGING DIVERSITY IN OUR SUPPLY CHAIN..

Stantec is committed to supporting small and diverse businesses in the communities in which we work. We believe that these businesses are an economic engine of growth that can augment our expertise and help us to better support our clients' needs. When practical, Stantec includes subcontracting opportunities for our small and diverse business partners for meaningful roles on independent tasks that help build their technical capacity and enhance their prospects for growth.

We recognize that sustainable development in Canada's North is vital to the nation's future and key to our successful growth. An important part of that growth has been partnerships with Aboriginal people, communities, and governments throughout Canada's North. Through these partnerships, Stantec can better serve our clients and participate in exciting development projects in this frontier region. In turn, capacity building is supported through employment, training, and direct investment into local communities.

## > SUPPLIER DIVERSITY

The US Congress has passed several laws that require US Federal agencies to establish and meet goals regarding inclusion of disadvantaged groups into their supply chain, and agencies thus flow these requirements down to their contractors. Many of our state, municipal, and commercial clients have implemented similar programs. Stantec is, thus, often contractually required to submit a small business (SB)\* subcontracting plan and report on SB utilization. Commitment to support SBs, as demonstrated through setting and achieving SB utilization goals, is therefore becoming a factor during the consultant selection process. Enhancing our supplier diversity strategy can therefore give Stantec a competitive advantage in addition to helping us meet our clients' goals.

Over the past two years, we have been developing a US Supplier Diversity Program to ensure that we meet SB contract requirements. The program is centrally coordinated by our supplier diversity team and is overseen by our Vice President, US Federal Contracting as well as our Vice President, Human Resources. In 2011, we appointed staff members to the roles of Corporate Supplier Diversity Officer and Supplier Diversity Program Manager. We also developed a Supplier Diversity Policy, which we will consider approving in 2012.

## > 2011 HIGHLIGHTS

- Our total spend for small businesses was \$48.6 million, representing 18.6% of our total US spend.
- Our total spend for women-owned businesses was \$11.9 million, representing 4.6% of our total US spend.
- Total revenue for our Aboriginal partnerships was over \$13 million.





In 2011, we improved our capacity to properly characterize our suppliers by enhancing our supplier database. We launched our enhanced program in November 2011 at the Society of American Military Engineers (SAME) National Small Business Conference. Prospective vendors are now invited to register with us by submitting a socioeconomic certification form via our supplier portal on [stantec.com](http://stantec.com), upon receipt of which their status is updated in our systems. Existing suppliers are requested to certify their socioeconomic information annually.

A “supplier” can be a subconsultant, subcontractor, or general supplier. SBs can have several disadvantaged\* statuses such as veteran-owned, service-disabled veteran-owned, Hispanic American-owned, women-owned, HUBZone\*, and SBA 8(a) certified.\* We accept self-certifications on all statuses except HUBZone and 8(a), which we verify through the US Small Business Administration (SBA)\* website. At the end of 2011, we had current socioeconomic certifications on almost 1,400 active vendors, which represented around 25 percent of our estimated US supply chain of approximately 5,750 vendors.

Our total SB spend in 2011 was \$48.6 million, representing 869 firms and 18.6 percent of our total US spend. Our total 2011 spend for women-owned businesses was \$11.9 million, representing 202 firms and 4.6 percent of our total US spend. Women-owned status includes both small and large business enterprises. Total US spend and percentages include US East, US West, and US Americas operating regions, but excludes spend from US corporate groups.

\* For a definition of this and other terms, see the Glossary on page 90

We took several steps in 2011 to proactively seek out potential SB subcontracting opportunities. We created a Supplier Diversity Program brochure. In April, we hosted a Small Business Outreach Forum in Devens, Massachusetts, which was well attended. During 2011, Stantec representatives attended or exhibited at eight other SB outreach events hosted by various agencies or groups. We expect our outreach efforts to increase the percentage of SB suppliers included in our vendor database, in turn leading to improved SB utilization and increased support of the SB community, which better supports our clients’ needs.

In 2012, we will focus on further formalizing and strengthening our supplier diversity program, which will include investigating the feasibility of expanding this program to other regions where we operate.



## ABORIGINAL PARTNERSHIPS

As stewards of the environment and their cultural history, Stantec's Aboriginal Partners maintain an active interest in their traditional land and associated development projects. By combining the traditional knowledge of these partners with the technical expertise of Stantec's professionals, we create a unique value proposition for our clients.

Stantec has seven partnerships with Aboriginal groups across Canada, listed below, to deliver services in their respective traditional territories and settlement regions. All partnerships are majority Aboriginal owned. Our Managing Principal, Aboriginal Partnerships provides operational support and guidance to these partnerships. Total 2011 revenue for Stantec's Aboriginal partnerships was more than \$13 million.



### AIVEK STANTEC LP

Aivektuuk Inc. (an Inuit company) formed a partnership with Stantec to provide environmental and engineering consulting services within Nunatsiavut, Labrador. Aivek has successful relationships with industry throughout Labrador including ongoing collaboration with the mining industry, and Inuit, provincial, and federal government departments.



### DETON' CHO STANTEC

Deton' Cho Stantec is a partnership between the Yellowknives Dene First Nation's economic development organization, the Deton' Cho Corporation, and Stantec to provide full engineering and environmental consulting services throughout the Yellowknives traditional territory (Chief Drygeese Territory) in the Northwest Territories. Deton' Cho Stantec is one of over 20 partnerships operating under the Deton' Cho group of companies providing services to a variety of clients throughout the Northwest Territories.



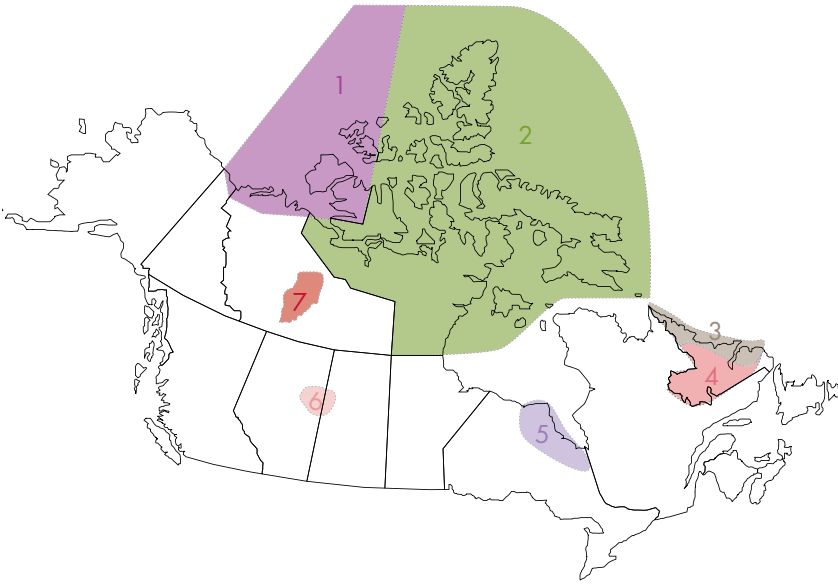
### KAVIK-STANTEC INC.

KAVIK-STANTEC is a unique blend of Inuvialuit majority ownership and management with respected and experienced northern consulting and community consultation experience. Recognized as a leading environmental impact assessment and protection planning company in northern Canada, KAVIK-STANTEC has expertise in study design, understanding regulatory frameworks, field data collection, public consultation, traditional knowledge studies, analysis, data interpretation, and reporting.



### NEEGAN NAYNOWAN STANTEC LP

Neegan Naynowan Stantec is a partnership with the Attawapiskat First Nations to provide scientific, engineering, and geosciences services in Northern Ontario, including training and services such as environmental impact assessment, site assessments, environmental monitoring, and sampling. Neegan Naynowan Stantec is conducting various projects for aboriginal communities, government, and resources industries in Northern Ontario.



Locations of Partnership territories are estimates and should not be considered accurate.

1. KAVIK-STANTEC Inc. | Mackenzie Delta Lands and Offshore
2. Nunami Stantec LP | Nunavut
3. Aivek-Stantec LP | Nunatsiavut
4. Stassinu Stantec LP | Nitassinan
5. Neegan Naynowan Stantec LP (NNS) | Mushkegowuk Tribal Council Region–James Bay Lowlands, Ontario
6. Nu Nennè-Stantec Inc. | Cold Lake Traditional Territory
7. Deton’ Cho Stantec | Chief Drygeese Territory

### NUNAMI STANTEC LIMITED



Nunami Stantec is a majority Inuit-owned consulting company based in Rankin Inlet, Nunavut. Nunami is a partnership between the Sakku Investment Corporation and Stantec, providing environmental science and engineering services to organizations throughout all three regions of Nunavut. Nunami delivers quality services and solutions to clients while providing employment, training, and financial benefit to beneficiaries under the Nunavut Land Claim Agreement.

### NU NENNÈ-STANTEC INC.



Nu Nennè-Stantec is a partnership between the Cold Lake First Nation (CLFN) and Stantec. This partnership provides environmental and cultural services to clients operating in the CLFN Traditional Territories. The success of the Nu Nennè-Stantec partnership is based on a cross-cultural awareness and integrated approach to assessment and management that integrates CLFN traditional knowledge, conservation ethics, and land stewardship with the strong Western science and regulatory experience provided by Stantec professionals.

### STASSINU STANTEC LP



Stassinu Stantec is a partnership between Stassinu Services Inc. (SSI) and Stantec that provides environmental sciences and engineering, management consulting, and logistics in Nitassinan, Labrador (Innu Lands). SSI combines Innu knowledge and experience in various environmental and geological studies with extensive experience working in remote field situations, requiring adaptable and flexible skills.



## IN FOCUS: PARTNERSHIP FOR THE FUTURE

*Stantec is planning for the future through a partnership to support Aboriginal youth*

For the second consecutive year, Stantec served as the exclusive laptop partner for the National Aboriginal Achievement Foundation (NAAF) Blueprint for the Future Career Fair, a series of national events designed to introduce First Nation, Métis, and Inuit youth—the fastest-growing segment of the Canadian population—to a wide array of career opportunities. More than 35,000 Aboriginal students from across Canada have attended the foundation’s career fair over the event’s 16-year history.

At the most recent event, held in October, 2011, in Yellowknife, Northwest Territories, Stantec participated in the tradeshow, led a career workshop, and contributed \$15,000, which included five laptop prizes. At the previous event in Edmonton, Alberta, Stantec participated in the tradeshow, led three career workshops, and presented a dozen laptops, totaling \$15,000, to lucky winners as part of the sponsorship.

“Stantec has a growing number of projects with Aboriginal clients,” says Shawn Bravender, an associate in Edmonton’s Urban Development group. “This event is a great opportunity to not only get our name out but also inform Aboriginal youth about who we are and the work we do.” Shawn led a workshop entitled “Create Great Places to Live, Work, and Play” in which students participated in interactive design aimed at exploring why our communities look the way they do. “It’s always refreshing and intriguing to see how participants think through and map out their ideal neighborhood,” says Shawn.

In another workshop, Doug Powell, a senior survey technologist in Edmonton, showed students how three-dimensional laser scanning is being utilized by today’s engineer. “The technology got a ‘Wow’ from the students when they saw how fast and accurately we can now collect data,” says Doug.

- |   |   |  |
|---|---|--|
| 1 | 2 | 1. Doug Powell demonstrating laser scanning to students at the NAAF Career Fair<br><i>Edmonton, Alberta</i><br><br>2. Youth participating in Shawn Bravender’s workshop at the NAAF Career Fair<br><i>Edmonton, Alberta</i><br><br>3. Kevin Hodgins, Yellowknife managing leader, with one of the lucky laptop winners |
| 3 |   |  |



# BLUEPRINT FOR THE **FUTURE**



# FOCUS ON OUR COMMUNITIES

WE BRING VALUE TO OUR COMMUNITIES BY DEVELOPING INFRASTRUCTURE IMPROVEMENTS, SUPPORTING ORGANIZATIONS THAT MAKE A POSITIVE IMPACT, AND ENCOURAGING EMPLOYEE VOLUNTEERISM.

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Stantec is committed to supporting our communities and to maintaining and further developing a strong community presence in our key operating regions. We wish to be seen as a valued and trusted partner in the communities where we have a presence.

Stantec belongs to hundreds of industry associations, such as green building councils at the regional and national level and the Design-Build Institute of America. We are also a member of Canadian Business for Social Responsibility, the national body of a worldwide network of businesses committed to corporate social responsibility.

In 2011, Stantec was once again included as one of the Best 50 Corporate Citizens in Canada by *Corporate Knights* magazine. This 10th anniversary report on the state of responsible business in Canada is based on environment, social, and governance indicators. Stantec previously won this recognition in 2007 and 2008. This year Stantec ranked #30 on the list.

## > 2011 HIGHLIGHTS

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- We were selected as one of the Best 50 Corporate Citizens in Canada by *Corporate Knights* magazine
- Cash donations made through our Community Investment program totaled \$901,000.
- We awarded almost \$147,000 in scholarships at educational institutions across North America.
- To promote employee volunteerism, we expanded our Dollars for Doers program to all offices.

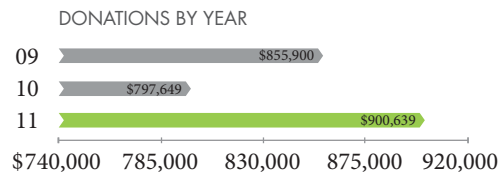


## > COMMUNITY INVESTMENT

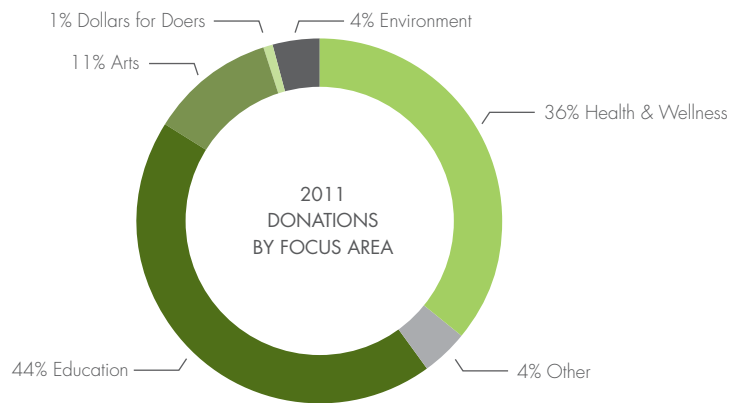
Our Community Investment (CI) program is focused on supporting growth in local communities through the enhancement of knowledge, prosperity, health, and quality of life. Through our CI program, we contribute to organizations or programs primarily in communities where we have a significant employee presence. Our goal is to donate at least 1 percent of our annual pre-tax profits to charitable and not-for-profit organizations, either through direct cash contributions or services provided in kind. Priority is given to funding endeavors in the following areas: the arts, education, environment, and health and wellness.

Organizations interested in requesting support from our CI program can submit an online application via [stantec.com](http://stantec.com). Requests are reviewed by regional CI representatives who work together with regional leaders to determine where to allocate our donations.

Cash donations made in 2011 through our CI program totaled \$901,000, as compared to \$798,000 in 2010. This amount represented 1.8 percent of our annual pre-tax profits, almost double our goal of 1 percent. In addition, we made several donations in kind of design services and other goods. We continue to explore ways to better track and value donations in kind so that we can get a more accurate picture of our total annual donations.



Includes charitable and noncharitable cash donations paid.



Includes cash and in-kind donations committed.

A key focus area for Stantec's CI program is education, which accounted for 43.5 percent of our donations in 2011. This included 37 scholarships totaling almost \$147,000, which were awarded at educational institutions across North America.

2011 marked the retirement of Ron Triffo, Stantec's former president and chair of the board of directors. To commemorate Ron's significant contributions to the community, we established the Triffo Scholarship program, which celebrates the academic achievement of a dependent child of a Stantec employee. The \$5,000 annual scholarship will be awarded to a post-secondary student who has demonstrated success and leadership in the classroom and the community. The first award will be distributed in 2012.

We participate in several programs that support and promote the development of future engineers. For example, we facilitate many mentorship opportunities, partnering students with engineering and architecture professionals to help them develop the skills necessary to succeed in their education and careers.

Our Dollars for Doers program encourages employees to invest in their community by promoting employee volunteerism and directing community investment dollars towards charities that are important to our staff. Through

this initiative, staff who supported a registered charity by either volunteering 25 hours of their personal time or participating in a group fundraising drive could request a \$500 donation to this charity on behalf of Stantec. Piloted in four offices in 2010, this program was rolled out to all of our offices in 2011. In 2011, Stantec supported dozens of employees at a wide variety of organizations through this program, for a total of over \$15,500.

To ensure that we maximize our community impact, it is important to continually revisit our CI strategy. In 2011, we planned to complete a thorough evaluation of our CI program, including our focus areas, partners, measurement, and outcomes, in order to develop recommendations for improvement. Due to a key personnel change, this will now be undertaken in 2012. In 2012, our new corporate Community Development Manager will engage with internal stakeholders to explore opportunities to more actively link our CI activities to our business strategy and corporate commitments. This may include, for example, building or strengthening client partnerships that support our community investment vision.

For more information about our CI program, contact [communityinvestment@stantec.com](mailto:communityinvestment@stantec.com).

## > FOCUS ON OUR PEOPLE: Melanie Swanson

In Lumbini, Nepal, only 33 percent of students are girls and the literacy rate for girls is a paltry 18 percent—one of the lowest in the world. This motivated the Canadian Engaged Buddhism Association to empower young women by collecting used laptops to set up small computer training centers which provide free training to young girls from village communities. When Melanie Swanson, a telecommunications specialist in our Edmonton, Alberta, office discovered there was no infrastructure in place for the laptops to be used, she resolved to lend her time and expertise. Armed with 11 laptops generously donated by Stantec employees, Melanie traveled to Nepal on a mission to help install computer networks in three schools. She worked tirelessly to install the networks and train the locals on how to maintain them. With construction of these centers, many young Nepalese girls now have the opportunity to attend the most high-tech school in their area. This will make a huge impact in their lives, giving them the skills to gain employment and to break the cycle of poverty and illiteracy in their families.



## OUR COMMUNITY INVESTMENT PROGRAM AT WORK IN 2011.

### Daring to Care

A stockpile of goodwill and a real can-do attitude was just the right recipe for Stantec's Louisville, Kentucky, office to demonstrate how much they dared to care. During Stantec's companywide canned food drive, the office collected a total of 1,817 cans, more than doubling the amount of goods collected from any other participating office. This success was due to a bit of friendly competition, which spiced up the collection effort. The office divided its 80-person staff into two teams, which competed to see which floor could collect the most canned goods and use them to build the most creative sculpture. A panel of impartial judges then graded each can-struction on its use of engineering design and creative ingenuity, ultimately crowning the 2nd floor team winners for their precise depiction of the Louisville skyline. However, the real winner was Dare to Care, a nonprofit corporation that distributes food to those in need in the Kentucky community and to which Stantec donated all of the collected food.



The winning can-struction – a model of the city of Louisville made of more than 900 canned goods.

### An Educational Safari

In partnership with the nonprofit organization Brighten a Life, Stantec provided pro-bono architecture, interior, and landscape design services as part of a collaboration to build a new sustainable educational facility for a well-deserving community. After an application and interview process, Roadrunner Elementary School in Phoenix, Arizona, was selected. Designed, built, and supplied entirely by volunteers, the school aims to be the first of its kind targeting LEED® Platinum certification.

The vision for the Safari Green Schoolhouse is to take students on an educational safari. As students leave their windowless, factory-model school, they will transition into an educational environment geared toward 21st Century instruction. The seven designated areas in the schoolhouse include: The Jungle (backyard and playground area), The Watering Hole (kitchen), The Zoo (interior play area), The Base Camp (lounging area), The Guides' Corner (administrative area), The Den (library), and First Aid Tent (health, wellness, and nutrition area). Collaborative learning is encouraged through flexible multipurpose indoor and outdoor learning spaces meant to support different student groupings and learning styles. A connection to nature is infused in the design through outdoor classroom gardens, natural stormwater management, on-site solar power generation, and a digital dashboard which enables students to monitor energy usage.

In 2011, this project was recognized with the Edward Kirkbride Award for Excellence in Educational Design and Planning from the Council of Educational Facilities Planners International.

### Academy for Success

In Nashville, Tennessee, the Stantec team has been working together with a local high school to groom future engineers. Employees have participated on an advisory board to assist with new curriculum development for the Engineering Academy at the John Overton High School. Our team has also created mentoring, job-shadowing, and internship programs so that students can gain insight into how an engineering firm operates and the life cycle of an engineering project.

### Helping Students Engineer Brighter Futures

Stantec continues to be a strong supporter of the Architectural, Construction, and Engineering (ACE) Mentor Program of America. The ACE program encourages low-income high school students to pursue technical careers by joining together students with volunteer mentors who are industry professionals. The White House recently honored this program with the Presidential Award for Excellence in Science, Mathematics and Engineering Mentoring. In 2011, Stantec donated \$60,000 to this program. In addition, several Stantec employees volunteered as ACE mentors and one of our employees was involved on the board.

### Growing Compassion

Stantec has been a longtime supporter of Sorrentino's Compassion House (SCH) in Edmonton, Alberta, having been involved in the building's original design. Since 2002, SCH has been a home away from home for more than 500 women from over 147 communities who have had to travel to Edmonton for medical treatment. It is a warm and supportive sanctuary for women undergoing breast cancer treatment, diagnosis, or follow-up care. The number of requests for accommodations at SCH has increased dramatically over the past few years, and it has regrettably had to turn hundreds of women away. A planned expansion will increase the number of guest suites from 6 to 14, improving access to the facility so that many more women and their families can enjoy its benefits. Stantec has committed to donate approximately \$100,000 in fees to this project, which is scheduled to open its doors in 2012.

### Stantec 'Staches in Support of Movember

Things got a little hairy around Stantec's offices in November as staff helped to change the face of men's health. "Movember" is a month-long global campaign to raise awareness and funds for prostate cancer treatment, disease prevention, and related research. During the month of November, men and women around the globe grow real or imagined moustaches in an effort to raise money for prostate cancer foundations. When the call to grow a "Mo" went out across Stantec, our team delivered, and 511 employees participated in mo-growing efforts. Altogether, the Stantec Movember teams raised a total of almost \$127,000 to support the research, survivorship, awareness, and education carried out by prostate cancer foundations. Our Canada team alone raised almost \$123,000, which propelled Stantec to third place in the country and fifth place in the world for corporate participation.



### > FOCUS ON OUR PEOPLE: John Kosar

Stantec principal John Kosar was presented with a Service to Humanity award in recognition of the work he has contributed to the March of Dimes over the last 50 years. John is an avid supporter of this nonprofit organization, whose mission is to improve the health of babies by preventing birth defects, premature birth, and infant mortality. In collaboration with other employees in our Pittsburgh, Pennsylvania, office, he organized a fundraising luncheon in 2011 that raised more than \$65,000 for the March of Dimes.

## > IN FOCUS: BUILDING SUSTAINABLE COMMUNITIES

*Stantec is helping to provide homes for people in need*

We have a longstanding partnership with Habitat for Humanity (HFH), whose mission is to build affordable housing and help low-income families attain home ownership as a means to breaking the cycle of poverty. HFH families contribute 500 hours of “sweat equity” as a down payment for their home and then pay an interest-free mortgage that is amortized to 25 percent of their income. Many Stantec employees have volunteered on HFH home builds, and several have sat on the board of directors for their local HFH chapters.

In October, 2011, Stantec President and CEO Bob Gomes hosted the first “President’s Build” for HFH in Edmonton, Alberta. Bob brought together over 40 local presidents and CEOs and introduced them to HFH and its worthwhile initiatives. Participants put aside all competition and rivalry in support of this worthy cause.

Stantec also partnered with HFH to provide architectural design and sustainability consulting for an innovative NetZero duplex home prototype which is targeting Platinum LEED® for Homes certification. This exciting pilot project will demonstrate how precast concrete can be used to build sustainable energy-efficient homes.

The home has been designed so that the amount of energy it consumes annually is equal to the amount of energy it produces annually, resulting in net zero energy. This will be achieved through measures such as a high-performance air-tight building envelope, energy efficiency initiatives, on-site solar power generation, and geothermal heating. Additional sustainable features will include a green roof and living wall, rainwater harvesting, and use of environmentally preferable materials.



### Stantec Stingers Bike to Fight MS

The Multiple Sclerosis (MS) Society of Canada estimates that up to 75,000 Canadians suffer from MS, a disease for which medical science has yet to find a cause and cure. MS affects the nervous system and causes debilitating symptoms such as loss of balance, impaired speech, extreme fatigue, double vision, and paralysis. For Kevin O’Neil, Senior Environmental Scientist at Stantec, whose sister Cyndie suffers from the disease, the battle is personal. His experiences with MS have led him to serve as second vice chair for the MS Society’s Alberta & Northwest Territories Division as well as to participate in the RONA MS Bike Tour for the past 9 years.

During the annual RONA MS Bike Tour, almost 2,000 people raise money for the fight against MS by cycling 185 kilometres (115 miles) from Leduc to Camrose, Alberta. Stantec has a long history with the MS Bike Tour, having entered a team in the event for the past 5 years. In 2011, eight volunteers and 35 bikers, including Kevin, participated on the Stantec Stingers team. They succeeded in raising over \$36,000, which will support groundbreaking research dedicated to finding a cure for MS.

# FOCUS ON OUR ENVIRONMENT

WE BRING VALUE TO OUR ENVIRONMENT BY ACTING AS RESPONSIBLE STEWARDS OF OUR COLLECTIVE AIR, WATER, AND LAND AND CONTINUOUSLY WORKING TO REDUCE THE FOOTPRINT OF OUR OPERATIONS.

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We continue to take steps to lower the environmental impacts of our operations. To better support our Sustainability Policy and integrate sustainability into our operations and everyday practices within a disciplined and accountable framework, we have developed and implemented an Environmental Management System (EMS).

ISO 14001:2004 is a globally recognized standard for developing an EMS that helps organizations to minimize how their operations negatively affect the environment and to comply with applicable environmental laws and regulations. It requires an organization to identify potential environmental impacts and establish controls to minimize them, to monitor and communicate environmental performance, and to establish a formal process for continually improving the system.

For 2011, our goal was to implement and successfully register an organization-wide EMS to the ISO 14001:2004 standard. As part of this initiative, during 2011, we also planned to establish a set of time-bound environmental improvement targets and to develop a GHG emissions reduction strategy.

In September 2011, we successfully completed a certification audit for ISO 14001 by BSI Management Systems, an external third-party auditor, which involved audits conducted across the Company. We achieved our official ISO 14001 certification in January 2012. This certification has helped us to improve our internal processes and demonstrates our commitment to ongoing environmental awareness and performance improvement.

Our EMS requires a comprehensive annual assessment of the annual carbon and environmental footprint of our operations across our more than 170 locations. This involves gathering office-by-office information on key environmental aspects related to energy, water, paper consumption, and waste generation, and then calculating the related greenhouse gas (GHG) emissions. Once the data has been evaluated, reduction targets are set for the most significant impacts and subsequently monitored at a corporate and individual office level.

Using 2010 environmental data as our baseline, our performance improvement goals for 2012 are to:

- Reduce per capita energy consumption by 4 percent
- Reduce per capita waste generation by 5 percent
- Reduce per capita paper usage by 10 percent; and
- Ensure that at least 60 percent of paper purchased has 100-percent post-consumer recycled content

As part of our ANSI accreditation process, we developed an in-house GHG Management System, which we apply internally to support improved GHG management, reduction, and disclosure.



## > CARBON FOOTPRINT

As a basis for our environmental improvement objectives, measuring our carbon footprint aligns our overall efforts towards reducing our energy usage, operational costs, and carbon emissions. We have been voluntarily measuring our GHG emissions since 2008 because we recognize that measuring our emissions will allow us to manage and reduce them over time. We seek to make our climate impact transparent through third-party verification and public disclosure.

We report our GHG emissions annually through various public disclosure programs. Stantec reports annually to The Climate Registry (TCR), a North American-wide organization that sets consistent and transparent standards for calculating, verifying, and publicly reporting GHGs. We are a founding member of TCR, and in 2011 we were recognized as a full reporter and had Climate Registered™ status with the organization, which means that our North American emissions information contains all six Kyoto-defined GHGs and has been third-party verified.

We also report annually to the Carbon Disclosure Project (CDP), a data-collection and risk-disclosure registry.



## CARBON FOOTPRINT

In 2011, Stantec was one of the top 10 Canadian companies recognized by the CDP as a Carbon Disclosure Leader, marking the second consecutive year we received this award. For more information about Stantec's CDP response, see page 35.

Stantec's carbon footprint is generated directly from its vehicle activities and use of fuels such as natural gas (Scope 1) and indirectly from the use of purchased electricity and steam (Scope 2). As a services firm, Stantec's primary emissions sources are the heating and cooling of office spaces, purchased electricity use, and operation of fleet vehicles.

## > 2011 HIGHLIGHTS

- We were again named one of Canada's Greenest Employers.
- Our integrated management system was registered to the ISO 14001:2004 standard.
- The number of our offices with a local Sustainability Team grew to 88.
- Over 2,200 employees participated in our 2011 Cool Commute Challenge.

We completed our first GHG emissions inventory for the 2008 calendar year and have since completed inventories on an annual basis. For the 2011 reporting year, we obtained office-level data for approximately 98 percent of our North American offices, which was an improvement from our 2010 baseline inventory, when we obtained office-level data for 95 percent of our offices. Data for the remaining offices was estimated. For more information about our calculation methodology, see page 85.

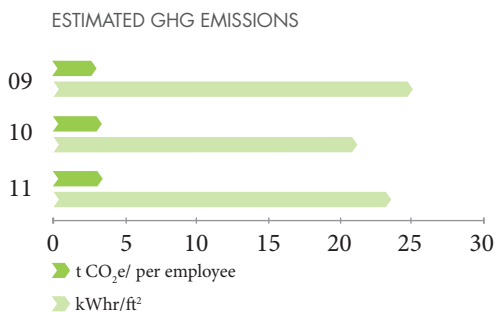
In 2012, a third-party auditor will verify the complete emissions inventory for the 2011 reporting year in compliance with reporting parameters followed by Stantec. This data verification may result in some adjustments to the numbers below. If this is the case, these numbers will be restated in our 2012 sustainability report.

After our 2010 data was verified, we made some minor adjustments to the data. Updated emissions data for 2010 can be found in the table below and in the table on page 72.

Initial results of our 2011 GHG emissions inventory include the following:

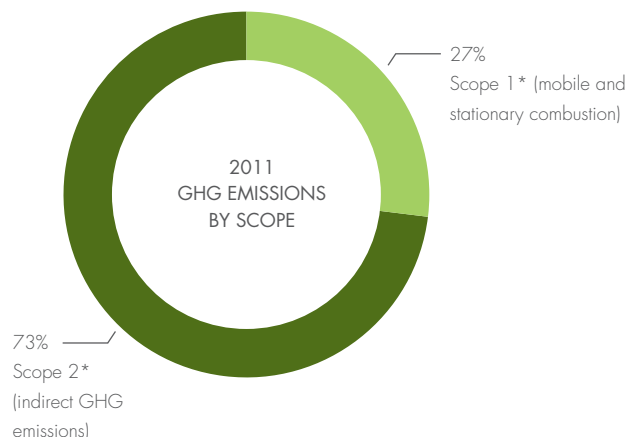
- Total Scope 1 and Scope 2 emissions were 36,888 metric tonnes of carbon dioxide equivalent (CO<sub>2</sub>e)
- The average CO<sub>2</sub>e emitted per employee was 3.3 metric tonnes
- Total energy used per square foot was 23.60 kWhr/ft<sup>2</sup>

The majority of Stantec's 2011 GHG emissions, 73 percent, were Scope 2 emissions, which are primarily a result of the consumption of purchased electricity in our facilities. The remaining emissions were Scope 1, which are primarily due to natural gas consumption, fuel oil, and fuel from mobile sources including Company-owned and leased vehicles.



Based on our data, average carbon emissions per employee varied slightly over the past three years, with an increase of approximately 3 percent from 2010 to 2011. Over the same period, Stantec's average emissions per square foot remained stable while its total emissions increased by approximately 9 percent. This is an improvement from our 21 percent increase in annual emissions levels between 2009 and 2010. In 2011, Stantec's total staff increased by approximately 6 percent, and the total square footage of its facilities decreased by 2 percent. Although we are still assessing all the factors that led to the increase in our total reported emissions, current indications are that any increase not due to our growth is likely due primarily to continual improvement in data quality and an increase in direct versus estimated data, which together have resulted in more accurate emissions information. In 2011, the amount of data estimated decreased due to an increase in accurate data received directly from our corporate fleet fuel management company.

While we have made substantive improvements in our GHG inventory data collection process over the past four years, obtaining high-quality, reliable emissions data is an ongoing challenge. Since our offices are typically in multitenant buildings and we do not own the majority of our facilities, our capacity to access and verify carbon and environmental data is limited. Estimating emissions and using assumptions, averages, and simplified aggregation methodologies reduces overall data quality and accuracy. As we continue to improve our carbon and environmental data management systems, we expect to see an increase in the quality and reliability of our emissions data.



## > ENVIRONMENTAL FOOTPRINT

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For the 2011 year, concurrently with our annual carbon footprint initiative, we completed our annual environmental footprint of our North American offices. Office-level data was collected on paper use, water use, and waste generation and used to calculate estimates for the entire Company. A summary of our results is included below. For details on our calculation methodology, see pages 84 to 85.

### Energy Use

In 2011, our total estimated direct energy consumption was 164,840 GJ. This primarily represented natural gas, fuel, and fuel oil purchased by facilities and used in fleet vehicles. Our total estimated indirect energy consumption was 182,152 GJ. This primarily represented electricity purchased by facilities.

### Paper Use

In 2011, Stantec offices together used over 100 million sheets of standard letter-size paper (the equivalent of 8.5 by 11 inches), for a total cost of over \$1.65 million. While paper usage only increased by 15 percent, paper costs increased by 32 percent from 2010 levels. Paper use for 2011 was approximately 8,635 sheets of standard letter size per employee, an 8 percent increase from 2010 baseline levels. This includes all paper purchased for internal printing purposes, including plotter paper where applicable, but does not include third-party printing, such as brochures or publications.

In 2011, we began measuring the amount of recycled content within the paper we use, which was only available for paper purchased from corporate office supply vendors. The weighted average of recycled content in paper purchased by Stantec was 34 percent.



## ENVIRONMENTAL FOOTPRINT

### Waste Generation

In 2011, we made several improvements to our waste data collection and calculation methodology. We were able to separate data by waste stream and we improved our estimation process. Both of these changes enabled us to track waste in a more effective and thorough manner.

In 2011, our total estimated waste sent to landfill was 29,461 tonnes, which amounts to approximately 2.67 tonnes of waste per employee. As of the end of 2011, approximately 81 percent of our North American offices reported having a recycling program, which diverted an estimated 10,805 tonnes of recyclable materials from landfill. For 2011, we were also able to track the number of offices that participated in a composting program. As of the end of 2011, approximately 10 percent of our North American offices reported having organics collection for either a municipal or on-site composting program, which diverted an estimated 358 tonnes of organic compostable materials (food waste, coffee grinds, etc.) from landfill.

### Water Use

In 2011, estimated total water use was 224,292 m<sup>3</sup> (224,292,432 L), which amounts to 20.30 m<sup>3</sup> (20,298 L) of water per employee, a 17 percent increase from 2010. This represents all water consumption activities for our North American facilities. The number of offices reporting water data increased from 119 in 2010 to 147 in 2011. We estimated water use for 54 offices (13 percent).

This was our second year compiling Company-wide data on paper use, water use, and waste generation, and we continued to face challenges in doing so. However, in 2011, we made several improvements to our data collection and reporting process. We developed a more interactive database, which enabled us to streamline the collection and reporting of environmental data and to increase the consistency of office-level environmental data. In order to improve our capacity to gather facility-level environmental data, especially from multitenant buildings, we developed a clause regarding provision of utility usage data, which our Real Estate team makes its best effort to negotiate into all new lease agreements.

We also developed a questionnaire about green building practices that we ask landlords of any prospective new leased space to complete as part of the evaluation process. Improvements to our environmental data management systems have significantly reduced the percentage of data we need to estimate, resulting in increased data quality and reliability.

In 2012, we will continue to work with our offices and our corporate vendors to collect more complete and comprehensive environmental footprint data, with a focus on waste and water data. To facilitate data compilation, we will also explore ways to encourage more offices to use our corporate vendors.

CARBON AND ENVIRONMENTAL FOOTPRINT SUMMARY				
Metric	2010		2011	
	Total	Per FTE Employee	Total	Per FTE Employee
GHG emissions (scope 1 and 2)	33,705 t CO <sub>2</sub> e	3.24 t CO <sub>2</sub> e	36,888 t CO <sub>2</sub> e	3.34 t CO <sub>2</sub> e
Paper use	89,743,963 sheets (8.5"x11" equivalent)	8,635 sheets (8.5"x11" equivalent)	103,252,525 sheets (8.5"x11" equivalent)	9,344 sheets (8.5"x11" equivalent)
Water use	180,489,249 L	16,333 L	224,292,432 L	20,298 L
Waste collected	20,144 t	1.94 t	29,460 t	2.60 t

All data above is estimated in part. 2011 GHG emissions data has not yet been internally or externally verified. 2010 data has been restated due to review and revision of methodology. Waste data excludes recycling and organics collected. As the percentage of verified office-level data has increased, the reliability of the data has improved.

2011 WASTE INVENTORY		
	Weight	Offices with Collection Programs
Waste Collected	29,461 t	100%
Recycling Collected	10,805 t	77%
Organics Collected	358 t	10%
Total Collected	40,624 t	-



## GREEN OFFICES

Our commitment to sustainability is also demonstrated through the design of our own office buildings. Several Stantec offices have been certified to the rigorous environmental standards of the Leadership in Energy and Environmental Design (LEED) green building rating system. In addition to reducing their environmental footprint, designing office spaces to be more sustainable often results in more natural lighting, better air quality, and higher space functionality, all of which lead to healthier, happier employees.

At the end of 2011, 15 Stantec offices were LEED certified or LEED registered. We added two new LEED-certified offices in 2011 and vacated one, bringing our total number of LEED-certified offices to eight, including one LEED Certified office, four LEED Silver offices, two LEED Gold offices, and one LEED Platinum office. Seven additional Stantec offices are currently registered as targeting LEED certification. Our goal is to have a total of nine offices that meet a LEED-certified standard by the end of 2012.

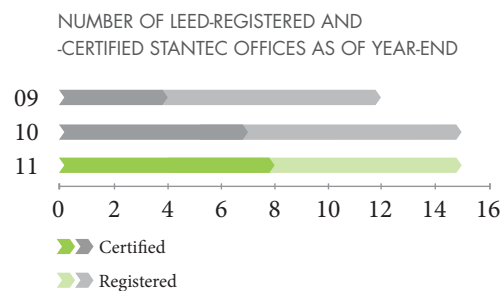
In 2011, we completed the LEED-CI Gold certification process for our downtown Toronto, Ontario, office. This landmark project successfully reclaimed and transformed a piece of Toronto's industrial history, an old sock factory, into a multi-award-winning, open-concept office space that has been featured in a television series. We also became a tenant of a LEED-CS office complex in Long Beach, California, and we vacated our LEED-CI Gold office in San Francisco, California. Other LEED-certified Stantec locations include the LEED-CI Silver atrium building at our Edmonton, Alberta, headquarters, which has a green roof, one of the first of its kind in the city.

Our Columbus, Ohio, office was a retrofit of a 1902 building, making it one of the oldest existing structures to earn a national green certification. Nearly 70 percent of the building's existing architectural elements were preserved, and more than 60 percent of the new materials used in the project were manufactured locally.

Although not all of our offices target LEED certification, many of them strive to reduce their environmental footprint in various ways. For example, our Saskatoon, Saskatchewan, office won a Municipal Heritage Design Award for its efforts to reuse preexisting building materials during its renovation.

Many of our offices have also received local recognition as a sustainable business. For example, our Sarasota, Florida, office was the first engineering consulting firm to be certified by Sarasota County's Green Business Partnership, and our Sacramento, California, office was certified as a Sacramento Area Sustainable Business. In addition, our Rochester, New York, office is a member of the Upstate Green Business Network, and our Fredericton, New Brunswick, office is a member of the Green Shops program.

Going forward, our Real Estate team will continue to consider LEED and other green building features as part of the criteria for evaluation of new leased office space.



## ENERGY CONSERVATION

Energy use is one of the primary areas in which we can improve our environmental performance. We have many opportunities to reduce our energy use through conservation and improved energy efficiency.

In 2008, we first implemented an energy-saving program that automatically put the majority of our computers in hibernation mode every evening and weekend. To make improvements, the program was taken offline, but we set a goal to reinstate it in 2011. In June 2011, Stantec adopted a new power management tool called Green Planet™, installing this software on all Company desktop computers and laptops. Green Planet™ reduces energy consumption by placing computers into hibernation mode according to pre-programmed work schedules, which account for regular working hours and national holidays. Staff can customize their computer's power management schedule to align with their individual work requirements, local holidays, and vacations, optimizing our power-saving capacity. We estimate this program has reduced energy use by our computers by around 65 percent, making a substantial contribution to reducing our environmental footprint and our bottom line.

In 2012, our goal is to reduce per capita energy consumption by 4 percent from 2010 baseline data. To accomplish this, we will undertake the following initiatives:

- Conduct energy audits of 3 to 5 offices with low energy consumption to identify key contributing factors and best practices.
- Conduct energy audits of 5 to 10 offices with high energy consumption to identify factors contributing to energy consumption, then develop implementation strategies for each of these office locations to reduce consumption.
- Confirm that our computer hibernation program is standard practice in all offices.
- Develop an educational campaign to encourage energy-efficient behavior.

## WASTE REDUCTION

We have implemented several programs to safely manage and reduce waste. For example, the central global mailroom in our Edmonton, Alberta, headquarters uses biodegradable packing chips when preparing parcels to mail to all our offices. We also safely recycle and dispose of used IT equipment in accordance with regulatory guidelines, through Dell's Asset Recovery Services.

We are also moving toward being a less paper-intensive workplace. Some examples of initiatives that have reduced our paper use include increased use of electronic forms and documents, use of a standard Company-wide email signature that asks people to consider the environment before printing emails, and use of interactive electronic holiday cards that enable recipients to select a charity to which we will direct donations. As of 2009, we ceased bulk investor mailings and now only mail investor relations materials upon request, which has significantly reduced the printing of these materials. In 2009, we also implemented an electronic invoicing system. Since we typically receive over 200,000 paper invoices annually, we expect that eliminating the printing and copying of these documents has resulted in a considerable reduction in paper use.

Below are some examples of waste reduction initiatives in 2011:

- In partnership with Firefly IT Asset Recovery, we rolled out a program to responsibly recycle our damaged and non-functioning wireless equipment (i.e., cell phones and related accessories). Firefly's zero-landfill policy means that e-waste they process will not be sent to landfill or end up in developing countries.
- We now offer electronic paystubs in both Canada and the US, where 97 percent of our employees are located. If all of our North American employees were to switch to electronic paystubs, estimated paper savings would be over 70,000 sheets a year. At the end of 2011, 31 percent of our Canadian employees and 91 percent of our US employees were receiving their paystubs electronically.

- We switched from paper to electronic approval and filing of our wireless contracts, resulting in a 50 percent reduction in paper use for this process and an estimated paper savings of 2,000 sheets a year.
- Over 5,000 of our corporate credit card users switched from paper to electronic invoices, which will save an estimated 150,000 sheets of paper per year. At the end of 2011, 98 percent of our corporate credit card users had elected to receive electronic invoices.
- Our Irvine, California, office began a pilot program to collect used writing instruments (such as pens, pencils, markers, and caps) that will be recycled in partnership with TerraCycle.
- Through implementation of our new Records Management Policy, we are standardizing and centralizing our record-keeping processes and saving paper, money, and valuable office space by keeping only those records we are required to keep.

In 2012, our goal is to reduce per capita waste generation by 5 percent from 2010 baseline data. To accomplish this, we will undertake the following initiatives:

- Implement an office recycling program in all offices where off-site recycling services are available.
- Develop and implement a waste reduction program related to beverage and food service to reduce disposables and packaging.

A second waste reduction goal for 2012 is to reduce per capita paper usage by 10 percent from 2010 baseline data. To accomplish this, we will undertake the following initiatives:

- Set the default setting on all printers to double-sided printing.
- Develop and communicate an education campaign on reducing paper consumption.
- Eliminate printing of e-mail and project records.

## > FOCUS ON OUR PEOPLE: Louie Greenwell

For Louie Greenwell, a principal in our Louisville, Kentucky, office, it's not just his name that is green. By capitalizing on his colleagues' coffee addiction, he's showing them how to live green by reducing waste and eating local. Shortly after moving into the office, he began collecting used coffee grounds for use in his garden. Every other week, he collects approximately 30 pounds (14 kilograms) of used coffee and tea grounds between the two coffee stations in the building. He takes them home and uses them to fuel his compost bin, and then uses the finished compost to feed his 850 ft<sup>2</sup> (79 m<sup>2</sup>) vegetable garden. His garden grows enough vegetables to feed his family and neighbors, and overflow produce ultimately makes it back into the office break room. In 2011, he was able to supply his work colleagues at least six different types of vegetables and fruits, grown in part thanks to the free fertilizer saved from the break room trash bin.



## PROCUREMENT

We consider environmental factors in some of our purchasing decisions. Although we are taking significant steps to reduce our paper use, offices still necessarily consume a lot of paper. Therefore, we make every effort to use ecologically friendly paper materials. Most of our publications, branded paper products, and marketing materials use paper with at least 80-percent postconsumer recycled content. In addition, the majority of our publications are printed using vegetable- or soy-based inks.

We also have a “green line” of ecofriendly promotional items, such as corporate gifts and tradeshow giveaways, which includes products that are reusable, organic, biodegradable, energy efficient, or made from recycled materials or natural ingredients.

In 2012, our goal is to increase the percentage of 100-percent postconsumer recycled paper to 60 percent of paper purchased. To achieve this, we will develop procurement guidelines for all paper purchases and vendor-supplied paper products. In 2011, for paper purchased through our preferred office supply partner, we achieved 67 percent usage of recycled paper in Canada and 18 percent usage of recycled paper in the US. Both of these figures refer to paper with any amount of recycled content.

## STAFF COMMUTING

We encourage employees to avoid single-occupant vehicle use in favor of more sustainable modes of commuting. A few examples of some of our green commuting incentives can be found in the table below.

Enhancing communication and collaboration among our geographically dispersed staff is an ongoing challenge. With Stantec’s expertise spread across the globe and with clients requiring quick access to that expertise, technology can help break down these barriers. We aim to provide staff with secure access to network resources on a range of devices so that no matter where they are, they can collaborate effectively in a virtual, real-time environment both together and with clients.

Travel is an inevitable aspect of our business, but we continue to explore ways to reduce the number and length of business trips taken by our staff. By 2012, we plan to reduce the need for business travel and commuting by increasing employee access to collaborative remote communications tools. In April 2011, we installed Lync, a powerful online collaboration tool with instant messaging, audio, and video chat capabilities, on all Company computers. Since deployment of Lync, web conferencing has been climbing steadily, with our employees now averaging around 550 instant messaging conferences and over 100 audio and video conferences each week.

Taking Transit	Through partnerships with local employer pass programs, we subsidize the cost of transit passes by at least 25 percent for employees at four of our largest offices. In our Toronto, Ontario, office, more than 40 percent of our employees have joined this program.
Cycling and Walking	Many of our offices provide amenities for cyclists and walkers, including secure bicycle parking, showers, change rooms, and lockers. At our Company headquarters, we have set up a bicycle repair center and an in-house eco-friendly dry cleaning program, both of which help support employee cyclists.
Carpooling	Carpooling partnership programs are in place at a few of our offices. These programs help staff find a carpool partner and sometimes provide additional perks, such as reserved prime parking spaces for carpoolers.
Carsharing	A few of our offices provide at least one shared vehicle for employees to use for site visits, client meetings, and personal appointments. For example, our Toronto, Ontario, office has partnered with local car-share provider ZipCar to make shared vehicles readily available for employees.
Teleworking	By increasing employee access to collaborative remote communication tools and by installing videoconferencing facilities at many of our offices, we have simultaneously increased the potential for employees to telework and reduced the need for business trips.

Every other meeting of our Executive Leadership Team is now being held on Lync, demonstrating leadership support for reducing travel. In 2011, we also rolled out Microsoft Office 2010.

In 2012, we plan to upgrade to the latest version of SharePoint. All of these software components are designed to seamlessly work together to enable virtual, real-time communication, collaboration, and document sharing.

By supporting virtual teamwork, increased use of remote communication tools is expected to reduce employee travel and associated energy use while increasing our ability to respond quickly to clients' needs.

## EDUCATION AND ENGAGEMENT

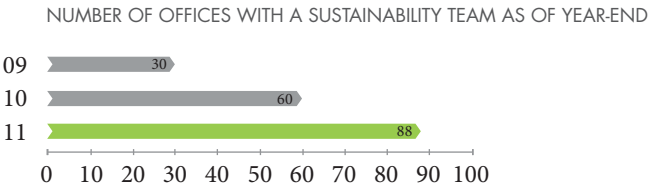
A key element of our sustainability strategy is embedding sustainability into our organizational culture. Our Company-wide Sustainability Engagement (SE) program builds basic sustainability understanding, skills, and relevance through employee participation and collective learning and action, in addition to support of office-driven projects. We aim to integrate this program with existing sustainability initiatives to ensure that it is consistent with corporate, regional, and local efforts and targets.

Our central SE Specialist works together with our Sustainability Teams to deliver this program through development and implementation of an annual SE plan. Maintaining an SE program that is relevant across a large and geographically diverse company can be challenging. The annual SE plan is a flexible framework, intended to stimulate ideas, discussion, and participation while enabling each individual office to adapt content and activities to their local environment. The main elements of the SE program include relevant themes, suggested office activities each month, friendly Company-wide inter-office challenges, and additional resources.

The engagement program is delivered through two main avenues:

- Online – On our Company intranet, StanNet, we have an online community focused on sustainability. This includes a sustainability news page as well as other information pages dedicated to current and ongoing sustainability activities.
- Sustainability Teams – Many of our offices have established Sustainability or Green Teams, which are voluntary groups of employees that work together on local initiatives to enhance the positive environmental and social impacts of their workplace. They are key to the success of the SE program as they are the drivers of Company-wide sustainability challenges as well as local events and activities.

The number of offices with a local Sustainability Team nearly tripled over the past three years, growing from 30 at the end of 2009 to 88 at the end of 2011. We now have Sustainability Teams in place at more than half of our 170 locations. In 2012, our target is to have Sustainability Teams at 100 of our offices.



In order to make sustainability activities more accessible to all of our offices, in 2011, the SE program incorporated a new sustainability lunch-and-learn series, which included three live online webinars held throughout the year, each followed by a question-and-answer period. Delivered by in-house experts, these webinars focused on creating elevated awareness of Company-wide sustainability initiatives and aimed to provide a stronger connection between sustainability initiatives and goals at a local (individual office) and corporate (Company-wide) level. The webinars were recorded and were available online for all employees to view on-demand.

Company-wide events in 2011 included our No Impact Week Challenge, which took place in April, and our annual Cool Commute Challenge, which took place in June.

### Earth Week Challenge

In honor of Earth Week, many offices participated in a five-day No Impact Week Challenge. This event promoted the benefits of doing more with less and the values of thriftiness, utility, and resourcefulness. Employees were encouraged to share their experiences and ideas on the No Impact blog, qualifying them to win an ecofriendly prize. Staff were invited to blog about ideas that benefitted the planet, were innovative or resourceful, and were easy for others to use in their daily lives. Employees then voted on the winner from a preselected pool of finalists.

### Cool Commute Challenge

In 2010, Stantec built on the previous success of its Bike-to-Work Office Challenge by launching its signature Cool Commute Challenge (CCC) event. This is a month-long friendly interoffice competition that encourages employees to use more sustainable modes of transportation, such as cycling, walking, taking transit, carpooling, or teleworking.

In total, 2,228 employees from 105 offices participated in the 2011 CCC, which represented over 20 percent of our total staff. While we did not meet our goal of 2,500 participants, we still saw an increase in staff participation of more than 10 percent. Our employees logged a total of almost 1 million kilometers (621,000 miles) in sustainable commutes. Participants included the CEO, CFO, and several additional members of our Executive Leadership Team.

The event featured an internal interactive web page and a new online commute-tracking database, which streamlined data collection and significantly reduced the workload for compiling statistics. It also made data reporting more interactive for our employees, enabling participants to see live individual and team results, and further increasing interest in the event. To complement the Cool Commute photo contest, we launched a new blogging contest to encourage staff to share their sustainable commuting stories.

The CCC event has been incredibly successful at getting employees to try sustainable commuting. In a 2011 postevent survey completed by almost 500 employees, the percentage of respondents who “strongly agreed” that sustainable transportation is a viable mode of commuting for them increased by 6 percent, from 56 percent prior to participating in the event to 62 percent afterwards. A total of 71 percent of respondents stated they would be “very likely” to continue using sustainable transportation after the event was over. Nearly half of all respondents (49 percent) indicated that their primary mode of commuting was via a single-occupant vehicle, and a modal shift in this group can have a demonstrable environmental benefit. Many employees have continued to commute sustainably following the competition, and some employees have attributed significant health benefits, such as weight loss from cycling, to their participation in this event.



## > IN FOCUS: OFFICE ECOLOGY

*Stantec's ECOS team is working to reduce the environmental footprint of the global headquarters*

Stantec's global headquarters in Edmonton, Alberta, has a long history of environmental initiatives. To further build on this, in February 2010, it formally established the Edmonton Committee for Office Sustainability (ECOS), a voluntary group of employees that meet regularly in order to recommend, initiate, and implement efforts to make Stantec Centre's internal operations more environmentally responsible.

One of the first projects spearheaded by ECOS was installation of a rooftop solar photovoltaic (PV) system. The team put together a successful application for the City of Edmonton's pilot commercial solar rebate program, receiving the maximum grant amount, which covered almost a third of the project's estimated costs. They then prepared a detailed business case proposal, which was supported by the regional office leader. Risk analysis, energy opportunity assessment, system design, construction management, testing, and commissioning for the project were all handled by Stantec professionals. Installation of the 30-panel 6.60 kW PV system was completed in April 2011. The solar panels are estimated to contribute to 10 percent of the South Tower's total annual electricity consumption, reducing GHG emissions by 6.5 tonnes of CO<sub>2</sub>e a year.

The ECOS team also spearheaded many waste reduction initiatives in 2011. To increase staff awareness about the amount and type of waste produced at the office, they conducted a thorough baseline waste audit, with the help of more than a dozen employee volunteers. One of the audits was done in the lobby in the middle of the workday, so that employees could see all of the garbage collected and sorted. A pilot project was implemented to collect coffee grounds from the in-house coffee shop, which were used to fertilize the green roof. The team also hosted a series of lunchtime employee focus groups to uncover opportunities to reduce paper use.



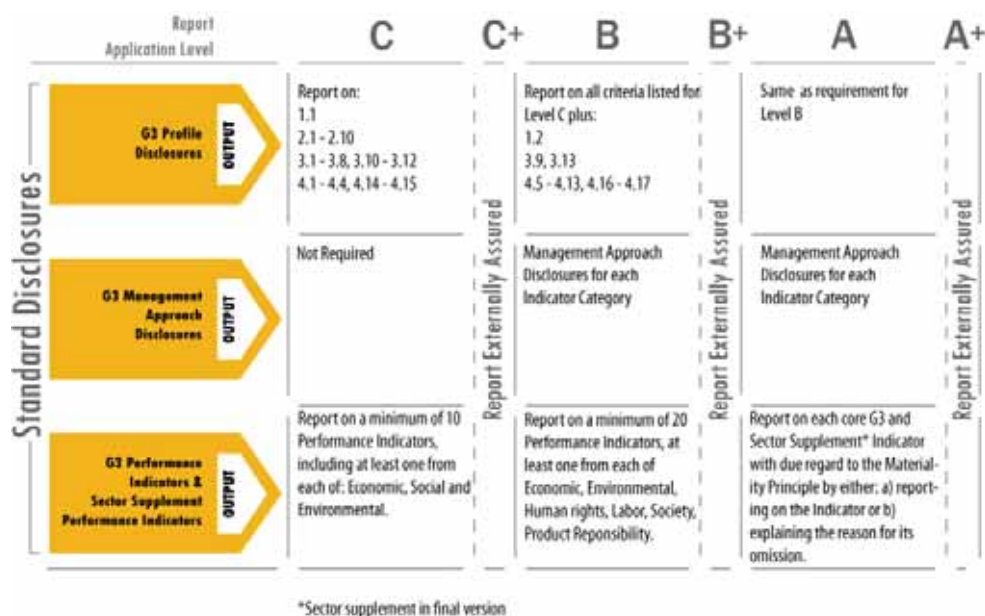
Edmonton regional leader Keith Shillington together with members of the ECOS team gathered behind the rooftop solar PV system

In 2011, the ECOS team conducted a comprehensive online survey to determine employee commuting habits and which incentives were most likely to reduce vehicle trips. They subsequently organized several sustainable commuting initiatives, including developing a series of educational posters, running workshops, and organizing a month-long calendar of local activities during the corporate Cool Commute Challenge. To reduce local pollution, they also permanently displayed anti-idling signs at the building's main vehicle entryways.

# GRI CONTENT INDEX

This report has been prepared in accordance with the GRI's G3.1 sustainability reporting guidelines, and we are confident that it meets the requirements of Application Level B. The index below shows the indicators that have been reported on and where each disclosure can be found. Some disclosures are not included in this report but can be found in other publically available documents as referenced below. For more information about the GRI, visit [www.globalreporting.org](http://www.globalreporting.org).

The table below provides an overview of GRI's application levels and the requirements for attaining each of them.



GRI Indicator	Indicator Description	2011 Disclosure
PROFILE		
1: STRATEGY AND ANALYSIS		
1.1	Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy	SR, pages 10 to 11; Full description of our corporate strategy: FR, pages M-4 to M-13; BR, pages 14 to 27
1.2	Description of key impacts, risks, and opportunities	SR, pages 10 to 11, 18 to 20, and 35
2: ORGANIZATIONAL PROFILE		
2.1	Name of the organization	FR, page F-9
2.2	Primary brands, products, and/or services	SR, pages 3 to 7; FR, pages M-4 to M-13; AIF, pages 9 to 11; BR, pages 16 to 21
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	FR, pages F-9, F-35 to F-36, and F-58 to F-59; AIF, pages 3 to 5



GRI Indicator	Indicator Description	2011 Disclosure
2.4	Location of organization's headquarters	FR, page F-9; AIF, page 3
2.5	Number of countries where the organization operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	FR, pages F-36, F-58 to F-59, and F-61; AIF, pages 4, 5, and 12
2.6	Nature of ownership and legal form	AIF, page 3
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	FR, pages M-5 to M-8
2.8	Scale of the reporting organization	Employee numbers: FR, page M-11; Net revenue: FR, page F-5; Total capitalization: FR, page 8 (share prices and shares outstanding); Quantity of services provided: not applicable; Total assets: FR, page F-4; Breakdown by country of revenue: FR, page F-61
2.9	Significant changes during the reporting period regarding size, structure, or ownership	FR, pages F-9 to F-70; AIF, pages 5 to 8
2.10	Awards received in the reporting period	SR, pages 12 to 17
<b>3. REPORT PARAMETERS</b>		
<b>Report Profile</b>		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	SR, page 9
3.2	Date of most recent previous report (if any)	SR, page 9
3.3	Reporting cycle (annual, biennial, etc.)	SR, page 9
3.4	Contact point for questions regarding the report or its contents	SR, page IBC
<b>Report Scope and Boundary</b>		
3.5	Process for defining report content	SR, pages 9 and 22 to 27; FR, pages F-9 to F-10 (Basis of Consolidation). In determining what information to report, we focused on the sustainability impacts that we considered to be the most significant for our organization and for which we currently have the capacity to accurately measure data
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	SR, page 9; FR, page F-9 (Basis of Consolidation)
3.7**	State any specific limitations on the scope or boundary of the report	SR, page 9; FR, page F-9 (Basis of Consolidation)
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	SR, page 9; FR, pages F-9 to F-10 (Basis of Consolidation) and pages F-10 to F-18 (Summary of Significant Accounting Policies)
3.9**	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report	SR, pages 9 and 80 to 91; FR, pages F-10 to F-18 (Summary of Significant Accounting Policies) and F-19 to F-21 (Significant Accounting Judgements, Estimates, and Assumptions)
3.10	Explanation of the effect of any restatements of information provided in earlier reports and the reasons for such restatement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	SR, pages 70 and 86 (LA2); FR, pages F-10 to F-18 (Summary of Significant Accounting Policies) and F-62 to F-70 (Transition to IFRS)
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	SR, pages 70 and 86 (LA2); FR, pages F-10 to F-18 (Summary of Significant Accounting Policies) and F-62 to F-70 (Transition to IFRS)

GRI Indicator	Indicator Description	2011 Disclosure
GRI Content Index		
3.12	Table identifying the location of the Standard Disclosures in the report	SR, pages 80 to 89
Assurance		
3.13	Policy and current practice with regard to seeking external assurance for the report	SR, pages 9 and 27
<b>4: GOVERNANCE, COMMITMENTS, AND ENGAGEMENT</b>		
Governance		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	SR, pages 28 to 29; FR, pages M-73 to M-74 (Corporate Governance); AIF, pages 14 to 17; MIC, pages 9 to 17 and 38 to 43. Our corporate governance model complies with the corporate governance guidelines set out in National Policy 58-201, addressing practices in three main areas: stewardship, independence, and expertise
4.2	Indicate whether the chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement)	AIF, pages 14 to 16
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or nonexecutive members	AIF, pages 14 to 16
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Shareholders are free to submit a shareholder proposal to the Company that can be raised at the next annual general meeting of the Company for all shareholders to consider. Our Integrity policy provides a means for all stakeholders to voice concerns directly to our board of directors and senior management. Both our external and internal Company websites publicize this policy and provide contact information, reassurance of anonymity, and an outline of the process for addressing concerns
4.5**	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements) and the organization's performance (including social and environmental performance)	MIC, pages 20 to 36
4.6**	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Our Code of Ethics, Integrity, and Majority Voting policies are disclosed in the Investors/Governance section of <a href="http://stantec.com">stantec.com</a> . All other policies are published internally on our Company intranet. The board of directors believes that its effectiveness is furthered when directors exercise independent judgment in considering transactions and agreements. As such, if at any board of directors' meeting a director or executive officer has a material interest in a matter being considered, such director or officer will not be present for discussions relating to the matter and will not participate in any vote on the matter
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	We assess the skills and expertise of the board of directors of Stantec Inc. through the circulation of annual surveys, which are completed by each of the directors. For a chart detailing the collective skill and expertise of our board, see MIC, page 14

GRI Indicator	Indicator Description	2011 Disclosure
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	SR, pages 28 to 29. A statement of our vision and values is disclosed on our corporate website. The board of directors has adopted a comprehensive code of business conduct and ethics, which provides a framework for directors, officers, and employees for the conduct and ethical decision-making that is integral to their work. The Company requires that all officers and employees annually certify that they have read and understand the code. The code is reviewed at least annually by the Corporate Governance and Compensation Committee to ensure that it complies with all legal requirements and is in alignment with best practices. In the event that amendments are needed, recommendations are made to the Corporate Governance and Compensation Committee and the board of directors for approval. The code is available in the Investors/Governance section of stantec.com
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	The Audit and Risk Committee meets quarterly and reports to the Board of Directors. For a detailed review of the mandate and workplan, see MIC, pages 14 to 16
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	The board of directors conducts a self-assessment each year. The shareholders vote to elect the directors at each annual general meeting. If the shareholders are unhappy with performance, they can choose to withhold their votes for any or all of the directors
<b>Commitments to External Initiatives</b>		
4.11**	Explanation of whether and how the precautionary approach or principle is addressed by the organization	At least annually, we perform a formal assessment of the key risks facing our Company. The assessment is performed using the Committee of Sponsoring Organizations (COSO) Risk Assessment model. Risks are identified and assessed first for inherent risk (before risk mitigation) and second for residual risk (after risk mitigation). The objective of this risk assessment process is to understand risks and ensure that they are managed in accordance with the Company's risk appetite. Decisions regarding risk mitigation are made based on a number of considerations, including the relationship between risk and reward. Even if we had unlimited resources, we would not be able to eliminate all risk. Accordingly, we take calculated steps to manage our risk mitigation strategies for all identified risks with an emphasis on the top risks
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	SR, pages 13, 30, 38 to 39, 47, 56 to 57, 82 (4.1), and 83 (4.11)
4.13**	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	SR, pages 13, 62, and 73
<b>Stakeholder Engagement</b>		
4.14	List of stakeholder groups engaged by the organization	SR, pages 22 to 27 and 92 to 93
4.15	Basis for identification and selection of stakeholders with whom to engage	SR, pages 22 to 27 and 92 to 93
4.16**	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	SR, pages 22 to 27 and 92 to 93
4.17	Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded to those key topics and concerns, including through its reporting	SR, pages 22 to 27 and 92 to 93

GRI Indicator	Indicator Description	2011 Disclosure
<b>MANAGEMENT APPROACH AND PERFORMANCE INDICATORS</b>		
<b>ECONOMIC</b>		
DMA**	Disclosure on management approach	Goals and performance: FR, pages M-17 and M-45 to M-48; Policy: FR, M-4 to M-13; Additional contextual information: SR, pages 32 to 35; FR, pages M-4 to M-45 and M-61 to M-73
<b>Economic Performance</b>		
EC1** Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments		
Direct economic value generated		
a)	Revenues: Net sales plus revenues from financial investments and sales of assets	FR, pages F-5 to F-8
Economic value distributed		
b)	Operating costs: Payments to suppliers, nonstrategic investments, royalties, and facilitation payments	FR, page F-8 (Cash paid to suppliers)
c)	Employee wages and benefits: Total monetary outflows for employees (current payments, not future commitments)	FR, page F-8 (Cash paid to employees – includes pensions)
d)	Payments to providers of capital: All financial payments made to the providers of the organization's capital	FR, page F-8 (Interest paid)
e)	Payments to government: Gross taxes	FR, page F-8 (Income taxes paid – not broken down by country)
f)	Community investments: Voluntary contributions and investment of funds in the broader community (includes donations)	SR, pages 63 to 67
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	SR, page 35; CDP, sections 2, 5, and 6; FR, page M-47
EC3	Coverage of the organization's defined benefit plan obligations	SR, pages 51 to 52; FR, pages F-16 (Employee benefit plans) and F-56 (Employee Costs: Pension costs). We do not have a defined benefit plan but a defined contribution plan
EC4	Significant financial assistance received from government	FR, page F-62, note 37. We receive tax credits for research and development initiatives
<b>Market Presence</b>		
EC6**	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	SR, pages 56 to 57
<b>ENVIRONMENTAL</b>		
DMA**	Disclosure on management approach	Goals and performance: SR, pages 18, 20, and 68 to 79; Policy: Sustainability policy (SR, page 29) and HSE policy; Organizational responsibility: SR, pages 28 to 30, and 37 to 38; Training and awareness: SR, pages 28 to 31, 53 to 55, and 68 to 79; Monitoring and follow-up: SR, pages 28 to 31 and 68 to 79; Additional contextual information: SR, pages 68 to 79
<b>Materials</b>		
EN1**	Materials used by weight or volume	SR, pages 71 to 72 Paper: The estimated total weight of paper purchased in 2011 was approximately 537 metric tonnes. This included all paper purchased for internal printing purposes, including plotter printing where applicable, but did not include third-party printing Methodology: Paper purchase data for US and Canadian offices was collected from corporate office supply vendors. Offices that used other vendors provided independent data. For facilities that did not provide paper purchase data, paper use was estimated based on per capita paper use from data collected. All paper data was converted into standard letter size (8.5 x 11 inches), based on known surface area dimensions. Paper weight was calculated based on the assumption that an average ream of paper is approximately 2.6 kilograms

GRI Indicator	Indicator Description	2011 Disclosure
EN2**	Percentage of materials used that are recycled input materials	SR, pages 71 to 79. The weighted average of recycled content in paper purchased from corporate office supply vendors was 34%. Data excludes offices that did not use our corporate office supply vendors
<b>Energy</b>		
EN3	Direct energy consumption by primary energy source	SR, pages 71 to 72; CDP, sections 9.1a to 9.1d; Estimated total direct energy consumption was 164,840 GJ. This primarily represented natural gas, fuel, and fuel oil purchased by facilities and used in fleet vehicles
EN4	Indirect energy consumption by primary source	SR, pages 71 to 72; CDP, section 12.2. Estimated total indirect energy consumption was 182,152 GJ. This primarily represented electricity purchased by facilities
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	SR, pages 68 and 73 to 79
<b>Water</b>		
EN8**	Total water withdrawal by source	SR, pages 71 to 72. Total estimated water use in 2011 was 224,292 m <sup>3</sup> (224,292,432 L). Estimated water use per employee was 20.29 m <sup>3</sup> (20,297 L)/year. This represented all water consumption activities for our facilities. Methodology: Water use data was collected at the office level for 147 offices. For facilities that were submetered, data represented annual water consumption. For facilities that were not submetered, annual water consumption was estimated based on the number of employees per office. Average water use per employee was based on reported information from submetered offices. For facilities that were unable to provide data, water use was estimated based on per capita water use from data collected
<b>Emissions, Effluents, and Waste</b>		
EN16	Total direct and indirect GHG emissions by weight	SR, pages 69 to 70 and 72; CDP, sections 7.1 to 13.4. Estimated total CO <sub>2</sub> e was 36,888 tonnes (Scope 1 was 9,967 tonnes, Scope 2 was 26,921 tonnes). Methodology: Data was collected at the office level for a subset of 190 offices, representing 95% of our employees. For facilities that did not provide data, data was estimated based on kWh/ft <sup>2</sup> intensity levels from similar sized facilities in the same geographical regions
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	SR, pages 68 and 73 to 79
EN19**	Emissions of ozone-depleting substances by weight	Since we are a professional services firm, we do not have any significant emissions of ozone-depleting substances. Any emissions from refrigerants or other sources are considered negligible or beyond our operational control
EN22**	Total weight of waste by type and disposal method	SR, pages 71 to 72. Methodology: Waste data was collected at the office level. Annual production of waste for facilities that were not billed directly for waste or offices that had not completed a waste audit was estimated based on the size of waste collection bins, frequency of pick-up, and estimated "fullness" of bins. This process was repeated for recycling and composting. For offices that were unable to provide waste data, estimations were made using an indicator of kg of waste per square foot. The size range of offices (small, medium, large) were used to further streamline data and to avoid anomalies within the data
EN23	Total number and volume of significant spills	0 significant spills
<b>Products and Services</b>		
EN26**	Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation	SR, pages 36 to 41
EN27***	Percentage of products sold and packaging materials reclaimed by category	Not applicable to Stantec

GRI Indicator	Indicator Description	2011 Disclosure
Compliance		
EN28	Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with environmental laws and regulations	There have been no significant fines or penalties against Stantec relating to environmental laws and regulations. During this period, one matter was settled with the Federal Aviation Administration and we received one Notice of Non-Compliance and one Warning Letter from the Tennessee DEC and Alberta Environment, respectively. In each instance, Stantec has cooperated with the applicable regulatory board/department in responding to the incident; in fact, Stantec self-identified one of the incidents and initiated contact with the applicable regulatory board to seek guidance. Further, Stantec's Risk Management team has taken proactive steps to review and update its practices and procedures to prevent future incidents
SOCIAL		
LABOR PRACTICES & DECENT WORK		
DMA**	Disclosure on management approach	Goals and performance: SR, pages 18 to 19 and 42 to 55; Policy: 5 Employment Services policies, Harassment and Discrimination policy, 2 Health and Safety policies; Organizational responsibility: SR, pages 42 to 55; Training and awareness: SR, pages 28 to 31 and 42 to 55; Monitoring and follow-up: SR, pages 28 to 31 and 42 to 55; Additional contextual information: SR, pages 42 to 55
Employment		
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	SR, page 43. All data other than region, type of employment contract, and gender excludes contractors
LA2**	Total number and rate of new employee hires and employee turnover by age group, gender, and region	SR, pages 44 to 45 Methodology: In our previous sustainability reports, we published turnover numbers for employees who had been employed by Stantec for three years or longer. However, in this year's report, to give a more comprehensive overview of our staff turnover, we decided to include turnover information for all employees. We have, therefore, restated our turnover numbers for both 2009 and 2010. For more information about how we calculate employee turnover numbers, see the Glossary on page 90.
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	SR, pages 51 to 52
Labor/Management Relations		
LA4	Percentage of employees covered by collective bargaining agreements	0 percent (no collective bargaining agreements)
Occupational Health and Safety		
LA7**	Rates of injury, occupational diseases, lost days, and absenteeism and total number of work-related fatalities, by region and by gender	Incident rates: SR, pages 49 to 50; Occupational disease rate: zero; Fatalities: zero. Our record-keeping system is consistent with OSHA guidelines
LA9***	Health and safety topics covered in formal agreements with trade unions	Not applicable to Stantec
Training and Education		
LA10	Average hours of training per year per employee by gender, and by employee category	SR, pages 53 to 55. Our employee training data has several limitations. Average overall training hours per employee is calculated using data from employees' own coding of their working hours in their weekly timecard. This data could be understated for various reasons, including: training hours being coded incorrectly (for example, as "administration" instead of "training"), training occurring outside of regular work hours, employees choosing to pursue optional training for which Stantec contributed towards the costs but not the time, or employees choosing not to claim training hours due to its negative impact on employee's utilization rates (the percentage of time employees spend on billable client work versus administrative tasks). Data on training hours for specific internal training programs, such as Leadership and Project Management Training, is expected to be relatively accurate as it is based on attendance levels recorded by program organizers. However, unreported attendances may still lead to some minimal inaccuracies

GRI Indicator	Indicator Description	2011 Disclosure
LA12	Percentage of employees receiving regular performance and career development reviews, by gender	SR, page 54
<b>Diversity and Equal Opportunity</b>		
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	SR, pages 46 to 48. In the United States, we are required by law to record minority group information for all employees, whereas in Canada, we gather voluntary information regarding employee membership in minority groups, which allows us to estimate employee diversity statistics. Prior to 2010, we did not track employees with disabilities in the United States. In 2010, we implemented a system to track this information; however, it applies only to new US employees
<b>HUMAN RIGHTS</b>		
DMA**	Disclosure on management approach	Goals and performance: SR, pages 18 to 19, 46 to 48, and 56 to 61; Policy: 5 Employment Services policies, 12 Business Conduct policies, and Harassment and Discrimination policy; Organizational risk assessment: SR, pages 46 to 48 and 56 to 61; Impact assessment: SR, pages 46 to 48 and 56 to 61; Organizational responsibility: VP, Risk Management/General Counsel, VP, Human Resources, and VP, US Federal Contracting; Training and awareness: SR, pages 28 to 31, and 53 to 55; Monitoring, follow-up, and remediation: SR, pages 28 to 31, 46 to 48, and 56 to 61; Additional contextual information: SR, pages 46 to 48 and 56 to 61
<b>Non-Discrimination</b>		
HR4	Total number of incidents of discrimination and corrective actions taken	Less than five complaints were made (none proven). All were investigated. No remedial actions were necessary
<b>Child Labor</b>		
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor and measures taken to contribute to the elimination of child labor	We conduct more than 97% of our business in the United States and Canada, countries that do not have significant risk for human rights abuses or incidents of child labor. In our international offices, or otherwise when we are working internationally, we abide by all laws and regulations concerning the hiring of personnel
<b>Forced and Compulsory Labor</b>		
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor and measures to contribute to the elimination of forced or compulsory labor	We conduct more than 97% of our business in the United States and Canada, countries that do not have significant risk for human rights abuses or incidents of forced or compulsory labor. In our international offices, or otherwise when we are working internationally, we abide by all laws and regulations concerning the hiring of personnel
<b>Security Practices</b>		
HR8***	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	Not applicable to Stantec
<b>Indigenous Rights</b>		
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	0 incidents
<b>SOCIETY</b>		
DMA**	Disclosure on management approach	Goals and performance: SR, pages 18 to 19, 28 to 31, and 62 to 67. Other goals include no corruption, no anticompetitive behavior, and full compliance with all associated laws and regulations. Policy: SR, page 29. 12 Business Conduct policies, Community Investment policy, and all policies related to regulatory compliance; Organizational responsibility: VP, Risk Management/General Counsel, COO, and CEO; Training and awareness: SR, pages 28 to 31, 53 to 55, and 62 to 67; Monitoring and follow-up: SR, pages 28 to 31 and 62 to 67; Additional contextual information: SR, pages 28 to 31 and 62 to 67
<b>Corruption</b>		
SO2	Percentage and total number of business units analyzed for risks related to corruption	We submit all our business units for analysis of risks related to corruption through a survey of all units completed each quarter

GRI Indicator	Indicator Description	2011 Disclosure
SO3	Percentage of employees trained in organization's anticorruption policies and procedures	We require all employees to complete a mandatory online business ethics training program. In addition, we require all new employees to complete an online training module that includes orientation to our Company policies and procedures. Employees must sign a form confirming their understanding that they are expected to review all Company policies and to act in accordance with these policies. Some of our policies address anticorruption, such as our Conflict of Interest policy and Insider Trading policy. Agreement to comply with Stantec's policies and practices is confirmed within the context of the signed Employment Agreement at the commencement of employment with Stantec and annually through our formal performance review process
SO4	Actions taken in response to incidents of corruption	Any allegations of corruption are reported to management and, if necessary, to legal authorities. Instances of corruption would result in a review of policies and procedures, and, where determined necessary, changes to prevent future incidents. In the reporting period, Stantec did not experience any incidents of corruption implicating employees, directors, or other non-arm's-length parties
<b>Public Policy</b>		
SO5	Public policy positions and participation in public policy development and lobbying	In order to avoid the appearance of any attempt to obtain or retain business or to secure an improper advantage with public officials, political candidates, or political parties, we have instituted a Political Contributions policy. Stantec will not contribute funds to or allow the use of its facilities for political fundraising purposes on behalf of candidates for political office, political parties, ballot initiatives, referenda or measures, or elected incumbent office holders at any level—federal, state/provincial, or local. Any exception must be approved in writing by the regional operating unit leader, chief operating officer, or chief executive officer
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	Amount is not large enough to be material
<b>Anti-Competitive Behavior</b>		
SO7	Total number of legal actions for anticompetitive behavior, antitrust, and monopoly practices and their outcomes	0 legal actions
<b>Compliance</b>		
SO8	Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with laws and regulations	0 dollars, 0 nonmonetary sanctions
<b>PRODUCT RESPONSIBILITY</b>		
DMA**	Disclosure on management approach	Goals and performance: SR, pages 18 to 19 and 36 to 41; Policy: 4 Branding and Communicating policies and 12 Business Conduct policies; Organizational responsibility: VP, Practice & Quality Enhancement and VP, Marketing Resources & Communications; Training and awareness: SR, pages 28 to 31, 36 to 41, and 53 to 55; Monitoring and follow-up: SR, pages 28 to 31 and 36 to 41; Additional contextual information: SR, pages 36 to 41
<b>Customer Health and Safety</b>		
PR1**	Life cycle stages in which health and safety impacts of products and services are assessed for improvement and percentage of significant products and services categories subject to such procedures	Safety impacts are assessed to varying degrees in all life cycle stages
PR2	Total number of incidents of noncompliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	Incidents of noncompliance with regulations resulting in a fine or penalty: 0; Incidents of noncompliance with regulations resulting in a warning: 3; Incidents of noncompliance with voluntary codes: 0



GRI Indicator	Indicator Description	2011 Disclosure
Product and Service Labeling		
PR4	Total number of incidents of noncompliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	0 incidents
PR5**	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	SR, pages 22 to 27 and 28 to 31. We use client feedback to improve our performance on a specific project as well as to continually improve our organizational practices and processes. Specifically, senior Stantec leaders conduct periodic client feedback interviews to evaluate how well the client's needs have been met and to receive feedback on our performance
Marketing Communications		
PR6***	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	Not applicable to Stantec
PR7	Total number of incidents of noncompliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	0 incidents
Customer Privacy		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	0 complaints
Compliance		
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	0 incidents of noncompliance, 0 monetary sanctions

## LEGEND

\*: For a definition of this and other terms, see the Glossary on page 90

\*\* : Partial disclosure

**AIF**: Stantec Annual Information Form dated February 23, 2012, which can be found on [stantec.com](http://stantec.com) under Investors/ Reports & Financials

**BR**: Stantec 2011 Business Review, which can be found on [stantec.com](http://stantec.com) under Investors/ Reports & Financials

**CDP**: Stantec's Carbon Disclosure Project response dated May 2012, which can be found at [www.cdproject.net](http://www.cdproject.net)

**FR**: Stantec 2011 Financial Review, which can be found on [stantec.com](http://stantec.com) under Investors/Reports & Financials

\*\*\*: The indicator is not material to the Company due to the nature of the business.

**IBC**: Inside back cover of this report

**MIC**: Notice of Stantec Annual Meeting of Shareholders and Management Information Circular dated March 13, 2012, which can be found on [stantec.com](http://stantec.com) under Investors/ Reports & Financials

**SR**: Stantec's 2011 Sustainability Report

# GLOSSARY

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**ANSI:** The American National Standards Institute. ANSI provides accreditation for verifiers seeking to participate in a wide range of GHG programs and registries. For more information, visit [www.ansi.org](http://www.ansi.org).

**CDP:** The Carbon Disclosure Project, an independent, not-for-profit organization that holds the largest database of primary corporate climate change information in the world. For more information, visit [www.cdproject.net](http://www.cdproject.net).

**CO<sub>2</sub>e:** Carbon dioxide equivalent. CO<sub>2</sub>e represents the sum of the individual greenhouse gases (GHGs) weighted to represent the atmospheric effects of CO<sub>2</sub>, the most abundant GHG, relative to individual Global Warming Potentials (GWP). The GWP is a measure of the warming effect that a particular GHG will have on the atmosphere relative to the impact of CO<sub>2</sub>.

## Disadvantaged Business

**Enterprise:** A business that is at least 51 percent owned by one or more socially and economically disadvantaged individuals. Women, Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, and Subcontinent Asian Americans are presumed to qualify.

**EBITDA:** Earnings Before Interest, Taxes, Depreciation, and Amortization. Calculated as income before income taxes less net interest expense, amortization of intangible assets, depreciation of property and equipment, and goodwill and intangible impairment.

**ELT:** Executive Leadership Team, Stantec's senior leadership team that provides strategic direction for the Company.

**Employee (Non-Manager):** A Stantec employee with a fiscal authority level lower than associate.

**EMS:** Environmental management system. A system an organization can use to meet related targets for controlling the significant environmental impacts of its activities and complying with regulatory requirements.

**Frontline Manager:** A Stantec employee at the associate or senior associate level of fiscal authority.

**FTE:** Full-time equivalent. The unit used to calculate metrics on a per-employee basis.

**GHG:** Greenhouse gas. Greenhouse gases are atmospheric gases that absorb and emit radiation, which causes the greenhouse effect that heats the earth's surface. Carbon dioxide (CO<sub>2</sub>) is the most significant GHG and can be emitted in various ways, including breathing and burning fossil fuels.

**GRI:** Global Reporting Initiative. The GRI is both an institution encouraging improved corporate transparency and the developer of an internationally recognized sustainability reporting framework, the most recent version of which is the G3.1 guidelines. For more information, visit [www.globalreporting.org](http://www.globalreporting.org).

**HUBZone Business:** A business certified by the SBA as being located in a "historically underutilized business zone" owned and controlled by one or more US Citizens, and with at least 35 percent of its employees residing in a HUBZone.

**IMS:** Stantec's Integrated Management System, which provides a disciplined and accountable framework for managing risks, quality outcomes, and regulatory compliance and has been registered to three internationally recognized ISO standards. For more information, see pages 30 to 31.

**Inactive Employee:** Employees who, at the time of reporting, were not actively at work, meaning they were not working at their usual place of employment and performing all of the usual and customary duties of their occupation on a regularly scheduled basis. This includes employees on all types of leave, including parental, educational, military, disability, personal, and temporary layoff.

**ISO:** International Organization for Standardization, a nongovernmental organization that is the world's largest developer and publisher of international standards. For more information, visit [www.iso.org](http://www.iso.org).

**LEED:** Leadership in Energy and Environmental Design. A green building certification program as well as a professional accreditation in green building design, both initially developed by the United States Green Building Council.

**Lost-Time Days:** Days away from work as prescribed by a medical professional for work-related injuries or illnesses. These days are measured as calendar days beginning the day after the incident.

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**LTIR:** Lost-time injury rate. The rate of injuries so severe that a medical professional prescribes time off from work. The rate is calculated as lost-time injuries and illnesses multiplied by 200,000, then divided by the number of worker hours of exposure. This does not include minor injuries.

**Materiality:** The threshold at which an issue becomes sufficiently relevant that it should be reported. The material information in a sustainability report should cover topics and indicators that reflect the organization's significant economic, environmental, and social impacts or that would substantively influence the assessments and decisions of stakeholders. Information is material if its omission from the data could hamper the ability of the report to provide a reasonable and balanced picture of the organization's sustainability performance.

**Middle Manager:** A Stantec employee at the principal or senior principal level of fiscal authority.

**New Employee Hires:** New employees joining the organization for the first time. Includes acquisition employees but excludes rehires, casual or temporary employees, and contractors.

**OSHA:** Occupational Safety and Health Administration, a federal agency of the United States that regulates workplace safety and health.

**Practice Area:** One of Stantec's distinct service areas. Each practice area consists of several disciplines and service sectors, which represent areas of further service delivery specialization or focus. For organizational purposes, the practice areas are grouped into five categories representing different client and service focus areas.

**SBA:** US Small Business Administration. A US government agency that provides support to entrepreneurs and small businesses and leads the federal government's efforts to deliver a portion of federal contracts to small businesses. For more information, visit [www.sba.gov](http://www.sba.gov).

**SBA 8(a) Certified Business:** A small business certified by the SBA as owned and operated by socially and economically disadvantaged individuals, including Alaska Native Corporations and Native American Indian Tribal-Owned Corporations as described above for Disadvantaged Business Enterprise. For more information, visit [www.sba.gov](http://www.sba.gov).

**Scope 1 Emissions:** All direct GHG emissions. This includes stationary combustion (e.g., natural gas) and mobile combustion (e.g., vehicle fuel).

**Scope 2 Emissions:** Indirect GHG emissions from consumption of purchased or acquired electricity, heat, or steam.

**Senior Manager:** A Stantec employee at the vice president or senior vice president level of fiscal authority.

**Small Business Enterprise (SB):** A business, including its affiliates, that is independently owned and operated in the United States, organized for profit, not dominant in its field of operations, and whose industry-related size standards meet the SBA's small business size standards criteria. Size standards are defined by the North American Industry Classification System (NAICS).

**SRI:** Socially responsible investing. SRI investment portfolios and stock indices are screened according to environmental, social, and/ or governance information.

**Tonne (t):** Standard international metric measurement equivalent to 1,000 kilograms, approximately 2,205 pounds or 1.1 short tons.

**Turnover:** The number of employees leaving the organization in the reporting period, both voluntarily and involuntarily. Includes acquisition employees but excludes casual or temporary employees and contractors. Turnover rates are calculated by dividing by the total number of employees in each age, gender, or region category as of December 31, 2011.

**TRIR:** Total recordable injury rate. The rate 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.

# THIRD-PARTY ASSESSMENT

MAY 4, 2012

## > STATEMENT FROM STAKEHOLDER ROUNDTABLE

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### Background and Participation

Canadian Business for Social Responsibility (CBSR) was requested by Stantec Inc. (Stantec) to conduct a roundtable with some of the company's key stakeholders to solicit feedback and recommendations on Stantec's draft 2011 Sustainability Report. Stantec's ultimate objective was to better understand its stakeholders' expectations and concerns regarding sustainability, to uncover opportunities to subsequently enhance focus areas for its sustainability reporting. This is the first time Stantec has formally reached out to its stakeholders for feedback on the report through an in-person dialogue.

On May 2, 2012, CBSR acted as a third-party facilitator of the dialogue among various stakeholders, which included: PCL Constructors Canada, Sustainalytics, Town of Oakville, Caisse de dépôt et placement du Québec, and Nu Nennè-Stantec. Representatives from Stantec participated as observers and to respond to questions regarding Stantec's sustainability reporting and operations.

### Summary of Discussions

The roundtable was held at Stantec's Toronto office while stakeholders based outside of the Greater Toronto Area participated via teleconference. Stakeholders were asked to provide feedback on the report content, quality, and focus areas; share expectations for the report; and provide recommendations on areas requiring improvement. The following bullets summarize the feedback shared during the roundtable:

- Stakeholders were pleased to be involved in the meeting and with Stantec's willingness to consider their feedback and expectations.
- Stakeholders appreciated the level of transparency, balance, completeness, disclosure and progression of historical performance in the report, as well as management involvement and accountability for sustainability.
- Stakeholders indicated the report was lengthy and detailed, and presented suggestions for content management.
- Stakeholders articulated the need for more clarity on sustainability priorities and long-term objectives, and more context for current indicators measured.
- Stakeholders expressed an interest to understand Stantec's broader sustainable development impacts and how the company influences integration of sustainability principles into client projects.

### Summary of Key Recommendations:

The following points summarize the key recommendations provided by Stantec's stakeholders during the May 2 roundtable.

- Better define the target audience for whom the sustainability report is published.
- Enhance the process for defining material focus areas by leveraging stakeholder and employee engagement.
- Provide more context for focus areas and metrics to demonstrate the link between Stantec's impacts and priorities.
- Demonstrate alignment between Stantec's sustainability vision and the Company's overall vision.
- Provide clearer definitions for who is included in Stantec's relationship categories such as partners, clients and communities.
- Expand on how Stantec manages value chain impacts through its projects, services and interactions with clients.
- Provide a more comprehensive description of the broader community impacts of Stantec's operations by region and disclose impacts on Aboriginal communities.
- Consider a more succinct format to the report (e.g., prepare an annual summary report and communicate more non-time-bound information online).

### Next Steps

Stantec committed to presenting the stakeholder feedback and recommendations to its management team.

The management team will determine the extent to which the stakeholder feedback can be integrated and prioritized into the business. Subsequently, the participating stakeholders will be informed of how Stantec will respond to their feedback and recommendations in next year's report.

CBSR is pleased to have been a participant in this process, and wishes Stantec much success in its future sustainability and reporting endeavors.

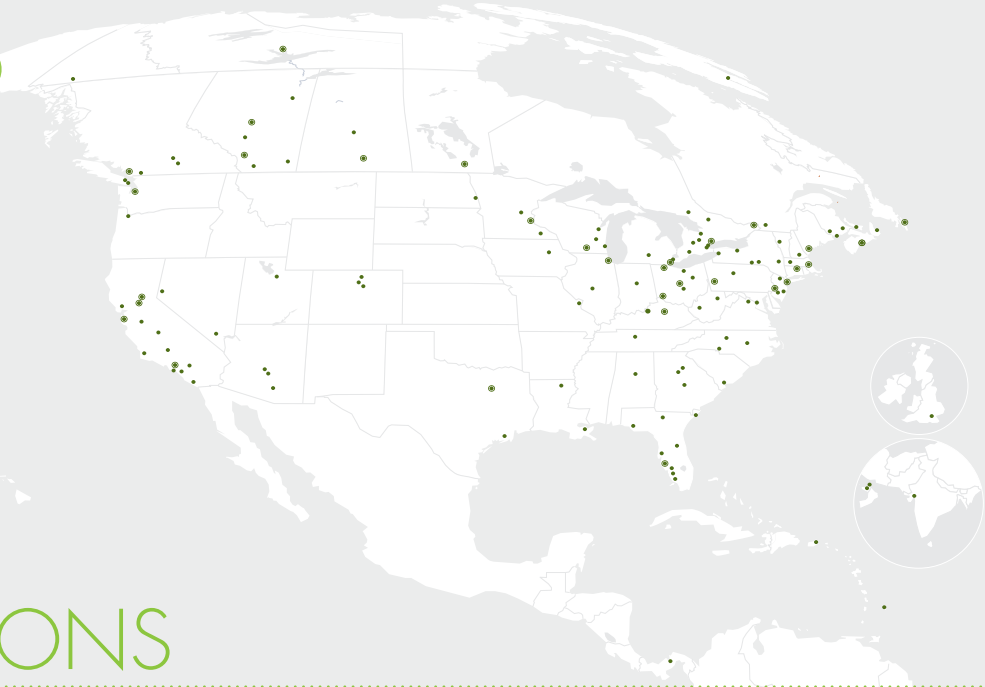


Agnieszka Rum  
CSR Advisor, CBSR



Canadian Business for Social Responsibility

360 BAY STREET, SUITE 300 TORONTO, ONTARIO M5H 2V6  
T 416 703 7435 F 416 703 7475 WWW.CBSR.CA



# LOCATIONS

## CANADA

Calgary, Alberta  
Edmonton, Alberta  
Fort McMurray, Alberta  
Lethbridge, Alberta  
Medicine Hat, Alberta  
Red Deer, Alberta  
Abbotsford, British Columbia  
Burnaby, British Columbia  
Kamloops, British Columbia  
Kelowna, British Columbia  
Sidney, British Columbia  
Surrey, British Columbia  
Vancouver, British Columbia  
Victoria, British Columbia  
Winnipeg, Manitoba  
St. John's, Newfoundland & Labrador  
Fredericton, New Brunswick  
Moncton, New Brunswick  
Saint John, New Brunswick  
Yellowknife, Northwest Territories  
Halifax, Nova Scotia  
Sydney, Nova Scotia  
Iqaluit, Nunavut  
Barrie, Ontario  
Burlington, Ontario  
Guelph, Ontario  
Hamilton, Ontario  
Kitchener, Ontario  
London, Ontario  
Markham, Ontario  
Mississauga, Ontario  
North Bay, Ontario  
Ottawa, Ontario  
Sudbury, Ontario  
Toronto, Ontario  
Windsor, Ontario  
Charlottetown, Prince Edward Island  
Montreal, Quebec  
Regina, Saskatchewan  
Saskatoon, Saskatchewan  
Whitehorse, Yukon

## UNITED STATES

Birmingham, Alabama  
Phoenix, Arizona  
Tempe, Arizona  
Tucson, Arizona  
Bakersfield, California  
Fresno, California  
Irvine, California  
Lafayette, California  
Long Beach, California  
Los Angeles, California  
Los Gatos, California  
Modesto, California  
Petaluma, California  
Redlands, California  
Rocklin, California  
Sacramento, California  
San Diego, California  
San Francisco, California  
San Luis Obispo, California  
Thousand Oaks, California  
Walnut Creek, California  
Boulder, Colorado  
Denver, Colorado  
Fort Collins, Colorado  
Washington, District of Columbia  
Hamden, Connecticut  
Hartford, Connecticut  
Fort Myers, Florida  
Jacksonville, Florida  
Naples, Florida  
Orlando, Florida  
Panama City, Florida  
Port Charlotte, Florida  
Sarasota, Florida  
Tallahassee, Florida  
Tampa, Florida  
Atlanta, Georgia  
Duluth, Georgia  
Macon, Georgia  
Chicago, Illinois  
Springfield, Illinois  
Indianapolis, Indiana  
Waterloo, Iowa  
Lexington, Kentucky  
Louisville, Kentucky  
New Orleans, Louisiana  
West Monroe, Louisiana  
Scarborough, Maine  
Topsham, Maine  
Boston, Massachusetts  
Northampton, Massachusetts  
Westford, Massachusetts  
Ann Arbor, Michigan  
Modesto, Michigan  
Lansing, Michigan  
Rochester, Minnesota  
St. Cloud, Minnesota  
St. Paul, Minnesota  
White Bear Lake, Minnesota  
St. Louis, Missouri  
Las Vegas, Nevada  
Reno, Nevada  
Auburn, New Hampshire  
Mount Laurel, New Jersey  
Rochelle Park, New Jersey  
Toms River, New Jersey  
Albany, New York  
Binghamton, New York  
Buffalo, New York  
Elmira, New York  
Hauppauge, New York  
New York, New York  
Rochester, New York  
Charlotte, North Carolina  
Raleigh, North Carolina  
Winston-Salem, North Carolina  
Fargo, North Dakota  
Canton, Ohio  
Cincinnati, Ohio  
Cleveland, Ohio  
Columbus, Ohio  
Logan, Ohio  
Sylvania, Ohio

Toledo, Ohio  
Portland, Oregon  
Butler, Pennsylvania  
Philadelphia, Pennsylvania  
Pittsburgh, Pennsylvania  
Plymouth Meeting, Pennsylvania  
State College, Pennsylvania  
West Chester, Pennsylvania  
Charleston, South Carolina  
Nashville, Tennessee  
Arlington, Texas  
Dallas, Texas  
Houston, Texas  
Salt Lake City, Utah  
South Burlington, Vermont  
Leesburg, Virginia  
Redmond, Washington  
Seattle, Washington  
Buckhannon, West Virginia  
Charleston, West Virginia  
Green Bay, Wisconsin  
Madison, Wisconsin  
Milwaukee, Wisconsin  
Waupun, Wisconsin

## INTERNATIONAL

St. Michael, Barbados  
London, England  
Ahmedabad, India  
Panama City, Panama  
Guaynabo, Puerto Rico  
Abu Dhabi, United Arab Emirates  
Dubai, United Arab Emirates

## CONTACT US

We welcome your feedback.  
If you have any comments  
or questions about this  
report, contact

**HEAD OFFICE**  
10160 – 112 Street  
Edmonton AB T5K 2L6  
Canada  
Tel: 1-780-917-7000  
fax: 1-780-917-7330  
[sustainability@stantec.com](mailto:sustainability@stantec.com)

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

Have your say! Share your opinions about  
Stantec's sustainability efforts by completing a  
short anonymous online survey at  
[www.stantec.com/sr2011survey](http://www.stantec.com/sr2011survey).

