

WE ARE BETTER TOGETHER



About This Report G4-15, 28-33, 48

This annual Sustainability Report provides information about Stantec's material issues and impacts. The report was prepared in accordance with the Global Reporting Initiative's G4 (GRI-G4) reporting framework at the core level, and specific references to GRI-G4 requirements are included throughout the document. Additional pertinent information is available in our [Annual Report](#), [Management Information Circular](#), [Annual Information Form](#), and [Sustainability Report: Additional Information](#) on [stantec.com](#). Combined, these reports provide transparency to Stantec's economic, social, and environmental performance.

This Sustainability Report includes information about Stantec's performance for our 2016 fiscal year (the calendar year). Unless otherwise noted, it covers all Stantec's global operations and the information applies to employees working in premises owned or leased by Stantec.* All financial information is reported in Canadian dollars unless otherwise specified.

To check that information in this report is accurate and reliable, Stantec established internal controls and a formal review process, including reviews from senior management in each functional area and final approval from members of our Executive Leadership Team. This report has not been externally assured; however, our consolidated financial statements, referenced in this report, were audited by Ernst & Young LLP Chartered Professional Accountants.

Stantec is a signatory to the United Nations Global Compact, and we have included our Communication on Progress within this report. Stantec additionally provides information to CDP (formerly, the Carbon Disclosure Project).

* MWH Global, Inc., our largest acquisition in 2016, has not yet been integrated into our Stantec operations, as explained in this report. Therefore, MWH data is not included in this report (except for required financial reporting data).



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MESSAGE FROM OUR PRESIDENT & CEO

G4-1

Sustainability matters to our people and communities. At Stantec, sustainability means reducing the environmental impacts and improving the social impacts of our operations. Plus—through the services we offer—we help our clients do the same.

Sustainability is built into our operations, our promise, and our values. This report is organized by those values: we put people first, we do what is right, we are better together, and we are driven to achieve.

We Put People First

As a professional services firm, our business is our people. And we want our people to be successful. Every year, we invest in learning and talent development initiatives that help our people grow their careers. In 2016, our Career Development Program was recognized with three Leadership Excellence and Development awards.

We focus on initiatives that enrich our welcoming, diverse, and inclusive culture. In 2016, we launched a grassroots employee-led campaign across our Company. The Diversity & Inclusion Lifts Us Higher campaign inspired employees around the world to share stories about what diversity and inclusion means to them. We also held unconscious bias training for our leadership team.

We Do What Is Right

From health and safety to environmental stewardship and governance, our commitment to doing what is right is evident in all that we do. As our Company—and our geographic reach—grows, so does our dedication to upholding our strong reputation.

In 2016, we enhanced our safety culture by developing the Safer Together program and incorporating security into our Health, Safety, and Environment system; added Marie-Lucie Morin to our board of directors, thereby increasing its diversity; and changed how we collect activity data to improve the accuracy of our environmental footprint calculations.

We Are Better Together

We are successful because of our strong relationships with our clients and communities. In 2016, we invested \$2 million in grants for creativity, innovation, and research to support, encourage, and celebrate Stantec employees who develop and apply ideas that benefit our clients, our communities, and our competitive position. About one-third of that funding supported sustainability-related projects.

Supporting our communities goes beyond the projects we design. Each year, we donate money and time to help the communities where we work and live. In 2016, we gave \$3 million—our largest amount yet—to community activities in the arts, education, the environment, and health and wellness. And during our fourth annual Stantec in the Community Day, 8,000 employees provided 16,000 hours of volunteer services in 250 locations.

We Are Driven to Achieve

Beyond our internal focus on sustainability, we broadly impact sustainability through our services. We can boast about many examples, including our leadership on resiliency, sustainable infrastructure and buildings, renewable energy, climate action, and environmental protection.

From our leadership team to our employees in the field, our people are passionate about doing more with less. We continue to make progress toward our sustainability targets and actively support internationally recognized standards, including the United Nations' Global Compact and Sustainable Development Goals. I thank all employees for their commitment to sustainability and to designing with community in mind.



Bob Gomes
President & CEO

ABOUT STANTEC

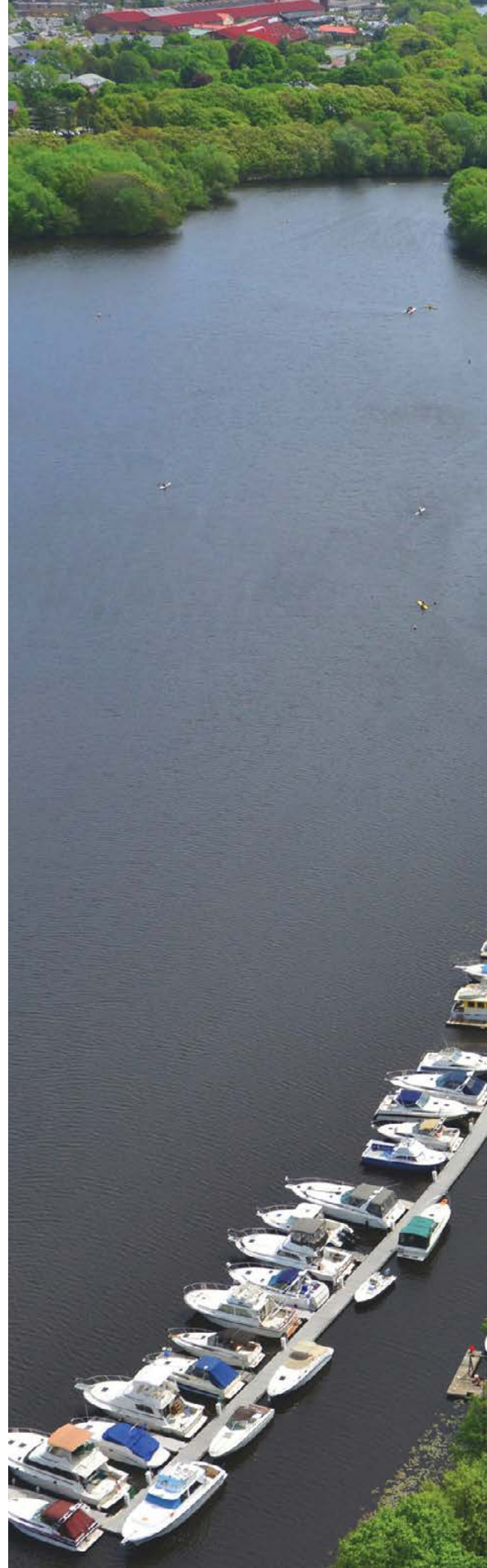
Creating communities is our purpose.
Designing with community in mind
is our promise.

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

The Stantec community unites approximately 22,000 employees* working in over 400 locations across 6 continents. We collaborate across disciplines and industries to bring buildings, energy and resource, environmental, water, and infrastructure projects to life. Our work—engineering, architecture, interior design, landscape architecture, surveying, environmental sciences, construction services, project management, and project economics, from initial project concept and planning through to design, construction, commissioning, maintenance, decommissioning, and remediation—begins at the intersection of community, creativity, and client relationships.

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

* As explained in this report, the 2016 acquisition of MWH has not yet been integrated into the Stantec operation and thus is not incorporated into this report. The number of legacy Stantec employees referenced throughout this report is 15,199.





DESIGN WITH COMMUNITY IN MIND



**FOR MORE
INFORMATION:**

See [Sustainability Report: Additional Information](#) for

- Stantec's GRI Content Index
- A summary of our Company sustainability commitments
- Additional information on the MWH acquisition
- An overview of Stantec's sustainable client solutions



SUSTAINABILITY AT STANTEC

Welcome to Stantec's tenth annual Sustainability Report. At Stantec, we commit to reducing our environmental impacts, improving the social impacts of our operations, and governing ourselves responsibly while operating profitably.

Our commitment to sustainability enhances shareholder value, improves our relationships with clients, and helps us recruit and retain employees. By holding true to our promise to design with community in mind, we foster a culture of health, safety, security, inclusion, engagement, environmental performance, and quality.







Stantec is committed to being a leader and model of sustainability. Our [Sustainability Policy](#) helps us implement best practices that meet the letter and spirit of the laws and regulations in locations where we do business and lead to an environmentally, socially, and economically sustainable future.



TO BECOME A TOP 10 GLOBAL DESIGN FIRM. THAT'S OUR BUSINESS OBJECTIVE.

And we'll do this by strengthening our local position and bringing world-class expertise to the communities where we live and work. Sustainability is critical to achieving this objective and ensuring our long-term competitiveness.

STANTEC'S BUSINESS DIRECTLY SUPPORTS SIX UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

 <p>Clean Water and Sanitation</p>	 <p>Decent Work and Economic Growth</p>	 <p>Sustainable Cities and Communities</p>
 <p>Affordable and Clean Energy</p>	 <p>Industry Innovation and Infrastructure</p>	 <p>Climate Action</p>

Sustainability Is Part of Our Strategy G4-2, 14, 15, EC2

Our employees—from every region and discipline—work to make sure their day-to-day activities contribute to a sustainable world. We commit to being a leader and model of sustainability by doing business that meets the needs of the present while contributing to an environmentally, socially, and economically sustainable future.

Sustainability is critical to ensuring our long-term competitiveness and achieving our business objective to be a top 10 global design firm. Sustainability at Stantec is not a series of stand-alone activities but rather a philosophy that is woven into the fabric of our business. Sustainability is embedded into our core business strategy and explicitly articulated in our Company's [Sustainability Policy](#).

Our clients deal with escalating temperatures, water scarcity, unprecedented storms, social protests, and loss of biodiversity. Through the services we offer, we respond to these significant challenges, promote sustainable development, and protect human rights. We are a signatory to the United Nations (UN) Global Compact, plus we actively support six of the UN Sustainable Development Goals.

We Continue to Expand G4-13, 23

One main way Stantec grows its business is through acquisitions—we acquired five companies in 2016.* Historically, we have focused on North American design firms. During our strategic plan development last year, we expanded our geographic acquisition approach to maintain growth. As a result, we acquired MWH Global, Inc. (MWH) in May 2016. This acquisition—the largest in our history—significantly expanded our geographic reach and added to our service offerings and staff count. With similar values and culture and a shared focus on sustainability, MWH is a great fit for Stantec.

A key part of our acquisition strategy is to fully integrate acquired companies. Four of our 2016 acquisitions were quickly integrated into Stantec, but due to its size and complexity, MWH continued to operate under its brand and management systems. As a result, MWH data has not been incorporated into this report. When MWH is integrated, beginning in 2017,** Stantec will set new sustainability baselines and targets for the combined company to address the significant increase in our size, services, and geographical reach.

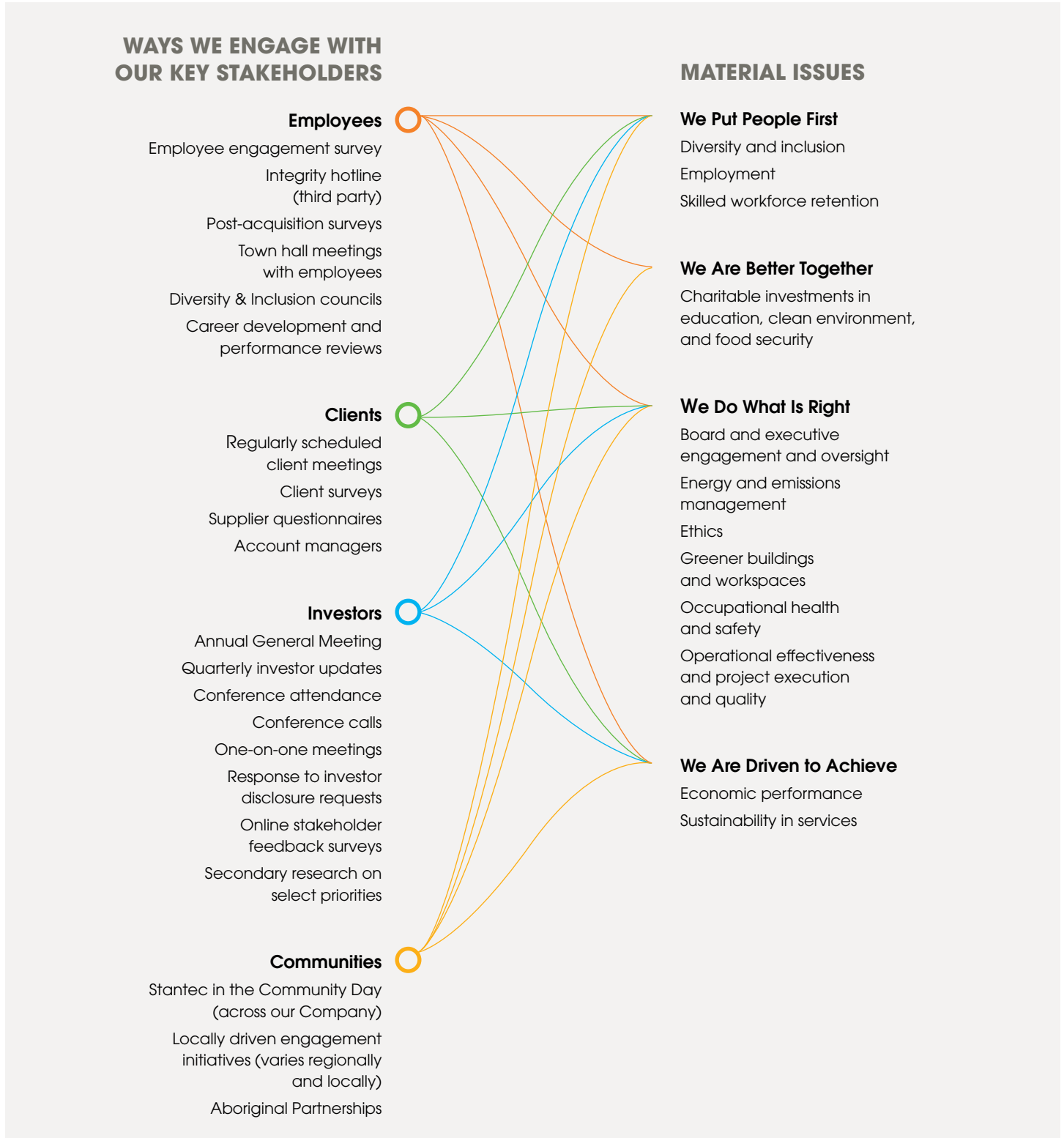
* Stantec acquisitions in 2016 were MWH Global, Inc.; Bury Holdings, Inc.; VOA Associates, Inc.; Edwards & Zuck, P.C. and Edwards and Zuck Consulting Engineers, D.P.C.; and Architecture | Tkalcic Bengert.

** MWH Constructors will continue to operate as a separate business.

Stakeholder Engagement and Materiality G4-18-27

Our key stakeholders—employees, clients, investors, and the communities where we live and work—play a crucial role in our success and our ability to achieve our objective of becoming a top 10 global design firm. Key stakeholders are those significantly impacted by our operations or those able to significantly impact our operations.

Using various tools and processes, we regularly ask our key stakeholders to focus on their relationship with Stantec and identify what matters most to them. Our goals are to prioritize our sustainability efforts and address those issues that are materially significant.





We Put People First

Our people are at the core of what we do, and we want them to succeed. By providing challenging work and by developing our leaders, we foster a culture of opportunity, mentorship, diversity, and innovation.



We Are Better Together

When we combine our unique strengths and passion, we reach our full potential as an organization and as trusted advisors to our clients.



We Do What Is Right

Working with integrity is a promise we make to our clients, colleagues, and shareholders. Our high standard of business practices guides our Project Management Framework, Code of Ethics, and policies and practices.



We Are Driven to Achieve

Achievement at every level begins and ends with a firm commitment to being the best we can be. We are committed to being a top 10 global design firm across the sectors, markets, and regions we serve, and we plan to achieve an average compound annual growth rate of 15%.



LIVING OUR VALUES



FOR MORE INFORMATION:

See the data tables in the [GRI Content Index](#) for statistics pertaining to our workforce, learning, and performance review programs.

IN THIS SECTION:

Our Workforce

Employee Benefits

Career Development

Learning

Diversity and Inclusion

WE PUT PEOPLE FIRST



OUR VALUES IN ACTION

Lifts Us Higher: Many Voices. One Song.

Diversity and Inclusion at Stantec

In 2016, Stantec employees took part in the first-ever Diversity and Inclusion Lifts Us Higher campaign. And it began with balloons.

Employees at 240 Stantec offices around the world exhibited brightly colored biodegradable balloons in a myriad of creative displays, from pillowy pillars to weightless walls. Each balloon—inscribed with a message about diversity and inclusion—helped bring people together and inspire conversations and actions that support diversity and inclusion at Stantec.

Alberta South regional leader, Arliss Szysky, is a member of the Canadian Diversity and Inclusion Council's Communications and Education subcommittee, which developed this awareness campaign with help from our Marketing & Communications team. Arliss says, "We wanted to catch people's attention to get them talking about diversity and inclusion. We can't make a difference if we don't have the conversation."

And the campaign goal was achieved! Approximately 1,300 photos of balloon displays poured in, and more than 300 employees submitted personal six-word stories about their experiences related to diversity and inclusion.



Our Workforce G4-10

Treating people with respect helps us recruit and retain the best talent. We value our employees and strive to ensure they have what is needed to build great careers and be trusted advisors to our clients. We draw from a diverse candidate pool that reflects our clients and the communities we serve. Many employees join us through acquisitions, so integrating them quickly and helping them thrive is critical to us.

The Stantec team—a collaborative network of skilled employees—is committed to improving the lives of people, our communities, and the environment. To help us retain skilled workers, Stantec offers comprehensive employee benefits and development programs, including competitive salaries, challenging work, training, coaching, mentoring, tuition, and leadership development.

Employee Benefits G4-LA2

Our employees' health and financial well-being is the focus behind our competitive, flexible benefits plans. The Canadian and US benefits plans are standard for all full-time and permanent part-time (working at least 20 hours per week) employees. For other countries, program eligibility is consistent with local markets. We continually monitor and regularly enhance our benefits plans so we remain competitive within our industry and within each country that we operate in.

Compensation

Our goal is to provide an overall compensation package based on an employee's performance and geography and on what the industry does. Each year, we review local market and competitive third-party salary survey data to more competitively compensate our employees based on performance, skill level, industry experience, and role at Stantec.

Health and Dental Care

For employees and their eligible dependents, we offer various options for comprehensive health and dental care coverage so employees can choose benefits that fit their needs.

Wellness Program

Our voluntary Wellness program offers employees free information, tools, and support programs to help them and their families improve their health and well-being.

Employee and Family Assistance Program

Stantec offers a voluntary, confidential counseling and referral service free to employees and dependent members of their households to help with personal and work-related problems and stressors.

Group Retirement Program

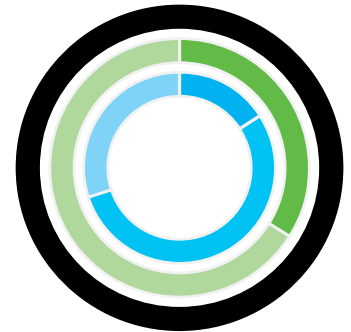
We offer country-specific group retirement plan choices, each with a wide variety of investment options, including retirement savings plans with employer-matching contributions. We also have share purchase plans in Canada and the United States and a Tax-Free Savings Account plan in Canada.

Career Development G4-LA11

As a professional services firm, our business is based on our expertise. We have created a comprehensive talent management program that helps our employees stay up-to-date on our policies, strategies, and commitments; gives them feedback on job performance; and supports them in their career growth.

Employee Experience

At Stantec, we consider the entire employee experience—from onboarding to retirement. The career development process starts with an extensive onboarding program, including information about benefits and Company systems, as well as training on values, ethics, health, safety, security, and the environment.



2016 WORKFORCE AT A GLANCE

- Employees: 15,199
- Females: 5,163 (34%)
- Males: 10,036 (66%)
- Under 30: 2,498 (16%)
- 30 to 50: 8,203 (54%)
- Over 50: 4,498 (30%)

Please note that employee numbers include employees integrated into Stantec systems and, therefore, do not include MWH.



Stantec's career streams, based on employees' skills and preferences, help define career paths. Employees get opportunities for on-the-job development, plus coaching and mentoring for personal and professional development. At the end of their career, employees can transition to casual or part time, focusing on specialized assignments that make the most of their expertise and career passions.

Performance Reviews

Our annual Career Development and Performance Review process helps our people set clearly defined goals and

objectives. Through assessments and reviews and with assistance from supervisors, employees measure achievements, fine-tune individual contributions, identify career development and training opportunities, and establish strategic performance objectives.

Succession Planning

All Stantec leaders participate in our succession planning program by identifying potential candidates and developing plans to prepare them for advanced roles and duties. The chief executive officer and board of directors work together on executive succession planning.

Learning G4-LA10, HR2, SO4

To increase our employees' personal and organizational effectiveness, we provide formal and informal learning opportunities: internal training courses; attendance at conferences, seminars, and events; professional memberships; tuition assistance; coaching and mentoring; and on-the-job training.

Online Training

Stantec uses the eLearning platform to improve access to learning options. This platform provides the added benefit of minimizing our carbon footprint by reducing business travel.

eLEARNING TRAINING PROGRAMS	REQUIREMENT	INTENDED AUDIENCE	PARTICIPATION *
Company Policies and Practices	Mandatory	All new employees	99%
Ethics and Code of Conduct	Mandatory (each calendar year)	All employees	94%
Equal Employment Opportunity	Mandatory (each calendar year)	Supervisors, project managers, and leaders in the United States	93%
Workplace Harassment	Mandatory (every second calendar year)	Supervisors, project managers, and leaders in the United States	87%
Project Management	Optional	Employees interested in improving skills	2,638 completed

* For mandatory programs, the percentage reflects participants from the intended audience who took the training.



STANTEC WAS RECOGNIZED FOR LEADERSHIP EXCELLENCE BY THE INTERNATIONAL HR.COM ORGANIZATION

through their 2016 LEAD (Leadership Excellence and Development) awards:

- Best First Time Manager Program (#11)
- Best Experienced/ Senior Leaders Program (#10)
- Best Global/ International Leadership Program (#17)



HEALTHY EMPLOYEES ARE HAPPIER AND MORE PRODUCTIVE.

We continue to offer an engaging voluntary Wellness program in Canada and the United States that encourages employees to maintain a healthy lifestyle by earning points through education, physical activity, healthy living, prevention, and biometric screening.

Live Training

Although our learning strategy focuses on eLearning, we recognize the benefit of live training and offer a number of in-person courses.

IN-PERSON TRAINING PROGRAM	REQUIREMENT	INTENDED AUDIENCE	PARTICIPATION*
Emerging Leaders Program	Optional	Supervisors and leaders	155 participants
Supervisory and Leadership Programs	Optional	Supervisors and leaders	13 supervisory development sessions with 337 participants 11 leadership development sessions with 244 participants
HSSE Safety Leadership: Rights and Responsibilities	Mandatory	Supervisors and project managers	93%
HSSE Hazard Recognition, Assessment, and Control	Mandatory	Supervisors and project managers	92%
Influencing Employees to Choose Safe Behaviors			
HSSE Alcohol and Drug Program	Mandatory	Supervisors and project managers	89%
Project Management Training Program	Optional	Project managers	Boot camp sessions delivered to over 650 employees in 26 offices, including London and Dubai
Unconscious Bias for Leadership	Mandatory	Senior leaders	Delivered as part of our executive strategy meetings

* For mandatory programs, the percentage reflects participants from the intended audience who took the training.

Human Rights Training

We strongly believe that businesses should support and respect the protection of internationally proclaimed human rights, and we train our staff accordingly.

TRAINING COURSE	NUMBER OF EMPLOYEES	LENGTH	TOTAL TRAINING HOURS
Ethics and Code of Conduct	14,087	1 hour	14,087
Equal Employment Opportunity	2,603	30 minutes	1,302
Workplace Harassment: Employee Edition and Manager Edition Basic	2,508	1 hour	2,508
Workplace Harassment: Manager Edition Standard	633	2 hours	1,266



Diversity and Inclusion

A diverse team is a strong team. And a strong team better serves clients and communities. Diversity expresses itself in various ways: race, sex, gender, color, creed, religious beliefs, citizenship status, national origin, age, marital status, sexual orientation, gender identity, disability, education, personality, experiences, and approaches to work. We support, foster, and invest in each employee's success through a culture of inclusion. Our Diversity and Inclusion (D&I) Program helps us meet the needs of our key stakeholders, is supported throughout our organization, and is reflected in our value statements.

D&I Program

To develop our D&I Plan in 2015, we surveyed our employees to measure how included and respected people of different genders, ethnicities, and sexual orientations feel. We also consulted with the Canadian Institute of Diversity and Inclusion to learn how we can strengthen our diversity and inclusion culture so that all employees feel more included.

In 2016, we repeated the employee census and inclusion survey; it was interpreted by an outside consultant, then compared against our 2015 baseline data. The result? A 7.2% improvement in the number of employees who feel included at work. We also compared ourselves against global workplace benchmarks in an Employer Inclusivity Index study.

D&I Council representatives from throughout the business provide program visibility and incorporate diversity and inclusion into our day-to-day activities.

Management Commitment

Diversity and inclusion permeates all the way up to Stantec executive management. Our CEO Scorecard (a management tool used to evaluate executive and corporate performance over the year) includes a metric for diversity and inclusion, thus tying our efforts to our executive team's overall performance and pay. In 2016, members of our board of directors also participated in panel discussions focused on addressing gender and diversity issues.

Pay Equity

Historically, our industry—engineering, design, and architecture—has been male dominated. We actively address compensation to mitigate disparities between genders, as well as provide tools for our leadership and hiring managers to foster a more diverse, inclusive, and equitable workforce.

Education and Outreach

In 2016, our most senior leadership participated in training on unconscious bias and the role it can take in our everyday lives. We work to ensure that all levels of the organization are educated about conscious and unconscious biases.

External Diversity and Inclusion

Stantec is also involved in external activities that promote diversity and inclusion in the broader marketplace. We actively participate in a number of community partnerships, promoting opportunities for engaging with and recruiting women, members of visible minorities, indigenous people, people of diverse ethnic origins, and people with disabilities.



TO INSPIRE AND EMPOWER WOMEN AT STANTEC TO BE STRONG LEADERS, WE CREATED 17 NEW WOMEN@STANTEC EMPLOYEE RESOURCE GROUPS

to provide education, networking, and community engagement opportunities. To build on this success, we include other identified minorities in programs across the organization and expand our diversity outreach efforts.



WE CREATE OPPORTUNITY BY INVITING, EMBRACING, AND CELEBRATING DIFFERENCES.

Our mission is to foster a workplace where employees are valued based on their abilities, talent, and potential.



FOR MORE INFORMATION:

See the data tables in the [GRI Content Index](#) for statistics pertaining to our health and safety programs and systems.

See our [CDP Climate Change response](#) for more information about our environmental statistics.

See our [Management Information Circular](#) for more information about our board of directors, governance structure, and board and executive remuneration and incentives.

IN THIS SECTION:

Health, Safety, and Security

Environmental Stewardship

Governance



**WE DO
WHAT IS
RIGHT**



OUR VALUES IN ACTION

Everybody Home Safe, Every Day

Making Safety Personal at Stantec

At Stantec, we believe that following a robust safety system—whether at work or at home—is the best defense against injury. Our interdependent safety culture helps shape how our employees think, feel, and talk about safety.

For example, one of our structural engineers arrived on site to inspect a building under renovation. The general contractor and crew were gone for lunch, so no workers were present. He entered the building and climbed two flights of stairs. After completing the inspection, he walked to another stairwell, opened the door—and froze. The landing and fire escape were gone. Empty space stood between the engineer and a potentially deadly two-story fall.

Jon Lessard, senior vice president of Health, Safety, Security, and Environment (HSSE), shared this story at a safety meeting. “The light came on for many in the room,” Jon says. “They realized that our workspaces are dynamic, and we need to take responsibility for what we—and others—do at all times.”

Today, Jon leads the charge to grow Stantec’s interdependent safety culture, one where we look out for ourselves as well as for each other. Why? Because we’re better—and safer—together.

Health, Safety, and Security

We are committed to providing and maintaining a healthy and safe workplace, and to making sure that our people return home injury-free every day.

Occupational Health and Safety

We operate under an Occupational Health and Safety Management System that is OHSAS 18001-certified. Stantec applies health and safety principles when planning and executing projects, shares practices and lessons, and focuses on a robust continuous-improvement cycle.

At Stantec, each employee is trained in health, safety, and security, and we provide support, policies, and practices that strengthen and uphold our safety culture.

In 2016, we introduced a Leading Indicator Safety Index that measures the proactive and preventive activities—including facility inspections, planned job observations, and hazard identifications—performed by our employees.

We also identified our 12 critical risks—those with the greatest potential for serious incidents—and established controls for employees to follow when engaged in critical risk work. Employees can more easily identify, recall, and access information about critical risk controls so that when critical risks are present in the field or office, employees know how to work safely.

We see the results of our focused health and safety endeavors: in 2016, Stantec's total recordable incident rate fell to 0.52 (from 0.67 in 2015), the lowest since we first recorded this statistic in 2006.

Security

Our world is increasingly complex with new and emerging security challenges related to geopolitical threats, terrorism, crime, and natural disasters. Stantec helps minimize and manage these risks. In 2016, we added "security" to our HSSE Program.

Stantec's security program provides tools, resources, and practices to protect employees when traveling and to address location and asset risks.

Environmental Stewardship

G4-12, EN2, EN3, EN5, EN6, EN15, EN16, EN18, EN19

Stantec is responsible for addressing the impact of our operations on the environment. We choose approaches of least impact to the environment and are accountable for our day-to-day choices: from the products we buy and the suppliers we retain to the way we manage resources in our offices.

Stantec manages, monitors, and improves our environmental performance with a formal Environmental Management System that is ISO 14001-certified. In late 2016, our new Environment and Sustainability program manager began improving our management approaches. In 2017, we will define new environmental baselines and performance goals as part of integrating MWH, our largest acquisition.

Environmental Footprint

Each year since 2010, we have calculated our greenhouse gas (GHG) emissions and energy consumption and reported them in our annual Sustainability Report and our CDP submittals. Because of our Company's strategy of growth through acquisition and, therefore, the regular addition of new staff and offices to our footprint, our overall emissions and energy consumption will continue to increase. To track and influence the success of our conservation measures, we evaluate our progress against reduction goals based on emissions and energy consumption per employee.

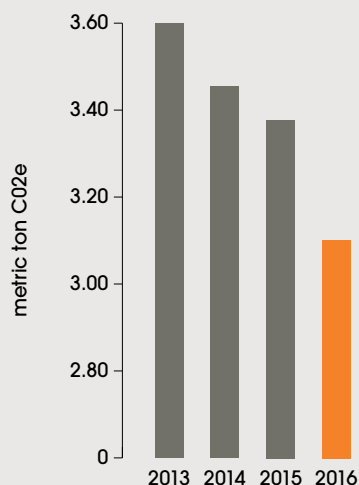
At the end of 2016, Stantec occupied approximately 400 offices covering more than 450,000 square metres (4.9 million square feet) of space. Because most offices are leased in multi-tenant buildings, separate metering is usually not available; utility amounts are included in lease costs and are not easily accessible.



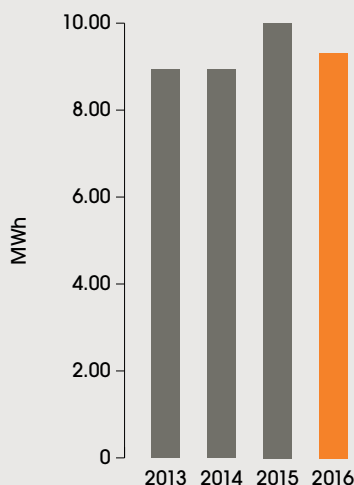
IN 2016, STANTEC DESIGNED SAFER TOGETHER—A FACILITATED INTRODUCTION TO OUR EVOLVING SAFETY CULTURE—to strengthen each employee's attitude and commitment to safety and help employees focus on safety at work, at home, and in the community. Safer Together gives us a common language, increases consistency across business areas, and provides a venue for discussing our prevention and post-incident safety performance.



SCOPE 1 AND 2* GHG EMISSIONS (mtCO2e) PER EMPLOYEE



SCOPE 1 AND 2* ENERGY CONSUMPTION (MWh) PER EMPLOYEE



* Scope 1 includes fleet emissions and natural gas used in our offices.
Scope 2 includes electricity used in our offices.



IN 2016, STANTEC PROCESSED 59,420 kilograms (131,000 pounds) of equipment, recycled 750 cellphones, and redeployed 120 iPhones.

As noted in last year's report, we streamlined our activity data collection in 2015: instead of collecting data office by office, we now use centralized sources (e.g., Accounts Payable, Travel, Fleet, Procurement). In 2016, we collected additional activity data directly from landlords for our largest office locations, and in 2017, we will continue to refine our process as we integrate the global offices acquired from MWH.

Since our 2013 baseline year, we have successfully reduced our per-employee GHG emissions by more than 10%; however, our per-employee energy consumption has risen more than 2%. We will continue to explore and evaluate ways to improve activity data collection (which makes our data more accurate), to continue to reduce per-employee GHG emissions, and to find alternatives to help us meet our per-employee energy consumption reduction goals.

Reducing Our Impact

Various programs at Stantec help minimize the resources we use. They bring direct environmental benefits, increase our efficiency, and provide cost savings.

REAL ESTATE

Newly acquired companies often result in Stantec having multiple offices in one locale. As soon as possible, we consolidate space and consider LEED/BOMA Best buildings as well as sustainability features. Our offices work with landlords to participate in energy and water conservation programs, use Energy Star or comparable appliances, and purchase renewable energy when possible.

BUSINESS TRAVEL

We can reduce our environmental footprint for business travel (airline and rental car use). As a professional services company, we must travel to respond to client needs, but we can choose more efficient travel options and reduce nonessential business travel (which also saves us money).

We have a travel management system, and our central travel provider provides tools that help monitor our progress. We also encourage employees to collaborate in other ways, including virtual meetings.

EQUIPMENT

To save power, we automatically hibernate workstations and laptops when not in use. For our IT data centers, we are moving toward a higher density infrastructure so that less power and air conditioning is required. New network technologies reduce the number of duplicate services and minimize our equipment needs.

We standardized our Dell, Microsoft, and Apple hardware; one selection criterion was life-cycle environmental management. All standard workstation and laptop equipment is Electronic Product Environmental Assessment Tool (EPEAT) certified. We use Dell's Asset Resale and Recovery Services to securely recycle computer e-waste and Firefly Asset Management to recycle our mobile devices.

OFFICE SUPPLIES

Using centralized vendors for office supply purchases helps us better track what is used, negotiate discounts for sustainable materials, and influence purchasing choices. Our vendors offer a range of eco-friendly office supplies. For instance, in many Canadian offices, our paper is made of 100% post-consumer recycled content because of our strategic partnership with Rileys Copy Centre.

To reduce overall paper consumption, our Records Management Program promotes electronic file storage. We encourage electronic markup of documents and drawings and double-sided, black-and-white printing, and we continue to promote electronic invoicing with our clients.

FLEET ACTIVITY

Our Fleet Management group understands the environmental impacts of our fleet and improves efficiency and reduces emissions. In 2016, we replaced 85 older vehicles with 84 new vehicles that offer lower emissions and better fuel economy.

RECYCLING

Stantec offices implement recycling programs that meet municipal recycling standards and take advantage of progressive local options. We continue working with offices to improve local waste-diversion programs.

Sustainable Supply Chain

Stantec strives to award business to suppliers who demonstrate a strong commitment to sustainability through their ethical, labor, health and safety, and environmental principles. Stantec's supply chain includes leased buildings and fleet, purchased goods and services, and project subcontractors. Our procurement team uses standard sustainability language in requests for proposals to new vendors and makes sustainability features a standard reporting requirement.

Governance

G4-14, 34-37, 42, 49, 56-58, LA12, SO3, SO4, PR8

Responsible global citizenship calls for a culture that is committed to operating under the highest ethical standards, promoting integrity and excellence in project delivery, and working toward sustainable growth.

Company Leadership

At Stantec, we recognize that a significant part of doing what is right is having the right leadership in place. The integrity of a company's board of directors sets the tone for its operations, and Stantec has a strong group of qualified and knowledgeable directors.

Stantec actively pursues gender diversity on the board; in 2016, we added Marie-Lucie Morin as a board member. Now, three board members are women and six are men.

As stewards of our Company, board members participate with executive leadership in our strategic planning process and, each quarter, review management's performance against key strategic and operational objectives. The chief executive officer has designated senior environmental,



EVERY DECEMBER, WE SEND ELECTRONIC SEASON'S GREETINGS

to our clients and colleagues through our holiday eCard. We donate the costs normally associated with printing and distributing to charities that our clients choose. We donated \$50,000 from our 2016 campaign to Habitat for Humanity, Oxfam, Food Banks Canada, and Food Banks United States.



social, and governance leadership to the chief operating officer. Members of our corporate HSSE team implement sustainability programs and reporting and are responsible to a Sustainability Executive Steering Committee.

Ethics and Integrity

Stantec does what is right by embracing the highest standards of personal and professional integrity. Our ideals are those shared by all good companies—sound governance, transparent accounting, and long-term shareholder value.

Corruption is a serious threat to our business. To reduce risk, we employ appropriate mitigation strategies: all operations are assessed quarterly for corruption-related risks, and the economic and political conditions of the markets we serve are closely monitored.

Stantec’s legal team offers advice and support to help us act ethically and lawfully. Employees who become aware of unethical or unlawful issues relating to accounting, internal controls, auditing, or other financial or nonfinancial matters can report them to our Company’s Integrity Hotline (managed by a third party). Complaints can be made anonymously. Stantec does not tolerate retaliation against employees who voice concerns.

Stantec’s [Code of Business Conduct Policy](#) is accessible to all employees through [stantec.com](#) and our Intranet site. We require that all employees, including contract employees and our board of directors, take Ethics and Code of Conduct training every year. This training helps us comply with regulations and requirements while demonstrating to stakeholders our commitment to ethics, integrity, safety, and security.



NUMEROUS TOPICS ARE ADDRESSED IN OUR ETHICS AND CODE OF CONDUCT TRAINING, including code of conduct, conflicts of interest, global antibribery and anticorruption, government contracting, harassment and discrimination, political activities, and social responsibility.

Integrated Management System

Our Integrated Management System (IMS) provides a disciplined and accountable framework that guides how we deliver services to our clients and communities. The IMS covers all critical business processes and is illustrated in the diagram below.



LEADERSHIP COMMITMENT

- Strategic plan
- Core values
- Enterprise risk assessment
- Carbon footprint reduction targets
- Business continuity management
- Policies
- Employee orientation

PERFORMANCE ASSURANCE

- Client feedback
- Internal practice audits
- External practice audits

PROJECT & OPERATIONAL STEWARDSHIP

- Project delivery processes
- Occupational health and safety
- Major projects risk reviews
- Stakeholder engagement
- Regulatory compliance
- Third-party services
- Incident management
- Records management
- Maintenance and calibration of equipment

IMPROVEMENT & CHANGE MANAGEMENT

- Improvement procedure
- Management review

The IMS offers many benefits:

- Promotes quality service delivery
- Promotes transparent accountability through rigorous performance assessment
- Clarifies expectations for employees and management
- Facilitates formal and regular client feedback
- Supports regulatory compliance

Currently, our IMS is certified by BSI Management Systems to the following internationally recognized standards:

- ISO 9001:2008 Quality Management System
- OHSAS 18001:2007 Occupational Health and Safety Management System
- ISO 14001:2004 Environmental Management System
- ISO/IEC20000-1:2011 IT Service Management System

Each year, BSI conducts third-party compliance audits. Our Internal Practice group conducts field audits for at least one-third of our offices annually and for all offices at least once over the three-year term (for ISO 9001, ISO 14001, and OHSAS 18001 registrations). Our headquarters in Edmonton, Alberta, is audited every year because many processes being audited are centralized and managed in that office.

Risk Management

Stantec strategically manages risk at the project level and through our Enterprise Risk Management program, which applies the integrated framework designed by the Committee of Sponsoring Organizations of the Treadway Commission.

Privacy and Information Security

Stantec values relationships with employees, clients, and investors. We follow a strict Privacy Policy to protect personal information, maintain high standards of confidentiality for personal information we have, and manage it according to applicable provincial, state, and federal legislation. Stantec is one of the only architectural, engineering, and construction firms that maintains an

ISO/IEC 20000-1:2011-certified IT Service Management System.

Stantec's comprehensive IT security program helps ensure the continuous and effective security of Stantec's information systems and maintain data confidentiality, integrity, and availability (whether data is stored on our premises or in the cloud).

Our comprehensive security systems include web filtering, intrusion protection, cloud-based email filtering, advanced threat-protection systems, and next-generation Palo Alto firewalls. We have multi-factor and two-factor authentication for external access to our systems, and our highly secure wireless network has three levels of access. We also have stringent requirements for reviewing and applying cloud-based applications that store financial or personal information.

Business Continuity

Certain events can prevent us from delivering services to our clients. Our primary risks are the loss of IT systems, impact of an influenza pandemic on our employee resources, and loss of access due to an emergency at an office that provides key client services. Stantec has business continuity management practices that address each risk. These practices, a core part of our Quality Management System, are subject to both internal and external audits.

Management Review and Improvement

For our quarterly reviews by management, executive leadership considers business performance, leading and lagging health and safety indicators, progress against environmental goals, client feedback, and claims statistics. When management performance issues are identified, a formal improvement plan is put in place.

Project Delivery

Our success as a company is directly related to how well we deliver work to our clients. Stantec's formal Project Management Framework and Quality Management System identify and promote consistent practices for our project teams, thereby improving productivity and efficiency, managing project risks, and promoting client satisfaction.





**FOR MORE
INFORMATION:**

See stantec.com for more examples of our Stantec in the Community Day activities.

**IN THIS
SECTION:**

Community
Engagement

Aboriginal
Connections

Supplier
Diversity

Creativity, Innovation,
and Research



**WE ARE
BETTER
TOGETHER**



OUR VALUES IN ACTION

BikeSmart-GrowSmart

Stantec Transportation Planners Bring Bike Safety to Their Communities

Senior transportation planner Scott Lane, a League of American Bicyclists Certified Master Instructor, is dedicated to keeping children—and their love of cycling—alive through the BikeSmart-GrowSmart program he co-founded five years ago. For our 2016 Stantec in the Community Day, Scott and his Stantec colleagues conducted a BikeSmart-GrowSmart clinic at Dillard Drive Elementary School in Raleigh, North Carolina. Our team of trained instructors talked about bike safety and then oversaw the nine-year-olds as they strapped on helmets, hopped on bikes, and practiced safe starting, stopping, scanning, and signaling.

“At BikeSmart-GrowSmart, we make kids better bicycle riders,” Scott says. “We hope this will also make them responsible drivers.”





Amy Sackaroff, a trained bike safety instructor, is also a transportation planner who volunteers to make her community safer. Now Amy voluntarily leads the development of a Safe Routes to School Program in 17 municipalities on behalf of one of Stantec’s former metropolitan planning clients.

Amy, Scott, and a dozen other staff at the Raleigh office are transforming our communities into more walkable, more rideable, and safer places. Scott says, “Through these programs, we connect directly to our community and to our most valuable end clients—our children.”



Community Engagement G4-SO1

We commit to our communities by investing in initiatives that build capacity and support long-term change. We do this year-round by contributing time, expertise, and money. Annually, Stantec donates up to 1% of pretax profits to charitable and not-for-profit endeavors through direct cash contributions and in-kind services. We made this commitment first in 2007, and each year the amount we give has grown.

PILLAR				
	Arts	Education	Environment	Health & Wellness
OUR PHILOSOPHY	<p>Every thriving community has a vibrant arts community. Stantec supports visual and performing arts organizations, museums, art education programs, and symphonies.</p>	<p>Stantec encourages the pursuit of higher education by supporting scholarships and educational programs. We partner with schools and businesses to help students pursue education and training in design disciplines. As well, we actively promote science, technology, engineering, and math (STEM) education.</p>	<p>Stantec supports environmental programs that promote sustainable development, environmental protection, energy efficiency, air quality, and response to climate change.</p>	<p>Stantec proudly supports healthcare initiatives that make a difference in our communities. We focus on supporting credible and recognized health charities, including national, provincial, and state charitable health organizations, regional hospitals, and health centers.</p>
A FEW EXAMPLES	<p>The Nina Haggerty Centre for the Arts in Edmonton, Alberta, is one of our rewarding partnerships. Our sponsorship, fundraising, and volunteer work help the organization give artistic identities to people with disabilities.</p>	<p>Motivated by our ongoing commitment to education and our Aboriginal Partnerships initiative, we offer a unique scholarship to Students on Ice. A learning opportunity for high school and university students, this Arctic expedition gives students a chance to experience the polar regions firsthand. The scholarship is awarded to one deserving student each year.</p>	<p>Our team in Boston, Massachusetts, donated five months' worth of professional expertise. They helped the Charles River Conservancy determine whether a beach along the Charles River at North Point Park was safe for swimming and provided a feasibility study for a permanent swimming facility.</p>	<p>Our Albany, New York, office showed how we "CAN" feed our communities through teamwork and a CANstruction competition. The team transformed their cans of food into a classic Skee-Ball machine for the 2016 "play" theme.</p>
		<p>As part of Louisville, Kentucky's Give a Day - Mayor's Week of Service, our Water and Transportation teams spent hands-on afternoons sharing their engineering experience with over 50 after-school students at Meyzeek Middle School.</p>	<p>Members of our Baton Rouge office helped a local family in East Baton Rouge Parish rebuild after the 2016 Louisiana flooding. They spent an entire day removing debris and gutting the home to help with restoration.</p>	<p>Members of our Calgary, Alberta, office got on the phone during a Power-Hour Radiothon in 2016 to raise funds for the Alberta Children's Hospital. Their combined efforts brought in 100 monthly donors.</p>



Corporate Giving

Because we are an active part of the communities we serve, we want to give back to the places we call home. We connect with people within our communities and strengthen those communities in meaningful ways. Our Company and our people donate time, expertise, and funds to four core areas: the arts, education, the environment, and health and wellness.

Stantec in the Community Day

For the last four years, Stantec has provided a day—Stantec in the Community Day—when employees can pool their resources and, together, make a difference in their communities. Stantec provides paid time so that employees can support local charitable organizations.

Dollars for Doers

Stantec encourages employees to personally give back to their communities through our Dollars for Doers program. We reward employees who volunteer personal time or money to local charities by boosting the value of their charitable contribution: we provide a charitable donation for every 25 hours of personal volunteer time or a matching donation if a team of four or more Stantec employees raises money for a qualified local charitable event. In 2016, Stantec donated more than \$23,000 through this program.

Scholarships

To support the next generation of leaders, in 2016, Stantec gave approximately \$347,000 to 74 scholarships for programs in colleges, universities, and vocational and technical schools. Part of this amount was awarded through our internal Stantec Scholarship Program (an annual opportunity), which recognizes the achievements of children and other dependents of Stantec employees. Scholarships range in focus from engineering to design and the arts.

Aboriginal Connections

G4-HR8

At Stantec, we commit to building and maintaining respectful and successful relationships with Aboriginal communities. Our direct involvement supports Aboriginal employment, capacity building, education, training, and community engagement. Our programs have two components: partnerships and relations.

Aboriginal Partnerships

Successful partnerships are built on mutual respect and common goals. For 17 years, Stantec has been the minority partner and legal operator of numerous Aboriginal Partnerships. In 2016, seven Aboriginal Partnerships generated \$17 million in gross revenue for Stantec and our partners.

Stantec's Aboriginal Partnerships create shared value for our partners, our clients, and Stantec that extends beyond revenue. We connect our clients to local resources and provide local Aboriginal community members with employment, training, hands-on skill development, and direct investment to support economic growth.

Stantec also provided community engagement support—valued at \$35,000—directly to the communities of our Aboriginal Partnerships. We supported programs such as Students on Ice, Polar Bike, Food First, Aboriginal Sport Circle - Youth Traditional Games, and the Aboriginal HIPPY reading program.

Aboriginal Relations

In 2016, we announced our new Aboriginal Relations Program. This program fosters positive and productive relationships with Aboriginal communities and businesses, supports diversity and inclusion, and guides planning, procurement, opportunity pursuits, and project execution. A key leader in our Practice Services team, Denise Pothier, has been appointed to a new leadership position—vice president of Aboriginal Relations.



IN 2016, STANTEC CONTRIBUTED \$3 MILLION

to community activities in the arts, education, the environment, and health and wellness—our largest contribution yet.



IN 2016, 8,000 STANTEC EMPLOYEES PROVIDED 16,000 HOURS OF PAID VOLUNTEER SERVICES

in 250 locations during Stantec in the Community Day. Our involvement with food drives, park cleanups, hospital radiothons, and hundreds of other activities helps our communities develop and thrive.

In 2016, Stantec joined the Canadian Council of Aboriginal Business; the council promotes prosperous relationships and grows an economy based on mutual respect and shared prosperity. We proudly supported Aboriginal educational programs, including a continued sponsorship of the University of Alberta's Indigenous Partnership Development Program and a sponsorship of the Inspire Youth Career Fair.

Supplier Diversity G4-EC9

Stantec performs services for numerous federal, state, and municipal clients in the United States. For those contracts, we track the opportunities provided to small and diverse businesses. Our overall spend on small and disadvantaged businesses increased by US\$4.5 million to US\$73 million in 2016, representing 14% of our total subcontracting.

Creativity, Innovation, and Research

Stantec engages in creativity, innovation, and research to better prepare for future client needs and to promote thought leadership. Our programs encourage creative and innovative thinking, a key part of the value we bring to our projects, clients, and communities.

Greenlight Program

Stantec invests \$2 million a year in our Greenlight Program. Consisting of creativity and innovation projects as well as research and development projects, this program provides project grants to applicants (employees and project teams). In 2016, about one-third of the grants funded projects related to sustainability. Read about a few project examples below:

- Using greenhouse building technology to support food security in high-Arctic climates
- Identifying optimal, sustainable, and multipurpose uses of wetland-like areas in large, aging reservoirs

- Finding ways to trench pipelines through watercourses while protecting fish and their habitat
- Connecting geomorphic and biologic changes to dam removal
- Creating innovative housing solutions using small living as a model for affordable and sustainable urban housing
- Using big data to prioritize infrastructure investments that make communities more walkable and accessible

Publish & Speak

Stantec employees regularly present at conferences and publish research papers, journal articles, and reports about scientific advances achieved or attempted while working on client projects. Stantec's new Publish & Speak Program awards employees \$1,500 to \$3,000 to cover their time developing manuscripts for publication or presentation at conferences. In 2016, more than 25 papers were published by Stantec-affiliated authors in peer-reviewed technical journals.

eLibrary

In-house researchers can stay at the forefront of their fields by using Stantec's eLibrary, which provides online access to subscriptions for 6,200 technical journals, including journals specializing in sustainability. The environmental impacts of hardcopy libraries are avoided; we had 20,000 paperless downloads of about 10 pages each in 2016.

Academic Partnerships

In addition to initiatives that we fund internally, Stantec partners with academic researchers to access federal funding for research conducted with our involvement. In 2016, these partnerships attracted \$550,000 in federal funding for sustainability-related research.



STANTEC PROMOTES THOUGHT LEADERSHIP and helps shape the future of our industry by allocating \$2 million annually to creativity, innovation, and research activities.





**IN THIS
SECTION:**

Sustainable
Client Solutions

Economic
Performance

**FOR MORE
INFORMATION:**

See [Sustainability Report: Additional Information](#) for a summary of various Stantec client services related to sustainability and for examples of project profiles.

For more information about our economic performance, refer to our [Annual Report](#).



WE ARE DRIVEN TO ACHIEVE



OUR VALUES IN ACTION

Envision at Stantec

From Strategic Investment to Competitive Advantage

In 2008, Paul Zofnass, an industry-leading acquisitions specialist, invited Stantec to serve on the advisory board for the Zofnass Program for Sustainable Infrastructure, a new initiative he established with Harvard University. Because of our commitment to sustainability, we jumped at the opportunity to contribute. We sensed that we were on the cusp of major changes in resiliency and sustainability—and we were right. The Zofnass Program evolved into the intellectual engine behind the Envision Sustainable Infrastructure Rating System, created by the Institute of Sustainable Infrastructure (ISI).

Fast forward to 2016. Stantec, an ISI charter member, is at the forefront of the Envision movement in North America and can boast a number of firsts: the first Envision certifications for projects in Canada, the world's first Envision-verified wastewater treatment project, and the world's first Envision-verified transportation project.

But our passion for Envision extends beyond project certification. "We employ Envision sustainability professionals, trainers, and verifiers," explains Marty Janowitz, vice president of Sustainable Development. "By educating clients on how to set and achieve their own infrastructure sustainability goals, we further the overall sustainability cause."

Sustainable Client Solutions G4-EC2

Because Stantec is a professional services firm working with industrial and government clients around the world, we have the potential to influence our clients' technical decisions to improve sustainability. Our pledge is to provide sustainable client solutions that protect our environment and improve people's lives.

Our professionals regularly apply sustainability principles and techniques in their areas of expertise. An integrated sustainability strategy helps our clients achieve social, environmental, and economic benefits and, more than ever, business advantages. To support this, Stantec is involved in steering the direction of policy, standards, and rating systems in the public and private sectors.



RESILIENCE

- Our services position communities to withstand and recover rapidly from disruptions.
- Stantec is recognized as a thought leader because of our infrastructure planning and design during our recovery work for New York City after Hurricane Sandy.

SHOWCASE PROJECT: We helped clients secure US\$250 million in resiliency grants through the U.S. Department of Housing and Urban Development's National Disaster Resilience Competition.



SUSTAINABLE INFRASTRUCTURE

- Stantec has 171 employees certified under the Envision certification credential that includes 3 Envision trainers and 3 verifiers.
- We have 17 projects that applied the Envision framework and 3 projects that achieved Envision certification.

SHOWCASE PROJECT: Stantec's design of the City of Surrey's Biofuel Processing Facility will divert 80% of wastes for use as fertilizer and power.



SUSTAINABILITY AND BUILDING PERFORMANCE

- We have more than 700 LEED Accredited Professionals on staff and have designed 402 LEED-certified projects.
- We have 24 net-zero energy projects; 3 target Passive House certification.

SHOWCASE PROJECT: Our Sustainable Waterloo Region design helps inspire others to build regenerative buildings.



SUSTAINABLE ENERGY

- We have been pioneers in utility-scale renewable energy generation development since the 1990s and are on the forefront of renewable energy's next phase of system integration and energy storage.
- We work with major utilities across North America on grid resilience, distributed generation, and the stability of power supply.

SHOWCASE PROJECT: Stantec is helping improve Toronto's electricity grid by using battery energy storage systems.



ENVIRONMENTAL PRESERVATION AND HABITAT RESTORATION

- We have 2,500 environmental scientists, engineers, planners, and technicians with expertise in the full spectrum of environmental sciences.
- Stantec provides proactive advice to clients for design projects that reduce the environmental footprint of their industrial, commercial, and urban projects and restore terrestrial, wetland, freshwater, estuarine, and marine habitats.

SHOWCASE PROJECT: Stantec helped offset wetland impacts from the Chicago O'Hare airport expansion by restoring the Deer Grove East forest preserve.



CLIMATE CHANGE

- We work to mitigate and adapt to the impacts of climate change while maximizing economic, social, and environmental opportunities for sustainability.
- Stantec provides a robust set of climate change services, including environmental accounting, strategic management consulting, and climate change risk assessment and mitigation.

SHOWCASE PROJECT: For the City of Edmonton, Stantec assessed emission levels and prepared plans for future GHG reductions.



PUBLIC PARTICIPATION

- By facilitating respectful conversations among those with a stake in a project, we help clients connect with communities and identify priorities.
- Stantec helps clients and communities partner so that technical projects move forward in a positive way.

SHOWCASE PROJECT: We partnered with the Peerless Trout First Nation to build schools that incorporated language, tradition, history, and popular activities into the design.

Economic Performance

G4-EC1

We recognize that our profitability is directly tied to the health of our people and the environment. We are pleased to say we have been profitable each year since 1954.

Our 2016 annual results were impacted primarily because of the MWH acquisition,* the completion of a common share offering, and the renegotiation of our credit facilities. We closed 2016 with a 49.5% increase in gross revenue, a 9.8% increase in EBITDA,** and a 15.5% increase in adjusted EBITDA compared to 2015. EBITDA was affected by a decrease in gross margin as a percentage of net revenue and an increase in administrative and marketing expenses due to MWH-related acquisition costs, professional fees, integration-related administration labor expenses, severance costs, and retention and merit payments to retain key employees during integration periods following acquisitions.

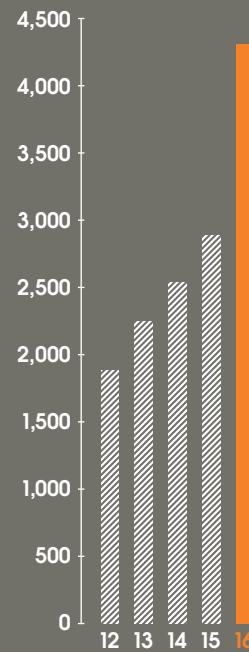
Our net income was \$130.5 million in 2016 compared to \$156.4 million in 2015. Diluted earnings per share (EPS) was \$1.22 in 2016 compared to \$1.65 in 2015, and adjusted diluted EPS was \$1.69 in 2016 compared to \$1.84 in 2015. Net income and diluted EPS were impacted by increases in net interest expense, the amortization of intangible assets, and the number of shares outstanding, and by a higher effective income tax rate.

Acquisitions continue to be vital to our strategy, deepening the Company's expertise and strengthening our presence in priority markets. Growth in 2016 was mostly due to the contributions of acquisitions we completed in recent years. This past year, 2016, was highlighted by the acquisitions of MWH; Bury Holdings; VOA Associates; Edwards & Zuck; and Architecture | Tkalcić Bengert. Each organization adds strength in key regions and sectors.

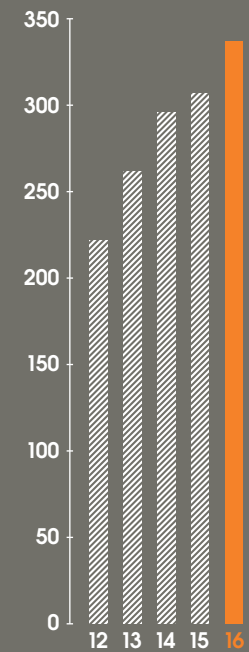
* Though MWH data is not incorporated into other parts of this report, it is included in all reported financials because of financial reporting requirements.

** EBITDA, adjusted EBITDA, and adjusted EPS are non-IFRS measures defined in our 2016 Annual Report.

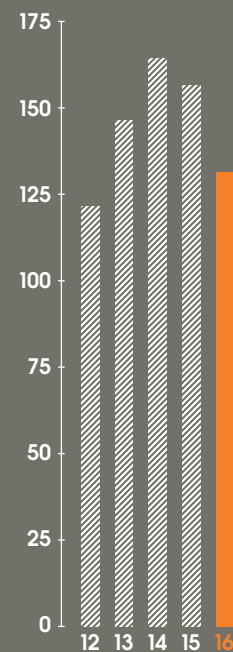
Gross Revenue



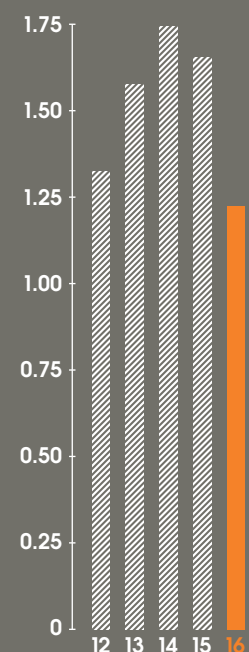
EBITDA



Net Income



Diluted EPS



Free cash flow

All charts represent millions of Canadian dollars, except for Diluted EPS. Diluted EPS for 2012 and 2013 has been adjusted for the November 14, 2014, two-for-one share split. Figures for 2012 are restated for IFRS 10 and 11.



United Nations Global Compact: Communication On Progress (COP)

ISSUE	PRINCIPLES
Human Rights:	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.
Stantec COP:	Stantec’s mandatory Ethics and Code of Conduct training covers ethics, integrity, harassment and discrimination, anticorruption, government contracting, political activities, and social responsibility.
Human Rights:	Principle 2: Businesses should make sure they are not complicit in human rights abuses.
Stantec COP:	Stantec monitors best practice commitments for all ethical performance in the context of ongoing project management and terms and conditions reviews.
Labor:	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
Stantec COP:	Stantec does not engage in any practices that would impinge on freedom of association or the right to collective bargaining.
Labor:	Principle 4: Businesses should eliminate all forms of forced and compulsory labor.
Stantec COP:	Stantec does not do business in areas where forced or compulsory labor is a significant risk.
Labor:	Principle 5: Businesses should effectively abolish child labor.
Stantec COP:	Stantec does not do business in areas where child labor is a significant risk.
Labor:	Principle 6: Businesses should eliminate discrimination in respect of employment and occupation.
Stantec COP:	Stantec has a comprehensive Harassment and Discrimination Policy that prohibits harassment or discrimination of employees on the basis of characteristics such as race, sex, gender, color, creed, religious beliefs, citizenship status, national origin, age, marital status, sexual orientation, gender identity, or disability.
Environment:	Principle 7: Businesses should support a precautionary approach to environmental challenges.
Stantec COP:	Stantec’s approach to environmental management is centered on prevention.
Environment:	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.
Stantec COP:	Stantec’s ISO 14001-certified Environmental Management System helps the Company reduce the environmental impacts of our operations, monitor compliance with environmental regulations, and advance environmental performance commitments consistent with our Sustainability Policy .
Environment:	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.
Stantec COP:	Stantec is considered a leader in the sustainable design of buildings and civic infrastructure.
Anticorruption:	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.
Stantec COP:	Stantec’s mandatory Ethics and Code of Conduct training covers ethics, integrity, harassment and discrimination, anticorruption, government contracting, political activities, and social responsibility.

MWH Global, Inc., our largest acquisition in 2016, has not yet been integrated into our Stantec operations, as explained in this report. Therefore, MWH data is not included in this report (except for required financial reporting data).

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

