



Management Approach: Emissions Management

Stantec reports and validates greenhouse gas (GHG) emissions for all three scopes, has a validated science-based target (SBT), and maintains an aggressive emissions reduction program to achieve our operational net zero commitment. For our clients, subject matter expertise across our business helps us minimize the emissions of the projects we design.

Commitments and Practices

For more than a decade, Stantec has focused on reducing operational emissions. After meeting previous reduction goals, we set near-term SBTs aligned with the most ambitious goal of the Paris Agreement, a 1.5°C trajectory.¹

Stantec's validated, near-term SBTs are as follows:

SBT1: Stantec Inc. commits to reduce absolute scope 1 and 2 GHG emissions 47% by 2030 from a 2019 base year.²

SBT2: Stantec Inc. also commits to reduce absolute scope 3 GHG emissions from business travel by 47% within the same time frame.³

Stantec has committed to achieve operational net zero and actively participates in the Canada [Net Zero Challenge](#).

In Our Operations

Stantec has measured, managed, and analyzed our operational carbon footprint since 2010.

Stantec scope breakdowns are as follows:

- Scope 1: Direct energy sources
 - Natural gas, fuel oil, and propane for office energy (for all buildings we occupy, whether leased or owned)
 - Gasoline and diesel fuel (for owned or leased fleet and heavy equipment)
- Scope 2: Indirect energy sources (both location-based and market-based)
 - Electricity for office energy (for all buildings we occupy, whether leased or owned)
 - Electricity for electric vehicles (for owned or leased fleet)
- Scope 3: Other emission sources
 - Category 1: Purchased goods and services (computers, furniture, mobile phones, paper, native plant nursery fertilizer)
 - Category 3: Energy not included in scope 1 or 2 (line loss: electricity lost in transmission)
 - Category 5: Waste (office and native plant nursery)
 - Category 6: Business travel (air travel, rental cars, work-related personal car use, rail, hotel stays)
 - Category 7: Employee commuting
 - Category 8: Upstream leased assets (residential units leased as a hotel alternative for long-term business travel)

¹ Stantec's SBTi-validated, reduction targets are against a 2019 baseline. Since that baseline year, our company has grown by more than 35% (as a percentage of gross revenue). Even with this significant growth in size, we remain committed to our reduction goals and have opted not to reset our targets.

² Stantec's SBT1 (scope 1 and 2) is based on market-based scope 2 emissions, which are lowered by renewable energy use.

³ Stantec's SBT2 (scope 3 business travel) emissions are lowered through the purchase of sustainable aviation fuel.



Calculation Methodology

Stantec calculates GHG emissions and energy use for our worldwide operations following the GHG Protocol.

We centrally track information on our global real estate to improve overall accuracy, provide consistency, and reduce the need to extrapolate. The office space we occupy must be adaptable, so we lease most of our offices, primarily in multi-tenant buildings. While we do pay some utility bills directly, for the other spaces, separate metering is rarely available and utility costs are most often wrapped into lease costs. To address this, we collect utility usage data from the landlords of our largest offices and use industry-recognized intensity factors for our extrapolations.

For purchased goods and services, business travel, fleet, heavy equipment, and leased residential units, Stantec engages with our vendors for relevant usage reports and utilizes internationally recognized extrapolation figures.

For employee commuting, we survey employees and extrapolate emissions based on country employee counts and industry-recognized intensity factors.

Office waste is extrapolated using industry-recognized intensity factors and employee numbers. For waste related to the native plant nursery, Stantec gathers activity data from our waste management provider.

Verification

Annually, our GHG inventories are independently verified by Apex Companies according to ISO 14064-3 Second Edition 2019-04 Greenhouse Gases–Part 3: Specification with guidance for the verification and validation of greenhouse gas statements. Stantec validates scopes 1, 2, and 3 at an enterprise level and conducts an additional country-level validation for our United Kingdom and Ireland (UK&I) operations. Our enterprise footprint receives a limited level of assurance, emissions for our UK&I operation receive a reasonable level.

Operational Net Zero

Stantec is taking urgent action to decarbonize and has pledged to attain operational net zero. This pledge was made at the highest level of the Company with direct participation from the Executive ESG Committee, C-Suite, and the Board-level Sustainability and Safety Committee. Our net zero pathway follows the philosophies of the Canada Net Zero Challenge, Business Ambition for 1.5 (led by the Science Based Target initiative [SBTi] in partnership with the UN Global Compact and We Mean Business coalition), and Race to Zero (a UN Climate Change initiative).

Stantec’s net zero pathway is being accomplished in four phases:

Phase 1: Emissions reductions (throughout all phases)	Phase 2: Carbon neutrality (beginning in 2022)	Phase 3: Net zero transition (by 2030)	Phase 4: Science-based net zero (by 2050)
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Phase 1: Emissions Reductions

Stantec’s primary focus is reducing GHG emissions, and we have an aggressive emissions reduction program in place that will continue throughout our net zero journey.

We meet our emission reduction goals by

- Optimizing our energy use through office consolidation into energy-efficient spaces utilizing an efficient, modular interior design
- Purposely conserving energy in our building operations
- Reducing business travel by enabling virtual meeting options, implementing management controls, and using behavior-based encouragements enabled through our travel management system
- Greening our vehicle fleet with progression towards use of fuel-efficient, hybrid, and electric vehicles
- Engaging our supply chain and employees to reduce consumption of purchased goods
- Enabling a flexible workplace strategy to minimize employee commute requirements



To reduce our reported market-based Scope 2 emissions, Stantec utilizes renewable energy. This is done through self-generation (such as solar panels on our offices), green tariffs (purchased from utility providers), and energy attribute certificates (such as RECs, iRECs, GOs, REGOs purchased from a central broker). The specific details relating to our renewable energy purchases are included in our [annual CDP disclosure](#), question C8.2e.

To reduce our reported Scope 3 business travel, Stantec invests in sustainable aviation fuel by purchasing credits from our airline partners. Purchases have been made from Southwest, Delta, and Air Canada.

Stantec's emissions reduction strategy has been formally integrated into our ISO 14001-certified Environmental Management System and is directly connected to our business efficiency and innovation strategies.

Phase 2: Carbon Neutrality

While our primary focus is continual emissions reductions, we believe it is important to address the residual impact on our journey to operational net zero. Stantec achieves carbon neutrality through the purchase of carbon offsets in an amount equal to our residual emissions. When Stantec says carbon neutral, what we mean is carbon balanced. Stantec considers carbon offset purchases an interim measure in addition to our SBT, an emissions mitigation investment outside our value chain. Carbon offsets are an expression of goodwill during our journey to net zero and do not reduce our reported emissions.

Beginning with our 2022 emissions, Stantec is carbon neutral. Our second year of neutrality comes from continuing to reduce our emissions and balancing our impact through the purchase of high value, certified carbon credits equivalent to our residual emissions (scope 1, market-based scope 2, scope 3⁴). This carbon balance exercise is repeated annually.

Our carbon credit purchases fall into three categories:

- **Forward-thinking:** These are the most expensive, but they're also the most worthwhile. They're investments in solutions that change the way the world addresses emissions—credits like carbon capture.
- **High value:** These are investments in ecosystem preservation projects that have been purposely selected due to the scale of their positive impact, location in our primary geographies, and their direct support of Indigenous communities.
- **Cost-effective.** To maximize our purchasing power, we also buy high-quality, cost-effective, certified offsets that give us the biggest "bang for buck" while still contributing to real progress in the fight against climate change and supporting local communities.

To confirm the purchased credits are credible, we tap into our in-house subject matter expertise to evaluate credit options and contributions. All credits purchases are third party certified with credits retired from associated registries upon purchase.

In 2023, Stantec primarily purchased forward-thinking offsets from [Carbon Cure](#) (concrete carbon capture) and high value offsets from the [Great Bear Temperate Rainforest](#) in British Columbia, Canada (Indigenous-led conservation efforts). This comprised over 60% of the offset budget. In both cases, we purchased the offsets directly from the provider instead of a broker (so that the full amount goes to the provider). For the remaining offset purchase, we bought cost-effective offsets from a centralized broker. Our recent purchases support development of a wind farm in India and biodiversity protection in the Amazon. The details of our carbon offset purchases are included in our [annual CDP disclosure](#), question C11.2a.

⁴ While Stantec's SBT2 covers just scope 3, category 6: business travel, Stantec purchases carbon offsets equivalent to the residual emissions of our full scope 3 inventory—including all reported scope 3 categories.



Phase 3: Net Zero Transition

Now that Stantec has achieved our operational carbon neutrality phase, we are beginning our net zero transition. The primary difference between Phase 2 and Phase 3 is how Stantec balances the impact of our residual emissions. In Phase 3, we are transitioning away from paying third parties for the purchase of carbon credits to instead focusing on Stantec-supported projects that provide additionality. This means we will balance our residual emissions by tapping into Stantec subject matter experts to produce renewable energy or carbon reductions that would not happen without our involvement. This includes actions such as adding renewable energy to the grid, developing nature-based solutions that reduce, store, and sequester carbon, and supporting carbon capture to remove carbon from the atmosphere.

Stantec's Innovation and Community Engagement teams will play a key role in this effort. We will access our expertise, thought leadership, and related funding to pilot new approaches that will help Stantec achieve our goals. These creative solutions will also be applied to client work to help our clients achieve their goals.

By 2030, we will achieve our near-term SBT reductions and complete the net zero transition phase.

Phase 4: Science-Based Net Zero

Stantec is committed to achieving operational net zero by 2050, or sooner, and are active participants in the [Canada Net Zero Challenge](#).⁵

To achieve operational net zero, we will make significant emission reductions beyond our validated near-term SBT.⁶ While Stantec is still in the process of defining exactly what these new long-term emissions reduction targets will be, we have already begun planning for drastic emissions reductions to get us as close to zero emissions as possible. The operational net zero commitment is enterprise-wide, covering all emissions present in our emissions inventory (scopes 1, 2, and 3).

Once Stantec attains our net zero emissions goal, we will address the small percentage of residual emissions by purchasing forward thinking and high value carbon credits (as described in Phase 2, above) and continuing to participate in direct investment projects that provide additionality (as described in Phase 3, above).

Supporting Clients

Many of Stantec's clients already see the business case, and societal imperative, of decarbonizing and are either actively working on net zero strategies and implementations, or seeing our guidance on how to start. Helping clients reduce their carbon impact is a key pillar in Stantec's strategy and directly connects to our future growth.

Prioritizing emissions management in our project solutions typically results in progress towards one or more of the following aspects of sustainable development: SDG 7 Affordable and Clean Energy; SDG 9 Industry, Innovation, and Infrastructure; SDG 11 Sustainable Cities and Communities; and SDG 13 Climate Action.

Stantec works with clients to achieve energy efficiency in the projects we design, commissions energy-efficient new construction, retro-commissions existing facilities to reduce emissions, and creates energy monitoring and management plans for long-term emissions management. We provide advisory, strategy development, and carbon accounting services to help clients reduce their operational emissions and achieve their own net zero ambitions. Subject matter experts across our business enable project considerations to combat climate change in the projects we design such as mitigation, adaptation, and financing solutions (see [climate solutions](#), [atmospheric sciences](#), [energy transition](#), and [nature-based solutions](#)).

In our UK&I operation, Stantec's Climate Change and Social Value committee is continually expanding the scope of our carbon reduction services. Stantec has embedded PAS 2080 principles (the leading standard for whole life carbon management solutions in buildings and infrastructure development) across its water business. Our compliance with the requirements has been independently verified by the British Standards Institute, with a goal of extending our PAS 2080 certification across our UK&I business sectors in due course.

⁵ Stantec is also evaluating whether we will pursue certification under the SBTi Net Zero Corporate Standard. Under this standard, for a professional service firm (the category applicable to Stantec), the SBTi Net Zero Corporate Standard requires emissions reductions of 90% with 10% of final emissions neutralized by carbon credits.

⁶ Stantec's near-term SBT will be accomplished in 2030 as noted in Phase 3.



In North America, we are involved with the [AIA 2030 Commitment](#) (by 2030, design of new buildings and major renovations will be carbon neutral) and are participating in the [SE2050 Challenge](#) (reducing embodied carbon through less impactful structural materials).

Stantec also invests in technology to support emissions reductions. We partner with [BlueSky Resources](#) (to further the development and use of remote sensing to produce near real-time emission and air pollutant data tracking) and carbon removal startup [Capture6](#) (to explore technology that integrates decarbonization and brine management solutions). Stantec's Innovation Office has produced a variety of relevant [digital solutions](#).

With Our Supply Chain

Stantec requires that our vendors provide activity data so that we can calculate and report Stantec's operational emissions. Through our [Partner Code of Business Conduct](#), we share the expectation that our suppliers and partners reduce their own operational emissions.

Accountability

To guide our operational emissions management program and assess our emissions reduction performance, Stantec links executive pay to ESG progress. Achievement of our near-term SBT and accomplishment of our carbon neutral pledge are stated compensation key performance indicators (KPI).

Stantec's syndicated senior credit facility, which is structured as a sustainability-linked loan, adds further accountability with one of our KPIs including achievement of our near-term SBTs.

Additionally, Stantec annually submits to CDP (formerly the Carbon Disclosure Project) for an evaluation of the quality of our climate strategy and emissions management programs. We have been recognized as Climate Leaders (with an A- score) for the past six years.

Material Topic / Value Chain Nodes Covered:

Emissions Management / Operations, Downstream (Clients), Upstream (Supply Chain)

See all [Stantec Management Approaches](#)