

SUSTAINABILITY REPORT
2013

SUSTAINABILITY IN ACTION

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A professional portrait of a middle-aged man with thinning hair, wearing a dark navy blue suit, a light blue shirt, and a blue patterned tie. He is seated in a black leather office chair at a dark wooden desk. His hands are clasped on the desk, and he is wearing a gold ring and a watch. To his left is a tall glass of water. In front of him is a tablet. The background is a bright office window with a view of a city skyline. The text "PRESIDENT'S MESSAGE" is overlaid in the center in white, bold, sans-serif font, flanked by two horizontal white lines.

PRESIDENT'S MESSAGE

SNC-Lavalin is committed to corporate social responsibility, and we are dedicated to ensuring that both our operations and our projects meet some of the world's toughest sustainability standards.

We have been developing sustainable solutions since we were founded in 1911, with renewable and low-carbon energy projects long before modern thinking on the subject. It is both the right thing to do and good business for us and our clients.

That's because our clients, many of whom have been with us for decades, know that acting responsibly is a fundamental value. It is also at the heart of earning their social license to operate—a key that unlocks the door to business.

By embracing the principles of sustainability, our clients win the trust and support of their stakeholders, including investors, employees, end-users and the communities they serve. We help our clients build projects that improve people's lives, while preserving the environment and continuing to provide value to both their businesses and their stakeholders for generations.

We are fortunate in that our broad-based and multidisciplinary expertise allows us to deliver projects sustainably, from end-to-end. Throughout all stages of a project's life cycle, we can develop, execute, operate and maintain lasting projects that will meet the most stringent sustainability criteria for our clients, our employees, the community and the environment. This is a major differentiator, and a powerful vehicle for creating enduring value.

Our ability to provide these tailored solutions relies on the dedication of our approximately 45,000* employees, who come to work each

morning in part because of our extensive experience in, and passion for, sustainable development. Our expertise in this field is essential to attracting and retaining the top talent who share our vision of the future.

Projects that speak for themselves

In this year's edition of our Sustainability Report, you will find projects that illustrate how we are working to deliver on our clients' commitment to sustainability. These examples illustrate that, by being attentive to our customers' needs and understanding their realities, we are able to provide sustainable value for any phase of a project. Examples include cutting-edge hydropower projects that deliver sustainable energy with minimal impact on the local environment and maximum benefits to local communities; a first-of-a-kind carbon capture project for SaskPower that will reduce emissions at its coal-fired Boundary Dam; and district cooling systems that use 40 percent less energy than traditional air-conditioning systems.

SNC-Lavalin has sustainability built into its core. It's why we've been around for over 100 years and why our projects will continue to benefit stakeholders for hundreds more.

Robert G. Card
President and CEO

*As of November, 2014.

A photograph of three business professionals in an office setting. In the center, a woman with dark hair pulled back, wearing a dark pinstriped blazer, looks slightly to her right with a gentle smile. To her left, the profile of a man with glasses and a light blue shirt is visible. To her right, a man in a blue shirt and a striped tie is partially visible, looking forward. The background is softly blurred, suggesting an indoor office environment.

ETHICS & COMPLIANCE

*At SNC-Lavalin, we have set a clear goal: to become
the global benchmark in ethics and compliance.
We have woven ethics into the way we do business and
transparency into the way we report to our stakeholders.*

While processes and systems are developed by our Ethics & Compliance team, promoting stronger ethics has become a key management responsibility at SNC-Lavalin. We are categorical. All of our employees must exemplify ethical behaviour and comply with all regulations and our Code of Ethics and Business Conduct.

In 2013, we made great progress in the establishment of our ethics and compliance organization, a dedicated team of professionals whose sole mandate is to develop and maintain an effective ethics and compliance program. A new Chief Compliance Officer role was created in the first quarter of 2013, and Andreas Pohlmann was hired to fill the position on March 1, 2013. David Wilkins replaced Mr. Pohlmann on June 1, 2014, at the end of the latter's mandate. Mr. Pohlmann continues to work for the company in a consulting role, with a strategic focus on ongoing World Bank compliance initiatives.



These are some of the key measures we implemented in 2013 in our ongoing quest for ethics excellence:



APRIL **ETHICS AND COMPLIANCE AWARENESS SESSION**

In April, we held an Ethics and Compliance Awareness Session for the Management Committee—the top 130+ managers of SNC-Lavalin. Subsequently, most leadership meetings across the company now begin with an “ethics moment” in addition to the regular safety moment.

JUNE **AMNESTY POLICY**

We issued an Amnesty Policy in June as part of a special one-time effort to encourage current SNC-Lavalin employees to report potentially corrupt or anti-competitive behaviour in which they may have been directly or indirectly involved. This policy was valid until the end of August 2013.

JULY **BUSINESS UNIT COMPLIANCE OFFICERS**

By July, we appointed Compliance Officers in each business unit and each region where SNC-Lavalin operates. We also established an internal Compliance Investigations team as a component of our ethics and compliance program. Additionally, we held our first Compliance Officer meeting. Our global compliance organization is now fully ramped up and strives for best-in-class performance.

AUGUST **COMPLIANCE CONSULTATION CENTRE**

We created a Compliance Consultation Centre for employees seeking information or advice on how to address ethics matters that arise in the course of daily business. We also launched an Ethics & Compliance homepage on our intranet to create an information-sharing platform. Communications regarding ethics and compliance issues are sent to all employees via email and are published on our intranet. In addition, we established a new compliance communications and outreach function to raise internal and external awareness of our Ethics & Compliance initiatives.

BUSINESS PARTNERS POLICY

We issued a new policy on business partner compliance due diligence in August. The policy regulates the level of due diligence to be done on third-party business partners and intermediaries before any engagement is permitted. This state-of-the-art process is supported by an IT tool that provides global transparency on third-party risk exposure.

SEPTEMBER **IN-PERSON ANTI-CORRUPTION TRAINING**

We launched In-Person Anti-Corruption Training in September. It is being provided globally to approximately 3,000 employees in “sensitive roles” in over 70 cities, including all executive, senior and general management functions, as well as all staff in business development, procurement, project management, general management and government relations.

ANTI-CORRUPTION MANUAL

We also created an Anti-Corruption Manual, which offers guidance on how to recognize and combat corruption. It was printed in four languages and distributed to over 30,000 employees worldwide.

INDEPENDENT COMPLIANCE MONITOR

As of September, all of our ethics and compliance efforts are assessed and validated by the independent compliance monitor retained by the Company and reporting to the World Bank.

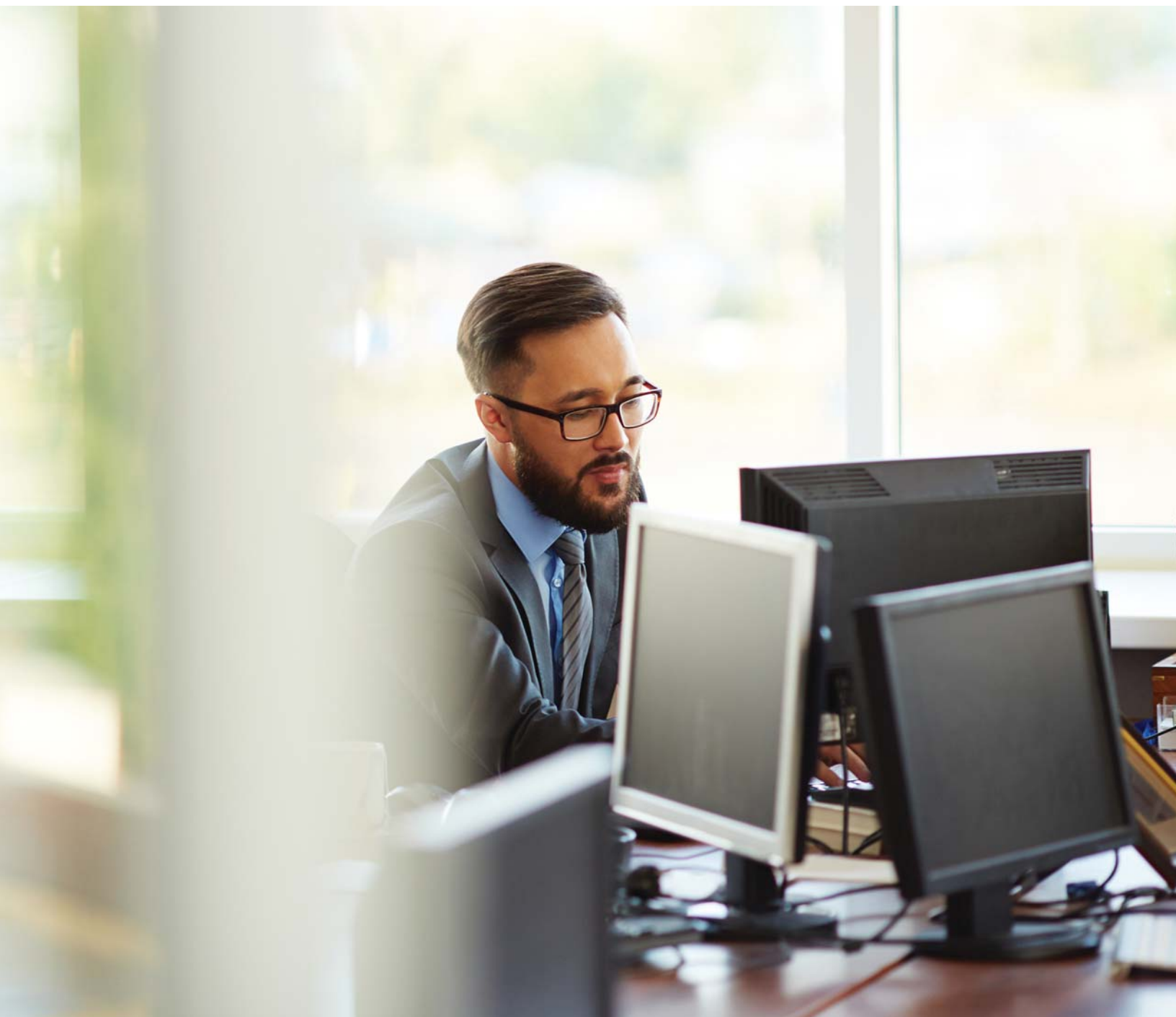
DUE DILIGENCE MONITORING ON NEW HIRES

SNC-Lavalin's Human Resources Department established mechanisms for conducting due diligence on new hires and appointees to the Management Committee.

With a number of strong initiatives rolled out in 2013, SNC-Lavalin has taken an important step forward toward our goal of becoming the benchmark for ethics and compliance excellence in our sector. We will continue to tailor our new comprehensive compliance system throughout 2014 to ensure it is meeting our stringent requirements and working as efficiently and effectively as possible throughout the Company.

More information about how positive change is being implemented at SNC-Lavalin is available at: www.snclavalin.com/followus

All of our ethics and compliance efforts are assessed and validated by the independent compliance monitor retained by the Company and reporting to the World Bank.



A close-up portrait of a smiling woman with blonde hair, wearing a light grey blazer over a white shirt. She is looking directly at the camera. In the background, other people are blurred, suggesting a busy office or meeting environment. The word "EMPLOYEES" is centered in white, bold, uppercase letters, flanked by two horizontal white lines.

EMPLOYEES

We are dedicated to ensuring that our leaders and employees benefit from our new systems, processes and tools to make better decisions and improve the quality of the services delivered to our clients. Ideally, this additional capability built over the last few years will operate seamlessly and serve as a catalyst to superior performance.

In 2013, we consolidated and enhanced our senior leadership team with the arrival of several experienced leaders, including Neil Bruce, President, Resources, Environment & Water; Andreas Pohlmann, Chief Compliance Officer; Alain-Pierre Raynaud, Chief Financial Officer; Hisham Mahmoud, President, Infrastructure; and Erik J. Ryan, Executive Vice-President, Marketing, Strategy and External Relations.* We simultaneously established a solid foundation for our human capital strategy through the introduction of new processes, tools and best practices.



*In 2014, we also welcomed:

Alexander (Sandy) Taylor, President, Power; David G. Wilkins, Chief Compliance Officer; and José J. Suárez, Executive Vice-President, Integrated Management Systems.



SNC-LAVALIN ACADEMY

SNC-Lavalin Academy is one of the ways the organization is investing in its people to better serve its clients. In 2013, the Academy offered training programs focused on company-wide priorities, such as project management and leadership development.

The Project Management Development Program (PMDP) is the Company's roadmap for achieving project delivery excellence and demonstrates its commitment to continuous improvement and quality through the professional development of our employees. The curriculum development team consulted with internal experts and partnered with two world-renowned organizations, George Washington University and ESI International, to design a program that promotes the industry's best-in-class practices. The PMDP will enable Project Managers to earn a university certification while also acquiring the knowledge necessary to prepare for the Project Management Institute's PMP® exam.

The People Leaders Development Program (PLDP) is designed to improve employees' core management competencies and establish common practices and processes. Feedback from the hundreds of employees who have graduated from the program has been overwhelmingly positive. In 2013, the program's reach was extended to include participation from employees in South America, the Middle East and the UK.

In addition, employees from various corporate groups attended a training session entitled *Respect in the Workplace Is Everybody's Business*, which seeks to empower every employee to share in the development of a respectful, healthy and harmonious work climate.

INNOVATIVE PROGRAMS

The Academy offers ambitious and innovative programs designed to improve employees' core competencies and enable SNC-Lavalin to better serve its clients. It is also one of the ways we promote outstanding performance in ethics, compliance, safety and corporate social responsibility.

The Academy's programs are organized into three learning streams that represent key corporate imperatives:

- > Project Management
- > Corporate Excellence
- > Leadership Development

Each stream is made up of a variety of courses that are delivered through classroom instruction, e-learning modules or a combination of both. Course lengths range from half-hour e-learning modules, to week-long sessions and year-long professional certification programs. To better meet the needs of particular audiences, some courses are open to employees across the company, while others are reserved for specific groups.

GLOBAL JOB CLASSIFICATION

The Global Job Classification project was introduced in response to recent employee focus groups and surveys that revealed a desire for greater internal equity and transparency in compensation matters. During the first phase of the project, more than 2,000 job profiles were created. The profiles were then benchmarked against comparable industry sectors, allowing us to establish appropriate salary scales. The second phase of the project is underway and will address roles further down in the organization.

The job classification framework will now provide employees with a common language to understand how jobs compare to each other and will help to:

- > Establish clear and standardized classification and compensation guidelines
- > Ensure SNC-Lavalin's commitment to internal equity and good governance practices
- > Support SNC-Lavalin's "pay for performance" culture
- > Improve the Company's capacity to attract and retain top performers
- > Better communicate development and career progression opportunities

HUMAN RESOURCES MANAGEMENT SYSTEM

In 2013, we continued the complex task of deploying the Human Resources Management System (HRMS) throughout the Company. The deployment schedule is divided into three separate waves with global completion slated for early 2015.

This cloud-based system will move many tasks to self-serve mode. This will reduce redundancies and accelerate response time for employees and managers. For example, employees will be able to view and modify their personal information in real time, while managers will be able to approve employee-related transactions from the office, from home or on the road, as well as access current reports and dashboards, allowing for better decision-making.

ETHICS AND COMPLIANCE

A very comprehensive Ethics & Compliance program was created to prevent, detect and rapidly respond to any potential ethics-related issues across all levels of the organization. The Ethics & Compliance team, working in collaboration with other corporate functions, including Human Resources, has rolled out several programs and training initiatives that are paving the way for SNC-Lavalin to become an industry leader in ethics and compliance and enabling the organization to strengthen the sense of trust and pride among its 30,000 employees.

In addition, as part of our ongoing efforts toward excellence in ethics and compliance, employees were asked to complete the yearly mandatory training and certification for the Code of Ethics. We also deployed a thorough background check process to ensure that our current and future employees are vetted according to best industry practices.

GENDER AND DIVERSITY

Preliminary work also began on a Gender and Diversity Program to establish goals, understand recent trends and studies, determine the best structure for the program going forward and identify measures of success. The diversity theme was also included in SNC-Lavalin Academy's Leadership Development curriculum.

The first diversity workshop was held in 2013. Facilitated by a professional consultant in the field of diversity and inclusion, the workshop targeted senior female leadership and allowed them to gain insight into gender differences, inherent biases and what leaders and organizations can do differently to increase the number of female executives. Subsequent meetings helped to set priorities for 2014 in the area of gender and diversity, such as the formal creation of a female leadership network, a mentoring program and accelerated development programs.

Gender Breakdown

73% Male
27% Female

Age Breakdown

18% < 30
50% 30-50
32% > 50

BREAKDOWN OF EMPLOYEES BY TYPE AND REGION

(not including consultants)

	REGULAR EMPLOYEES	CONTRACTUAL EMPLOYEES	TEMPORARY OR OCCASIONAL EMPLOYEES	EMPLOYEES
CANADA	15,625	201	470	16,296
USA	1,021	0	95	1,116
LATIN AMERICA	1,791	2,610	68	4,469
EUROPE	2,598	220	22	2,840
AFRICA	731	1,055	1,136	2,922
MIDDLE EAST	1,350	4	2	1,356
EURASIA	21	6	0	27
ASIA	850	197	5	1,052
OCEANIA	212	69	2	283
TOTAL	24,199	4,362	1,800	30,361

"Investing in our people's development is investing in our business success. Our clients are the ultimate beneficiaries of the skills we are building. Equally important is letting our people know that we care and that we are committed to their growth."

- Darleen Caron
Executive Vice-President,
Global Human Resources

A photograph of two men in safety gear. The man on the left is wearing a white hard hat, safety glasses, an orange long-sleeved shirt, and a high-visibility yellow vest with reflective orange stripes. He is holding a pair of work gloves and a small blue and white card that says "StepBack". The man on the right is also wearing a white hard hat and safety glasses, and is holding a black folder. He is wearing a blue and white striped shirt under an orange safety vest. They are both looking at the card held by the first man. The background is a plain, light-colored wall.

HEALTH & SAFETY

It is paramount to us that every person who visits or works at an SNC-Lavalin office or project site return home each day in the same condition in which they arrived.

At the beginning of the year, we had set a target of 0.40 for our 2013 total recordable incident frequency (TRIF). We beat this target by 20 percent by ending the year with a TRIF of 0.32. Although we have made significant gains in our health and safety performance year-on-year, we did experience one fatality associated with our project construction activities. We believe this event involving a subcontractor was preventable. We have communicated the lessons learned from this unfortunate incident to all our staff and contractors. We have also added a new leading indicator for 2014 to ensure that tragedies such as this one are never repeated.

Our health and safety goal is nothing less than zero recordable incidents. We know the only way to drive improvements in our safety performance is by focusing on our proactive activities and leading indicators.

To ensure that our programs and standards are adequately protecting our employees, we continuously monitor the location and mechanism of injuries (Figure 1). Based on this information, we saw that additional efforts were required to prevent hand injuries, which were on the rise. We developed and deployed specific programs to help raise awareness, provide resources and ultimately curb this unacceptable trend.



Ambatovy Nickel Mining Project

RISK-REDUCTION TRAINING

A review of our past incidents identified eight critical risk areas to our people and contractors. In response to these risks, we created the SNC-Lavalin Critical Risk Control Protocols (CRCP) along with a related e-learning program to raise awareness of the requirements of the CRCPs throughout the entire organization (Figure 2).

This year, we set a goal to have all of our employees complete our CRCP e-learning program. To ensure global accessibility, the e-learning training modules were offered in our four corporate languages: English, French, Spanish and Portuguese.

This objective proved tremendously successful, with many employees reporting the correction of hazardous situations at work and at home. All employees completed the modules, and one of our employees used the training to stop a dangerous situation taking place across the street from our offices in Calgary, Alberta. Her efforts may have saved a life.

We know the only way to drive improvements in our safety performance is by focusing on our proactive activities and leading indicators.

LOCATION OF INJURIES

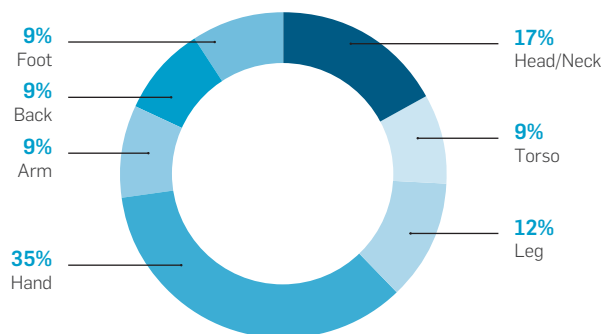


Figure 1

ALL INCIDENTS CRCP BREAKDOWN

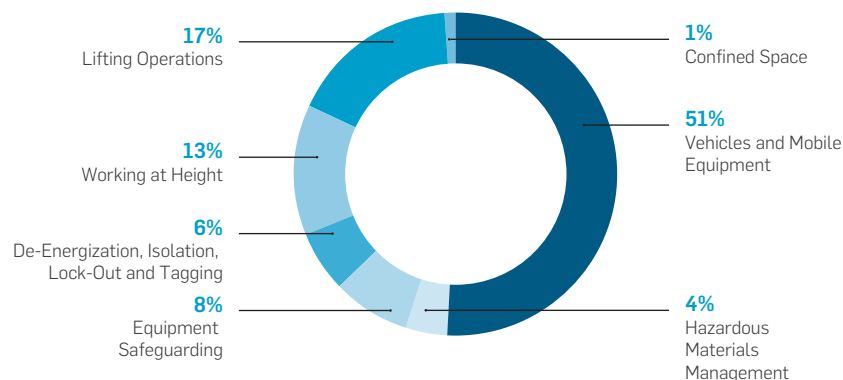


Figure 2

TEAMING UP TO MEET SAFETY MILESTONES

Stellar teamwork on the Vale Clean AER (Atmospheric Emissions Reduction) project in Sudbury, Ontario, has kept plans on track to meet safety, health, environmental and community milestones. This includes more than one million person-hours free of lost-time injuries and no environmental spills, releases or damage on-site or in the local community to date, thanks to the vigilance of employees and contractor tradespeople. (For more on Vale Clean AER, see page 20.)

EVALUATING RISKS

The SNC-Lavalin *StepBack Risk Evaluation Process* was officially released in January after an extensive review period and beta testing across the organization. The Process is used to ensure that employees identify the hazards, assess the risks and take the appropriate actions associated with their daily work tasks. In 2014, we will update our StepBack e-learning module for our employees and contractors in the Company's four official languages.

LOOKING AHEAD

We are excited for 2014 as we believe health and safety at SNC-Lavalin will continue to evolve and improve. One of the initiatives we are planning is an SNC-Lavalin safety management campaign, which will underpin our full-time commitment to safety. We believe clarity and consistency are essential keys to achieving world-class safety excellence. The initiative will be thoroughly beta tested in 2014 and rolled out across the organization in 2015.

The campaign encourages employees to remember that safety doesn't stop at 5 p.m. It is a full-time mindset.

Safety
doesn't stop
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2007-2013 SAFETY STATISTICS

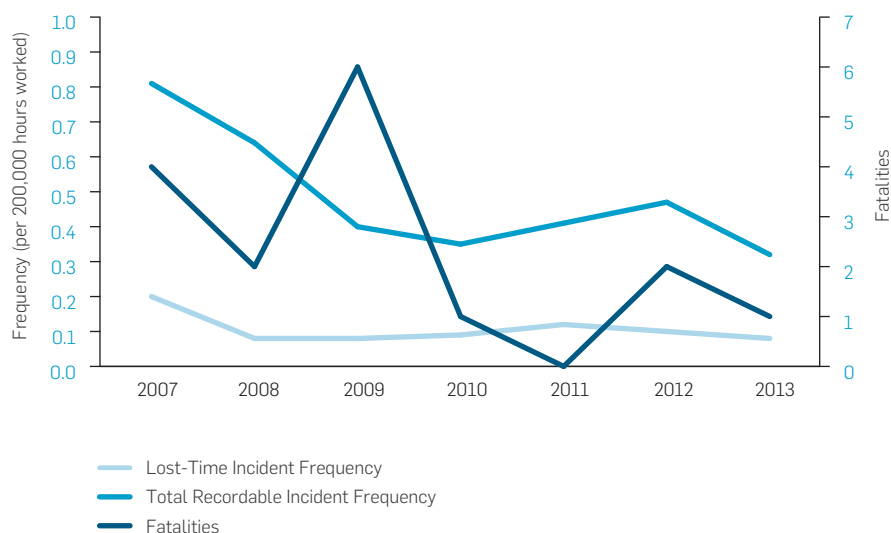


Figure 3

A photograph of two people, a woman and a man, standing in a field of tall, golden-brown grass. They are both wearing white hard hats, safety glasses, and dark blue work clothes with reflective yellow stripes. The woman on the left is holding a clipboard and a pen, and the man on the right is holding a small white container. They appear to be engaged in a field study or inspection. The background shows a line of trees under a blue sky with scattered white clouds. A large, bold, white text overlay is centered over the image.

ENVIRONMENT

SNC-Lavalin is in an incredible position from which it can literally reshape the world we live in. This capacity comes with the responsibility of making the world a better place, and that includes protecting or restoring the natural environment we all depend on. We take that responsibility very seriously, whether we are building a mine in a sensitive ecosystem, restoring an industrial property in the heart of a bustling city or considering ways to reduce the footprint of the largest aluminum smelter ever constructed.

NEXT-GENERATION TECHNOLOGICAL SOLUTIONS WANETA

SNC-Lavalin has come up with innovative environmental solutions to ensure that the Waneta Expansion Project in Trail, British Columbia, will have a minimal impact on the local ecosystem.

SNC-Lavalin was awarded this design-build project in October 2010. It consists of a new 335-MW powerhouse with two new Francis turbine-generator units, each producing approximately 167 MW. The power generated at Waneta is set to serve 60,000 households in British Columbia annually.

The Waneta hydroelectric project uses numerous best-in-class technological solutions to protect the environment, such as:

1. Including a second power generating facility on the left bank of the existing dam in order to capture flows through turbines that would otherwise be discharged through the spillway, thereby reducing the production of dissolved gases in the river downstream of the dam.
2. Creating special environmental work and task plans for contractors to protect the at-risk species that live in the project area, such as the rubber boa and yellow-bellied racers, western skinks and white sturgeon. SNC-Lavalin developed customized fencing to allow the passage of certain species, treatment plants for all construction and runoff water, sensitive and controlled blasting specifications, and a program to closely monitor nesting birds.
3. Using special low-turbidity suction dredging to remove existing contaminants from the reservoir. Recommended by SNC-Lavalin, this approach limited turbidity, which could have otherwise harmed fish, and ensured the contaminants did not travel downstream into the Columbia River system.
4. Attaching sturgeon exclusion screens to the draft tube outlets to prevent white sturgeon, an endangered species, from entering the draft tube where they could be injured by the turbine runner on unit start-up. This is the first time that such equipment has been installed on a hydro project.



Waneta Expansion Project



Simandou Iron Ore Project

*The Simandou Iron Ore Project
in the Republic of Guinea will protect
biodiversity in critical habitats.*

For the Simandou
Iron Ore Project,
more than **1,200**
flora species and
600
fauna species
were identified for
conservation.

PROTECTING BIODIVERSITY SIMANDOU IRON ORE PROJECT

Our extensive environmental assessments at the Simandou Iron Ore Project in the Republic of Guinea will protect biodiversity in critical habitats.

For over seven years, SNC-Lavalin carried out extensive environmental and social baseline surveys and assessments for the three components of the Simandou project, a world-class mining development in the Republic of Guinea. Simandou is the largest integrated iron ore mine and infrastructure project ever developed in Africa.

Since the mine is located within the Pic de Fon classified forest, a biodiversity hotspot, special measures were required to protect the local environment. More than 1,200 flora species and 600 fauna species were surveyed in the area, and 24 priority species, such as the chimpanzee, were identified for conservation. In collaboration with a primatologist, we developed and implemented a new survey method for locating chimpanzee nests. A combined total of 2,350 kilometres were flown by helicopter, and 1,249 chimpanzee nests were seen during these flights. This data was complemented by interviews, extensive field surveys and an intensive camera trapping program.

The identification of conservation priority species and critical habitats at the mine site led to alterations in the design of mining pits and changes in the mining schedule. SNC-Lavalin's data was used to evaluate the available options and help choose those that were the most environmentally, socially, technically and economically sustainable.



SaskPower's Boundary Dam Power Plant

SLASHING EMISSIONS SASKPOWER'S BOUNDARY DAM

The large-scale carbon capture plant that SNC-Lavalin implemented for SaskPower's Boundary Dam coal-fired power plant in Saskatchewan reduces carbon dioxide (CO₂) emissions from one of the power plant's 110-MW units by 90 percent and entirely eliminates its sulphur dioxide (SO₂) emissions.

We provided full EPC services for the carbon capture plant, which successfully went into operation in 2014. It is currently the world's largest post-combustion carbon capture plant implemented in conjunction with a coal-fired power plant.

How the Carbon Capture Plant process works

The plant includes an amine-based capture process to remove up to 90 percent of the CO₂ from the flue gas of Unit No. 3. A second amine-based process removes all SO₂ from the flue stream. The captured CO₂ is used for enhanced oil recovery at the local Weyburn oil field, and the SO₂ is converted into commercial-grade sulphuric acid.

CLEAN, DEPENDABLE ENERGY FOR NEW JERSEY NEWARK ENERGY CENTER

The Newark Energy Center will provide more flexible and reliable power, helping to reduce New Jersey's reliance on older, less efficient plants.

In a joint venture with Skanska, SNC-Lavalin was awarded a contract for the Newark Energy Center, a 655-MW gas-fired combined cycle power plant in New Jersey—and one of the cleanest of its kind in the United States. We are providing engineering, procurement, start-up and commissioning services.

The plant will use the latest General Electric F-class 5-series combustion gas turbines to generate reliable and efficient power. Scheduled to be operational in 2015, it will use wastewater from the Passaic Valley Sewage Commission to power 700,000 homes via the regional grid. Using advanced emissions control technology and efficient turbines, the plant will ultimately reduce the region's reliance on older, less efficient power plants with higher emissions.

The gas turbine can switch on quickly to produce power with reduced start-up emissions, helping to enable the integration of renewable energy. The project employs more than 700 construction workers and generates tax revenues for the city of Newark.

The Newark Energy Center will use wastewater to power 700,000 homes.

Boundary Dam
is the
**world's
largest**
post-combustion
carbon capture plant
implemented in
conjunction
with a coal-fired
power plant.



Cernavodă Nuclear Power Plant

By using nuclear power, Romania is able to reduce its greenhouse gas emissions by over 10 million tonnes each year.

Vale has met important health and safety objectives, including more than 1 million person-hours free of lost-time injuries, and no environmental spills, releases or damage on-site or in the local community.

SAFEGUARDING THE ENVIRONMENT CERNAVODĂ NUCLEAR POWER PLANT

The new safety systems at the Cernavodă Nuclear Station in Romania will protect the environment and population as part of an industry-wide strategy to upgrade nuclear plant safety in the event of serious accidents or natural disasters, such as the one that occurred at Fukushima in Japan.

In 2011 and 2012, Societatea Nationala Nuclearelectrica awarded SNC-Lavalin two engineering, procurement and construction contracts to install and improve the nuclear safety systems at the Cernavodă Nuclear Power Plant, which currently provides roughly 20 percent of Romania's electricity. The work included the installation of a filtered containment venting system, passive autocatalytic recombiners and a hydrogen monitoring system.

SNC-Lavalin completed the project ahead of schedule, and the new safety systems are rated among the best in the world. By using nuclear power, Romania is able to reduce its greenhouse gas emissions by over 10 million tonnes each year.

A RETROFIT LIKE NO OTHER VALE'S CLEAN AER PROJECT

At Vale's Nickel Smelter in Sudbury, Ontario, we are working to reduce sulphur dioxide emission levels by 85 percent, and dust and metal emissions by up to 40 percent.

In 2012, Vale awarded SNC-Lavalin a project management and engineering, procurement and construction management (EPCM) services contract to retrofit and modernize a nickel smelter complex for its Clean AER (Atmospheric Emissions Reduction) project at the Vale nickel smelter complex in Sudbury, Canada.

Since signing the contract, we have already made improvements that have significantly reduced emissions and improved smelter operations. Our team is carrying out work while the complex continues its regular operations, and during scheduled plant shutdowns, to avoid loss of productivity. The project is expected to be substantially completed by the end of 2018.

To date, the project has also met important health and safety objectives, including more than one million person-hours free of lost-time injuries, and no environmental spills, releases or damage on-site or in the local community. Employees and contractors are trained to assess risk at every step of the project, and field staff and frontline tradespeople are included in regular meetings with project managers to raise and address concerns.

A SMALL PROJECT WITH A BIG HEART NAYING RUN-OF-RIVER HYDROELECTRIC PROJECT

The Naying Run-of-River Hydroelectric Project does not require a large reservoir to collect water, thereby causing no substantial flooding.

SNC-Lavalin has actively participated in the development of power projects in India since the 1960s, when we were awarded a mandate for the detailed design, procurement and construction supervision of the 540-MW Kundah Hydropower Project in the state of Tamil Nadu. Our participation in subsequent significant projects has totalled more than 10,000 MW.

The Naying Hydroelectric Project, located in the West Siang district of Arunachal Pradesh, plans to use water from the Siyom River to generate 1,000 MW of power. Although designed as a "run-of-river" scheme, the project would generate around 4,400 kWh of energy per year using a small reservoir that would store water only for peak-hour power generation.

"Run-of-river" power plants like Naying provide a renewable source of energy that produces very few greenhouse gases and involves limited submergence of land. According to the feasibility report, most of the submergence will be restricted to the riverbed, and no villages will be affected.

As a result, the river's nearby inhabitants will not need to be relocated, and natural habitats and river ecology will be preserved. Overall, the project will not only contribute significantly to the region's power supply, it will also have a positive socio-economic impact in the area.

THE LOCAL RESOURCES DEVELOPMENT INITIATIVE WORLDWIDE

The Local Resources Development Initiative (LRDI™) is SNC-Lavalin's proprietary sustainability strategy that creates shared value between the projects and their local stakeholders by hiring locally and using local suppliers. Since 1997, LRDI™ has been successfully integrated into several projects around the world.

LRDI™ prioritizes socio-economic and community development, as well as the creation of shared value for rights-holders, communities, local governments and other stakeholders. This shared-value approach requires a strong understanding of the positive impacts that may be generated by a project, and the maximization of these spin-offs in order to benefit the community at large.

Strengthening the social licence to operate

Identifying and addressing social issues and opportunities at all project stages allows for the creation of a shared value framework and can create new possibilities for the project, communities, civil society organizations and governments. The implementation of LRDI™ strategies has proven to be very effective in avoiding some social hazards and mitigating other risks during project execution. This strategy helps our clients obtain and strengthen their social licence to operate throughout the most critical phase of the project, when the need for resources and the influx of capital are at their peak. LRDI™ is an integral part of the sustainability framework of the project, and we gradually transfer that capacity to our clients as the project moves into the operations phase.

The river's nearby
inhabitants will
not need to be
relocated, and
nature
will be
preserved.

*Our Local Resources
Development Initiative
is based on four main
pillars:*

- › Recording and tracking the local labour force during the construction phase of a project;
- › Establishing a training program for the local labour force;
- › Optimizing use of local goods, services and businesses;
- › Providing a support strategy for the development of local communities and Aboriginal peoples.

LRDI™ has been
openly recognized
by our clients as
a key factor in the
success
of their projects.

An aerial photograph of the Darlington Nuclear Generating Station. The station features a large, white, rectangular main building with several smokestacks emitting white steam. To the right of the main building is a prominent, cylindrical containment dome. The facility is situated along a body of water, with a rocky shoreline in the foreground. In the background, there is a large electrical substation with numerous high-voltage power lines and transformers. The surrounding landscape is a mix of green fields and trees.

ECONOMIC VIABILITY

Our clients want to deliver outstanding products and services to their end-users, and they want to do so as efficiently and economically as possible. From the earliest studies and conceptual designs, through to engineering, construction, procurement, and operations and maintenance, we work hand-in-hand with our project partners to create facilities that continually enhance our clients' reputations for excellence, while driving the growth and profitability of their businesses.

SAFE TO THE CORE

DARLINGTON NUCLEAR GENERATING STATION

SNC-Lavalin is supporting Ontario Power Generation (OPG) in refurbishing the Darlington Nuclear Generating Station to meet new nuclear safety regulations.

As a long-time supplier of engineering services to OPG, we have demonstrated a firm commitment to maintaining continuity and excellence for the life of the station.

OPG has awarded a contract for the Darlington Retube and Feeder Replacement Project to SNC-Lavalin and our joint venture partner, Aecon Industrial. This contract involves replacing highly radioactive components that make up the CANDU reactor core.


Such a large and complex project had to be divided into two phases, one for planning and simulation, and another for execution. The Definition Phase was launched in 2012. It includes the construction of a full-scale reactor mock-up to simulate key elements of the refurbishment work, as well as the development, procurement and testing of specialized tooling.

The Execution Phase will involve the retubing of all four reactor cores on a sequential basis using the tools and methods developed and tested during the Definition Phase.

Once fully refurbished, the station will continue to produce approximately 20 percent of the province's energy for at least another 30 years.

**The Darlington Nuclear
Generating Station will
continue to produce
approximately**

**20 percent
of Ontario's energy
for at least another
30 years.**



EMAL demonstrates
our proven track record
in delivering
quality work while
exceeding expectations.

EMAL (I and II)

A STAR IS BORN **EMAL ALUMINUM SMELTER PROJECT**

For more than a decade, SNC-Lavalin has undertaken successful projects for the United Arab Emirates aluminum industry. When longstanding client Dubal and Mubadala Development Company, a state-owned enterprise of the Abu Dhabi government, formed a joint venture called EMAL to build the world's largest single-site aluminum smelter in Abu Dhabi, SNC-Lavalin was selected to provide engineering, procurement and construction management (EPCM) services for the first phase of the project (EMAL I).

The success of EMAL I paved the way for SNC-Lavalin to be called on to complete the front-end engineering design (FEED) study on the second phase (EMAL II) and be awarded the full engineering, procurement and construction management (EPCM) contract in 2011. EMAL II included the addition of 1,000 MW of generating capacity to the power plant, a 1.6-km-long pot line, the longest ever built, and the highest rated Rectifier Transformer. First Hot Metal on EMAL II was achieved three months early.

Industry-leading safety and environmental performance

The early production of hot metal on EMAL II was just one in a series of achievements for SNC-Lavalin on the project. Mass crew meetings with all contractor employees and other proactive health and safety initiatives resulted in close to 45 million person-hours without a lost-time incident.

EMAL II was also an innovator on the environmental front, opening the first soil treatment facility on-site in the UAE. SNC-Lavalin's environmental team was able to treat more than 180 tonnes of contaminated soil, which was then reused in the construction of the project.

CRUSHING POLLUTION **BRASKEM PETROCHEMICAL PLANT**

Residents of Triunfo, Brazil, are enjoying the benefits of fugitive emission management thanks to SNC-Lavalin's work to measure and manage airborne contaminants, such as volatile organic compounds (VOC).

We are proud of our long-term relationship with Braskem. Braskem owns a petrochemical cracker plant in Triunfo near Porto Alegre, Brazil, which produces more than 30 percent of all olefins made in that country.

Between 1999 and 2014, we assessed more than 100,000 fugitive emission sources from existing equipment. We also helped develop the local workforce by training national personnel to detect and repair fugitive VOC emissions.

In addition, we were appointed to undertake a human health and ecological risk assessment of various bodies of water located at or near Braskem's petrochemical complex and to perform an environmental assessment of priority pollutants for more than 200 chemical organic compounds. As a result of our work, measures were taken to provide top-tier environmental management of the plant.

**SNC-Lavalin helped Braskem
develop the local workforce
by training national personnel
to detect and repair fugitive
volatile organic compound
emissions.**

HIRING LOCALLY TO SUPPORT THE DEVELOPMENT OF COMMUNITIES MATALA DAM PROJECT

For the Matala Dam Project in Angola, we created a customized Local Resource Development Initiative (LRDI™) to maximize socio-economic benefits for local communities.

In 2010, Empresa Nacional de Electricidade (ENE) awarded SNC-Lavalin an EPC contract to repair the Matala Dam in Angola, which had degraded since its construction more than 50 years ago. As part of the scope, we optimized the dam's water resource management system and improved its structural stability and flood-control capabilities. This will contribute to protecting the safety of the environment and communities upstream and downstream of the facility.

We also designed and managed a customized LRDI™ program to maximize the socio-economic benefits of the project for the local community. To date, 691 participants have entered the program and 90 percent have graduated. Training programs provided instruction in health and safety, basic building works, hospitality and computer skills. The Matala project employs some 420 LRDI™ participants and locals.

In May 2014, Angola's Ministry of Labour and ENE presented SNC-Lavalin with an award for the program's significant positive impact on the development of local communities.

In May 2014, Angola's Ministry of Labour and ENE presented SNC-Lavalin with an award for our significant positive impact on the development of local communities.

A LOCAL WORKFORCE MANATI OFFSHORE OIL PLATFORM

For the Manati offshore oil platform and gas processing plant in Brazil, we're sourcing the vast majority of materials locally, and almost all employees are Brazilian.

SNC-Lavalin has a four-year full-service operations and maintenance contract with a Brazilian consortium composed of Queiroz Galvão, Petrobras, Norse Energy and Brasoil for the oil platform and gas processing plant. The plant's production represents 80 percent of the natural

gas produced in the state of Bahia and 50 percent of the total production in northeastern Brazil.

The benefits to the local population, however, go far beyond the supply of natural gas. We're committed to developing the region's economy through direct and indirect employment and to improving working conditions through optimized plant performance.

The Matala Project will contribute to protecting the safety of the environment and the LRDI™ program will help to maximize the socio-economic benefits of the project to the local community.

**No
incidents
have been reported
at the Manati offshore
oil platform since we
came on board seven
years ago.**

To date, SLFE
has executed over
3 million
person-hours without
a single lost-time
injury and has
received
ISO 9001
certification.

BUILDING A TALENT POOL GENERAL ENGINEERING SERVICES PLUS

Dedicated to developing the socio-economic situation in Saudi Arabia, SNC-Lavalin Fayez Engineering employs more than 280 Saudi men and women and offers them technical, leadership and language training.

SNC-Lavalin began working with Saudi Aramco in 1993, when we were awarded the Qassim pipeline project. In 2011, they chose a joint venture between SNC-Lavalin International and a Saudi GES contractor, Zuhair Fayez Partnership—which registered in 2012 as SNC-Lavalin Fayez Engineering (SLFE)—to contribute to their initiative. This initiative aims to build a sustainable local workforce by developing engineering capabilities in the Kingdom.

GES+ pairs local engineering consultants with key leadership and technical personnel, systems, procedures and best practices from top international companies to foster local capabilities. Our role is to train and employ Saudi nationals for local execution of oil and gas projects. SLFE is currently engaged in more than 120 projects.

With SLFE, new hires are assessed and offered courses based on their skill level. The objective is to ensure that these individuals acquire the skills needed to succeed on the job and in the future.

*GES+ pairs local engineering consultants
with key leadership and technical personnel, systems,
procedures and best practices from top international
companies to foster local capabilities.*

General Engineering Services Plus (GES+)



WORLD-CLASS OPERATOR ACCOMMODATIONS WOOD BUFFALO OIL SANDS FACILITIES

For a Wood Buffalo oil sands operator accommodations project in Northern Alberta, we implemented an innovative Northern Affairs program to work with local Aboriginal businesses and hire Aboriginal labour and subcontractors. The program supports our client's commitment to local employment and business development for First Nations, as well as local and regional businesses in the region.

Full-service facilities

In 2008, SNC-Lavalin was contracted to build, own, operate and maintain a 153-room accommodation facility for the first phase of our client's oil sands project in the Wood Buffalo oil sands region. The facility includes a 60-seat dining hall, kitchen, recreation hall, guest services office and fitness centre.

An excellent service record and strong client relationship led to SNC-Lavalin winning a new contract in 2010 to build, operate and maintain a construction lodge for the second phase of the project. Today, it consists of nearly 3,800 rooms and support facilities, including a 1,000-seat dining hall and kitchen, six lounges, a 1,000-person boot-room, a first-aid room, and an innovative multi-sport complex with cardio theatre and fitness studios. Additional support facilities include maintenance shops, health and safety offices, a waste water treatment plant and a potable water treatment plant.

Additionally, we are currently operating a recycling program that diverts 60 to 70 percent of our waste into other uses and reduces our operating costs substantially at site level. This is a significant factor in our client's sustainability record.

EFFICIENT COOLING SYSTEMS IN SAUDI ARABIA JABAL OMAR DEVELOPMENT

The district cooling system at the Jabal Omar Development will use 40 percent less energy than traditional air-conditioning systems with equivalent capacities, resulting in lower operating costs and a smaller environmental footprint.

In 2012, SNC-Lavalin was awarded a contract by the Central District Cooling Company for the design, procurement, construction and commissioning of district cooling facilities for the Jabal Omar development in Mecca, Saudi Arabia. Since district cooling solutions are more energy-efficient, they are an economical and sustainable choice in warmer climates.

The facilities will have an ultimate capacity of 55,000 refrigeration tonnes (RT) (193 MW), and will include a 1.5-km dual chilled water

distribution pipeline and 10 energy transfer stations. The first phase alone will have an installed capacity of 25,000 RT (88 MW), enough to serve 37 hotels and apartment buildings in Mecca.

A cool track record

SNC-Lavalin has become the leading provider of district cooling solutions in the Middle East, with 38 projects in our portfolio and more than 530,000 RT (1,862 MW) of capacity installed across the region. Our projects provide chilled water for residential apartments, offices, universities, hotels, the military, stadiums, hospitals and government institutions across Saudi Arabia and the UAE.

Our Northern Affairs program supports our client's commitment to local employment and business development for First Nations communities.

SNC-Lavalin
has become the
**leading
provider**
of district cooling
solutions in the
Middle East.

A young man with short, dark hair is smiling warmly at the camera. He is wearing a light blue and white plaid shirt. The background is a blurred outdoor setting with other people, suggesting a community event. The word "COMMUNITIES" is centered in white, bold, uppercase letters, flanked by two horizontal white lines.

COMMUNITIES

At SNC-Lavalin, we know that we are an integral part of the communities where we work. As such, we seek to maximize the benefits our projects and our people bring to these communities through economic spinoffs, local employment and charitable involvement. Often that can mean including world-class training and hiring programs to ensure our projects are built for local communities by local communities—and that they will support prosperity in these communities for generations to come.

JOBES AND ENVIRONMENTAL PROTECTION IN MADAGASCAR AMBATOVY NICKEL MINING PROJECT

As part of our mandate for Madagascar's Ambatovy nickel mining project, we created a customized Local Resource Development Initiative (LRDI™) that taught 6,100 locals bricklaying, formwork, rebar bending, painting and welding, in addition to providing health and safety instructions.


The Ambatovy project is among the largest in the world, with an annual capacity of 60,000 tonnes of nickel and nearly 6,000 tonnes of cobalt. We provided full EPCM services for several components, including Ambatovy's ore preparation plant, 220-km slurry pipeline, and process plant and refinery.

Local empowerment

SNC-Lavalin worked hard to ensure that respect for Madagascar's people and its fragile ecosystems was front and centre in all project decisions.

Through our LRDI™, we helped small, medium and micro-enterprises with tendering; works scheduling; health, safety and environment management; and training and mentorship programs. And to feed Ambatovy's 18,500 construction workers, we sourced food from the local agrifood market, created poultry abattoirs, purchased bulk seeds and hired logistical support to transport goods to the point of sale. We even developed a community-based compost manufacturing unit.

**In Madagascar,
we trained
6,100
locals
and helped small,
medium and
micro-enterprises
with tendering;
works scheduling;
health, safety
and environment
management;
and training
and mentorship
programs.**



With our Sustainability+™ tool,
we can now analyze a non-completed
project's adherence to international
sustainability standards.

Taconite Mining Project

A NEW LEVEL OF LOCAL IMPACT ASSESSMENT TACONITE MINING PROJECT

Sustainability+™ was first introduced in 2011 by the SNC-Lavalin Environment & Water team as a tool for analyzing the sustainable performance of potential, ongoing and completed projects, and calculating indexes that measure a project against international sustainability standards.

For the Taconite Mining Project in Northern Quebec and Labrador, we specially tailored our Sustainability+™ tool to include an emphasis on Aboriginal rights.

In 2011, New Millennium Iron Corp. (NML) awarded us a contract for environmental consulting services, which included a baseline data collection program and two environmental assessments for the project, led by NML and Tata Steel. The assessments cover two sites, which together constitute the world's largest undeveloped magnetic iron ore deposits. The contract includes environmental consulting services for two mines, a 600-km pipeline, two electric lines, two concentrators and a pellet plant, as well as consultations with local First Nations and non-native communities.

The project marked the first time that we used our Sustainability+™ tool to analyze a non-completed project's adherence to international sustainability standards.

IRRIGATION FOR LIFE FINAGRO-11

In Colombia, SNC-Lavalin is working hand-in-hand with local producers and agricultural associations on the design of irrigation projects that are expected to benefit more than 3,000 families.

Awarded in December 2013, the Finagro-11 project involves the design and supervision of 22 small-scale irrigation projects across four departments of the country. We are working directly with local stakeholders to evaluate their project designs in terms of technical, environmental, social and economic viability.

Sustainable and profitable

All project partners have the same goal: to ensure that resources are used as effectively as possible. That's why SNC-Lavalin's approach involves studying variables such as the suitability of land, the agro-climate of the area, production potential, social factors, costs and risks. Ultimately, we hope to implement profitable projects that meet the highest standards and guarantee sustainable agricultural development in rural communities.

Beyond technical advice, our team is also providing a full range of services to meet the community's expectations and needs. This includes creating forums for the participation of farmers and agricultural associations, which are key to the project's success.

*Finagro-11 is expected to benefit more than
3,000 local families.*

CONNECTING SOUTHWEST CALGARY CALGARY WEST LRT

Every day, 44,000 residents of West Calgary enjoy a fast, efficient, safe and environmentally friendly commute on the new Calgary West Light Rail Transit (LRT) extension.

Designed and built by SNC-Lavalin and its partners, this award-winning light rail extension was one of the City of Calgary's largest-ever transportation infrastructure undertakings, its largest design-build contract and its first new LRT line in 20 years.

Previously, the city's Southwest district was served by city buses, but steep grades made wintertime bus travel challenging. Now that the new train line is in place and connected to the city's local C-train system, many commuters have switched to the LRT, cutting both their journey times and greenhouse gas emissions in the process.

Green by design

The Calgary West LRT stations were designed according to simple but effective sustainable design principles. Thanks to the east-west alignment of all but one station, passengers are sheltered from wind and direct summer sunshine. Meanwhile, the shades on the stations' south-facing windows help regulate internal temperatures by blocking high-angle summer sun rays, while letting in the lower-angle winter sun.

Located above one of the stations, a four-storey LEED™-certified office building crowns the project and showcases the sustainable approach to building design that was applied across the project. The building's proximity to public transit, along with its bicycle storage and changing facilities, and its incorporation of water-use reduction and optimized energy performance design features all contributed to its LEED™ designation.

For Finagro-11 in Colombia, our team is **creating forums** for public participation and the empowerment of farmers and agricultural associations.

Every day, 44,000 residents of West Calgary enjoy a fast, efficient, safe and environmentally friendly commute on the new Calgary West Light Rail Transit (LRT) extension.

BRINGING ESSENTIAL WATER MANAGEMENT TO AFGHANISTAN

WATER RESOURCES DEVELOPMENT INVESTMENT PROGRAM

In 2009, Afghanistan's Ministry of Energy and Water awarded SNC-Lavalin the contract to manage a portion of the Water Resources Development Investment Program in Kabul, which aims to improve water infrastructure in the country.

We are currently completing the second tranche of the project, which includes the provision of engineering and consulting services to enhance river basins and upgrade irrigation networks and hydraulic infrastructure. We are also assisting in the preparation of periodic financing reports, bid packages and the tendering process.

SNC-Lavalin has used an integrated participatory planning and development approach from project identification to detailed design. This includes extensive consultation with the client and stakeholders, and use of a project performance management system at each stage of the project cycle.

The scope of work includes integrated water resources planning, feasibility studies and detailed designs of sub-projects, construction supervision and capacity development of local staff.

WIND POWER FOR THE PEOPLE

SOUTH KENT WIND PROJECT

Comprising 124 Siemens wind turbine generators, the South Kent Wind Project (SKWP) is one of the largest of its kind in Canada and will generate enough electricity to power 100,000 homes.

In January 2013, SNC-Lavalin signed a contract to provide Owner's Engineer and Construction Management (OECM) services to Samsung Renewable Energy Inc. for their 270-MW wind project, located in the Chatham-Kent area of Southwestern Ontario.

The wind turbines are spread over an area spanning 45 kilometres between the communities of Ridgeway and Tilbury. They are connected by 280 kilometres of medium-voltage underground collectors, two substations and 35 kilometres of high-voltage transmission lines.

The project, which had a workforce of 350 at the peak of construction, is part of a multi-billion-dollar portfolio of wind and solar projects that came out of a landmark agreement negotiated directly between Samsung and the Ontario government in 2009 and 2010. Along with joint venture partner Pattern Energy, they are the largest developers of wind power in Ontario.

SKWP is part of Phase 1 of several planned phases of Samsung renewable energy projects in Ontario. It is also an important step in establishing SNC-Lavalin as a recognized expert in wind energy projects.

South Kent Wind Project



The South Kent Wind Project is one of the largest of its kind in Canada and will generate enough electricity to power **100,000 homes.**

LETTING NATURE DO THE WORK MARDUMAH BAY WATER PROJECT

To help the Saudi Arabia Royal Commission (RC) develop recreational shoreline areas for local residents, we designed a sustainable solution that would improve both water quality and circulation within Mardumah Bay and the Al Khaleej Channel.

The RC, an autonomous organization that plans, promotes, develops and manages the industrial cities of Jubail, Yanbu and Ras Al-Khair, has a major plan to develop recreational shoreline areas for residents and improve existing navigation channels along the coastal areas of Jubail on the Arabian Gulf.

On behalf of the RC, SNC-Lavalin carried out a hydraulic study for the coastal and marine areas in the vicinity of the Huwaylat, Fanateer, Mardumah and Raggah districts. The study identified coastal areas suitable

for beaches and recreational use, but also two areas of concern: poor water circulation in Mardumah Bay and nearly stagnant water in the Al Khaleej Channel. Both problems were causing decreased water quality.

Our solution? To link the water bodies by a 3.5-km channel. This solution will require no mechanical devices, pumping stations or energy input, since the difference in tide levels, combined with flow regulating structures, will drive the water flow from the bay to the open sea. Basically, nature will do all the hard work. Additionally, the channel will add an attractive waterfront feature to the city, with high recreational value.

Our innovative solution for the Mardumah Bay Water Project will require no mechanical devices, pumping stations or energy input. Nature will do all the hard work.

A TAILORED ABORIGINAL INCLUSION PLAN ÉLÉONORE GOLD MINE

As part of our Operators Training program for the Éléonore gold mine in Quebec, we developed a Cree Inclusion Plan to train local Aboriginals for project start-up and commissioning, as well as the operation of the surface and process plant.

In October 2012, SNC-Lavalin was awarded a contract by Opinaca Mines Ltd., to provide project management and EPCM services for the Éléonore gold mine and ore processing project in the James Bay region, close to the Wemindji Cree community, in Northeastern Quebec, Canada. Once completed, the mineral processing plant will have the capacity to process 7,000 tonnes of ore per day.

Our Cree Inclusion Plan focused on technical skills, essential skills, and coaching for the workplace, as well as on incorporating input and responding to expectations from key Aboriginal stakeholders. The general training plan and its implementation included professionalization (industrial process fundamentals training covering chemistry, physics, industrial equipment, process controls and interlocks); health, safety and occupational environment training (laws, regulations, work permits, respiratory protection, etc.); and general and specific operational training on processes, instrumentation and major equipment. The Plan received funding from provincial and Cree governments to support project-related training activities. As a result, the general strategic plan and the Cree Inclusion Plan are now being implemented and will contribute to the readiness of all Aboriginal and non-native workers for start-up on-site.

Our Cree Inclusion Plan focused on technical skills, essential skills, and coaching for the workplace, as well as on incorporating input and responding to expectations from key Aboriginal stakeholders.

GRI CONTENT INDEX

Using the Global Reporting Initiative (GRI) guidelines allows us to measure and monitor our economic, environmental, social and governance performance through a widely used reporting framework. Not only does this framework give us a portrait of where we stand today, it will also allow us to benchmark ourselves for the future.

STRATEGY AND ANALYSIS

1.1	Statement from the most senior decision maker (e.g., CEO, chair or equivalent senior position) about the relevance of sustainability to the organization and its strategy	Please see the letter from our Chief Executive Officer on page 3 of this Sustainability Report.
1.2	Description of key impacts, risks and opportunities	Please see the letter from our Chief Executive Officer on page 3 of this Sustainability Report.

ORGANIZATIONAL PROFILE

2.1	Name of the organization	SNC-Lavalin Group Inc. (the "Company")
2.2	Primary brands, products and/or services	Please refer to the "At a Glance" section of our 2013 Annual Report and Section 2 of the Management's Discussion and Analysis (MD&A) portion of our 2013 Financial Report.
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures	<p>The Company was incorporated under the laws of Canada by Letters Patent dated May 18, 1967 and was continued under the Canada Business Corporations Act on March 24, 1980. The articles of the Company were amended on several occasions for the following purposes, among others: split (in 1996) of its outstanding shares on a three-for-one basis; the implementation of a Shareholder Rights Plan; the change of its name; the creation of new classes of shares and the reorganization of its outstanding share capital; the modification of the maximum number of directors (the "Directors"); the addition of a requirement that at least two thirds of the Directors must not be employees of the Company or its affiliates; and the re-designation of its class A subordinate voting shares as common shares.</p> <p>The main divisions of the Company are presented in our 2013 Annual Report (pages 12-33). They are:</p> <ul style="list-style-type: none"> > Resources, Environment & Water > Infrastructure > Power <p>A list of main subsidiaries, joint ventures and associates of the Company, as well as the principal infrastructure concession entities in which the Company participates, are published in Section 1.2 "Subsidiaries, Joint Ventures and Associates," p. 4, of the Company's Annual Information Form (AIF).</p>
2.4	Location of organization's headquarters	The Company's headquarters and registered office is located at 455 René-Lévesque Boulevard West, Montreal, Quebec, Canada H2Z 1Z3.

2.5	Number of countries where the organization operates	<p>As of December 31, 2013, the Company had permanent offices in the following 40 countries:</p> <p>The Americas: Brazil, Canada, Chile, Colombia, Haiti, Peru, United States, Venezuela</p> <p>Europe: Belgium, France, Germany, Monaco, Netherlands, Norway, Poland, Romania, Russian Federation, Serbia, Spain, Sweden, United Kingdom</p> <p>Africa & the Middle East: Algeria, Angola, Bahrain, Iraq, Mauritius, Morocco, Saudi Arabia, South Africa, Tunisia, United Arab Emirates</p> <p>Asia & Oceania: Australia, China, India, Indonesia, Kazakhstan, New Caledonia, New Zealand, South Korea, Thailand</p> <p>SNC-Lavalin has temporary offices in a dozen additional countries and conducts projects in some 100 countries worldwide.</p>
2.6	Nature of ownership and legal form	<p>The Company was incorporated under the laws of Canada by Letters Patent on May 18, 1967, and was continued under the Canada Business Corporations Act on March 24, 1980. The shares of the Company are traded on the Toronto Stock Exchange (TSX: SNC).</p> <p>As of March 18, 2014, the Company had 152,065,359 common shares outstanding. To the knowledge of the Directors and officers of the Company, based on shareholders' public filings, the only person or company who beneficially owns or controls or directs, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all shares of the Company is the Caisse de dépôt et placement du Québec (the "Caisse"), an institutional fund manager. As of March 18, 2014, based on shareholders' public filings, the Caisse beneficially owned, or controlled or directed, directly or indirectly, 15,462,100 common shares representing 10.17% of the outstanding common shares of the Company.</p>
2.7	Markets served (including geographic breakdowns, sectors served and types of customers/beneficiaries)	<p>The Company offers services and does not manufacture products. For a summary of markets served, including geographic breakdowns and sectors, please see Section 2.1 "Our Business," p.10, of the MD&A and Section 7 "Geographic Breakdown of Revenues by Category of Activity," p.27, of the 2013 Financial Report.</p> <p>The Company serves a wide range of customers in the public, quasi-public and private sectors. Section 8, "Operating Results by Segment," p.28, of the MD&A provides an overview of projects and clients by sectors (segments) of activity.</p>
2.8	Scale of the reporting organization	<p>On December 31, 2013, the Company directly employed some 30,000 people. It should be noted that in 2013, the Company logged over 158 million person-hours worked. This number includes hours worked by the Company's employees, as well as by personnel working for contractors on SNC-Lavalin controlled construction sites.</p> <p>The Company's network of offices is located in more than 40 countries around the world and its employees work on some 10,000 projects in some 100 different countries. For financial information related to the scale of the Company, please see the Company's Consolidated Financial Statements.</p>
2.9	Significant changes during the reporting period regarding size, structure or ownership	Please see Section 2 "General Development of the Business," p.6, of the AIF and Section 1.2 "Executive Summary – Other Items," p.8, of the MD&A.

GRI CONTENT INDEX

3 REPORT PARAMETERS

3.1	Reporting period	Calendar year, which is the Company's fiscal year.
3.2	Date of most recent previous report	This is our fourth annual Sustainability Report, covering activities in 2013. The first Sustainability Report was issued in our centennial year, 2011, and covered activities in 2010 and earlier.
3.3	Reporting cycle	SNC-Lavalin produces an annual Sustainability Report.
3.4	Contact point for questions regarding the report and its contents	For questions regarding this report and its contents, please visit the SNC-Lavalin website (www.snclavalin.com) and click on "Contact Us."
3.5	Process for defining report content, including materiality, prioritizing topics and identifying stakeholders	This report aligns with the Company's Annual Report, Proxy Circular, MD&A and AIF. Issues of materiality and prioritization were reviewed by a joint team composed of representatives from the Corporate Environment & Sustainable Development team, the Environment & Water business unit and Global Corporate Communications.
3.6	Boundary of the report	Boundaries of the report are the permanent offices of the Company, plus limited data from construction sites under our responsibility, as more fully outlined in relevant sections of the Report.
3.7	Any specific limitations on scope or boundary	Project offices, which are temporary, are excluded from this report. Infrastructure Concession Investments (ICI), identified on page 5 of the AIF, are also excluded.
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	Not applicable, other than as stated in 3.7 above.
3.9	Data measurement techniques and bases of calculations, including assumptions	SNC-Lavalin is guided by the GRI Sustainability Reporting Guidelines, Version 3.0, the methodologies of the Carbon Disclosure Project and the Greenhouse Gas Protocol.
3.10	Effects of any restatements of information	None to report.
3.11	Significant changes from previous reporting periods, in scope boundaries or measurement methods	None to report.
3.12	Table identifying the location of disclosures in the report	GRI index, pages 34 to 44 of this report.
3.13	Policy and current practice regarding external assurance	This report is not externally verified.

4	GOVERNANCE	
4.1	Governance structure of the organization	Please see Section 3.3 "Board Organization, Structure and Composition," and Section 3.4 "Board Role and Mandate," p.24 and following, of the Management Proxy Circular and Notice of Annual Meeting of Shareholders, dated March 18, 2014.
4.2	Is the Chairman an executive officer or an independent director?	The Chairman of the Company is an independent director.
4.3	Discussion on independent directors	Based on information regarding personal and business circumstances provided by each of the Company's Directors, the Company's Board considers that all of its nominees are "independent" within the meaning of the Regulatory Independence Requirements.
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Please see the Management Proxy Circular and Notice of Annual Meeting of Shareholders, dated March 18, 2014, Section 3.11 "Shareholder Engagement," p.33.
4.5	Linkage between compensation and performance	Please see the Management Proxy Circular and Notice of Annual Meeting of Shareholders, dated March 18, 2014, Section 7 "Executive CD&A," p.56.
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	As stated in the Management Proxy Circular and Notice of Annual General Meeting of Shareholders, "To ensure ongoing director independence, each Director is required to inform the Board of any potential conflict of interest he or she may have at the beginning of each Board and Board Committee meeting. A Director who is in a situation of potential conflict of interest in a matter before the Board or a Board Committee must not attend any part of a meeting during which the matter is discussed or participate in a vote on the matter. The Governance and Ethics Committee performs an annual review of Directors' interests in which potential or perceived conflicts and other matters relevant to their independence are considered."
4.7	Process for determining the qualifications and expertise of the members of the highest governance body, on economic, environmental and social topics	The Governance Committee's mandate provides for the establishment and update of the Skills Matrix (a table of industry-specific experience, business expertise and individual qualifications of Directors in relation to the Board's specific skill requirements, so as to identify any eventual skill gaps on the Board). The Skills Matrix can be consulted in Section 5.1.3 "Skill Requirements," p. 45 of the Management Proxy Circular and Notice of Annual Meeting of Shareholders, dated March 18, 2014.
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to corporate responsibility.	See SNC-Lavalin's website's Ethics and Compliance page (http://www.snclavalin.com/en/ethics-compliance) for the Company's Code of Ethics and Business Conduct, the Anti-Corruption Manual for SNC-Lavalin employees and the Company's commitment to ethics excellence. See the Vision and Values page (http://investors.snclavalin.com/en/strategy-and-values/vision-and-values) for a statement about our vision, commitments, values and mission.

GRI CONTENT INDEX

4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, social performance, including relevant risks and opportunities, and adherence to or compliance with internationally agreed standards, codes of conduct and principles	Please see pages 5 to 7 of this report.
4.10	Processes for evaluating the highest governance body's own performance	Please see the Management Proxy Circular and Notice of Annual General Meeting of Shareholders, dated March 18, 2014, Section 5 "Selection, Assessment, Orientation and Continuing Education of Directors."
4.11	Explanation of whether and how the precautionary approach or principle is addressed	As of December 31, 2013, the Company was a service provider, not a manufacturer of products. As such, the Company employs risk management processes, which are being expanded to cover not only project-based risks, but also Company-wide risks. Currently, the Precautionary Principle does not form part of corporate risk management processes.
4.12	Externally developed charters, principles or other initiatives to which the organization subscribes or endorses	The Company provides a wide range of engineering, procurement and construction management services on projects, as well as operations and maintenance activities, in some 100 countries. The Company applies the most stringent of the prevailing national laws or recognized international standards.
4.13	Memberships in associations or advocacy organizations in which the organization has positions in governance bodies or participates in projects or committees or provides substantive funding (beyond dues) or views as strategic	SNC-Lavalin is a founding member of the Quebec Business Council on the Environment and a founding member of the Partnering Against Corruption Initiative (PACI). It also a member of, and participates in, some executive networks of the Conference Board of Canada. SNC-Lavalin is also a member of the Chamber of Commerce of Metropolitan Montreal.
4.14	List of stakeholder groups engaged by the organization	The Company engages its clients, shareholders, employees, subcontractors and suppliers, as well as the communities in which it operates. Our Investor Relations group also meets regularly with our institutional investors.
4.15	Basis for identification and selection of stakeholder groups engaged	The Company considers its key stakeholders to be its clients, its shareholders and its employees. Business units are encouraged to engage local communities, particularly in less developed countries, near construction sites under the Company's management. Please see the Management Proxy Circular and Notice of Annual Meeting of Shareholders, dated March 18, 2014, Section 3.11 "Shareholder Engagement," p. 33.
4.16	Approaches to stakeholder engagement	Please see the Management Proxy Circular and Notice of Annual Meeting of Shareholders, dated March 18, 2014, Section 3.11 "Shareholder Engagement," p. 33.
4.17	Key topics and concerns raised by stakeholders and how the organization has responded	The Company will keep stakeholders aware of all major developments through its quarterly MD&A and/or press releases. Also see the 2013 MD&A, Section 14 "Controls and Procedures."

ECONOMIC

Economic Performance

EC1	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	Please see the 2013 Financial Report.
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	SNC-Lavalin analyses risks and opportunities related to climate change via its participation in the Carbon Disclosure Project (CDP). Please see our analysis of these issues at www.cdproject.net , under SNC-Lavalin.
EC3	Coverage of the organization's defined benefit plan obligations	Please see page 130 of the 2013 Financial Report, under Section 31 "Pension Plans and Other Post-Employment Benefits."
EC4	Significant financial assistance received from government	No significant financial assistance is received from government.

Market Presence

EC6	Policy, practices and proportion of spending on locally based suppliers at significant locations of operation	All SNC-Lavalin offices, for reasons of efficiency, use locally based suppliers. On major construction sites, SNC-Lavalin promotes its Local Resource Development Initiative (LRDI™), whereby the Company actively promotes the use of local goods and services. Data is not currently collected in such a manner as to be aggregated for the entire Company.
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ENVIRONMENTAL

Energy

EN3	Direct energy consumption by primary energy source	In 2013, SNC-Lavalin offices consumed 40,898 gigajoules (GJ) of natural gas, 2,397 GJ of diesel and No. 2 fuel and 230 GJ of propane.
EN4	Indirect energy consumption by primary source	In 2013, SNC-Lavalin offices consumed 170,363 GJ of energy, primarily purchased electricity.

Emissions, Effluents and Waste

EN16	Total direct and indirect greenhouse gas emissions by weight	A detailed GHG emission report is published through the CDP and the organization's website: https://www.cdproject.net
EN17	Other relevant indirect greenhouse gas emissions by weight	Please see our detailed GHG emission report published on the CDP website: https://www.cdproject.net
EN23	Total number and volume of significant spills	None to report.

GRI CONTENT INDEX

Products and services

EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	SNC-Lavalin does not manufacture products. All construction sites under its responsibility implement the corporate Global Environment Management System, which lists the minimal requirements for all SNC-Lavalin controlled activities, as well as site-specific environmental management plans to mitigate environmental impacts of construction activities.
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	SNC-Lavalin does not produce products. However, all construction sites under the Company's responsibility have programs to reuse or recycle packaging materials. The percentage varies by country and project.

Compliance

EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	In 2013, no significant fines or non-monetary sanctions were imposed on SNC-Lavalin.
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SOCIAL PERFORMANCE: LABOUR PRACTICES & DECENT WORK

Employment

LA1	Total workforce by employment type, employment contract and region	Please see the table on page 11 of this report.
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Occupational Health and Safety

LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region	Please see pages 14 and 15 of this report for our health and safety statistics. Please note that rates of occupational diseases and absenteeism are not tracked.
LA8	Education, training, counselling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases	An employee assistance program exists for all Canadian and US employees (approximately two thirds of the total employee population). A specific employee assistance program is available for expatriate employees. Other programs are designed for workers on construction sites in developing countries.

Diversity and Equal Opportunity

LA13

Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity

With respect to the composition of governance bodies, the Company has always taken Board diversity into consideration as it believes such diversity enriches Board discussions by providing a variety of expertise and perspectives, particularly for globally active companies such as SNC-Lavalin. The Company is also convinced that diversity in all forms increases the efficiency and effectiveness of the Board and the Board committees.

As of December 31, 2013, the Board of Directors of SNC-Lavalin was composed of nine men and three women. The Executive Committee is composed of eight men and one woman.

The age and gender breakdown for all employees is as follows:

AGE DISTRIBUTION		GENDER DISTRIBUTION	
< 30	18%	F	27%
30-50	50%	M	73%
> 50	32%		

SOCIAL PERFORMANCE: HUMAN RIGHTS

Non-Discrimination

HR4

Total number of incidents of discrimination and actions taken

A very small number of incidents of discrimination (less than 10) have been brought to the attention of members of the Executive Committee. A formal reporting process has been developed to facilitate the reporting of such incidents, including an Ethics & Compliance Hotline operated by an independent third-party service provider.

Child Labour

HR6

Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour

Child labour is not permitted at SNC-Lavalin under any circumstances and represents a violation of our Code of Ethics and Business Conduct. None of the permanent offices of the Company are considered to be at risk. Regarding its supply chain, the Company is presently developing processes to identify and manage at-risk supply chain activities.

Forced and Compulsory Labour

HR7

Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour

Forced and compulsory labour is a violation of SNC-Lavalin's Code of Ethics and Business Conduct. SNC-Lavalin has zero tolerance pertaining to forced and compulsory labour within its offices and on construction sites under its responsibility. None of the operations under its control are considered to be at risk.

GRI CONTENT INDEX

SOCIAL PERFORMANCE: SOCIETY

Community

S01	Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting	In accordance with its WE CARE principles, SNC-Lavalin places great importance on community relations, particularly when operating in less advantaged communities and in developing countries. In Canada, when working in the traditional territories of Aboriginal communities, it works to enhance Aboriginal employment and procurement. Where possible, it seeks to execute its Local Resource Development Initiative (LRDI™) to increase Aboriginal inclusion on projects through training, employment and social outreach programs. SNC-Lavalin also seeks to establish business partnerships with Aboriginal communities and enterprises to develop projects of mutual benefit. In 2013, it had more than a dozen active partnerships throughout Canada, with others in negotiation.
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Corruption

S02	Percentage and total number of business units analyzed for risks related to corruption	In response to the events that occurred in 2011 and 2012, SNC-Lavalin has embarked on a comprehensive commitment to world-class compliance and ethics, with a number of concrete initiatives described on pages 5 to 7 of this report. Essentially, under this program, all business units are considered equally at risk.
S03	Percentage of employees trained in the organization's anti-corruption policies and procedures	<p>All employees are required to follow a training program and undergo a certification process to ensure that our Code of Ethics and Business Conduct is understood and properly applied in all situations and at all times. The Code is available in 16 languages and will be continuously updated or amended to reflect changes in laws and policies as well as best practices. The most current and authoritative version of our Code is available on our website at: http://www.snclavalin.com/en/about-us/code-of-ethics.aspx.</p> <p>The Anti-Corruption Manual offers guidance on how to recognize and combat corruption. In the fall of 2013, it was printed in four languages and distributed to over 30,000 employees worldwide. The Manual can be consulted at the following address: http://www.snclavalin.com/en/files/documents/publications/ethics-compliance/anti-corruption-manual_en.pdf</p> <p>In-person Anti-Corruption Training was launched in September 2013. It is being provided globally to approximately 3,000 employees in sensitive roles in over 70 cities, including all executive, senior and general management functions as well as all staff in business development, procurement, project management, general management and government relations.</p>

S04	Actions taken in response to incidents of corruption	<p>In 2013, no corrupt practices charges were brought against SNC-Lavalin or its employees. However, in 2012 charges were laid against a small number of former employees; these charges are still pending.</p> <p>Also in 2012, the World Bank had opened investigations regarding allegations of corruption by employees of SNC-Lavalin relating to the Padma Bridge project in Bangladesh. On April 17, 2013, a settlement was reached with the World Bank in connection with these investigations. While the specific terms of the settlement are confidential, it includes the suspension of the right to bid on and to be awarded World Bank-financed projects by SNC-Lavalin Inc., a subsidiary of the Company, and its controlled affiliates for a period of 10 years. The suspension may be lifted after eight years, if the terms and conditions of the settlement agreement are complied with fully. The settlement also requires that the Company cooperate with the World Bank on various compliance matters in the future. The settlement does not include a financial penalty.</p>
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Public Policy

S05	Public policy positions and participation in public policy development and lobbying	SNC-Lavalin supports the policy positions taken by the Canadian Council of Chief Executives, the Conference Board of Canada and the Quebec Business Council for the Environment. In 2013, SNC-Lavalin registered four corporate entities and 25 employees in the Quebec lobbyist registry as "enterprise lobbyists."
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Compliance

S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No significant fines or non-monetary sanctions were imposed on SNC-Lavalin in 2013.
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GRI CONTENT INDEX

SOCIAL PERFORMANCE: PRODUCT RESPONSIBILITY

Customer Health and Safety

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	As of December 31, SNC-Lavalin does not manufacture products. However, the services it performs as an engineering and construction company have the potential to impact, either positively or negatively, on end-users of what it designs and constructs for its clients. For this reason, SNC-Lavalin endeavours to extend its health and safety program into design to ensure that its designs are safe for the construction workers erecting them, for end-users, be they the general public or the employees of its clients, and for those responsible for the maintenance of the infrastructure.
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Products and Service Labelling

PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	Not relevant to SNC-Lavalin.
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Marketing Communications

PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship	All marketing communications, promotional work and sponsorship commitments are required to follow the regulations and legislation of the jurisdictions in which we operate. The corporate Sponsorship and Donations Policy stipulates that no donation may be made with the expectation of receiving work. All communications work respects the codes of ethics of the professional organizations and orders to which members belong.
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Compliance

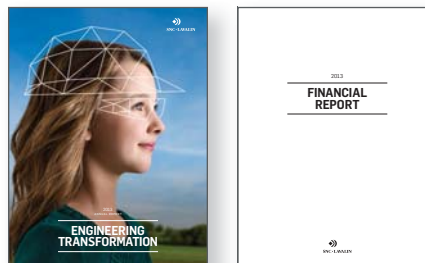
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No fines imposed.
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BUILDING A SUSTAINABLE FUTURE

We invite you to visit our website at www.snclavalin.com for a list of our offices and to learn more about SNC-Lavalin. In addition to this Sustainability Report, SNC-Lavalin has produced a separate 2013 Summary Report and 2013 Financial Report. All documents are available on our website or can be ordered through the Company.

THANK YOU

Our sincere thanks to all our employees who agreed to appear in this Sustainability Report.



SNC • LAVALIN

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