



SNC • LAVALIN

Building what matters, sustainably

2015 Sustainability
Report Summary



At SNC-Lavalin,

we build what matters for people and communities across four diverse sectors: Infrastructure, Mining and Metallurgy, Oil and Gas, and Power. We pay close attention to what we build, how we build it and who we build it for and with. Our core values guide our daily decisions and actions. And as our capabilities and reach expand, so does our understanding of how we can generate sustainable value for our stakeholders worldwide.

A large teal diamond shape is centered on the page, containing white text. The diamond is composed of two overlapping squares. The background of the slide is white with a faint, out-of-focus image of green foliage in the top right corner.

“In 2015, we refined our sustainability strategy and developed a high-level implementation plan. This strategy gives us a broader perspective on how we create value and evaluate performance. It recognizes the importance of advancing the triple bottom line of environmental, social and economic sustainability. It also leverages the unique expertise we've gained over the past 20 years in helping clients manage the local social and economic issues associated with large infrastructure and resource development projects.”

– Neil Bruce, President and
Chief Executive Officer,
SNC-Lavalin





Our sustainability objective

To become a recognized global leader in sustainability and transform this expertise into a key competitive advantage to deliver value to stakeholders and communities alike.

Embedding sustainability at SNC-Lavalin

We increasingly think about our performance along the three dimensions of sustainability—environmental, social and economic. Our goal is to embed this perspective in our approach to everything we do. In 2015, we continued to lay the groundwork for sustainability to become an integral part of our decisions, actions and processes.

Pursuing excellence across key areas

As our sustainability expertise grows, so does the opportunity to make a difference. To achieve our sustainability objective, we're pursuing excellence across the key areas of

ethics, projects, people and communities.

Ethics and compliance

As we work to build what matters, we take pride in the robust Ethics & Compliance Program now in place across our organization. It's helping us put our corporate values into action. In truth, it's more than a program; it's a way of doing business.

Through this program, we continue to formalize and solidify our best practices in ethics and compliance. In 2015, we signed the United Nations Global Compact (UNGC) and committed to ensuring that our business policies incorporate and support the UNGC's Ten Principles.

On the right path

Our unwavering focus on ethics and compliance and on living our values is bringing us concrete evidence that we're on the right path. In 2015, Brazilian authorities recognized our Ethics & Compliance Program and registered SNC-Lavalin as a Clean Company under the new Brazilian Clean Company Act.

In Canada, we recently won major contracts worth over \$10 billion from both public and private sector clients. These projects speak to our clients' confidence in our ability not only to do the best job, but to do it ethically.

Thought leadership in ethics and compliance

As a company, we're regularly invited to speak about anti-corruption and compliance at both national and international conferences. This includes events hosted by Transparency International, TRACE International, the International Bar Association, C5 Group, the International Anti-Corruption Committee of the American Bar Association, Kinstellar, the Engineering and Construction Risk Institute, Marcus Evans and IBC Legal, among many others.

Universities, associations and ethics-based organizations, such as Ethisphere, the Ethics & Compliance Officer Association, EthicScan and the Canadian Business Ethics Research Network (CBERN), also call on us for our thought leadership in ethics and compliance.

In 2015, our President & CEO was invited to join the World Economic Forum Partnering Against Corruption Initiative (PACI) Vanguard CEO community. This community consists of 25 CEOs from various industries worldwide who are working together to fight against corruption. Our President & CEO also spoke at the World Economic Forum's Infrastructure & Urban Development Governors Meeting in January 2015.



Projects



Power

John Hart Generating Station Replacement Project, Campbell River, Canada

This project is Canada's first public-private partnership in the hydroelectric power sector. Until recently, it was also BC Hydro's largest infrastructure project since the 1980s. Designing a new facility to replace the aging **John Hart Generating Station** on Vancouver Island is an engineering and environmental feat.

We're moving the hydroelectric facilities underground, with an ultra-modern powerhouse that will ensure reliability and increase capacity. Building the new station in bedrock will enable it to better withstand earthquakes. A new water bypass facility will also protect downstream fish habitat.

The John Hart reservoir is the City of Campbell River's only source of potable water. We implemented several measures to protect residents' drinking water. We installed two silt curtains

We implemented several measures to **protect residents' drinking water.**

and a piled cofferdam to separate the work area from the rest of the reservoir. A pump removes turbid water from the restricted area and a treatment system treats the water before releasing it to the river. We also provided all crews working in the area with specific environmental training.

Following the new station's completion in fall 2018, we'll decommission the old facility and maintain the new one for 15 years. In 2015, John Hart won the Judges Award for Best P3 Project at the P3 Awards in New York.





Oil & Gas

Gorgon Project, Australia

Located 60 kilometres off Australia's northwest coast on Barrow Island, the Chevron-operated **Gorgon Project** is one of the world's largest natural gas developments. Since 2009, we've been awarded three contracts on the project. Along with our joint venture partner CB&I, we continue to deliver mechanical, electrical and instrumentation works for Gorgon's liquefied natural gas (LNG) processing trains and domestic gas facilities.

Our work is ongoing on the telecommunications and electronic system contract, with over two million person-hours executed without a lost-time incident. In addition to establishing Western Australia's first telecommunications staging and logistics centre, we also installed a 120-metre communications mast capable of withstanding the Pilbara's extreme winds. At one tonne per metre, the mast is one of the country's heaviest.

Given that Barrow Island is an "A-class" reserve, the highest level of conservation protection available for Crown land in Australia, Chevron Australia has implemented a quarantine management system to prevent the introduction of non-indigenous plant or animal species. Basically, everything that is to be shipped to the island has to be cleaned and is required to undergo vigorous quarantine and inspection.

Everything that is shipped to the island has to be **cleaned** and is required to undergo **vigorous quarantine and inspection**.





Mining & Metallurgy

Ma'aden Umm Wu'al Phosphate Project, Northern Borders Region, Saudi Arabia

In partnership with Sinopec Engineering Group (SEG), we're delivering one of the world's largest and most advanced sulphuric acid complexes for Saudi Arabian mining and metals leader **Ma'aden**. Awarded in February 2014, the project continues to progress well.

At the project's heart is a game-changing training and employment program for the country's less-developed and -populated Northern Borders Region. Our customized, competency-based Local Resource Development Initiative (LRDI™) includes in-class and on-the-job industrial technical training, mentoring and coaching. The program's completion rate stands at 75%; its trainee employment rate at 100%. As of May 2016, we had certified over 500 trainees in the region through our LRDI program.

The program's completion
rate stands at **75%**;
its trainee employment rate
at **100%**.





New Champlain Bridge Corridor Project, Canada

Every year, some 50 million vehicles cross Montreal's Champlain Bridge. In 2015, the Canadian government chose Signature on the Saint-Lawrence Group to replace this important aging gateway. As the partnership's major equity partner, we'll design, build, finance, operate, maintain and rehabilitate the Champlain Bridge Corridor.

The 8.4-kilometre highway corridor is one of North America's largest infrastructure projects. It includes a new 3.4-kilometre Champlain Bridge, designed to last 125 years and opening on December 1, 2018, as well as a new 470-metre Île-des-Soeurs Bridge. Our team developed innovative and environmentally sound solutions to meet the project's challenging schedule while creating an iconic structure that will enhance Montreal's skyline for decades to come.

To protect fish habitat in the St. Lawrence River, we built a massive stone jetty on the eastern bank of Nuns' Island to prefabricate and assemble key bridge elements such as footings and pier caps. The jetty encroaches on a fish migration corridor recognized by Fisheries and Oceans Canada as well as Aboriginal communities. To mitigate the potential impact, we built three fish passages in the jetty that will be monitored annually for the next three years. We'll also implement additional controls throughout the construction as well as a compensation fish habitat initiative upon project completion.

The New Champlain Bridge Corridor Project received a Canadian Council for Public-Private Partnerships (CCPPP) Gold Award for effective procurement in 2015.

The 8.4-kilometre
highway corridor is **one of**
North America's largest
infrastructure projects.





Walk for Montreal! event, official
inauguration of MUCH Glen site in Montreal.

People and communities

To succeed in today's world, a company needs to excel in three areas: health and safety, ethics and compliance, and sustainable development. At SNC-Lavalin, this is our goal. Health and safety, along with ethics and compliance, figures prominently among our corporate values. Sustainable development is equally important as it secures our licence to operate in communities around the world.

Strengthening diversity and inclusion

We're proud of our diverse and dedicated workforce. Our employees speak 60 languages, represent some 80 nationalities and work from offices in over 50 countries. Their diversity is a key strength in helping us understand as well as meet and exceed client needs and our own business objectives worldwide.

In March 2016, we launched our Diversity & Inclusion Program to further build a diverse and inclusive culture that empowers all employees and offers them more choices to develop and grow. Our goal is to have women account for 20% of our senior management within three years. We'll also increase the percentage of women on our engineering and management teams from 13% today to 20% in three years.

Our health and safety vision in action

Health, Safety, Security and Environment (HSSE) is one of our corporate values and a core competency on which everyone is assessed during their performance evaluation. We also

encourage people to be proactive when it comes to their own health, safety and security, and to report any situation that may jeopardize their well-being.

In 2015, we saw a marked improvement and uptake in the adoption of leading indicators, and a notable decrease in the frequency of incidents. We attribute much of this success to employees' growing focus on leading indicators and proactive measures as opposed to more reactive lagging performance metrics.

Making a difference in communities

We're committed to being a responsible corporate citizen. As a leading global engineering and construction firm, the scope of our work impacts hundreds of communities around the world every year. Our clients, employees, business partners and other stakeholders live and work in these communities. That's why we take our responsibility to make a positive difference locally to heart.

Maximizing Aboriginal inclusion

To develop resources anywhere in the world today, we must foster strong relationships, share project benefits and build capacity in Aboriginal communities. At SNC-Lavalin, we've developed a solid reputation and track record in helping clients engage and partner with Aboriginal communities in a fair and inclusive way. This has served to strengthen the Canadian Aboriginal business community and the economies of communities where we do projects.

We'll continue to develop and market our Local Resource Development Initiative as we look to foster a culture of Aboriginal inclusion on all of our projects, small and large. Supporting national and regional Aboriginal organizations that actively promote Aboriginal business success will remain a priority. We'll also continue to seek out opportunities to partner with Aboriginal companies and develop projects of mutual interest.



March 2015

We once again achieved

99.5%
EMPLOYEE
CERTIFICATION*

to our Code of Ethics and
Business Conduct.

*Employees in scope do not
include craft labour.



Ongoing in 2015

PEOPLE LEADERS DEVELOPMENT PROGRAM (PLDP)

Over the course of 2015, more than

500 EMPLOYEES

took part in this highly regarded and successful program that focuses on developing personal, team and organizational leadership competencies. Sessions were held in Canada, the United States, Europe, Australia, South Africa and the Middle East.



236 EMPLOYEES

were trained in 43 different sessions and we welcomed another



26 GRADUATES
OF THE PROJECT MANAGEMENT
DEVELOPMENT PROGRAM (PMDP).



October 2015

Our cooperation with the Integrity and Anti-Corruption Department (IACD) of the **AFRICAN DEVELOPMENT BANK GROUP (AfDB)** enabled us to reach an agreement with the AfDB. Under the agreement, SNC-Lavalin International Inc. will not be debarred, provided it meets certain conditions for a period of two years and 10 months.

We completed the company-wide deployment of

WORKDAY,
OUR HUMAN RESOURCES
MANAGEMENT SYSTEM (HRMS).

The project began in 2012 and included three successive implementation waves covering Canada, Europe, the Middle East and Africa, followed by the United States, Latin America and the Asia-Pacific region. The system now contains information on our some

37,000 EMPLOYEES WORLDWIDE

and is the sole source of HR information at SNC-Lavalin.



WE LAUNCHED
CAPITAL,
OUR INVESTMENT AND ASSET
MANAGEMENT DIVISION,

to grow our investments, finance projects
and manage our multi-billion-dollar
infrastructure investment portfolio.



December
2015


We joined the
**UNITED NATIONS GLOBAL
COMPACT (UNGC),**

the largest corporate social initiative in the world with more than 9,000 business and non-business participants in more than 130 countries. The UNGC sets a single global standard that transcends national, sectoral and regional standards.

**IT ALSO PROMOTES A SUSTAINABLE
APPROACH TO BUSINESS**

and encourages companies in increasingly globalized markets
to make universal principles and values an integral part
of their strategies and actions.





"We'll continue to seek and seize opportunities to make sustainability an integral part of how we think and act across SNC-Lavalin. This includes being a good corporate citizen everywhere we operate. It also entails using our engineering expertise and growing our sustainability mindset to help clients think innovatively and in a more environmentally friendly and sustainable way. These are some of the ways we'll continue building what matters, sustainably, around the world for decades to come."

– Neil Bruce, President &
Chief Executive Officer,
SNC-Lavalin

Our employees
are proud to build
what matters.



SNC • LAVALIN



snclavalin.com