

2017 sustainability report

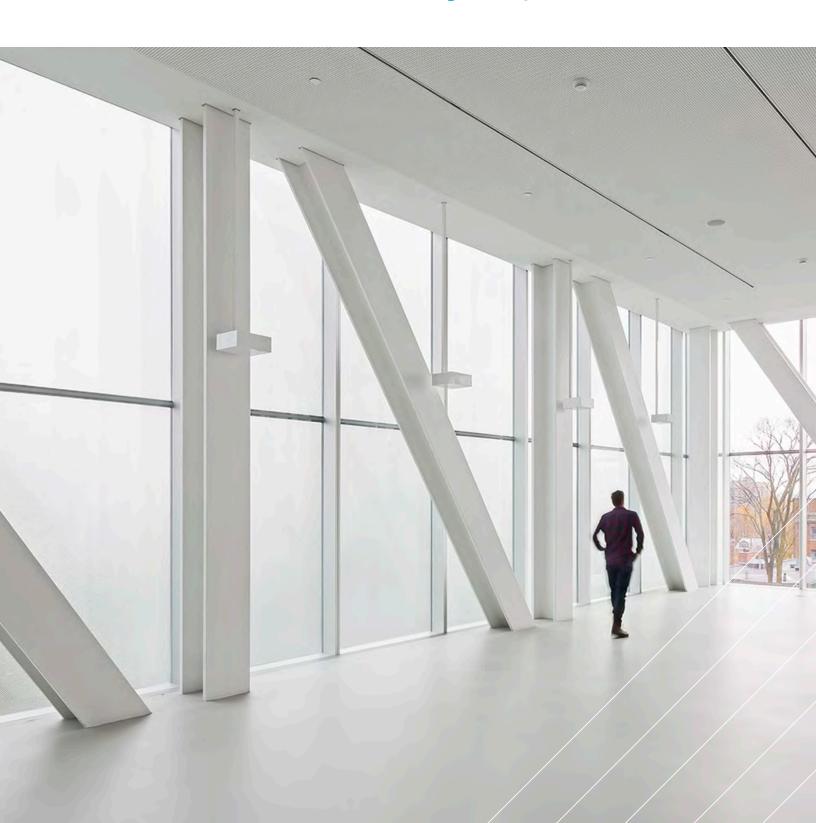


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Strengthening our commitment to sustainability



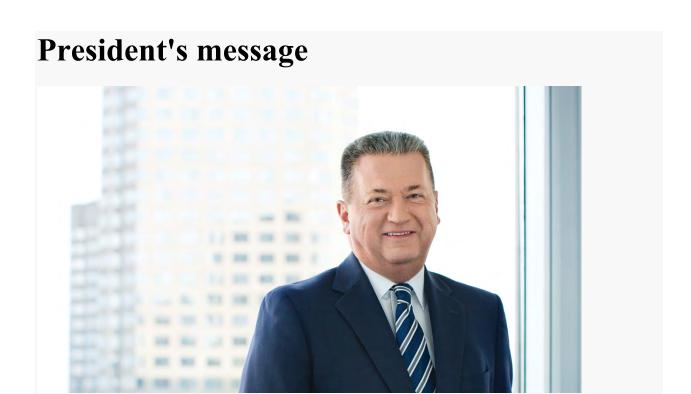
Welcome to our 2017 Sustainability Report

Today, 54% of the world's population resides in cities. By 2050, this number will likely rise to more than 70%. These burgeoning cities need to be low carbon, low impact, resource efficient and in harmony with natural systems if they're to grow in a sustainable manner. At SNC-Lavalin, we're proud to deliver technology-enriched services and solutions that help urban environments and their residents thrive.

We're learning to harness the power of digital technologies to strengthen our commitment to sustainability. We're leveraging these technologies to improve the efficiency and sustainability of both our engineering designs and our operations.

Our focus is on equipping cities with smart infrastructure, energy and mobility while contributing to local community prosperity and capacity building. At the same time, we continue to reduce our own resource use, waste streams and carbon footprint, and embed sustainability into our decisions, processes and projects.

This report highlights elements of our sustainability journey in 2017.



Strengthening our commitment to sustainability

At SNC-Lavalin, we're committed to advancing the economic, social and environmental pillars of sustainability. We're embracing our responsibility to address today's pressing urban challenges by helping shape environments that are greener, more livable and resilient—smart cities with intelligent infrastructure, energy and mobility. Acquiring Atkins, a global leader in technology-enriched design and engineering, empowers and inspires us to do even more.

Adding Atkins to our organization in 2017 marked the biggest and most transformative acquisition in our 106-year history. It made us one of the world's few fully integrated professional services and project management companies able to deliver large-scale, complex, multi-billion-dollar projects from start to finish. As we combine Atkins' leading digital technology expertise with our deep engineering know-how, we're set to help clients and cities successfully transition to a low-carbon economy.

We're already using digital and artificial intelligence technologies to increase the efficiency and sustainability of our engineering designs as well as to help us rethink the future of urban transport and infrastructure.

Realigned to maximize our contribution

Last year, we enhanced our organizational structure to better align with our clients' needs and capitalize on our strengths and new opportunities. A new Clean Power sector combines our

established hydroelectric leadership and Atkins' extensive renewable energy expertise, while giving us true life-of-asset service capabilities. As clients increasingly seek clean energy solutions, our wind and solar activities are growing. In late 2017, we signed on to deliver the world's largest wind farm in the southern hemisphere.

The Atkins acquisition deepens our offering in nuclear, a carbon-free energy source. It enables us to better assist clients in reusing nuclear waste and in maintaining and safely decommissioning nuclear energy facilities. With Atkins on board, we're also stronger in rail & transit where we'll use our complementary expertise to further mitigate congestion, pollution and stress in cities worldwide.

Building on our strengths

One of our first priorities is to ensure that our house always remains in order. We've built a world-class Ethics and Compliance Program and rigorously monitor the efficacy of and adherence to our Code of Ethics and Business Conduct. We also continue to strengthen our balance sheet and ramp up our efficiency which, in turn, enables us to generate more value for our stakeholders.

Since 2013, we've renewed our entire management team and Board of Directors. In 2017, we reached an agreement with all Quebec public bodies under the Voluntary Reimbursement Program (VRP). This major achievement allowed us to resolve our legacy issues in the province.

Strong governance and accountability also guide us in taking steps to keep our people safe and our own environmental impact low. In 2017, we integrated our health, safety and environmental management systems to accelerate performance improvements. We achieved an all-time high of 41 days free of safety, security and environmental incidents across our organization, up from 27 in 2016. We also reduced our significant environmental incidents from six in 2016 to two in 2017.

Last year, our workforce grew by 50%, in part due to the acquisition of Atkins. To ensure we not only retain talented employees but also empower them to excel and make a difference, we provide ongoing training and stimulating career opportunities. Thanks to our Diversity & Inclusion program, 27% of our corporate directors are now women, placing us well above most Canadian boards as well as our 2018 target of 20%. We also committed to increasing our First Nations employees in Canada.

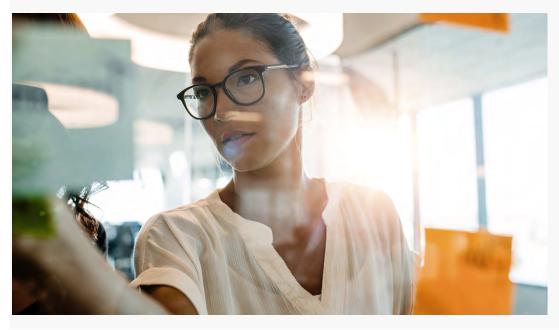
We held our first Values Survey and Company Culture Survey in 2017. When rolled out in 2018, our new corporate values will speak to both our legacy and former Atkins employees. The findings of our Culture Survey are helping us implement targeted initiatives to build a more collaborative and client-centric organization. All of these actions will help create a more performance-driven culture.

Making a difference

Our responsibility for sustainability includes renewing our commitment to the <u>United Nations Global Compact</u> in 2017 and engaging in projects that promote the UN's broader <u>development goals</u>. Examples include our active participation in the World Economic Forum's Partnering Against Corruption Initiative and our education- and community-focused donations and philanthropic activities. Our recent memorandum of understanding with Saudi Aramco to transfer knowledge and skills through training and development activities is another example of our social engagement.

At SNC-Lavalin, we're cognisant that resolving the planet's complex economic, environmental and societal challenges will require a step change in imagination, holistic thinking and levels of cooperation across disciplines. That's why we're committed to delivering technology-enriched solutions that help 'build it forward' and ensure a sound future for all.

Our Approach



WE'RE COMMITTED TO PUTTING OUR EXTENSIVE KNOW-HOW AND RESOURCES TO WORK TO MEET THE WORLD'S SUSTAINABILITY CHALLENGES.

Our sustainability objective

At SNC-Lavalin, our objective is to transform our sustainability expertise into a key competitive advantage that delivers value to our stakeholders and communities alike. In 2017, we continued to lay the groundwork for sustainability to become an integral part of the way we think and operate.

New corporate vision

In early 2018, we established a new corporate vision to guide our strategy and actions in the years ahead. Sustainability figures prominently in our new vision statement:

We strive to be the premier engineering solutions partner, committed to delivering complex projects from vision to reality for a sustainable lifespan.

New core values

In December 2017, we invited our over 50,000 employees to participate in a survey to help identify core values to unify the expanded organization created when we acquired Atkins. Rolled out in early

2018, these four values will serve to forge a shared identity and culture as well as bring our vision to life across SNC-Lavalin.

Like our vision, these values guide our decisions and actions, and ensure that stakeholders know what we stand for and what matters to us. In a nutshell, they focus us on working together to make a better tomorrow.

Values that guide us

Our values are the essence of our company's identity. They represent how we act, speak and behave together, and how we engage with our clients and stakeholders.

Safety

We put safety at the heart of everything we do, to safeguard people, assets and the environment.

Integrity

We do the right thing, no matter what, and are accountable for our actions.

Collaboration

We work together and embrace each other's unique contribution to deliver amazing results for all.

Innovation

We redefine engineering by thinking boldly, proudly and differently.

Our President & CEO is the sponsor of our new core values. Throughout 2018, we'll implement a number of communications initiatives to raise employee and stakeholder awareness and understanding of our new values.

Embedding sustainability at SNC-Lavalin

We increasingly think about our performance along the three dimensions or triple bottom line of sustainability—economic, social and environmental. Our goal is to embed this perspective in our approach to everything we do.

Whether it's a new client project or internal company initiative, we're learning to see how it can support societal ambitions as well as those of our clients and our business. This means seeking ways to leave a larger economic and social footprint in local communities while minimizing the environmental impact of our offices and client projects.

Through our <u>Local Resources Development Initiative (LRDITM)</u>, we help build local capacity and generate economic value for communities. We enable clients to reach out and engage with communities in meaningful ways, from hiring and training local workers to buying from local suppliers.

When we take steps to foster a 'zero harm' health and safety culture at our offices and on project sites, we're acknowledging and protecting what's important to all of us. When we sponsor local initiatives, we're a force for positive change.

We're multicultural and diverse. We understand the different cultures in which we operate. And, more and more, we know how to leverage our engineering and digital technology expertise to unlock economic, social and economic benefits for all.

Pursuing excellence in key areas

We've been using our engineering and project management know-how to create value for our clients, communities and company for decades. As our expertise grows, so does the opportunity to make a difference. To achieve our vision and sustainability objectives, we continue to pursue excellence across key areas.

Ethics

Ethics and sustainability go hand in hand. Since 2012, we've made excellent progress toward achieving our goal of becoming the industry benchmark for ethics and compliance. We're also increasingly called on by other organizations to speak about our ethics and compliance journey. Our new core value of Integrity captures the importance we place on always doing the right thing.

People

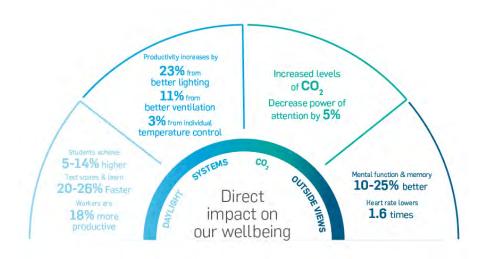
Being a leader in sustainability means aiming to consistently offer a work environment that attracts and allows talented people to thrive. A workplace that puts employee and contractor

safety first. That also leaves room for critical thinking, pursuing innovative ideas and collaborating with colleagues across all business units and functions.

Projects

In our industry, delivering world-class project execution and management is an important part of excellence in sustainability. Only by understanding our clients' needs and today's increasingly complex challenges can we provide solutions that enable clients to achieve their sustainability objectives.

- We strive to lead the way in applying advanced technologies and best practices on every project. This includes using digital technology, big data and industry insights to improve project design and delivery and generate value for our stakeholders. One way we can contribute is by delivering client designs that take the latest science into account. This includes designing office buildings and workplaces that enhance people's well-being by:
 - Increasing outside views
 - Providing greater daylight
 - Improving in-house systems
 - Reducing CO₂ levels in buildings



Governance and policies



Governance

At SNC-Lavalin, sound corporate governance practices guide us in always doing our best work and contributing to our fullest potential while ensuring our continued success.

Board of Directors

Strong governance begins with our <u>Board of Directors</u>. Its members supervise the management of the corporation's business and affairs. Their duties fall into the following areas:

- o Board and senior management
- Strategic supervision and monitoring
- Risk evaluation
- o Corporate governance, ethics, policies and procedures
- o Disclosure to shareholders and others
- Financial matters and internal controls
- o Health & safety, security and environment
- o General legal obligations applying to and governing conduct

The Board strives to incorporate a diverse group of individuals through, but not limited to, gender and ethnic diversity. In 2016, SNC-Lavalin joined the 30% Club, a global organization committed to improving gender diversity on boards.

In 2017, our Board set a goal of having women account for 20% of corporate directors by 2018. We quickly surpassed this target. At our Annual Meeting of Shareholders in May 2017, all nominee directors were elected and three women now sit on the Board, bringing the percentage of female corporate directors to 27%.

Board of Director committees

- Audit Committee The Audit Committee assists the Board in supervising our financial
 controls and reporting. It also monitors, through reasonable measures, our compliance with
 financial covenants and legal and regulatory requirements governing financial disclosure
 matters and financial risk management.
- Governance and Ethics Committee The Governance and Ethics Committee assists the Board in developing our approach to corporate governance and ethical and compliance issues, proposing new Board nominees and assessing the effectiveness of the Board and its committees, their respective chairs and individual directors.
- Safety, Workplace and Project Risk Committee The SWPR Committee helps the Board discharge its responsibilities relative to the overall framework for managing our project risks and our health, safety, security, environmental, business continuity and emergency preparedness risks arising from our operations and business activities with clients.
- **Human Resources Committee** The HR Committee is responsible for helping the Board fulfill its responsibilities to attract and retain an engaged workforce to deliver on our approved strategic plan and objectives.

Key roles

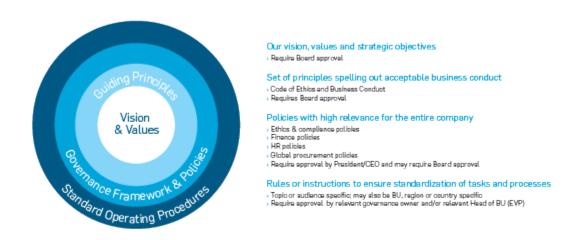
- Chairman of the Board The Chairman is responsible for the management, development and effective performance of the Board of Directors, and provides leadership to the Board in all aspects of its work.
- President and Chief Executive Officer Among this position's many responsibilities, the President/CEO manages the company's business and affairs within the guidelines established by the Board of Directors and reports to the Board. The President/CEO recommends our strategic direction to the Board and, when approved by the Board, implements the corresponding strategic, business and operational plans.
- Corporate Secretary Among other duties and responsibilities, the Corporate Secretary serves as a source of expertise and advice to the Board and management on new developments in corporate governance and best practices.

Policies

House of Policies

Established in June 2017, the House of Policies strengthens our governance by overseeing the standardization of policies and processes in terms of their issuance, approval and application. It covers policy relevancy, revisions and maintenance. It enables us to continually review all policies and procedures that guide employees in their daily decisions and activities. It also provides consistent guidelines and processes for creating and managing policies.

Our House of Policies initiative is driven by the Board and our ethics and compliance and legal affairs professionals with the support and commitment of all corporate functions and business units. Employees are encouraged to contact the House of Policies whenever they encounter a policy that is difficult to understand, outdated, missing information related to new or updated laws and regulations, culturally insensitive or not applicable to a particular region or business unit.



Policy oversight

Our Policy Oversight Committee establishes good practices in policy governance. It meets monthly to review any new and revised policies and procedures. Members include the Policy Coordinator and a representative of the following functions:

- Corporate risk management
- Ethics and compliance

- Finance
- Global human resources
- Legal affairs
- Internal audit
- Integrated management systems
- Marketing, strategy and external relations

As part of our Operational Excellence initiative, we have created the Project Delivery Centre of Excellence (PDCE), a proactive and centralized online repository for employee knowledge sharing. Rolled out in 2017, the PDCE will support the transparent communication of our updated policies and procedures.

2017 initiatives

In 2017, we introduced or reviewed more than 25 policies and Standard Operating Procedures (SOPs), including:

Code of Ethics and Business Conduct - Reviewed and reissued annually, our Code is available in 10 languages: <u>English</u>, <u>French</u>, <u>Spanish</u>, <u>Portuguese</u>, <u>Arabic (Standard)</u>, <u>Hindi</u>, <u>Polish</u>, <u>Romanian</u>, Russian and Chinese (simplified). Latest revision: January 2017

Conflict of Interest Policy - This SOP clarifies the concept of conflicts of interest as well as all disclosure obligations, the review and resolution process, and stakeholder roles and responsibilities. Approved by the EVP, Human Resources in September 2017

Disclosure & Insider Trading - This policy ensures that any communication regarding our business and affairs is timely, factual and accurate, and broadly disseminated in accordance with all applicable legal and regulatory requirements and generally accepted accounting principles. Approved by the Board of Directors in September 2017

Duty to Report – This SOP outlines employees' responsibility to raise, in good faith, concerns of improper business conduct without risk of retaliation. It is available in English, French, Spanish and Portuguese (Deber de reportar, O dever de reportar). Approved by the Chief Compliance Officer in June 2017

Eligibility to Work on Canadian Federal Government Contracts – This SOP outlines the process for ensuring we don't assign employees or third-party personnel deemed ineligible by the Minister of Public Services and Procurement to work on federal government contracts. Approved by the EVP, Global Human Resources in September 2017

Export Control and Trade Compliance – This SOP defines the responsibilities, process and required actions related to compliance with export controls and economic sanctions. Approved by the Chief Compliance Officer in February 2017

International Trade Compliance Policy – This policy summarizes our commitment to the highest standards of governance, ethics and compliance, and establishes guiding principles for compliance with export controls and economic sanctions. Approved by the Executive Committee in February 2017

Quality Policy and Statement Policy – This policy defines our approach to quality as it applies to delivering our contractual and managerial commitments in line with our core values, client expectations and our Code of Ethics and Business Conduct. Approved by the Executive Committee in January 2017

Risk Management Policy - The policy provides a framework for actively managing all risk exposure, whether at an enterprise, operational or project level, to maximize opportunities and minimize the impact of threats while creating value for our company and stakeholders. Approved by the Executive Committee in November 2017.

Aligning with global initiatives and best practices

United Nations Global Compact

In late 2015, we joined the United Nations Global Compact (UNGC), the world's largest corporate social initiative with more than 9,000 business and 4,000 non-business participants in more than 160 countries. Joining the UNGC underscores our commitment to putting our extensive know-how and resources to work to meet the world's sustainability challenges.

It also signals our intention to align our strategies and operations with the UNGC's Ten Principles on human rights, labour, environment and anti-corruption. Our 2017 Sustainability Report serves as our Communication on Progress (CoP) in terms of implementing these principles. The <u>Global Reporting Initiative (GRI)</u> index also provides information relative to our progress in complying with the UNGC principles.

UK Modern Slavery Act

At SNC-Lavalin, we adopt a zero tolerance approach to any form of forced labour, slavery and human trafficking in any part of our business and supply chain. As a signatory to the UNGC, we're committed to implementing internationally recognized best practices. This includes adhering to the six UNGC principles that address working conditions and human rights.

Our Code of Ethics and Business Conduct also specifically prohibits human trafficking as well as child and forced labour. All our employees, business partners, consultants, loaned personnel, officers and Board members must abide by our Code. In fact, they must undergo mandatory annual training on the Code, followed by an exam that they need to pass to continue working with us.

Our approach is fully aligned with the UK's Modern Slavery Act adopted in 2015. To manage our risks in this area, we strengthened our control mechanisms in countries where migrant workers are used on construction sites.

To help preserve the well-being of migrant workers, we:

- Provide them with and adhere to clear contracts
- Charge no placement fees
- Pay their room and board costs and provide adequate healthcare coverage
- Never retain their passports
- Only work with accredited third parties in countries of origin or operation
- Conduct regular audits of worker transportation and accommodations
- Carefully screen any new business partners
- Implement industry-leading health and safety practices and provide regular incentives and awards for compliance
- Provide them with personal protective equipment

We also require that our third-party agents treat migrant workers in the same manner.

In 2017, our leadership team—some 1600 employees including Board members-received online training to raise their awareness of modern-day slavery issues. The training program was developed by <u>Trace International</u>, a non-profit organization that advances corporate transparency worldwide.

Roadmap

Topic	2017 targets	2017 results	2018 targets	
Diversity & Inclusion	20% women in senior management by 2018	 16% women on senior management team at year-end 18% women on Leadership Team (i.e. executive officers) at year-end 	Re-evaluate targets post- Atkins' acquisition	
	20% women in engineering and management by 2018	• 13% at year-end		
	20% women on Board of Directors by 2018	27% at year-end	Maintain percentage of women on Board of Directors at or above 20%	
Perfect Days	30	41	45	
Health & Safety	0 fatalities	0 fatalities	0 fatalities	
	Lost Time Incident Frequency (LTIF) of 0.015	0.028	0.013	
	Total Recordable Incident Frequency (TRIF) 0.15	0.18	0.14	
Environment	0 significant incidents	2 level III incidents, including 1 notice of	0 significant incidents (now	
	0 notices of violation	violation	defined as high potential incidents, which include notice of violation)	
	N/A	N/A	Establish a baseline for new Total Environmental Incident	

Topic	2017 targets	2017 results	2018 targets
			Frequency indicator (TEIF)
	Close all non- conformities identified during corporate audits within 90 days	100% of non- conformities closed within 90 days	Close all non-conformities identified during corporate audits within 90 days
	10% reduction of direct and indirect GHG emissions from offices	Data unavailable at publication time; please see our GHG report at CDP.net	Align Atkins and SNC-Lavalin methodologies and establish new baseline for carbon dioxide emissions

Ethics and Compliance



Ethics and compliance matters at SNC-Lavalin. We expect every employee to fully understand our policies and procedures, and to consistently put them into action, no matter how challenging the circumstances.

We're proud of our robust <u>Ethics & Compliance Program</u>. External recognition of our commitment to the program's principles and to our corporate values reinforces our conviction that we're on the right path.

In 2017, we won major projects across Canada, including government contracts worth over \$6.3 billion, a testament to our clients' confidence in our ability not only to do the best job, but to do it ethically.

Governance

Oversight and reporting

Policies and procedures

Corporate policies provide guiding principles and rules for our entire organization, regardless of location.

Corporate Procedures, Processes & Work Instructions, on the other hand, standardize tasks and processes by specifying rules on a given subject or sets of instructions on how to perform a function.

Policies have a broad and global application, while other corporate governance documents can be applicable to a specific geographical region, business unit or corporate function.

Our Policy Oversight Committee establishes good practices in corporate governance and helps review all new and revised policy documents. The committee meets monthly to review any policies and procedures being put forward. Members include the Policy Coordinator and a representative from the following corporate functions:

- Corporate risk management
- Ethics and compliance
- Finance
- Global human resources
- Information technology
- Integrated management systems
- Internal audit
- Legal affairs
- Marketing, strategy and external relations

As part of our Operational Excellence initiative, we created the Project Delivery Centre of Excellence (PDCE), recently renamed the Capability Hub, a proactive and centralized online repository for employee knowledge sharing. Rolled out at the end of 2017, this hub enables employees to seamlessly share and interact with one another. It also supports transparent communication of our updated policies and procedures.

Reporting

Our Duty to Report process requires all employees to be vigilant about possible illegal or unethical behaviour and to take appropriate and timely action to prevent or detect improper conduct.

At SNC-Lavalin, people can use our third-party, confidential, 24/7 Ethics & Compliance Hotline to report any suspected misconduct. The hotline allows employees, suppliers, clients and other stakeholders to report potential violations of our Code, company policies or applicable laws, either online or on the phone, in approximately 200 languages without fear of retaliation.

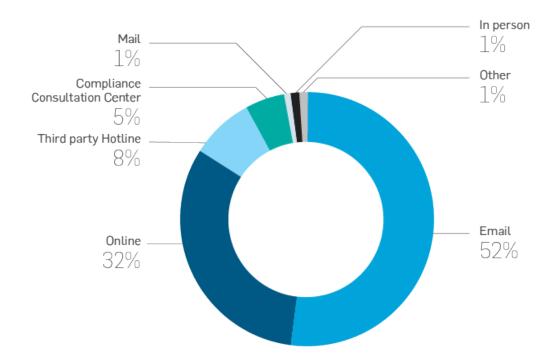
A committee composed of the Chief Compliance Officer, the Head of Compliance Investigations, the Compliance Legal Counsel, the Head of Internal Audit and a Human Resources representative meets on a weekly basis to review, assess and prioritize allegations of compliance violations. Once assigned to the Compliance Investigations team, the team:

- Implements appropriate investigation procedures including the use of specialized expertise as necessary
- Completes investigations in a timely manner to determine whether allegations are substantiated
- Respects and preserves the integrity of the Compliance Investigations' processes at all times

Our highly experienced Compliance Investigations team reports to the Chief Compliance Officer. Team members are from different professional backgrounds and located in two main hubs, Canada and the Middle East, to ensure worldwide coverage and a timely response to investigating allegations.

Allegations in 2017:

Allegations made via:



New compliance cases opened: 507

New compliance cases opened based on anonymous allegations: 154

Compliance cases closed: 432

Disciplinary sanctions: 32, of which 9 resulted in termination, 6 in written warnings, 9 in verbal warnings and 8 in other sanctions

Code of Ethics and Business Conduct

Our Code of Ethics and Business Conduct lies at the heart of our Ethics & Compliance Program and sets expectations for integrity and ethics in our business dealings. Every manager at every level is accountable for ensuring we deliver a world-class ethics and compliance performance.

Reviewing the Code annually keeps this important document current. Yearly training and certification to the Code is a condition of employment and an intrinsic part of our onboarding program.

Annual training and certification

All employees (regular, occasional, temporary, contractual, full- and part-time), consultants, loaned personnel, officers and Board members receive annual training on our Code. Training for craft employees takes place throughout the year.

In 2017, we trained and certified more than 18,600 employees during this rigorous and ambitious undertaking. This included almost 1,300 individuals, or 7% of participants, who received in-person training.

Following the Atkins acquisition, we also trained and certified their more than 18,000 employees in the fall of 2017 to ensure they know and understand the expectations set out in the Code.

Non-craft employees

Training for non-craft employees is delivered online in nine languages. With the assistance of local managers and HR teams, employees at remote sites and/or with no internet access receive inclassroom training in three languages. The training includes real-life case studies inspired by compliance investigations and our Compliance Officers' feedback.

In parallel with the content development, we develop the training processes and the communication plan, implement it in our systems and create the reporting tools. Throughout these activities, our team works closely with our Learning Management System team to ensure that all the tools are ready and easy to use and that our online process is running smoothly.

Craft employees

Craft employees (blue collar and construction workers) receive continuous training in eight languages on the 12 major aspects of our Code that impact them the most. This in-person training is delivered during monthly Health & Safety and other meetings. A facilitator gives a 10-minute presentation about one aspect of our Code including a real-life example. The presentation ends with a 'Duty to Report' message and pertinent contact information.







Our Code of Ethics applies to all employees.

If you want to report something or need advice, talk to any one of the following:

- > Your immediate supervisor
- Your Compliance Officer
- > Your Human Resources Representative
- Legal Affairs
- > The Compliance Consultation Centre: compliance@snclavalin.com
- > The SNC-Lavalin Ethics and Compliance Hotline:

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Learn more

Communications

We take steps to ensure all our stakeholders receive clear and consistent messages, both internally and externally.

Internal communication activities and channels include:

- Ethics and compliance campaigns
- CEO blog
- Management and other meetings
- Annual performance reviews
- Intranet

Managers begin meetings with Ethics Moments to help reinforce our ethics and compliance culture. Like safety, integrity is top of mind for everyone and an integral part of meetings, planning and actions at all levels.

Externally, we provide stakeholders with detailed information on our ethics and compliance initiatives, our vision, plans and contacts for promptly addressing questions and issues. We also regularly share our ethics and compliance messages and commitments at:

- International and national conferences
- Universities, associations and ethics-based organizations
- Our Annual General Meeting of Shareholders

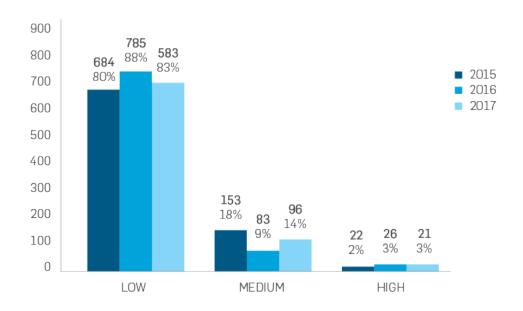
Business Partner Compliance Due Diligence

We take significant steps to ensure our business partners fully understand our ethics and compliance expectations. We expect our partners to adhere to our business principles, culture and values and comply with all applicable laws and regulations. In fact, all business partners must sign our Anti-Corruption Compliance Attestation, which commits them to abiding by the same standards of business conduct and practices as we do.

In 2017, we introduced our <u>Supplier Code of Conduct</u> in our business partner and procurement process. In 2018, this new process will replace the Anti-Corruption Compliance Attestation.

We actively foster a risk-aware culture at all levels across our organization. Through our business partner selection process, we continue to strive for a well-balanced and optimal risk-reward trade-off. Our Business Partner Compliance Due Diligence effort is supported by a state-of-the-art IT process. The approval workflow and its continuous monitoring provide global transparency on third-party risk exposure.

Business Partner Compliance Due Diligence (CDD) risk levels



The total number of approved Business Partner CDDs decreased by 24% in 2017 compared to 2016. The significant decrease in CDDs is due to a better evaluation of the scope of services rendered by business partners.

Business Partners CCDs by region

Region	2017	2016	Change
Africa (Northern)	11 (2%)	9 (1%)	1%
Africa (Southern)	23 (3%)	24 (3%)	0%
Asia/Pacific	68 (10%)	71 (8%)	2%
Europe	55 (8%)	128 (14%)	-6%
Latin America	103 (15%)	126 (14%)	1%
Middle East/India	81 (12%)	147 (16%)	-4%

North America	339 (50%)	386 (44%)	6%
Total	680 (100%)	894 (100%)	

The geographic location of our business partners remained relatively stable across the board. The notable increase in North America and decrease in Europe are primarily due to regular shifts in development and projects in these areas.

Risk assessment

During our annual Ethics & Compliance Risk Assessment process, senior management teams up with our compliance officers, directors, managers and subject matter experts in over 50 countries of operation to assess the compliance risks in their respective sectors, business units and regions.

We continuously cross-check our risk exposure against our compliance program to identify gaps and required adjustments. Based on the findings, we enhance our policies, procedures, communication activities and training materials to close any gaps.

In 2017, we enhanced our risk assessment approach by incorporating:

- Risk and control self-assessments deployed on a regional basis
- Optimizing workshops by synergizing efforts across the organization

We strive to remain at the forefront of emerging risks and respond to modern-day challenges effectively. This proactive approach is fundamental to mitigating across the full spectrum of potential threats for our stakeholders and surrounding environment. More recently, we're evaluating our exposure to data privacy, a risk that threatens many international organizations.

Guarding against complacency

Since 2012, we've built and implemented a robust ethics and compliance prevention, detection and response system across an organization dispersed around the globe. Our training and communication plans ensure employees share our values, adhere to our ethics and compliance processes, and feel comfortable about voicing concerns.

And yet, our job is far from done. First and foremost, we must guard against complacency. Strong ethics and compliance cultures require constant attention. Maintaining a vibrant ethics and compliance culture also entails providing both existing and new employees with regular training.

As part of SNC-Lavalin's Operational Excellence program, we're continuously improving our Ethics & Compliance Program. We're not only monitoring and ensuring the effectiveness of our systems

and processes, but also assessing their efficiency in helping us achieve our business objectives. The end result will be seamless business processes that enable us to make timely and astute decisions, using integrated processes and, wherever possible, avoiding the duplication of tools.

Education and training



Ensuring that employees everywhere understand and comply with the standards of conduct we expect of them is a top priority across SNC-Lavalin. We regularly benchmark our best-practice ethics and compliance training modules to ensure we offer stakeholders an industry-leading and diverse training program. These courses, which we either develop internally or make available, include target-group-specific mandatory training as well as general non-mandatory training for all.

Mandatory courses and training initiatives

At the beginning of 2018, our 18,600+ Learning Management System (LMS) users had access to 28 ethics and compliance eLearning modules in two to nine languages for a total of 118 modules.

Out of these 28 eLearning modules, 10 are mandatory depending on the employee's role. Our Ethics and Compliance team works closely with our Global Training and Simulation Services team to develop the majority of these modules to ensure that they meet our needs and reflect our policies and procedures. In addition to this online training, we also deliver ongoing anti-corruption training in classrooms (in locations with more than 10 employees to train) or through virtual sessions (on Lync/Skype).

In 2017, the following trainings were rolled as part of onboarding process for new employees depending on their role:

- The annual certification of all non-craft employees to our 2017 Code of Ethics and Business Conduct either online or in-person for isolated sites (more than 18,700 employees targeted)
- Insider trading training (more than 4,500 employees targeted)

- Antitrust and competition training (more than 3,300 employees targeted)
- Anti-corruption training (more than 1,000 employees targeted)
- Anti-corruption refresher (more than 2,780 employees targeted)
- Anti-corruption refresher US version (more than 321 employees targeted)
- Avoiding trafficked labour training (more than 1,700 employees targeted)
- Business partner due diligence training (more than 3,200 employees targeted)
- Gifts and hospitality training (more than 6,200 employees targeted)
- World Bank sanctions training (more than 2,600 employees targeted)
- Working with the Canadian government training (more than 160 employees targeted)
- Trade control and sanctions training (more than 3,800 employees targeted)

In 2018, mandatory trainings for all non-craft employees will include:

Data privacy awareness training: This eLearning training will be mandatory for all employees on our Learning Management System. The training will cover fundamental data privacy topics, including how to define and recognize personal data as well as how to use personal data in accordance with required laws and regulations.

Anti-corruption and competition awareness training: This three-session training is provided globally through in-person and virtual classrooms. It is mandatory for employees in sensitive roles such as all executive, senior and general management functions, as well as all staff in business development, procurement, project management and government relations.

Anti-corruption refresher: Every two years, a refresher is mandatory for all targeted employees. Our anti-corruption refresher is an eLearning module developed by <u>TRACE International</u> that requires employees to handle several situations. A special version for US employees integrates export control, anti-boycott and other specific US requirements.

Antitrust training: This training is based on our corporate policies and explains the basic concepts with a couple of case studies to help employees understand their antitrust responsibilities and identify potential risks in their activities. It is mandatory for employees in senior management, legal affairs, business development, finance and procurement.

Avoiding trafficked labour training: This course was developed by TRACE International to help employees understand and recognize human trafficking. In 2018, this course will be mandatory for all senior managers and employees in procurement and HR as well as our Board members (some 1,600 employees).

Business partner due diligence training: This eLearning module was developed to help employees understand the purpose and scope of our Business Partner Policy. It helps them identify business

partners, their role and responsibilities when dealing with them, and familiarize themselves with our Business Partner Compliance Due Diligence process. This training is mandatory for all high-level professionals and managers as well as employees in sensitive roles such as our business development and project management employees.

Training of business partners: When they first begin working with us, certain business partners are required to undergo mandatory online anti-corruption training.

Gifts and hospitality training: Based on our Compliance Standard Operating Procedure, this training familiarizes employees with situations in which accepting or offering something might be considered improper. It also identifies situations requiring a scorecard. This training is mandatory for employees in general management, procurement, government relations, business development, ethics and compliance, human resources, legal affairs and project management.

Insider trading training: This eLearning was developed by the United Nations and is available at thefightagainstcorruption.org. In this module, employees learn how to handle ethical dilemmas while in possession of confidential information. This training is mandatory for our employees in general management, procurement, government relations, business development, ethics and compliance, finance, legal affairs and project management.

Working with the Canadian government training: Developed in partnership with a global law firm, this three-session module covers federal laws and regulations, procurement integrity and conflicts of interest when doing business with the Canadian government. It is mandatory for all employees in charge of procurement and management on federally funded projects in Canada as well as for our Board and Executive Committee members.

Visible leadership



Visible leadership in the community

SNC-Lavalin is very involved with collective outreach across many parts of the globe, including in high-risk areas. Our objectives are to:

- Help promote ethical business by driving and supporting initiatives aimed at building capacity, especially with SMEs in regions where it makes business sense
- Serve as a role model for clients, suppliers and other businesses by positioning ethics and compliance as a business enabler
- Engage in sharing compliance best practices with other companies and organizations

To achieve our objectives and promote ethical behaviour across businesses regardless of where they operate in the world, we:

- Join or lead high-profile organizations
- Create new local or industry-specific coalitions
- Participate in or organize panel discussions
- Mentor small-medium-sized enterprises
- Participate in educational forums

Below are examples of some of our recent initiatives by region:

1. Asia-Pacific

Singapore & Hong Kong: One of our Senior Vice Presidents was a panelist at a regional Business Integrity Conference.

Indonesia: Through collaboration with the Canadian embassy in Indonesia, we were the only Western company to participate at the day-long Anti-Corruption Working Group session organized by Indonesia's Corruption Eradication Commission (Komisi Pemberantasan Korupsi or KPK), a government agency established to fight corruption.

2. Canada and the US

Partnering with university and colleges: We've spoken to students at various universities (McGill, Western and University of Toronto), including presentations in Faculty of Law Anti-Corruption courses, as well as at Seneca College. Our Chief Compliance Officer was a guest lecturer at the University of Ottawa's Canadian Centre of Excellence for Anti-Corruption.

Third-party conferences: We spoke at Transparency International Canada events in both Toronto and Calgary as well as at a Trace International Business and Ethics Round Table in Vancouver. We were panelists at events hosted by the Canadian Corporate Counsel Association, Lexpert and Benchmark Women in Litigation in Canada (all in Toronto). We spoke at the Roundtable on Anti-Corruption in Sub-Saharan Africa (Houston), annual TRACE conferences in Washington DC and London, as well as Ethisphere's Annual LATAM (Miami) and North American (New York) regional meetings.

Sponsoring and judging ethics: We sponsored Ryerson University's 2nd annual case competition, for which we were a judge, and also helped judge the University of Houston's ethics case competition. We were a top-level sponsor of the Canadian Ethics Centre in 2017.

3. Europe

We participated in several conferences in Europe on supply chain risk, investigation processes and anti-corruption, including at events organized by the OECD.

4. Latin America

We signed the following agreements:

• Alliance for Integrity (sponsored by the German government) to spread good business practices in Latin America.

 Agreement for Good Practices Against Corruption with other Canadian companies in Colombia that are members of the Canadian Chamber of Commerce in Colombia, which is sponsored by the Colombian Government.

We've also been very active speaking at anti-corruption conferences across Brazil.

5. Middle East and North Africa

UAE: Over the past few years, we've been very active in the Compliance Officer networking community and as speakers at conferences in both Abu Dhabi and Dubai. We've spoken on topics regarding cross-border investigations, building a compliance program and anti-corruption efforts.

Kuwait: In 2017, our Head of Compliance Investigations spoke about driving successful infrastructure and public-private partnership projects by promoting integrity and good governance at the OECD and IMF Middle East Center for Economics and Finance conference.

North Africa: In the fall of 2017, our Regional Compliance Officer for North Africa and the Middle East (based in Abu Dhabi) identified local anti-corruption organizations for potential partnering.

6. Sub-Saharan Africa

Our Regional Compliance Officer for Sub-Saharan Africa (based in Johannesburg) co-founded a local capacity-building anti-corruption organization called the Coalition of Ethical Operations (CEO Initiative). The organization involves multiple industries and sectors as well as academic and NGO partners that are collectively working toward reducing corruption in South Africa and eventually Southern Africa

This organization has been so successful that both the African Development Bank and the World Bank have commended them for their efforts. In February 2018, the CEO Initiative was nominated for an award from the Premier of Gauteng's office in South Africa in the category of Clean Governance.

7. Worldwide

PACI: The World Economic Forum Partnering Against Corruption Initiative (PACI) is the foremost CEO-led anti-corruption initiative. Working alongside international organizations, academics and government institutions, PACI is at the forefront of industry practices to rebuild and foster trust in businesses and institutions. Through the commitment of their chief executive officers, close to 90 partner companies have signed and committed to the PACI Principles. Neil Bruce, SNC-Lavalin's President & CEO, was appointed as co-chair of this initiative at the January 2018 World Economic Forum meeting in Davos and, together with David Cruckshank, Global Chairman of Deloitte, will drive this initiative going forward.

Trace International Workshops: We've invited local employees and business partners to Trace International events in Beijing, Singapore, Hong Kong and London.

Compliance in Mining: This mining industry initiative seeks to create a standardized approach to performing due diligence and developing and implementing codes of ethics and anti-corruption policies, among other activities, across the mining industry. It started with European mining companies and is looking to expand into Latin America and elsewhere. As participants in the initiative, we've offered to organize a panel on ethics at the Prospectors & Developers Association of Canada (PDAC) conference, the world's premier mining conference, in 2019.

Human rights and worker welfare

As signatories to the <u>UN Global Compact</u>, we're committed to ensuring that our business policies incorporate and support its Ten Principles. Starting in late 2015 and continuing into 2017, we assessed our business practices in the Gulf Region for any issues related to modern slavery and worker welfare. In 2017, we standardized the best practices we developed in the region to ensure our Code of Ethics principles are universally upheld, wherever we work. We also deployed a training program for senior leaders in the company to raise their awareness and knowledge of this issue.

Employees



Employees are the driving force behind our contributions in sustainability.

Our employees' shared expertise, passion and commitment to our clients' success enable us to forge long-term client partnerships and build what matters, sustainably. With a workforce that grew by 50% in 2017, we're more focused than ever on creating an environment that ensures employees develop and thrive. This is how we'll strengthen our Tier-1 capabilities and effectively deliver even the most complex projects.

Governance

We strive to embed our culture and values in everything we do. This includes the principles of good governance. As part of our Human Resources (HR) governance, the Executive Vice-President (EVP) of HR participates in the:

- Executive Committee
- Senior Management Team meetings
- SNC-Lavalin Ethics & Compliance Committee
- HR Ethics and Compliance Committee
- HR Committee of the Board of Directors

These committees help align and continuously improve our HR strategy, approach and initiatives. Senior members of the HR team meet regularly with their internal clients as well as lead their own sector meetings. The HR leadership team also meets regularly to discuss key issues affecting employees and the HR function globally as well as how we're delivering against SNC-Lavalin's business and people strategies.

Global HR Policy

We revised our Global Human Resources Policy in July 2016. This policy provides the guiding principles for the effective management of human resources worldwide. It reflects our people strategy of building capability and flexibility to achieve our business ambitions and flawlessly execute complex projects, with a focus on three underpinning pillars:

- People
- Organization
- Systems and processes

The Global HR Policy helps us align all decisions and actions with our culture and values while promoting an environment where employees can achieve their full potential. Our goal is to ensure that our employees are recognized as the benchmark for talent across our industry and beyond. In line with this aspiration, we strive to provide our employees with a work environment that:

- Prohibits harassment, discrimination and any form of violence
- Supports the highest ethics and compliance standards
- Actively promotes diversity and equal opportunity
- Fosters mutual trust and respect at all levels of the organization
- Enables employees to report misconduct without fear of retaliation
- Provides employees with the opportunity to attain their full potential

HR Ethics and Compliance Committee

In early 2017, we established the HR Ethics and Compliance Committee to address HR ethics and compliance investigations. The committee will help ensure that consistent measures are applied following an investigation and that corrective actions are implemented in a timely manner. It also reinforces our corporate values and ethics and compliance culture.

Addressing conflicts of interest

Our employees are the face of SNC-Lavalin. Their actions significantly impact how our company is perceived by all stakeholders. As a condition of employment, we require all employees to understand and abide by our Code of Ethics and Business Conduct.

Reporting any actual, potential or perceived conflict of interest is a Code requirement. The Conflict of Interest Disclosure form helps us promptly identify possible conflicts of interest and quickly address situations that may undermine employee impartiality. To ensure employees understand the form's content and purpose, we made it available in English, French, Spanish, Portuguese, Arabic, Polish, Romanian and Russian in early 2017.

Additionally, when a conflict is disclosed, managers, HR professionals and, if required, Ethics and Compliance team members follow guidelines to address and mitigate the conflict properly.

In 2017, Atkins employees were also asked to disclose any conflicts of interest and this process was completed by year end.

Background checks

Over the years, we've seen a significant increase in the number and the complexity of our projects. As our operations expand, we must take extra care to protect our employees, shareholders, stakeholders and assets while ensuring projects are delivered on time, on budget and without incident.

To help us achieve these goals, we conduct thorough background checks on all candidates for key positions at SNC-Lavalin. The screening process is based on the position's specific requirements and the local laws and customs.

These checks help ascertain the candidate's suitability for the position while diminishing the risk inherent in the hiring process. An applicant's consent is required before proceeding with the verification. All reports are treated with the utmost confidentiality and used solely for the purpose for which they're collected.

Strengthening our HR capabilities

In 2017, we continued to improve our HR systems, practices and tools in line with our changing business environment. Through our company-wide HR initiatives, we engage employees and create long-term value for our organization and clients. We're committed to helping employees reach their development and career goals. We encourage them to proactively identify their career aspirations, seek out new challenges and take action to make their aspirations a reality. Our internal job posting site is one of the ways employees can explore new career opportunities at SNC-Lavalin.

Diversity and inclusion

We're proud of our diverse and dedicated workforce. Our employees speak some 70 languages, represent about 130 nationalities and work from offices in more than 50 countries. Their diversity is a key strength in helping us understand and meet client needs worldwide.

We believe that greater diversity will further strengthen our talent pool, enabling us to better serve clients and achieve our business objectives. As part of the Atkins acquisition, we're currently aligning our processes and objectives and redeploying our diversity and inclusion initiatives worldwide. In this way, we'll continue to work toward increasing the number of women in engineering and management positions while offering employees more choices and empowering them to reach their career goals.

In 2017, Atkins welcomed more than 350 graduates and apprentices to help them kick-start their design, engineering and project management careers in the UK. The new intake of these early-career colleagues includes Atkins' highest ever number of female graduates and apprentices. This tremendous achievement further strengthened diversity and inclusion inside Atkins.

Compensation and benefits

In recent years, we've taken significant steps to align employees' compensation and benefits internally across our organization and externally within our industry.

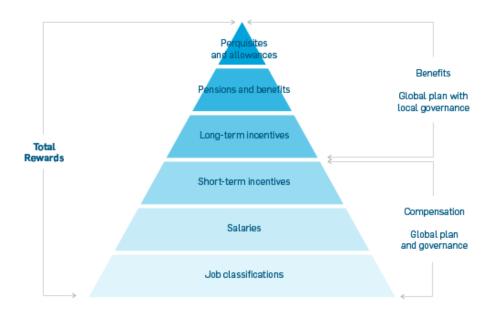
Total Rewards

Our Total Rewards framework drives employee engagement, helps attract and attain key talent, and reflects our business strategy, culture and relevant local market-competitive practices. Total Rewards supports a pay-for-performance culture that provides top-quartile rewards for outstanding performance while ensuring all employees receive adequate levels of compensation and protection.

The main elements of Total Rewards include, where applicable, one or more of the following:

- A base salary established within a salary structure providing flexibility to recognize employees' individual skills, competencies, performance and development
- An adequate level of protection under health and welfare programs with the opportunity, where applicable, for employees to tailor the protection to their personal and family needs
- A capital accumulation retirement program, where available, building an asset base over time to provide post-retirement income
- Where locally practical, an opportunity to purchase SNC-Lavalin shares and reap the benefits of current and future company success

• Incentive programs, both short term and long term, aligning eligible employees' compensation with the achievement of SNC-Lavalin and business unit objectives, individual performance and shareholder interests, or recognizing employees' remarkable or outstanding achievements over and above their normal job requirements



Where possible, we adapt our local programs so that employees are provided with more flexibility in choosing their benefits.

Job classification

Employee eligibility and participation in the framework's applicable elements are based on our job classification system rolled out worldwide. A coherent job classification system enables us to determine salary and incentives using the same template and wage scale regardless of an employee's location. In 2017, we began the process of applying this classification system to the former Atkins organization.

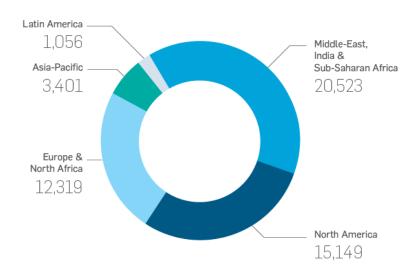
Performance evaluation

Every year, managers are trained to evaluate their team members using the same criteria worldwide. Performance management, and the fruitful discussions between managers and employees that stem from it, demonstrate our commitment to developing careers at SNC-Lavalin. We encourage managers and employees to make the most of this annual discussion by taking the time to reflect on:

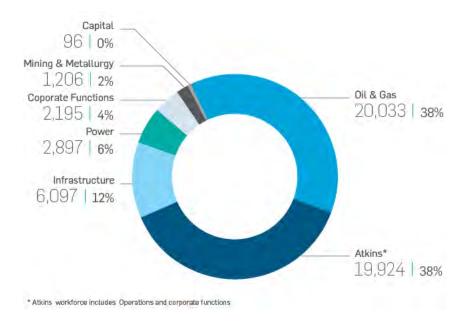
- The attainment of the past year's objectives as well as the priorities to come
- Professional interests and steps taken with respect to career management
- Potential areas for development

More than just an annual review, performance management is the continuous process of setting objectives, assessing progress and providing ongoing coaching and feedback to ensure employees are meeting their objectives and career goals.

Breakdown of employees by region



Workforce by sector



Proud to build what matters

<u>Join a team</u> that's proudly building what matters around the world.

SNC-Lavalin Academy



The SNC-Lavalin Academy is an important force in shaping the future of our organization and a key element of our global people development strategy. The Academy:

- Addresses our corporate-wide people development needs
- Develops key competencies
- Creates an environment that promotes networking, best practices, alignment and synergies

Learning streams

The Academy offers a series of courses linked to three key strategic priorities:

- Project management
- Corporate excellence
- Leadership development

Each learning stream consists of courses delivered face-to-face in the classroom, through eLearning modules or a combination of both. Courses range from half-hour online modules to week-long sessions and year-long professional certification programs. Some courses are open to employees across the company while others are by invitation and tailored to specific groups.

Superior instruction

The Academy is steered by a faculty of SNC-Lavalin subject matter experts. We've also built partnerships with specialist global learning organizations in project management and leadership.

First-class teaching ensures the quality of delivery. Programs are piloted and undergo review and continuous improvement following participant feedback. They also offer a unique opportunity for sharing experiences with people coming together from our different sectors and regions of the world. Courses are delivered in four languages: English, French, Spanish and Portuguese.

Key in-class programs

Some 2017 highlights include:

People Leaders Development Program (PLDP)

During 2017, more than 226 employees took part in this highly regarded and successful program for a total of 9,508 hours of training. The PLDP focuses on developing competencies in personal, team and organizational leadership. Sessions were held in Canada, Romania and the Middle East.

Project Management Development Program (PMDP)

This program strengthens our project managers' execution and delivery capabilities as well as promotes best practices across our organization. It also helps project managers obtain George Washington Certified Project Manager (GWCPM) certification as well as PMP® certification from the Project Management Institute (PMI).

In 2017, 132 employees were trained in 21 different sessions for a total of 6,195 hours of training and we were pleased to welcome another 48 PMDP graduates.

Senior Management Potential Program

This program provides a week-long focus on personal mastery and professional development. Employees learn from scholars and external consultants in leadership, health management, resilience and diversity as well as from engaging in rich conversations with executives. In 2017, 30 employees graduated from this five-day program following a total of 1,350 hours of training.

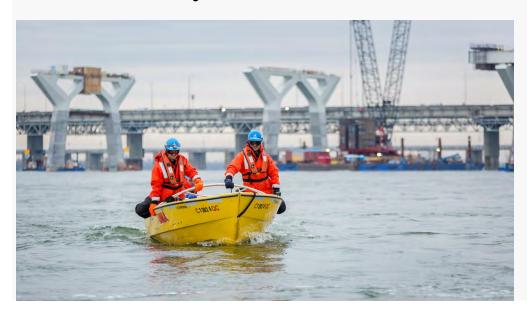
Learning Management System: Online learning

Through our Learning Management System (LMS), more than 19,000 employees worldwide had access to an online library of 5,900 courses in 2017. Some 6,800 training hours were delivered.

Also in 2017, the Code of Ethics and Business Conduct's annual certification was rolled out for the second time using the LMS platform, which facilitated certification deployment and tracking of over 16,300 employees across the company.

Throughout 2018, we'll integrate Atkins' learning and management development curriculum, which is similar to our legacy courses and programs.

Health, Safety and Environment



"Throughout my engineering career, I've always put personal safety and the safety of my teammates first—it's the right thing to do and it's the only way to operate. The same goes for ensuring our activities help preserve the environment and develop vibrant communities.

That's why Safety is one of SNC-Lavalin's core values." Neil Bruce - President and CEO

Governance

Towards a fully integrated approach to governance

Two years ago, we began the process of integrating the governance of our health & safety and environmental policies and processes. In January 2016, we adopted an integrated Health & Safety, Security and Environmental (HSSE) Policy.

In January 2017, we merged our Global H&S and Environment functions to create one corporate HSE team. Throughout the year, the team focused on integrating our Global Health & Safety Management System (GHSMS) and our Global Environmental Management System (GEMS). Integrating these two systems will drive efficiencies and further improve performance and accountability.

While the integration effort continued throughout 2017, we continued to govern H&S and environmental activities separately. Each continued to have its own leading and lagging indicators and management system. Our BlueBook and GreenBook captured the key elements of our H&S management system and our environmental management system respectively. In 2017, we harmonized our GreenBook with the ISO14001:2015 standard.

We distributed both books across our organization and to clients and subcontractors to ensure everyone is working to the same standards and requirements. In 2017, both books were available in print and electronically, while the BlueBook was also accessible via a smart phone application.

Integrating Atkins into the SNC-Lavalin family

Upon acquiring Atkins in July 2017, we conducted a gap analysis comparing our respective H&S and environmental management systems. Our findings showed a high degree of compatibility, especially in terms of best practices. Our HSE experts continue to work closely together to ensure alignment across our expanded organization.

"Adopting certain Atkins' best practices is allowing us to further improve our legacy systems. As an example, our Environment & Geoscience team is currently piloting the Atkins Operating Safely (AOS) tool. AOS is a streamlined, automated and trackable online system that drives significant benefits on projects as it helps with working alone and journey management. It facilitates field work planning, risk assessments and work preapprovals as well as raises the alarm when help is required."

On the environment side, we revamped and simplified our incident classification to align with Atkins' system, enabling incidents to be more easily categorized. The new system focuses our attention on incidents with an actual or potential significant impact on the environment.

New Global Health & Safety and Environment Management System

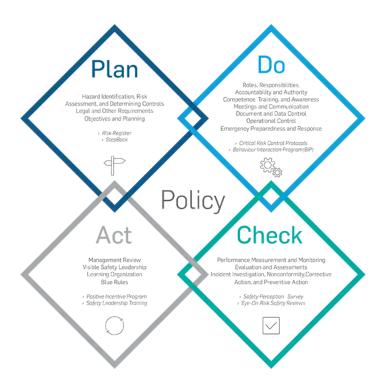
In January 2018, we rolled out our newly integrated Global Health, Safety and Environment Management System (GHSEMS). The GHSEMS outlines expectations and supports a 'One Company' approach for delivering a robust HSE performance throughout our operations. We also consolidated governance of all HSE processes into one document, the BlueBook.

Updated annually, the GHSEMS integrates our HSE leading and lagging indicators and best practices while ensuring our activities comply with all applicable laws, regulations and client and other stakeholder requirements. It also meets the requirements of the ISO14001:2015 environmental standard and is modelled on the OSHAS 18001 health and safety standard.

A focus on continuous improvement

As with our two governing systems in 2017, the new GHSEMS is also based on the principles of continuous improvement. Adopting the Plan-Do-Check-Act methodology helps us move beyond the status quo and toward achieving the next level of HSE performance.

In 2018, our offices and project sites will be audited against the GHSEMS by our corporate HSE team. Integrating Atkins also provides ongoing opportunities to share best practices and further enhance our systems, products and services over the coming year.



Oversight and reporting

Sector HSE Vice Presidents convey SNC-Lavalin HSE requirements to our sectors, business units, divisions and work sites. Site line management—executives, managers and supervisors—are accountable for implementing our GHSEMS. Within each sector, dedicated HSE representatives help communicate the GHSEMS and its requirements to our employees and partners.

The Executive Committee receives monthly reports on our global HSE performance. HSE performance, challenges and opportunities are reported on a quarterly basis to the Safety, Workplace and Project Risk Committee (SWPRC) of the Board of Directors. Our CEO is notified of every recordable incident within 24 hours.

HSSE Personal Plan

In 2017, we launched a new initiative that requires all SNC-Lavalin employees to define their HSSE personal commitments. These simple, conspicuously posted manifestos capture each employee's commitments while promoting personal reflection on these crucial areas. Employees place their manifestos on office walls, laptops and clipboards as a visible and constant reminder of the importance of HSSE.

Here is our CEO's 2017 Personal HSSE Plan.

Neil Bruce 2017 Personal HSSE Plan



"Everybody has the right to go home safe everyday"



I personally undertake to:

- > I will undertake a minimum of 4 site safety visits
- > I will check security and environmental performance as well as
- safety when on site
-) I will make sure the step back process is being utilized and check examples
- I will participate with clients in their safety forums
- > I will participate in the annual safety forum with our supply chain





Code of Ethics and Business Conduct

Every year, all employees and consultants must review our Code of Ethics and Business Conduct and vow to abide by it. The Code contains a specific provision outlining our commitment to observe and comply with all applicable HSE standards and practices.

HSE meetings

Early in 2018, we also integrated our H&S and environment meetings. Most of our workforce is represented by formal joint management-worker H&S committees. Managers and employees are strongly encouraged to hold regular HSE meetings to help recognize and understand operational hazards, risks and opportunities at offices and project sites.

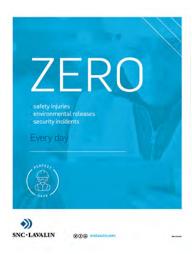
These meetings address appropriate mitigation behaviours and responses. We also strive to promptly and effectively communicate important HSE information across our organization through emails, safety moments, toolbox meetings and our Knowledge Network.

The following HSE meetings take place at all our controlled sites:

- Weekly employee toolbox meetings to discuss HSE topics
- Weekly construction/operation coordination meetings where HSE topics are always the first item on the agenda. The construction/operation manager, site HSE manager and contractor

representatives are expected to actively participate in these discussions. The site management team also assesses the contractors' monthly performance against the project's key HSE performance indicators.

Perfect Days: An integrated performance indicator



In 2016, we established Perfect Days, a simplified way to help us improve and measure our HSE performance on a daily basis. A Perfect Day is any calendar day where no safety injury, security event or environmental release occurred.

This simple measure recognizes perfect 24-hour periods and focuses us on replicating them. It reflects our commitment to learning from every injury, event or release to prevent its recurrence.

Every Perfect Day is promptly logged in our HSE database, renamed Bluesky in 2018, to give us a real-time view of how we're performing as the month progresses. The Executive Committee receives monthly reports on our Global HSE performance.

We finished 2017 with 41 Perfect Days across our operations around the globe, exceeding our target by 11 days. Our goal for 2018 is a minimum of 45 Perfect Days.

New projects: 100-day review process

We conduct a 100-day review process to ensure that new projects are set up in accordance with our systems including all HSE requirements. This approach allows us to start off major projects on the right foot and quickly identify and address issues before they impact performance. In 2017, we completed the 100-day review of two projects: Codelco (construction of two sulphuric acid plants at the Chuquicamata Copper Smelter Complex in the Antofagasta region of northern Chile) and Salalah (construction of an ammonia plant in the Sultanate of Oman). In both cases, we

discovered no major issues and swiftly made any required adjustments to the projects' set-up to promote optimal HSE performance.

Stakeholder Engagement

Sharing our HSE expertise

Given our strong HSE performance, clients are increasingly turning to us to help them assess and identify gaps in their own HSE management systems. We conduct gap analyses for clients and work with them to integrate best practices into their systems. These safety advisory services provide us with another way to enhance the sustainability of client projects.

Our environmental professionals work with our clients to seek ways to increase the environmental benefits of projects where possible. This includes providing whole life costing and solutions. We can make our biggest contribution to the environment by taking into account the use, reuse and recycling of material, water and energy on client projects. We apply innovative thinking to effectively manage these projects, and build facilities and infrastructure that meet the highest environmental standards.

Helping drive energy efficiency in the UK public sector

In 2009, we teamed up with Salix, a not-for-profit organization created in 2004 to provide critical interest-free loans for public sector energy efficiency projects in the UK. We help Salix select and bundle the right technologies as well as conduct financial and project risk assessments. The processes we design and deliver together have enabled the widespread implementation of energy efficiency projects across the UK.

More than 15,500 projects and annual savings of 694,414 tonnes of CO₂ emissions

To date, Salix has funded over 15,500 projects, valued at £563.5 million, to increase the energy efficiency of 1,800 public sector organizations. Savings to the public sector are estimated at over £136 million and an annual CO₂ emission reduction of 694,414 tonnes.

Public sector organizations use the cost savings delivered by these projects to pay back Salix Energy Efficiency Fund (SEEF) loans within five years. Salix then reinvests this money in a growing number of energy efficiency projects across the UK.

Partnering to tackle climate change

We're proud to partner with Salix to help address climate change by increasing the energy efficiency of hundreds of schools, higher and further educational institutions, emergency services, hospitals,

leisure centres and local authority facilities.

The technologies supported by the SEEF funding program include:

- Building energy management systems
- Cavity wall insulation
- Combined heat and power systems
- Evaporative cooling
- Heat recovery systems
- LED lighting
- Lighting controls
- Loft and pipework insulation
- Server virtualisation
- Variable speed drives

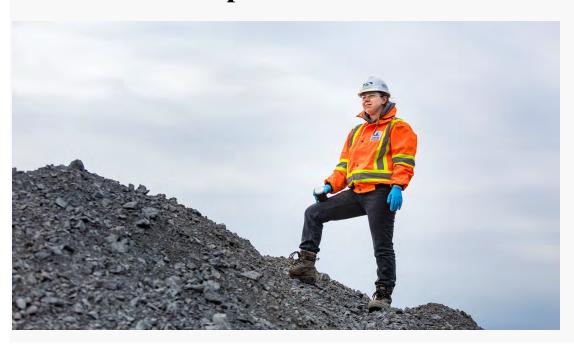
Client safety conferences

In 2017, we held our annual Global Safety Conference in Montreal, attended by more than 250 clients and partners from around the world. Key conference topics included safety culture and leadership, workplace safety, trade union vision, the Quebec construction industry's H&S performance and Hydro-Quebec's safety vision.

Among the conference's keynote speakers were John Beck, Founder, President and CEO, Aecon Group; Candace Carnahan, Safety Advocate and Inspirational Speaker; Sylvain Guimont, Motivational Speaker; Jan Klejin, CEO Mammoet; Jeffrey Lyash, President and CEO, Ontario Power Generation; Eric Martel, President and CEO, Hydro-Quebec; Yves Ouellet, Managing Director, FTQ Construction; and Mike Ryan, Managing Director, ExxonMobil Canada.

The high-energy event gave speakers and attendees the opportunity to share experiences and lessons learned across industries and companies. The panel discussion provided insight into what is working and what needs improvement at various companies as they strive to evolve their safety and environmental culture and performance.

Environmental performance



At SNC-Lavalin, we strive to ensure that our activities support the development of communities while causing no lasting harm to the environment. We help our clients deliver projects that improve people's lives and generate value for generations to come.

To this end, we require all our controlled sites—offices, operations and projects—to report all incidents and leading indicators for both our employees and our contractors. For non-controlled sites, only the environmental incidents triggered by our direct hire employees and contractors must be reported.

2017 results

For the third consecutive year, we monitored five Global Environmental Management System (GEMS) leading indicators.

GEMS 2017 Leading Indicator	Accomplishment
Internal environmental audits conducted	Completed 97% of the planned internal environmental audits for our four business sectors (96% in 2016)
Nonconformities identified during corporate	Reviewed and closed 100% of the nonconformities

environmental audits closed within 90 days	within 90 days (100% in 2016)
Environmental investigations conducted	Reviewed and closed 100% of the environmental incidents requiring investigation (100% in 2016)
Lessons learned related to environmental incidents or initiatives	Produced 100% of the required lessons learned across all business sectors (75% in 2016)
Site visits demonstrating visible environmental leadership conducted by senior managers	Conducted 69% of the planned senior manager site visits (72% in 2016)

Environmental incidents

We continue to strive for excellence in our environmental performance. In 2017, we defined 'excellence' as zero significant environmental incidents, zero notices of violation or any other governmental enforcement action during all project stages.

To help manage environmental incidents, all our sites are expected to conduct an annual environmental incident drill. We take concrete steps to increase employees' awareness and commitment to reporting incidents. These steps include orientation sessions and specific spill response training on major projects. As required by GEMS, all environmental incidents, regardless of their severity or potential impact, must be reported in BlueSky, our HSE database.

Level III or significant incidents

Last year in GEMS, Level III or significant environmental incidents were defined as involving **any** of the following:

- An immediate threat to human life/security or necessitates site evacuation or fire department intervention
- A persistent or extensive effect on water, soil or air quality
- Major damage to an aquatic or terrestrial ecosystem
- Contamination affecting sensitive areas or protected species
- Closure of an extraction point/water well to human consumption
- Water or soil contamination that spreads outside site boundaries
- Extensive decontamination required by specialized external resources
- A significant or persistent breach of permit/license or consent conditions

- A notice of violation or citation from regulatory authorities
- Potential prosecution or prosecution by regulatory authorities
- A hydrocarbon or hazardous material spill on land equal to or greater than 200 litres
- A hydrocarbon or hazardous material spill in water equal to or greater than 100 litres

Significant environmental incidents (2013 to 2017)*				
2013	2014	2015	2016	2017
0	4	2**	6**	2**

^{*} Occurrences at all our sites

In 2017, one of the two Level III incidents involved a violation ticket for failing to submit the necessary documentation to government authorities prior to repairing a riprap protective structure along a stream shoreline. Work on the riprap was immediately stopped while we submitted the appropriate application and notification.

The second level III incident consisted of an environmental release of high pH into an off-site creek. Following the incident, construction workers received additional training on dewatering procedures to ensure high pH water is retained onsite until treated to meet legal discharge criteria.

Level I and II incidents

We also track Level I and II or less significant environmental incidents. In 2017, the most common Level I and II incidents were hydraulic oil spills/leaks, fuel spills, coolant/antifreeze spills and sediment releases. The top three causes of incidents were hose ruptures/disconnects/leaks, equipment failure other than hoses, and improper handling.

The following **Best Environmental Management Practices** (BEMPs) focus on preventing these types of incidents:

- Regular preventive maintenance and inspections shall be conducted on equipment.
- Hazardous materials shall be stored within secondary containment.
- Hazardous materials shall be stored at a safe distance from any sensitive area.
- Refuelling activities shall be conducted on impermeable surfaces or using impermeable liners or absorbent sheets.
- Refuelling and fluid transfer activities shall be supervised at all times.

^{**} Includes notices of violation

- Maintenance activities shall be conducted at a safe distance from any sensitive area.
- Stationary equipment (compressors, generators, heating devices, etc.) shall be placed on drip pans.
- Soil disturbance shall be limited to current work areas.

A new incident classification system in 2018

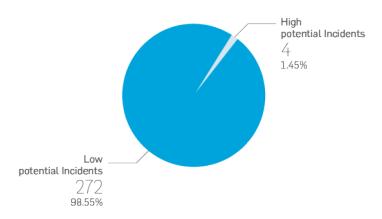


In 2017, integrating our H&S and environmental management systems, along with the Atkins acquisition, required that we completely revise our environmental incident classification system. As of January 2018, we replaced our three-level environmental incident classification with low and high potential and near-miss metrics to align with Atkins' classification system. We also converted all our previous incidents to this system.

The new system helps refocus our attention on the few incidents with an actual or high potential environmental impact. In 2017, 98.55% of our incidents had a low potential impact. These low-impact incidents, such as spilling a few drops of a substance in a manmade environment like a mechanically compacted gravel area, still need to be recorded and addressed.

While we'll continue to ensure that these low potential impact incidents don't increase, the most significant improvement will come from the lessons learned related to the 1.45% of high potential incidents and near-misses that could have had a serious impact if our prevention system had failed.

Environmental incidents - 12 months trailing



Lessons learned

In 2017, we shared 12 lessons learned via our HSE representatives network site. In 2018, we'll transfer these lessons to our HSE Knowledge Management Network. The lessons learned revolved around:

- Preventing environmental incidents (e.g. creating impervious surface refuelling areas at construction sites securing hydraulic hoses to keep them away from moving parts to reduce wear and tear)
- Sharing effective environmental initiatives that can be implemented on other projects (e.g. replacing batteries with solar panels at noise monitoring stations, reducing the quantity of chemicals used and stored at a water desalination plant via process optimization, and using flash gas as an alternative combustible for the volatile organic compound incinerator at a gas processing plant to reduce greenhouse gas emissions and air pollutant emissions at the flare stack)

Environmental focus at our facilities

Energy consumption

We've been filing an annual Carbon Disclosure Project (CDP) report since 2007. Major sources of emissions include our offices and production facilities as well as our Oil & Gas sector's field activities. Only first-hand information is used for Scope 1 and 2 calculations. While our emissions inventory isn't verified externally, the calculations are verified internally by our Acoustics, Air Quality and Climate Change team. This team provides our external clients with verification services.

Energy consumption (2011 to 2017)

Energy (GJ) ¹	2011	2012	2013	2014	2015	2016	2017
	836,923	566,857	213,888	172,238 / 559,273*	945,415	884,123	NA**
GHG emissions¹ (t eq CO ₂)	45,392	33,095	10,717	9,689 / 62,683*	71,154*	62,389	NA**

¹ Direct (scope 1) and indirect (scope 2)

Certifications

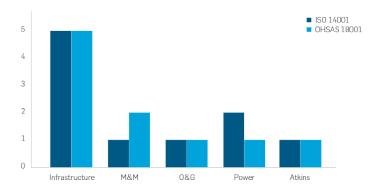
In 2017, a total of nine SNC-Lavalin entities and projects were certified ISO 14001 and nine were certified OHSAS 18001. These figures represent a slight decrease in the absolute number of our certifications. This decrease is due, in part, to the sale of our airport and integrated Real Estate Solutions operation and maintenance activities, the completion of a major project in Poland as well as the removal of O&M Algeria from Infrastructure's umbrella certification.

In 2017, approximately 72% of the SNC-Lavalin workforce operated under a ISO 14001 certification and about 70% under OSHAS 18001. Atkins' integrated ISO 9001,14001 and OSHAS 18001 certification covered 84% of its workforce. Following Atkins' integration, our global certification rate stood at about 75%.

The following graph breaks down the certifications by business sector:

^{*} In August 2014, SNC-Lavalin acquired Kentz. For the 2014 reporting year, the two companies filed separate data on energy consumption and GHG emissions. SNC-Lavalin's GHG emissions totalled 9,689 t eq CO₂ and the combined SNC-Lavalin and Kentz emissions totalled 62,683 t eq CO₂. This combined total must be compared with the 2015 total of 71,154 t eq CO₂. The increase between 2014 and 2015 is attributed to higher emissions associated with increased field activities on project sites.

^{**} Given that our 2017 sustainability report was released in May 2018, earlier than our previous reports, 2017 data was not available for inclusion in the report. Data for 2017 will be published in our CDP report in June 2018 as well as in next year's sustainability report.



In Canada and abroad, we have a team of more than 80 <u>Leadership in Energy and Environmental</u> <u>Design</u> (LEED®) accredited professionals. In 2017, the following Canadian projects received LEED certification:

- Saint-Laurent Sports Complex (Montreal, Quebec): Gold level certification (Mechanical, electrical and civil engineering mandate)
- Sainte-Justine University Hospital Center's research centre and specialized units' building (Montreal, Quebec): Gold level certification (Engineering construction and financing mandate)
- Canmore Multiplex Elevation Place recreation facility (Canmore, Alberta): Silver level certification (Mechanical engineering mandate)
- Montreal-Pierre Elliott Trudeau International Airport's international jetty expansion (Montreal, Quebec): Silver level certification (Civil engineering mandate)

In 2017, our very own 12-storey office located in Vancouver, British Columbia, which was built according to the LEED Canada for Commercial Interiors 1.0 standards, received Gold level certification.







Conveniently located near a central sky train station, our new downtown Vancouver office tower promotes mass transit use to help reduce emissions and pollutants. Its 'green office space' concept features open workstations, access to natural light, LED lighting, motion-sensing light switches, low VOC latex paints, premium blinds and high-quality recycled fibre carpets. These and many other design elements create a modern office space with less environmental impact while improving the well-being of our employees.

In 2015, we began working with the <u>Envision</u>™ standard issued by the Institute for Sustainable Infrastructure. Eight SNC-Lavalin employees are now certified ENVISIONTM Sustainability Professionals. We expect this number to grow as the use of this new standard to design and build sustainable infrastructure increases.

Health & Safety performance



No injury is acceptable and all injuries are preventable.

At SNC-Lavalin, we believe that zero injuries are fully achievable. That's why we embed safety in everything we do. Safety is about more than numbers, processes and procedures. It's about looking out for one another and ensuring that every person working at our offices and sites returns home safely at the end of each day. For us, there's no greater measure of success than knowing that our conscious actions resulted in no one being hurt.

We track all our controlled sites—offices, operations and projects—they report all incidents and statistics for both our employees and our contractors. We require the same information from non-controlled sites where our direct hire employees are working.

2017 results

In 2017, we made tremendous progress on our leading indicators or proactive measures.

Lagging indicators

Indicator	2017 Target	2017 Actual
Total Recordable Incident Frequency (TRIF)	0.15	0.18
Lost Time Incident Frequency (LTIF)	0.015	0.028

2011–2017 Lost Time Incident Frequency



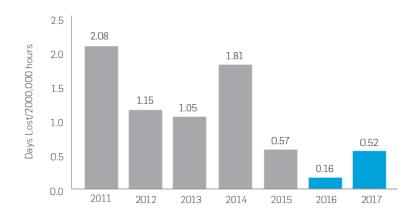
2011-2017 Hours Worked



2011–2017 Total Recordable Incident Frequency



2011–2017 Lost Time Severity (Days Lost)



Leading indicators



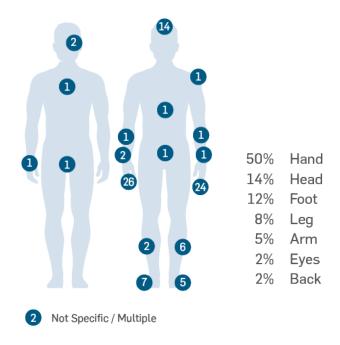
- **Behaviour Interaction Program (BIP)**: 90% of projects achieved target

 The BIP immediately reinforces the desired behaviours and helps us focus on the areas needing improvement.
- Imminent dangers: 92% of projects achieved target
 Imminent dangers help us resolve situations before they cause injuries.

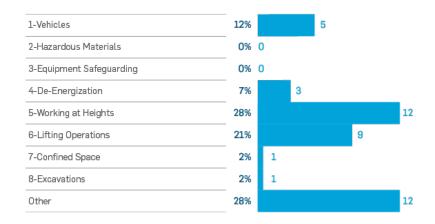
- Safety training: 82% of our sites achieved target of ensuring every employee received safety-related training
- Contractor premobilization: 94% of contractors properly pre-assessed
- Corrective actions: 94% on-time closure rate

2017 recordable incidents by body part

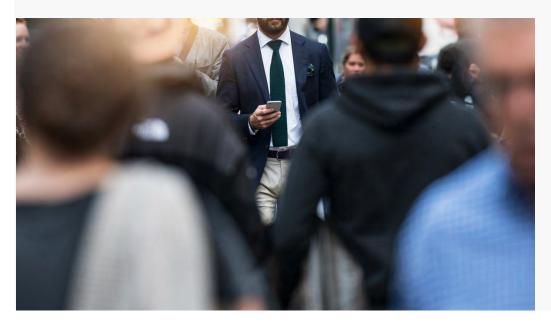
Tracking incidents by injured body part and the associated Critical Risk Control Protocol allows us to focus on our programs and initiatives in the right place to prevent these mishaps from recurring.



High Potential Incidents by Critical Risk Control Protocol



Economic Impact



What we do creates long-lasting value for clients, endusers, employees, partners and societies worldwide.

In 2017, we continued to deliver against our strategy, strengthened our business and successfully concluded the biggest and most transformative acquisition in our 106-year history. We achieved financial results within our annual earnings guidance while better positioning the company for longer term success. We also completed several challenging contracts, won important projects in all our sectors and are currently shortlisted for diverse megaprojects around the world.

Strengthening our platform for growth

Throughout last year, we took systematic steps to build an efficient platform to support our ambitious growth agenda—Vision 2020. This agenda focuses on achieving four strategic objectives aimed at generating adjusted consolidated earnings per share of \$5 by 2020. These objectives include: 1) continuing our progress in operational excellence, 2) building a client-centric organization, 3) with a performance-driven culture and 4) growing our business and delivering superior shareholder returns.

In 2017, we acquired Atkins, a respected powerhouse in design, engineering and project management. Its integration reshapes our organization, expands our capabilities and makes us a true global player. Bringing Atkins into our organization created a compelling one-stop shop with deep

technological expertise that's geared for greater project and technical complexity across higher margin market segments. It strengthens our ability to harness the power of digital technologies, including artificial intelligence, to help create smart cities with intelligent infrastructure, mobility and energy.

Contributing nationally, regionally and locally

Ensuring our operations are efficient, our people deliver as promised to clients, and our company is ethical and profitable strengthens our long-term resilience and the economic role we play with various stakeholders and communities.

Every day, our employees' actions directly improve communities and people's quality of life. Together, we contribute to national, regional and municipal economies with revenue-generating projects. These projects deliver the innovative, sustainable solutions the world is calling for.

We're one of very few firms with the resources, capabilities and experience to invest in, design, build, then operate and maintain infrastructure and facilities that enhance lives. On every project, our goal is to maximize our local presence along with the economic and social benefits to local stakeholders.

Sustainable project execution

Delivering world-class project execution at every lifecycle phase is how we help foster our clients' prosperity. And to be 'world class' today, a project needs to be sustainable in its design, implementation, operation and legacy.

That's why we strive to consistently apply sustainable technologies and best practices on all client projects. Providing strategies for reducing a project's environmental footprint and maximizing its lifecycle value is part of our approach. So is creating shared value with our clients and the communities we operate in. For clients, this means successfully delivering projects with low lifetime costs. For communities, it's about sourcing, hiring and investing locally.

End-to-end value chain



Capital



Consulting & Advisory



Digital & AI



Design & Engineering



Procurement



Construction & Project Management



Operations & Maintenance



Sustaining Capital

Local Resources Development Initiative (LRDITM): A shared-value approach

Our best-in-class LRDI™ program focuses on creating shared value between major engineering and construction projects and local rights-holders, governments and other community stakeholders. It recognizes the intrinsic link between social development and economic impact, and makes strengthening both a key priority in host communities without impacting project costs, schedule, quality and safety.

Since 1997, we've partnered with clients to successfully integrate the LRDI™ into their projects worldwide. As a result, thousands of local employees and enterprises have benefitted from working on some of the world's largest capital projects.

Until recently, our LRDI™ implementations took place in diverse sectors and included hydroelectric, mining and industrial projects.

Reinforcing clients' social license to operate

Clients have identified our LRDI™ program as a key driver of their projects' success. The LRDI™ helps them obtain and strengthen their social license to operate at the project's outset. It serves as a key differentiator and competitive advantage at a time when the need for resources and the influx of capital are at their peak.

As an integral part of a project's sustainability and social responsibility framework, the LRDI™ allows us to pinpoint and address social issues and opportunities at all project stages. In turn, this creates new possibilities for both the project and sharing value with the community. LRDI™ programs also enable clients to avoid social hazards and minimize other risks during project execution.

Key components

Our LRDI™ services and solutions are grouped into three main pillars, each one comprising operational objectives.

Pillar 1 INCREASE LOCAL WORKFORCE EMPLOYABILITY

- > Provide hands-on training for specific skill sets, customized to meet project needs and adjusted to local regional context
- > Ensure ongoing skills-matching between jobs and trainees
- > Collaborate with local institutions

Pillar 2 ENCOURAGE ENTERPRISE DEVELOPMENT

- Integrate SMEs as providers of goods and services
- > Train and mentor to satisfy project procurement procedures
- > Adapt work-packages to local reality
- > Leverage local markets' strengths and opportunities

Pillar 3 STRENGTHEN LOCAL SUPPLY CHAIN

- > Provide on-demand training
- > Share appropriate technology
- > Leverage market opportunities
- > Support local industrial clusters
- > Maintain supply chain sustainability



LRDI's impact over past 20 years

Year	LRDI™ Involvement	Local Workforce	Local SMEs
2014-2016 SAUDI ARABIA	Saudization Umm Wu'al Phosphate Project Ma'aden Mining Company	607 trained > Training success rate: 84% > Employment rate: 100%	 150 SMEs registered in a local business directory
2012-2014 ANGOLA	Regional poverty alleviation Matala Hydro Power Rehabilitation Project ENE	776 trained > 65% Local hire > Training success rate: 92% > Employment rate: 95%	
2010-2013 PANAMA	Government Labor Requirements Mina de Cobre Copper Project Inmet Mining	1342 trained > Employment rate: 53%	
2018-2012 afghanistan	Military & civil conflict Arghandab Irrigation Project Government of Canada	1836 attendees > Training activities (including SMEs trainees)	 103.609 person/workdays created 1.842 seasonal jobs created Creation of 460 permanent jobs More than 100 contracts awarded to local businesses
2007-2010 MADAGASCAR	Resource nationalism Ambotovy Nickel Project Sherritt, Sumitomo & Kores	6100+ trained > 65% Local hire > Employment rate: 95% > 1.500 jobs for women	 50,000 SME training and mentorship \$900 million in local procurement 700 contracts with local SMEs
1998-2004 MOZAMBIQUE	Post civil war redevelopment Mozal I & II Aluminum Smelter Project BHP-Billiton & Mitsubishi	6000+ trained > 70% local hire > 5,033 job opportunities created during Construction	Over US \$94 million of the project coswas expended in the local economy Over 150 SMEs established

LRDI™ brochure

A focus on sustainable development

We make some of our biggest contributions to sustainable development through our rail & transit, renewable energy and nuclear power activities.



Rail & Transit: Sustainably connecting people

Expanding cities and a growing world increasingly require solid, sustainable, intelligent solutions to keep things moving and people connecting. As leaders in intelligent mobility initiatives, our solutions cover thousands of kilometers on every continent, both modernizing existing systems and creating new ones for generations to come.

Enabled by data, technology and innovative ideas, our end-user and outcome-focused approaches reimagine infrastructure across all transport modes. The result is more efficient, sustainable and safe transport systems and cities. The addition of Atkins' complementary rail & transit expertise in 2017 increased our capability and capacity to drive the development of smart cities and mitigate urban congestion, pollution and stress worldwide.

By persuading car drivers to travel by public transit, optimized systems generate significant economic, environmental and social benefits that attract new businesses and investors. Our large-scale infrastructure projects also create long-term jobs with an unmatched variety of specialties and responsibilities compared to other industries.

In early February 2018, Montreal chose our joint-venture partnership to deliver most elements of its new 67-kilometre light rail transit system. When completed in 2021, it will be the world's fourth largest automated light rail transit line. The two contracts are expected to contribute \$3.7 billion to Quebec's economy, including 34,000 construction jobs and 1,000 permanent jobs with some 65% of the resources procured in the province.

<u>Read about</u> 'traditional' railway solutions amid an innovative and ever-evolving transport mix or access this <u>blog</u> to learn more.

Clean Power: The foundation for sustainable growth

Hywind, the world's first floating offshore wind farm (Photo credit: Trude Refsahl, Statoil)



In 2017, we created a Clean Power sector, a move that reflects our increased focus on and commitment to responsible energy. It also builds on the long-standing role we've played in renewable, nuclear and hydroelectric energy, as well as our significant contributions to clean air, CO₂ reductions and smarter energy management and storage.

Our commitment to clean power includes our participation in Stockyard Hill, the largest onshore wind farm in the southern hemisphere. Through our Atkins business, our involvement in the world's first floating offshore wind farm in Scotland puts us at the forefront of floating offshore wind development. In hydroelectric energy, we continue to help drive the industry forward with megaprojects such Lower Churchill in Central Labrador and the John Hart Generating Station in British Columbia whose innovative design greatly reduces the site's environmental footprint.

Our Renewable Energy Centre of Excellence brings together some of industry's brightest minds in hydro, transmission & delivery, nuclear, renewables, energy storage and digital & telecommunications. Together they're supporting the development of clean energy solutions around the world.

Nuclear energy: Safe, reliable, affordable and low carbon

EBR II Idaho National Lab (Photo Credit: Idaho National Laboratory)

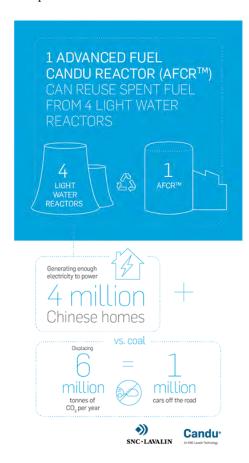


A sustainable energy mix isn't complete without nuclear energy. At SNC-Lavalin, we helped pioneer Canada's commercial nuclear industry in the 1960s. Today, as stewards of CANDU® technology, we provide in-depth refurbishment to the global industry. In Canada, our biggest nuclear projects also happen to be the country's largest clean energy projects.

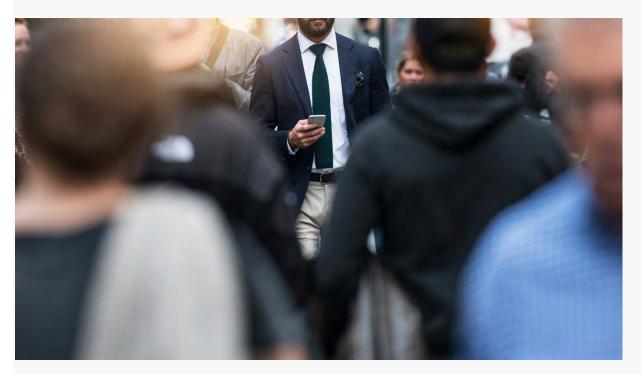
Our unique reactor technology helps make safe, reliable and low-carbon energy more accessible worldwide. We systematically adopt industry-leading best practices to safely optimize our work. Continuing our focus on responsible power, our next-generation Advanced Fuel CANDU Reactors (AFCRTM) will run on recycled uranium, improving uranium resource use and reducing utilities' fuel costs.

In January 2018, we combined our nuclear business with that of Atkins to leverage the unique skills of our respective teams. We're now equipped to deliver the full spectrum of lifecycle services: consultancy, EPC(M), field services, technology services, reactor support and decontamination & decommissioning.

Through the former Atkins, we're helping 'green' the world by leading environmental cleanup activities at the United States Department of Energy sites and commercial nuclear sites. Clients around the world have come to count on us for our commitment to safety and efficiency at all levels and phases of nuclear work.



Capital - Creating Value



Capital, our investment, project financing and asset management team, is a powerful vehicle for delivering value to clients and stakeholders. Our Capital service makes projects happen and drives our asset investments. It plays a decisive role in building sustainable landmarks that yield enduring economic and social benefits in communities long after we've exited our investment.

We're one of the world's very few firms with world-class expertise in delivering end-to-end services for the full project lifecycle. We not only finance, design and build crucial infrastructure, we often operate and maintain it for a defined period. By producing a solid return on our investment, we're able to increase our contribution in local communities.

Capital focuses on identifying and developing high-performing business opportunities across our sectors. It provides equity and debt solutions to finance projects and manages our multi-billion-dollar portfolio of infrastructure investments. Over the years, our effective financing modelling solutions and strong performance in developing and delivering public-private partnerships (P3s) have garnered industry awards in both Canada and the US.

Learn more

An experienced partner

Our Capital experts work internally across our sectors and externally with strategic financial partners, institutional investors and investment funds to promote growth opportunities. These partnerships expand our ability to invest in projects and build a portfolio of assets that creates more value. They also reinforce our global reputation as a partner of choice for large, complex projects such as our highly successful P3s in Canada.

In 2014, we developed the complex financing plan needed to secure investors for North America's first performance-based P3 design-build-finance-rehabilitate hydroelectric project. When we finish replacing the <u>John Hart Generating Station</u> on Vancouver Island in 2019, it will generate significant triple bottom-line benefits.

We also delivered and now operate and maintain the Canada Line in Vancouver, the country's first major rapid rail project to use a P3 model. In November 2017, the Canadian Council for Public-Private Partnerships (CCPPP) honoured the Canada Line with the Gold Award in Service Delivery for its sustained success over eight years of operation and for catalyzing economic activity in the region.

Other recent P3 projects include the LEED® Gold-certified McGill University Health Centre in Montreal, one of North America's leading healthcare complexes. In late 2017, the City of Ottawa picked our international P3 consortium to deliver part of the Confederation Line expansion and entrusted us to maintain this core asset until 2048. Our consortium is currently delivering the first stage of this light rapid transit system.

An innovative infrastructure partnership

In 2017, we launched an infrastructure investment vehicle, SNC-Lavalin Infrastructure Partners LP, to efficiently redeploy capital back into development opportunities. This partnership holds our interests in a selection of mature Canadian infrastructure assets and marks our entrance into the infrastructure fund management business.

This partnership also sets the foundation for creating new project financing vehicles to further develop our robust pipeline of projects. As the vehicle's General Partner and Manager, we remain in charge of the assets' long-term management.

The SNC-Lavalin Infrastructure Partners LP reflects our proactive approach to managing our asset portfolio to optimize shareholder returns. The partnership's initial portfolio consists of the following assets: the William R. Bennett Bridge (Kelowna, British Columbia), the Canada Line (Vancouver, British Columbia), the Southeast Stoney Trail (Calgary, Alberta), the Restigouche Hospital Centre

(Campbellton, New Brunswick) and the Glen site of the McGill University Health Centre (Montreal, Quebec).

Our P3 expertise in action

The global challenge of finding ways to close the 'infrastructure gap' and build or upgrade critical and aging infrastructure in urban centres has never been greater. Today, the P3 model of public-private partnerships is widely recognized as an effective way to finance, design, build, operate and maintain major infrastructure projects.

P3s help optimize cost benefits, schedule certainty and asset availability. They also transfer risk to private-sector partners without sacrificing environmental compliance, quality and safety. P3 partnerships can leverage private-sector innovation and improve efficiency by integrating the design, construction and operations and maintenance phases. The result is greater value for money for both public-sector partners and the communities they serve.

At SNC-Lavalin, we've been spearheading successful P3 projects across Canada since 1999. Here are some recent examples of our P3 expertise in action.

Toronto's largest transit expansion



In 2015, the Ontario government selected our consortium Crosslinx Transit Solutions General Partnership to design, build, finance, maintain and rehabilitate the Eglinton Crosstown LRT line. The 19-kilometre rail corridor includes 10 kilometres underground and 25 stations and stops along a major artery.

The project will ease traffic and congestion, move people up to 60% faster than existing bus services and handle more than 10 times as many passengers. It will also create thousands of jobs during construction.

Crosstown is Canada's first transit project to receive green bond funding from Ontario for environmentally friendly infrastructure.

This 'first' earned Crosstown a 2015 Gold Award in project financing from the Canadian Council for Public-Private Partnerships (CCPPP). In 2016, it won a Silver Award for Best Transit and Aviation Project from P3 Bulletin, a magazine and website focused on infrastructure P3s around the world.

The Eglinton Crosstown maintenance and storage facility is aiming to achieve LEED* Silver certification. Crosstown service is scheduled to begin in 2021.

Changing Montreal's skyline



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, 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.

The New Champlain Bridge Corridor Project received a CCPPP Gold Award for effective procurement in 2015. In 2016, it earned a Gold Award for Best Road/Bridge/Tunnel Project in America from P3 Bulletin.

Learn more

Innovating in B.C.'s power sector



In operation since 1947, the <u>John Hart Generating Station</u> supplies British Columbia's Vancouver Island with about 11% of its electricity. In 2007, BC Hydro began planning the station's replacement to reduce significant seismic, station reliability and downstream fish habitat risks. In early 2014, the provincial electric utility chose our InPower BC P3 partnership to design, build, maintain, rehabilitate and partially finance an innovative underground powerhouse that will enhance public safety and improve the site's environmental footprint.

John Hart is the first performance-based P3 model used for a hydroelectric project in North America. InPower BC developed a sophisticated financing plan that enabled investors to feel comfortable with the project's unique risks and risk allocations.

Once completed, the entire station will be underground, restoring this part of the Campbell River to its natural beauty. In 2015, John Hart won the Judges Award for Best P3 Project at the P3 Awards in New York City.

Bringing light rapid transit to Canada's capital



As part of the Rideau Transit Group (RTG), we were selected in late 2012 to design, build, finance and maintain the Confederation Line, Ottawa's first light rapid rail transit system. The

Confederation Line is one of North America's biggest P3 rail transit projects. It's also Ottawa's largest infrastructure project since the building of the Rideau Canal in 1832.

The Confederation Line will convert the existing Ottawa Bus Rapid Transit corridor into a full LRT system as well as widen and rehabilitate four kilometres of Ontario's Highway 417. The project's first phase includes 12.5 kilometres of guideway, 10 above-ground and three underground stations and a 2.5-kilometre tunnel beneath Ottawa's downtown core.

Our robust financing solution featured short-term bank debt as well as equity capital, along with Canada's first fully underwritten, unrated, long-term placement loan. This innovative project financing structure earned RTG North America's Public-Private Partnership 2013 Deal of the Year from Project Finance Magazine. Among other awards, the Confederation Line also won the Silver Award for Best Rail/Transit Project from P3 Bulletin in 2014. Scheduled to begin service in 2018, the new light rail system will significantly reduce pollution and traffic congestion in Canada's capital.

In 2017, the City of Ottawa awarded our consortium the contract to design, build, finance and maintain part of the line's Stage 2 expansion.

Learn more

Social Impact



As engineers, our goal is to help build stronger communities.

At SNC-Lavalin, we know that we can make a difference in the communities where we work. That's why we strive to make positive contributions by leveraging our strengths in engineering and technology to deliver sustainable projects. The work we do produces project-related economic benefits, increases local employment and training, and supports our charitable involvement.

Our success hinges on an effective and proactive approach to community engagement. We not only look at what local stakeholders can do for the project, but also what our client's project can do for them.

This approach allows us to truly align project and stakeholder needs and interests. It creates the conditions for engaging respectfully with each other. Together, we find solutions to issues that are important to and generate benefits for all. This includes ensuring that our solutions help communities achieve their social and economic development goals.

Community engagement

Good neighbourhood committees

We know that our clients' projects can have an impact on neighbourhoods and their residents' quality of life, especially in urban environments.

To minimize disruptions and annoyances, we help clients set up good neighborhood committees on major projects to build bridges and relationships with surrounding communities. These committees

raise community awareness and understanding of projects, their expected impacts and proposed mitigation measures. They also provide stakeholders with the opportunity to share their concerns, ask questions and even propose solutions.

For one of our Montreal projects, we gave residents the opportunity to meet with the project's managers to discuss mitigation measures and improvements. As a result of this consultation, we implemented several measures including:

- Turning off spotlights after work hours
- Building an eight-foot wall around the construction site to minimize annoyances
- Creating temporary parking facilities for workers
- Installing permanent bicycle racks for residents

Leaving a positive social legacy on a UK strategic rail project

With our project partners, we're currently completing work on the Stafford Area Improvement Program. This major rail investment project will enhance rail transit efficiency and reliability on the West Coast Main Line while reducing road congestion. The line is one of the UK's most important rail corridors and connects London, Birmingham, Liverpool, Manchester and Glasgow.

As part of the first pure alliance in the UK rail industry, this project provided us with the opportunity to create habitats and landscapes that benefit the environment beyond what was required technically. We also invested heavily in social legacy initiatives to ensure communities could connect with green spaces long after our contract.

Due to the significant impact on certain areas, particularly the rural hamlets of Chebsey and Norton Bridge, a 'legacy' group comprised of public, parish, borough and county council representation was formed to identify and manage several small 'betterment' initiatives and ensure lasting local socioenvironmental benefits. Successful projects include:

- Providing three defibrillators and training supported by West Midlands Ambulance Service
- Poppy planting during the WW1 centenary and providing planters/landscaping at Great Bridgford
- Creating a dedicated nature reserve at a local religious retreat to help relocate great crested newts
- Installing a children's play area
- Improving two village halls as well as community facilities
- Installing traffic-calming measures
- Funding the Parish Council website featuring dedicated project information and links to relevant sections of the main Network Rail website

Employee volunteering, awards and distinctions

We're proud of our employees' community engagement. In 2017, our employees organized fundraising events, helped underprivileged children and volunteered as disaster relief workers. They were also recognized for their contributions in several areas. A snapshot of some key community activities and employee awards across our four sectors follows.

- Alex DeLorey, Project Manager, Feeders and Components for Bruce Power's Major Component Replacement (MCR) project in Ontario, Canada, successfully made it to the final round of the Canadian Space Agency's Astronaut Recruitment Campaign.
- Greg Snyder, Engineering Manager for the Muskrat Falls/Lower Churchill project in Labrador, Canada, received an Individual Award for Technical Excellence from the Association of Professional Engineers and Geoscientists of New Brunswick (APEGNB). This award is presented to outstanding engineers who have made significant contributions in applied research, design, innovation, industrial problem-solving, construction or technology transfer.
- In February 2018, we were awarded Platinum Elite status in ReNew Canada's <u>Top 100</u>

 <u>Projects listing</u>, their highest ranking, for the sixth year in a row. More than twenty of our 2017 Canadian Nuclear, Clean Power and Infrastructure projects are featured, with Bruce Power and the Darlington Nuclear Refurbishment projects both topping the list for a second consecutive year. Muskrat Falls and Eglinton Crosstown LRT weren't far behind, in third and fourth position, and Site C Clean Energy Project was in fifth place.

Health, youth and community

- Our Thermal team in Bothell, Washington, US, organized yet another successful volunteer
 dinner for the Ronald McDonald House of Western Washington and Alaska. The House is a
 safe and nurturing place for the families of children receiving treatment at nearby Seattle
 Children's Hospital. Together, the team served over 91 children and caregivers that call
 Ronald McDonald House home.
- Through our Oil & Gas team in South Africa, we sponsored the construction of a security fence to keep underprivileged children and unemployed youth safe at Ithemba Labasha, a non-profit community centre outside Ballito in Kwa-Zulu Natal. The centre's services include a daycare, a feeding program and skills development.
- Thanks to volunteers from our Thermal business unit and our client Public Service Electric & Gas (PSEG), students at Brandywine Elementary School in Maryland, US, got their very own outdoor classroom in April 2017. The outdoor classroom features a butterfly garden, raised

garden beds for students to grow flowers and vegetables, an outdoor chalkboard, seating and a labyrinth. Our volunteers helped build the classroom and SNC-Lavalin donated some of the materials.

Aid and shelter

• When Hurricane Harvey hit the coast of Texas in the US, we had approximately 1,400 employees in the Houston area. During the worst of the storm, our teams remained in contact with these employees around the clock to ensure everyone was safe and sound. Colleagues helped coworkers whose homes were flooded or heavily impacted. Employees also supported the Red Cross, both by volunteering locally and through company donations.

Education and diversity

- We continued our partnership agreement with the Montreal-based Seize Your Future mentorship program. The organization strives to train the next generation of female leaders between the ages of 15 and 20. The program includes training workshops, completion of a community project and coaching from a female mentor distinguished in her field, as well as networking events and panels centred on women and leadership.
- Angella Mignon-Smith, a Mechanical Engineer on our Nuclear team, was invited to be part of the #HERstory in Black project, which celebrates the achievements of young black women in Toronto, Ontario, as part of both Black History month and Canada's 150-year celebrations.
- We sponsored the third annual Women's Infrastructure Network (WIN) awards ceremony, which took place simultaneously in six cities across Canada on April 26. This event recognizes the achievements of women in Canada's infrastructure sector and celebrates emerging leaders in the industry.
- We were proud to receive the Diversity Employer of the Year Award from the Ichthys LNG project, near Darwin, Australia, for the number of aboriginal and female apprentices we had on site in 2017.

Environment

Our Capital team in Toronto organized e-waste and textile collection drive at 195 The West
Mall as part of Canada's Waste Reduction Week and in collaboration with Partners in Project
Green. The drive was a huge success and the team succeeded in diverting 81 kilograms of
clothing and 44 kilograms of electronic waste.

• Employees in Lephalale and Mpumalanga, South Africa, donated more than 80 trees to The Fold Children's Home in August 2017. Our team worked with the children to plant the trees in the centre's vegetable and fruit garden.

RACE: Raising awareness and cutting energy

To decrease office energy consumption worldwide, Atkins launched RACE, a friendly competition encouraging employees to curb their energy use. Between 2009 and 2012, RACE helped deliver a:

- 12% reduction in electricity use (equivalent to 1,780 tonnes of CO₂)
- 3% reduction in UK and Europe gas consumption (or 111 tonnes of CO₂)

Introduced in 2014, RACE2 includes more categories to make the contest more inclusive: office wellbeing, community, energy, green travel, inspiring the next generation, waste and water. In 2017, the RACE2 Awards recognized the following offices for their outstanding contributions:

North America: Henderson – 2 gold medals (community and office well-being)

<u>Middle East:</u> Dubai – 2 silver medals (community and office well-being) and 1 bronze (energy and waste)

<u>Asia Pac:</u> Bangalore – 1 platinum (office well-being), 1 gold (community) and 1 bronze (energy and waste)

<u>UK and Europe</u>: Manchester – 1 platinum (community, inspiring the next generation, office wellbeing and green travel), 1 silver (energy) and 1 bronze (water)

In addition, the Chelmsford office was recognized as the 'most improved office' based on three years of increased scores. The Epsom Campus won the joint office award for their excellent results and teamwork.

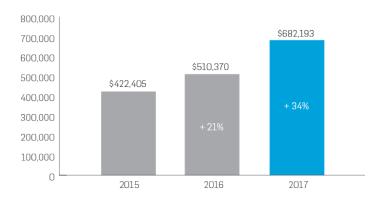
Donations and Sponsorships

Our donations and sponsorships support ideas and initiatives with the potential to stimulate progress and build the future. Our goal is to have a positive impact on the communities we operate in, as well as on learning and innovation.

2017 donations and sponsorships

In addition to working on client projects that help improve well-being around the world, our employees are involved in fundraising activities for both local and national charities. In 2017, we supported 80 organizations through donations and sponsorships totalling more than \$1,072,000.

Donations to United Way/Centraide Canada campaign



Key 2017 donations and sponsorships included:



United Way/Centraide Canada

During the 2017 <u>United Way/Centraide Canada</u> campaign, we raised \$682,193.33 to support social programs and community initiatives. We exceeded the participation rate of the 2016 Quebec campaign with 22% of employees in the province making donations. As in previous years, our Centraide Cup event raised \$10,000.

The United Way/Centraide Canada is a non-profit organization that raises funds across Canada for local groups addressing community issues such as unemployment, affordable housing and shelters. Centraide of Greater Montreal is the local arm of the national organization.

Red Cross



We made two important donations to the <u>Canadian Red Cross</u> in 2017. We donated \$25,000 to assist relief efforts following the intense flooding that devastated parts of southern Quebec. We made another \$20,000 donation to support emergency relief efforts after massive wildfires burned across British Columbia.

We also supported the American Red Cross with a \$25,000 donation to assist relief efforts following the torrential rain and intense flooding that devastated entire parts of Texas following tropical storm Harvey. The donation enabled the American Red Cross to provide important support for personal services, cleanup, rebuilding, furniture replacement and other necessities to assist with the recovery.

We also continued our ongoing commitment to the CHU Sainte-Justine Hospital Foundation. An avid supporter of the cause since 2001, we co-sponsored a charity golf tournament benefitting the Foundation whose mission is to raise funds for sick children and their families.

Alloprof: Year 2

Also in early 2017, we partnered with Alloprof, a unique charitable organization that offers Quebec elementary and high school students free help with their homework and general training to adults and parents.

Over a three-year period, we'll donate \$150,000 to help Alloprof create, promote and host a virtual educational assistance tool. This innovative tool will greatly expand the resources available to students struggling with certain school subjects. Our partnership with Alloprof reflects our commitment to build what matters by supporting the education and success of Quebec youth.

Updated Standard Operating Procedure

In 2017, we completed another update to our Donations, Sponsorships, Employee Involvement and Corporate Memberships procedure to better align with our corporate values and continuously improve our systems and processes.

This revised Standard Operating Procedure (SOP):

- Articulates our charitable giving and sponsorship principles and priority areas
- Maintains a consistent approach to social and community investment by ensuring funding is globally aligned with our philanthropic and business objectives
- Establishes clearly defined opportunities for recognition of employee volunteer involvement and fundraising
- Clarifies the distinction between a donation and a sponsorship

Project execution



	Project title	Pillars
	Hywind floating wind Installation Challenge	Environment
	STM's iBUS fleet information system	Social, Economy
2	Comprehensive Everglades Restoration Plan	Environment, Social
	South Carolina FEMA Public Assistance	Social

	Renew Atlanta North Avenue Smart Corridor	Environment, Economic, Social
	Bayshore Presinct	Environment, Social
	IMX International Trade and Exhibition Centre	Environment, Economy
1	Seaspan Shipyard Modernization Project	Environment, Economy
	Halifax Central Library	Environment, Social
	King Abdullah Petroleum Studies and Research Center	Environment
	Ichthys Project Onshore LNG Facilities	Environment, Social, Economy
	Waneta Expansion Project	Environment, Social, Economy
**************************************	Darlington Nuclear Generating Station	Environment, Economy, Social
	EMAL Aluminium Smelter	Environment

	Braskem	Environment, Social
Mm	Matala Dam Project	Social, Environment
	GES+ Program in Saudi Arabia	Social, Economy
	South Kent Wind Project	Environment
	Éléonore Gold Project	Social, Economy
	Champlain bridge	Social, Economy, Environment
	MUHC	Social, Environment
	John Hart	Economy, Environment
	Evergreen	Social, Economy



Head Office

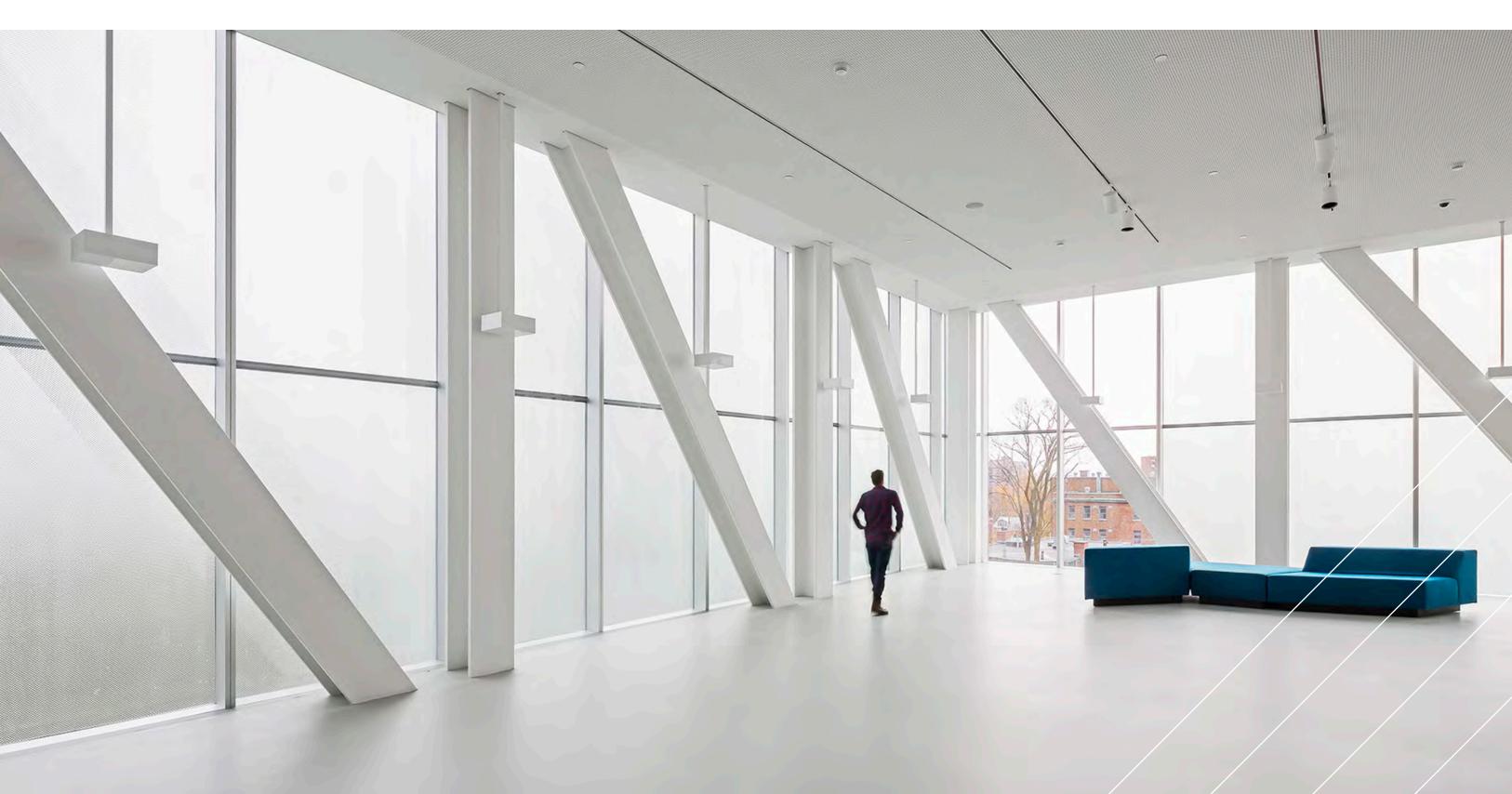
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2017 sustainability report

GRI Index





Disclosure Number	UNGC Principles	UNGC SDGs	Disclosure Title	Reporting requirements	SNC-Lavalin's 2017 disclosure
General disc	closure				
102-01			Name of the organization	a. Report the name of the organization.	SNC-Lavalin Group Inc. (the "Company").
102-02			Activities, brands, products, and services	a. A description of the organization's activities. b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	 a. Please refer to Section 2 "Overview of our business and strategy" (p.34) of the Management's Discussion and Analysis (MD&A) portion of our 2017 Financial Report. b. Please refer to the "Offering and services" (p.14) and "Company structure" (p.16) sections of our 2017 Annual Report. SNC-Lavalin does not sell products that are banned in any markets. SNC-Lavalin does offer services that could potentially be subject to public debate, such as services to the nuclear and oil and gas industries, as well as Canadian military operations. SNC-Lavalin is not currently subject to direct questions or expressions of concern regarding these services.
102-03			Location of headquarters	a. Report the location of the organization's headquarters.	The Company's headquarters and registered office is located at 455 Rene-Levesque Boulevard West, Montreal, Quebec, Canada H2Z 1Z3.
102-04			Location of operations	a. Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	As of December 31, 2017, the Company had permanent offices in 52 countries, including the major offices located in the following regions: The Americas: Brazil, Canada, Chile, Colombia, Peru, United States. Europe: Belgium, Denmark, France, Ireland, Norway, Romania, Russian Federation, Sweden, United Kingdom. Africa & the Middle East: Algeria, Kenya, Kuwait, Mozambique, Oman, Qatar, Saudi Arabia, South Africa, Tanzania, United Arab Emirates. Asia & Oceania: Australia, China, India, Malaysia, Singapore. SNC-Lavalin has temporary offices in additional countries and conducts projects in some 100 countries worldwide.
102-05			Ownership and legal form	a. Report the nature of ownership and legal form.	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). As at February 13, 2018, there were 288,663 stock options outstanding with an exercise price of \$40.98 per common share. At that same date, there were 175,526,455 common shares issued and outstanding, including the equity issued in connection with the acquisition of Atkins. As of March 12, 2018, the Company had 175,527,955 Common Shares outstanding. As of March 12, 2018, 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 12, 2018, based on shareholders' public filings, the Caisse beneficially owned, or controlled or directed, directly or indirectly, 26,279,200 Common Shares representing 14.97% of the outstanding Common Shares of the Company.
102-06			Markets served	a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.	i. and ii. : For a summary of markets served, including geographic breakdowns and sectors, please see sections 1, "Overview of Our Business and Strategy" on p.34 and following of the 2017 Annual report (MD&A) and Section 6, "Geographic Breakdown of Revenues by Category of Activity," on p.61. iii. : The Company serves a wide range of customers in the public, quasi-public and private sectors. Section 7, "Segmented information," on p.63 of the 2016 Annual report (MD&A) provides an overview of projects and clients by sectors (segments) of activity. It has to be noted that the Company offers services and does not manufacture household products. It does however assemble equipment intended for the oil and gas industry through its Production & Processing Solutions business unit.



102-07		Scale of the organization	 a. Report the scale of the organization, including: •• Total number of employees; •• Total number of operations; •• Net sales (for private sector organizations) or net revenues (for public sector organizations); •• Total capitalization broken down in terms of debt and equity (for private sector organizations); •• Quantity of products or services provided. 	As of December 31, 2017: Total number of employees: 52,448 (includes all employees and consultants, full and part time) Total number of operations: see sections 1, "Overview of Our Business and Strategy" on p.34 and following of the 2017 Annual report (MD&A). For information on net sales and total capitalization please see the "Financial position" section of the 2017 Annual report, p.96 and following.
102-08	Principle 6: Labour SDG 8 - Employment	Information on employees and other workers	 a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made. 	For employee breakdown per region, see graphics in the "Employees" Section.
102-09		Supply chain	 a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services. 	SNC-Lavalin's supply chain is based on the nature, type and geographic location of projects, and is therefore highly variable from one year to another as these factors evolve.
102-10		Significant changes to the organization and its supply chain	 a. Report any significant changes during the reporting period regarding the organization's size, structure, ownership or supply chain, including: ••• Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; ••• Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); ••• Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination. 	Please see section 1.2 "Executive Summary – Other Items", p.44-47, of the 2017 Annual Report.
102-11		Precautionary Principle or approach	a. Report whether and how the precautionary approach or principle is addressed by the organization.	As of December 31, 2017, the Company was mainly a service provider, not a manufacturer of products, with the exception of its Production & Processing Solutions business unit, which assembles equipment intended for the oil and gas industry and is not considered to be material to this report. As such, the Company employs risk management processes, which are being expanded to cover not only project-based risks, but also Companywide risks. Currently, the precautionary principle does not form part of corporate risk management processes. However, SNC-Lavalin applies best practices and manages environment and health and safety risks through its management systems which are compliant with ISO 14000 and OSHAS 18000. In addition, the vast majority of our clients' projects are subjected to environmental and/or social impact assessments. SNC-Lavalin is thus expected not only to follow those reports' recommendations, but also to work in collaboration with clients and contractors to limit as much as possible the impacts and risks associated with the projects we work on.



102-12			External initiatives	a. List externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it endorses.	The Company applies the most stringent of the prevailing national laws or recognized international standards. for instance, our letter pertaining to UK's Modern slavery act, is publicly available on our website at http://www.snclavalin.com In addition, the company adheres to voluntary initiatives such as: UNGC: In 2015, the Company adhered to the United Nations Global Compact. Please refer to our CEO's message in the present report as well as our Communication on Progress publicly available on the UNGC Webpage (https://www.unglobalcompact.org/what-is-gc/participants). PACI: In January 2014, Robert G. Card, then CEO of the company, joined the World Economic Forum Partnering Against Corruption Initiative (PACI) Vanguard CEO community and in January 2018, Neil Bruce, our current CEO, was nominated co-chair of PACI. 30% Club: In September 2016, SNC-Lavalin has joined the 30% Club Canada, an organization that encourages and supports companies, through a voluntary approach, to appoint more women at board level, as well at senior management levels.
102-13			Membership of associations	A list of the main memberships of industry or other associations, and national or international advocacy organizations.	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, notably regarding sustainable development and aboriginal affairs. SNC-Lavalin is also a member of the Chamber of Commerce of Metropolitan Montreal, the Conseil des relations internationales de Montréal (CORIM), the Canadian Council of Chief Executives, the Federation of Chambers of Commerce of Quebec, the Conseil du Patronat, the Canadian Manufacturers and Exporters/Manufacturers and exporters of Quebec and the Canadian Chamber of Commerce.
102-14			Statement from senior decision-maker	 a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability. 	Please see CEO's message in this report.
102-16	Principle 10: Anti- corruption	SDG 16 - Ethical and lawful behavior	Values, principles, standards, and norms of behavior	a. Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	For values, please refer to the "About us" section of our website at http://www.snclavalin.com/en/vision-values or the "Our approach" section of this report. Principles and norms are considered in the "Our approach" and "Ethics and Compliance" sections of the present report. Our code of ethics is also discussed in the previously mentioned sections and publicly available at: http://www.snclavalin.com/en/code-of-ethics.
102-18			Governance structure	 a. Governance structure of the organization, including committees of the highest governance body. b. Committees responsible for decision-making on economic, environmental, and social topics. 	 a. Please see the "President and CEO" (http://www.snclavalin.com/en/president-ceo), "Board of directors" (http://www.snclavalin.com/en/about-us/board-directors/), "Leadership Team" (http://www.snclavalin.com/en/about-us/leadership-team/) and the "Governance" (http://www.snclavalin.com/en/governance) sections of our website. b. The Governance and Ethics Committee assists the Board in developing the Corporation's approach to corporate governance and ethical and compliance issues. The Safety, Workplace and Project Risk Committee is responsible for overseeing the overall framework for managing project risks and health, safety, security, environmental, business continuity and emergency preparedness risks arising from the Corporation's operations and business it undertakes with clients. The mandates of these committees can be accessed via the Governance section of our website.
102-40			List of stakeholder groups	a. Provide a list of stakeholder groups engaged by the organization.	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 and in urban areas, near project sites under the Company's management.
102-41	Principle 3: Labour	SDG 8 - Freedom of association and collective bargaining	Collective bargaining agreements	a. Report the percentage of total employees covered by collective bargaining agreements.	As of December 2017, the percentage of unionized employees was 4.5% of our global workforce, or about 2350 people.
102-42			Identifying and selecting stakeholders	a. Report the basis for identification and selection of stakeholders with whom to engage.	SNC-Lavalin engages with all stakeholders who communicate with the corporation.



102-43	Approach to stakeholder engagement	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Stakeholders are consulted through the following activities: Employees: "Town hall" meetings (off-location employees can attend via webcasts and interact with moderators through "chat"); internal communications (intranet, emails, etc.); Annual and Sustainability Reports and surveys (in 2017, employees were invited to take part in a survey regarding Company Culture and a second one aiming at realigning the company's values following Atkins' acquisition) Clients: Project management activities, conferences and trade fairs, client surveys. Shareholders, investors and analysts: Website postings, Financial reports, Press releases and media relations, Annual Information Form and Annual Report Annual Meeting of Shareholders (Please see the Management Proxy Circular and Notice of Annual Meeting of Shareholders, dated March 12, 2018, "Shareholder Engagement" section, p.62.). SNC-Lavalin hosted its first investor and analyst day in Montreal on Tuesday, September 12, 2017. External stakeholders were not consulted in the report preparation process.
102-43	Approach to stakeholder engagement Key topics and concerns raised	 a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process. 	A client survey was completed in 2017 and included Atkins' clients, however SNC-Lavalin considers the results to be business sensitive.
102-44	Approach to stakeholder engagement Key topics and concerns raised	a. Key topics and concerns that have been raised through stakeholder engagement, including: i. how the organization has responded to those key topics and concerns, including through its reporting; ii. the stakeholder groups that raised each of the key topics and concerns.	Clients: Client surveys did not denote an increased interest for topics related to sustainable development amongst our clients. However, based on the fact that clients have been asking SNC-Lavalin to fill "supplier reports" regarding our GHG emissions for the last 3 years and that call for proposal questionnaires now generally include sections regarding environment management and/ or sustainable development related metrics, we consider these topics to be somewhat significant for our clients. Shareholders: Other than anecdotal questions regarding SNC-Lavalin's involvement in certain type of markets and projects (CO2 sequestration, for instance), shareholders did not raise concern pertaining sustainable development topics during public information sessions. However, shareholders and investors do refer to reports and ratings prepared by firms dedicated to ESG and Corporate Governance research. SNC-Lavalin does communicate and collaborate with such firms as Sustainalytics and, as previously mentioned, fills report regarding carbon emission and water via the CDP. Employees: Our latest employee survey, conducted in 2017, helped SNC-Lavalin determine its new set of values as well as its new vision for the company. Topics explicitly pertaining to sustainable development were not retained. However, we consider that these topics are covered by the umbrella values of "Integrity" and "Safety". To read about SNC-Lavalin's definition of these values, please refer to: http://www.snclavalin.com/en/vision-values
102-45	Entities included in the consolidated financial statements	 a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report. The organization can report on this Standard Disclosure by referencing the information in publicly available consolidated financial statements or equivalent documents. 	The main segments (sectors) of the Company are presented in section "Company structure" of our 2017 annual Report, p.16 and in further details in Section 7, "Segmented information", p.63 and following. They are: "Mining and Metallurgy" Oil & Gas "Clean Power" "Nuclear Power"



102-46	Defining report content and topic Boundaries	a. Explain the process for defining the report content and the Aspect Boundaries.b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	Issues of content, scope, boundaries, materiality and prioritization were reviewed by a joint team composed of representatives from the Corporate HSSE team, the Environment & Geosciences business unit and Global Corporate Communications.
102-47	List of material topics	 a. A list of the material topics identified in the process for defining report content. 	SNC-Lavalin did not complete a formal materiality assessment in preparation for the current report.
102-48	Restatements of information	 Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements. 	None to disclose.
102-49	Changes in reporting	Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	On July 3, 2017, SNC-Lavalin acquired Atkins, one of the world's most respected design, engineering and project management consultancies. SNC-Lavalin completed the acquisition of Data Transfer Solutions (DTS) on October 30th, 2017. DTS will add to the capabilities of the Company and will enhance service offerings in digital asset management for clients. On December 30, 2016, SNC-Lavalin reached financial close on the sale of its Real Estate Facilities Management business in Canada to Brookfield Global Integrated Solutions. The agreement for this sale was announced on June 30, 2016.
102-50	Reporting period	a. Reporting period (such as fiscal or calendar year) for information provided.	The 2016 calendar year, which is also the Company's fiscal year.
102-51	Date of most recent report	a. Date of most recent previous report (if any).	June 30th, 2017
	Reporting cycle	a. Reporting cycle (such as annual, biennial).	Annual
102-53	Contact point for questions regarding the report	a. Provide the contact point for questions regarding the report or its contents.	For questions regarding this report and its contents, please visit the SNC-Lavalin website (www.snclavalin. com) and click on "Contacts" on the main drop down menu.
102-54	Claims of reporting in accordance with the GRI Standards	 a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either: i. 'This report has been prepared in accordance with the GRI Standards: Core option'; ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'. 	This report has been prepared in accordance with the GRI Standards: Core option
102-55	GRI content index	 a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report. b. For each disclosure, the content index shall include: i. the number of the disclosure (for disclosures covered by the GRI Standards); ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials; iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made. 	GRI Content Index of this report.
102-56	External assurance	 a. A description of the organization's policy and current practice with regard to seeking external assurance for the report. b. If the report has been externally assured: A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; The relationship between the organization and the assurance provider; Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report. 	SNC-Lavalin did not seek external assurance for the current report.



	ent Approach		E 1 (1)		
103-1			Explanation of the material topic and its Boundary	 a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: where the impacts occur; the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. Any specific limitation regarding the topic Boundary. 	SNC-Lavalin did not complete a formal materiality assessment in preparation for the current report.
103-2	Econor	5, 8 and 16 - mic inclusion; nce mechanisms	The management approach and its components	 a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives 	Please see the "HSE governance" section of this report. c. vi : As per the HS and Environment management systems, all SNC-Lavalin controlled projects implement grievance management mechanisms. No grievance related to Environment, labor, human resources or communities were ongoing or settled in 2017.
103-3			Evaluation of the management approach	••••••••••••••••••••••••••••••••••	No formal evaluation of the management approach has been completed in 2017.
Economic	performance				
201-1	9- Infra investn perforr and de	astructure ments; Economic mance; Research velopment	Direct economic value generated and distributed	 a. Report the direct economic value generated and distributed (EVG&D) on an accruals basis including the basic components for the organization's global operations as listed below. If data is presented on a cash basis, report the justification for this decision and report the basic components as listed below: Direct economic value generated: Revenues; Economic value distributed: Operating costs; Employee wages and benefits; Payments to providers of capital; Payments to government (by country); Community investments; Economic value retained (calculated as 'Direct economic value generated' less 'Economic value distributed'). b. To better assess local economic impacts, report EVG&D separately at country, regional, or market levels, where significant. Report the criteria used for defining significance. 	 a. Please refer to the "Consolidated Statements of Financial Position", p.133 and following, in our 2016 annual Report as well as to Note 33 "Pension plans, other long-term benefits and other post-employment benefits' to our Consolidated Financial Statement, on p.202 of our 2017 annual report and the "Employees" section of the present report for information on Employee wages and benefits. b. Please refer to sections 6 "Geographic Breakdown of Revenues by Category of Activity" (p.61) and 7 "Segmented Information" (p.63) of our 2016 Annual report.
201-2	Principle 7: SDG 13 Environment: opporti	3 - Risks and unities due to e change	Financial implications and other risks and opportunities due to climate change	 a. Report risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue or expenditure, including: A description of the risk or opportunity and its classification as either physical, regulatory or other; A description of the impact associated with the risk or opportunity; The financial implications of the risk or opportunity before action is taken; The methods used to manage the risk or opportunity; The costs of actions taken to manage the risk or opportunity. 	Please see SNC-Lavalin's report to the Carbon Disclosure Project at www.cdp.net.



201-3			Defined benefit plan obligations and other retirement plans	 a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities. b. If a separate fund exists to pay the plan's pension liabilities: i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them; ii. the basis on which that estimate has been arrived at; iii. when that estimate was made. c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage. d. Percentage of salary contributed by employee or employer. e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact. 	Please see note 33, "Pension plans, other long-term benefits and other post-employment benefits", p.202 to our Consolidated Financial Statement, on p.202 of our 2017 annual report
201-4			Financial assistance received from government	 a. Total monetary value of financial assistance received by the organization from any government during the reporting period, including: tax relief and tax credits; subsidies; investment grants, research and development grants, and other relevant types of grant; awards; royalty holidays; financial assistance from Export Credit Agencies (ECAs); financial incentives; iii. other financial benefits received or receivable from any government for any operation. b. The information in 201-4-a by country. c. Whether, and the extent to which, any government is present in the shareholding structure. 	SNC-Lavalin may receive financial assistance from some governments, however, such potential amounts received would not be considered material to this report
Market Pi	resence				
202-1	Principle 6: Labour	SDG 1, 5 and 8 - Earnings, wages and benefits; Equal remuneration for women and men	Ratios of standard entry level wage by gender compared to local minimum wage	 a. When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage. b. When a significant proportion of other workers (excluding employees) performing the organization's activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage. c. Whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums can be used as a reference, report which minimum wage is being used. d. The definition used for 'significant locations of operation'. 	Not material. SNC-Lavalin is an engineering and construction company. As such there is not a significant proportion of our employees compensated based on wages subject to minimum wage rules.
202-2	Principle 6: Labour	SDG 8 - Employment	Proportion of senior management hired from the local community	 a. Report the percentage of senior management at significant locations of operation that are hired from the local community. b. Report the definition of 'senior management' used. c. Report the organization's geographical definition of 'local'. d. Report the definition used for 'significant locations of operation'. 	At the executive level, amongst SNC-Lavalin employees*, 82% of senior management were "from the local community". In this instance, SNC-Lavalin considers local someone who has the nationality of his work location. *Atkins employees were excluded as employment types definition differed of that of SNC-Lavalin during yea 2017.



Indirect E	conomic Impacts				
203-1		SDG 2, 5, 7, 9 and 11 - Infrastructure investments	Infrastructure investments and services supported	 a. Extent of development of significant infrastructure investments and services supported. b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. c. Whether these investments and services are commercial, in-kind, or pro bono engagements. 	Capital, our investment, project financing and asset management arm, manages a five billion dollar* portfo of infrastructure investments. The Company analyses its revenue and gross margin separately for Engineeri and Construction activities (E&C) and for it's investments (Capital). All financial analysis presented in the annual report and MD&A is clearly identified as either. Subsection 7.6, "capital" (p. 70 and following in the annual report) presents detailed information on investments net book value, accounting methodology for capital investments and revenues, segment ebit ar dividends of the capital segment as well as investment portfolio. * Average Fair Market Value as per analysts' calculations as at February 21, 2018
203-2		SDG 1, 2, 3, 8, 10 and 17 - Availability of products and services for those on low incomes; Economic development in areas of high poverty; Changing the productivity of organizations, sectors, or the whole economy; Access to medicines; Changing the productivity of organizations, sectors, or the whole economy; Indirect impact on job creation; Jobs supported in the supply chain; Foreign direct investment	Significant indirect economic impacts	 a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts. b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas. 	Please see "Economic impacts" section of this report.
Procurem	nent Practices				
204-1		SDG 12 - Procurement practices	Proportion of spending on local suppliers	 a. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally). b. The organization's geographical definition of 'local'. c. The definition used for 'significant locations of operation'. 	SNC-Lavalin does not compile global data in relation to this metric.
Anti-corru	uption				
205-1	Principle 10: Anti-corruption	SDG 16 - Anti-corruption	Operations assessed for risks related to corruption	a. Report the total number and percentage of operations assessed for risks related to corruption.b. Report the significant risks related to corruption identified through the risk assessment.	Please refer to the "Ethics and compliance" section of the current report and to our dedicated webpage at http://www.snclavalin.com/en/ethics-compliance/.



 205-2	Principle 10:	SDG 16 -	Communication and training about anti-	a. Total number and percentage of governance body members that	Please refer to the Ethics and Compliance section of this report, more specifically to the "Education and
	Anti-corruption	Anti-corruption	corruption policies and procedures	 the organization's anti-corruption policies and procedures have been communicated to, broken down by region. b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region. c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations. d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region. e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region. 	training" subsection.
205-3	Principle 10: Anti-corruption	SDG 16 - Anti-corruption	Confirmed incidents of corruption and actions taken	 a. Report the total number and nature of confirmed incidents of corruption. b. Report the total number of confirmed incidents in which employees were dismissed or disciplined for corruption. c. Report the total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. d. Report public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases. 	Please refer to the Ethics and Compliance section of this report.
nti-comp	etitive Behavior				
206-1		SDG 16 - Compliance with laws and regulations	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	 a. Report the total number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant. b. Report the main outcomes of completed legal actions, including any decisions or judgments. 	None to report.
Materials					
301-1	Principle 7: Environment Principle 8: Environment	SDG 8 - Materials efficiency	Materials used by weight or volume	 a. Report the total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by: Non-renewable materials used; Renewable materials used. 	SNC-Lavalin does not manufacture products, with the exception of its Production & Processing Solutions facility in Texas, which assembles equipment packages for the oil and gas industry. Relative to the Compa as a whole, the Production & Processing Solutions business unit is not considered to be material in terms this report. Services provided by SNC-Lavalin are mainly related to engineering, design and management of construct projects. Thus, office supplies represent the majority of the material used in providing these services. SNC Lavalin currently tracks its use of electronic equipment in Canada and wishes to present paper use statist starting in 2018. To that effect, SNC-Lavalin has completed the installation of Ricoh's @Remote software on its multifunction printers in the greater Montreal, Toronto, Calgary and Vancouver areas in July 2017. Configuration is scheduled to be completed in May 2018.
301-2	Principle 8: Environment	SDG 8 and 12 - Materials efficiency; Materials efficiency/ recycling	Recycled input materials used	Report the percentage of recycled input materials used to manufacture the organization's primary products and services.	As mentioned above, SNC-Lavalin does not produce consumer goods. Our consulting and engineering servuses primarily paper, IT equipment and other office supplies. All offices in the greater Montreal region (representing about 2050 employees) uses Domtar's first choice multiuse paper. This paper contains 0% of recycled material, but is certified both by the Rainforest Allianc and the Forest Stewardship Council (FSC)®. Buying FSC-certified paper counts as a sustainable purchase under the U.S. Green Building Council® Leadership in Energy and Environmental Design (LEED®) for Existing Building: Operation and MaintenanceTM rating system. All PCs and laptops are refurbished in house and reused—often many times—before being disposed of and this practice is folowed all over the world. For instance, in 2017, Atkins fulfilled 51% of computer demands

providing employees with used computers.



301-3	Principle 8: Environment	SDG 8 and 12 - Resource efficiency of products and services; Resource efficiency of products and services	Reclaimed products and their packaging materials	a. Report the percentage of reclaimed products and their packaging materials for each product category. b. Report how the data for this Indicator has been collected.	SNC-Lavalin does not sell products intended for the general public. Equipment assembled by our Production & Processing Solutions business unit includes fabricated parts (ladders, cages, pressure vessels) and parts purchased from vendors (compressors, engines, coolers, pipe, valves, metal plate). The finished goods are massive (for instance, a condensate stabilizer can weigh up to 52,000 lbs) and are shipped on custom built permanent skids. Therefore, the quantity of packaging produced by SNC-Lavalin is not deemed significant enough to warrant a package reclaiming program.
Energy					
302-1		SDG 7, 8, 12 and 13 - Energy efficiency; transport	Energy consumption within the organization	 a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used. c. In joules, watt-hours or multiples, the total: i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: i. electricity sold ii. heating sold iii. cooling sold iv. steam sold e. Total energy consumption within the organization, in joules or multiples. f. Standards, methodologies, assumptions, and/or calculation tools used. g. Source of the conversion factors used. 	Please see SNC-Lavalin's report to the CDP publicly available at CDP.net
302-2	Principle 8: Environment	SDG 7, 8, 12 and 13 - Energy efficiency; transport	Energy consumption outside of the organization	a. Energy consumption outside of the organization, in joules or multiples.b. Standards, methodologies, assumptions, and/or calculation tools used.c. Source of the conversion factors used.	SNC-Lavalin does not measure the energy consumed by third parties in relation to its activities and services.
302-3	Principle 8: Environment	SDG 7, 8, 12 and 13 - Energy efficiency; transport	Energy intensity	 a. Report the energy intensity ratio. b. Report the organization-specific metric (the ratio denominator) chosen to calculate the ratio. c. Report the types of energy included in the intensity ratio: fuel, electricity, heating, cooling, steam, or all. d. Report whether the ratio uses energy consumed within the organization, outside of it or both. 	Please see SNC-Lavalin's report to the CDP publicly available at CDP.net
302-4	Principle 8: Environment Principle 9: Environment	SDG 7, 8, 12 and 13 - Energy efficiency; transport	Reduction of energy consumption	 a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples. b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all. c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. d. Standards, methodologies, assumptions, and/or calculation tools used. 	Please see SNC-Lavalin's report to the CDP publicly available at CDP.net
302-5	Principle 8: Environment Principle 9: Environment	SDG 7, 8, 12 and 13 - Energy efficiency; transport	Reductions in energy requirements of products and services	 a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples. b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. c. Standards, methodologies, assumptions, and/or calculation tools used. 	SNC-Lavalin does not measure separately it's general energy consumption vs. the energy consumption linked to its service delivery. Production facilities assemble and sell equipments (compressors and other processing, treating and production equipment) mainly to oil and gas companies. As each unit sold is customized, it is not possible to establish a comparison point between different units or a baseline to compare year to year consumption from our products.

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Water					
303-1	Principle 7: Environment Principle 8: Environment	SDG 6 - Sustainable water withdrawals	Water withdrawal by source	 a. Total volume of water withdrawn, with a breakdown by the following sources: i. Surface water, including water from wetlands, rivers, lakes, and oceans; ii. Ground water; iii. Rainwater collected directly and stored by the organization; iv. Waste water from another organization; v. Municipal water supplies or other public or private water utilities b. Standards, methodologies, and assumptions used. 	SNC-Lavalin does not measure its global water withdrawal. Water is consumed in its offices and on project sites. In offices, water is used for drinking and sanitary purposes. It has to be noted that only 7% of the total area occupied is owned by SNC-Lavalin. The vast majority of offices are rented and thus, SNC-Lavalin has very little control on the equipment and installations. The principle use of water on project sites is for dust control and the production of cement. Concrete tends to be manufactured off site and trucked to the construction sites. Water for dust control is not considered to be significant.
303-2	Principle 8: Environment	SDG 6 - Sustainable water withdrawals	Water sources significantly affected by withdrawal of water	 a. Report the total number of water sources significantly affected by withdrawal by type: Size of water source Whether or not the source is designated as a protected area (nationally or internationally) Biodiversity value (such as species diversity and endemism, total number of protected species) Value or importance of water source to local communities and indigenous peoples B. Report standards, methodologies, and assumptions used. 	SNC-Lavalin does not consider this topic to be material.
303-3	Principle 8: Environment	SDG 6, 8 and 12 - ÀWater efficiency; Water recycling and reuse; Water efficiency	Water recycled and reused	 a. Report the total volume of water recycled and reused by the organization. b. Report the total volume of water recycled and reused as a percentage of the total water withdrawal reported under Indicator G4-EN8. c. Report standards, methodologies, and assumptions used. 	SNC-Lavalin does not consider this topic to be material.
Biodiversit	у				
304-1	Principle 8: Environment	SDG 6, 14 and 15 - Water-related ecosystems and biodiversity; Marine biodiversity; Mountain ecosystems; Natural habitat degradation; Terrestrial and inland freshwater ecosystems	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	 a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information: i. Geographic location; ii. Subsurface and underground land that may be owned, leased, or managed by the organization; iii. Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas; iv. Type of operation (office, manufacturing or production, or extractive); v. Size of operational site in km2 (or another unit, if appropriate); vi. Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem); vii. Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation). 	Only one SNC-Lavalin owned property is located within 1,000 m. of a protected area, namely the Bosque Oriental de Bogota, Colombia. It also has to be mentioned that the assembly plant leased by our Production & Processing Solutions division is located within 1,000 from the Atwater Prairie Chicken protected area in Texas, USA.



304-2	Principle 8: Environment	SDG 6, 14 and 15 - Water-related ecosystems and biodiversity; Marine biodiversity; Mountain ecosystems; Natural habitat degradation; Terrestrial and inland freshwater ecosystems	Significant impacts of activities, products, and services on biodiversity	 a. Report the nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following: Construction or use of manufacturing plants, mines, and transport infrastructure Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources) Introduction of invasive species, pests, and pathogens Reduction of species Habitat conversion Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level) b. Report significant direct and indirect positive and negative impacts with reference to the following: Species affected Extent of areas impacted Duration of impacts Reversibility or irreversibility of the impacts 	Although some of SNC-Lavalin's offices and projects are located near or adjacent to protected areas, it is considered that SNC-Lavalin's activities impacts are minimal, if any.
304-3	Principle 8: Environment	SDG 6, 14 and 15 - Water-related ecosystems and biodiversity; Marine biodiversity; Mountain ecosystems; Natural habitat degradation; Terrestrial and inland freshwater ecosystems	Habitats protected or restored	 a. Report the size and location of all habitat protected areas or restored areas, and whether the success of the restoration measure was or is approved by independent external professionals. b. Report whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures. c. Report on the status of each area based on its condition at the close of the reporting period. d. Report standards, methodologies, and assumptions used. 	Although SNC-Lavalin occupies about 375 offices and buildings worldwide, it only owns 13 properties. One such property totaling about 197 hectares, is a former munitions factory, which operated from 1938 to 1990, after which it was decommissioned. The principal legacy environmental issue is a contaminated aquifer. By certificate of authorization issued by the Quebec Ministry of the Environment SNC-Lavalin has been implementing a "Pump and treat" program for many years. Studies are currently underway to determine how best to increase the scope or pace of treatment. No significant environmental impact is anticipated on soils and ground water at other company properties. In addition to this property, SNC-Lavalin has been helping clients, mainly in the mining sector, to restore their sites after the end of their operations. In 2017, SNC-Lavalin took part in the Long Lake Mine rehabilitation. The Long Lake Mine is an abandoned gold mine covering a total superficies of 4 hectares, located in Canada. And was still working on the Lac Renzy Mine rehabilitation an 8 hectares nickel and copper mine, also located in Canada.
304-4	Principle 8: Environment	SDG 6, 14 and 15 - Water-related ecosystems and biodiversity; Marine biodiversity; Mountain ecosystems; Natural habitat degradation; Terrestrial and inland freshwater ecosystems	IUCN Red List species and national conservation list species with habitats in areas affected by operations	 a. Report the total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk: Critically endangered Endangered Vulnerable Near threatened Least concern 	SNC-Lavalin is not aware of any IUCN Red List species that may be affected by its office operations. All project sites are governed by applicable environmental assessment studies and relevant permits which address wildlife protection and conservation issues as required.
Emissions					
305-1	Principle 7: Environment Principle 8: Environment	- Air quality; Transport; GHG emissions; Ocean acidification; Forest degradation		 a. Gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent. b. Gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all. c. Biogenic CO2 emissions in metric tons of CO2 equivalent.d. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used. 	Please see SNC-Lavalin's CDP report (available at www.cdp.net).



305-2	Principle 7: Environment Principle 8: Environment	SDG 3, 12, 13, 14 and 15 - Air quality; Transport; GHG emissions; Ocean acidification; Forest degradation	Energy indirect (Scope 2) GHG emissions	 a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent. b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent. c. If available, the gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all. d. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used. 	Please see SNC-Lavalin's CDP report (available at www.cdp.net).
305-3	Principle 7: Environment Principle 8: Environment	SDG 3, 12, 13, 14 and 15 - Air quality; Transport; GHG emissions; Ocean acidification; Forest degradation	Other indirect (Scope 3) GHG emissions	 a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO2 equivalent. b. If available, the gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all. c. Biogenic CO2 emissions in metric tons of CO2 equivalent. d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation. e. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. 	Please see SNC-Lavalin's CDP report (available at www.cdp.net).
305-4	Principle 8: Environment	SDG 13, 14 and 15 - GHG emissions; Ocean acidification; Forest degradation	GHG emissions intensity	 a. Report the GHG emissions intensity ratio. b. Report the organization-specific metric (the ratio denominator) chosen to calculate the ratio. c. Report the types of GHG emissions included in the intensity ratio: direct (Scope 1), energy indirect (Scope 2) and other indirect (Scope 3). d. Report gases included in the calculation. 	Please see SNC-Lavalin's CDP report (available at www.cdp.net).
305-5	Principle 8: Environment Principle 9: Environment	SDG 13, 14 and 15 - GHG emissions; Ocean acidification; Forest degradation	Reduction of GHG emissions	 a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO2 equivalent. b. Gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all. c. Base year or baseline, including the rationale for choosing it. d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). e. Standards, methodologies, assumptions, and/or calculation tools used. 	Please see SNC-Lavalin's CDP report (available at www.cdp.net).
305-6	Principle 7: Environment Principle 8: Environment	SDG 3, 12 and 13 - Air quality; Transport; GHG emissions	Emissions of ozone-depleting substances (ODS)	 a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent. b. Substances included in the calculation. c. Source of the emission factors used. d. Standards, methodologies, assumptions, and/or calculation tools used. 	SNC-Lavalin does not produce, import or export any Ozone Depleting substances.

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Principle 8: Environment

- Air quality; Transport; and other significant air emissions GHG emissions; Ocean acidification: Forest degradation

SDG 3, 12, 13, 14 and 15 Nitrogen oxides (NOX), sulfur oxides (SOX),

i. NOX

ii. SOX

iii. Persistent organic pollutants (POP)

iv. Volatile organic compounds (VOC) v. Hazardous air pollutants (HAP)

vi. Particulate matter (PM)

vii. Other standard categories of air emissions identified in relevant regulations

b. Source of the emission factors used.

c. Standards, methodologies, assumptions, and/or calculation tools used.

a. Significant air emissions, in kilograms or multiples, for each of the following:

a. SNC-Lavalin operates one assembly plant in Texas for which the emissions from coating operations, external combustion sources (paint booth air makeup units) and internal combustion from engine run testing are the following:

i. NOX: 0.95 tons per year

ii. SOX: 0.13 tons per vear

iii. POP: not tracked

iv. Volatile organic compounds (VOC): 5.16 tons per year

v. Hazardous air pollutants (HAP): 2.28 tons per year

vi. Particulate matter (PM): 0.17 tons per year

vii. Exempt Solvent (ES): 0.18 tons per year (mainly Acetone from spray application equipment cleaning) Notes: POP tracking is not required under USA regulations.

Direct and indirect emissions of NO2 from heating and electricity usage in office buildings are presented in SNC-Lavalin's GHG emissions report to the CDP (available at www.CDP.net).

Effluents and Waste

306-1 Principle 8: Environment

14 - Water quality; Sustainable water withdrawals; Waterrelated ecosystems and biodiversity; Water

SDG 3, 6, 12 and Water discharge by quality and destination a. Report the total volume of planned and unplanned water discharges by:

Destination

• Quality of the water including treatment method

Whether it was reused by another organization

b. Report standards, methodologies, and assumptions used.

306-2

Principle 8: Environment SDG 3, 6 and 12 - spills; Waste by type and disposal method

Waste; Water-related ecosystems and biodiversity

discharge to oceans

a. Total weight of hazardous waste, with a breakdown by the following disposal

iii. Composting

v. Incineration (mass burn)

vii. Landfill

viii. On-site storage

i. Reuse

v. Incineration (mass burn)

vii. Landfill

c. How the waste disposal method has been determined:

i. Disposed of directly by the organization, or otherwise directly confirmed

methods where applicable:

i. Reuse ii. Recycling

iv. Recovery, including energy recovery

vi. Deep well injection

ix. Other (to be specified by the organization)

b. Total weight of non-hazardous waste, with a breakdown by the following

disposal methods where applicable:

ii. Recycling

iii. Composting

iv. Recovery, including energy recovery

vi. Deep well injection

viii. On-site storage

ix. Other (to be specified by the organization)

ii. Information provided by the waste disposal contractor iii. Organizational defaults of the waste disposal contractor SNC-Lavalin's water discharges are mainly sanitary water which is collected and treated by the municipalities where we operate. In some instances, sanitary water is collected in septic tanks. However, all SNC-Lavalin locations operate in accordance with local legislation. As for controlled project sites, measures are put in place to insure that run off do not have detrimental impacts on surrounding watercourses. Those measures include basins to retain sediments, coffer dams and silt curtains, specific confined areas to wash cement mixers, etc. Such measures are implemented based on the relevant environmental impact assessment reports prepared for each project.

SNC-Lavalin does not compile a global register of hazardous waste and their treatment methods for project sites or offices. However, major project sites maintain such a register and is fully compliant with local legislation when it comes to the storage, management and disposal of hazardous and non-hazardous wastes. Our assembly plant in Texas generates approximately 18 tons of Paint and Paint-Related Waste, which, in the USA, is managed under "Universal Waste" regulations and not under "Hazardous Waste" regulations. The plant does not produce any waste covered by the later regulations.



306-3	Principle 8: Environment	SDG 3, 6, 12, 14 and 15 - spills	Significant spills	 a. Report the total number and total volume of recorded significant spills. b. For spills that were reported in the organization's financial statements, report the additional following information for each such spill: Location of spill; Volume of spill; Volume of spill, categorized by: Oil spills (soil or water surfaces); Fuel spills (soil or water surfaces); Spills of wastes (soil or water surfaces); Spills of chemicals (mostly soil or water surfaces); Other (to be specified by the organization). c. Report the impacts of significant spills. 	 a. In 2017, SNC-Lavalin registered only one significant environmental release related to its activities. This incident consisted of an environmental release of high pH water into an off-site creek. b. No environmental release was reported in the organization's financial statement. c. In one instance, despite the use of a fish-scare detonator, a scheduled blast at one of our construction site resulted in the mortality of 40-50 rainbow trouts. An incident investigation was conducted and additional control measures were included in the site's operational procedures. For more information see the Environment section of the present report.
306-4	Principle 8: Environment	SDG 3 and 12 - spills; Waste	Transport of hazardous waste	 a. Total weight for each of the following: i. Hazardous waste transported ii. Hazardous waste imported iii. Hazardous waste exported iv. Hazardous waste treated b. Percentage of hazardous waste shipped internationally. c. Standards, methodologies, and assumptions used. 	The Company does not export or ship hazardous waste internationally. Very small quantities of hazardous waste are generated in regular office operations (cleaning, maintenance and renovation works). Hazardous waste generated in these activities are transported and disposed of by licensed haulers. Controlled project sites also generate some hazardous wastes which are managed as per legal requirements in the country of operation. And finally, as mentioned above, our assembly plant does not produce any Hazardous Waste as per the American regulations. All waste, including paint-related waste, is shipped off-site for disposal.
306-5	Principle 8: Environment	SDG 6 and 15 - Water- related ecosystems and biodiversity; Natural habitat degradation; Terrestrial and inland freshwater ecosystems	Water bodies affected by water discharges and/or runoff	 a. Water bodies and related habitats that are significantly affected by water discharges and/or runoff, including information on: the size of the water body and related habitat; whether the water body and related habitat is designated as a nationally or internationally protected area; the biodiversity value, such as total number of protected species. 	 a. To the best of the company's knowledge, no water bodies or related habitats were significantly impacted by SNC-Lavalin's activities in 2017. SNC-Lavalin, via its Global Environmental Management System and its Best Environmental Management Practices, prohibits the release of untreated process water or wastewater into the environment at all the facilities it controls. In 2017, only one significant accidental release to water bodies was recorded. As mentioned earlier, this incident consisted of an environmental release of high pH water into an off-site creek. However, no adverse effects were observed.
Environm	nental Compliance				
307-1		SDG 16 - Compliance with laws and regulations	Non-compliance with environmental laws and regulations	a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of: i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.	In 2017, one significant fine was imposed on SNC-Lavalin pertaining to environmental non-compliance. SNC-Lavalin Constructors (Pacific) Inc. and two joint venture partners were each fined \$30,000 for being a generator of liquid industrial waste, permitting the waste to leave its control by a non-approved waste transportation contractor, and failing to complete a waste manifest, contrary to the Environmental Protection Act (EPA). In addition, one violation ticket was issued for failing to submit the necessary documentation to government authorities prior to repairing a riprap protective structure along a stream shoreline. Work on the riprap was immediately stopped while we submitted the appropriate application and notification.
Supplier I	Environmental Ass	sessment			
308-1	Principle 8: Environment		New suppliers that were screened using environmental criteria	a. Report the percentage of new suppliers that were screened using environmental criteria.	At the time being, SNC-Lavalin does not screen product suppliers using environmental criteria. That being said, on construction project, the main "suppliers" are contractors. Contractors and sub-contractors are expected to abide by SNC-Lavalin's Global Environment Management System and clauses to that effect are included in all major contracts. When a project is audited against corporate management system compliance, contractors are also audited. In 2017, 11 such audits were conducted.



308-2	Principle 8: Environment		Negative environmental impacts in the supply chain and actions taken	 a. Report the number of suppliers subject to environmental impact assessments. b. Report the number of suppliers identified as having significant actual and potential negative environmental impacts. c. Report the significant actual and potential negative environmental impacts identified in the supply chain. d. Report the percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment. e. Report the percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why. 	As mentioned above, SNC-Lavalin does not screen product supplier using environmental criteria.
Employm	nent				
401-1	Principle 6: Labour	SDG 5 and 8 - Gender equality; Employment; Youth employment	New employee hires and employee turnover	a. Report the total number and rate of new employee hires during the reporting period, by age group, gender and region.b. Report the total number and rate of employee turnover during the reporting period, by age group, gender and region.	SNC-Lavalin consider this information to be business sensitive.
401-2		SDG 8 - Earnings, wages and benefits	Benefits provided to full-time employees that are not provided to temporary or part- time employees	 a. Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum: i. life insurance; ii. health care; iii. disability and invalidity coverage; iv. parental leave; v. retirement provision; vi. stock ownership; vii. others. b. The definition used for 'significant locations of operation'. 	Not reported
401-3	Principle 6: Labour	SDG 5 and 8 - Parental leave	Parental leave	 a. Report the total number of employees that were entitled to parental leave, by gender. b. Report the total number of employees that took parental leave, by gender. c. Report the total number of employees who returned to work after parental leave ended, by gender. d. Report the total number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work, by gender. e. Report the return to work and retention rates of employees who took parental leave, by gender. 	At the time being, SNC-Lavalin does not track the relevant metrics in order to properly disclose on this topic.
Labor/Ma	anagement Relation	S			
402-1	Principle 3: Labour	SDG 8 - Labor/ management relations	Minimum notice periods regarding operational changes	 a. Report the minimum number of weeks' notice typically provided to employees and their elected representatives prior to the implementation of significant operational changes that could substantially affect them. b. For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements. 	 Although various situations need to be analysed on a case by case basis, SNC-Lavalin ensure to provide sufficient notice to employees prior to making operational changes.

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Occupatio	nal Health and Saf	ety			
403-1		SDG 8 - Occupational health and safety	Workers representation in formal joint management–worker health and safety committees	a. The level at which each formal joint management-worker health and safety committee typically operates within the organization. b. Percentage of workers whose work, or workplace, is controlled by the organization, that are represented by formal joint management-worker health and safety committees.	Please see the "Health, Safety and Environment section" of this report.
403-2		SDG 3 and 8 - Occupational health and safety	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	 a. Types of injury, injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate (AR), and work-related fatalities, for all employees, with a breakdown by: region; gender. b. Types of injury, injury rate (IR), and work-related fatalities, for all workers (excluding employees) whose work, or workplace, is controlled by the organization, with a breakdown by: region; gender. c. The system of rules applied in recording and reporting accident statistics. 	Please see the "Health and Safety" section of this report.
403-3		SDG 3 and 8 - Occupational health and safety	Workers with high incidence or high risk of diseases related to their occupation	a. Whether there are workers whose work, or workplace, is controlled by the organization, involved in occupational activities who have a high incidence or high risk of specific diseases.	SNC-Lavalin is not aware of any occupational disease specific or more prevalent amongst its workforce in comparison to the general population. In order to prevent injuries related to repetitive motions, many office locations provide the services of an ergonomics specialist.
403-4		SDG 8 - Occupational health and safety	Health and safety topics covered in formal agreements with trade unions	a. Whether formal agreements (either local or global) with trade unions cover health and safety.b. If so, the extent, as a percentage, to which various health and safety topics are covered by these agreements.	As only 4.5 percent of workers are unionized, this topic is not considered to be material.
Training a	nd Education				
404-1	Principle 6: Labour	SDG 4, 5 and 8 - Employee training and education; Gender equality	Average hours of training per year per employee	 a. Report the average hours of training that the organization's employees have undertaken during the reporting period, by: Gender Employee category 	Please see the Employee's Academy subsection of this report.
404-2		SDG 8 - Employee training and education	Programs for upgrading employee skills and transition assistance programs	 a. Report on the type and scope of programs implemented and assistance provided to upgrade employee skills. b. Report on the transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment. 	Please see the "Academy" subsection of this report.
404-3	Principle 6: Labour	SDG 5 and 8 - Gender equality; Employee training and education	Percentage of employees receiving regular performance and career development reviews	a. Report the percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	In 2017, 99% of eligible employees received an evaluation.

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Diversity	and Equal Opportu				
405-1	Principle 6: Labour	SDG 5 and 8 - Equal remuneration for women and men; Gender equality; Women in leadership; Diversity and equal opportunity	Diversity of governance bodies and employees	 a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: Gender; Age group: under 30 years old, 30-50 years old, over 50 years old; Other indicators of diversity where relevant (such as minority or vulnerable groups). b. Percentage of employees per employee category in each of the following diversity categories: Gender; Age group: under 30 years old, 30-50 years old, over 50 years old; Other indicators of diversity where relevant (such as minority or vulnerable groups). 	a. 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, 2017: i. the Board of Directors of SNC-Lavalin was composed of 7 men and 3 women, excluding the president and CEO. The Company's Leadership Team was composed of 9 men and 2 women, excluding the president and CEO. ii. the board of director age distribution was: Less than 45 - 0% 46-55 - 40% 56-65 - 40% over 65 - 20% b. i. Workforce by gender (excluding Atkins employees, on December 31, 2017): Male – 85% Female – 15% ii. Workforce by age (excluding Atkins employees, on December 31, 2017): Less than 25 years old - 7,9% 26-35 - 32,7% 36-45 - 28,8% 46-55 - 19,6% 56-65 - 9,4% over 65 - 1,6%
405-2	Principle 6: Labour	SDG 5, 8 and 10 - Equal remuneration for women and men	Ratio of basic salary and remuneration of women to men	 a. Report the ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation. b. Report the definition used for 'significant locations of operation.' 	This metric has not been tallied in 2017. In 2016, the ratio of salaries (men to women) varied between 119% and 135%, depending on employment type.
Non-discr	rimination				
406-1	Principle 6: Labour	SDG 5, 8 and 16 - Non-discrimination	Incidents of discrimination and corrective actions taken	 a. Report the total number of incidents of discrimination during the reporting period. b. Report the status of the incidents and the actions taken with reference to the following: Incident reviewed by the organization; Remediation plans being implemented; Remediation plans have been implemented and results reviewed through routine internal management review processes; Incident no longer subject to action. 	Very few allegations of discrimination were brought to the attention of senior management. For those deemed to be founded, remedies have been implemented or are in the process of implementation. A formal reporting process has been developed to facilitate the reporting of incidents, including an Ethics & Compliance hotline operated by an independent third-party service provider.

Freedom of Association and Collective Bargaining

407-1	Principle 3: Labour	SDG 8 - Freedom	Operations
		of association and	to freedom
		collective bargaining	bargaining

m of association and collective bargaining may be at risk

- as and suppliers in which the right a. Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of:
 - i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at
 - b. Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.

SNC-Lavalin is not aware of any instances where these rights may have been violated.



Child Lab	or				
408-1	Principle 5	SDG 8 - Abolition of child labor	Operations and suppliers at significant risk for incidents of child labor	 a. Report operations and suppliers considered to have significant risk for incidents of: Child labour; Young workers exposed to hazardous work. b. Report operations and suppliers considered to have significant risk for incidents of child labour either in terms of: Type of operation (such as manufacturing plant) and supplier; Countries or geographical areas with operations and suppliers considered at risk. c. Report measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labour. 	Child labour is not permitted at SNC-Lavalin under any circumstances and represents a violation of our Code of Ethics.
Forced or	Compulsory Labor				
409-1	Principle 4: Labour	SDG 8 - Elimination of forced or compulsory labor	Operations and suppliers at significant risk for incidents of forced or compulsory labor	 a. Report operations and suppliers considered to have significant risk for incidents of forced or compulsory labour either in terms of: • Type of operation (such as manufacturing plant) and supplier; • Countries or geographical areas with operations and suppliers considered at risk. b. Report measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labour. 	Forced and compulsory labour is a violation of SNC-Lavalin's Code of Ethics. SNC-Lavalin has a zero tolerance policy pertaining to forced and compulsory labour within its offices and on project sites under its responsibility. Due to the prevalence of the use of third country nationals for labour on construction sites, the Middle East and North Africa regions are considered at risk. SNC-Lavalin has developed processes for the recruitment of migrant workers which conform to international best practices (clear, unmodified contracts, no charging of recruitment costs to workers, no retention of passports, use of agents in country of origin that have been accredited by the relevant government administration, etc.). SNC-Lavalin conducts regular, detailed audits of workers transportation and accommodation (including accommodation used by third party agents) and screens prospective new business partners regarding their management of recruitment processes and accommodations
Security F	Practices				
410-1	Principle 1:Human Rights Aspect Security Practices	SDG 16 - Security	Security personnel trained in human rights policies or procedures	 a. Report the percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security. b. Report whether training requirements also apply to third party organizations providing security personnel. 	SNC Lavalin Global Security continues to work towards meeting the Voluntary Principle on Security and Human Rights (VPSHR) standards. To this end, we have reviewed our global security guard contract to ensure that we include a compliance requirement to the VPSHR.
Rights of	Indigenous Peoples	;			
411-1	Principle 1:Human Rights Aspect Indigenous Rights	ADG 2 - Indigenous rights	Incidents of violations involving rights of indigenous peoples	 a. Report the total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period. b. Report the status of the incidents and actions taken with reference to: Incident reviewed by the organization; Remediation plans being implemented; Remediation plans have been implemented and results reviewed through routine internal management review processes; Incident no longer subject to action. 	No identified incidents related to violations of the rights of indigenous peoples.



Human F	Rights Assessment				
412-1	Principle 1:Human Rights Aspect Assessment		Operations that have been subject to human rights reviews or impact assessments	a. Report the total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.	Please see the Ethics and compliance section of this report
412-2	Principle 1:Human Rights Aspect Investment		Employee training on human rights policies or procedures	 a. Report the total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations. b. Report the percentage of employees in the reporting period trained in human rights policies or procedures concerning aspects of human rights that are relevant to operations. 	Please see the Ethics and compliance section of this report
412-3	Principle 2: Human Rights Aspect Investment		Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	 a. Report the total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening. b. Report the definition of 'significant investment agreements' used by the organization. 	Not reported
Local Co	mmunities				
413-1	Principle 1:Human Rights Aspect: Local Communities		Operations with local community engagement, impact assessments, and development programs	 a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of: i. social impact assessments, including gender impact assessments, based on participatory processes; ii. environmental impact assessments and ongoing monitoring; iii. public disclosure of results of environmental and social impact assessments; iv. local community development programs based on local communities' needs; v. stakeholder engagement plans based on stakeholder mapping; vi. broad based local community consultation committees and processes that include vulnerable groups; vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts; viii. formal local community grievance processes. 	Please see the "Economic Impacts" section of this report, more specifically the subsection regarding our LRDITM initiatives. It has to be noted that SNC-Lavalin does not carry permanent "operations" other than its office activities and one assembly plant, located in Texas. All project sites are, by definition, temporary and their location are determined by clients. In the vast majority of cases, SNC-Lavalin is not responsible for community relations for the duration of the project. However, it has the capacity to complete (social and/or environmental) impact assessments when mandated by the client to do so (please see our service offering and brochure at http://www.snclavalin.com/en/market-services/infrastructure/environment-geoscience/impact-assessment-community-engagement/ for more details).
413-2	Principle 1:Human S Rights Aspect: Local t Communities	SDG 1 and 2 - Access to land	Operations with significant actual and potential negative impacts on local communities	 a. Report operations with significant actual and potential negative impacts on local communities, including: • The location of the operations • The significant actual and potential negative impacts of operations 	Not material. SNC-Lavalin is an engineering and construction company. As such, activities are either temporary (project sites) or office-based. When project sites are located close densely populated or urban areas, SNC-Lavalin complies to all law and regulations related to noise, traffic, dust, light, work hours, etc. Grievance mechanisms are in place to find solutions in the rare cases where local population are inconvenienced by the work carried by our teams.
Supplier	Social Assessment				
414-1	Rights Aspect V Supplier Human h Rights Assessment p	SDG 5, 8 and 16 - Workplace violence and harassment; Labor practices in the supply chain	New suppliers that were screened using social criteria	a. Percentage of new suppliers that were screened using social criteria.	Please see the Ethics and compliance section of this report



414-2	Principle 2: Human Rights Aspect Supplier Human Rights Assessment	SDG 5, 8 and 16 - Workplace violence and harassment; Labor practices in the supply chain	Negative social impacts in the supply chain and actions taken	 a. Number of suppliers assessed for social impacts. b. Number of suppliers identified as having significant actual and potential negative social impacts. c. Significant actual and potential negative social impacts identified in the supply chain. d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment. e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why. 	Please see the Ethics and compliance section of this report
Public Pol	licy				
415-1	Principle 10: Anti-corruption	SDG 16 - Anti-corruption	Political contributions	 a. Report the total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/ beneficiary. b. Report how the monetary value of in-kind contributions was estimated, if applicable. 	Subject to the constraints of the applicable legislation or regulations and unless prior written authorization from both the Donations and Sponsorship Committee and the Executive Committee, SNC-Lavalin employees are prohibited from making political contributions on behalf of SNC-Lavalin to political candidates, parties, organizations or any other political entity, at all levels of government.
Customer	Health and Safety				
416-1			Assessment of the health and safety impacts of product and service categories	a. Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	Safety in design is considered by our conception teams for all SNC-Lavalin engineering projects. A Standard Operational Procedure was developed in 2017 and adopted in early 2018. This procedure outlines the methodology used to minimize occupational hazards during the design process, with an emphasis on optimizing HSE throughout the life cycle of materials and process. Safety in design indicators were also added to our audit tool in January 2018.
416-2		SDG 16 - Compliance with laws and regulations	Incidents of non-compliance concerning the health and safety impacts of products and services	 a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient. 	No incidents of non-compliance Incidents of non-compliance concerning the health and safety impacts of products and services to report
 Marketing	and Labeling				
417-1	, J	SDG 12 and 16 - Product and service information and labeling; Compliance with laws and regulations	Requirements for product and service information and labeling	 a. Whether each of the following types of information is required by the organization's procedures for product and service information and labeling: i. The sourcing of components of the product or service; ii. Content, particularly with regard to substances that might produce an environmental or social impact; iii. Safe use of the product or service; iv. Disposal of the product and environmental or social impacts; v. Other (explain). b. Percentage of significant product or service categories covered by and assessed for compliance with such procedures. 	Not material. SNC-Lavalin is an engineering and construction company. As such, we do not deliver "products" to clients, but services. However, SNC-Lavalin does fill specific cdp or GHG emission reports for clients who request it.



417-2	SDG 16 - Compliance with laws and regulations	Incidents of non-compliance concerning product and service information and labeling	 a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient. 	No incidents of non-compliance Incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling to report
417-3		Incidents of non-compliance concerning marketing communications	 a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient. 	No incidents of non-compliance Incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications to report.
Customer Privacy				
418-1	SDG 16 - Compliance with laws and regulations; Protection of privacy	Substantiated complaints concerning breaches of customer privacy and losses of customer data	 a. Report the total number of substantiated complaints received concerning breaches of customer privacy, categorized by: Complaints received from outside parties and substantiated by the organization; Complaints from regulatory bodies. b. Report the total number of identified leaks, thefts or losses of customer data. c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient. 	 a. no complaints were received in 2017. b. To the knowledge of SNC-Lavalin no costumer data was lost or stolen in 2016. SNC-Lavalin Cyber security team's core mission is to ensure the protection of confidential information, particularly clients' intellectual property and employees' personal information. The team has put in plac a number of programs and actively monitor our infrastructures and assets to root out any weaknesses. In 2017, we thwarted 202 cyber security incidents.
Socioeconomic Compliance				
419-1	SDG 16 - Compliance with laws and regulations	Non-compliance with laws and regulations in the social and economic area	 a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of: total monetary value of significant fines; total number of non-monetary sanctions; cases brought through dispute resolution mechanisms. b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient. The context against which significant fines and non-monetary sanctions were incurred. 	No significant fines or non-monetary sanctions were imposed on SNC-Lavalin for non-compliance with law and/or regulations in the social and economic area in 2017.



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