



SNC • LAVALIN

Integrity Highlights

2023





COMMITTED TO DOING
BUSINESS THE RIGHT WAY

Dear colleagues,

Our company's reputation is earned everyday. It is earned by the services we provide to our clients as well as by our conduct. Our strong commitment to doing business ethically and with integrity is key to our performance.

Doing our job the right way is as much a part of our culture as our core values of Safety, Integrity, Collaboration and Innovation; they are fundamental to who we are and how we operate as an organization.

We have learned a lot from the past and should feel proud of what we have achieved and what our company stands for. At the same time, we must never drop our guard and become complacent.

We are committed to acting with integrity and doing what's right by holding ourselves to the highest ethical standards and we are happy to see that this is once again being acknowledged by a prestigious independent voice within the ethics and compliance world.

For the third consecutive time, we received the Ethisphere's Compliance Leader Verification. Effective from 2023 to 2024, this recognition is conferred exclusively to companies with the best industry ethics and compliance program. Our Integrity Program supports us in building a culture where all employees understand the "why" behind our company's approach to ethics and compliance.

We've come a long way and learned a lot on our journey to ethics and compliance excellence. We recognize that it's not enough to simply comply with laws and regulations. To meet the benchmark we set for ourselves, it's essential that integrity is woven into the very fabric of our organization.

Ultimately, integrity is about doing the right thing. It should be as natural as breathing – you don't have to think about it: it's just the way you do business. And that's what we all are striving for, because ethics and business success go hand-in-hand.



A stylized, handwritten signature in black ink, appearing to read 'Ian Edwards'.

Ian L. Edwards
PRESIDENT AND CEO



A stylized, handwritten signature in black ink, appearing to read 'Hentie Dirker'.

Dr. Hentie Dirker
CHIEF ESG AND INTEGRITY OFFICER



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..

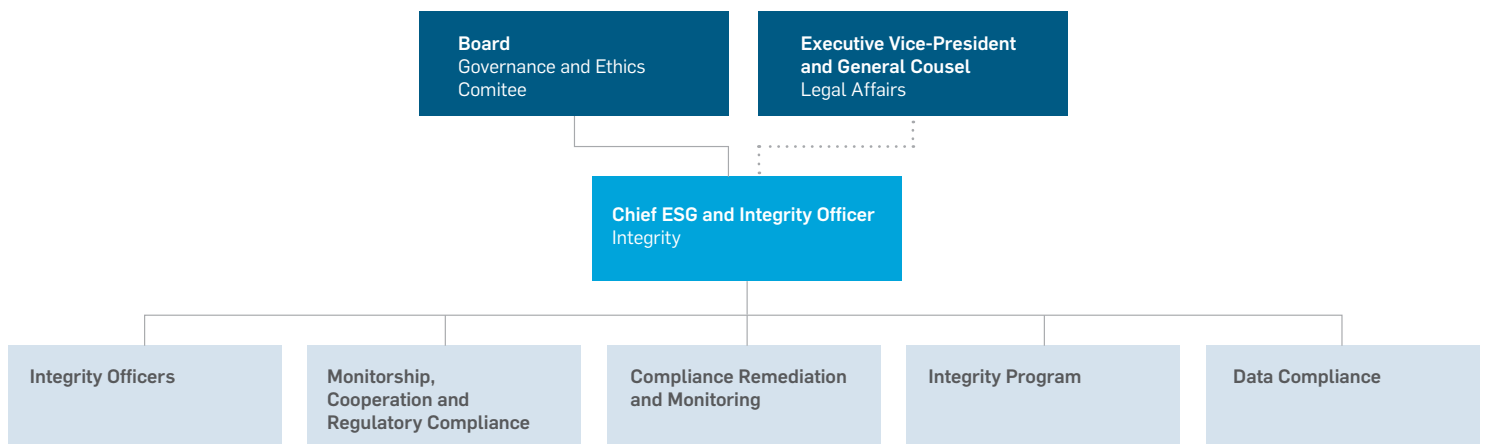
A global team of dedicated professionals

Our ethics and compliance team encompasses highly experienced professionals who work in three areas:

- › Corporate Integrity & Regulatory compliance function
- › Dedicated sector, regional and functional Integrity Officers
- › Compliance remediation and monitoring group

Our team's responsibilities include developing, implementing and maintaining a comprehensive Integrity Program that influences our company's activities and supports our sectors and regions. Integrity Officers ultimately report to the Chief ESG and Integrity Officer, ensuring true independence of the compliance function. The Chief Integrity Officer reports directly to the Board of Directors and, operationally, to the General Counsel.

Integrity Officers are appointed for each sector of activity and for each region in which SNC-Lavalin operates. Our employees are encouraged to communicate and ask questions about the interpretation or the application of compliance procedures directly to the Integrity Officer responsible for a chosen sector or region. The close and trustful relationship between Integrity Officers and employees is the bedrock of our program's success.



A network of integrity ambassadors

In addition to our dedicated professionals, the Integrity Ambassador Program aims to expand the Integrity footprint from an awareness and communication perspective, foster a business environment that is committed to ethical practices and provide additional, local support to employees.

Ambassadors act as points of contact for the Integrity function, assist with on-location and in-person follow-ups for Integrity matters where necessary, and participate in management meetings in order to communicate news and developments as they relate to Integrity. In addition, they provide feedback for continuous improvement of the program to ensure we are committed to applying best practices.

Our network currently comprises around 150 committed change agents worldwide.

Our Integrity Program

Three action elements define our Integrity Program: prevent, detect and respond. This comprehensive and integrated approach maintains our ethical health, supports our long-term success and preserves and promotes our values.

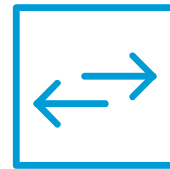
Our Integrity Program components adhere to ethics and compliance principles from international bodies such as Transparency International, Organisation for Economic Cooperation and Development (OECD), United Nations Global Compact, World Bank, African Development Bank, and follow the United States Department of Justice FCPA Guidance.



PREVENT



DETECT



RESPOND

Watch our [video](#) on the Integrity program.





PREVENT

Fostering an Integrity culture prevents the likelihood of wrongdoing
and compliance violations from occurring

Tone from the top and management responsibility

We turn words into action, starting at the top. "Tone from the Top" involves clear and consistent messages from the top Leadership Team, engaging middle management in integrity and compliance communications. This way, we also create the "Tone in the Middle" which we believe is essential for our program's success.

All of our managers must exemplify ethical behaviours and compliance with laws and internal policies. They are encouraged to promote a culture of compliance and integrity, including a positive working environment in which people are treated with dignity and respect. Everyone expects our management to lead by both word and deed.

Governance framework

The purpose of our Governance Framework is to reflect the philosophy, direction, and know-how of SNC-Lavalin in guiding action and decision-making by employees. These guiding principles on governance establish:

- › The definitions and classification levels of governance documents, such as statements, policies, procedures and work instructions;
- › A centralized and unique approach to ensure an easy access to our governance documents; and
- › A process to keep these governance documents updated on a regular basis to reflect best practices from an integrity perspective.

Code of Conduct

An important component of our governance is our Code of Conduct, which is one of the many tools we've created to strengthen our Integrity Program. Our Code is a living document that we regularly update to reflect changes in laws, governance and best practices.

Our Code applies to each and every one of us at SNC-Lavalin – from the members of the Board of Directors to our Leadership Team and to managers, employees, individual consultants and loaned personnel. They are all responsible for complying with our Code and our governance documents. It is part of the terms and conditions of their relationship with SNC-Lavalin. They are also required to complete a yearly certification process to ensure that our Code is understood and applied.

We make countless decisions every day. While most ethics-related decisions are made using good judgment, the right path is sometimes unclear. The Code offers guidance on the right thing to do when faced with those difficult situations. If the answer is still unclear after consulting the Code, employees must speak with their managers or Integrity Officers.

Our Code is available in multiple languages on our [website](#).

SNC-Lavalin is committed to doing business with the highest integrity. Maintaining a reputation of integrity depends on the actions of everyone in the organization, as well as those of third parties the company partners with. That's why we have a strong Supplier Code of Conduct [available in multiple languages](#) on our website

Anti-corruption and bribery

SNC-Lavalin is committed to the highest standards of integrity, and set forth the following guiding principles:

- › SNC-Lavalin prohibits bribery and corruption in all its forms in all business dealings and relationships (including the public and private sectors), no matter where we operate.
- › It is strictly prohibited from using SNC-Lavalin's funds or other assets for any unlawful or improper purpose. At SNC-Lavalin, we are expected to be vigilant in ensuring enforcement of this prohibition and the proper use of company assets.
- › At SNC-Lavalin, we are expected to comply in every respect with all applicable anti-corruption and anti-bribery legislation.

More details are included in our [Compliance Procedure](#).

Tax Evasion

SNC-Lavalin has zero tolerance for any criminal facilitation, including tax evasion, and would never accept being complicit in facilitating a third party to evade taxes in any jurisdiction.

The prevention, detection and reporting of the facilitation of tax evasion are the responsibility of all those working for or on behalf of SNC-Lavalin or under its control.

At SNC-Lavalin we are required to remain vigilant and avoid any activity that might lead to, or suggest, facilitation of tax evasion.

Failing to report concerns about anyone acting for or on the behalf of SNC-Lavalin, "turning a blind eye" or deliberately ignoring signs which suggest that a third party is or may be engaging in tax evasion are all considered to be unacceptable conduct.

More details are included in our [Compliance Procedure](#).



Facilitation payments

The payment, authorization of payment, direct or indirect offer, or promise to pay any facilitation payments or "grease" payments is strictly prohibited.

In the unlikely event that we would have no alternative but to provide a payment in order to prevent an imminent and serious threat to our health, safety or welfare, or that of a family member, such payment would be considered as an extortion payment and would be permissible under these exceptional circumstances.

More details are included in our [Compliance Procedure](#).

Antitrust and competition

Since it is not possible to cover all the different requirement levels of the applicable antitrust laws and regulations, the highest levels of antitrust legal and ethical requirements are promoted and the types of conduct that antitrust and competition laws address are described in our [Compliance Procedure](#) to ensure employees' good understanding.

Political contributions

Strict guidelines are applied with respect to making political contributions. The use of SNC-Lavalin's name, time, funds, property, resources or employee lists for or in aid of political parties or candidates is prohibited.

We do not retain the services of politicians for any business activities.

As a result of the acquisition of Atkins, in 2017, employees in the United States of America (USA) may voluntarily contribute to the Atkins Political Action Committee (PAC) in the USA. The Atkins PAC complies fully with all USA campaign finance law and with SNC-Lavalin's governance documents. The Atkins PAC is supported entirely by employee contributions. Accordingly, the Atkins PAC does not use SNC-Lavalin's funds, property, or resources. As a result of the Atkins acquisition, SNC-Lavalin also acquired the Atkins Foundation, which supports charitable endeavours in the USA focused primarily on STEM education. SNC-Lavalin supports the Atkins Foundation with corporate investment. USA employees may also voluntarily contribute to the Atkins Foundation, as well as suggest Foundation contributions to charitable endeavours consistent with the Foundation's purpose.

More details are included in our [Compliance Procedure](#).

Donations, sponsorships, employee involvement and corporate memberships

A Donations and Sponsorships Committee is responsible for the evaluation and the approval of requests for donations and sponsorships to ensure that the funding of the social and community investment is globally aligned with the philanthropic and business objectives of SNC-Lavalin.

More details are included in our Donations, Sponsorships and Employee Involvement Standard Operating Procedure.

Gifts and hospitality

We must respect certain principles when giving or receiving gifts and hospitality. These principles are supported by helpful tools such as a web-based mobile friendly application to determine when giving or receiving gifts or hospitality is appropriate and permitted, especially when government officials are involved.

More details are included in our [Compliance Procedure](#).

Watch our [video](#) on Gifts and Hospitality.

Conflicts of interest

At SNC-Lavalin, we must ensure that we act in the best interest of the company and its stakeholders and not let secondary interests influence our judgment and decisions. All conflicts of interest, whether actual, potential or perceived, must be avoided.

We must complete a conflict of interests disclosure form when we first join SNC-Lavalin, and whenever a change of situation can result in an actual, potential or perceived conflict of interest.

Hiring current or former government officials, their immediate family members or someone with whom they have a close personal relationship requires additional guidance.

More details are included in our [Conflicts of interest procedure](#).

Accurate record keeping

Accurate, complete and reliable records are crucial to our business as they guide decision making and strategic planning. They are the basis of our financial reports and are necessary to fulfill SNC-Lavalin's obligation to provide full and truthful disclosures to investors, stakeholders and regulatory authorities.

Our records must be prepared in accordance with applicable laws and regulations as well as SNC-Lavalin's Code of Conduct, governance documents, internal controls, processes and accounting principles.

Training

Customized training programs have been designed to raise awareness on key ethics and compliance issues. They are assigned to SNC-Lavalin employees, board members or consultants based on their roles and responsibilities.

Along with the annual Code of Conduct certification, we develop in-house training, both in class and online, on various topics related to our Integrity Program. We also adapt or use training from recognized providers such as TRACE International and the United Nations.

If you are interested in consulting statistics related to the Integrity Training, please see our latest [Sustainability Report](#).

For our craft and general labour workforce, we ensure awareness of our Code of Conduct and values by providing timely information by various means such as onboarding presentations, posters, and during monthly meetings. Pictograms have specifically been developed in case employees can't read or understand any of the languages in which our Code is available.

Communications

It takes clear and consistent communications to make a program thrive. To engage our employees, we use numerous communication channels (global, sectorial and regional). Our intranet's Integrity section offers useful information on ethics and compliance and is available in English and French. Other materials might be available in select languages according to regional business needs. The information available includes:

- › All integrity and compliance-related policies and SOPs with related documents and tools
- › Instructions for reporting violations and reporting channels
- › Compliance material/tools library
- › Training and educative materials
- › Team contact information
- › Integrity moment examples
- › Integrity related FAQs

Integrity moments are included in regular management meetings and events with more than three persons, with the clear message that everyone is responsible for acting with integrity in everything that they do.

We also provide our clients and stakeholders with detailed information on ethics and compliance initiatives, a list of contacts to promptly address questions and issues, and information on the company's vision and plans for the future.



Compliance Risk Assessment

Our integrity risk approach accommodates the developments in the international regulatory environment and focuses on in-depth country compliance risks. For the purposes of our Compliance Risk Assessment (every 18 months), we identify the most relevant risk scenarios based on 17 key risk indicators, including:

- › FCPA International Enforcement and UKBA International Enforcement trends;
- › Global Slavery Index;
- › Analysis of financial records, including gifts and hospitality spendings, donations and sponsorships, revenues in high risk countries, etc.;
- › The analysis of our internal investigations; and
- › Through interviews within the organization.

We select locations for focused internal work based on the outcome of an indicator-based analysis. Working with executives at various levels of the organization, we conduct meaningful discussions that are issue and incident-specific. We focus on understanding the types of misconduct that are most likely to occur in a line of business. Following a rigorous process, we detect gaps and assist local management with remedial action at the level where the risk is.

Our KPI-based analysis, comprised of eight carefully selected risk indicators, was carried out in our top 39 countries. Subsequently, in-depth reviews including remedial action definition were conducted in 17 countries and at close to 13 sector businesses. This proactive approach is fundamental to mitigating risk across the full spectrum of potential threats for our company and its stakeholders. The risk assessment will be conducted again in mid-2023 in order to identify new risk areas across all sectors in those countries.

Business partners

At SNC-Lavalin we expect all our third parties (including suppliers and those we consider our business partners) to operate in a way that reflects the highest ethical business standards, aligned to our culture and values, and comply with all applicable laws and regulations. Please refer to our [Supplier](#) and [Counterparty](#) Code of Conduct.

Any third parties performing intermediary functions or acting for or on behalf of SNC-Lavalin are considered business partners. Such relationships require additional compliance due diligence – risk assessment, risk mitigation and appropriate approval, monitoring and oversight prior to entering an engagement and throughout the duration of an agreement with them.

A risk-based compliance due diligence on business partners is a company-wide requirement. Based on a set of defined risk indicators, each engagement is assigned a risk level - Basic, Standard or Enhanced. Such risk segmentation then allows for risk-based due diligence that includes additional reviews, approval, training and contractual requirements for higher-risk engagements. No payments to the business partner under review can be made until all the due diligence and remedial actions, are completed and documented.

Our Business Partner Due Diligence Process allows SNC-Lavalin to be proportionate and consistent in application of risk management and drives business accountability for third-party risk. Once the process is complete, all approved business partners automatically receive a copy of our Supplier Code of Conduct.

Data privacy

Data protection and data privacy laws are legal requirements designed to protect the rights of individuals (including their right to privacy) and to protect personal data.

To this extent, SNC-Lavalin is committed to:

- › Provide demonstrable senior management commitment and support for compliance with applicable data protection and privacy law;
- › Promote transparent and consistent standards and practices in handling personal data across the company;
- › Protect the rights of employees, clients, suppliers and other individuals whose personal data may be processed by the company;
- › Mitigate and prevent risks of data privacy breaches; and
- › Provide a clear framework for setting data protection and privacy requirements.

SNC-Lavalin is committed to respecting individual privacy laws. We will ensure that the use of personal data is always explained transparently, and that personal data is used only for the purpose for which it was collected or to meet legal and regulatory obligations.

More details are included in our [Privacy Notice](#).



Modern slavery prevention

We are dedicated to protecting our employees, contractors, partners and clients from any form of modern slavery and human trafficking by promoting their wellness throughout all our activities in accordance with our core values: Safety, Integrity, Collaboration and Innovation.

Each financial year, SNC-Lavalin signs a [global statement](#) that explains which steps are taken to ensure that human trafficking is not occurring in any of its supply chains or its business, in accordance with section 54 of the UK Modern Slavery Act (2015) and the Australian Modern Slavery Act 2018 (Cth).

Trade compliance

SNC-Lavalin operates in countries that have implemented export controls on goods, technology, software and services, as well as economic sanctions against countries, territories, individuals and entities. No business activities can be undertaken by any employee or individual acting on behalf of SNC-Lavalin that do not comply with these laws and regulations.

In order to ensure strict adherence to export controls and economic sanctions, we:

- › Enhance employee awareness and knowledge;
- › Provide training and support on our procedure to employees working on international contracts or transactions;
- › Communicate SNC-Lavalin's requirements and expectations to any intermediary (customs brokers, freight forwarders, or other business partners) assisting our business; and
- › Conduct regular audits and monitoring activities to detect violations or improvement needs.

SNC-Lavalin's operations must be fully compliant with the export controls, economic sanctions and anti-boycott laws and regulations of all the jurisdictions where we do business.

More details are included in our [Trade Compliance procedure](#).

Mergers and acquisitions compliance due diligence

SNC-Lavalin is involved in acquiring other companies, making investments and pursuing strategic partnerships and joint ventures. All such arrangements with third parties must reflect and uphold SNC-Lavalin's standards for integrity and compliance.

Performing adequate due diligence prior to entering into any such business agreements or relationships with third parties is key to ensuring that legal, financial and reputational risks are analyzed and understood.

Some of the actions taken include:

- › Assessing the target company's ethics and compliance standards;
- › Measuring the target company's ethics and compliance status against our Integrity Program;
- › Performing integrity checks on the target company's senior management and ownership structure;
- › Conducting in-depth personal interviews with the target company's senior management, including the CEO, CFO, compliance officers and other key functions; and
- › Developing a detailed integration plan along the identified gaps between SNC-Lavalin's and the target company's ethics and compliance program



Collective actions

We support global anti-corruption efforts and continue to encourage a constructive dialogue between governments, industries and business. To this extent, we share our story and our learning to help others in their journey to ethics and compliance excellence.

We participate in various initiatives to promote fair and equal market conditions:

- › World Economic Forum - [Partnering Against Corruption Initiative](#) (PACI)
- › [OECD – Trust in Business Initiative](#)
- › [United Nations Global Compact](#)
- › [TRACE International](#)
- › [Ethisphere](#) (BELA)
- › Participation as panellists or speakers at conferences
- › Outreach and best practices sharing with peers through the Integrity Network and the academic community

Cooperation with tertiary educational institutions (ex. Ryerson University – Ethics Case Competition, guest lecturing, etc.).





DETECT

Providing internal controls and other sources to
identify misconduct and evaluate adherence

Detect encompasses the actions that identify compliance gaps, misconduct and violations through effective controls, regular ethics and compliance audits, regular compliance reviews, yearly risk assessments, and an external review and assessment of our Integrity Program.

Reporting

Our reporting line is an independent, confidential and anonymous way to report ethical and compliance concerns. It's operated by an external service provider. Employees anywhere in the world must disclose in good faith, without fear of retaliation, concerns, complaints or allegations of known or suspected wrongdoing or misconduct. This can be done online or by telephone.

At SNC-Lavalin, we have a duty to report any known or suspected violation of our Code and governance documents; any suspected violation of applicable laws, rules or regulations; any observed instances of misconduct and any observed pressure to compromise SNC-Lavalin's ethical standards.

SNC-Lavalin does not tolerate retaliation against anyone who, in good faith, reports any of these or raises genuine concerns in the best interests of the organization.

More details are included in our [Compliance Procedure](#).

Watch our Speak Up! [video](#).

Channels for reporting misconduct and seeking advice

Many appropriate avenues are available to our employees prior to making use of the [reporting line](#). They can always count on their managers, their Human Resources partner or their Integrity Officers if they have an integrity issue or question that needs resolution or attention.



Compliance remediation and monitoring

Our compliance investigation team investigates compliance violations of employees, former employees, partners, vendors and subcontractors, and is separate from the internal audit function. Our investigators have a background and qualifications in the area of investigations mainly related to corruption, collusion, fraud, competition, etc. An academic background or experience in forensic accounting, criminology, law enforcement or legal is necessary to be an investigator. The head of Compliance Remediation & Monitoring reports to the Chief Integrity Officer and bears responsibility for oversight of the investigation process.

Investigation reports are presented to the Ethics & Compliance Committee, which determines disciplinary sanctions to ensure consistency in applied measures and further remedial actions as it might relate to strengthening of controls and other preventive measures.

The Ethics and Compliance Committee (ECC) is an executive committee established by the President and Chief Executive Officer to ensure that SNC-Lavalin – and to the extent reasonably possible, its third-party partners – operate in an ethical manner and in accordance with applicable laws, regulations and SNC-Lavalin's Code of Conduct.

Proactive integrity review

Sector and regional Integrity Officers have access to regular reports on key performance indicators such as business partner due diligence, remediation measures and anti-corruption training. These key metrics create the opportunity for discussion on compliance topics with the senior management team of the business unit, sector, region or any other internal stakeholder. This leads to a proactive and integrated approach of diligent oversight on these identified compliance matters.

Using data derived from the allegation registry, fraud trends, geopolitical shifts, and input from business leaders and various Integrity Officers, the Compliance Investigation team plans and conducts fraud risk assessments on various offices/projects around the world on a quarterly basis. This proactive initiative helps to identify any gaps with the implementation of the compliance program so that proper remediation can be applied to address any issues before becoming problematic. The results of these assessments are also used to feed into the annual compliance control framework audit which is done to evaluate the implementation of compliance policies on a global level. Based on the results of the Compliance Review, the Compliance Investigation team will revisit the office/project after a period of time, to retest deficiencies identified in the initial review to ensure that the recommendations issued were properly implemented.

Compliance control framework

A control framework is a network of internal controls and testing procedures designed to provide reasonable assurance to management that certain risks are appropriately mitigated. Our compliance control framework ensures independent and continuous testing in order to determine the effectiveness of each of the Integrity Program's elements.



RESPOND

Introducing measures to take corrective
action in response to misconduct

Consequence of misconduct

SNC-Lavalin applies consistent and meaningful disciplinary actions when wrongdoing is uncovered. Sanctions are swift and fair, and the consequences are unbiased (i.e., regardless of the person's position within the company or his/her performance).

More details are included in our [Sustainability Report](#).

Process improvement


After thorough examination of the root causes of any breach in our control mechanisms, we undertake remedial actions in order to improve and prevent reoccurrences. This method allows us to mitigate the risk and strengthen our controls.

Annual Incentive Plan

Bonus awards depend on the achievement of non-financial objectives in order to recognize the company's results linked to strategic and individual objectives. The Integrity component represent 15% of the non-financial objectives.

The KPI's are reviewed each year to represent our focus. Following are examples of KPI's that can be used:


- › Effective execution and operationalization of the Integrity Program within the area of responsibility assessed by the Ethics and Compliance Committee (ECC)
- › Mandatory training modules completed within the allocated time
- › Tone from the Top communication to their employees
- › Substantiated Compliance Investigation cases
- › A written warning/sanction at individual level will eliminate the AIP amount for Integrity
- › Positive Integrity Culture Development
- › Monitor Feedback



ADDITIONAL TOOLS AND SYSTEMS



Smartphone tools

Many useful integrity tools are available on the company's smartphone. The integrity icon  allows employees to easily access the:

- › Scorecards Web Application
- › Reporting Line
- › Code of Conduct
- › Micro learning trainings on multiple topics

This "app" can also be installed on personal phones and much of the content is available in 4 languages.

ChatBot – Scotty

Scotty was developed to provide employees with quick answers to simple questions on the broad topic of ethics and compliance. Employees can ask Scotty questions in English and in French, on any subject covered in the Code of Conduct.

This ChatBot is designed to respond to ethics and compliance queries 24/7, on our Intranet. Every new question helps us to develop better answers, more useful links to resources, and more helpful guidance as we continually improve and evolve the Artificial Intelligence to respond to the needs of the business.

Additional information and various documents related to integrity are also available on our [Website](#).

   snclavalin.com