



SNC • LAVALIN

Sustainability at work

2014 Sustainability
Report Summary

Sustainability at work is about understanding and maximizing how, through our expertise and services across the engineering and construction value chain, we make a difference at SNC-Lavalin.

"When we think about sustainability at SNC-Lavalin, we think about what decisions we can make and actions we can take to help leave the biggest positive economic and social footprint, and smallest environmental one. This is where our decades of global experience in sustainable project execution come into play."

- Robert G. Card, President and Chief Executive Officer, SNC-Lavalin

This summary document provides an overview of our sustainability journey in 2014. More comprehensive information is available at www.snc-lavalin.com/en/sustainability.

Our sustainability objective

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

Embedding sustainability at SNC-Lavalin

We increasingly think about our performance along the three dimensions or triple bottom line of sustainability—economic, social and environmental. Our goal is to embed this perspective in our approach to everything we do. In 2014, we continued to lay the groundwork for sustainability to become an integral part of our decisions, actions and processes.

Pursuing excellence across key areas

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



Ethics
Projects
People and communities



We're determined
to become leaders
in our industry.

Ethics and compliance

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've made far-reaching changes to strengthen our internal controls and processes as well as our ethics and compliance culture. This includes putting a robust Ethics & Compliance Program in place.

We also implemented numerous initiatives, such as new or revised policies and procedures, to help employees make the right decisions. In 2014, examples included policies on business partner due diligence, facilitation payments, gifts and hospitality as well as political contributions.

Our Ethics & Compliance Program

Our Ethics & Compliance Program is comprised of three action elements: prevent, detect and respond. This comprehensive and integrated approach helps us:

- › maintain our ethical health
- › support our long-term success
- › preserve and promote our values

Compliance control framework

In 2014, we began rolling out a compliance control framework to enhance the efficiency of our Ethics & Compliance Program. It entails independent and continuous testing of the effectiveness of all program modules.

As part of this process, audits and assessments are conducted to ensure compliance with anti-corruption policies as well as the framework's overall effectiveness. Ongoing monitoring helps us ensure that our compliance measures adhere to evolving regulations.

Sharing knowledge

In 2014, several academic institutions, national associations and global organizations and conferences turned to us to learn from our knowledge and experience in ethics and compliance. We hope that sharing our experience will help stakeholders in our industry improve their ethics and compliance processes, ultimately leading to a more level playing field.

Projects

Delivering world-class project execution at every life-cycle phase is how we help develop economies and create prosperity.

In our industry, providing world-class project execution is an important part of excellence in sustainability. It entails leading the way in applying



Cerro Negro Norte Iron Ore Mine, Chile

Improving tailings management

Our Thickened Tailings Disposal (TTD) system is delivering significant environmental benefits at an iron ore project for the first time. CAP Minerías Cerro Negro Norte mine is also the largest-scale installation of our industry-leading TTD technology. The thickening plant we designed and built allows the company to safely store 20,000 tonnes of tailings daily.

The plant thickens tailings to a consistency of hard soil by recovering over 85% of the process water compared to 65% for conventional disposal

sustainable technologies and best practices on our projects. And it's about mastering these technologies and practices to enable our clients to achieve their sustainability objectives.

Here are four examples of how we put our expertise to work for our stakeholders and communities in 2014.

technologies. This prevents water infiltration, eliminates dust and allows the tailings to be used to contain other tailings. The recovered water is reused in the mining process, a key benefit given the mine's desert location in northern Chile.

The thickening plant also lowers energy consumption by 10%. Built to withstand 8.8-Richter earthquakes, it provides enhanced protection in the event of seismic activity. Ultimately, our system will help reduce the cost of closing the mine when it reaches the end of its life cycle.

Our advanced
tailings plant
stores
20,000 tonnes of tailings daily.



General Engineering Services Plus Program, Saudi Arabia

Building local capabilities

In 2011, Saudi Aramco chose our jointly owned company, SNC-Lavalin Fayez Engineering (SLFE), to contribute to its General Engineering Services Plus (GES+) initiative. This program pairs local engineering consultants with key leadership and technical personnel, giving them access to systems, procedures and best practices from top international companies. It's an effective way of promoting local capabilities and ensuring that our projects benefit the local community.

SLFE now delivers front-end engineering design, detailed engineering and project management services for Saudi Aramco's capital program. A full 80% of our partnership's 280 Saudi employees are either engineers or provide direct project support.

New hires are assessed and offered courses based on their skill level. They also learn on the job and receive assistance in creating their career development plans. Our objective is to ensure that these individuals acquire the skills needed to succeed both on the job and in the future.

Today, 35% of SLFE's staff are Saudis. So far, we've executed over five million person-hours without a single lost-time injury and successfully completed our second ISO 9001 surveillance audit. In 2014, SLFE was awarded 1.4 million hours of work, thanks largely to its ability to consistently meet customer requirements.

35% of our SLFE staff
are Saudi nationals.



Air Monitoring at Braskem, Brazil

Protecting air quality

We're helping Braskem, a valued long-term client, reduce atmospheric emissions and improve workplace health and safety at its facilities in Brazil. The largest thermoplastic resin producer in the Americas has been relying on us to monitor fugitive emissions since 1998.

Our combined efforts have resulted in a 50% reduction in volatile organic compound (VOC) emissions over the last 15 years. At the heart of this achievement is DÉFI, our fugitive emission detection and repair

tracking technology. In 2014, Braskem added nine facilities to our mandate, bringing the total number of plants that we service to 15.

SNC-Lavalin developed the local workforce by training Brazilian nationals to perform the mandate, and detect and repair fugitive volatile organic compound emissions at these facilities. Sharing our knowledge will help the local community protect air quality for generations to come.

We helped Braskem reduce
VOC emissions by 50%
over the last 15 years.



Cernavodă Nuclear Station Safety Improvements, Romania

Enhancing nuclear power plant safety

Romania's Cernavodă Nuclear Power Plant provides roughly 20% of the country's electricity. Using nuclear power allows Romania to reduce its greenhouse gas emissions by more than 10 million tonnes annually. In 2014, we continued to improve Cernavodă's safety systems by completing the installation of reactor containment filtered venting systems on budget and ahead of schedule.

The Societatea Nationala Nuclearelectrica (SNN) project is part of an industry-wide upgrade to enhance nuclear plant safety in the event of serious accidents or natural disasters.

The new reactor venting systems will prevent excessive pressure buildup and ensure that Cernavodă continues to be a safe and clean source of power for communities. The systems were installed according to the highest quality standards, using local contractors and workers exclusively, without a single health, safety or environmental event or incident. The systems are now ranked among the world's best.

Cernavodă provides
roughly 20% of
Romania's electricity.



A close-up photograph of a young man with dark hair and a warm smile, wearing a blue and white striped shirt. He is looking slightly off-camera. Overlaid on the image is a series of concentric white diamond shapes. The central diamond is filled with a solid blue color, and the text 'People and communities' is written in white within this blue diamond.

People and communities

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

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 everyone's safety first. Leadership in sustainability also involves striving to make a positive difference in the communities where we live and work.

Strengthening our people capabilities

In 2014, we continued to improve our Human Resources systems, practices and tools. We're in the final stages of the company-wide deployment of our Human Resources Management System (HRMS). We also continued to roll out a new job classification framework to help us better attract and retain talent. In 2014, we used the framework to map more than 6,000 employees to positions in Europe, the Middle East and Africa.

Our health and safety vision

We believe that 'zero injuries and incidents' is achievable at all our offices and worksites. Getting there, however, is a journey; one that we're fully committed to. No matter how remote or challenging the jobsite, it's up to us to ensure that employees are healthy and safe. This requires clear policies and targets, a robust management system as well as proper training and monitoring.

Communities

At SNC-Lavalin, we know that we can make a difference in the communities where we work. That's why we always seek to leave behind a positive and sustainable legacy. Not only through the impact of our engineering and technologies, but also through project-related economic spinoffs, local employment and training, and charitable involvement.

Maximizing Aboriginal inclusion

In 2014, we helped our clients maximize Aboriginal inclusion on several projects across Canada. We facilitated the training and employment of hundreds of Aboriginal people on these projects. We also coordinated the procurement of millions of dollars in goods and services from local and regional Aboriginal businesses.

We've reduced
recordable incidents
by 50% since 2012.

"For us, it's really quite simple. It's about taking the long view and doing the right thing, whether it's in ethics, safety or sustainability. It's about helping clients, communities and our own company flourish, today and for decades to come."

- Robert G. Card, President and Chief Executive Officer, SNC-Lavalin



Our employees
are proud to build
what matters.



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March 2014:
Employees achieved
**100%
CERTIFICATION**
to our Code of Ethics
and Business Conduct.

May 2014:

The Independent Compliance Monitor of the World Bank issued his first semi-annual report on our **ETHICS & COMPLIANCE PROGRAM**. He interviewed employees around the world and measured the program against the World Bank Group's Integrity Compliance Guidelines. The Monitor gave us a **POSITIVE FIRST REVIEW** as well as valued recommendations for improvement.



Ongoing in 2014:

We launched our new global Learning Management System of online courses and videos. By January 2015, employees had **COMPLETED MORE THAN 4,000 COURSES**. This included modules to help employees identify safety hazards and controls as well as the most critical dangers in their jobs.



June 2014:
We established the 'House of Policies' governance framework as part of a **GLOBAL MANDATE TO STRENGTHEN GOVERNANCE**.

It provides a mandatory policy and procedure development, rollout and implementation process for the entire company.



November 2014:
To continue improving our environmental performance, we updated our **GLOBAL ENVIRONMENTAL MANAGEMENT SYSTEM (GEMS)**. The new system includes five leading indicators.



Ongoing in 2014:
We conducted **27
OVER
500** **GLOBAL HEALTH AND SAFETY (H&S) AUDITS** around the world. Sites also completed **SELF-ASSESSMENTS** using our global H&S audit tool.



December 2014:
We sold our 100% equity stake in AltaLink, the largest regulated electricity transmission company in Alberta, Canada. It's the **BIGGEST AND MOST SUCCESSFUL** infrastructure concession investments (ICI) transaction in our history. This success story underscores our ability to develop assets and **GENERATE VALUE FOR ALL STAKEHOLDERS**.

August 2014:
We acquired Kentz Corporation, a global oil and gas engineering and construction services leader with 15,000 employees around the world. Kentz's complementary, high-end oil and gas expertise is already generating significant value for us. Prior to the acquisition, we leveraged the **RIGOUR AND LESSONS LEARNED IN ETHICS AND COMPLIANCE** to successfully apply our new due diligence guidelines.

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