

WE CARE AND SUSTAINABILITY REPORT

OUR FIVE CORE WE CARE VALUES HAVE BEEN AN INTEGRAL PART OF OUR CULTURE FOR THE NEARLY 100 YEARS WE HAVE BEEN IN BUSINESS. THEY REFLECT OUR COMMITMENT TO INCORPORATING SUSTAINABILITY PRINCIPLES INTO EVERYTHING WE DO, AND WE CONTINUE TO BUILD ON THAT COMMITMENT YEAR AFTER YEAR. IN THE PAGES THAT FOLLOW, WE REVIEW OUR APPROACHES TO SUSTAINABILITY AND REPORT ON OUR PERFORMANCE IN 2009.



WE CARE VALUE STATEMENT

WE CARE ABOUT:

EMPLOYEES'

WELL-BEING AND CAREER DEVELOPMENT

HEALTH & SAFETY

OF OUR EMPLOYEES AND END USERS

COMMUNITIES

WHERE WE WORK AND THEIR
SUSTAINABLE DEVELOPMENT

ENVIRONMENTAL

RESPONSIBILITY AND STEWARDSHIP

QUALITY WORK

OUR EMPLOYEES

We have nearly 22,000 employees worldwide. Together, they make up a multicultural, multilingual, and multitalented team. They are the most important part of this Company, and we work hard to provide training and benefits programs to help them realize their full potential both professionally and in their daily lives.

Our benefits packages rank among the best in the industry, and we are pleased to report that we were awarded the 2009 Plan Sponsor Award by Benefits Canada. The Award recognizes contributions to the pension industry, as well as innovation, leadership and effectiveness in corporate retirement savings plan programs.

Concern for our employees' well-being throughout their careers is another top priority. We were among the first in our industry to introduce a global Pandemic Plan for the H1N1 flu outbreak. It covers methods of identifying flu symptoms and preventing contagion, as well as global strategies for uninterrupted operations and best practices for partners, subcontractors, vendors and suppliers. We also introduced a catalogue of over 30 wellness seminars in 2009 covering issues related to health, well-being, family and work life. On the technical training side, our SNC-Lavalin Project Management Group designs programs to advance employee's technical expertise. In 2009, SNC-Lavalin in Europe set up an International Construction Project Management module developed with the Centre des Études Supérieures Industrielles' engineering school in Toulouse, France.

Our training programs provide continual improvement opportunities, and we place a great deal of importance on giving our employees the recognition they deserve for the level of excellence they achieve in their work. Our 2009 SNC-Lavalin Awards of Excellence for Outstanding Achievement honoured nine project teams in five categories: Health & Safety, Environment, Engineering, Project Management and Operations & Maintenance.



Our Vancouver office was a Supporting Sponsor of Science World's Wheels, Wings and Waves National Lego Event to support science and encourage future science and technology leadership.



The proceeds from SNC-Lavalin Chile's recycling programs are given to charities for pregnant women, hospitals and impoverished communities.



Employees from our Toronto offices participated in the 25th Annual World Partnership Walk, Canada's largest annual event dedicated to increasing awareness and raising funds to fight global poverty.

HEALTH & SAFETY (H&S)

Our H&S programs extend to contractors and subcontractors on all our projects, and are based on five basic principles:

- › Vulnerability — humans make errors; never be complacent
- › Risk competency — constantly identify and manage risks in an ever-changing environment
- › Accountability — everyone is a leader in getting work done safely
- › Empowerment — everyone has permission to stop an unsafe act
- › Compliance — always follow the rules of safety

In our industry, most safety incidents tend to happen on construction sites. We constantly build on our prevention and reporting programs, which encompass every aspect of H&S (see our Construction Division's initiatives in sidebar). We are pleased to report that, even though the number of hours worked on our construction sites has more than doubled in the past three years, our overall lost-time incident rate has decreased by nearly 70%.

We have also developed corporate tools and initiatives to promote health & safety at all levels of the company in all locations:

- › Leading and lagging indicators and leadership performance indicators for executive vice-presidents
- › Team-based pre-task risk discussions and job hazard analyses
- › Personal StepBack risk assessment programs
- › Positive incentive programs
- › Risk competency training programs
- › Eye on Risk peer reviews to encourage objectivity, new ideas and best practices
- › Safety Risk Registers

H&S initiatives on SNC-Lavalin Construction's projects:

- › Site-specific H&S training to all new employees prior to site-work; on-site task-specific H&S, emergency response and country/cultural awareness training
- › 30 leading H&S indicators tracked and trended monthly
- › Medical Centre of Excellence led by cardiologist
 - Medical checkups for all site personnel
 - Vaccination programs for flu and local diseases
 - Medical awareness-raising on site-specific risks (e.g. welding, UV exposure, heat exhaustion)
 - Track and trend health indicators, educate employees on lifestyle issues (e.g. smoking, obesity, diabetes, exercise)
- › Emergency Response Centre of Excellence
 - Led by firefighter, emergency response & rescue specialist and trainer
 - Live on-site training exercises for rescue and response
 - Training videos
- › E-Learning Centre of Excellence
 - 24/7 programs for all employees (HSE training, spill and hazardous material management, living and working in specific countries)
 - Track each person's training and performance



Employees from offices across Canada participated in charity campaigns to support the United Way/Centraide charity campaigns.



Our UK office supports two local charities specialized in providing services to people with physical and learning disabilities, as well as the Jeans for Genes charity that supports research for children with genetic disorders.



In Algeria, our teams operating the Skikda and Hadjret En Nouss power plants visited the Skikda orphanage to donate food and hygiene products.

LOCAL RESOURCE DEVELOPMENT INITIATIVE (LRDI) Ambatovy Project—Madagascar

- › Database of 28,000 local workers and 2,600 local businesses
- › 7,000 local workers trained, 96% hired
- › 85% Malagasy workforce at peak
- › Over 1,500 jobs for women
- › Working with NGOs to hire people with disabilities
- › Pre-tendering training to help local businesses qualify
- › Nearly 10,000 hours of SME technical training and mentorship for this and future projects in the region
- › 700 local SME contracts
- › Over \$500 million in local procurement
- › Inflation prevention and price controls for food products
- › Liaising with government and agencies for post-project employment planning (e.g. housekeeping jobs in growing local tourism industry)
- › Job fairs with local businesses
- › Capacity building to establish Marketing Board
- › Facilitate farmers' access to credit markets
- › E-learning programs and training centre for 2,000 local operations and maintenance staff, to be donated to government for use as technical school when the project is finished

Despite our efforts, we regret to report there were fatalities on three project sites in 2009. We have redoubled our efforts to prevent safety incidents and are more determined than ever to achieve an impeccable safety record. We send tens of thousands of people to work every day; our objective is to send every one of them back home safely.

COMMUNITIES

Our local development programs aim to maximize the benefits our projects bring to local and national economies, while reducing project costs during construction. They help to empower local workers, companies and communities through training, mentorship and capacity-building, and to optimize socio-economic development and sustainability, without compromising on cost, schedule, quality or safety. We also develop LRDI programs for other companies' projects in developing countries and in remote areas.

We are proud to have been honoured with an official Attestation of Recognition from the Government of Madagascar's Ministry of the Interior for our LRDI programs at the Ambatovy Nickel Mine Project (see sidebar).

We are also pleased to report that BHP Billiton awarded us the 2009 Environment and Community Prize at its global Health, Safety, Environment and Community Awards ceremony in London, UK for our resettlement and community development work on Guinea Alumina's greenfield alumina refinery project. We have been working in Guinea since 2005 to ensure local people gain sustainable benefits throughout the life cycle of the project and after its completion.



SNC-Lavalin in Europe helped finance the transportation and surgery at the Mécénat Cardiac Unit for two children suffering from cardiac malformations that could not be treated in their own countries.



Our US-based Thermal Power Group worked long hours installing the entire electrical system at a clinic in Honduras as part of the non-profit Shoulder to Shoulder charity for educational and health programs in Honduras.



Employees in Edmonton volunteered to help build homes as part of the Habitat for Humanity Program to provide good housing to the poor. Our Toronto and Santiago offices are also big supporters of the Program.

ENVIRONMENT

For over 50 years, we have provided leading edge environment services to our clients. We are a founding member of the Conseil Patronal de l'Environnement du Québec, an organization of businesses and associations concerned with the potential impact of their activities on the environment; and a member of the Conference Board of Canada's Business Council for Sustainability, dedicated to leveraging emerging research in environmental management and sustainability.

By participating in the Carbon Disclosure Project we continue to refine our methodology for measuring our carbon footprint so we can permanently reduce it. In 2009, we reported annual CO₂-equivalent emissions totalling 84,000 tonnes, representing direct and indirect emissions from our offices and from the vehicles we operate. We are taking decisive steps to reduce this. We have invested in technologies and bandwidth to ensure all our offices can transmit engineering plans and drawings electronically. We encourage duplex printing throughout the company and have increased the instances of duplex printing from 11% in 2007 to 24% in 2009—saving some 20 million sheets of paper in 2009 alone. At the project level, SNC-Lavalin Construction collected over 6,500 tonnes of recyclable material on its sites in 2009.

We monitor and classify spills on our construction sites, and in 2009, we recorded 70 large or reportable spills. All were remediated by our on-site environmental teams, and none resulted in permanent environmental damage. We also conduct environmental impact assessments and risk studies for potential hazards and endangered flora and fauna on and around our project sites, and regularly monitor ambient air quality, water quality and noise levels. 2009 marks our fourth consecutive year with no notices of violation or infractions of environmental laws and regulations.

QUALITY

The best measure of quality is the recognition our employees have received for their exemplary work around the world. In 2009, several projects and initiatives were honoured with awards and commendations.



Laval Metro
Extension Line 2 East
Montreal, Quebec

› Best Project, Construction & Engineering
› 2009 Project of the Year
PMI-Montreal (Project Management
Institute) 4th annual ELIXIR Gala



Laviolette Bridge Deck
Replacement
Trois-Rivières, Quebec

Léonard Award for
Transport Infrastructure
Association des ingénieurs-conseils
du Québec



Taksebt Water Transfer Project
Algeria

Léonard Award for International Project
of the Year
Association des ingénieurs-conseils
du Québec



SNC-Lavalin
Environment Division
Canada

Vendor Excellence Award
for HSE Commitment
Shell Canada Ltd.



Taschereau Boulevard/
Highway 10 Interchange Project
Quebec

Infrastructure Prize
Technical Execution Category
Association québécoise du transport
et des routes



SNC-Lavalin
Transportation Division
Vancouver, BC

Employer of the Year Award
University of British Columbia
Co-op Program