



Sustainability Report
SNC-Lavalin
2018



SNC • LAVALIN

PEOPLE. DRIVE. RESULTS.



IAN L. EDWARDS

1. INTRODUCTION

1.1. Message from our Interim President and CEO

We are currently undertaking a wide range of initiatives and projects which have a positive impact on society, the environment, and global and local economies around the world. Our business has to respond to increasing amounts of change in the countries we operate in be it in relation to climate change, political instability, the scarcity of resources or the expansion of the global population and increasing urbanization.

To respond to these changes, we are putting Sustainability at the heart of our business strategy and have developed our Sustainability Policy and our Sustainable Business Strategy which is based around the United Nations (UN) Sustainable Development Goals (SDGs) as our route map to a future facing business. Our Sustainability Policy and our Sustainable Business Strategy governs the social, environmental and economic impacts of our business activities worldwide. In establishing our policy and strategy governance structure, our goal is to reduce the impact that our operations have on society and to respond to global environmental and societal trends and changes worldwide.

We have set out the future-facing role we want our business to take and have developed our Sustainable Business Strategy to set long-term targets and measure the impact that our business operations our project activities and corporate initiatives have on society.

Decarbonization is essential to address climate change. This year we progressed with the \$1.093 billion replacement of the ageing John Hart Generating Station on Vancouver Island in British Columbia. This hydroelectric project will create a more reliable, environmentally friendly power station with an installed capacity of 132MW of clean power and will supply power to approximately 80,000 homes in the province. We have finished the life extension project, which will allow Argentina's Embalse Nuclear Station to continue producing safe, reliable, low-carbon power for up to another 30 years. The Embalse CANDU® 6 reactor began commercial operation in January 1984 and the, single-unit has a gross output of 648 MWe. Our offshore capabilities include the provision of a complete range of services including the feasibility of fixed and floating wind turbines and tidal energy installations. Our specialist teams worked with the Swedish company Hexicon as an engineering partner to design the world's first multi-turbine offshore wind floating platform.

Across our infrastructure businesses our New Champlain Bridge Corridor Project received an Envision platinum award for sustainable infrastructure and we completed the first stage of the Crossrail project in London. Crossrail is a joint venture delivering 42 kilometres of new tunnels and 10 new stations. It is the first project of this scale to incorporate sustainability from the beginning and embed sustainable thinking into its decision making. An additional venture we completed that further reduces atmospheric pollution, is the \$1billion Clear AER project, which successfully achieved an 85% reduction in previous sulphur dioxide emissions, a 40% reduction in metal particulate emissions and a 50% reduction in natural gas consumption.



**WORKING CLOSELY WITH
STAKEHOLDERS WITHIN
LOCAL COMMUNITIES IS AN
ESSENTIAL COMPONENT OF
PROJECT DELIVERY.**

Working closely with stakeholders within local communities is an essential component of project delivery. We have particularly strengthened our approach to indigenous relations and have confirmed our commitment to a company-wide certification with the PAR (Progressive Aboriginal Relations) Process, an initiative run by the Canadian Council for Aboriginal Business. Our recent project to restore the land polluted by the Bralorne-Takla mercury mine involved close collaboration with the Takla Lake First Nation and our recent Jimmie Creek Hydroelectric Project in British Columbia resulted in new employment and contracting opportunities for the Klahoose First Nation and adjacent local communities.

Our responsibility for sustainability includes renewing our commitment as a signatory of the United Nations Global Compact in 2018 and engaging in projects that promote the UN's broader development goals. Our 2018 Sustainability Report serves as our Communication on Progress (CoP) in terms of implementing these principles.



**WE ARE WORKING CLOSELY WITH 90 PARTNER
ORGANIZATIONS AND HAVE SIGNED AND
COMMITTED TO THE PACI PRINCIPLES WORLDWIDE.**

We have further strengthened our commitment to diversity and inclusion. In 2018, we released our UK Gender Pay Gap report and included diversity as a key focus area defined in our sustainable business strategy. To deliver our ambitions and grow a more diverse and equal workforce we have appointed senior leadership team diversity sponsors across each of our key sectors who will work to develop clear action plans to further improve our performance moving forward.

Our commitment to sustainability is important to our clients, investors, colleagues and communities we work with worldwide. It is our responsibility to deliver positive change in accordance with the UN Sustainable Development Goals and develop new ways to address the global environmental and societal changes our business faces. We will deliver positive outcomes and foster collaboration through our projects and corporate initiatives to deliver innovative solutions for our business globally.



SECTION 2

OUR SUSTAINABLE BUSINESS STRATEGY

Photo Credit : Goldcorp **Éléonore**

Éléonore Gold Project
Eeyou Istchee James Bay, Québec, Canada



**SARAH-JANE
STEWART**

2. OUR SUSTAINABLE BUSINESS STRATEGY

2.1. Putting Sustainability at the Heart of Our Business Strategy

We are putting sustainability at the heart of our business strategy. We are undertaking business activities in a way that is beneficial to the environment, society and global and local economies, allowing us to be a future facing business. Our Sustainable Business Strategy is aligned with the UN Sustainable Development Goals and is based on evaluating our performance against a set of high-level, science-based targets. This gives us a broader perspective on how we define which sustainability issues are material to our business activities. Our strategy recognizes the importance of advancing the triple bottom line of environmental, social and economic sustainability.

Our Sustainable Business Strategy leverages the unique experience we have gained over the years in helping clients address the global and local, social, environmental and economic impacts, opportunities and risks associated with large infrastructure, energy and industrial development projects.

Delivering change will not just relate to our activities as a business in terms of property, resource use and procurement, but help to deliver positive change across all our business activities, including the projects we deliver and the activity of our corporate departments.

"SUSTAINABILITY IS VITALLY IMPORTANT TO OUR BUSINESS ACTIVITIES AS WE PREPARE TO COPE WITH INCREASES IN THE GLOBAL POPULATION, TRANSITION TO A LOW CARBON SOCIETY AND DEVELOP WAYS TO ADAPT AND MITIGATE TO REDUCE THE EFFECTS OF CLIMATE CHANGE."

Sarah Jane Stewart
Global Head of Sustainability



SECTION 4

OUR PROGRESS TOWARDS
UN AGENDA 2030

4. OUR PROGRESS TOWARDS UN AGENDA 2030

4.1. Introduction to the UN Sustainable Development Goals (SDGs)

SNC-Lavalin has been a signatory of the UN Global Compact responding to Agenda 2030 since 2015, progressing corporate and project initiatives across all of the goals. It is important to recognize the link between sustainable development and other relevant ongoing processes in the economic, social and environmental fields. We have the potential to create significant positive change across all our activities globally and have assessed the goals in terms of significance to our business operations. Our business is already addressing relevant strategic, economic, social and environmental topics through our corporate initiatives and our project execution. It was essential for us to use the UN SDGs as a framework for assessing which topics had become significantly important to our stakeholders.

The assessment of the issues which matter most is a key component of our Sustainable Business Strategy and our overall business strategy going forward. Addressing the UN SDGs through identified material topics has enabled us to better integrate sustainability and strengthen our economic incentives for operating more efficiently. We have assessed the UN SDGs in order of significance. Higher significance goals includes those which are material to our current business strategy and our 5-year plan. Goals with medium significance are those we are already actively pursuing and will continue to pursue in forthcoming years. Goals with lower significance are those we are already pursuing but that are not significantly material to our business strategy. We have outlined the UN SDGs in order of significance below and have included an example of our current progress towards UN Agenda 2030.

4.2. Business Strategy – 5-Year Plan

We are currently contributing to all 17 of the UN Sustainable Development Goals. We have selected three goals on which we will focus our improvement activities over the next five years. These are the goals we consider to be most material both to our business strategy and activities but also in relation to our stakeholders.





UN GOALS WHERE OUR BUSINESS CAN HAVE A HIGHER IMPACT



4.3. UN goals where our business can have a higher impact

The following UN goals are considered to be of higher significance to our business activities.

Higher significance goals are significantly material to our current business strategy and our 5-year plan business strategy and our 5-year plan.



4.3.1. UN SDG3 – Good Health and Well-being

Our teams have developed a human-centred design tool which uses an innovative engagement process that puts well-being at the heart of the design process. We believe that the future of sustainable design lies within an approach that puts the health and well-being, physical or mental, of individuals and society, at its heart.



4.3.2. UN SDG5 – Gender Equality

We are proud to support the Seize Your Future (SYF), leadership programme supporting women aged 15-20 in Greater Montréal, Canada, who will carry out community projects while benefiting from the guidance of a female mentor and leadership training.



4.3.3. UN SDG6 – Clean Water and Sanitation

We produced a report following an assessment of the resilience of UK water supplies. The report considered the impact of climate change, population growth and environmental factors in strengthening the resilience of water supplies for users across the UK while protecting the environment.



4.3.4. UN SDG7 – Affordable and Clean Energy

The Jimmie Creek Hydroelectric Project serves the BC Hydro grid by providing 170 GWh of clean, renewable energy every year. The project consists of a run-of-river hydro generation facility on Jimmie Creek in the Toba Valley near Powell River, British Columbia.



4.3.5. UN SDG10 – Reduced Inequalities

We believe that diversity is essential for business. We support the Conference of Minority Transportation Officials (COMTO), National Organization of Minority Architects, Women's Transportation Seminar (WTS), National Society of Black Engineers, Women in Nuclear and the Society for Women Engineers.



4.3.6. UN SDG11 – Sustainable Cities and Communities

We applied a "Future Proofing Cities" framework to identify and prioritize practical actions to enable Lagos state stakeholders to make progress in addressing the energy needs of the city.



4.3.7. UN SDG12 – Responsible Consumption and Production

99.7% of excavated material from our Crossrail joint venture project was beneficially reused to develop new nature reserves, recreational facilities, agricultural and industrial land. 80% of this was transported by rail and water, significantly reducing lorry journeys across London.



4.3.8. UN SDG13 – Climate Action

Working with the Global Climate Adaptation Partnership (GCAP) we developed the pioneering Climate Safeguards System, a set of decision-making tools and guides, to enable the African Development Bank (AfDB) to screen projects for climate change risks and identify appropriate mitigation measures.



4.3.9. UN SDG16 – Peace Justice and Strong Institutions

As the co-chair of the Partnering Against Corruption Initiative (PACI), a CEO-led anti-corruption initiative led by the World Economic Forum, we work alongside international organizations, academics and government institutions to develop industry practices which rebuild and foster trust.



UN GOALS WHERE OUR BUSINESS CAN HAVE A MEDIUM IMPACT



4.4. UN goals where our business can have a medium impact

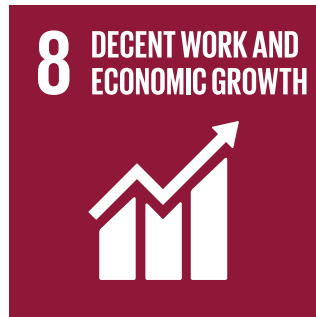
The following UN goals are of medium significance to our business activities.

Goals with medium significance are those we are already actively pursuing and will continue to pursue in forthcoming years.



4.4.1. UN SDG4 – Quality Education

We launched the Engineering Graduate Programme in South Africa to attract graduates and enrol them in a 12-month training programme covering Technical Support Services (TSS), as well as Construction Support. The programme provides the technical expertise required to develop graduates' skills in their chosen field.



4.4.2. UN SDG8 – Decent Work and Economic Growth

Our Local Resources Development Initiative (LRDI™) focuses on creating shared value between our projects and local rights-holders, governments and other community stakeholders. It makes the economic and social development of host communities a key priority. Since 1997, we've trained 17,000 residents worldwide.



4.4.3. UN SDG9 – Industry Innovation and Infrastructure

Our long history of growth has made us one of the world's biggest nuclear service providers. We connect innovation with excellence to develop cutting-edge technologies for nuclear waste management as well as a full suite of advanced robotic tooling and nuclear-grade products.



4.4.4. UN SDG14 – Life below water

We are providing an integrated approach to river basin management, pollution prevention and water resources management. We will protect life below water by alleviating water stress, quality and environmental issues in projects in such areas as the Yangtze River and Yellow River Basins in China.



4.4.5. UN SDG15 – Life on Land

We collaborated closely with the province of British Columbia and the Takla Lake First Nation to restore the land polluted by the Bralorne-Takla mercury mine. We designed a landfill which allowed a forested ecosystem to return and flourish following initial planting with native species.



UN GOALS WHERE OUR BUSINESS CAN HAVE A LOWER IMPACT

4.5. UN goals where our business can have a lower impact

The following UN goals are considered to be of lower significance to our business activities.

Goals with lower significance are those which we are already pursuing but are not significantly material to our business strategy.



4.5.1. UN SDG1 – No Poverty

We have supported United Way for nearly 30 years. The United Way/Centraide Canada is a non-profit organization that raises funds across the country for local groups, addressing community issues such as unemployment, affordable housing and shelters.



4.5.2. UN SDG2 – No Hunger

As a contractor for the Federal Emergency Management Agency (FEMA) following Hurricanes Irma and Maria, our key accomplishment in Puerto Rico was to alleviate hunger through the management, production and shipment of 400,000 meals a day for 57 days.



4.5.3. UN SDG17 – Partnership for the Goals

We have set up a partnership with the Canadian Council for Aboriginal Business (CCAB) and have confirmed our commitment to undertake company-wide certification using the PAR (Progressive Aboriginal Relations) process administered by the CCAB.