



SNC • LAVALIN

OUR VISION FOR ENGINEERING A SUSTAINABLE SOCIETY ///

2021 SUSTAINABILITY REPORT

#ENGINEERINGABETTERFUTURE


ABOUT THIS REPORT

This report (“Report”) covers the activities of SNC-Lavalin Inc. (as defined below) from January 1st, 2021 to December 31st, 2021. All the information presented herein is the responsibility of management and was approved by the Board of Directors. This report has been prepared by management in accordance with the “GRI Standards: Core Option” and inspired by the UN’s Sustainable Development Goals (SDGs).

This sustainability report relates to the activities, brands, products, and services associated with SNC-Lavalin. Reference to the “Company” or to “SNC-Lavalin” means, as the context may require, SNC-Lavalin Group Inc. and all or some of its subsidiaries or joint arrangements or associates.

SNC-Lavalin assumes no responsibility to any other party in respect of or arising out of or in connection with this document and/or its contents or reliance thereon. This document and its contents have been prepared and are intended solely as information for SNC-Lavalin.

Our intended audience for this Report includes our employees, clients, investors, and other stakeholders.

Select performance indicators were independently assured to a limited level by Ernst & Young LLP (EY). These indicators are denoted by this symbol  all through the report.

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01 INTRODUCTION

LETTER FROM THE CHAIR OF THE BOARD

Dear Stakeholders,

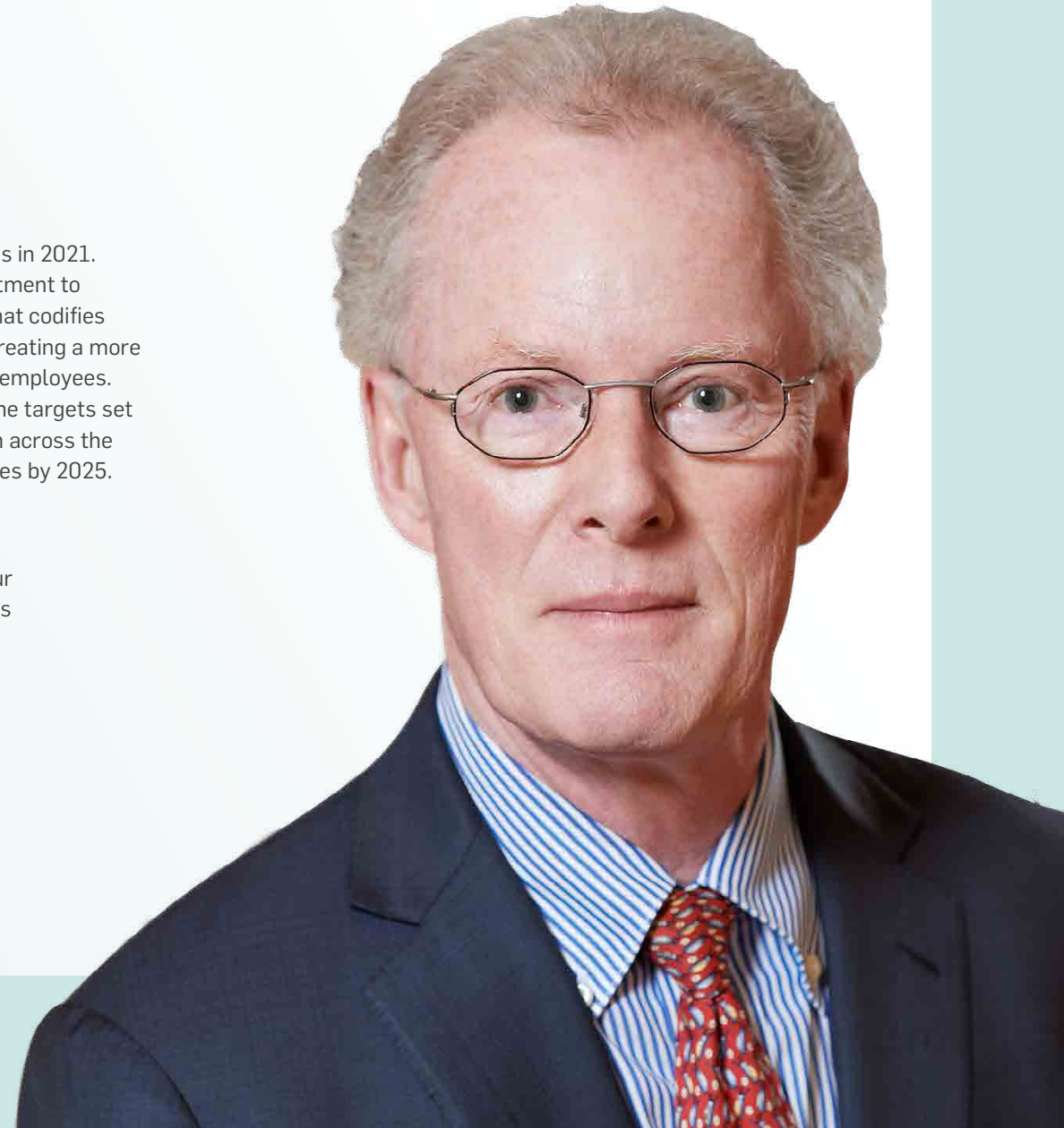
It is a pleasure to introduce the 2021 Sustainability Report. On behalf of the Board, I would like to recognize and applaud the important work undertaken in 2021 to advance SNC-Lavalin's broad ESG agenda.

This report highlights how we have delivered on our commitments and responsibilities as a purpose-driven organization and an environmental steward of the communities in which we operate around the world.

Throughout the year, we're proud to confirm that the Company stayed true to its purpose – to engineer a better future for our planet and its people – and delivered for its clients and communities despite the ongoing challenges and uncertainty of the pandemic.

We continued to make progress on many fronts in 2021. The Board approved and adopted the "Commitment to Equality, Diversity & Inclusion", a statement that codifies the organization's pledge to maintaining and creating a more representative and inclusive culture for all its employees. This commitment serves as a foundation for the targets set to have at least 33% representation by women across the Company and at least 25% among its executives by 2025.

With two new directors joining us in May 2022, the percentage of women on the Board increased from 30% to 36%, demonstrating our unwavering commitment to prioritize and focus on diversity in all its forms at the Board level.



Moving forward, executive compensation, which has traditionally been tied to integrity and HSE performance, will now also be connected to Environmental, Social & Governance (ESG) and Equality, Diversity & Inclusion (ED&I) performance metrics.

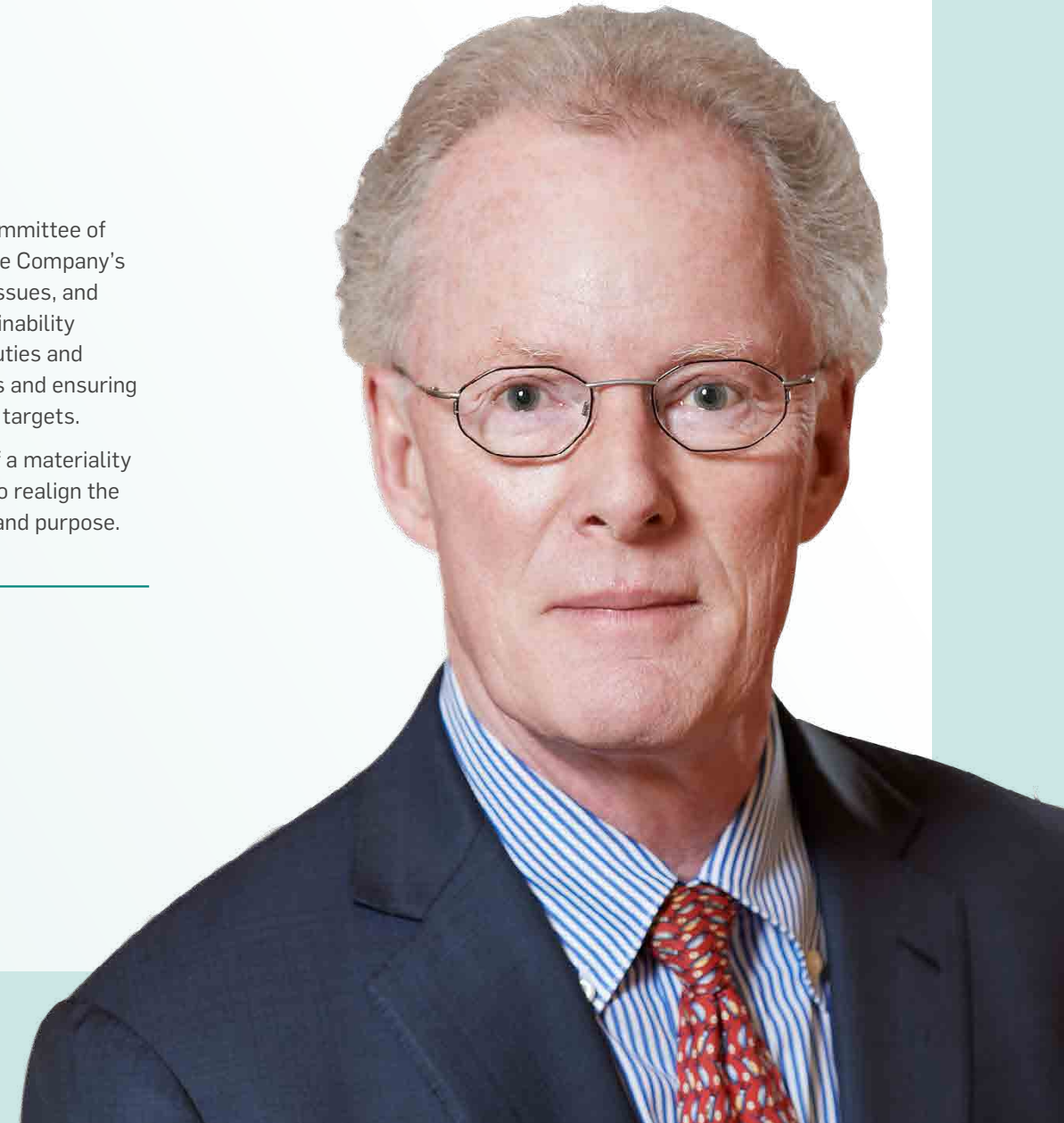
The Board continues to monitor the Company's progress on the set of clearly defined integrity and carbon targets, as well as the innovative Engineering Net Zero work undertaken in partnership with clients. We firmly believe that it is through the work we do helping our clients achieve their own net zero objectives where we can make the most significant impact in tackling climate change.

I also wish to reaffirm the Board's ongoing commitment towards the UN's Global Compact and the adoption of universal sustainability principles for the good of all. The Board supports this initiative and endorses SNC-Lavalin's renewed adherence to and promotion of the UN's broader Sustainable Development Goals (SDGs) on which our global business strategy is based.

The Governance, Ethics and Sustainability Committee of the Board continued to assist in developing the Company's approach to corporate governance, integrity issues, and in 2021 added oversight of ESG and the sustainability framework, governance, and strategy to its duties and responsibilities, including monitoring progress and ensuring accountability against publicly disclosed ESG targets.

The Committee will also review the results of a materiality assessment that will be undertaken in 2022 to realign the Company's ESG priorities with its new vision and purpose.

BILL YOUNG
CHAIR OF THE BOARD



MESSAGE FROM OUR PRESIDENT AND CEO

2021 has been another year of progress in Sustainability at SNC-Lavalin, as we focused on defining who we want to be as a company.

We have realized and communicated our purpose to engineer a better future for the planet and its people. This has been reflected in our work to develop our own role around Net Zero and the bold 2030 target we have set.

Helping customers reach their Net Zero carbon targets is a fundamental part of our work, as companies and countries around the world look to meet their climate goals. We are investing in data-driven digital innovation that we believe can unlock significant value for our customers by providing greater certainty over project timing and costs, increased operational efficiencies and a reduced carbon footprint.

This year, we opened three-state-of-the-art client technology hubs in Montreal, London and Bangalore that are focused on advancing the use of digital twins and data to virtually design, build and operate large, complex projects, before ground is even broken.

We also launched the “first of its kind” fully operational digital twin at Europe’s largest wastewater facility, just outside London, and we see significant opportunities to expand our digital expertise to Nuclear and O&M. These tools will allow us to be more efficient, both in terms of time and resources and eliminate potential HSE issues without ever putting anyone at risk.

As a pioneer in sustainable infrastructure, with a diverse track record that ranges from electrified light rail transport and nuclear energy, to the designing, building, financing, and maintaining Canada’s hydropower projects, SNC-Lavalin is actively engaged in advancing the Net Zero agenda in three ways:

- › Committing to reaching Net Zero as a Company by 2030
- › Helping our customers adopt clean power and renewable energy, a global effort which is expected to require significant investment over the next 30 years;
- › Helping to engineer a better future by meeting the global demand for clean energy, decarbonizing the built environment, minimizing the impact of new infrastructure, and building resiliency to climate change impacts



In July 2021, we won a six-year contract to decarbonize four million square feet of public sector office space owned by the UK government's Property Agency. We see this as a bellwether of the change that is coming and the opportunity for us to be a market leader. In January of 2022, we launched our new Decarbonomics™ proprietary platform, which leverages carbon databases to deliver cost-effective retrofitting solutions.

All these efforts enhance our ability to deliver on what I see as a transformational opportunity to be a key partner, facilitator, and enabler of a Net Zero carbon future.

We are committed to:

- › being Net Zero leaders and innovators;
- › having a clear path forward, focused on delivering profitable growth that will allow us to remain resilient and agile, and;
- › investing in accretive opportunities and returning value to shareholders.

This is the kind of impact that drives our world-class talent, and makes us a partner of choice. Our people are the foundation of our strategy, and this year we've also been considering the culture in the organization as we seek to create an inclusive and a diverse environment and a workplace where we can all be happy and feel safe.

We have worked hard to make SNC-Lavalin a centre of excellence that attracts and inspires world-class talent and encourages collaboration and diversity. We do this by investing in our people around the world. We have also committed to hard targets for increasing the representation of women across the Company and in senior leadership, and in October launched a new global Equality, Diversity and Inclusion program.

I am very excited to be building the future of SNC-Lavalin and delivering Net Zero together.

IAN L. EDWARDS
PRESIDENT AND CEO



WE CONNECT PEOPLE, DATA AND TECHNOLOGY

Working in partnership with our clients is what excites and inspires us, our vision is to be the premier engineering solutions partner, delivering complex projects from vision to reality for a sustainable lifespan.

This is what drives us to find new and better ways of doing things, and to tackle some of the biggest challenges facing our industry – and the wider world – head on.

Technology and data are integral to our ability to do this. By bringing together our experts, powerful technologies, and data insights we help our clients master a fast-changing world.

We're using emerging technologies such as the Internet of Things and Artificial Intelligence which allow us to monitor the health of our clients' assets and anticipate future challenges.

Our Digital Twin capabilities allow us to use and develop this knowledge source through the life of these assets, and our simulation and optimization technologies can support everything from emergency response to financial modelling and forecasting.

We combine asset and project management data into one unified, holistic view to get real-time insights to improve collaboration, reduce risk, optimize projects, improve productivity, and work smarter and faster. And what we learn on one project, we take into the next, benefitting every client we work with.

Our Purpose

Engineering a better future for our planet and its people.

Our Vision

We create sustainable solutions that connect people, data and technology to design, deliver and operate the most complex projects.

OUR VALUES

SAFETY

We put safety at the heart of everything we do to safeguard our 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 others unique contribution to delivering amazing results for all.

INNOVATION

We redefine engineering by thinking boldly, proudly, and differently.



CELEBRATING OUR ACHIEVEMENTS



Ambassador of the year

Inaugural recipient of the **Ambassador of the Year award** from the **Centre for Canadian Nuclear Sustainability**.



Best Architect in Oman

Luis Mejias Castellano was presented with the **Best Architect of the Year award** at the **2021 Dossier Awards**, the second year in a row that SNC-Lavalin won the Best Architect award in Oman.



Silver Accolade

Diriyah Gate in Saudi Arabia awarded silver accolade for **Future Projects – Urban Design Category** at The **World Architecture News Awards**.



Best in Construction

Three projects received **Best in Construction Awards** from the **Florida Transportation Builders' Association**.



Platinum Ranking

Ranked in the platinum (top) tier by ReNew **Canada's Top 100 Projects** list, for involvement in **24 of the 100 largest infrastructure projects in Canada**.



Grand Prize

Won the **grand prize in the transport infrastructure category** from the **Association of Consulting Engineering Companies – Quebec**, for work on the Samuel De Champlain Bridge in Montreal.

CELEBRATING OUR ACHIEVEMENTS



Best Mixed Use Architecture

Our architecture team in Hong Kong won four **Best Mixed Use Architecture** accolades at the **International Property Awards 2021**.



Gold Standard in ED&I

Atkins and Faithful+Gould – members of the SNC-Lavalin Group – were awarded the **UK's Gold Standard in Equality Diversity & Inclusion by Clear Company**.

These are the first companies from the engineering sector to receive this accreditation.



Outstanding In-House Counsel

Dr. Hentie Dirker, Chief ESG and Integrity Officer, was recognized by the **Global Investigation Review with the Outstanding In-House Counsel Award**.

This award celebrates leaders of exemplary compliance programs, in a resounding endorsement of our integrity journey's progress.



Strong Integrity Culture

Achieved a score of 84% when assessing the strength of our **integrity culture** in a survey of our workforce.

Conducted independently, the survey's results position us four points ahead of the external benchmark for our industry.



Best company for Women in India

For the third year in a row, our **Global Technology Centre** was awarded as "**Best company for Women in India**" and was also recognized with the "Exemplar of Inclusion" award.

Ratings

As part of our commitment to measuring our performance and reporting with transparency, we engage with external agencies to rate our progress and identify areas for improvement.

AA

MSCI ESG
Assessment Rating

27.0

Sustainalytics
Medium Risk

Gold

EcoVadis
Medal

C

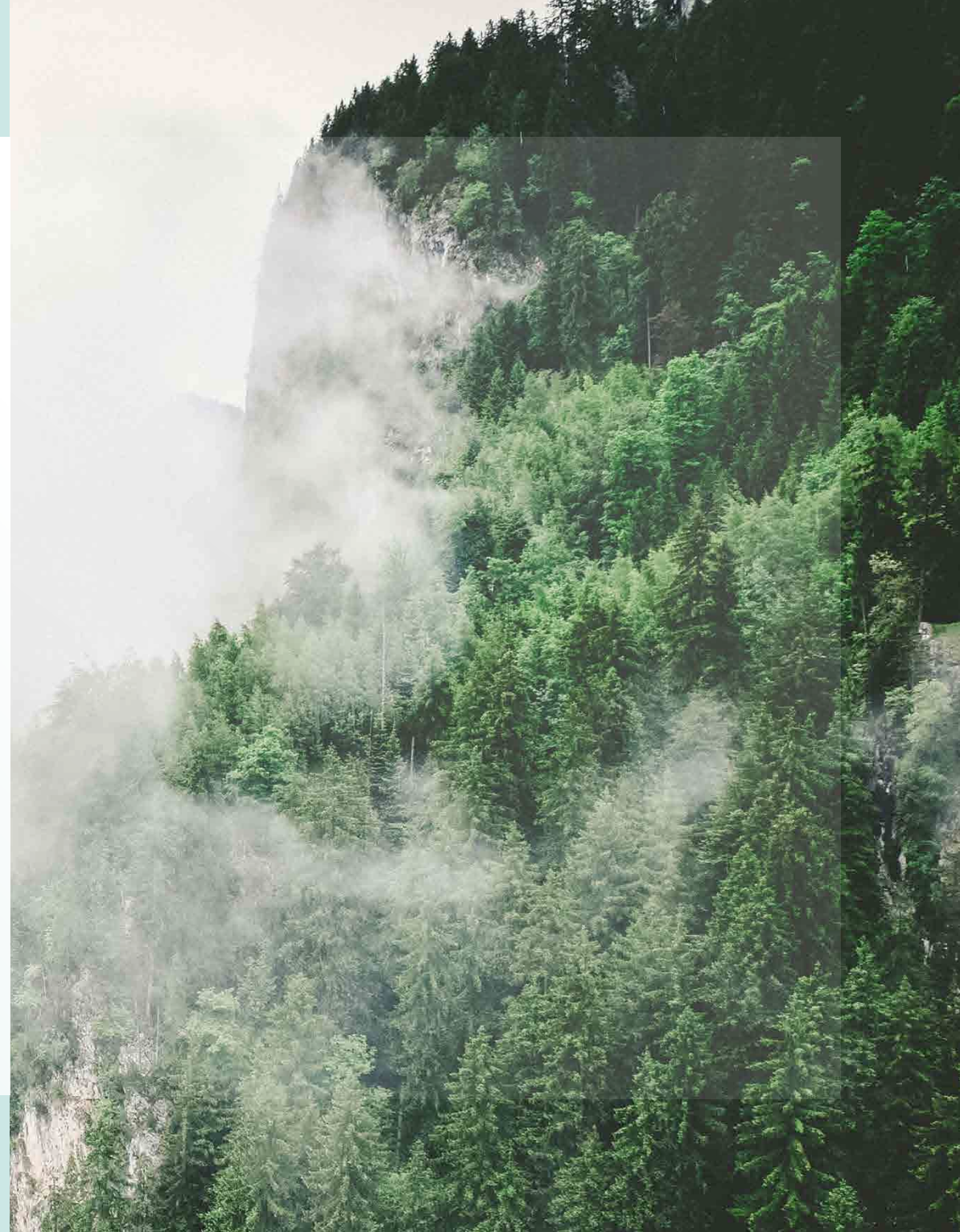
2021 CDP
Questionnaire

Silver

Corporate Knights
Social Purpose Rating

D+

ISS ESG Corporate
Rating 4th Decile



SUSTAINABILITY HIGHLIGHTS

Environmental Initiatives

We committed to reaching Net Zero as a Company by 2030 and published Our Routemap to Net Zero in May 2021, outlining our strategy and initiatives to attain this challenging target.



SNC-Lavalin joined the United Nations Framework Convention on Climate Change's (UNFCCC) Race to Zero global campaign in October, and has signed the Business Ambition for 1.5°C commitment.

The Company also announced it has signed The Climate Pledge, a commitment to achieve the Paris Agreement 10 years early, and be net-zero carbon by 2040 or sooner.

In November, we published a report highlighting the impact of 'career deflection' on the earnings potential and progress of women, ethnic minorities and disabled employees within the wider engineering sector. Concurrent with its publication, the Company called for greater industry action to ensure talent from these groups remains within the industry.

We committed to the Science Based Targets Initiative (SBTi) in March 2022.

Social Initiatives

We launched our annual months-long Wellbeing Initiative for employees, with themes covering physical and mental health.



This was part of a reinforced focus on supporting staff amidst the enormous stresses placed on their personal and professional lives by the ongoing pandemic.

We also announced our first global Equality, diversity & inclusion (ED&I) program “Different makes a difference”. This program is an opportunity to unite around a common goal and commit to create and maintain an inclusive culture where everyone belongs, can be their true self and can reach their full potential. And we published our first [public commitment towards ED&I](#).

We also became an Aboriginal Procurement Champion by joining the Canadian Council for Aboriginal Business' Supply Change Program.

This is part of our broader commitment to establishing and maintaining mutually respectful and meaningful relationships between Indigenous communities, its clients and the Company.

Governance Initiatives

Ian Edwards signed the commitment to support the World Economic Forum's Stakeholder Capitalism Metrics Initiative in December.



The initiative aims at creating long-term enterprise value and addressing the societal priorities enshrined in the Sustainable Development Goals.

The appointment of a Chief ESG and Integrity Officer (filled by Hentie Dirker), and VicePresident, Equality, Diversity and Inclusion (filled by Victoria Jones) will be instrumental in moving SNC-Lavalin forward in its ESG, Integrity and ED&I journeys.

We also transformed the Global Health, Safety & Environment (HSE) function with a new, simplified structure that is both regionally agile and client oriented.

We acknowledged receipt of the independent monitor's third report on our Integrity Program, testing and assessing its robustness.

The independent monitor reports on our Integrity Program throughout the duration of the 3-year probation order arising from legacy activities between 2001 and 2011.

Their final report will be received in December 2022, coinciding with the end of the probation period.

Project Wins

In the US, we were awarded a contract to help prevent channel degradation and improve water quality in Southern Nevada.



We also won a contract to help improve safety and mobility on the Texas Department of Transportation Interstate 45 Corridor Project in east central Texas.

We were also awarded a technical advisory services contract by Abu Dhabi National Energy Company—one of the largest listed integrated utilities in the Middle East—to support its green hydrogen projects

Began a collaboration with the UK's Electric Aviation Group to accelerate the development of a zero emission, regional aircraft fueled by hybrid hydrogen-electric technology.

Appointed to lead South East Water's engineering, environmental and asset management program in the UK.

Chosen by Whitetail Clean Energy as engineering solutions provider for the Teesside Net Zero emissions plant – the UK's first Net Zero emissions power station utilizing NET Power technology.

Thought Leadership

Joined, as a founding member, The Group of Vienna, an initiative including the International Atomic Energy Agency and over a dozen leading companies in the nuclear industry.



The Group of Vienna will work together to foster the role of nuclear technology in addressing environmental, social and economic goals.

Published new Engineering Net Zero reports where we explore the challenges of the retail sector as well as Germany's commitments in more detail and consider how its net zero policies and ambitions translate into an actionable energy plan.



02 ORGANIZATIONAL PROFILE

OUR MARKETS AND SERVICES

From designing end-to-end project solutions to pioneering new technologies and ways of working, we generate the knowledge, the ingenuity and the drive to meet so many of today's most pressing challenges – population growth, transportation, and climate change.



GOVERNANCE

A Rigorous Framework

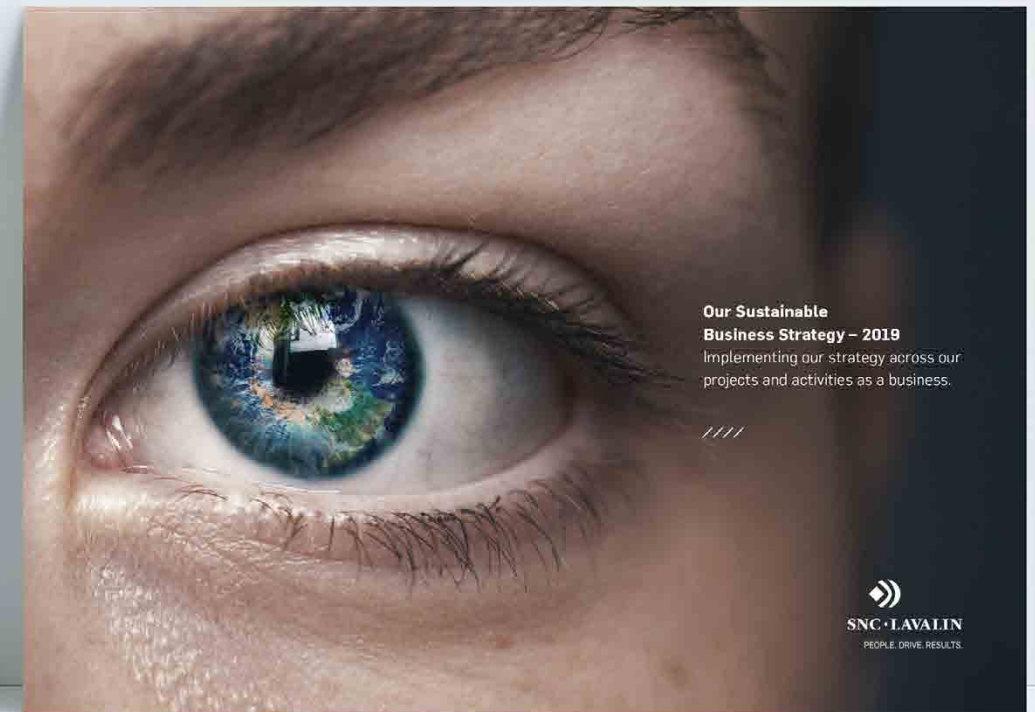
At SNC-Lavalin, we believe we have a responsibility to place sustainability at the heart of our business strategy.

We recognize that our activities can make an important contribution to a more sustainable world. It is therefore our responsibility to improve our own sustainability performance through the way we conduct our business, influence others and advise our clients.

To support that position, we adopted our [Sustainable Business Strategy](#) in 2019 and Our Vision to shape a sustainable society in 2021. These guidelines are based on our values and our vision statement: "Creating sustainable solutions that connect people, data and technology to design, deliver and operate the most complex projects."

To ensure continuous improvement on the Health, Safety and Environment in our operations, we are also engaged in a Global Certification Program (GCP) process whereby all previously independently certified entities will join our single ISO 14001 and ISO 45001 certification by the end of 2022. Until then, all our controlled sites (offices, project sites or operations) are governed by our BlueBook, our global health, safety and environmental management manual.

Finally, starting in 2021 we sought independent assurance over select performance indicators published in our Sustainability Report and we intend to continue applying this practice to our reporting (EY's independent practitioner's assurance report can be found in Appendix C).



**Our Sustainable
Business Strategy – 2019**
Implementing our strategy across our
projects and activities as a business.

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Joining the Climate Change Battle on Three Fronts

The fight against climate change is one of the most important challenges facing society today, and we fully intend to participate in collective efforts to reduce global greenhouse gas emissions.

This commitment involves three lines of action:

- › the adoption of objectives specific to our Company, detailed in "**OUR NET ZERO CARBON ROUTEMAP**" published in May 2021;
- › the publication of reports which constitute blueprints for a carbon neutral future. These reports, which examine the big picture and the strategies that will allow Canada, the UK and Germany to achieve carbon neutrality by 2050, as well as other documents intended for decision makers are publicly available and published under the banner "**Engineering Net Zero**" on our website; and
- › an unrivaled service offering for our customers enabling them to design carbon neutral buildings and renovate existing buildings to improve their energy performance.



ESG at Board Level

In 2021, the Governance and Ethics Committee added oversight of ESG and the sustainability framework, governance, and strategy to its duties and responsibilities.

The newly named Governance, Ethics and Sustainability (GES) Committee will continue to assist in developing the Company's approach to corporate governance, integrity issues and will now monitor progress and ensure accountability against publicly disclosed ESG targets. The Committee will also review the results of the materiality assessment that will be undertaken in 2022 to realign the Company's ESG priorities with its new purpose: "Engineering a better future for our planet and its people".

Expanded oversight was also given to the Audit and Risk Committee as it adopted a broader mandate to oversee the Company's Enterprise Risk Management (ERM) framework, strategy, policies, and governance.

The Audit and Risk Committee's mandate also now includes the review of the Company's financial information included in Environmental, Social and Governance public disclosure documents, such as this Sustainability Report and their recommendation to the Board for approval.

In 2021, the Board also approved and adopted the "**Commitment to Equality, Diversity & Inclusion**", a statement that codifies the organization's pledge to maintaining and creating a more representative and inclusive culture for all its employees. This commitment serves as a foundation for the targets set by SNC-Lavalin to have at least 33% representation by women across the Company and at least 25% among its executives by 2025. Moving forward, executive compensation, which has traditionally been tied to integrity and Health, Safety & Environment (HSE) performance, will now also be connected to sustainability and Equality, Diversity & Inclusion (ED&I) performance metrics.



Our Integrity Journey Continues

Integrity matters at SNC-Lavalin, and we are committed to undertaking our business activities with the highest integrity.

Maintaining a reputation of integrity depends on the actions of everyone in the organization. We expect every employee to fully understand our governance documents, and to consistently put them into action, no matter how challenging the circumstances. Integrity is embedded in our values and culture, it is how we build success by and protect our people, the organization and our third parties.

We are proud of our robust Integrity Program. 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.

Early Lifting of all World Bank Sanctions

In 2021, the World Bank Group granted an early lifting of all sanctions imposed against SNC-Lavalin Group Inc. and its subsidiaries. These sanctions had been imposed in 2013 for a period of 10 years. This decision, which followed a rigorous assessment and monitoring process by World Bank authorities and an independent monitor, confirmed that SNC-Lavalin has met all the settlement agreement's terms and conditions.

The Company and its subsidiaries are now able to bid, win and carry out work on projects financed by the World Bank, the African Development Bank, the European Bank for Reconstruction and Development, the Asian Development Bank, and the Inter-American Development Bank.

Continued Collaboration with the Independent Monitor

Pursuant to the 2019 settlement of charges related to activities that occurred 10 to 20 years ago, we continue to work with an independent monitor responsible for reporting on the company's Integrity Program until December 2022.

A summary of each report is published on our website and each recommendation is given special attention to optimize the current Integrity Program.

[Find out more >](#)

ESG and Integrity Together

In September 2021 SNC-Lavalin's Chief Integrity Officer, Dr. Hentie Dirker, was also appointed Chief ESG (Environmental, Social and Governance).

Over the past few years, we have been moving the sustainability agenda forward, establishing a net zero strategy and continuing to produce this annual Sustainability report and Climate Change report. This appointment is yet another step in the journey to identify and implement the most sustainable solutions internally and externally together with our clients.

This demonstrates our deep commitment to the ESG aspects of our business and addresses the growing expectations of our employees, clients, and stakeholders.

Integrity Risk Assessment

We selected locations for focused internal work based on the outcome of an indicator-based analysis. Working with managers and executives at various levels of the organization, we conducted meaningful discussions that are issue and incident specific. We focused on understanding the types of misconduct that are most likely to occur in a line of business.

Subsequently, close to 24 in-depth reviews were conducted in 13 countries. Following a rigorous process, we detected areas of improvement and assisted local management with remedial action at the level where the risk would be most effectively mitigated.

Since the 2019 review, the KPI analysis was expanded to comprise 17 carefully selected risk indicators. These included KPIs to determine the risks of Antitrust, Lobbying and Modern Slavery which were not included in the 2019 review.

We identified 41 actions that reduced compliance risk, 23 have been implemented and the remaining 18 are in process of being implemented. This proactive approach was fundamental to mitigating risk across the full spectrum of potential threats for our company and its stakeholders.

We strive to remain at the forefront of emerging risks and respond to modern-day challenges effectively.

Our Approach to Risk Management

Risk management is a dynamic process, and our approach and framework are continually enhanced year-on-year to ensure it remains fit for purpose and effective.

Risk Governance

We manage risk recognizing that our external and internal environments are constantly changing.

Our risk management governance framework includes policies and procedures for risk management of strategic, functional, operational and project risks. We have a structured approach to early risk assessment and review of opportunities, and a comprehensive set of risk management tools.

Enterprise Risk Management

We manage a wide range of risks across our operations, business lines and functions.

An extensive review of the company's enterprise level risks is undertaken annually with key stakeholders including individual risk owners, heads of function, business line management and the executive management team.

Risks are prioritized and mitigation strategies agreed upon, and this becomes the baseline for monitoring and reporting efforts, subject to update as part of quarterly reviews by the risk management function with the risk owners and key stakeholders, including business line and executive management.

Project Risk Management

Our risk management processes address the full project life cycle – from early risk assessment at the opportunity identification stage, to project reviews and approvals prior to bid submittal and contract execution, to project risk management during the execution and delivery of our projects and mandates, including project peer reviews.

These processes work hand in hand with the company's levels of authority policy and related procedures, which establishes the risk governance and risk tolerance of the organization.

Our approach to project risk management involves:

- › Understanding the context and environment associated with the project.
- › Identifying and assessing potential risks.
- › Prioritizing risks and allocating appropriate resources in a timely manner.
- › Developing and implementing mitigation plans and associated actions.
- › Monitoring and reviewing mitigation efforts and analyzing associated impacts on risk exposure.
- › Recording and communicating the risks, risk status and risk exposure.
- › Closing out of risks and capturing the project lessons learned.

In addition to detailed project reviews up to executive level, independent project reviews are carried out on an ongoing basis by the Project Oversight function and business lines to provide feedback and support to the project teams, as well as independently assess performance and validate progress.

Our Approach to Global Security

Security is our priority and at the core of everything we do. SNC-Lavalin's Global Security team protects our people, assets, information, and reputation in both the physical and digital worlds.

We recognize and understand the importance of providing comprehensive and adaptive security solutions to reduce risks and ensure a secure environment for all our operations.

Our business resilience and recovery program aims to make us more resilient when faced with potential business interruptions such as natural disasters, terrorism, political conflicts, and other issues.

Managing Security Risks

Our operations occasionally require work and travel in regions and countries that are deemed as having augmented security risk. For each new bid in medium and high-risk countries, risk assessments are carried out to ensure the safety of our employees.

The risk level and our mitigation actions are reviewed on a monthly basis for ongoing projects. For work and travel in high-risk countries, we have regional security directors to explain the risks and requirements to individuals and, where necessary, develop specific security plans for travellers.

Should an incident occur in any country, a duty officer will receive an alert and they will contact every individual in the area to provide guidance and assistance to our employees. If necessary, a crisis management team may be formed to handle the situation.

The executive committee is provided with information and updates on incidents. A similar system is in place for monitoring and responding to extreme weather events.

Our Approach to Tax

SNC-Lavalin is exposed to a variety of tax related risks, including tax compliance and reporting, transactional and reputational.

Our objective is to adhere to all relevant tax regulations and ensure tax compliance in each country in which we operate.

We have a responsibility to pay the appropriate share of tax in each of the jurisdictions in which we operate while, at the same time, balancing our responsibilities to shareholders.

We assume a conservative approach to tax risk and to the adoption of tax positions. Assessment of risk will take account of reputation, brand, governmental relationships, the benefit of certainty and tax authority relationships.

We are committed to the principles of openness, cooperation, communication, and transparency in our approach to dealing with tax authorities.

We maintain internal policies and procedures to support our tax governance framework, which aligns with our wider risk and control framework.

In accordance with UK legislation, SNC-Lavalin is required to publish its [UK Tax Strategy](#) on the external website and this sets out our approach to tax risk management and governance, attitude to tax planning and appetite for risk together with our approach in dealing with the UK Tax Authorities.

The UK Tax Strategy is updated annually with review and approval provided by the SVP-Taxation and the relevant UK Board of Directors.

The UK Tax Strategy is in line with the wider SNC-Lavalin tax strategy. The SVP – Taxation reports directly to the Chief Financial Officer (CFO) who, by delegation of the Board of Directors, is responsible for SNC-Lavalin's overall tax strategy. The wider SNC-Lavalin tax strategy has been reviewed and approved by the CFO and is periodically updated.

Our Approach to Tax Evasion

SNC-Lavalin has a zero-tolerance policy with respect to any criminal facilitation, including tax evasion, and would never accept being complicit in facilitating a third party to evade taxes in any jurisdiction. SNC-Lavalin will not engage in, facilitate, or be associated with any form of tax evasion anywhere in the world.

Tax evasion refers to the unlawful evasion of taxes performed by misrepresenting the taxpayer's affairs with the goal to reduce or eliminate their tax liability. It may take the form of dishonest tax reporting through the understatement of income or gains or the overstatement of deductions or losses. Tax evasion can be realized by individuals, corporations, or trusts. Facilitation of tax evasion refers to deliberate and dishonest action (or omission) to assist another person to evade taxes in any jurisdiction.

Tax evasion covers all forms of tax, including but not limited to, payroll and employment taxes, national insurance and social security contribution, capital taxes, corporation tax, customs and duties, VAT or other indirect sales and goods taxes irrespective of territory. The SNC-Lavalin Code of Conduct outlines the variety of reporting channels for raising concerns about unethical or unlawful behaviours relating to tax and includes a third-party reporting line.

Managing Tax Risks

SNC-Lavalin's Global Tax team manages tax risks at both a central oversight level and a regional management level.

We have substantial in-house teams in the US, UK, and Canada responsible for managing local tax returns, providing tax planning and advice to project and bid teams, monitoring tax risks and maintaining relationships with local tax authorities.

Our Global Tax team, which is also present in the Middle East and India, provides tax stewardship for every country in which we operate to ensure tax compliance and monitor tax risks.

Where there is uncertainty as to how the relevant law should be applied, and depending on other factors such as materiality, uncertainty, application of recently enacted legislation or special technical challenges, SNC-Lavalin may seek external professional advice to support the decision-making process.

Our approach to Data Compliance

The appropriate handling and processing of data is vital to the continued success of our business and maintaining the trust of our clients, employees, and stakeholders.

We are committed to the implementation and continual improvement of a framework that ensures that data is handled appropriately, consistently and in accordance with applicable data and privacy law.

In 2021, our Data Compliance Team made changes across a wide array of workstreams and the business, to increase our maturity and compliance whilst decreasing data related risks and in response to complex changes to contractual requirements in relation to international personal data sharing following the UK's withdrawal from the EU and an update to EU legislation.

The change saw the introduction of tiered contracts to ensure compliant national and international personal data sharing. The legal and regulatory landscape will continue to change throughout 2022 as the relationship between the UK and EU evolves and the UK makes changes to data laws.

The Data Compliance Team assumed responsibility for wider data compliance, now assisting and advising the business to meet the wider legal, regulatory, contractual, and ethical obligations that are growing in relation to all data types. A key focus from internal and external stakeholders, beyond personal data, is on the governance and management of information.

In 2022 and beyond it is expected that there will be further significant developments in digital and data laws globally with a keen focus on tech-specific environmental laws, increased regulation and combined international cooperation to increase enforcement action. There is going to be an ever-advancing requirement to demonstrate active understanding, consideration, and compliance in relation to data protection, data governance and ESG topics from clients and suppliers.

As always, the Data Compliance Team and SNC-Lavalin will ensure we are prepared to address and adapt to any relevant developments in relation to data compliance and integrity.



Management Systems

A Fully Integrated Approach to Governance

Our Global Health, Safety and Environment Management System (GHSEMS) outlines expectations and supports a 'One Company' approach for delivering a robust HSE performance throughout our organization.

All our HSE processes are consolidated into one document referred to as the BlueBook. Updated annually, the BlueBook integrates our HSE leading and lagging indicators and best practices while ensuring our activities comply with all applicable laws, regulations, client, and other stakeholder requirements. It is also consistent with the requirements of the ISO 14001:2015 environmental standard and ISO 45001:2018 occupational health and safety standard.

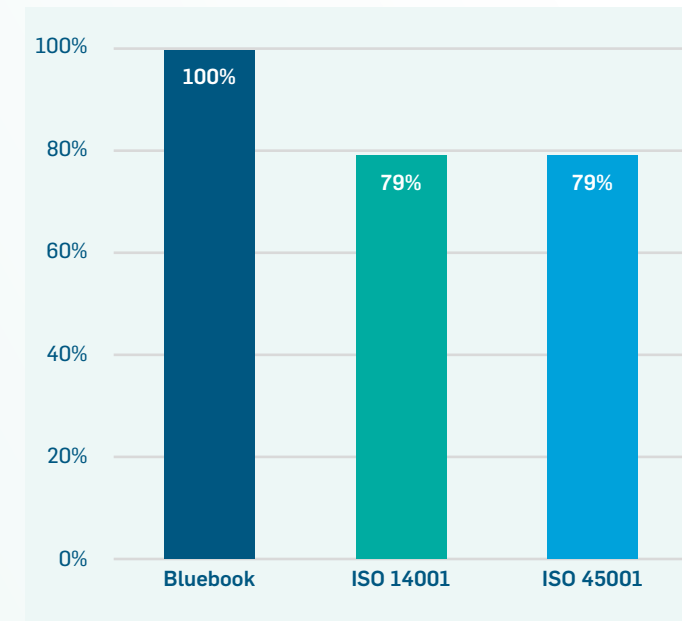
The BlueBook is distributed across our organization and to clients and contractors to ensure everyone is working to the same standards and requirements. The BlueBook is also accessible via a smartphone application for all employees.

Certifications

Many of our entities are certified to ISO 14001 and ISO 45001, with an expected increase as a result of our Global Certification Program (GCP).

This is an improvement initiative which consolidates all SNC-Lavalin ISO certified Identities under single corporate certifications, supported by one international certification body. Key objectives of the GCP are to increase certification coverage and improve costs and performance. This program is estimated to be fully implemented by Q4 2022.

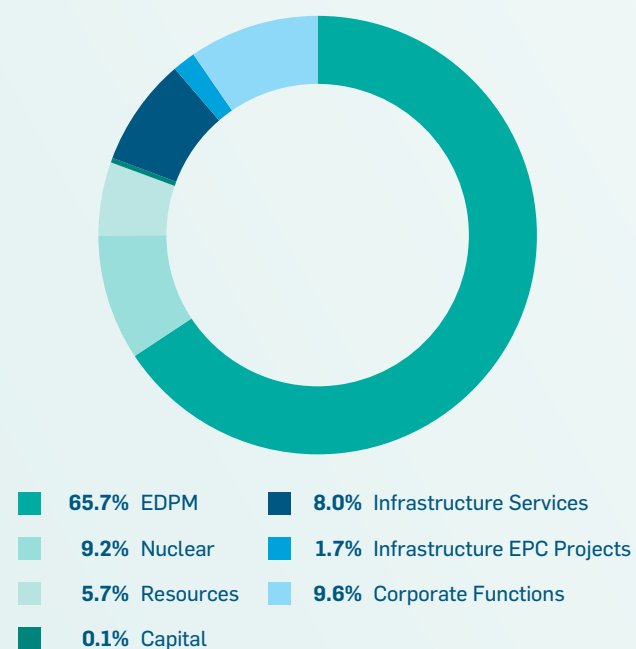
PROPORTION OF EMPLOYEES COVERED BY MANAGEMENT SYSTEMS OR STANDARDS¹



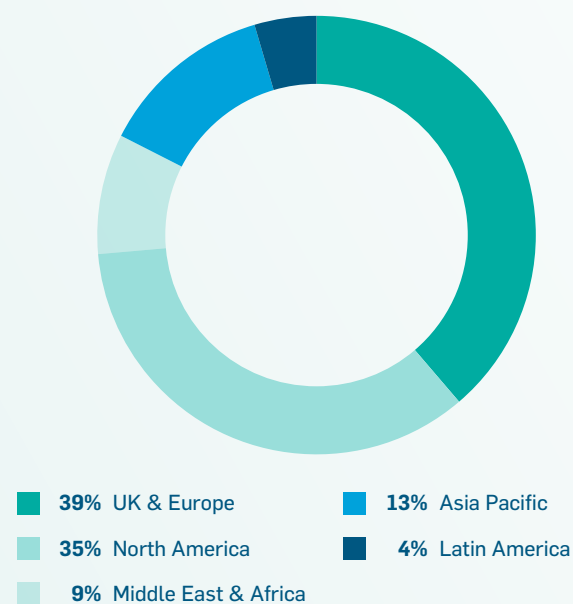
¹ AS OF DECEMBER 2021

OUR EMPLOYEES

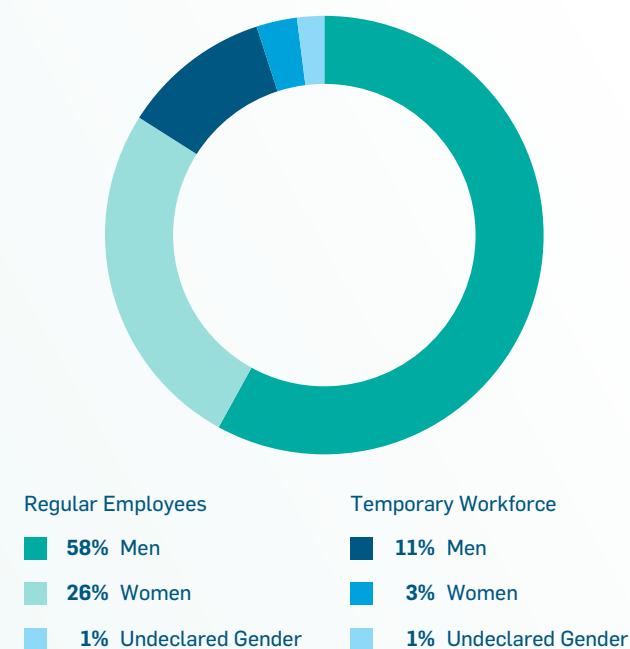
PERCENTAGE OF EMPLOYEES PER SEGMENT



PERCENTAGE OF EMPLOYEES PER REGION

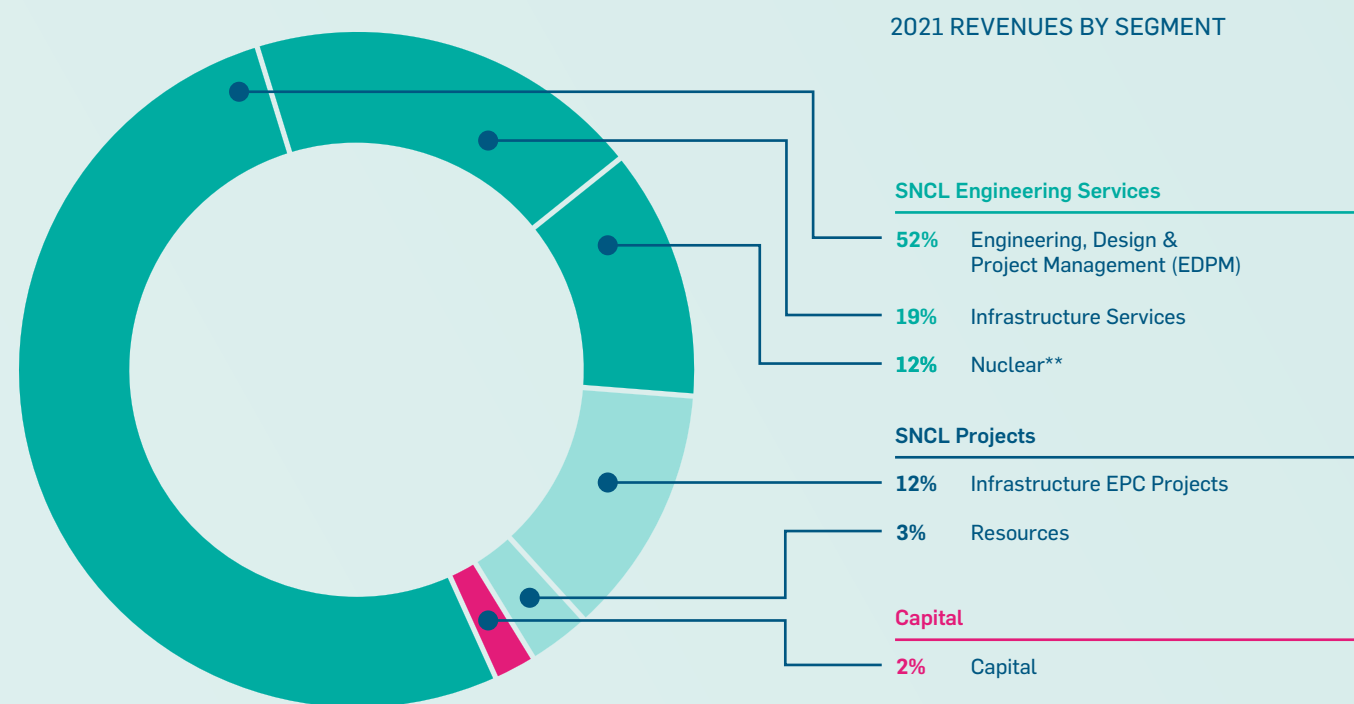


EMPLOYEES PER CONTRACT TYPES AND GENDER*

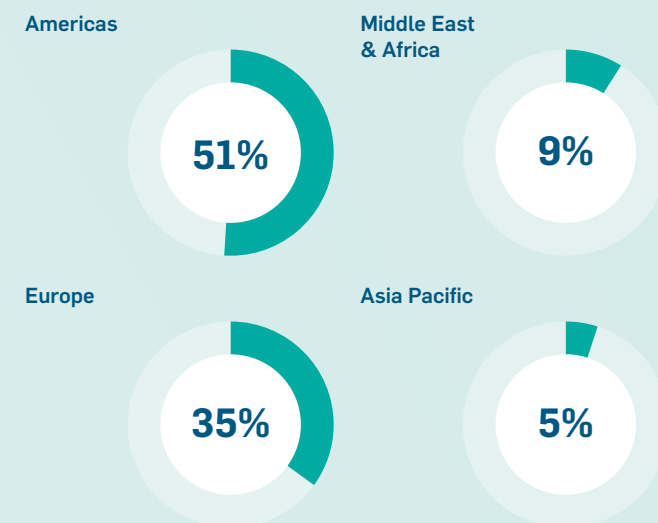


* BASED ON VOLUNTARILY DISCLOSED GENDER BY EMPLOYEES. A SMALL PROPORTION OF EMPLOYEES DOES NOT WISH TO DISCLOSE SUCH INFORMATION.

REVENUES FROM CONTINUING OPERATIONS*



2021 REVENUES BY GEOGRAPHIC AREA



* REVENUES FROM THE OIL AND GAS BUSINESS ARE NOT INCLUDED AS THIS BUSINESS WAS SOLD DURING THE 2021 FISCAL YEAR AND THE REVENUES WERE REPORTED WITHIN DISCONTINUED OPERATIONS.

2** ~37% OF THE NUCLEAR SEGMENT REVENUES ARE FROM DECOMMISSIONING AND WASTE MANAGEMENT

SUSTAINABLE PROJECT PORTFOLIO

Current Portfolio Structure

In order to classify our projects, we considered criteria such as whether the type of project would contribute to lower GHG emissions and if it would be compatible with a low-carbon economy. If so, it was deemed “sustainable”.

In addition, we also took into consideration social benefits of the buildings and infrastructure we design. As such, health, education and cultural buildings were considered “sustainable”, while commercial buildings, similar in size and environmental impacts, were not.

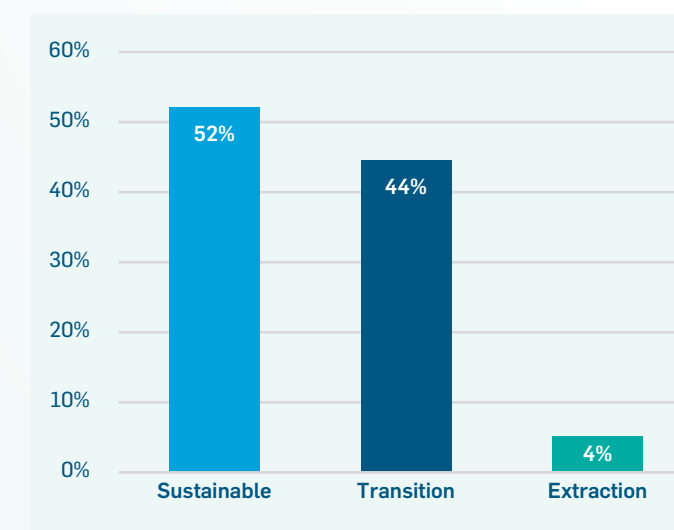
Portfolio categories	Type of projects	Percentage of revenues*
Sustainable future and carbon-free economy	› Renewable energy, including all hydroelectric projects	52%
	› Clean power and technologies, including all nuclear-related projects	
	› Water, sanitation and waste management	
	› Mass transit and rail	
	› Health, education and cultural buildings	
	› Multi-residential buildings	
	› Climate change mitigation	
Transition business	› Decontamination and rehabilitation	44%
	› Transportation (other than rail)	
	› Commercial, governmental, industrial and mixed-use buildings	
	› Communication infrastructure	
	› Power transmission and distribution infrastructure	
Finite resource extraction	› Defence & security	4%
	› Hydrocarbon-related projects	
	› Resources extraction-related projects	

* Management estimates as of December 31st, 2021.

2021 Value Distributed (in million CA\$)

- › Direct costs of activities 6,882
- › Employee remuneration 3,664
- › Income Taxes paid 71
- › Dividends paid to shareholders 14
- › Approved Sponsorships and donations 2.24

PROJECT PORTFOLIO DISTRIBUTION (% OF REVENUES)



MATERIAL TOPICS

We have identified 12 societal issues that are most material to our operations and across our projects.

Each material issue has an overarching key objective to demonstrate our commitment.

In early 2022, the Company initiated a new materiality assessment to ensure that our commitments align with our newly stated purpose.

Reduce CO₂ produced by energy consumption

Reduce consumption of raw materials

Protect against physical impacts of climate change
and extreme weather

Improve human health
and wellbeing

Reduce water consumption

Reduce environmental pollution

Protect existing biodiverse habitats,
increase biodiversity

Increase diversity
and social inclusion

Reduce CO₂ produced by transport

Protect human rights

Maintain a high standard of engagement towards integrity

Create social value
and community benefits



03 UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

INTRODUCTION TO THE UN'S SDGS

In September 2015, the General Assembly of the United Nations adopted the 2030 Agenda for Sustainable Development that includes 17 Sustainable Development Goals (SDGs).

Building on the principle of “leaving no one behind”, the new Agenda emphasizes a holistic approach to achieving sustainable development for all. In response to this agenda, we became a signatory of the UN Global Compact and have created a Sustainable Business Strategy aligned with the UN SDGs.

We have selected three goals on which we will focus our improvement initiatives between 2020 and 2025:

- › [Goal 7: Affordable and Clean Energy](#)
- › [Goal 11: Sustainable Cities and Communities](#)
- › [Goal 13: Climate Action](#)

These are the goals we consider to be most material both to our business strategy and to our stakeholders.



OUR PRIORITY GOALS

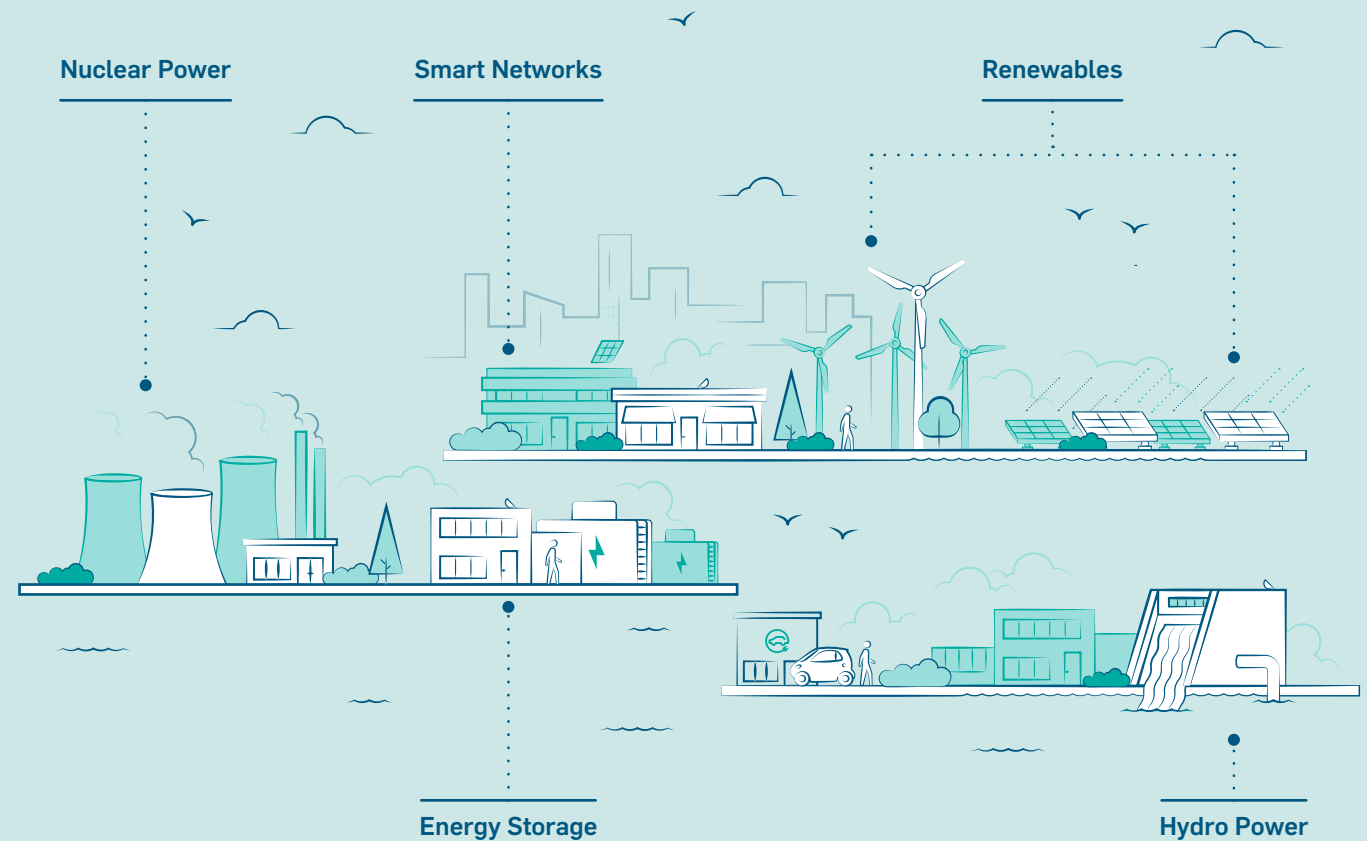


UN SDG 7 Affordable and Clean Energy

SNC-Lavalin combines decades of expertise, engineering capabilities and an understanding of the entire energy system to deliver solutions for nuclear, hydro, renewables, transmission, energy storage and transmission and distribution applications.

As organizations become increasingly digital, we build and utilize intelligent networks and cybersecurity systems to enhance power plants' capacity to create cleaner energy.

As the steward of CANDU® technology, we've developed and licensed nuclear technology for over 60 years. With our knowledge of global policy and regulatory frameworks across four continents, we've expanded to new geographies across a wide range of reactor technologies, including small modular reactors (SMRs).





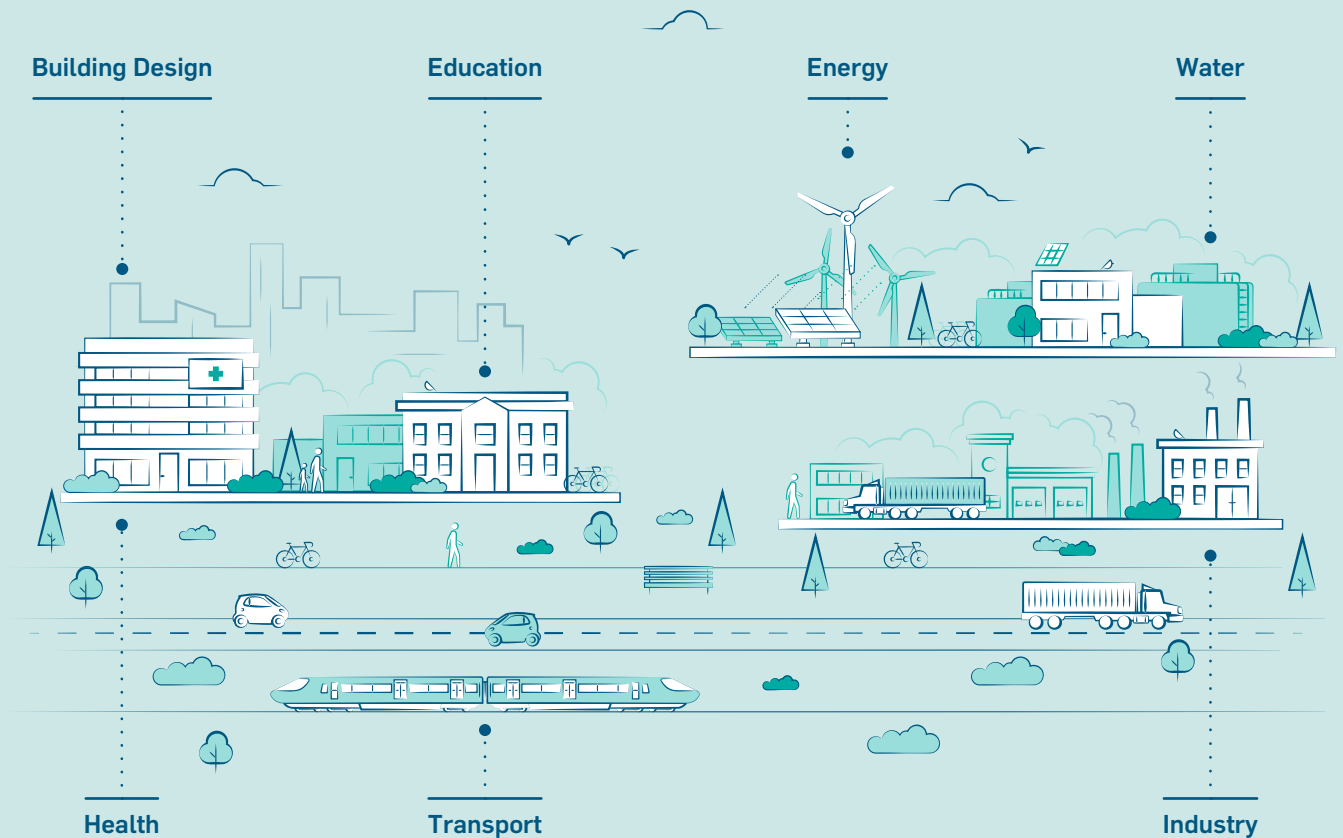
UN SDG 11 Sustainable Cities and Communities

We design towns, cities, and communities to meet the needs of modern populations throughout the world.

Our work includes planning and project managing infrastructure projects across transport, energy, water and environment, building design, industry, communications, health, justice, and education sectors.

For every project, we use our insights and knowledge of local community issues – including the political and socio-economic climate – to help determine the importance of providing urban development which can create a lasting legacy for future generations. We weave environmental, economic, and social sustainability into every project to develop a vibrant ecosystem of people, programs, and places.

By working in close partnership with local government organizations, developers, and local communities, we plan, design, and enable projects that add value for all stakeholders.



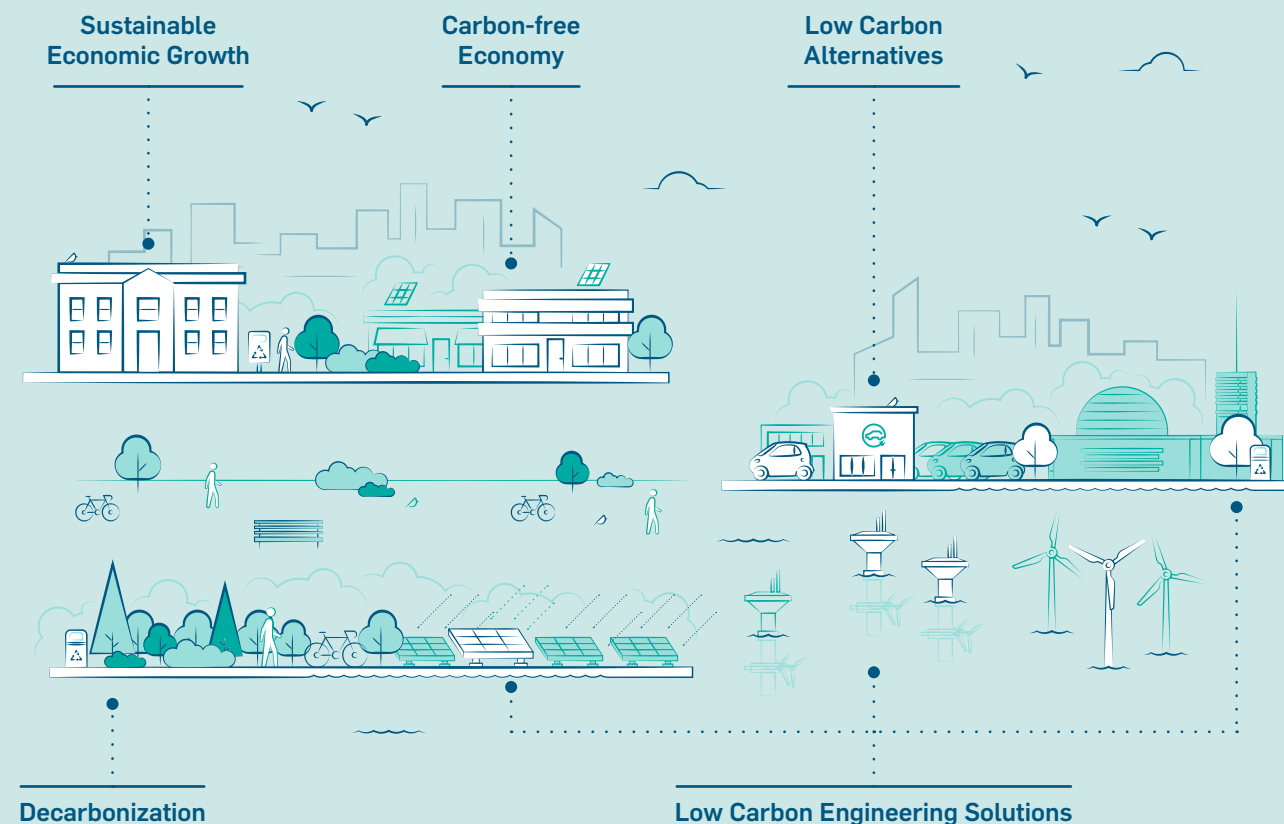


UN SDG 13 Climate Action

We need to act now to achieve Net Zero Carbon and avoid catastrophic climate change. We consider it our mission to lead the engineering industry in achieving Net Zero as rapidly as possible.

Our expertise, commitment and global experience means we are uniquely placed to address the challenges ahead and identify opportunities in pursuit of a carbon-free economy. We channel our low-carbon engineering experience into pioneering solutions for faster decarbonization of businesses, sectors and regions at scale, for more sustainable economic growth.

As the global movement towards a more sustainable future gathers momentum in a post-COVID world, we are committed to making a profound impact on climate change and leading the world towards Net Zero Carbon.



UN GOALS WHERE WE CAN HAVE A HIGHER IMPACT

Although SDG 7, 11, and 13 are our priority, we consider that our activities and the way we conduct our business can also have a significant impact on the following UN goals.



UN SDG3 Good Health and Well-being

Our clients thrive on our ability to create the healthcare facilities of tomorrow, all built on the foundations of more than five decades in the healthcare sector.

The success of our clients' healthcare and research projects are driven by the desire to put patients' needs at the centre of everything. As the world around us changes, we deliver facilities primed for the very best levels of healing and care possible.

We're constantly adapting to empower the latest and greatest models of healthcare, regardless of location or procurement method. Whether that means integrating mechanical-electrical services, controlling cutting-edge equipment, or creating masterplans for major hospital redevelopments.



UN SDG5 Gender Equality

As an industry, we have long recognized our responsibility to attract as wide a pool of talent as possible into the world of engineering. Working together with the industry, we've succeeded in increasing the proportion of female engineering and technology undergraduates in the UK by five percentage points over the last decade (2011-2021).

However, the most significant challenge facing our industry is the disproportionate number of men to women across all levels of the career spectrum, particularly in senior roles. Moreover, women are also leaving the engineering profession at twice the rate of men.

To increase the number of our female workforce in roles related to science, technology, engineering, and math (STEM), we are actively recruiting more women into the business and increasingly retaining them by providing development opportunities for progression into more senior positions.



UN SDG6 Clean Water and Sanitation

We've been designing and building water infrastructure around the world for more than a century. We pride ourselves on our ability to ensure water services are environmentally responsible, always pushing research and innovation boundaries as we look to create better solutions.

Our areas of expertise are wide-ranging — from specializing in protecting water sources and ensuring waterborne contaminants stay out of sensitive ecosystems, to meeting compliance with all regulators.

We keep our clients' needs in mind and work closely with them to make sure this always happens. Whether we're designing a drinking water plant, figuring out how to treat and return wastewater safely to the ecosystem, or finalizing a river management and flood defence strategy, our sustainable solutions are realistic, durable, and adaptable.



UN SDG10 Reduced Inequalities

We have always recognized the important role youth, especially those of Indigenous heritage, play in the success of our global workforce. Their unique perspectives, expertise, experience, and knowledge are critical to developing and sustaining an innovative workforce and corporate culture.

We continue to support the success of the next generation of Indigenous youth by awarding bursaries through various academic institutions and initiatives.

Five CA\$5,000 scholarships are awarded each year to Indigenous students enrolled in a post-secondary Canadian institution who have demonstrated their commitment to education, volunteer work, and their desire to help Canada's Indigenous, First Nations, Metis and Inuit communities thrive.



UN SDG12 Responsible Consumption and Production

We deploy our global capabilities locally to our clients and delivers unique end-to-end services across the whole life cycle of assets.

We leverage our capabilities to meet the demands of the future for our clients in decarbonization and sustainable solutions. This means that we can: examine multiple scenarios at the design phase to choose the project which minimizes impacts while maximizing benefits; create a digital twin of client's asset to optimize resource management through construction; apply building life-cycle management approaches to monitor and react to critical data, facilitating maintenance; extend the operational life of facilities and, at the end of the life-cycle, dismantle buildings and infrastructure, and finally rehabilitate and restore properties so that the location can be used again.



UN SDG16 Peace, Justice and Strong Institutions

SNC-Lavalin has a deep commitment to continued excellence in integrity and compliance and we consider responsible business practices critical to achieving our purpose. Beyond the fight against bribery and corruption, integrity is about doing the right thing. We believe ethics and business success go hand-in-hand.

We are now harnessing our knowledge gained from our experience to help others, share lessons learned and shape the future of our industry. This includes supporting global anti-corruption organizations, such as:

- › World Economic Forum's Partnering Against Corruption Initiative (PACI)
- › United Nations Global Compact
- › OECD Trust in Business Integrity Initiative
- › TRACE International
- › Business Ethics Leadership Alliance (BELA)
- › Coalition for Ethical Operations
- › Institute of Corporate Directors (ICD)

04 2021 RESULTS AND CASE STUDIES

ENERGY


Energy Results

The most efficient way to reduce our carbon footprint is to embrace more energy efficient practices and reduce our global energy usage.

Through office optimization, ending some energy intensive activities and the adoption of the new technologies, we were able to achieve a global energy use reduction of 63% between 2017 and 2021.

Although 2020 and 2021 were indeed affected by pandemic-related restrictions, we do believe that we reached a peak in energy usage and in energy intensity in 2018-2019, that good habits will continue and that the general downward curve we saw in recent years will be sustained until we reach Net Zero in 2030.

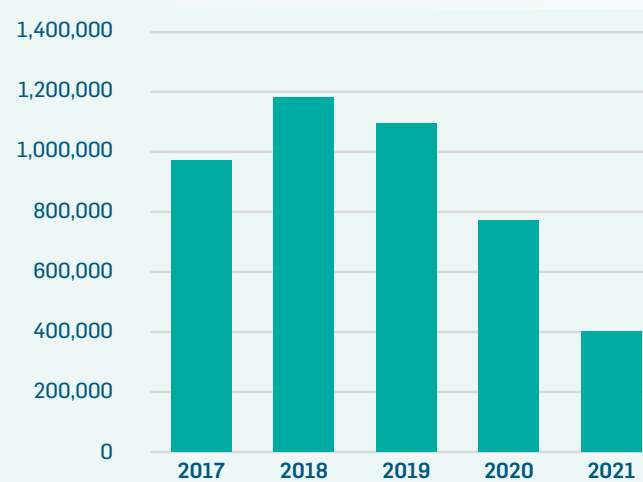


	2017 ¹	2018	2019	2020 ²	2021 ^{2,3} 
Energy usage					
Energy usage (GJ)	964,497	1,152,210	1,107,213	756,656	404,672
Energy intensity ⁴					
In GJ/FTE	35	28	27	19	9
In GJ/million CA\$ revenues	103	114	116	75	37

Our 2021 energy usage and energy intensity data was subject to limited assurance by EY.

1. In July 2017, SNC-Lavalin acquired WS Atkins Limited, which explains the majority of the rise in energy usage and associated GHG emissions noted in 2017 and 2018.
2. In 2020 and 2021, we estimated the energy consumed by employees working from home based on energy requirement of laptops during 8 hours per days worked.
3. In 2021, SNC Lavalin completed the sale of its Oil and Gas business.
4. The 2021 energy use includes these now divested activities' usage from January 1st to July 28th, as a substantial portion of the sale was completed on July 29th, 2021. In addition, it has to be noted that for the 2021 inventory, all joint ventures were considered as 100% under SNC Lavalin's operational control (rather than a proportion based on financial participation). This more conservative approach will prevail until we can determine who has ultimate operational control of the occupied facilities, and whether they should be part of SNC Lavalin's inventory. To ensure year on year comparability, the energy usage for Oil and gas activities was excluded from the 2020 intensity calculations and the denominators (FTE and revenues), for these calculations also excluded these activities.
5. To ensure year on year comparability, the Oil and Gas business was excluded from the 2020 and 2021 intensity calculations (representing respectively 233,550 and 136,226 GJ).

ENERGY USAGE (GJ)



Energy Case Studies

Net Zero Emissions NET Power Plant Project Redcar, North Yorkshire, England

Whitetail Clean Energy has appointed SNC-Lavalin as its engineering partner for a net zero emissions NET power plant at Wilton International, North Yorkshire. One of the first projects of its kind in the world, the plant will generate approximately 300MW of clean power, using natural gas and oxygen in an [Allam-Fetvedt Cycle](#). The excess carbon dioxide (CO₂) not used by the co-generation process is intended to be captured and stored under the North Sea, making the plant a double first for the United Kingdom: the first power plant to utilize this type of technology, and also the first using [carbon sequestration](#) under the North Sea.

Our team will be involved through the design phases to financial close, while also providing an on-site presence to monitor, supervise and manage the construction and commissioning phase, which is scheduled to be operational as soon as 2025. Whitetail is expected to bring inward investment into the clean power sector supporting over 2,000 direct, indirect and induced jobs, including cascading supply chain opportunities during the construction phase of the project.

[Find out more >](#)

Drone Surveys for Construction Monitoring at Hinkley Point C, Somerset, England

Hinkley Point C is the UK's largest infrastructure project and will play an important part in the UK's transition to a low carbon energy future.

We're currently in a 10-year construction period of the new 3.2GW power plant and, amongst other innovations, we're using a state-of-the-art fixed-wing, vertical take-off drone to gather information on the progress of construction and conduct monthly surveys.

This makes the collection of accurate data of the entire 200-hectares safer, more efficient and cost-effective. Its high-resolution images are used to inform decision making about the infrastructure that's being built on site.

By using the latest digital tools we've been able to:

- › Increase efficiency: the drone enables us to gather data quickly and avoid disruption on site.
- › Improve productivity: high quality survey data is delivered straight to people's desktops so they can base their decisions on the latest information.
- › Reduce costs: achieving the same results with more traditional technologies, for example a manned aircraft, would be much more expensive.
- › Minimize risk: the quality of the captured data helps reduce the need for people to travel to, and be on site, which has safety implications.

[Find out more >](#)



Moving Towards Green Hydrogen Abu Dhabi, United Arab Emirates

Demand for hydrogen has grown more than threefold since 1975¹ and continues to rise as decarbonization seeks to replace natural gas, petrol and diesel with hydrogen fuels.

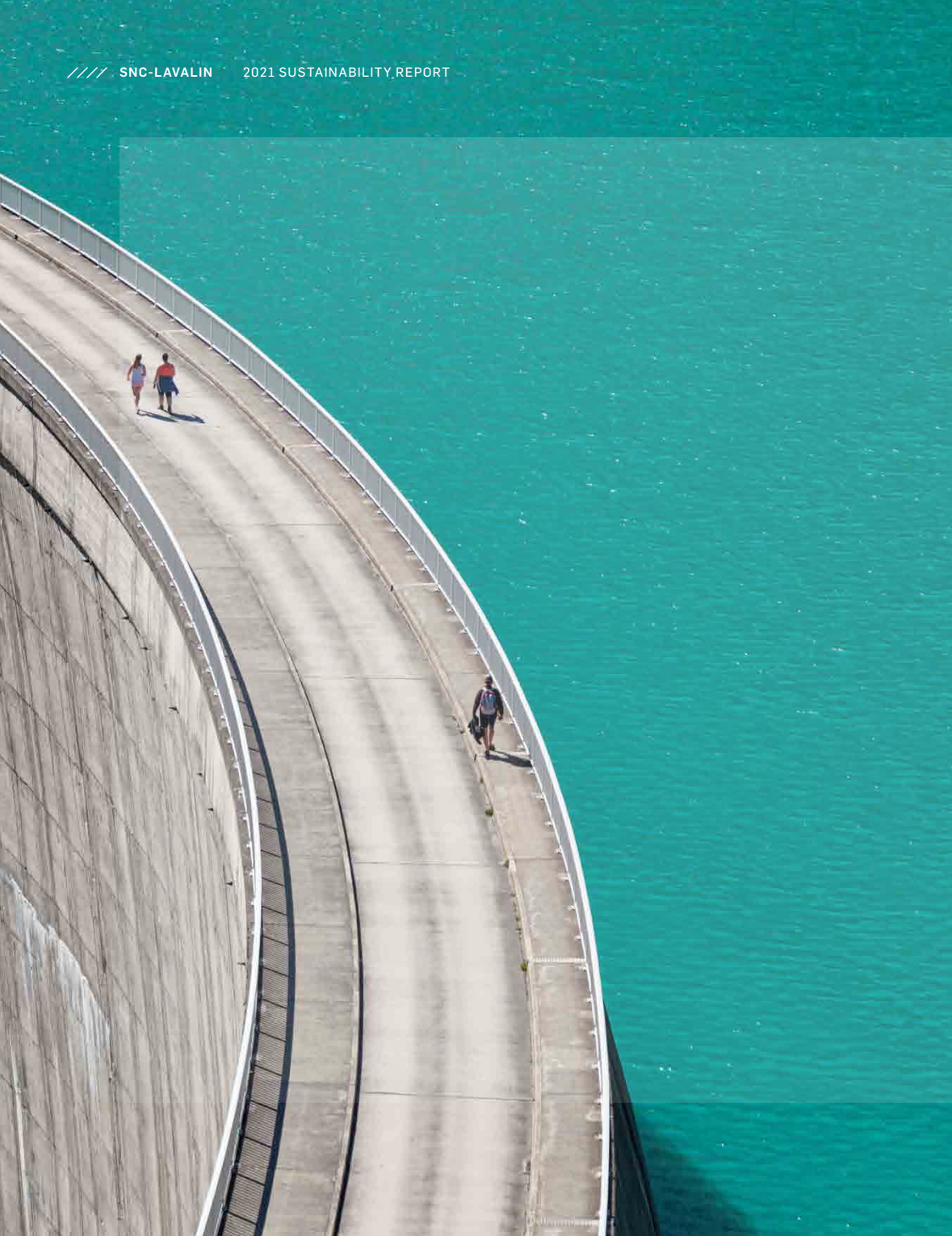
At present, hydrogen is supplied almost entirely from fossil fuels and as a result, the production of grey hydrogen is responsible for approximately 830 million tonnes of CO₂ emissions per year, equivalent to the CO₂ emissions of the United Kingdom and Indonesia combined.

By contrast, green hydrogen is generated entirely by renewable energy and has significantly lower carbon emissions. SNC-Lavalin has been appointed as technical advisor to Abu Dhabi National Energy Company (TAQA) for the development of two largescale green hydrogen projects. The project concepts are based on producing green hydrogen from an electrolyser facility paired with a 2GW solar photovoltaic (PV) plant.

The green hydrogen will then be used for ammonia export and for green steel production in the MENA region.

[IEA](#)

[Find out more >](#)



WATER

Water case studies

Using Artificial Intelligence (AI) Technology to Improve Flood Modeling, Worldwide

Flooding is one of the most common and costly disasters communities face today, threatening life and property. The ability to plan and design infrastructure that provides protection against natural disasters is obviously a primary concern of states and municipalities. But addressing water infrastructure assets is a major challenge for all levels of government.

For instance, a key piece of data for quantifying flood damage from future storms is the first-floor elevation (FFE) of each building.

Most communities don't have this information because surveying large numbers of buildings is cost prohibitive.

Using our AI-based InfoExtract tool™, the City Simulator™ team has developed a method for quickly estimating FFE based on Google Street View Imagery.

The algorithm leverages AI-based object detection techniques to pinpoint the location of the first floor in the image and then uses a mix of information including camera position, building location, dimensions, and other data to estimate the elevation.

With the FFE on hand, municipalities can quickly target priority areas, plan mitigation measures, and allocate resources more efficiently.

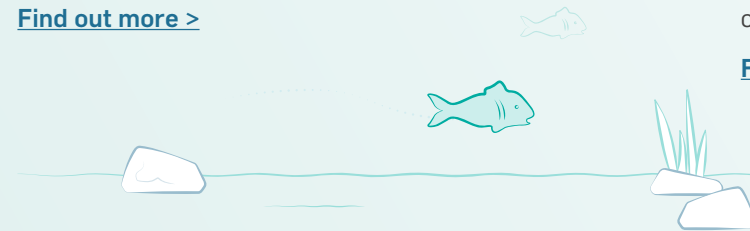
[Find out more >](#)

Providing Sustainable Coastal Engineering Solutions, British Columbia, Canada

We have been participating in a project to preserve and restore the integrity of the Squamish River watershed in British Columbia, improving access and native habitats in the Estuary for juvenile Chinook salmon. The Central Estuary Restoration Project (CERP) is a partnership with The Squamish River Watershed Society (SRWS), and our coastal engineering team have helped the SRWS to plan for the removal of an existing coastal structure within the fish and wildlife habitat area of the estuary.

We conducted a comprehensive hydrodynamic and sediment transport model to provide a comparative assessment between the existing situation and the removal scenario. We concluded that the proposed modifications would allow the estuary to perform in a more naturalized manner, with sedimentation and wood debris spreading out throughout the estuary, rather than accumulating in pockets in front of the Squamish Terminals.

[Find out more >](#)



Restoring the 'Missing Mile' Gloucestershire, UK

Whilst constructing a motorway during the 1970s, a section of the Stroudwater Canal in Gloucestershire, had to be filled in to make way for a roundabout. This splits the canal into two sections, known as the 'missing mile'. After 50 years, our specialists have been helping to manage the project design and delivery to unblock the canal and restore the 'missing mile' while maintaining traffic flow, keeping a public footpath open and accounting for communications cables that would have been cost-prohibitive and disruptive to divert.

The restored waterway and towpath will deliver significant social, environmental, and economic benefits by providing a car-free walking/cycling route linking the Sharpness canal towpath at Saul Junction to Stroud and beyond.

Other positive outcomes include increased biodiversity, through creating new wetland habitats that will eventually form part of over 30 hectares of priority habitats as one of the UK's largest biodiversity offsetting projects.

[Find out more >](#)



TRANSPORT

Transport Case Studies

Improving Public Transport in Cambridge, UK

We've been working with the Greater Cambridge Partnership (GCP) on an ambitious program of transport schemes to support continued growth in the Cambridge sub-region, one of the UK's core economic clusters. The program includes a set of radial high-quality public transport and active mode corridors, building on the success of the existing Cambridgeshire Guided Busway.

The aim is to deliver more reliable public transport across the region by improving journey times and enabling more journeys to be taken by public transport, walking, and cycling across and between existing commercial properties and developments, and those planned for the future.

[Find out more >](#)

Progress on the Purple Line Maryland, USA

The Purple Line project is a Public-Private Partnership (P3) formed to design, build, and operate a 26-km light-rail line with 21 stations in the Washington, D.C. suburbs of Maryland. In addition to the 21 stations, there are two operations and maintenance facilities to be designed to the LEED silver certification level, 52 grade crossings, four major bridges, and one tunnel.

Alongside providing technical expertise, we were responsible for project management of the vehicle supply contract from initial stages through design, construction, delivery, testing, commissioning, and into the initial warranty management.

Our team's efficient and timely service has allowed the vehicle procurement to proceed well below budget, with minimal issues and change orders. We have also provided added value through our additional expertise in such areas as wheel-rail interface, welding, and system modelling.

[Find out more >](#)

Ensuring Sustainable Expansion at JFK New York, New York, USA

We have been mandated to provide strategic advice in identifying and defining sustainable development initiatives for an Envision recognition of the Terminal 1 redevelopment program at John F. Kennedy International Airport (JFK) in New York. The Envision system recognizes the efforts of a project in terms of sustainable infrastructure, overseen by the Institute for Sustainable Infrastructure (ISI). SNC-Lavalin's sustainable infrastructure specialists joined the Atkins project team mandated to carry out the civil work to provide their expertise on Envision and help meet the contractual requirements and objectives set by the project proponent.

The civil works cover over 100 acres of land inclusive of airside paving and an extensive roadway network on the landside. Both areas are full of underground utilities replacing all in the most sustainable fashion. The terminal has an extensive solar array on the roof and will self generate a substantial portion of its own power.

[Find out more >](#)

MATERIALS

Materials Case Studies

Squashing the Printing Habit and Reducing Paper Consumption, Canada

Throughout the pandemic lockdowns, the number of documents printed in our Canadian offices was reduced by 79%. Although we expect an uptick in the coming years, our in-house procurement staff believe that printing activities will not return to 2019-levels before 2025.

To build on this, the renovation of the head office and adoption of a new “hot seat” configuration allowed us to rethink the location and number of printers, leading to a reduction of more than 50% of multifunction printers available to staff in the downtown Montreal office.

Combined with default 2-sides printing, we estimate that, in Canada alone, we saved over 3,000 trees in 2021, compared to a situation where we would have maintained the same usage as in 2016.

Recycling Renovation Material at the Head Office, Montréal, Québec, Canada

Our Headquarters in Montreal have been undergoing major renovations since 2020, in order to create a more modern and efficient working environment. The new workspaces will be innovative, technologically friendly and offer more collaborative spaces, as well as providing greater access to natural light.

Centralized waste segregation bins on each floor will decrease the quantity of non-recyclable and non-composting waste, and there will also be ‘bottleless’ filtered water distribution machines to continue our journey towards the elimination of single use plastic.

The environmental footprint was considered when selecting the material and furniture suppliers, with the majority bought from environmentally-conscious manufacturers located within 300km.

Recycling scrap materials has also been carefully considered. In 2021, approximately 3,000 fluorescents tubes, 28 metric tons of scrap metal and 286 metric tons of other materials such as carpets, gypsum board, concrete, granite, etc. were sent to recycling facilities.

Overall, 84% of demolition material was diverted from landfill during that year.

HEALTH & SAFETY

Health and Safety Results

Lagging Health and Safety Indicators

Each year, our Health and Safety targets are reviewed and approved by the Safety, Project Oversight and Technology (SPOT) Committee and the Board of Directors.

To better support the principle of continual improvement, our 2021 Total Recordable Incident Frequency (TRIF) and Lost Time Incident Frequency (LTIF) targets were determined based on a three-year rolling average, rather than based solely on the previous year's results.

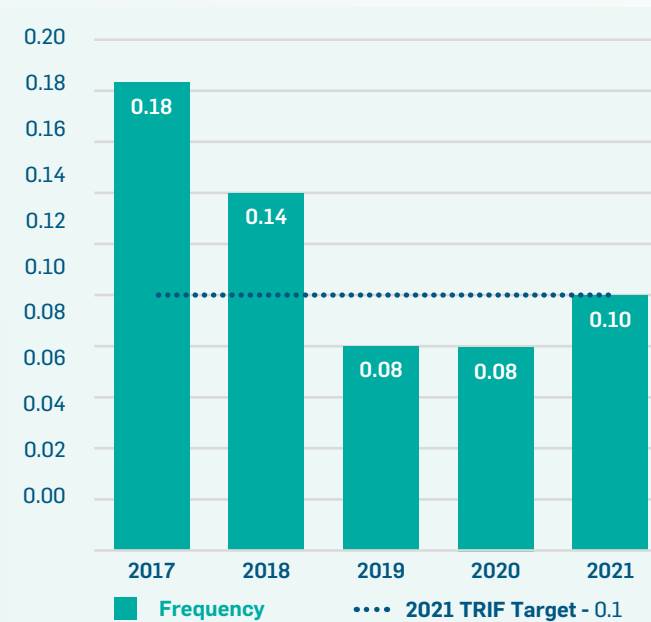
Hence, from 2020 to 2021, our TRIF target went from 0.07 to 0.10 and our LTIF target from 0.013 to 0.029.

Fatalities

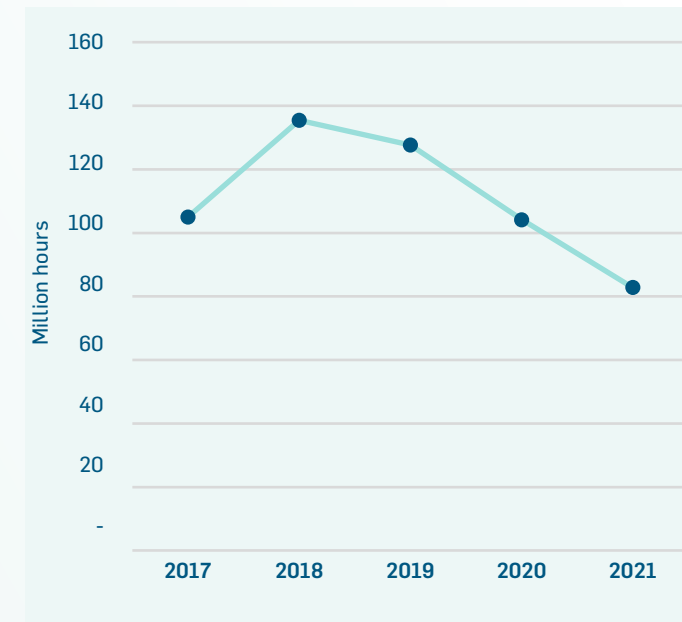
There have been no fatalities (employees and contractors) on SNC-Lavalin's controlled sites² since 2015.

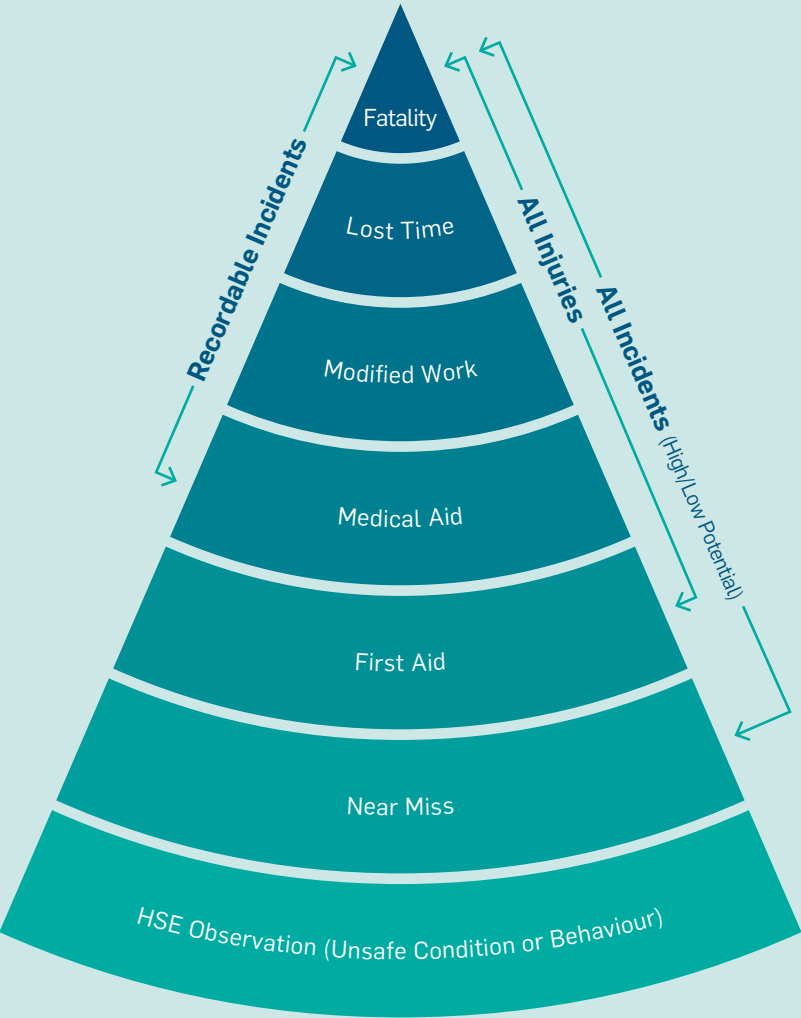
²A location (office, Project, Operation) where SNC-Lavalin has full and contractual HSE responsibility.


2017 - 2021 TOTAL RECORDABLE INCIDENT FREQUENCY



2017 - 2021 WORKED HOURS





Lagging Indicators	2021 Target	2021 Actual 
Perfect Days*	110	159
Total Recordable Incident Frequency (TRIF)**	0.10	0.10
Lost Time Incident Frequency (LTIF)**	0.029	0.016

* The aggregated perfect days indicator will not be monitored starting in January 2022. A Perfect Day was defined as any working day with zero safety injuries, zero environmental incidents and zero security incidents.

** All incident frequencies are calculated by adding all incidents considered in that category, multiplying the result by 200,000 hours and finally dividing it by the total number of hours worked. More information on the methodology used for our calculations is available on p.68 of the 2022 [BlueBook](#).

2021 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.

	Hand	Leg	Foot	Head	Back	Arm	Eye	Chest
% of injuries	34%	18%	14%	14%	11%	5%	0%	0%

AUDITS AND SITE VISITS PERFORMED BY THE GLOBAL HSE TEAM IN 2021


6 Corporate Audits

2 Site Safety Reviews

12 Virtual Site Visits

Leading Health and Safety indicators

Contractor Pre-Mobilization

Every year our HSE expectations are communicated to contractors and vendors prior to work commencing.

Investigations and Corrective Actions

In 2021, an Incident Review Committee comprised of the Vice President, Global Health, Safety and Environment (GHSE), Sector HSE VP/Director and members of the GHSE team was created.

This committee meets on a weekly basis to review all recordable and High Potential (HiPo) incidents and related corrective actions. The committee further reviews the incident investigation, notification details and corrective action closure rates associated with these recordable and HiPo incidents.

Site Visits and Safety Critical Activities

Our executive committee members as well as our Operational Leadership Group members³ demonstrated visible safety leadership by each having to complete two HSE site visits. In 2021 they also had to participate in at least two Safety Critical Activities such as Incident Investigations, Critical Risk Control Protocols⁴ review, conversations with design team around critical activities, etc.

Corporate Audits

In 2021, six full corporate HSE Audits and two site safety reviews were conducted. The purpose of corporate HSE audits is to validate a site's adherence and compliance to SNC-Lavalin's Global Health Safety and Environment Management System requirements whereas site safety reviews focus primarily on the Critical Risk Control Protocols.

Given that the pandemic made it difficult to travel to our controlled sites, our Global HSE team has introduced a formal virtual site visits program in 2021 following a successful pilot project in 2020. This program allowed us to perform 32 site visits, each being an hour in duration. Virtual visits are led by members of the Global HSE team along with sites representatives, such as Project Directors and HSE Managers.

These visits are attended by a variety of company stakeholders, including our Executive Committee and Operational Leadership Group members. They allow us to tour sites in real time using the gimbal technology, with which we can obtain stabilized footage from handheld cameras, even while moving. Although the focus is on HSE, people can ask a variety of questions related to the site's operations, project phase and our role at SNC-Lavalin, and they can also interact with workers.

If any HSE findings are identified during the virtual visits, a report is forwarded by the Global HSE team to the site's representatives so that they can address the findings. Virtual site visits do not replace Global HSE audits, they are intended to give an overview of the project.

HSE-related Trainings

During our HSE week, held in September 2021, we launched a new e-learning module titled "Creating Psychological Safety by Changing Conversation" in alignment with our global ED&I commitment and program. Given the nature of its topic, this module was recommended to our employees rather than being compulsory.

The module presents what psychological safety is, the reason we need to create it and how changing conversation can help in the context of our workplace. The module includes a set of seven activities to encourage employees to practice having psychologically safe conversation in their day-to-day activities.

We achieved a completion rate of 99% for our four compulsory e-learning modules (HSE Orientation, StepBack, Hand Safety and Environmental Awareness) that all employees must complete within 30 days following their hiring.

³Comprising of over 35 members of the senior leadership team including sector presidents from our global offices.

⁴Critical Risk Protocols are a set of practices designed to mitigate or eliminate high risk hazards areas that have historically resulted in fatalities and significant events.

Health and Safety Case Studies and Initiatives

Assisting Two of the World's Busiest Airports in the Fight Against COVID-19, UK & USA

The COVID-19 pandemic has driven significant market declines in the aviation industry, both as a result of travel restrictions and as coronavirus-related concerns lead passengers to avoid travel.

To assist airports in reducing risk and restoring confidence in the travel experience, we partnered with aviation consultant Faith Group to create the Clean Transit Initiative, an enabling end-to-end solution combining technology, policy, procedure, and process.

The Clean Transit Initiative is working with two of the world's busiest airports, Los Angeles International Airport (LAX) and London-Heathrow Airport (LHA), piloting a program to evaluate facilities, recommend and design infrastructure solutions and manage the installation of equipment and space design to address social distancing and public wellness concerns.

[Find out more >](#)

COVID-19 Worldwide

Throughout the pandemic, the safety of our employees, clients and community has been at the heart of every business decision. While some regions were experiencing tighter restrictions, some others were returning to a more stable situation. Consequently, we needed to constantly adapt our regional Pandemic Management Plans to reflect the local, regional and WHO guidelines while using our high-level corporate protocol. We defined five different "return to work" phases, with phase one being working from home and phase five meaning we are all back to normal with no restrictions.

Given the nature of some of our employees' work, e.g., construction sites, sites where SNC-Lavalin is responsible for Operation and Maintenance and activities deemed critical for the business, these employees could not work remotely throughout the pandemic. In these instances, measures such as adjusted schedules, social distancing, enhanced cleaning, and protocols on the number of people allowed in elevators, vehicles, and common spaces to allow a safe work environment were implemented. Travel remained limited to critical business cases throughout 2021.



Happify Worldwide

As part of our efforts to contribute to our employees' wellbeing, we've been offering unlimited access to the Happify application to all our employees across the world (as well as to two of their adult family members) since July 2021.

Happify is an easy-to-use, self-guided application that encourages people to connect with their thoughts and feelings using cognitive behavioral therapy skills and positive psychology.

It helps to create a space to build resilience for the Volatile, Uncertain, Complex and Ambiguous (VUCA) world we live in today through fun, engaging, and highly interactive science-based activities and articles.

Psychological Safety Worldwide

As our organization transforms and further integrates, we believe it is important that we not only continue to have an inclusive, diverse, and energized work environment, but that we foster an environment built on trust and transparency for the benefit of our company and stakeholders. This is why we introduced the concept of psychological safety during our HSE week in September 2021.

Prior to the HSE week, our Operational Leadership Group members, including our CEO engaged in a virtual session led by the originator of psychological safety, the Novartis Professor of Leadership and Management at the Harvard Business School, Amy Edmondson. Our HSE week was subsequently launched by a conversation video between our CEO and Senior VP, Global HSE inviting all employees to learn more about psychological safety. To that effect, various activities and webinars were organized throughout the week for our employees throughout the world.

At SNC-Lavalin, the concept of psychological safety extends far beyond HSE week. We aspire to make it our way of working and to apply it in our everyday practices.

Critical Risk Control Protocols Field Guide and Checklists, Worldwide

In 2021, we continued to focus on high-risk HSE areas with the introduction of 'Temporary Works' as a ninth Critical Risk Control Protocol (CRCP) in addition to our existing ones, namely Vehicles, Hazardous Materials, Safeguarding, De-Energization, Working at Heights, Lifting, Confines Space and Excavations.

The CRCPs are designed to reflect the need to be transparent around how we plan for and work in high-risk situations. They allow all parts of our business to focus on the areas where serious harm could occur, and design, verify and improve the controls that we have in place.

To ensure they are well understood and implemented by supervisors and workers as well as to drive toward learning, a CRCP field guide as well as CRCP checklists were developed this year as supplement to the existing e-learning training modules.

POLLUTION

Pollution Results


Similar to our Health and Safety targets, our environmental targets are reviewed and approved by the Safety, Project Oversight and Technology (SPOT) Board Committee and the Board of Directors.

To better support the principle of continual improvement, our 2021 Total Environmental Incident Frequency (TEIF) target was determined based on a three-year rolling average, rather than based solely on the previous year's results. Hence, from 2020 to 2021, our TEIF target went from 0.30 to 0.26. In 2021, there were no significant environmental incidents and SNC-Lavalin has not been issued any environmental enforcement actions.

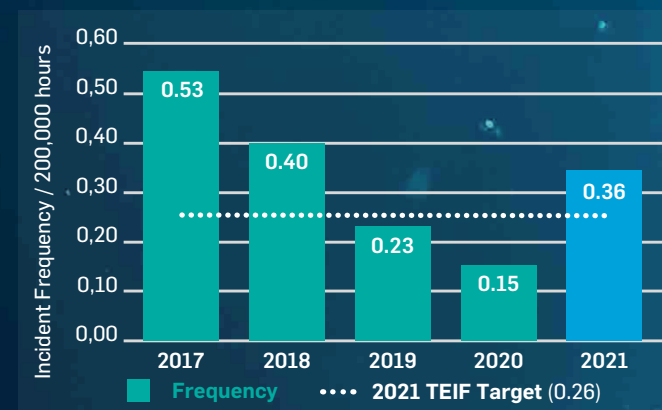
It should be noted that our controlled sites are required to report all environmental incidents regardless of their significance.

The exceedance of our 2021 TEIF target is attributable to minor incidents such as negligible hydrocarbons spills on our major project sites and the fact that our environmental incident reporting culture is improving year on year.

Lagging Environmental Indicator

Lagging Indicator	2021 Target	2021 Actual
Total Environmental Incident Frequency (TEIF)*	0.26	0.36 

2017-2021 TOTAL ENVIRONMENTAL INCIDENT FREQUENCY



* All incident frequencies are calculated by adding all incidents considered in that category, multiplying the result by 200,000 hours and finally dividing it by the total number of hours worked. More information on the methodology used for our calculations is available on p.68 of the 2022 [BlueBook](#)

Pollution Case Studies

Dealing With Historical PFAS Use Ontario, Canada

We were retained by Public Services and Procurement Canada and Transport Canada (TC) to provide environmental consulting services and risk management planning and implementation at a former firefighter training area of a local airport in Ontario, Canada. The principal contaminants of concern at the site consisted of Per and Polyfluoroalkyl Substances (PFAS) associated with the historical use of aqueous film forming foam as a fire suppressant. The use of PFAS at the airport over the years has affected the soil, groundwater, surface water, sediment, and biological tissues in both the aquatic and terrestrial environments.

We performed a human and ecological health risk assessment, developed remedial options, remedial specifications and formulated a risk management plan and long-term monitoring strategy to allow for on-site management of the contaminated soil, groundwater and surface water. Our risk management and monitoring plan included annual evaluation of compliance with applicable provincial and federal environmental, health & safety/ security regulations, as well as guidelines, including specific mitigation measures to minimize exposure to PFAS.

[Find out more >](#)

Isotek Project Wins Secretary of Energy Achievement Award, Oak Ridge, Tennessee, USA

Our Isotek business is the U.S. Department of Energy's (DOE) contractor responsible for safely and securely overseeing the nation's inventory of uranium-233 (U-233) and preparing it for removal from the Oak Ridge National Laboratory (ORNL) in Tennessee.

Isotek has been working with the DOE since 2003, and Isotek's Thorium Express Project and DOE's Oak Ridge Office of Environmental Management received the Secretary of Energy Achievement Award in 2021. The Secretary of Energy Achievement Award is one of the highest honors Department of Energy (DOE) employees and contractors can receive for their service and contributions to the DOE's mission.

We completed the Thorium Express Project in October 2021, disposing of over 10 kilograms of nuclear waste and providing 1.67 grams of Th-229 for cancer research. The next phase of the disposition campaign is expected to start in 2022 and will involve processing canisters with higher radiation doses in hot cells using mechanical arm manipulators.

[Find out more >](#)

Thames Tideway Tunnel London, UK

The Thames Tideway Tunnel project is a new 25km interception, storage and transfer tunnel running up to 65m below the River Thames. This necessary expansion of London's sewer network is due for completion in 2025 and is being constructed across 24 sites in London.

Our work has led to the production of a multitude of plans, assessments, studies, and consent applications, which are supporting Tideway Organisation in the timely, safe, and sustainable delivery of the project. We have added value with the integration of environment, logistics and construction teams requirements into waste management strategies and through securing early buy in, which helps with the development of a seamless strategy and process that reduces risk around regulatory compliance, cost, and meeting program milestones.

We have supported the joint venture partners on assessing environmental risk from tunnel spoil at the receiving facilities. We are the only organization to have completed these assessments in the UK to date.

[Find out more >](#)

CLIMATE

Climate Results

We have been filing an annual Climate Change report to the CDP since 2007. Major sources of emissions include our offices and facilities as well as business travel.


Between 2017 and 2021, our GHG emissions decreased by 53% globally. We consider that three main factors contributed to this decrease:

- › divestment from the oil and gas market;
- › flights and business travel being limited to strictly essential activities through 2020 and 2021;
- › optimization of office space and real estate portfolio.

Currently, SNC-Lavalin does not include any offsets in its GHG inventory and will strive to reduce its emissions to residual emissions before using any similar schemes, in line with SBTi recommendations.

Our Direct Scope 1 Greenhouse gas (GHG) emissions, Indirect Scope 2 GHG emissions and Scope 3 Category 6 (Business Travel) and Category 8 (Upstream Leased Asset) GHG emissions were all in scope for EY's limited assurance engagement. The calculations were also verified internally by our energy and carbon specialists, a certified team who provides our external clients with verification services as well.

A summary of our GHG Emissions since 2017 is outlined in the table below.

	2017 ¹	2018	2019	2020 ²	2021 ³ 
GHG Emissions (t CO ₂ e) ⁴					
Direct Emissions (Scope 1)	56,087	55,869	55,765	44,940	18,096
Indirect Emissions (Scope 2)	20,468	34,541	29,400	5,101	4,774
Sub-total Scope 1 & 2	76,555	90,410	85,165	50,041	22,870
Business Travel (Scope 3)	26,892	77,119	54,221	12,752	13,339
Upstream Leased Assets (Scope 3)	6,175	3,244	4,015	21,754	15,321
Sub-total Scope 3 ⁵	33,067	80,363	58,236	34,506	28,660
Total GHG Emissions	109,622	170,773	143,401	84,547	51,530
Scope 1 and 2 emission intensities ⁶					
T CO ₂ e per FTE	2.7	2.2	2.1	0.5	0.4
T CO ₂ e per M CA\$ revenues	8.2	9.0	9.0	2.0	1.7

1. In July 2017, SNC-Lavalin acquired WS Atkins Limited, which explains the majority of the rise in energy usage and associated GHG emissions noted in 2017 and 2018.

2. Emissions related to Scope 3 Upstream leased assets were restated: a mistake was noticed with regards to emission factors after publication.

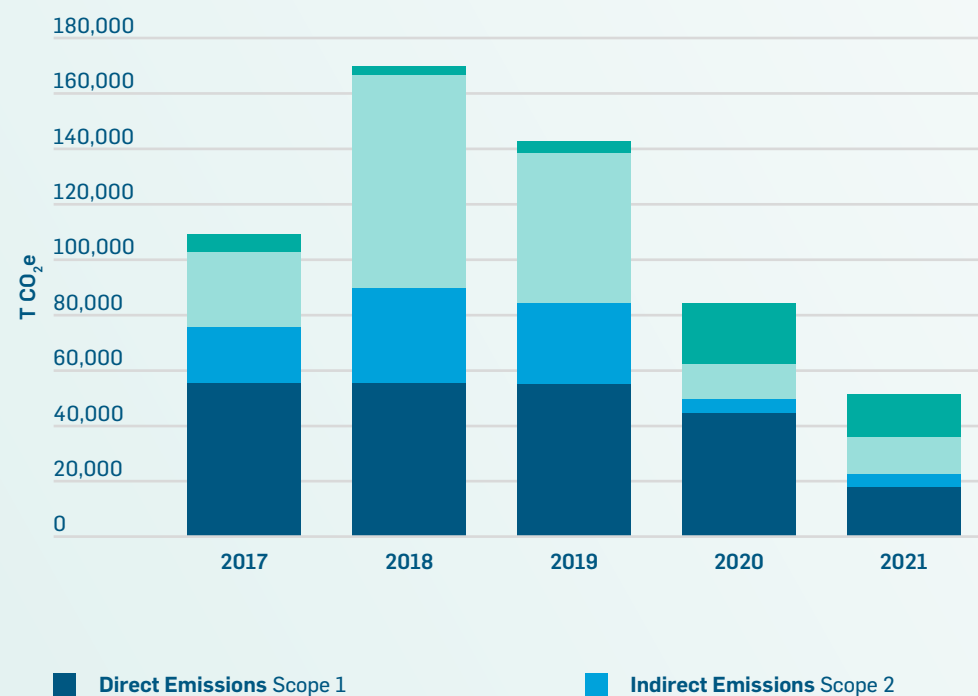
3. In 2021, SNC-Lavalin completed the sale of its Oil and Gas business. The 2021 energy use includes these now divested activities' usage from January 1st to July 28th, as a substantial portion of the sale was completed on July 29th, 2021. In addition, it has to be noted that for the 2021 inventory, all joint ventures were considered as 100% under SNC-Lavalin's operational control (rather than a proportion based on financial participation). This more conservative approach will prevail until we can determine who has ultimate operational control of the occupied facilities, and whether they should be part of SNC-Lavalin's inventory.

4. T CO₂ e stands for tons of CO₂ equivalent, understood as the number of metric tons of CO₂ emissions with the same global warming potential as one metric ton of another greenhouse gas.

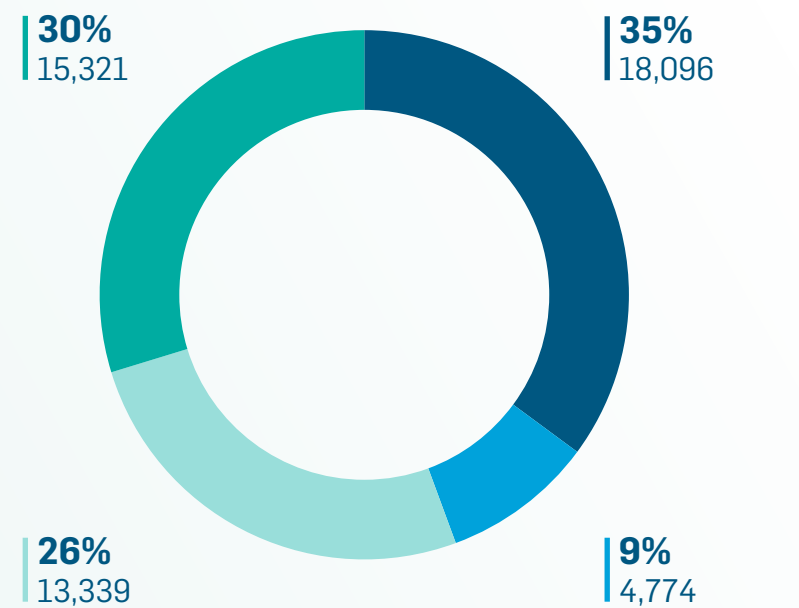
5. At the moment, SNC-Lavalin only tracks two Scope 3 subcategories, with intention to expand our assessment and inventory in the next years, in line with the SBTi.

6. To ensure year on year comparability, the Oil and Gas business was excluded from the 2020 and 2021 intensity calculations, representing respectively 36,112 and 10,085 tons of CO₂e. In addition, it has to be noted that scope 3 emissions are excluded from intensity calculations as they are indirect emissions occurring in the value chain of the Company.

GHG EMISSIONS



2021 GHG EMISSIONS PER SCOPE



CLIMATE CASE STUDIES

Delivering Ryanair's Next Generation Office Campus Dublin, Ireland

We provided full multi-disciplinary services, from concept design through to construction supervision, for Ryanair's new 10,700m² six-storey office campus, Airside Green. The development is located alongside Ryanair's existing head office at Airside Business Park, near Dublin Airport.

The office development is part of Ryanair's new generation of contemporary workspaces and was designed with sustainability in mind to the Nearly Zero Energy Buildings standard (NZEB). The building achieved a Building Energy Rating of BER A3; evidenced in through the provision of photovoltaic (PV) solar panels, electric vehicle charging points, ultra-low energy lighting, water saving appliances, high-performance glazing, and high levels of airtightness. The development also integrates a sustainable urban drainage system along with a natural riparian corridor that will support the site's natural ecosystem.

Our scope included architecture, civil and structural engineering, mechanical and electrical engineering, project management, fire, traffic and environmental engineering and health and safety.

[Find out more >](#)

Leveraging Locational Data in Net Zero Projects United Kingdom

When navigating Net Zero, locational data can make the journey easier. Net Zero as a goal unites city managers, energy engineers, environment experts and many more disciplines. But to work with such complex networks, they need to use spatial science as a unifying method to reach that goal.

We are currently working on a number of spatial-centric Net Zero projects across the UK. Our geospatial team has employed machine learning for biodiversity net gain,

utilized mobile data tracking to gain a detailed insight of travel patterns, calculated electric vehicle potential uptake based on socioeconomic and commuting behaviours and even determined energy regeneration from train braking. In each case, locational data proved to be key.

[Find out more >](#)

Bringing UK Government Office Space up to Net Zero Standards, United Kingdom

We have been appointed by the Government of the United Kingdom as Net Zero and Life Cycle Replacement Program Delivery partner, to ensure that over four million square feet of public sector office space meets enhanced sustainability standards as part of a major investment to accelerate its Net Zero agenda.

The six-year contract will see us provide the Government Property Agency with technical delivery services, including design, identification of decarbonization interventions and priorities, as well as program and supply chain management.

[Find out more >](#)

BIODIVERSITY

Biodiversity Case Studies

East West Rail 2 Biodiversity Net Gain United Kingdom

Our engineering delivery partner role with the East West Rail Alliance has included ground-breaking work on Biodiversity Net Gain (BNG), using metrics to inform interventions on and off site. The Alliance is committed to delivering a 10% BNG on East West Rail 2 (EWR2), the largest UK infrastructure project to make this commitment to date.

Achieving cost effective 10% BNG on such a large scheme required the Alliance to challenge existing design methods and prioritize collaboration. We used extensive engagement, bringing together ecologists, designers, and construction teams early in the planning

process to avoid and minimize losses. We identified areas where additional existing habitat could be retained, reducing the cost of delivering BNG and providing other environmental benefits.

By 2021, with our environmental-led design process and collaboration, the project's position pivoted from one of substantial net biodiversity loss to almost no net loss. EWR2 has also been selected as the first large scale scheme to beta-test Natural England's Environmental Benefits of Nature tool.

[Find out more >](#)

Helping National Highways Towards Biodiversity Net Gain, East of England

National Highways are on a journey towards Biodiversity Net Gain, targeting no net loss across national operations between 2020 and 2025. This would be delivered by habitat creation and enhancement within the Highways Estate and/or through supporting partners, such as landowners and nature conservation charities.

We took a two-strand approach – searching the Highways Estate for potential sites and also engaging with potential partners across the region. Habitat creation and enhancement opportunities on the Highways Estate were tailored to deliver BNG, measured using Defra's Biodiversity Metric 2.0. Net gain opportunities were also sought by encouraging potential partner organizations to apply for funding.

Our expertise and experience allowed an approach to be created that National Highways could adopt for other regions or projects. Our support for potential partner organizations encouraged them to engage with the funding opportunity and our semi-automated Geographic Information System (GIS) analysis allowed the whole Highways Estate to be searched quickly and cost-effectively.

[Find out more >](#)

Transforming 25 Years of Data into a Biodiversity Conservation Tool, Antamina, Peru

Antamina, a copper and zinc mine located in northern Peru, has been conducting biodiversity surveys since 1996.

Until recently the data was only being used to demonstrate compliance with national authorities, external reporting, or other informative purposes. But in 2020 it was decided to transform 25 years of important local biodiversity data into a tool to preserve local biodiversity.

Data was processed resulting in more than 40,000 records of flora and fauna species from seven ecosystems. A Biodiversity Action Plan was devised, which led to identifying 14 priorities for conservation and preparing a thorough action plan for the next ten years and beyond.

This new focus will drive Antamina's efforts to contribute to biodiversity conservation in the coming years, with specific plans to work with other institutions to contribute to science, and be able to plan mining growth while preserving and protecting its biodiversity-rich surroundings.

[Find out more >](#)



DIVERSITY

Diversity Results

In 2020, we set out revised gender targets to be met by the end of 2025.

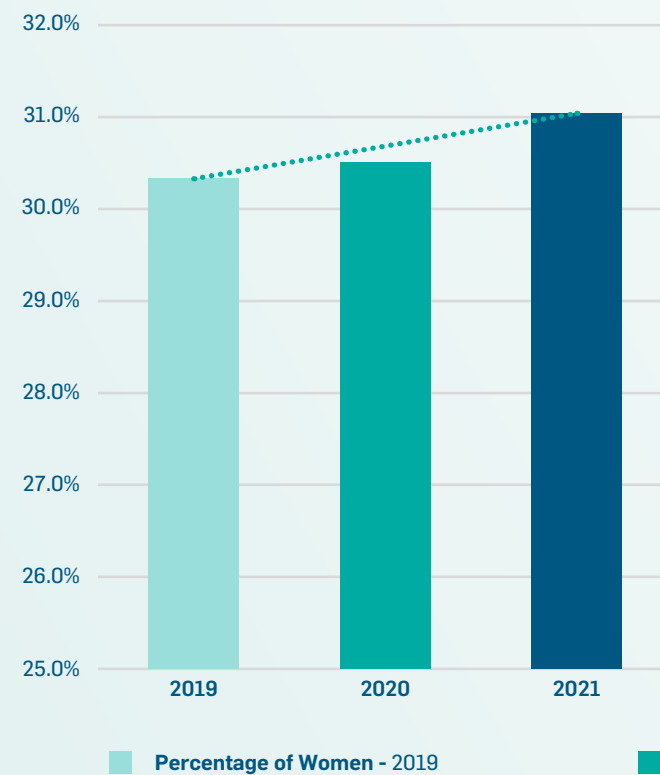
These diversity targets are as follows:

- › Commitment from the Board to maintain at least 30% representation by women
- › Female representation among executives* – 25% by 2025
- › Female representation in managers and senior professionals** – 25% by 2025
- › Female representation in all regular staff – 33% by 2025

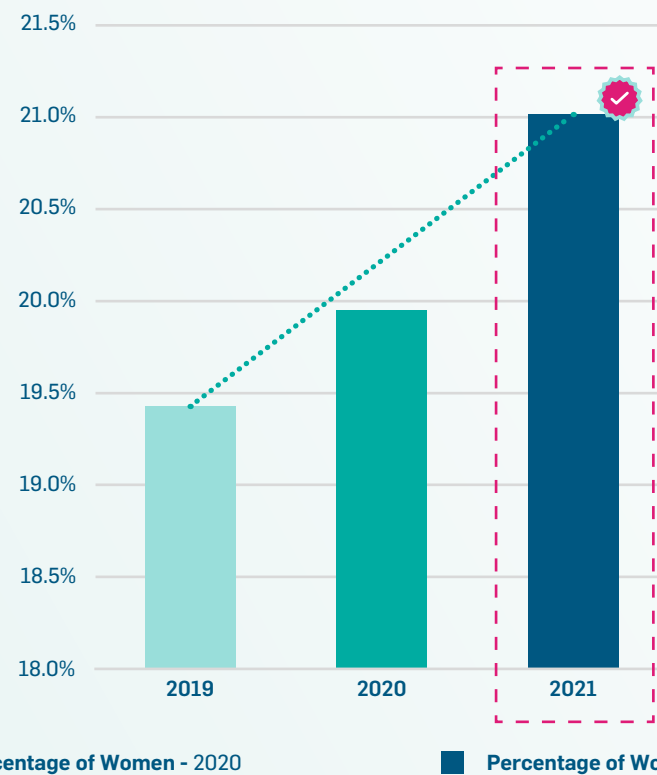
* This category comprises members of the Executive Committee and other executives (such as senior vice-presidents and vice-presidents) and senior project managers

** These categories include managers, senior professionals and project managers.

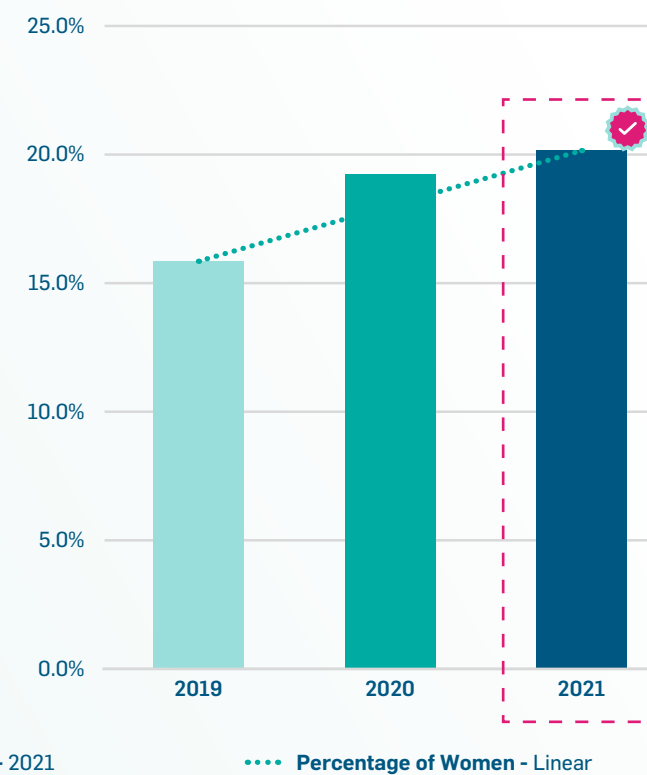
WOMEN IN HEADCOUNT*



WOMEN IN MANAGERS & SENIOR PROFESSIONALS*



WOMEN IN EXECUTIVES*



* AS OF DECEMBER 31ST. BASED ON VOLUNTARILY DISCLOSED GENDER BY EMPLOYEES UPON HIRING. A SMALL PROPORTION OF EMPLOYEES DOES NOT WISH TO DISCLOSE SUCH INFORMATION. EXCLUDES STATISTICS FROM THE DIVESTED OIL & GAS BUSINESS.

Diversity Initiatives

Different Makes a Difference

In October 2021, we launched our new Equality, Diversity & Inclusion (ED&I) program “Different Makes a Difference”. We recognize that we’re not all the same and that’s our greatest strength – different views, experiences and opinions enhance our ability to create sustainable solutions for our clients and the communities we serve. Our approach to deliver our program is to continue to build engagement, broaden awareness, empower our employees and communities to make a difference and continue to hold ourselves and others to account.

To help us stay accountable, we have set clear objectives which include targets, and we will formally evaluate our progress against them annually.

Our commitment, approach and strategic framework will provide us all with a shared purpose. It will provide strategic direction for our Regional Business Networks, our Employee Resource Groups (ERGs) and our Procurement and Business Development teams.

Our business networks and our ERGs will co-create relevant and robust local action plans which align with our three strategic themes and these plans will be supported by their local leadership teams. Our strategic framework will also be supported by a full suite of learning opportunities to continue to upskill our employees.

Our Different Makes a Difference program will be underpinned by inclusive and trusted leadership.

When we **combine our differences**, we truly make a difference.

So our commitment is to create and maintain an inclusive culture where **everyone belongs**, can be their **true self** and **reach their full potential**.

IAN L. EDWARDS
PRESIDENT AND CEO



Our Objectives

We will:

- › Embed ED&I in our culture
 - All our HR/business processes will adhere to our ED&I internal standard.
- › Be a respected voice both inside and outside of our sector to accelerate change
 - We will favor suppliers from the communities we serve.
- › Have no barriers perceived, potential or actual
 - All staff will be confident to raise ED&I issues and trust that it will be addressed objectively, to challenge exclusive behaviours at source and to hold each other to account.
- › Increase female representation across our whole organization by 2025 and targets for other underrepresented groups to be set at regional level
 - Have a diverse talent pipeline that includes underrepresented groups

[Find out more >](#)

Employee Engagement

In 2021, over 16,700 employees responded to our second company-wide survey, a 65% participation rate, which is slightly higher than the 63% who completed to the first survey in 2019.

Our global employee engagement score was set at 83% (a 5% improvement on our 2019 survey), which positions ourselves above the external benchmarks for the construction sector (79%) and professional services sector (77%).

We are also pleased to see real improvements across involvement, alignment, and loyalty. Our employees have told us that they feel more involved, that their day-to-day contribution is more aligned to the wider organization, and they feel increasing loyalty to SNC-Lavalin.

We scored as follows:

- › **Involvement:** 84% (+3% compared to 2019)
- › **Alignment:** 83% (+5% compared to 2019)
- › **Loyalty:** 81% (+7% compared to 2019)

Conducting our global employee survey has been a critical step in helping us take the pulse of our organization, to understand how employees think the Company has managed through recent challenges, and to determine what progress we have made towards SNC-Lavalin being a great place to work in our industry.

COMMUNITY

Community Case Studies

Creating a New and Fresh Approach to Social Housing, London, UK

Hillside Gardens, in the London Borough of Lambeth, is the flagship project of EDAROTH, a subsidiary of Atkins dedicated to creating a new and fresh approach to social housing.

The project began with comprehensive feasibility studies to review site suitability, local infrastructure, and the needs of the surrounding community. Using off-site-manufactured housing to unlock the potential of under-utilized land, these modern methods allow us to work faster than traditional construction companies and create a sustainable, end-to-end solution.

Handed back to the local authority, this once disused and neglected land has been transformed into four beautiful, sustainable homes at the heart of a thriving community.

[Find out more >](#)

Northern Road Link Project, Ontario, Canada

In February 2021, SNC-Lavalin was mandated by Marten Falls First Nation and Webequie First Nation to conduct an Environmental Assessment and preliminary design for the proposed Northern Road Link project. The proposed 200-kilometre road will link the two remote First Nations and connect them to the chromite, nickel, copper, gold, and palladium mining sites being developed in the Ring of Fire area located some 500 kilometres northeast of Thunder Bay.

An agreement was announced in March 2020 between Marten Falls and Webequie First Nations and the Ontario government to proceed with the planning and development of the Northern Road Link. The proposed infrastructure project is considered to be critical to future economic development in the north, providing jobs, training, and prosperity to the communities.

The environmental assessment report will be completed to meet both the federal and provincial environmental assessment requirements under a coordinated process.

[Find out more >](#)

Philanthropy

Our corporate donations and sponsorships program supports initiatives that stimulate progress and build the future of our societies. Our goal is to have a positive impact on communities, learning and innovation. This is why we contribute primarily to educational causes and initiatives that support the next generation of talent. We also contribute to charities that build caring communities.

Below are some examples of the donations and support we provided to local non-profit organizations and communities:

- › Contributed CA\$10,000 to the SickKids Foundation to support their continued delivery of world-class care and ground-breaking research.
- › Supported the Canadian Red Cross' disaster relief efforts in Canada and around the world. This included CA\$25,000 to support flood relief in British Columbia, with an additional matching of employee donations.
- › Continued our tradition of supporting The Montreal Children's Hospital's Caring for Kids Radiothon fundraiser. Together, the community raised CA\$1,321,603 in 2021.
- › Awarded more than US\$100,000 in scholarships to 26 students across the US pursuing STEM-related curricula, as part of our efforts to encourage and support a healthy ecosystem for STEM education.
- › Raised over CA\$460,000 during the 2021 Centraide/ United Way Canada campaign to support social programs and community initiatives. The Centraide/ United Way Canada is a non-profit organization that raises funds across Canada for local groups addressing community issues such as unemployment, affordable housing, and shelters.
- › Volunteered our expertise and assistance in Ground Penetrating Radar technology – an effective tool to identify possible locations of burial sites – to Indigenous communities in different Canadian provinces to help bring a degree of closure and peace for families impacted by the legacy of the residential school system in Canada.

INTEGRITY & HUMAN RIGHTS

Integrity & Human Rights Results

Mandatory Courses and Training Initiatives

In 2021, our 29,000+ Learning Management System (LMS) users had access to 33 Integrity eLearning modules in up to 9 languages, for a total of over 72 modules.

Out of these 33 eLearning modules, 16 were mandatory depending on the employee's role. Our Integrity team is comprised of technical and professional staff tasked with developing 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 live anti-corruption training and Finance and Control training in virtual classrooms.

The table on the following page summarizes what trainings were offered to which type of employees, the time needed to complete them, and which ones were reviewed in 2021.

In March 2021, we launched a revamped version of the Data Privacy Compliance Training and a 2-year refresher training for Data Compliance. Both were available in 9 languages. In June 2021, we launched a refresher training campaign. We also leveraged this campaign to update our Business Partner Training with new information.

Integrity- related Mandatory Trainings (Refreshers and Core Trainings)					
Title	Duration	Target Audience	Languages	Number of Employees Trained in 2021	Revised and Relunched in 2021
2021 Code of Conduct Certification*	30 mins	All employees except craft and general labour workers and labour brokers	9	26,756	X
2021 Code of Conduct Certification for Leaders	40 mins	①, ②, ③, ④ and ⑦	4	1,957	X
2020 Code of Conduct - Continuous	10m/month	All craft and general labour workers	8	N/A	
Anti-corruption training	90 mins	①, ② and ③	2	363	
Anti-corruption training (2yr refresher)	45 mins	④ in some related functions	6	210	
Anti-corruption training (4yr refresher)	15 mins	The target audience for the 2- or 4-years refreshers was anyone who had completed either the core training or first refresher 2 years previously, and also included ⑤ and ⑥ in related functions	4	55	
Antitrust and competition	30 mins	①, ⑤, ④ and some additional employees in related functions	4	1,262	
Antitrust and competition (2yr refresher)**	10 mins		4	322	
Avoiding Trafficked Labour***	40 mins	Administrators, ①, ③ and ⑦; Some ④, ⑤, ⑥ and ⑧ in related functions	4	309	
Business Partner CDD	30 mins		4	1,971	x
Business Partner CDD (2yr refresher)**	10 mins	①, ⑦, ⑤ and ④ and other employees in related functions. For the refresher module, the target audience was anyone who had completed the core training 2 years previously.	4	444	x

Integrity- related Mandatory Trainings (Refreshers and Core Trainings)					
Title	Duration	Target Audience	Languages	Number of Employees Trained in 2021	Revised and Relunched in 2021
Data Privacy Compliance	30 mins	All employees with access to our systems	9	4,619	x
Data Privacy Compliance (2yr refresher)	10 mins	For the refresher module, the target audience was anyone who had completed the core training 2 years previously (excluding craft labour, labour brokers, and employees in charge of general labor)	9	14,415	x
Gifts & Hospitality	30 mins	①, ⑦, ⑤, ⑨ and ④	4	1,603	
Gifts & Hospitality (2yr refresher)**	10 mins	All ⑥ in related functions For the refresher module, the target audience was anyone who had completed the core training 2 years previously	4	398	
The Insider	10 mins	①, ⑦, ⑤ and ⑥, ⑧ and ⑨ in related functions	7	4,679	
Trade Controls and Sanctions (Awareness)***	5 min	①, ②, ③, ④, ⑤, ⑥ and ⑧ in related functions	4	1,242	
World Bank Sanctions****	15 mins	①, ⑤, ④, and other employees in related functions	2	186	

Legend

- | | |
|-------------------------------|--------------------|
| ① Executives | ⑥ Professionals |
| ② High-level Project Managers | ⑦ Project Managers |
| ③ High-level Managers | ⑧ Technicians |
| ④ High-level Professionals | ⑨ Business Support |
| ⑤ Managers | |

Notes

* In 2021, an important restructuring happened with the sale of the Oil and Gas business, impacting our number of employees and personnel

** The first refresher modules were launched in 2019 and 2020 and the target audiences encompassed a lot of employees who had never done refreshers on these topics. In 2020, the target audiences focused on employees who completed the initial training in 2018, including employees from Atkins, which was acquired in Q3 2017.

*** A large number of employees were trained in 2020, resulting in fewer employees being part of the target audience in 2021

**** As a result of the early lifting of the World Bank sanctions, this training was removed from the curriculum in June 2021 as it was no longer relevant

Business Partner Compliance Due Diligence

We take significant steps to ensure our business partners fully understand our Integrity 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 comply with our Supplier Code of Conduct as part of our terms and conditions, which commits them to abiding by the same standards of business conduct and practices as we do.

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 (CDD) effort is supported by an online tool. The approval workflow and its continuous monitoring provide global transparency on third-party risk exposure.

Approved CDDs per Region in 2021

Region	Basic	Standard	Enhanced	Total
Canada and USA	123	18	11	152
Europe	174	1	3	178
Asia Pacific	93	35	3	131
Latin America	30	7	1	38
Middle East & Africa	29	9	11	49
Africa (Northern)	9	9	0	18
Africa (Southern)	6	0	1	7
Total	464	79	30	573

* The Compliance Due Diligence consists of several steps, including risk assessment, integrity checks, risk mitigation, and approvals and must be completed before any new engagement with a Business Partner (IE, a third party with whom SNC-Lavalin enters into a business relationship and who is expected to act on behalf of SNC-Lavalin for any purpose).

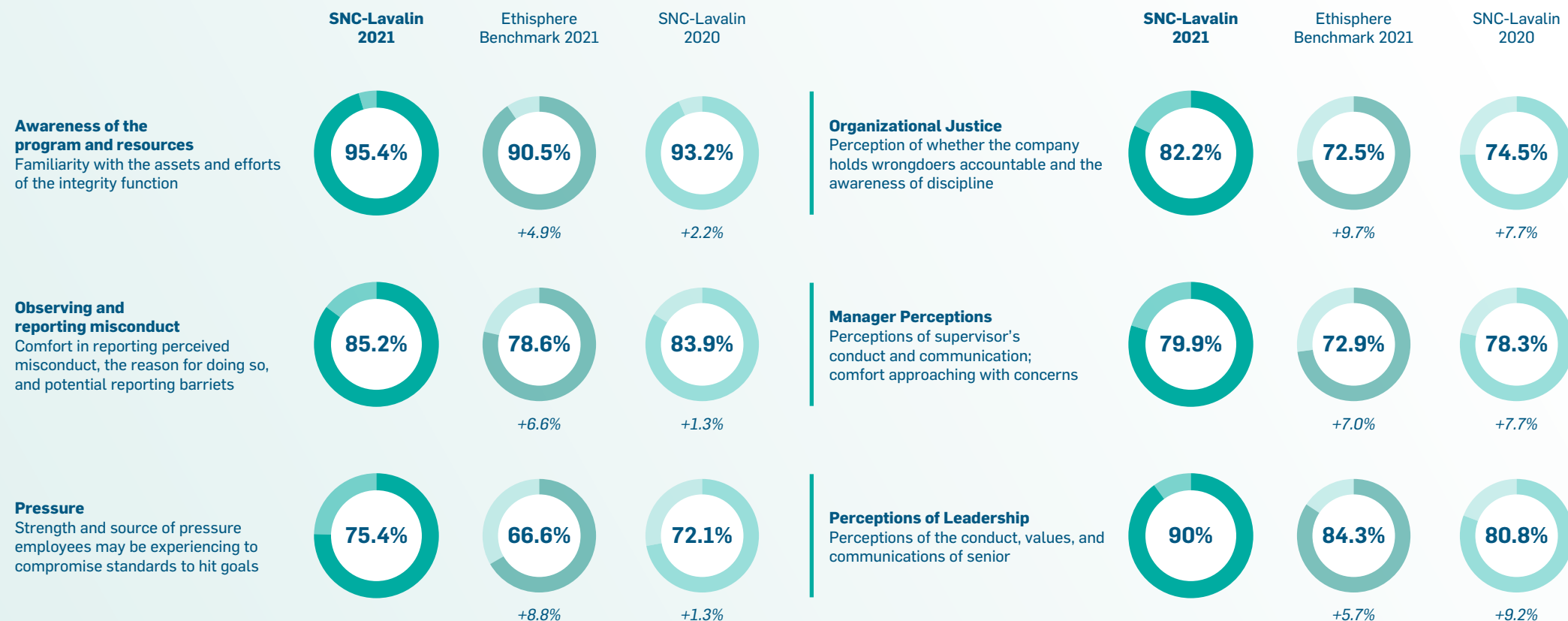
Overall Integrity Culture Results

In 2021, we completed a pulse survey to evaluate progress on our culture since the previous survey in 2020. The survey evaluated six distinct cultural pillars, and it was sent to more than 6,900 employees.

Our overall global performance score increased by 2.2 points to 86% compared to the 2020 survey. While we have scored higher than the benchmark (6.5 points above) in all six cultural pillars, there are still areas where we can do better.

These results show our progress as an organization since 2020 and how we have to continue to work together to ensure that our commitment towards integrity stays strong.

INTEGRITY CULTURE PILLAR



Emerging Trends

When segmenting respondents by frequency of manager communications on ethics, we can see a clear trend between communications done by line managers and the willingness of employees to report misconduct.

This strengthens our belief that line managers have a pivotal role in building and reinforcing a culture of integrity. This is why we have included attention to our culture and encouragement to communicate regularly on topics related to our values into the performance and compensation structure of all leadership.

We will also continue to support our managers in their efforts to communicate frequently with their employees by providing “Integrity moments” and other easy to adapt talking points.

PILLAR 6: MANAGER PERCEPTIONS

Manager communication frequency correlates closely with reporting behaviour and organizational justice.

“ **My manager discusses ethics or compliance related issues/topics** ”

Percentage of employees willing to report misconduct if observed

Percentage of employees who feel comfortable approaching their manager

Percentage of employees that believe the rules are fairly applied

Frequently	43%	▶	99%	98%	85%
Occasionally	43%	▶	96%	93%	78%
Rarely	11%	▶	92%	79%	58%
Never	7%	▶	79%	49%	42%

Reporting Misconduct

Our Duty to Report process requires all personnel 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 Integrity reporting line to report any suspected misconduct.

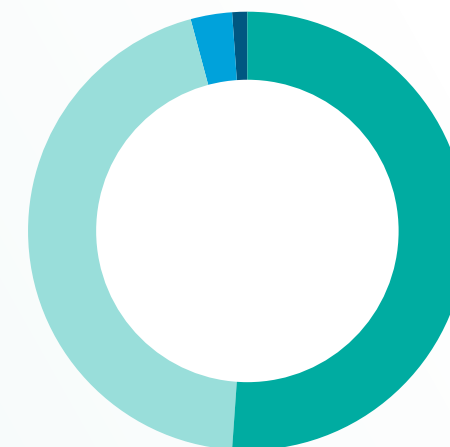
The reporting line allows employees, suppliers, clients, and other stakeholders to report potential violations of our Code of Conduct, company governance documents or applicable laws.

These reports can be made either online or on the phone, in any of the approximately 200 available languages, and without fear of retaliation. In 2021, we received a total of 277 allegations, 100 of them made anonymously via different reporting methods (see chart below).

We also closed a total of 331 allegations, including some made during the previous years. The disciplinary actions taken to respond to compliance related wrongdoings confirmed after thorough investigations are summarized in the table below.

Types of Wrongdoings noted	Disciplinary Sanctions				
	Termination	Written Warning	Verbal Warning	Verbal Reminders	Total
Fraud	1	2	1	2	6
Conflicts of Interest	0	0	1	1	2
Antitrust & Competition	0	1	0	5	6
Corruption	0	0	0	0	0
Non-compliance with policies	0	0	5	39	44
Retaliation	0	1	1	2	4
Total Disciplinary Sanctions related to Compliance	1	4	8	49	62

METHODS USED TO COMMUNICATE ALLEGATIONS



142 | 51% Third-Party Reporting Tool 124 | 45% Email
8 | 3% Phone 3 | 1% Other

Note: A total of 12 flags were added on the HR files of individuals who have left the organization prior to the finalization of investigations. This will enable the Integrity Team to follow up with these individuals if they decide to reapply with the organization in the future.

Integrity & Human Rights Initiatives

In the spirit of sharing our journey with and learning from our peers, we engage with academic institutions, participate in industry conferences, and have been recognized by international bodies for our Integrity Program.

We not only look to reach and maintain the highest standards for ourselves, but also to do our part to help the industry at large become more sustainable and more ethical.

Ethisphere Institute

In December 2020, Ethisphere completed the Compliance Leader Verification (CLV) processes for SNC-Lavalin. They have determined that our programs and initiatives meet or exceed the CLV Certification criteria. Ethisphere awarded the Compliance Leader Verification effective immediately through December 31st, 2022.

Ethisphere's thorough assessment looked specifically at the following aspects of our Integrity Program:

- › program resources and structure
- › perceptions of ethical culture
- › written standards
- › training and communication
- › risk assessment
- › monitoring and auditing
- › enforcement
- › discipline and incentives

This recognition from Ethisphere is an endorsement of our approach to ethics and compliance. It also allows us to compare ourselves with other strong companies and identify areas where we can still improve, such as dedicated manager training on accountability.

We are already working to respond to these recommendations.



Trace International

Trace International, Inc. is a globally recognized anti-bribery business organization and leading provider of third-party risk management solutions. Trace membership helps companies conduct business ethically and in compliance with the U.S Foreign Corrupt Practices Act, UK Bribery Act, and other anti-bribery legislation.

We continue to be an active member of TRACE through regular dissemination of training materials to our personnel and business partners, event attendance, and engaged participation in conferences, both presenting and sitting on panels.

Partnering Against Corruption Initiative (PACI)

Working alongside international organizations, academics, and government institutions, PACI (a CEO-led anti-corruption initiative run by the World Economic Forum) is at the forefront of industry practices to rebuild and foster trust in business and institutions. Through the commitment of their chief executive officers, close to 90 partner companies have signed and committed to the PACI Principles.

Our CEO is part of the World Economic Forum Partnering Against Corruption Initiative (PACI) Vanguard and our Chief ESG & Integrity Officer is also actively involved in this initiative. The PACI Vanguard CEO community consists of 25 CEOs from various industries across the world collaborating in the fight against corruption.

Ted Rogers Ethical Case Study Competition

For the fourth year running, we sponsored and participated in this national contest between Canadian universities.

This is Canada's largest undergraduate business ethics case competition. Eight teams of four students are given a business case study and have one week to examine what the ethical issues facing the company are and develop a solid action plan for the executives involved.

[Find out more >](#)

Progressive Aboriginal Relations

SNC-Lavalin in Canada is now a committed member of the Progressive Aboriginal Program (PAR), an online management and reporting program that supports progressive improvement in Aboriginal relations, and a certification program that confirms corporate performance.

This program is overseen by the Canadian Council of Aboriginal Business (CCAB). We also became an Aboriginal Procurement Champion by joining CCAB's Supply Change Program.

05 APPENDIX A

APPENDIX A – FORWARD LOOKING / CAUTIONARY STATEMENTS

Statements made in this report that describe the Company's or management's estimates, expectations, objectives, predictions, projections of the future or strategies may be "forward-looking statements", which can be identified by the use of the conditional or forward-looking terminology such as "aims", "anticipates", "assumes", "believes", "estimates", "expects", "goal", "intends", "may", "plans", "projects", "forecasts", "should", "target", "vision", "will", "likely", or the negative thereof or other variations thereon. Forward-looking statements also include any other statements that do not refer to historical facts.

This report includes certain forward-looking statements, including statements regarding (i) the Company's stated objectives, priorities, strategies, sustainability and equality, diversity and inclusion ("ED&I") commitments, objectives and targets as well as actions that may be undertaken by or on behalf of the Company to achieve such commitments or targets (including with respect to the Company's emissions reduction forecast and targets, achieving Net Zero carbon emissions from corporate activities by 2030 and the Company's diversity targets which include increasing the proportion of women in leadership to 25% by 2025, and

across the organization as a whole to 33% by 2025, with a commitment from the board of directors to maintain at least 30% representation by women), and (ii) the Company's commitment to deliver transparent disclosure and reporting on environmental, social and governance ("ESG") matters.

All such forward-looking statements are made pursuant to the "safe-harbour" provisions of applicable Canadian securities laws. The Company cautions that, by their nature, forward-looking statements involve risks and uncertainties, and that its actual actions and/or results could differ materially from those expressed or implied in such forward-looking statements. There is a risk that one or more of the initiatives and objectives described in this report may be materially delayed or terminated, in whole or in part. Forward-looking statements are presented for the purpose of assisting investors and others in understanding certain key elements of the Company's current plans, including with respect to sustainability and ED&I, and in obtaining a better understanding of the Company's business and anticipated operating environment and may not be appropriate for other purposes.

Forward-looking statements made in this report are based on a number of assumptions believed by the Company to be reasonable as at the date hereof. Although the Company believes that the expectations reflected in such forward-looking statement are reasonable, it can give no assurance that such expectations will prove to have been correct. Forward-looking statements for periods beyond 2022 involve longer-term assumptions and estimates and are consequently subject to greater uncertainty.

Moreover, given the impact of the changing circumstances surrounding the COVID-19 pandemic and the related response from the Company, governments, regulatory authorities, businesses, suppliers, customers, counterparties and third-party service providers, there is inherently more uncertainty associated with the Company's assumptions as compared to prior years. The Company will continue to assess its assumptions to ensure that its approach to reaching Net Zero carbon emissions from corporate activities by 2030 is reflective of market conditions.

The Company's sustainability commitments, targets and actions are based on the Company's current strategic plan, geographic footprint, mix of lines of business and overall size and scope of operations as well as a number of assumptions, including, without limitation, the following material assumptions: the Company's ability to develop and implement various corporate and business initiatives, including new procedures, policies and targets, to decarbonize current infrastructure and foster a new culture of low carbon behavioural change and choices across the Company's workforce; the Company not undertaking or pursuing any new corporate or business initiatives, business acquisitions, investments, joint ventures or technologies that would materially increase the Company's anticipated levels of greenhouse gas ("GHG") emissions; future earnings and the Company continuing to have a solid or adequate financial position that can support or justify such commitments, targets and actions; the availability of comprehensive and high-quality GHG emissions and other third party data, including data-driven solutions to decarbonize the built environment; the ability of the Company to develop and maintain indicators to effectively monitor its advancements; projections with respect to renewable electricity generation and the built environment; there being no negative impact on the calculation of the Company's GHG emissions from refinements in or modifications to international standards or the methodology the Company uses for the calculation

of such GHG emissions; sufficient collaboration with, and active and continued participation of stakeholders (including the employees, clients, suppliers and other main agents of the Company and the communities in which it is present), including by reducing their own GHG emissions; the ability of the Company to purchase sufficient credible carbon credits and renewable energy certificates to offset or further reduce GHG emissions, if and when required; the development and deployment of new technologies and sustainable products; the ability of the Company to identify climate-related opportunities as well as assess and manage climate-related risks; the general economic environment and financial market conditions in countries where the Company operates; geopolitical and socio-political uncertainty; and changes made to regulations that may affect the Company's business and the development of ESG requirement regulations. The Company's ED&I commitments, targets and actions are based on a number of assumptions, including, without limitation, the following material assumptions: the Company's ability to leverage ED&I partnerships and recruitment agencies to help identify qualified diverse talent for vacant positions, including in leadership positions and on the Company's board of directors and with the requisite skill-set or expertise for the Company; sufficient diverse labour market availability; the implementation of corporate and business initiatives to increase awareness, education and engagement in support of the Company's

ED&I targets; and the ability of candidates, employees and directors to self-identify to enable a diverse representation of qualified candidates. Forward-looking statements made by the Company in this report are also based on a number of additional assumptions which are set out throughout the Company's 2021 annual Management Discussion and Analysis ("MD&A") (particularly in the sections entitled "Critical Accounting Judgments and Key Sources of Estimation Uncertainty" and "How We Analyze and Report our Results") and as updated in the first quarter 2022 MD&A. If any of the assumptions mentioned above proves to be inaccurate, the Company's actual results could differ materially from those expressed or implied in the forward-looking statements made in this report. There is a possibility that the Company's express or implied predictions, targets, projections, expectations, or conclusions will not prove to be accurate, that its assumptions may not be confirmed, and that its vision, strategic objectives, and performance targets will not be achieved. The Company recommends that readers not place undue reliance on forward-looking statements contained in this report. In addition, important risk factors could cause the Company's assumptions and estimates to be inaccurate and actual results or events to differ materially from those expressed in or implied by these forward-looking statements. These risk factors are set out in the Company's 2021 annual MD&A as updated in the first quarter 2022 MD&A.

06 APPENDIX B

This report has been prepared in accordance with the GRI Standards: Core option. Please activate the following link to browse or download our 2021 GRI Index: [Link](#)

07 APPENDIX C

APPENDIX C - INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

<https://www.snclavalin.com/en/sustainability/sustainability-report>

For questions around sustainability or how
we can help your business, please contact:

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Sustainability Manager
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www.snclavalin.com/en/sustainability

