



SNC • LAVALIN

Integrity Factsheet



On December 18, 2019, SNC-Lavalin announced that the federal charges arising from legacy activities in Libya between 2001 and 2011 have been settled. The Court of Quebec has accepted a plea of guilty from SNC-Lavalin Construction Inc. (a subsidiary of SNC-Lavalin) to a single charge of fraud. All other charges against SNC-Lavalin and its international marketing arm, SNC-Lavalin International Inc., have been withdrawn.

Background Information

The wrongdoing of a handful of people prior to 2012, which tarnished our reputation, should never have taken place. However, since then, we have entirely changed our board and senior leadership and we have worked tirelessly to achieve excellence in governance and integrity, in an effort to regain everyone's confidence.

Since 2012, SNC-Lavalin has been cooperating actively and transparently with various authorities in the criminal investigations and prosecutions against former employees and executives. SNC-Lavalin has engaged several lawsuits against former employees and executives to recuperate the substantial damages that their misconduct has caused to the Company.

As part of the settlement, SNC-Lavalin Construction Inc. will pay a fine in the amount of \$280 million, payable in equal instalments over 5 years, and will be subject to a three-year probation order.

SNC-Lavalin will comply with the probation order for the three-year period. Accordingly, SNC-Lavalin will engage an independent monitor who will provide initial and annual reports, executive summaries of which will be posted on the company's website, and will make any changes to its [Integrity Program](#) identified by the independent monitor and as required. SNC-Lavalin is already subject to monitoring by Public Services and Procurement Canada and the World Bank, and has put in place a robust ethics and compliance program that meets the highest international standards.

A strong Integrity Program

Since 2012, SNC-Lavalin has designed and implemented an excellent integrity program. It is comprised of three action elements under which specific tools are articulated:

- › **Prevent:** Fostering an ethical culture to prevent the likelihood of wrongdoing and compliance violations from occurring.
- › **Detect:** Providing internal controls and other sources to identify and evaluate adherence.
- › **Respond:** Involving measures to take corrective action in response to misconduct.

Highlights of our program

- › Chief Integrity Officer reporting to the Board of Directors.
- › Global team of integrity professionals.
- › Key performance indicators linked to managers' compensation to enable timely driving of key priorities: mandatory training plans, implementation of recommendations resulting from internal investigations, and third parties due diligence.
- › Duty to report without fear of retaliation, via multiple channels, including our dedicated and confidential reporting line.
- › Internal controls and testing procedures independently and continuously reviewed to determine our program effectiveness.
- › Annual Code of Conduct certification for our workforce.
- › Mandatory training curricula customized by roles (some 40,000 hours of training in 2018) and deployed to employees, board members, and contractors on topics like: reporting, facilitation payments, antitrust and competition, business partners, political contribution, gifts and hospitality, trade compliance, conflict of interest and accurate record keeping.
- › Global Integrity Ambassadors Program to foster a business environment that is committed to ethical practices and provide additional, local support to employees.
- › Annual Integrity Risk Assessment crosschecking exposure against our Integrity Program to identify gaps and address them.
- › Third party due diligence process ensuring business partners and suppliers adhere to our business principles, culture and values.
- › Mergers and acquisition due diligence.
- › Dedicated AI ChatBot accessible through our intranet assisting employees with questions on Integrity matters.
- › Annual Global Integrity Week raising awareness of our Integrity Program and driving employee engagement.

Outreach efforts

Continued support of global anti-corruption efforts 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

Regular invitations to speak worldwide as experts on compliance and ethics at universities, associations and ethics-based organizations, including those hosted by:

- › Ethisphere
- › Organisation for Economic Co-operation and Development (OECD)
- › Transparency International
- › TRACE International
- › The International Bar Association
- › Alliance for Integrity
- › The Conference Board of Canada
- › Society for Corporate Compliance and Ethics (SCCE)



Please consult our [Integrity Highlights brochure](#), our website [Integrity page](#) or [sustainability report](#) for more information.

A Recognized Integrity Program

SNC-Lavalin has earned the prestigious [Compliance Leader Verification](#) from the [Ethisphere Institute](#), a world-renowned centre for research, best practices and thought leadership.

Our former President and CEO was elected [co-Chairman of the World Economic Forum Partnering Against Corruption Initiative \(PACI\)](#), in 2018.

Transparency International UK recognized SNC-Lavalin among the top third of all companies in the [2018 Corporate Political Engagement Index](#).

The Globe and Mail, Canada's national newspaper, ranked SNC-Lavalin as [7th overall for Board Governance](#) in its annual classification of 242 boards.

SNC-Lavalin joined the United Nations Global Compact (UNGC), in 2015.