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# CLIMATE CHANGE REPORT
# CARBON DISCLOSURE PROJECT
# 2019

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# CONTENTS

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# PREFACE

The Carbon Disclosure Project (CDP) is a charity that runs the global disclosure system for investors, companies, countries, cities, and regions, and manages their environmental impacts. CDP is the industry standard in GHG Emissions reporting; it has the richest and most comprehensive dataset on corporate and city actions, having been in place for 20 years. CDP believes that improving corporate awareness of GHG Emissions through measurement and disclosure is essential to the effective management of carbon and climate change risk.

CDP requests information on climate risks and low carbon opportunities from the world's largest companies on behalf of over 515 institutional investor signatories with US$106 trillion in combined assets and 150+ major purchasers with over US$4 trillion in procurement spend.

CDP provides a disclosure platform and a well-established rating mechanism. CDP scoring drives corporate transparency and helps to guide, incentivize and assess environmental action.

Reporting companies now represent over 50% of global market capitalization. By scoring companies from A to D-, CDP takes each organization on a journey of continuous improvement; from disclosure to awareness, through to management, and finally to leadership. Its scoring measures the comprehensiveness of disclosure, awareness and management of environmental risks and best practices associated with environmental leadership, such as setting ambitious and meaningful targets.

CDP is constantly evolving its disclosure and scoring system in response to market needs and the rising urgency of global environmental challenges. Its annual A List includes the most pioneering companies leading the way on environmental transparency and performance.

# C0. INTRODUCTION

## C0.1

### (C0.1) Give a general description and introduction to your organization.

Founded in 1911, SNC-Lavalin* is a global fully integrated professional services and project management company and a major player in the ownership of infrastructure. From offices in over 50 countries, SNC-Lavalin's approximately 50,000 employees provide comprehensive end-to-end project solutions – including capital investment, consulting, design, engineering, construction, sustaining capital and operations and maintenance – to clients across the oil and gas, mining and metallurgy, infrastructure, clean power, nuclear and EDPM (engineering design and project management) sectors.

On July 3, 2017, SNC-Lavalin acquired Atkins, one of the world's most respected design, engineering and project management consultancies, which has been integrated into our sectors.

SNC-Lavalin maintains exceptionally high standards for sustainability, health and safety, ethics and compliance and environmental protection, and is committed to delivering quality projects on budget and on schedule to the complete satisfaction of its clients.

*reference anywhere in this document to "SNC-Lavalin" means, as the specific context may require, either SNC-Lavalin Group Inc. and all, or one or more, of its affiliated companies, subsidiaries, divisions or branches, or SNC-Lavalin Group Inc. or one or more of its affiliated companies, subsidiaries or divisions.

## C0.2

### (C0.2) State the start and end date of the year for which you are reporting data.

| | Start date | End date | Indicate if you are providing emissions data for past reporting years | Select the number of past reporting years you will be providing emissions data for |
|---|---|---|---|---|
| Row 1 | January 1 2018 | December 31 2018 | no | <Not Applicable> |

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## C0.3

### (C0.3) Select the countries/regions for which you will be supplying data.

| Select country | | |
|---|---|---|
| Algeria | Denmark | Russian Federation |
| Australia | India | Saudi Arabia |
| Bahrain | Ireland | South Africa |
| Belgium | Kenya | Sweden |
| Brazil | Kuwait | Trinidad and Tobago |
| Canada | Norway | United Arab Emirates |
| Chile | Oman | United Kingdom of Great Britain and Northern Irelan |
| China | Peru | United States of America |
| China, | Qatar | - |
| Hong Kong Special Administrative Region Colombia | Romania | - |

## C0.4

### (C0.4) Select the currency used for all financial information disclosed throughout your response.

| Currency |
|---|
| CAD |

## C0.5

### (C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

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# C1. GOVERNANCE

## C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

## C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

| Position of individual(s) | Please explain |
|---|---|
| Director on board | The Safety, Workplace and Project Risk Committee (SWPRC) is a committee of the Board of Directors of SNC-Lavalin Group responsible for overseeing the overall framework for managing project risks and health, safety, sustainability, security, environmental, business continuity and emergency preparedness risks including climate related issues arising from the Corporation's operations and business it undertakes with clients. The mandate of the SWPRC broadly covers "environment issues" which are deemed by Management to include climate-related issues. The SWPRC is composed of 3 to 7 independent directors. Its Chair and members are recommended by the Governance and Ethics Committee and appointed by the Board. |

## C1.1b

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

| Frequency with which climate-related issues are a scheduled agenda item | Governance mechanisms into which climate-related issues are integrated | Please explain |
|---|---|---|
| Scheduled – some meetings | Reviewing and guiding strategy Reviewing and guiding risk management policies Monitoring implementation and performance of objectives | The function of the Safety, Workplace and Project Risk Committee (SWPRC) of the Board of Directors is one of governance and oversight. The Corporation's management is responsible for developing, implementing and maintaining frameworks and for monitoring the effectiveness of said frameworks, to manage Safety, Workplace and Project Risks. |

## C1.2

### (C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

| Name of the position(s) and/or committee(s) | Responsibility | Frequency of reporting to the board on climate-related issues |
|---|---|---|
| Environmental, Health, and Safety manager | Both assessing and managing climate-related risks and opportunities | As important matters arise |

## C1.2a

### (C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Since April 2018, SNC-Lavalin's Global Head of Sustainability (GHS) is responsible for sustainability and climate-related issues. The GHS reports directly to the Executive Vice President Strategy, Marketing and External Relations who in turn reports to the CEO and is part of the Leadership Team (the Corporation's executive committee).

The GHS is responsible for developing our strategy, targets and goals relating to Sustainability and driving a cultural change across all of our corporate functions and sector operations from Board Level down to our workforce on projects.

## C1.3

### (C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

**Who is entitled to benefit from these incentives?**
The SNC-Lavalin Clean Power (renamed Technology Ventures in early 2019) and Nuclear sectors have a strategic focus on clean and renewable power. We specifically developed our green and renewable energy initiatives for the objectives of, among others: Expanding and marketing the sectors' product lines and services and pursuing strategic projects in the area of sustainable energy, including hydroelectricity, solar, wind and nuclear energy.

**Other, please specify (Market growth in "green power" sectors).**
Monetary reward
Business unit manager

**Types of incentives**
The SNC-Lavalin Clean Power (renamed Technology Ventures in early 2019) and Nuclear sectors have a strategic focus on clean and renewable power. We specifically developed our green and renewable energy initiatives for the objectives of, among others: Expanding and marketing the sectors' product lines and services and pursuing strategic projects in the area of sustainable energy, including hydroelectricity, solar, wind and nuclear energy.

**Other, please specify (Market growth in "green power" sectors).**
Monetary reward

**Activity incentivized**
The SNC-Lavalin Clean Power (renamed Technology Ventures in early 2019) and Nuclear sectors have a strategic focus on clean and renewable power. We specifically developed our green and renewable energy initiatives for the objectives of, among others: Expanding and marketing the sectors' product lines and services and pursuing strategic projects in the area of sustainable energy, including hydroelectricity, solar, wind and nuclear energy.

**Other, please specify (Market growth in "green power" sectors).**

**Comment**
The SNC-Lavalin Clean Power (renamed Technology Ventures in early 2019) and Nuclear sectors have a strategic focus on clean and renewable power. We specifically developed our green and renewable energy initiatives for the objectives of, among others: Expanding and marketing the sectors' product lines and services and pursuing strategic projects in the area of sustainable energy, including hydroelectricity, solar, wind and nuclear energy.

**Who is entitled to benefit from these incentives?**
A certain percentage of the Executive Committee members' Annual Incentive Plan is incentivised (and that of many other senior leaders in the company) is based on the achievement of the various environmental objectives, which include management of climate change issues.

**Other, please specify (Environmental objectives).**
Monetary reward
Corporate executive team

**Types of incentives**
A certain percentage of the Executive Committee members' Annual Incentive Plan is incentivised (and that of many other senior leaders in the company) is based on the achievement of the various environmental objectives, which include management of climate change issues.

**Other, please specify (Environmental objectives).**
Monetary reward

**Activity incentivized**
A certain percentage of the Executive Committee members' Annual Incentive Plan is incentivised (and that of many other senior leaders in the company) is based on the achievement of the various environmental objectives, which include management of climate change issues.

**Other, please specify (Environmental objectives).**

**Comment**
A certain percentage of the Executive Committee members' Annual Incentive Plan is incentivised (and that of many other senior leaders in the company) is based on the achievement of the various environmental objectives, which include management of climate change issues.

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# C2. RISKS AND OPPORTUNITIES

## C2.1

### (C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

| | From (years) | To (years) | Comment |
|---|---|---|---|
| Short-term | 1 | 2 | - |
| Medium-term | 2 | 5 | - |
| Long-term | 5 | 100 | - |

## C2.2

### (C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes.

## C2.2a

### (C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

Integrated into multi-disciplinary company wide risk management processes.

| | Frequency of monitoring | How far into the future are risks considered? | Comment |
|---|---|---|---|
| Row 1 | Annually | 3 to 6 years | - |

## C2.2b

### (C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

Risk management at SNC-Lavalin is a continuous and standard process of identification, analysis, prioritization, mitigation, action, monitoring, reporting and improvement. The process is supported by standard tools and methodologies that are communicated and deployed via the Corporate Risk Management Policy and the various risk management Standard Operating Procedures, guidelines, instructions and manuals, and through various internal knowledge transfer efforts.

SNC-Lavalin's Project Risk Management process is compliant with ISO 31000. It includes the management of all cost, schedule, technical, quality, health & safety, sustainability, environmental, community and reputation risks as well as any other risks encountered during the opportunity pursuit, bidding, contract negotiation, execution, operations and maintenance and close out phases of projects.

At the enterprise level, the company maintains an active Enterprise Risk Register. The Enterprise Risk Register is updated annually through consultation and review with the Company's functional heads and operations senior management - generally using interviews, workshops and surveys. The resulting register of top Enterprise Risks is reviewed, validated and prioritized annually by the Executive Committee and the final register of top Enterprise Risks for the year is presented to the Board of Directors.

Senior management team members are assigned or confirmed as Risk Owners of individual risk themes. The Risk Owners are responsible for providing ongoing visibility on enterprise risks, monitoring mitigation efforts by assigned Action Owners and ensuring that mitigation strategies associated with individual risk themes are aligned with corporate strategy and priorities. The Risk Owners provide quarterly progress reporting to the CEO and Board.

Regular risk mapping of the Company's pre- and post-award project risk distribution and exposure is carried out by Corporate Risk Management and reported on a quarterly basis to the SVP, Commercial & Risk Management and Project Services, the CEO and the Safety, Workplace and Project Risk Committee (SWPRC) of the Board of Directors.

## C2.2c

### (C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

| | Relevance & inclusion | Please explain |
|---|---|---|
| Current regulation | Relevant, always included | As an engineering and service company, SNC-Lavalin is not considered a "large final emitter" as per Canadian regulation and is not the direct target of climate-related or emission reduction regulations. However, SNC-Lavalin is a service provider to industries such as oil and gas, mining and metallurgy and power utilities. Therefore, SNC-Lavalin must have a good understanding of laws and legislations that could affect those clients in order to advise them properly. In general, those regulations are seen as opportunities, as our clients often need to retrofit older facilities in addition to completing their new projects in conformity with legal requirements. |
| Emerging regulation | Relevant, always included | As mentioned above, in order for SNC-Lavalin to advise its main clients and take advantage of new business opportunities, the company must have a good knowledge of emerging legislation in order to propose technologically advanced solutions that will not be outdated once those laws and regulations are adopted. Again, those emerging regulations are seen as business opportunities for SNC-Lavalin to put into practice one of its core values: innovation. |
| Technology | Relevant, always included | SNC-Lavalin is a service provider to high-emission industries such as oil and gas, mining and metallurgy and power utilities. As such, it has to provide clients with best in class and most up to date technologies or risks not being selected when bidding on projects. |
| Legal | Relevant, always included | As mentioned above, SNC-Lavalin is not subjected to regulations targeting "large final emitters" and, considering its activity and actual GHG emission rate, direct climate-related litigation would be very unlikely. However, such litigation could affect its clients, notably in the oil and gas sector. |
| Market | Relevant, always included | SNC-Lavalin not only monitors shifts in demand for certain of its own products, and services at the enterprise level, but also keeps an eye for shifts in supply and demand for certain commodities at the project level as those could affect the profitability if significant change happens during the realization, in particular projects where SNC-Lavalin is responsible for procurement. |

| | Relevance & inclusion | Please explain |
|---|---|---|
| Reputation | Relevant, always included | SNC-Lavalin's reputational risks could be one of association: as mentioned above, the company has been involved in many projects for clients in the oil and gas sector who are now under litigation for their alleged contribution to climate change. SNC-Lavalin also wants to keep a reputation of being innovative and knowledgeable experts. As demand for environmentally responsible services rises, SNC-Lavalin has to ensure the number of skilled SNC-Lavalin specialists follow suit. |
| Acute physical | Relevant, always included | SNC-Lavalin does not need further proof of the increase probability of extreme weather events: such events (floods, wildfires following prolonged droughts) have already disrupted activities in many offices and work sites. Such risks are not only considered in terms of financial risks but, health and safety of our employees, contractors working for us, clients and the general public. To ensure a swift response in the event of extreme weather, SNC-Lavalin significantly reinforced its safety and security procedures and a dedicated team is able to respond to such emergencies at all times. |
| Chronic physical | Relevant, always included | Even though SNC-Lavalin does not require large quantities of water or climate sensitive commodities (such as crops and food staples), it has to be able to ensure the health, safety and well-being of its employees not only in offices, but on worksites and in workers camps all over the world. Such worksites and workers camps are often located in remote and/ or arid locations. Chronic shifts in climate patterns could mean more difficulty and higher costs to provide potable water in those locations, but also higher workforce-related costs as sites are expected to schedule regular breaks when temperatures rise above (or drop under) certain thresholds. |
| Upstream | Relevant, always included | Upstream risks are mainly considered at the enterprise level: regulations, carbon-pricing and, more generally, clients who implement leading edge corporate sustainability programs may impose additional requirements on undertaking business with them, including using specific technologies, tracking energy consumption/ GHG emissions or setting targets to lower the latter. SNC-Lavalin needs to be ready to respond to these new demands. Also, as mentioned above, some carbon intensive projects might be cancelled or delayed by clients. |
| Downstream | Relevant, always included | Many elements can potentially affect our supply chain: rising energy costs, emerging regulations and extreme weather events, among others. Projects also have to consider risks related with delayed delivery in case of extreme weather events or permanent changes in climatic conditions. For instance, on some of our projects, very large infrastructure elements must be shipped and transported using barges. Prolonged droughts or drop in the rivers' water levels might disrupt the preferred delivery routes and methods. |

## C2.2d

### (C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

As mentioned above, climate-related risks are integrated into multi-disciplinary company-wide management processes. Risks are assessed and prioritized based on health & safety, sustainability, environmental, climate-change related, regulatory, reputation, business continuity and financial consequences, as well as the probability of the risk occurring and its manageability.

At the enterprise level, climate-change related impacts are mainly seen has opportunities to develop new services and business lines. For instance, in 2017 SNC-Lavalin announced the creation of a new sector called "Clean Power" to regroup all its services related to hydroelectricity, wind, solar, energy storage and transportation and delivery. And in early 2018, decided to abandon service offering for the construction of thermal power stations. This is to illustrate that SNC-Lavalin adapts to and mitigates climate-related risks and opportunity by realigning its business strategy, but also by making sure its employees, as a whole, have the skills and training needed not only to complete current clients' projects, but also to pre-empt any future expectations.

Risks that cannot be prevented or mitigated, such as extreme weather events, are managed by reducing the severity of their consequences. Since 2012, SNC-Lavalin has a global security team which constantly assesses security risks confronting employees, assets and/or property. This team also establishes appropriate control measures to identify and evaluate risks, as well as to mitigate the risk to an acceptable level according to our duty of care. Business resiliency is a core element of the corporate security program and this covers acute physical climate events such as flooding and wildfires. In these cases, costs related to managing the risks are absorbed in the company's operating budget.

At the project level, risks are managed mainly by being included in the different contractual clauses. Thus, the foreseeable risks are transferred to the promoter of the project. In some cases, costs variations for commodities or third-party services within the life-span of a project are considered as normal. Those are accepted and absorbed within the operating budget of the project.

## C2.3

### (C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

No

## C2.3b

### (C2.3b) Why do you not consider your organization to be exposed to climate-related risks with the potential to have a substantive financial or strategic impact on your business?

| | Primary reason | Please explain |
|---|---|---|
| Row 1 | Risks exist, but none with potential to have a substantive financial or strategic impact on business | Although a slowdown of investments in new extractive projects has been noted in the past few years, this has not affected the company's revenue or balance sheet. Indeed, SNC-Lavalin is a trusted service provider for the retrofitting of facilities and the realization of other "sustainable" projects such as energy-efficient facilities, zero-emission and LEED, BREAM and Envision certified buildings and infrastructure as well as renewable energy power plants, etc. Thus, benefits have surpassed any potential losses. Even in cases of extreme weather, considering the scale of the company, temporarily closing an office or a work site for safety reasons does not impact the company as a whole. |

## C2.4

### (C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

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# C2.4a

## (C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

**Identifier**
Opp1

**Where in the value chain does the opportunity occur?**
Customer

**Opportunity type**
Products and services

**Primary climate-related opportunity driver**
Development and/or expansion of low emission goods and services

**Type of financial impact**
Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

**Company-specific description**
The low carbon and renewable energy markets are growing at an unprecedented rate throughout the world. In delivering turnkey utility scale solutions that include nuclear, solar, onshore and offshore, tidal energy, biomass energy, waste to energy projects and decentralised energy solutions such as district heating networks, we ensure that our clients' transition to low carbon and renewable energy is not only painless but genuinely positive for all stakeholders.

**Time horizon**
Current

**Likelihood**
Virtually certain

**Magnitude of impact**
Medium-low

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Explanation of financial impact figure**
SNC-Lavalin does not wish to publish a long-term forecast for these segments.

**Strategy to realize opportunity**
In 2018, the previous power segment of SNC-Lavalin and the power element of Atkins' energy business created the foundation for two new segments in the newly integrated organization: Nuclear and Clean Power. SNC-Lavalin has also expanded its capabilities in transmission & distribution through the acquisition of Linxon Pvt Ltd, our new subsidiary partly held by ABB. Renamed "Technology Ventures" in 2019, the Clean Power segment will capitalize on growth opportunities in renewables, including on and offshore wind, biomass, tidal and geothermal energy solutions and decentralised energy solutions such as low and zero carbon district heating networks. We will grow our services business in intelligent networks & cybersecurity, energy storage, hydrogen energy solution, electrical vehicle infrastructure, low carbon infrastructure water, rail and buildings projects and digital asset management.

**Cost to realize opportunity**
0

**Comment**
Our strategic focus is to increase revenue from the delivery of low carbon infrastructure projects incorporating energy efficient innovative solutions and increase revenue in renewable and low carbon energy generation and supply.

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# C2.5

## (C2.5) Describe where and how the identified risks and opportunities have impacted your business.

| | Impact | Description |
|---|---|---|
| Products and services | Impacted | As mentioned above, SNC-Lavalin regrouped all its services related to “sustainable” energies under a new sector called “Clean Power” at the end of 2017. Combined with the acquisition of Atkins, this allows a wider service offering in the fields of renewable energies, hydroelectricity, solar, wind, biomass, tidal and transmission and distribution, etc. |
| Supply chain and/or value chain | Impacted | Certain projects are used as pilot projects for tracking energy use and more specifically fuel consumption by subcontractors and other suppliers. SNC-Lavalin predicts that clients will be routinely requiring a carbon assessment of their projects and we want to be able to respond to these demands efficiently and accurately. |
| Adaptation and mitigation activities | Impacted | As mentioned previously, since 2012 SNC-Lavalin has strengthened its security procedures and a dedicated team is available at all times to respond to emergency situations. Such situations already have included extreme and acute weather events during which we had to ensure both the safety of our personnel and business continuity. |
| Investment in R&D | Not evaluated | There is no centralized R and D department at the corporate level at SNC-Lavalin and R and D budgets are entirely managed at the Sector level. Since these investments have not been aggregated, SNC-Lavalin is not in the capacity to evaluate whether climate-related risks and opportunities have had an influence on them. |
| Operations | Impacted | After taking the decision to exit the Thermal Power business, SNC-Lavalin transferred all its remaining construction activities under the Infrastructure sector. The current projects will be completed as per client's requirements and to their satisfaction, but no new projects will be undertaken in this field. This has resulted in the closing of offices in Poland and the Philippines. |
| Other, please specify | Not evaluated | - |

# C2.6

## (C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.

| | Relevance | Description |
|---|---|---|
| Revenues | Impacted | The creation of the new Clean Power Sector was announced at the end of 2017 and became effective starting January 1st, 2018. Due to the completion of large hydroelectric projects during 2018 it was forecasted that the new Sector would first see a diminution of revenue during the first few years. SNC-Lavalin expects the revenue increases will be noticeable in the medium-term and gradually grow more significant in the long term. However, the Clean Power segment was merged with the Infrastructure sector in early 2019, the revenues for renewable energy projects will continue to be disclosed separately in the future. |
| Operating costs | Impacted for some suppliers, facilities, or product lines | SNC-Lavalin's "operational excellence" initiative had the double benefits of lowering both the companies' GHG emissions and the costs related to office rental and business travel. |
| Capital expenditures / capital allocation | Impacted for some suppliers, facilities, or product lines | The main "capital" of SNC-Lavalin as a design and engineering consultancy business, is human-capital. In this context, SNC-Lavalin has to ensure that its employees are trained to tackle current and future challenges, including answering to specific client requirements ranging from building certifications and energy efficiency solutions to the use of cutting edge technologies and digitalisation. With the creation of the "Clean Power" sector, SNC-Lavalin Capital - SNC-Lavalin's investment and asset management arm - wishes to be part in the financing of more clean power- related projects, such as the John Hart Generating station replacement project. Capital developed a sophisticated financing plan for this project which is the first performance-based P3 model used for a hydroelectric project in North America. |
| Acquisitions and divestments | Impacted | SNC-Lavalin spent approximately C$3.6 billion to acquire Atkins. The strategy behind this acquisition was not exclusively related to climate-related opportunities. However, SNC-Lavalin clearly saw potential synergies and complementary service offerings between the two companies. Notably, for the Power sector which was subsequently divided in the Nuclear and Clean Power Sectors. Leveraging on Atkins' expertise, SNC-Lavalin can now offer more services in the fields of nuclear decommissioning, on- and off-shore wind farms and other low carbon and renewable energy services such as, geothermal energy, biomass and tidal energy and low and zero carbon decentralised energy solutions such as district heating networks, etc. At the same time, SNC-Lavalin took the decision to exit the construction of thermal plant market, in an effort to "de-risk" the companies' activities. |
| Access to capital | Impacted | In 2015, the Ontario government selected our consortium Crosslinx Transit Solutions General Partnership to design, build, finance, maintain and rehabilitate the Eglinton Crosstown LRT line. Crosstown was Canada's first transit project to receive green bond funding for environmentally friendly infrastructure. |
| Assets | Impacted | SNC-Lavalin makes capital investments in a variety of infrastructure assets such as bridges and highways, mass transit systems, power facilities, energy infrastructure and water treatment plants. SNC-Lavalin Capital is looking for further partnering opportunities, in line with identified climate-related opportunities. |
| Liabilities | Not yet impacted | SNC-Lavalin is aware that environmental laws and regulations expose the Company to certain risks, which could increase costs and liabilities. However, environmental or climate-related factors did not have a significant impact on the company's finances so far and are not included in our annual report nor our Management's Discussion and Analysis. |
| Other | Not evaluated | - |

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# C3. BUSINESS STRATEGY

## C3.1

### (C3.1) Are climate-related issues integrated into your business strategy?

Yes

## C3.1a

### (C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

No, but we anticipate doing so in the next two years

## C3.1c

### (C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

SNC-Lavalin mainly takes into account emerging regulations and changes in costumer behaviour to assess its general strategy.

- The need to reduce carbon or other greenhouse gas emissions;
- The need to adapt to climate change, the Paris Agreement, and related energy impacts (positive or negative);
- The need to capitalize on opportunities presented by climate change, and/or;
- The need to communicate on/learn more about climate change is integrated into the company's overall business strategy.

## C3.1g

### (C3.1g) Why does your organization not use climate-related scenario analysis to inform your business strategy?

SNC-Lavalin is neither a "large final emitter" nor does it consider itself as being under significant exposure to transition risks and/or acute physical risks. Furthermore, it considers that its actual business strategy is sufficiently flexible to accommodate the different possible climate-related scenarios. Indeed, SNC-Lavalin already has a very varied range of services in different markets. Those services already aim at reducing carbon or other greenhouse gas emissions, help clients adapt to climate change and, more generally, capitalize on opportunities presented by climate change. We are actively considering undertaking this type of scenario analysis within the next two years to response to the increased business risks associated with climate-change.

# C4. TARGETS AND PERFORMANCE

## C4.1

### (C4.1c) Explain why you do not have emissions target and forecast how your emissions will change over the next five years.

| | Primary reason | Five-year forecast | Please explain |
|---|---|---|---|
| Row 1 | Insufficient data on operations | We expect our project-related emissions to fluctuate from one year to the next according to the specific conditions and nature of the on-going project mix. We expect our office and other facilities-related emissions to continuously decrease as space optimization and energy efficiency initiatives are completed. | After SNC-Lavalin acquired Atkins in August 2017, it was decided not to establish an emission target in 2018 and rather make sure that both companies' methodologies were aligned and a that new GHG emission baseline was established. |

## C4.2

### (C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

## C4.3

### (C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

No

## C4.3d

### (C4.3d) Why did you not have any emissions reduction initiatives active during the reporting year?

However, even though the main objective was not to reduce GHG emissions, but more generally optimize operations, initiatives to make offices more energy and space efficient were completed in 2018 and will continue in 2019.

## C4.5

### (C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

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# C4.5a

## (C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

**Level of aggregation**
Group of products

**Description of product/Group of products**
In 2018, two of SNC-Lavalin's five Sectors are considered as being low carbon and/or offering significant opportunities to avoid emissions. Those two sectors are Nuclear and Clean Power. Services include the design, construction and refurbishment of nuclear, hydroelectric, solar and wind power plants as well as efficiency solutions, via digitization, targeted at transport and distribution, smart grids and storage systems. In addition, through the years SNC-Lavalin's engineers have worked with various clients to optimize their systems and reduce their energy consumption. One such ongoing project, led by Atkins (now EDPM Sector), resulted in a partnership with Salix, a not-for-profit organization created in 2004 to provide critical interest-free loans for public sector energy efficiency projects in the UK. Our experts help Salix select and bundle the right technologies as well as conduct financial and project risk assessments. To date, Salix has funded over 15,500 projects, valued at £563.5 million, to increase the energy efficiency of 1,800 public sector organizations. Savings to the public sector are estimated at over £136 million and an annual $CO_2$ emission reduction of 694,414 tonnes.

**Are these low-carbon product(s) or do they enable avoided emissions?**
Low-carbon product and avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**
Other, please specify (Undefined/project specific)

**% revenue from low carbon product(s) in the reporting year**
13

**Comment**
The 13% figure takes in the consideration the revenues from two sectors (Clean Power and Nuclear) and not the revenues of smaller divisions, such as Acoustics, Air Quality and Climate Change, as those are not significant and thus not detailed in our financial statements.

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# C5. EMISSIONS METHODOLOGY

## C5.1

### (C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

**Scope 1**

- **Base year start**
  January 1 2018
- **Base year end**
  December 31 2018
- **Base year emissions (metric tons $CO_2e$)**
  63,176.74
- **Comment**
  A new baseline was established following the acquisition of Atkins which added approximatively 50% to our workforce in July 2017 and the subsequent alignment of methodologies.

**Scope 2 (location-based)**

- **Base year start**
  January 1 2018
- **Base year end**
  December 31 2018
- **Base year emissions (metric tons $CO_2e$)**
  34,373.03
- **Comment**
  A new baseline was established following the acquisition of Atkins which added approximatively 50% to our workforce in July 2017 and the subsequent alignment of methodologies.

**Scope 2 (market-based)**

- **Base year start**
  January 1 2018
- **Base year end**
  December 31 2018
- **Base year emissions (metric tons $CO_2e$)**
  0

## C5.2

### (C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

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# C6. EMISSIONS DATA

## C6.1

### (C6.1) What were your organization's gross global Scope 1 emissions in metric tons $CO_2e$?

**Reporting year**

- **Gross global Scope 1 emissions (metric tons $CO_2e$)**
  63,176.74
- **Start date**
  January 1 2018
- **End date**
  December 31 2018

## C6.2

### (C6.2) Describe your organization's approach to reporting Scope 2 emissions.

**Row 1**

- **Scope 2, location-based**
  We are reporting a Scope 2, location-based figure
- **Scope 2, market-based**
  We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure.

## C6.3

### (C6.3) What were your organization's gross global Scope 2 emissions in metric tons $CO_2e$?

**Reporting year**

- **Scope 2, location-based**
  34,373.03
- **Start date**
  January 1 2018
- **End date**
  December 31 2018

## C6.4

### (C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

## C6.5

### (C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

**Purchased goods and services**

- **Evaluation status**
  Not evaluated
- **Explanation**
  Although SNC-Lavalin manages $7 billion worth of goods and services annually for its clients, the company does not have a centralized procurement system. Goods such as construction material are purchased on a per project basis and it has to be noted that SNC-Lavalin does not automatically have procurement mandate on all of its projects. At the moment, SNC-Lavalin does not engage with suppliers or value chain partners in order to evaluate Scope 3 emissions in relation with purchased goods.

**Capital goods**

- **Evaluation status**
  Not evaluated
- **Explanation**
  SNC-Lavalin is not a manufacturer and, with the exception of one assembly plant located in Texas, USA, does not generally produce material goods and, by way of consequences, own very little manufacturing or industrial equipment. Considering the scale of SNC-Lavalin, the Production and Processing Solutions' assembly plant is generally not considered material in our reports. In addition, although machinery and equipment are used during the construction phase of projects, the vast majority of these pieces of equipment are not the property of SNC-Lavalin: they are either rented for the duration of the project or the property of subcontractors. However, SNCLavalin does own (or lease long-term) a considerable number of vehicles in order to conduct its daily activities. As procurement for these vehicles is not centralized but completed on a per project basis, evaluation has not been completed at the time being.

**Fuel-and-energy-related activities (not included in Scope 1 or 2)**

- **Evaluation status**
  Not relevant, explanation provided
- **Explanation**
  SNC-Lavalin has not identified any other energy-related activities.

**Upstream transportation and distribution**

- **Evaluation status**
  Not evaluated
- **Explanation**
  As for procurement, SNC-Lavalin does not engage with suppliers in order to evaluate scope 3 emissions in relation with the transportation of purchased good and services.

**Waste generated in operations**

- **Evaluation status**
  Not evaluated
- **Explanation**
  SNC-Lavalin does not aggregate the waste generated during its normal operations and activities. It has to be noted that most construction waste is recycled or otherwise diverted from landfill and that the reminder of waste generated would mainly be associated with food consumption and other daily activities carried in office settings.

### Business travel

- **Evaluation status**
  Relevant, calculated
- **Metric tonnes $CO_2e$**
  77,119.09
- **Emissions calculation methodology**
  Car rental, rail and air travel companies provide SNC-Lavalin with GHG emissions via our in-house travel agent. They each have a different methodology.
- **Percentage of emissions calculated using data obtained from suppliers or value chain partners**
  100
- **Explanation**
  Includes long-term car leases, short-term car rentals, flights and rail travel booked through SNC-Lavalin's in-house travel agents. We estimate that we capture over 80% of our air travel emissions.

### Employee commuting

- **Evaluation status**
  Not evaluated
- **Explanation**
  SNC-Lavalin has not yet evaluated Scope 3 emissions related to employee commuting.

### Upstream leased assets

- **Evaluation status**
  Relevant, calculated
- **Metric tonnes $CO_2e$**
  3,244.33
- **Emissions calculation methodology**
  SNC-Lavalin applies the same methodology for its scope 3 emissions associated with rented offices spaces as with the buildings that it owns. Landlords provide information consumption, but SNC-Lavalin does not have the means to verify it.
- **Percentage of emissions calculated using data obtained from suppliers or value chain partners**
  100
- **Explanation**
  Calculation for upstream rented spaces includes all rented offices spaces, buildings such as warehouse, garage and workers' accomodation where the utilities are paid by the landlord and charged to SNC-Lavalin on a surface-based ratio or other evaluation specified in the lease.

### Downstream transportation and distribution

- **Evaluation status**
  Not evaluated
- **Explanation**
  With the exception of its "Production and Processing Solutions" division, which assembles custom equipment for the oil and gas industry, SNC-Lavalin does not manufacture products. Considering the scale of the company, the Production and Processing Solutions business unit is not considered material to SNC-Lavalin's reporting.

### Processing of sold products

- **Evaluation status**
  Not relevant, explanation provided
- **Explanation**
  SNC-Lavalin does not sell any products that would need further processing.

### Use of sold products

- **Evaluation status**
  Not evaluated
- **Explanation**
  With the exception of its "Production and Processing Solutions" division, which assembles custom equipment for the oil and gas industry, SNC-Lavalin does not manufacture products. Considering the scale of the company, Production and Processing Solutions is not considered material to SNC-Lavalin's reporting.

### End of life treatment of sold products

- **Evaluation status**
  Not relevant, explanation provided
- **Explanation**
  With the exception of its "Production and Processing Solutions" division, which assembles custom equipment for the oil and gas industry, SNC-Lavalin does not manufacture products. Considering the scale of the company, Production and Processing Solutions is not considered material to SNC-Lavalin's reporting.

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### Downstream leased assets

- **Evaluation status**
  Not relevant, explanation provided
- **Explanation**
  In 2018, SNC-Lavalin owned less than 2% of the area it occupied. In the very few instances where we rent part of an owned building to a third party, we included the associated emissions in the Company's reported scope 1 and 2.

### Franchises

- **Evaluation status**
  Not relevant, explanation provided
- **Explanation**
  SNC-Lavalin's business model does not include any franchises.

### Investments

- **Evaluation status**
  Not evaluated
- **Explanation**
  Capital, SNC-Lavalin' investment and asset management arm, has raised over $12B of project financing in the past 10 years, a Net Book Value of $369M (as of December 31st, 2018) and an Average Fair Market Value as per analysts' calculations (as at March 18th, 2019) of over $5.0B invested in infrastructure. However, GHG emissions related with said portfolio have not been evaluated yet.

### Other (upstream)

- **Evaluation status**
  Relevant, not yet calculated
- **Explanation**
  Many project teams are hosted at clients' facilities. using projections based on the number of employees, it was estimated that Oil and Gas Sector's projects might be associated with about 15,000 tonnes of $CO_2$ equivalent. As much as the total of our offices and other facilities' scope 1, 2 and 3 emissions. SNC-Lavalin has not evaluated whether this type of arrangement with clients is also prevalent in other sectors.

### Other (downstream)

- **Evaluation status**
  Not relevant, explanation provided
- **Explanation**
  No other potential downstream sources of emissions have been identified.

## C6.7

### (C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

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# C6.10

## (C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons $CO_2e$ per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

**Intensity figure**
0.00001

**Metric numerator (Gross global combined Scope 1 and 2 emissions)**
97,549.77

**Metric denominator**
unit total revenue

**Metric denominator: Unit total**
10,084,000,000

**Scope 2 figure used**
Location-based

**% change from previous year**
17.96

**Direction of change**
Increased

**Reason for change**
Mainly due to a change in the use of a more robust calculation methodology: we now estimate the energy consumption of offices and other permanent locations that we consider too small to warrant individual data collection (smaller than 7,000 square foot or 600 square meters). These emissions where previously considered as not significant and were not included in our overall greenhouse gas emissions calculations as the combined area of those offices represented only 10% of the total area. These emissions have now been included in our overall greenhouse gas emissions calculations.

**Intensity figure**
1.86

**Metric numerator (Gross global combined Scope 1 and 2 emissions)**
97,549.77

**Metric denominator**
Other, please specify (Head count (a part time employee count as one employee, not a portion of an FTE)

**Metric denominator: Unit total**
52,384

**Scope 2 figure used**
Location-based

**% change from previous year**
27.58

**Direction of change**
Increased

**Reason for change**
Mainly due to a change in the use of a more robust calculation methodology: we now estimate the energy consumption of offices and other permanent locations that we consider too small to warrant individual data collection (smaller than 7,000 square foot or 600 square meters). These emissions where previously considered as not significant and were not included in our overall greenhouse gas emissions calculations as the combined area of those offices represented only 10% of the total area. These emissions have now been included in our overall greenhouse gas emissions calculations. The other factor in play in this case is the fact that a bigger proportion of our employees are now based in the Middle East and Africa, where a large part of electricity is generated using fuel oils.

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# C7. EMISSIONS BREAKDOWNS

## C7.1

**(C7.1)** Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

## C7.1a

**(C7.1a)** Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

| Greenhouse gas | Scope 1 emissions (metric tons of $CO_2e$) | GWP Reference |
|---|---|---|
| $CO_2$ | 62,358.81 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| CH4 | 51.25 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| N2O | 650.65 | IPCC Fifth Assessment Report (AR5 – 100 year) |

## C7.2

**(C7.2)** Break down your total gross global Scope 1 emissions by country/region.

| Country/Region | Country/Region Scope 1 emissions (metric tons $CO_2e$) |
|---|---|
| Australia | 94.45 |
| Belgium | 35.62 |
| Brazil | 2.69 |
| Canada | 8,953.09 |
| Colombia | 34.56 |
| India | 26.96 |
| Ireland | 14.97 |
| Kenya | 17.61 |
| Kuwait | 64.92 |

| Country/Region | Country/Region Scope 1 emissions (metric tons $CO_2e$) |
|---|---|
| Qatar | 3,110.52 |
| Romania | 8.38 |
| Russian Federation | 1,755.48 |
| Saudi Arabia | 42,737.06 |
| South Africa | 2,342.48 |
| Trinidad and Tobago | 75.85 |
| United Arab Emirates | 277.32 |
| United Kingdom of Great Britain and Northern Ireland | 1,065.01 |
| United States of America | 2,559.78 |

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## C7.3

### (C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

> By business division
> By facility
> By activity

## C7.3a

### (C7.3a) Break down your total gross global Scope 1 emissions by business division.

| Business division | Scope 1 emissions (metric tons of $CO_2e$) |
|---|---|
| Corporate functions or multiple sector | 245.11 |
| Infrastructure | 4,754.59 |
| Oil and Gas | 53,321.83 |
| Power | 3,551.21 |
| EDPM | 1,116.80 |
| Mining and Metallurgy | 187.20 |

## C7.3b

### (C7.3b) Break down your total gross global Scope 1 emissions by business facility.

| Facility | Scope 1 emissions (metric tons of $CO_2e$) | Latitude | Longitude |
|---|---|---|---|
| Saudi Arabia, Khurais (South) | 16,548.39 | - | - |
| Saudi Arabia, Turaif | 12,635.97 | - | - |
| Saudi Arabia, Khurais | 7,094.27 | - | - |
| Canada, Fort St-John | 4,033.32 | - | - |
| Qatar, EPICC | 2,859.96 | - | - |
| Saudi Arabia, Al Khobar | 2,410.95 | - | - |
| Canada, Mississauga | 2,376.66 | - | - |
| South Africa, Midrand | 2,342.48 | - | - |
| Saudi Arabia, Suv 1 Project | 1,988.79 | - | - |
| Russian Federation, Chayvo | 1,748.63 | - | - |
| All other facilities combined | 9,137.32 | | - |

## C7.3c

### (C7.3c) Break down your total gross global Scope 1 emissions by business activity.

| Activity | Scope 1 emissions (metric tons of $CO_2e$) |
|---|---|
| Production facilities | 2,333.64 |
| Offices and other permanent locations | 13,723.74 |
| Oil and Gas projects and other field activities | 47,119.36 |

# C7.5

## (C7.5) Break down your total gross global Scope 2 emissions by country/region.

| Country/Region | Scope 2, location-based (metric tons $CO_2e$) | Scope 2, market-based (metric tons $CO_2e$) | Purchased and consumed electricity, heat, steam or cooling (MWh) | Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh) |
|---|---|---|---|---|
| Algeria | 47.43 | | 92.99 | - |
| Australia | 110.5 | | 145.03 | - |
| Bahrain | 29.38 | | 41.65 | - |
| Belgium | 32.27 | | 186.45 | - |
| Brazil | 105.78 | | 879.33 | - |
| Canada | 6,178.91 | | 41,083.16 | - |
| Chile | 128.05 | | 287.94 | - |
| China | 217.06 | | 344.15 | - |
| Colombia | 42.88 | | 193.75 | - |
| Denmark | 215.3 | | 1,036.61 | - |
| China, Hong Kong Special Administrative Region | 286.38 | | 454.07 | - |
| India | 1,961.44 | | 2,684.96 | - |

| Country/Region | Scope 2, location-based (metric tons $CO_2e$) | Scope 2, market-based (metric tons $CO_2e$) | Purchased and consumed electricity, heat, steam or cooling (MWh) | Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh) |
|---|---|---|---|---|
| Ireland | 175.86 | | 423.76 | - |
| Kenya | 17.17 | | 90.80 | - |
| Kuwait | 27.4 | | 44.04 | - |
| Norway | 0.23 | | 28.94 | - |
| Oman | 173.35 | | 367.58 | - |
| Peru | 15.28 | | 57.73 | - |
| Qatar | 508.5 | | 206.7 | - |
| Romania | 66.54 | | 206.7 | - |
| Russian Federation | 15.24 | | 42.46 | - |
| Saudi Arabia | 702.83 | | 982.70 | - |
| South Africa | 10,865.52 | | 11,437.39 | - |
| Sweden | 8.49 | | 690.37 | - |
| Trinidad and Tobago | 45.3 | | 84.09 | - |
| United Arab Emirates | 860.88 | | 1,301.40 | - |
| United Kingdom of Great Britain and Northern Ireland and Northern Ireland | 1,730.57 | | 6,113.56 | - |
| United States of America | 9,804.53 | | 24,022.46 | - |

## C7.6

**(C7.6)** Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

> By business division
> By facility
> By activity

## C7.6a

**(C7.6a)** Break down your total gross global Scope 2 emissions by business division.

| Business division | Scope 2, location-based emissions (metric tons $CO_2e$) | Scope 2, market-based emissions (metric tons $CO_2e$) |
|---|---|---|
| Corporate functions and multiple sectors | 2,791.24 | - |
| Infrastructure | 2,399.46 | - |
| Mining and Metallurgy | 262.26 | - |
| Oil and Gas | 16,328.52 | - |
| Nuclear | 1,206.61 | - |
| EDPM | 11,052.97 | - |
| Clean Power | 331.96 | - |

## C7.6b

**(C7.6b)** Break down your total gross global Scope 2 emissions by business facility.

| Facility | Scope 2, location-based emissions (metric tons $CO_2e$) | Scope 2, market-based emissions (metric tons $CO_2e$) |
|---|---|---|
| United States, Texas, Sealy | 2,782.57 | - |
| Saudi Arabia, Eurovillage | 1,969.41 | - |
| South Africa, Secunda | 1,875.08 | - |
| South Africa, Secunda (2) | 1,669.91 | - |
| South Africa, Secunda (3) | 1,603.12 | - |
| India, Bangalore | 1,343.27 | - |
| South Africa, Secunda (4) | 1,021.95 | - |
| Canada, Montreal | 966.69 | - |
| South Africa, Secunda (5) | 846.26 | - |
| Canada, Vancouver | 799.08 | - |
| All other facilities | 19,495.71 | - |

## C7.6c

**(C7.6c)** Break down your total gross global Scope 2 emissions by business activity.

| Activity | Scope 2, location-based emissions (metric tons $CO_2e$) | Scope 2, market-based emissions (metric tons $CO_2e$) |
|---|---|---|
| Production facilities | 3,506.98 | - |
| Offices and other permanent locations | 20,362.86 | - |
| Oil and gas projects and other field activities | 10,503.18 | - |

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## C7.9

**(C7.9)** How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

## C7.9a

**(C7.9a)** Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

| Facility | Change in emissions (metric tons $CO_2e$) | Direction of change | Emissions value (percentage) | Please explain calculation |
|---|---|---|---|---|
| Change in renewable energy consumption | | <Not Applicable> | - | - |
| Other emissions reduction activities | | <Not Applicable> | - | - |
| Divestment | | <Not Applicable> | - | - |
| Acquisitions | | <Not Applicable> | - | - |
| Mergers | | <Not Applicable> | - | - |
| Change in output | | <Not Applicable> | - | - |
| Change in methodology | | <Not Applicable> | - | - |
| Change in boundary | | <Not Applicable> | - | - |
| Change in physical operating conditions | | <Not Applicable> | - | - |
| Unidentified | | <Not Applicable> | - | - |
| Other | 20,994.37 | Increased | - | In 2018, SNC-Lavalin started to use a different system for its calculation which is not compatible with comparison between2018 and 2017 emissions on account of the change in calculation methodologies. |

## C7.9b

**(C7.9b)** Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

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# C8. EMISSIONS BREAKDOWNS

## C8.1

### (C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

## C8.2

### (C8.2) Select which energy-related activities your organization has undertaken.

| | Indicate whether your organization undertakes this energy-related activity |
|---|---|
| Consumption of fuel (excluding feedstocks) | Yes |
| Consumption of purchased or acquired electricity | Yes |
| Consumption of purchased or acquired heat | No |
| Consumption of purchased or acquired steam | No |
| Consumption of purchased or acquired cooling | No |
| Generation of electricity, heat, steam, or cooling | No |

## C8.2a

### (C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

| | Heating value | MWh from renewable sources | MWh from non-renewable sources | Total MWh |
|---|---|---|---|---|
| Consumption of fuel (excluding feedstock) | Unable to confirm heating value | 0 | - | 258,862.2 |
| Consumption of purchased or acquired electricity | <Not Applicable> | 0 | - | 94,368.15 |
| Consumption of purchased or acquired heat | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of purchased or acquired steam | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of purchased or acquired cooling | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Generation of electricity, heat, steam, or cooling | <Not Applicable> | 0 | - | 353,230.35 |

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## C8.2b

### (C8.2b) Select the applications of your organization's consumption of fuel.

| | Indicate whether your organization undertakes this fuel application |
|---|---|
| Consumption of fuel for the generation of electricity | Yes |
| Consumption of fuel for the generation of heat | No |
| Consumption of fuel for the generation of steam | No |
| Consumption of fuel for the generation of cooling | No |
| Consumption of fuel for co-generation or tri-generation | No |

## C8.2c

### (C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

**Fuels (excluding feedstocks)**
Diesel

**Heating value**
Unable to confirm heating value

**Total fuel MWh consumed by the organization**
154,536.75

**MWh fuel consumed for self-generation of electricity**
Not Applicable

**MWh fuel consumed for self-generation of heat**
Not Applicable

**MWh fuel consumed for self-generation of steam**
Not Applicable

**MWh fuel consumed for self-generation of cooling**
Not Applicable

**MWh fuel consumed for self-cogeneration or self-trigeneration**
Not Applicable

**Comment**
We do not track whether the diesel is used in generators or mobile equipment.

**Fuels (excluding feedstocks)**
Petrol

**Heating value**
Unable to confirm heating value

**Total fuel MWh consumed by the organization**
35,366.15

**MWh fuel consumed for self-generation of electricity**
Not Applicable

**MWh fuel consumed for self-generation of heat**
Not Applicable

**MWh fuel consumed for self-generation of steam**
Not Applicable

**MWh fuel consumed for self-generation of cooling**
Not Applicable

**MWh fuel consumed for self-cogeneration or self-trigeneration**
Not Applicable

**Comment**
Petrol is generally not used either in generator or in heating systems at our facilities.

**Fuels (excluding feedstocks)**
Biogasoline

**Heating value**
Unable to confirm heating value

**Total fuel MWh consumed by the organization**
4,114.13

**MWh fuel consumed for self-generation of electricity**
Not Applicable
0

**MWh fuel consumed for self-generation of heat**
Not Applicable

**MWh fuel consumed for self-generation of steam**
Not Applicable

**MWh fuel consumed for self-generation of cooling**
Not Applicable

**MWh fuel consumed for self-cogeneration or self-trigeneration**
Not Applicable

**Comment**
Biogasoline is generally not used either in generator or in heating systems at our facilities.

**Fuels (excluding feedstocks)**
Gas Oil

**Heating value**
Unable to confirm heating value

**Total fuel MWh consumed by the organization**
1,671.56

**MWh fuel consumed for self-generation of electricity**
Not Applicable

**MWh fuel consumed for self-generation of heat**
1,671.56

**MWh fuel consumed for self-generation of steam**
The only use of gasoil in our facilities is the generation of heat.

**MWh fuel consumed for self-generation of cooling**
The only use of gasoil in our facilities is the generation of heat.

**MWh fuel consumed for self-cogeneration or self-trigeneration**
The only use of gasoil in our facilities is the generation of heat.

**Comment**
The only use of gasoil in our facilities is the generation of heat.

**Fuels (excluding feedstocks)**
Compressed Natural Gas (CNG)

**Heating value**
Unable to confirm heating value

**Total fuel MWh consumed by the organization**
6,389.67

**MWh fuel consumed for self-generation of electricity**
Not Applicable

**MWh fuel consumed for self-generation of heat**
Not Applicable

**MWh fuel consumed for self-generation of steam**
Not Applicable

**MWh fuel consumed for self-generation of cooling**
Not Applicable

**MWh fuel consumed for self-cogeneration or self-trigeneration**
Not Applicable

**Comment**
We do not track whether the CNG is used in mobile equipment or for other industrial uses.

**Fuels (excluding feedstocks)**
Liquefied Petroleum Gas (LPG)

**Heating value**
Unable to confirm heating value

**Total fuel MWh consumed by the organization**
3,957.97

**MWh fuel consumed for self-generation of electricity**
Not Applicable

**MWh fuel consumed for self-generation of heat**
Not Applicable

**MWh fuel consumed for self-generation of steam**
Not Applicable

**MWh fuel consumed for self-generation of cooling**
Not Applicable

**MWh fuel consumed for self-cogeneration or self-trigeneration**
Not Applicable

**Comment**
We do not track whether the LPG is used in heating systems or for other industrial uses.

**Fuels (excluding feedstocks)**
Natural Gas

**Heating value**
Unable to confirm heating value

**Total fuel MWh consumed by the organization**
52,825.96

**MWh fuel consumed for self-generation of electricity**
No additional metrics to provide.

**MWh fuel consumed for self-generation of heat**
52,784.58

**MWh fuel consumed for self-generation of steam**
Not Applicable

**MWh fuel consumed for self-generation of cooling**
Not Applicable

**MWh fuel consumed for self-cogeneration or self-trigeneration**
Not Applicable

**Comment**
Some Natural gas was used for other industrial uses.

## C8.2d

**(C8.2d)** List the average emission factors of the fuels reported in C8.2c.

**Biogasoline**

- **Emission factor**
  0.0022
- **Unit**
  metric tons $CO_2e$ per liter
- **Emission factor source**
  UK's Department for business, Energy & Industrial Strategy (BEIS)

**Compressed Natural Gas (CNG)**

- **Emission factor**
  0.00018
- **Unit**
  kg $CO_2e$ per MWh
- **Emission factor source**
  UK's Department for business, Energy & Industrial Strategy (BEIS)

**Diesel**

- **Emission factor**
  0.00269
- **Unit**
  metric tons $CO_2e$ per liter
- **Emission factor source**
  UK's Department for business, Energy & Industrial Strategy (BEIS)

**Gas Oil**

- **Emission factor**
  0.00297
- **Unit**
  metric tons $CO_2e$ per liter
- **Emission factor source**
  UK's Department for business, Energy & Industrial Strategy (BEIS)

**Liquefied Petroleum Gas (LPG)**

- **Emission factor**
  0.00021
- **Unit**
  kg $CO_2e$ per MWh
- **Emission factor source**
  UK's Department for business, Energy & Industrial Strategy (BEIS)

**Natural Gas**

- **Emission factor**
  0.18396
- **Unit**
  kg $CO_2e$ per MWh
- **Emission factor source**
  UK's Department for business, Energy & Industrial Strategy (BEIS)

**Petrol**

- **Emission factor**
  0.0023
- **Unit**
  metric tons $CO_2e$ per liter
- **Emission factor source**
  UK's Department for business, Energy & Industrial Strategy (BEIS)

## C8.2f

**(C8.2f)** Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

No additional metrics to provide.

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# C9. ADDITIONAL METRICS

## 9.1

### (C9.1) Provide any additional climate-related metrics relevant to your business.

No additional metrics to provide.

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# C10. VERIFICATION

## C10.1

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

| Scope | Verification/assurance status |
|---|---|
| Scope 1 | No third-party verification or assurance |
| Scope 2 (location-based or market-based) | No third-party verification or assurance |
| Scope 3 | No third-party verification or assurance |

## C10.2

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, but we are actively considering verifying within the next two years.

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# C11. CARBON PRICING

## C11.1

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, and we do not anticipate being regulated in the next three years.

## C11.2

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

## C11.3

**(C11.3) Does your organization use an internal price on carbon?**

No, and we do not currently anticipate doing so in the next two years.

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# C12. ENGAGEMENT

## C12.1

### (C12.1) Do you engage with your value chain on climate-related issues?

No, we do not engage.

## C12.1d

### (C12.1d) Why do you not engage with any elements of your value chain on climate-related issues, and what are your plans to do so in the future?

At the moment, SNC-Lavalin only engage with customers and suppliers in order to provide or get access to actual GHG emission figures. This is due in part to the fact that getting a better portrait of our own emissions is seen as the priority before engaging further with our value chain.

## C12.3

### (C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

> Direct engagement with policy makers
> Trade associations

## C12.3a

### (C12.3a) On what issues have you been engaging directly with policy makers?

| Focus of legislation | Corporate position | Details of engagement | Proposed legislative solution |
|---|---|---|---|
| Clean energy generation | Support | SNC-Lavalin's CEO as well as other SNC-Lavalin's employees are registered in the Office of the Commissioner of Lobbying of Canada's registry. Amongst the subject discussed with federal representatives, the following issues were raised: • Efficient approval processes for major energy projects; • Recommendations on Federal policy regarding nuclear power development in Ontario; • Infrastructure funding at the federal level; • Nuclear Cooperation Agreements governing nuclear power exports to India and other countries with regard to SNC-Lavalin's ability to provide services in such markets. | Infrastructure investment and modification to the Canadian nuclear policy related to domestic and international sales |

## C12.3b

### (C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

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# C12.3c

## (C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

**Trade association**
Conseil patronal de l'environnement du Québec (CPEQ)

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association's position**
The CPEQ recognizes that efforts should be made to reduce greenhouse gas emissions and thus contributes to the fight against climate change. In reaction to the provincial government announcement regarding its 2030 objective to lower global emission by 37.5% (compared to 1990), the CPEQ has made suggestions to the provincial government including that a significant percentage of the carbon market auctions revenues should be allocated to businesses to help them reduce their carbon footprint, including by modernizing their fleets, by promoting research for the development of biofuel, converting some vehicles to natural gas, by incorporating green logistics to reduce mileage and by establishing synergies between companies for sharing trucks and reduce empty runs. The CPEQ has also recommended that the government establishes annual intermediate targets and an accountability mechanism to make it possible to evaluate, every year, the progress of Quebec in achieving its target and the resulting impacts and, if necessary, reassess the realistic nature of the target.

**How have you influenced, or are you attempting to influence their position?**
SNC-Lavalin has a representative on the Board of Directors of the organization.

**Trade association**
Canadian Chamber of Commerce

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association's position**
The Canadian Chamber of Commerce supports evidence-based policymaking that appropriately accounts for environmental externalities as well as efforts by the government of Canada to cooperate with provinces and territories to address environmental issues that are of shared jurisdiction. We favour a price on carbon, support the creation of a water strategy and believe in the imperative to foster technological innovation and ensure efficient regulatory processes.

**How have you influenced, or are you attempting to influence their position?**
SNC-Lavalin has an employee on the Board of Directors of CCC and has an employee on the International Affairs Committee of CCC.

**Trade association**
Canadian Manufacturers and Exporters

**Is your position on climate change consistent with theirs?**
Mixed

**Please explain the trade association's position**
Priority: Ensure an effective, competitive and harmonized approach to Canadian climate change policy. While members believe that reducing greenhouse gas emissions is a priority, CME is concerned about the current ongoing failure to introduce harmonized climate change policies in Canada. Our members seek a North America-wide approach to climate change policy as opposed to a patchwork of half measures. CME Objectives: • Use incentives to help manufacturers reduce emissions with greater support for investments in manufacturing technologies and industrial innovation. • Ensure harmonized reporting of greenhouse gas emissions across Canada. • Ensure a uniform approach for treating manufacturing under federal and provincial climate change initiatives. The ultimate goal is a federal-provincial agreement on GHG reduction targets and how to get there, as long as it takes competitiveness and early action by manufacturers into account. • Continually highlight to government, industry and the public, the significant reductions in GHG emissions achieved by Canadian manufacturers. The above policy is broadly consistent with SNC-Lavalin's position on climate change.

**How have you influenced, or are you attempting to influence their position?**
SNC-Lavalin has an employee on the Board of Directors of CME and an employee on the Board Advisory Committee of Manufacturier et Exportateurs de Québec.

**Trade association**
Federation of Chambers of Commerce of Quebec

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association's position**
The Federation considers that the influx of investments to fight against climate change will accelerate the energy transition of Quebec companies; offer interesting business opportunities and contribute to the ambitious goal of reducing the province's greenhouse gas (GHG) emissions by 37.5% by 2030. According to the organization, companies are willing to contribute to the achievement of ambitious targets for Quebec at the lowest possible cost, while protecting their competitiveness. Thus the FCCQ emphasized the need to foster the development of an intelligent, green and sustainable building industry in Quebec in order to reduce energy consumption. Additionally, the Federation is advocating for a reallocation of the Green Fund grants to the programs that produce the most GHG reductions at the best possible cost.

**How have you influenced, or are you attempting to influence their position?**
SNC-Lavalin is a member of the board of directors of the Federation.

**Trade association**
Canadian Nuclear Association (CNA)

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association's position**
CNA is concerned about the lack of action on climate change, and advocates for an effective national campaign to reduce emissions. Elements of such a campaign include a strong national alliance, a national expert statement on the costs and benefits of addressing climate change, and clear policy direction with firm follow-up. According to the association, a national expert statement on the impact of climate change, and the economic case for addressing it, would set the bar for national debate, and help representatives from all sides work from a common set of facts. The United Kingdom's "Stern Review on the Economics of Climate Change" and Australia's "Garnaut Climate Change Review Update 2011" are examples of the kind of national statement that Canada could commission. Development of an effective national policy need not be a partisan process; it could be guided by an independent advisory body, for example, or a single agency could be given clear responsibility for climate change at the national level.

**How have you influenced, or are you attempting to influence their position?**
SNC-Lavalin is a member of the board of directors of the CNA.

**Trade association**
Business Council of Canada

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association's position**
The BCC recognizes that climate change is a particularly complex and global environmental challenge. and has, for many years, advocated for carbon pricing as the most efficient means to contribute to achieving Canada's climate change goals.

**How have you influenced, or are you attempting to influence their position?**
In 2009, SNC-Lavalin's then CEO, Mr. Jacques Lamarre was Vice chair of the BCC was signatory to a press release titled "BUSINESS LEADERS SUPPORT CALL FOR UNIFIED NATIONAL POLICY ON CARBON PRICING". Although the company has fallen back to a simple membership rather than a position on the board, its position or influence has not changed.

## C12.3f

### (C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Our Global Head of Sustainability, appointed in April 2018, ensures that policies relating to climate change and other sustainability issues are consistent across all our activities.

## C12.4

### (C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

**Publication**

> In voluntary sustainability report

**Status**

> Underway – previous year attached

**Attach the document**

> sustainability-report-2017-en.pdf

**Page/Section reference**

> HSE performance section as well as the GRI index in Appendix.

**Content elements**

> Governance
> Emissions figures
> Emission targets

# C14. SIGNOFF

## C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

| | Job title | Corresponding job category |
|---|---|---|
| Row 1 | Global Head of Sustainability | Chief Sustainability Officer (CSO) |