

Evolving Towards An Ethical Culture with SNC-Lavalin

April 24th, 2019

FEATURED SPEAKERS



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Program Assessment Process

Ethisphere analysts review key program materials using proprietary tools, metrics and methodologies to evaluate the quality and effectiveness of program elements.



Documents requested span all five EQ assessment categories and may include:

Ethisphere examines internal and external program documents to evaluate their effectiveness as well as verify, evaluate, and better understand information provided by Client in responding to the EQ Questionnaire

- | Compliance & Ethics |
|---------------------|
| Org charts |
| Policies |
| Code |
| Training samples |
| Communications |
| Comm. charters |
| Risk assessments |
| Program reviews |



SNC-LAVALIN

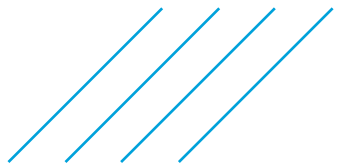


Our integrity journey

Presented by:
Patricia Alleyn and Hentie Dirker
Integrity Program Office



Confidential – Not for distribution
April 2019



Global company



APPROXIMATELY
50,000
EMPLOYEES

 **130**
NATIONALITIES

 **70**
LANGUAGES

 **50**
COUNTRIES

December 31, 2018



Making the difference across eight markets



Our end-to-end lifecycle services



Consulting & advisory

Data-driven insights and consultancy.



Intelligent networks & cybersecurity

Innovative agile solutions for networks and cyber.



Design & engineering

Data-driven solutions from concept to feasibility to design.



Procurement

\$7 billion worth of goods and services procured annually.



Project & construction management

Outstanding project management across the entire lifecycle.



Operations & maintenance

Maximized value for assets that stands the test of time.



Sustaining capital

Operating, maintaining and creating improvements.



Decommissioning

Safe and environmental solutions for assets' end of life.



Crisis



Redefining SNC-Lavalin



Redefining SNC-Lavalin – What we've done



- ✓ Repositioning the company by divesting non-core businesses
- ✓ Balancing our portfolio and derisking the business model
- ✓ Creating a global organization



Redefining SNC-Lavalin

2013 – New Beginning

- › Further changes to senior leadership and culture
- › 90-Day amnesty program
- › Global compliance organization
- › Anti-corruption manual
- › Business partner policy + due diligence

2015 - Operational excellence

- › Antitrust policy
- › Duty to report procedure
- › Hiring of government officials procedure
- › United Nations Global Compact

2012 – Crisis

- › Documents to authorities
- › Key leadership changes
- › Investigations, lawsuits, allegations
- › Ethics and compliance reporting line
- › Employee annual training/certification on Code of Ethics

2014 – Expansion of capabilities

- › Kentz acquisition
- › E&C included in managers' compensation program
- › Political contribution policy
- › Gifts & hospitality procedure
- › Facilitation payments policy
- › Global E&C risk assessment

Redefining SNC-Lavalin

2016-2017 – Focus and solidification

- › Atkins acquisition
- › Redesign of governance framework
- › Deviation + Levels of authority policies
- › Project and investment approval procedure
- › CCO monthly blog
- › Conflict of interest procedure
- › Gifts & hospitality scorecard mobile App
- › Review of all Integrity policies documents



2019 – Moving forward

- › Awarded the Compliance Leader Verification, Ethisphere Institute



2018 – Moving forward

- › E&C to Integrity
- › New Integrity App
- › New Compliance procedure
- › Values (Integrity)
- › First annual Integrity Week and Awards
- › Global Integrity Ambassadors Program
- › Top 27%, 2018 Corporate Political Engagement Index, Transparency International UK
- › President and CEO co-Chairman of the World Economic Forum Partnering Against Corruption Initiative (PACI)



Putting the past behind us

2013

Settlement

- › World Bank Group

2014

Agreement

- › Quebec's Autorité des Marchés Financiers (AMF)

2015

Administrative agreement

- › Public Works and Government Services Canada – Integrity Regime

2016

Agreement

- › Commissioner of Canada Elections
- › Ordre des ingénieurs du Québec

2017

Agreement

- › Quebec's Voluntary Reimbursement Program

2018

Settlement

- › Shareholders class action lawsuit
- › Remediation Agreement legislation



Focusing on our values

COLLABORATION

We work together
and embrace each other's unique
contribution to deliver amazing
results for all.



INNOVATION

We redefine engineering by thinking
boldly, proudly and differently.



Focusing on our values

SAFETY

We put safety at the heart of everything we do, to safeguard people, assets and the environment.



INTEGRITY

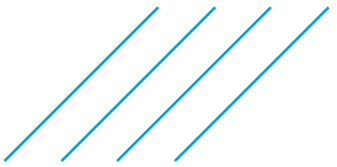
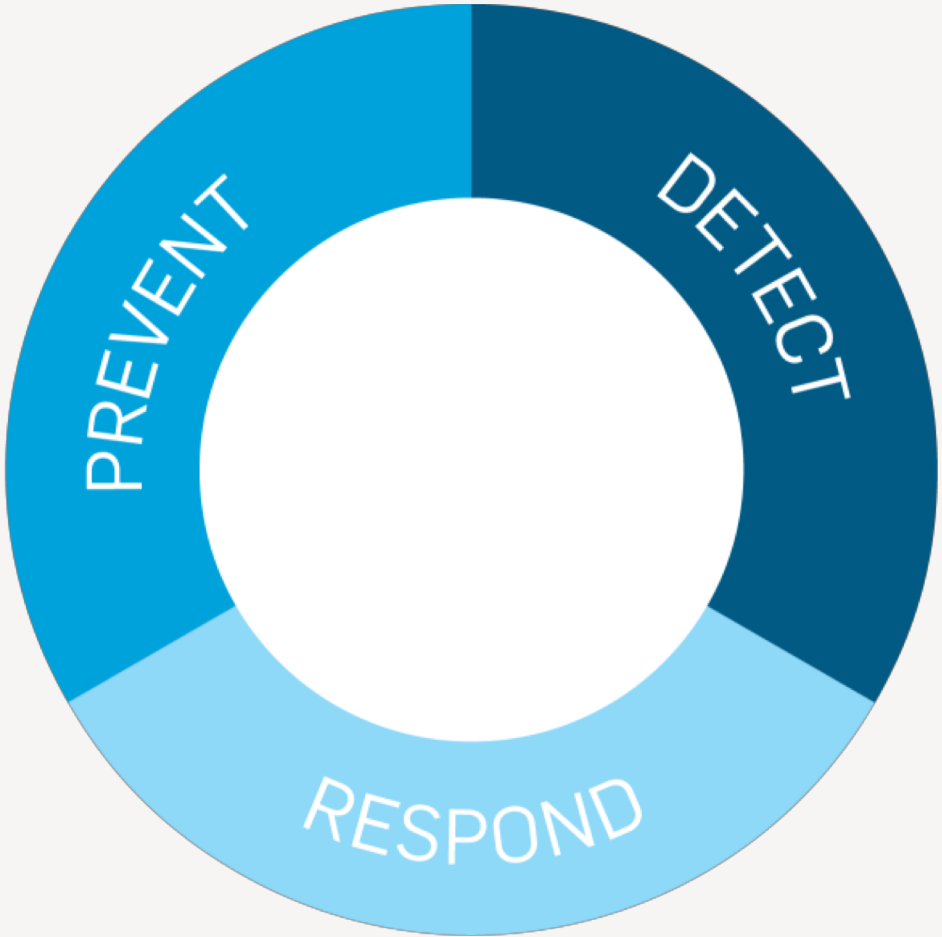
We do the right thing, no matter what, and are accountable for our actions.



Strong Integrity Program



Integral to our activities



Integral to our activities

Fostering an ethical culture to prevent wrongdoing and compliance violations from occurring.

- › Tone from the top
- › Due diligence of third parties
- › Governance framework
- › Compliance risk assessment
- › Training and communication



Communication – Integrity Moments

INTEGRITY MOMENTS & VIDEOS



Wondering what your next integrity moment will be?

Find one in our library! It's regularly updated.

[Find Out More](#)



Looking for an integrity moment in a more lively format?

We have videos you can share!

[Find Out More](#)



Integrity Ambassadors

- › Expand the Integrity footprint from an awareness and communication perspective
- › Foster a business environment that is committed to ethical practices and provide additional, local support to employees
- › Ambassadors act as points of contact for the Integrity function, assist with on-location and in-person follow-ups for Integrity matters where necessary, and participate in management meetings in order to communicate news and developments as they relate to Integrity
- › Integrity Ambassadors provide feedback for continuous improvement of the program to ensure we are committed to applying best practices.



Connecting Integrity to Performance Management



SNC-Lavalin Competencies

	Business Support, Technical	Professional	Management	Executive	Project Management
Integrity 	<ul style="list-style-type: none"> - Behaves in a manner that is consistent with the Integrity Program. - Identifies ethical dilemmas and conflicts of interest, is able to question accepted practices - Takes the necessary actions to avoid, prevent or report non-compliant situations. 	<ul style="list-style-type: none"> - Behaves in a manner that is consistent with the Integrity Program. - Encourages and actively drives dialogue, learning and commitment regarding the Integrity Program. - Takes steps to report and/or handle ethically non-compliant situations falling within sphere of responsibility. 	<ul style="list-style-type: none"> - Leads by example and remains focused in high-pressure situations. - Stands behind employees who act courageously to support the Integrity Program. - Communicates and reinforces ethical behaviours among the team, with customers and other stakeholders. - Speaks up and intervenes in a timely fashion when confronted with a high-risk or an ethically non-compliant situation. - Supports and applies decisions of the Ethics Committee, even if they are unpopular. 	<ul style="list-style-type: none"> - Is a role model in terms of integrity, both within the organization and in external dealings. - Renounces short-term gains for the Sector/Region in order to better serve the organization's long-term objectives, and asks others to make similar sacrifices. - Relentlessly promotes a company-wide culture of integrity. - Demonstrates both courage and perseverance when seeking to fully resolve non-compliant situations involving several stakeholders. 	<ul style="list-style-type: none"> - Acts in an exemplary manner when dealing with ethical matters, leads by example in all circumstances and remains focused in high-pressure situations. - Underscores and proudly points out ethical behaviours of project team members, contractors and clients. - Follows established procedures to report and/or manage seemingly non-compliant situations. - Supports investigations carried out by the Integrity team.
Health, Safety, & Environment (HSE) 	<ul style="list-style-type: none"> - Is familiar with SNC-Lavalin's HSE requirements and adheres to them at all times. - Carefully maintains the personal workspace/assigned work environment to minimize lagging risk. - Reports non-compliant HSE situations or behaviours to manager. 	<ul style="list-style-type: none"> - Complies with SNC-Lavalin's HSE requirements and acts in accordance with and adheres to them at all times. - Promotes SNC-Lavalin's HSE requirements to maintain or improve the competencies of their peers/employees. - Approaches non-compliant HSE situations calmly and thoughtfully to ensure full resolution. 	<ul style="list-style-type: none"> - Integrates and adopts high standards of practice that comply with SNC-Lavalin's HSE requirements. - Keeps the team's competencies with regard to SNC-Lavalin's HSE requirements up to date. - Handles, manages or actively cooperates on the resolution of non-compliant situations, in keeping with established standards. 	<ul style="list-style-type: none"> - Adheres to SNC-Lavalin's HSE requirements and ensures exemplary implementation. - Systematically evaluates the effectiveness of SNC-Lavalin's HSE requirements and suggests improvements in order to reduce the risk of non-compliant situations. - Shares lessons learned and allocates the resources necessary for the development of their teams' HSE competencies. - Implements, facilitates and monitors the resolution of non-compliant HSE situations. 	<ul style="list-style-type: none"> - Strictly implements SNC-Lavalin's HSE requirements without compromise. - Ensures that the HSE resources allocated to the project are sufficient and oversees the deployment of the HSE training plan. - Promotes SNC-Lavalin's HSE requirements with contractors and other project stakeholders. - Verifies the HSE performance of their projects, supports and facilitates the implementation of corrective HSE actions in a timely manner.
Customer Focus (internal, external and stakeholders) 	<ul style="list-style-type: none"> - Makes an effort to get to know customers well, establishes and maintains a productive relationship with them. - Asks questions and listens properly to identify customer needs, keeps them informed about decisions and follow-up that affect them. - Supports the team and takes the necessary steps to fulfill customer requirements. 	<ul style="list-style-type: none"> - Develops and maintains effective relationships with customers, earns their trust and support. - Understands and clarifies customer expectations, proposes innovative and value-added solutions, confirms commitments to customer and works to fulfill them using current systems and processes. - Designs deliverables in line with customer agreements, inquires about customer satisfaction, responds quickly and effectively to feedback. 	<ul style="list-style-type: none"> - Cultivates a network, builds lasting relationships and uses them to identify possible business and/or collaboration opportunities. - Monitors market trends, anticipates customer needs, is proactive in managing customer expectations and offering value-added solutions. - Informs team of commitments made to customers. - Ensures that the team knows and uses the current systems and processes in order to effectively respond to customer expectations. - Measures the achievement of results/level of satisfaction. 	<ul style="list-style-type: none"> - Establishes and maintains trusted relationships and alliances with current and potential customers. - Monitors market, industry, competitors and their assets to increase SNC-Lavalin's competitive advantage. - Strategically targets customers, anticipates their expectations and converts needs into sustainable and value-added solutions. - Offers competitive and distinctive services/deliverables at all times. 	<ul style="list-style-type: none"> - Earns and maintains the clients' trust and respect, understands their point of view and identifies their future needs to generate ongoing business activity. - Manages client expectations and changes to the Scope of Work to ensure project is carried out effectively and profitably. - Leads the team and offers employees the resources required to meet client expectations. - Identifies opportunities to improve the client experience while still meeting the project objectives.



Connecting Integrity to Performance Management

Guidelines for Integrity Competency Rating

1 Does not meet expectations

- ✓ Employee does not want or was reluctant to and required multiple follow-ups to do his/her mandatory training and/or his/her Code of Conduct annual certification;
- ✓ Employee who has received a written warning for committing a violation of our policies and procedures.

2 Partially meets expectations

- ✓ Employee did not do his/her mandatory training and Code of Conduct certification in the given timeline;
- ✓ Employee who has received a verbal warning or reminder for committing a violation of our policies and procedures.

3 Fully meets expectations

- ✓ Employee completed all Integrity related training in the given timeline;
- ✓ Employee that is doing integrity moments during meetings;
- ✓ Employee that spoke up about a situation or incident.

4 Exceeds expectations

- ✓ Employee who took the initiative to promote integrity within his/her team;
- ✓ Employee who received an Integrity Award (at the discretion of the manager).

5 Outstanding

- ✓ Employee who went above and beyond his/her role by demonstrating courage and perseverance when confronted with a high-risk or an ethically non-compliant situation;
- ✓ Employee who received an Integrity Award (at the discretion of the manager).

Connecting Compensation with Integrity

Measuring our success through non-financial performance

Bonus awards also depend on the achievement of non-financial objectives in order to recognize Company results linked to strategic and individual objectives. For 2019, non-financial performance is divided into three measures:

15%

Health, Safety and Environment (HSE)

- › Results for Lagging indicators (5%) i.e. the Total Recordable Incident Frequency "TRIF" index and the Lost-Time Incident Frequency "LTIF" index within your area of responsibility.
- › Results for the Perfect Days (10%) i.e. the number of calendar days where no safety injury, security event and environmental release occurred, assessed at the SNC-Lavalin level.
- › In the event of a fatality, the AIP amount for HSE will be eliminated.

15%

Integrity

- › Effective execution and operationalization of the Integrity Program within your area of responsibility assessed by the ECC.
 - › Mandatory training modules completed within the allocated time (7.5%).
 - › Substantiated Compliance Investigations cases (7.5%).
- › A written warning / sanction at individual level will eliminate the AIP amount for Integrity.
- › The AIP amount for Integrity will be eliminated at BU / Sector / Corporate levels in the case of:
 - › Breach of Public Services and Procurement Canada (PSPC) or World Bank agreement or substantiated cases involving allegations from the reference year that involves either the act of bribery or is deemed to necessitate referral to the CEO/G&E Committee of the Board for self-disclosure to a governmental agency

70%

Individual Performance

- › Your performance rating reflects your achievements to support the strategic plan and priorities.

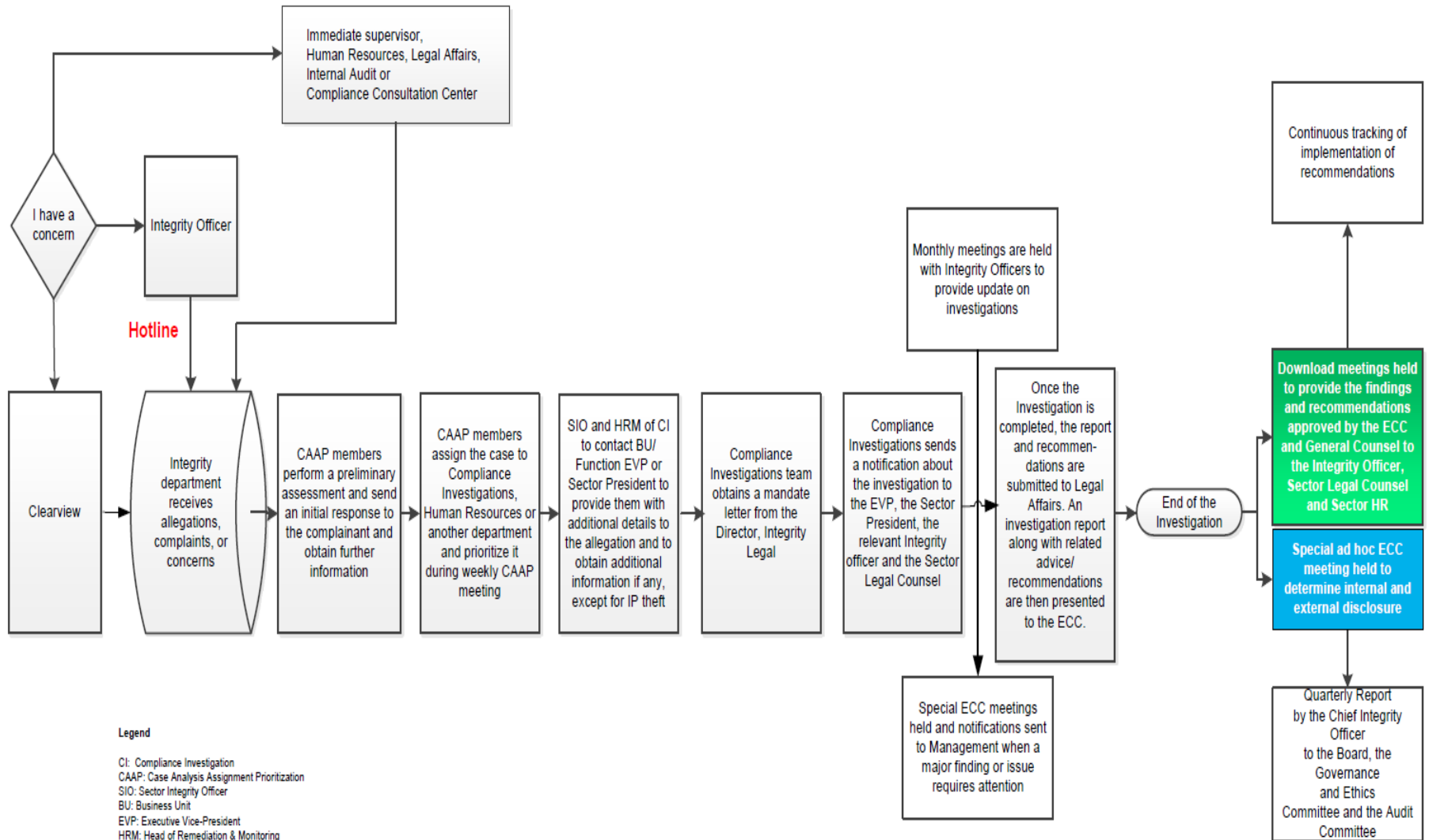
Integral to our activities

Providing internal controls and other sources to identify and evaluate adherence.

- › Control measures
- › Compliance review
- › Reporting line
- › Global investigations team



Compliance Investigation Process



Main types of infractions: CI vs other departments

Type of violations	CI	HR	Others ⁽¹⁾
Competition	X		
Conflict of Interest	X	X	
Corruption including Facilitation Payments	X		
Fraud including Secret Commissions and Falsification	X	X ⁽²⁾	X ⁽²⁾
Intellectual Property Theft	X		
Threat, Assault, Health & Safety			X
Retaliation	X	X	
Discrimination, Labor Relations, Harassment		X	

(1) Includes Business Unit, Global Security, Health & Safety

(2) Related to violations such as timesheet fraud, expense report fraud



Integral to our activities

Involving measures to take corrective action in response to misconduct.

- › Disciplinary sanctions
- › Unbiased consequences
- › Remediation of systematic deficiencies
- › Prevention of recurrence



Positive outcomes



Recognition

- › Compliance Leader Verification – Ethisphere
- › Top 27% of all companies – 2018 Corporate Political Engagement Index, Transparency International UK
- › President and CEO elected co-Chairman of the World Economic Forum Partnering Against Corruption Initiative (PACI)
- › Ranked 11th on 242 boards – Board Governance Ranking, The Globe and Mail (Canada’s national newspaper)
- › Worldwide conferences on anti-corruption and compliance
- › Part of United Nations Global Compact

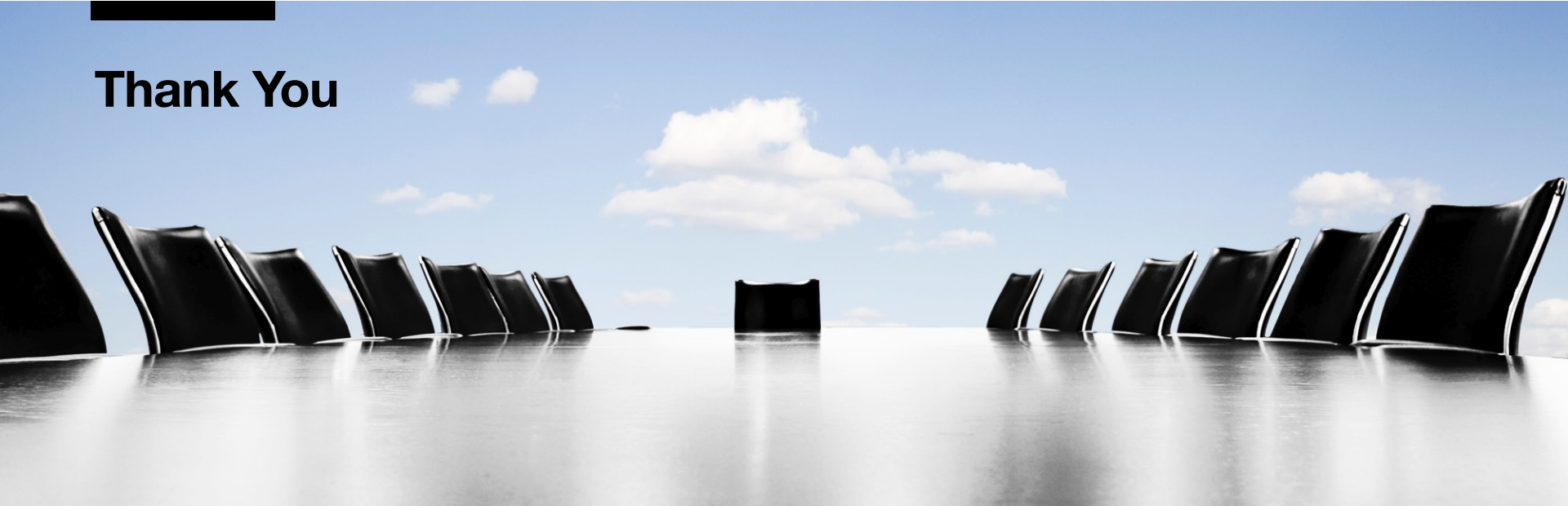


An aerial, black and white photograph of a dense city skyline, likely New York City, featuring numerous skyscrapers and buildings. A semi-transparent white rectangular box is centered over the image, containing the text 'Questions & Discussion'. In the top right corner, the logo 'ETHISPHERE' is displayed in a bold, sans-serif font, with 'ETHI' in green and 'SPHERE' in black. Below the logo, the tagline 'GOOD. SMART. BUSINESS. PROFIT.' is written in a smaller, black, sans-serif font.

ETHISPHERE
GOOD. SMART. BUSINESS. PROFIT.

Questions & Discussion

Thank You



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GOOD. SMART. BUSINESS. PROFIT.™

Contact Us

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