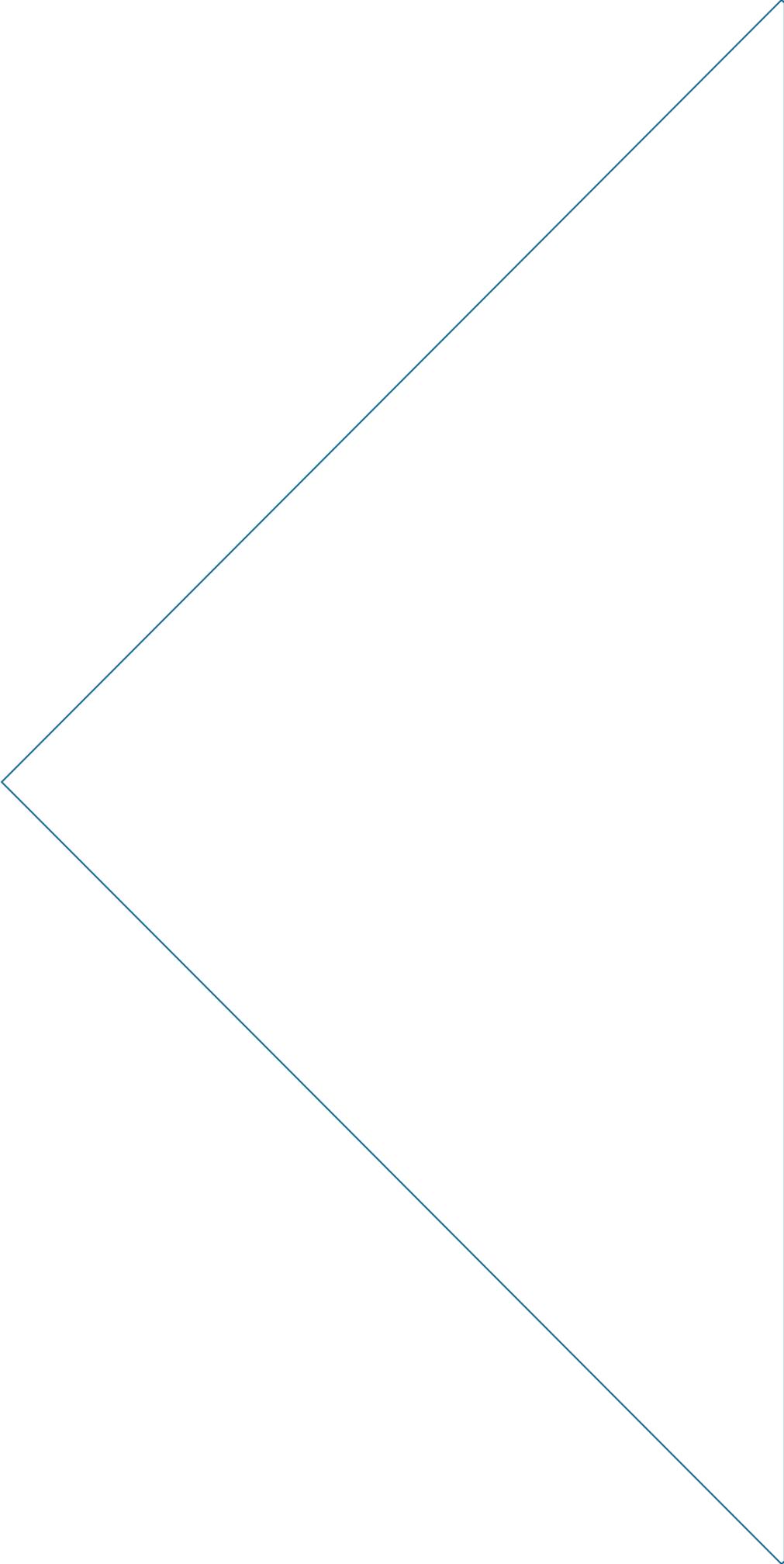




SNC • LAVALIN

LOBBYING &  
POLITICAL  
ACTIVITIES  
2018





## SNC-LAVALIN'S VALUES AND ENGAGEMENT WITH GOVERNMENTS

SNC-Lavalin's identity is founded on our core values – safety, integrity, collaboration and innovation. They are embedded across all our business activities, whether operating divisions (which we call sectors) or our functions that support our organization. These values represent how we act, speak and behave, and how we engage with our clients and stakeholders. Integrity and responsible governance go hand in hand in engagement with public sector stakeholders.

SNC-Lavalin plays an active role – through good works in engineering, design, procurement and project management – in helping people live their lives around the world. As Governments fulfil their role in the development of laws, rules, policies and procedures that are in the public interest, this has a bearing on the company and its employees. Given the relevance of Government actions (policy, regulatory, legislative) at all levels of government (national, state/provincial, and municipal/local) to our operations, it makes sense to contribute to government decision-making through active, informed, constructive engagement and consultation. This also allows us to share our expertise in the field of public works.

We all have a stake in getting it right, whether it's the community that's involved, the customers and clients that could be impacted, or the shareholders who could bear the ultimate risk.

SNC-Lavalin engages with government officials and public representatives in a proactive, honest, responsible, sustainable, transparent and accountable manner. Building and maintaining constructive, positive relationships in the public sector – earning trust with mutual respect – drives SNC-Lavalin's government relations activity. Our Code of Conduct, and SNC-Lavalin's global best practices and guidelines, governs in circumstances where employees may contact government officials or public representatives.

## RESPONSIBLE GOVERNANCE

The Board of Directors of SNC-Lavalin plays an important role in the governance and oversight of the company's government advocacy and political participation.

The Governance and Ethics Committee (GEC) of the Board of SNC-Lavalin receives quarter by quarter reports from the Chief Compliance Officer on lobbying dollars spent; the GEC also annually reviews the specific report of the Executive Vice President of Strategy, Marketing and External Relations on Atkins' Political Action Committee (PAC) activities and ballot initiatives in the United States.

To stay informed on the status and adequacy of efforts to develop and maintain effective relationships with public officials and public representatives, it is our intent for Board members to receive an annual report on lobbying initiatives in Canada, the United States, the United Kingdom and other jurisdictions, including policy priorities, engagement with officials and representatives, lobbying expenditures, and involvement with trade and policy associations. This is the first such report.

The EVP of Strategy, Marketing and External Relations is responsible for reporting on lobbying and political participation to members of the Board of Directors.

# LOBBYING BY SNC-LAVALIN

SNC-Lavalin maintains registrations for in-house lobbyists as required by law and regulation in the jurisdiction.

Most such activity takes place in Canada (federally, Quebec and Ontario), in the United States (nationally and in some states/counties). SNC-Lavalin's VP of Government Relations provides guidance and best practices to the company's business sectors as regards communications with officials and politicians and reporting obligations via an SNC-Lavalin Government Relations Community of Practice.

In Canada, we communicate with government in a way that is fully consistent with the federal Lobbying Act and other applicable laws and regulations. Per Canadian federal and provincial laws, the most senior officer in the company (the CEO) is responsible for ensuring that employees who lobby are informed of their obligations under the federal Lobbying Act and of their duty to abide by the principles of the Lobbyists' Code of Conduct.

On a monthly basis, SNC-Lavalin files reports certified by the CEO on our federal lobbying activities and any other reportable activities. Monthly reports, and any other required filings, are the overall responsibility of SNC-Lavalin's Vice-President, Government Affairs.

At the national level, SNC-Lavalin's lobbyist registration can be found at the website of the Office of the Commissioner of Lobbying of Canada:

[www.lobbycanada.gc.ca/eic/site/012.nsf/eng/h\\_00000.html](http://www.lobbycanada.gc.ca/eic/site/012.nsf/eng/h_00000.html)

Provincial reportable communications can be found at:

- > British Columbia [www.lobbyistsregistrar.bc.ca](http://www.lobbyistsregistrar.bc.ca)
- > Alberta [www.albertalobbyistregistry.ca](http://www.albertalobbyistregistry.ca)
- > Saskatchewan [www.sasklobbyistregistry.ca](http://www.sasklobbyistregistry.ca)
- > Manitoba [www.lobbyistregistrar.mb.ca](http://www.lobbyistregistrar.mb.ca)
- > Ontario [www.oico.on.ca](http://www.oico.on.ca)
- > Quebec [www.commissairelobby.qc.ca](http://www.commissairelobby.qc.ca)
- > New Brunswick [www.gnb.ca/legis/conflict](http://www.gnb.ca/legis/conflict)
- > Nova Scotia [www.novascotia.ca/sns/lobbyist](http://www.novascotia.ca/sns/lobbyist)
- > Newfoundland and Labrador [www.servicenl.gov.nl.ca/registries/lobbyists.html](http://www.servicenl.gov.nl.ca/registries/lobbyists.html)

In the United States, we communicate with government in a way that is fully consistent with the Lobbying Disclosure Act and other applicable federal, state and local law and regulation. The Lobbying Disclosure Act of 1995, as amended by the Honest Leadership and Open Government Act of 2007, requires all active registrants to file quarterly activity reports with the Clerk of the U.S. House of Representatives and Secretary of the U.S. Senate. In addition, the amended act requires active lobbying registrants and individual lobbyists to file a semi-annual report of certain contributions along with certification that the filer understands the gift and travel rules of both the House and Senate. Registrants and each of their lobbyists who were active for all or part of the semi-annual reporting period must file separate reports detailing their contributions, including FECA, honorary, Presidential Inaugural Committee, Presidential Library and certain payments for event costs.

At the federal level, a full list of our reportable communications can be found at the Office of the Clerk for the U.S. House of Representatives regarding the Lobbyist Disclosure Act and Registry:

<https://lobbyingdisclosure.house.gov/>

There are other countries/jurisdictions where SNC-Lavalin is active, but not in an effort to change policy.

# MEMBERSHIPS AND TRADE ASSOCIATIONS

SNC-Lavalin belongs to associations which may interact with government officials on matters of direct interest to our industry, as well as to enhance prosperity, to promote growth, competitiveness and sustainability, across jurisdictions.

These associations, such as the Business Council of Canada or the Confederation of British Industry, promote public policy objectives that are important to SNC-Lavalin, our clients, our suppliers, shareholders and other stakeholders.

We also belong to a number of trade and professional associations for general business reasons (engineering, law, finance) and to discuss technical and industry standards. Such memberships allow employees of SNC-Lavalin an opportunity to network and to develop in their field of expertise and education.

Both of these types of organizations may use membership fees to lobby governments and stakeholders. SNC-Lavalin does not manage or direct the use of its membership fees in policy and trade associations.

SNC-Lavalin may not support all public policy positions taken by associations that we are members of. Where there is a difference, SNC-Lavalin will voice any and all concerns via employees who serve on the boards and committees of these organizations, or publicly.

To promote greater transparency in its direct and indirect engagement with government, SNC-Lavalin includes a list of organizations and trade associations that may lobby government, to which membership dues greater than C\$50,000 per year is paid.

## Greater than \$50,000 in membership dues:

- > Association of Consulting Engineering Companies - BC
- > Business Council of Canada
- > Chamber of Commerce of Metropolitan Montreal
- > Consulting Engineers of Ontario
- > UK Nuclear Industry Association
- > UK Aerospace Defence and Security Association
- > University Network of Excellence in Nuclear Engineering

## Greater than \$100,000 in membership dues:

- > Association des firmes de Génie Conseil du Québec
- > Confederation of British Industry
- > Canadian Nuclear Association
- > Institute of Nuclear Power Operations
- > World Nuclear Association

In the United States, trade and policy-based associations segregate lobbying activity expenditures to ensure compliance with the federal Lobbying Disclosure Act. To promote greater transparency in its direct and indirect engagement with government, SNC-Lavalin includes a list (below) of organizations and trade associations that may lobby government, to which membership dues greater than C\$50,000 per year is paid.

## Greater than \$50,000 in membership dues:

- > American Council of Engineering Companies

# POLITICAL INVOLVEMENT & CONTRIBUTIONS

SNC-Lavalin constantly develops and maintains relationships with public officials, governments, policy makers, local authorities and agencies. We also support communities where our employees live, work and interact with clients in both the private and public sectors.

SNC-Lavalin makes donations and sponsorships under strict guidelines and encourages employee volunteerism and participation in community activities that extends to the political processes in the countries in which we operate.

Per SNC-Lavalin's Code of Conduct <http://www.snclavalin.com/en/code-of-ethics> political contributions on behalf of SNC-Lavalin, whether at the federal, provincial/state or local level, in Canada or abroad, are prohibited, even in jurisdictions where it is permitted by law.

All SNC-Lavalin personnel, including members of the Board, the CEO, members of the Executive Committee, members of the Senior Management Team, employees (regular, occasional, temporary, contractual, full- or part-time, etc.), consultants and loaned personnel, are forbidden from making political contributions on behalf of SNC-Lavalin or in our name, or to use their position within the company to solicit them for the benefit of any political party or candidate in any country (this applies even where they are allowed by law).

There is no exception to this policy and SNC-Lavalin colleagues may only engage in political activities, or make political contributions, in their own individual capacities, on their own time and at their own expense. SNC-Lavalin will not reimburse or otherwise compensate an employee, directly or indirectly, in any form, for political contributions they make.

Separately, as authorized by the SNC-Lavalin Board and in accordance with relevant U.S. federal and state election laws, Atkins North America makes corporate donations in support of state and local ballot initiatives for infrastructure development and maintenance. These measures are non-partisan in nature and directly approved by the electorate.

## US Employees' Political Action Committee (PAC)

The Atkins North America Holdings Corporation Political Action Committee (Atkins PAC) provides opportunities for employees to support individual political candidates and political parties, funded entirely by employee contributions. Atkins North America does not contribute to the Atkins PAC. The Atkins PAC is separately organized with its own Board of Directors and bylaws and is not a subsidiary of any SNC-Lavalin entity. The PAC funds must be collected and distributed under the strict guidelines of the U.S. Federal Elections Commission (FEC), the independent regulatory agency charged with administering and enforcing the federal campaign finance law, and relevant state campaign finance law.

The Atkins PAC's reportable contributions as well as money raised and other information can be found at: <https://www.fec.gov/data/committee/C00385989/>. Employee contributions to the PAC on an annual basis going back to 2003 are registered on the FEC website.

# SNC-LAVALIN DONATIONS & SPONSORSHIPS

We recognize our responsibilities as a global corporate citizen. The scope of SNC-Lavalin's work positively impacts hundreds of communities around the world where SNC-Lavalin's employees, business partners and other stakeholders live and work.

SNC-Lavalin's approach to Donations and Sponsorships aims to support ideas and initiatives with the potential to stimulate progress and build the future. Our goal is to have a positive impact on communities, learning and innovation.

In order to achieve this goal, we primarily contribute to educational causes, particularly initiatives that support the next generation of talent and we also encourage local charities that help build caring communities.

A charity refers to a non-profit organization that serves a public interest via philanthropic measures and is typically an organization that is able to issue receipts to donors for tax purposes. A donation refers to financial or in-kind support made by SNC-Lavalin to a charity for the purpose of benefiting a society or a community. Charities may opt to publicly recognize donors, but they cannot be required to do so. In most jurisdictions, a tax receipt will be issued for donations.

Donations must follow the following principles:

- > Be in compliance with applicable laws, regulations and all relevant SNC-Lavalin policies and procedures
- > Not be made directly or indirectly in exchange for any improper advantage or expectation that the business relationship will be unjustly influenced
- > Not raise any conflicts of interest, appearance of conflict of interest or impropriety
- > Not be paid in cash; to a private, offshore or suspicious bank account; or through any unusual payment method, terms or conditions
- > Be transparent and made pursuant a written agreement, detailing key parameters
- > Be auditable and recorded completely, accurately and in sufficient detail in SNC-Lavalin's books and records

Donations or Sponsorships are prohibited for the following organizations, events or causes without prior written authorization from the Donations and Sponsorship Committee and the Executive Committee:

- > Any campaign or agency which is already receiving significant support from SNC-Lavalin
- > Political parties
- > Religious or fraternal organizations
- > Individual fundraising pursuits
- > Institutions or programs that are the responsibility of government
- > Private (fee-based) elementary or secondary schools
- > Initiatives unrelated to SNC-Lavalin's business
- > Fundraising via pledges, such as runs, races, telethons, etc. by non-employees
- > Organizations that demonstrate discriminatory practices or ideology, or any conduct not permitted by SNC-Lavalin's Code of Ethics and Business Conduct

In the United States, the Atkins Foundation, Inc., was established in 2006 as a means of focusing our philanthropic efforts through an IRC §501(c)(3) charitable organization. The Atkins Foundation awards charitable grants to organizations that promote science, technology, engineering, and mathematics (STEM) education; charities that aid those affected by natural disasters; and other community-based programs championed by Atkins' North American employees. The Atkins Foundation also supports the Atkins Minority Scholarship Program, which provides financial aid to minority students who are majoring in engineering programs at universities across the United States. All employees in the United States are encouraged to participate.

Atkins North America employees may contribute directly to the Atkins Foundation by payroll deduction or lump sum contribution. In addition, Atkins North America contributes corporate funds to the Atkins Foundation, including matching employee contributions to its PAC, on a dollar for dollar basis.

Please see chart on next page for a description of SNC-Lavalin's public policy advocacy activities in relevant jurisdictions for the year 2017, inclusive of the main subject, offices or governments that have been approached, as well as brief summary of SNC-Lavalin's position on the matter.

# KEY PUBLIC POLICY POSITIONS IN 2017

Issue	Primary Government Office	Areas of Interest/ SNC-Lavalin's Positions	Direct/ indirect advocacy
International Trade and International Relations	Canada - Global Affairs Canada (GAC) Prime Minister's Office Innovation Science and Eco Development (ISED)	Canada-US & NAFTA – enhanced labour mobility; greater access to government procurement markets; NAFTA renewal. TPP11 – supported progress to proceed with trade agreement China – supported an enhanced bilateral relationship Asian Infra Dev't Bank – supported of Canada's membership	Both, via SNCL and indirectly via industry associations.
Energy	Canada – Natural Resources Canada, GAC, ISED United States – Dept of Energy UK – Dept of Energy & Climate Change	Nuclear – support for energy work plans that include Candu nuclear power new builds in China and Argentina; and support for nuclear research following COP21. Support for UK Canmox initiative and technology development.	Both, via SNCL and indirectly via industry associations.
Enhance Canadian corporate integrity, combat white collar crime	Canada – ISED; Public Services and Procurement Canada; GAC; Quebec – Premier's Office Ontario – Premier's Office	Support introduction of a Deferred Prosecution Agreement for Canada to enhance transparency and self-reporting.	Both, via SNCL and indirectly via industry associations.
Labour mobility	Canada – Immigration, Refugees and Citizenship Canada ISED Members of Parliament	Support Global Skills Strategy and related pilot projects. Support expansion of the Global Talent Stream Occupations list to includes senior managers in the engineering profession.	Both, via SNCL and indirectly via industry associations.
Infrastructure Development	Infrastructure Canada Finance Canada	Supportive of Canada Infrastructure Bank. Supportive of continued use of P3 model.	Direct advocacy via SNCL and consortia.
Sustainability	Climate Change and Environment Canada Natural Resources Canada Status of Women Canada	Consultations and discussions in support of U.N. Sustainable Development Goals; Diversity Objectives for the private sector; and clean energy technology initiatives	Indirect via industry associations.



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