

SNC-Lavalin is pleased to present its sixth annual report on new and ongoing measures and initiatives worldwide in support of our WE CARE commitments. Our business and its ongoing success are founded on five core values, which play a critical role in every project we undertake.

WE CARE and Sustainability Report—2008

WE CARE VALUE STATEMENT

WE CARE is our response to our social responsibilities. It embodies the importance we place on these core values:



EMPLOYEE well-being and career development

HEALTH & SAFETY of employees and end users

COMMUNITIES where we work and their sustainable development

ENVIRONMENTAL responsibility and stewardship

QUALITY work

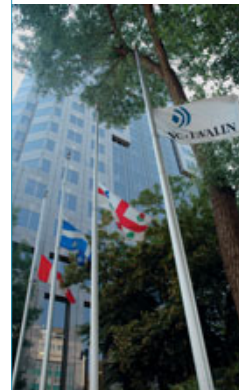
In 2008, SNC-Lavalin's 21,000 employees worldwide continued to demonstrate strong, visible and innovative leadership in support of WE CARE.

Nowhere was this more evident than in Algeria last August, when we learned with shock and immense sadness of a terrorist car bombing which killed 12 employees near the Koudiat Acerdoune water treatment and distribution project. Fifteen others were injured in this random attack.

Our Executive Vice-President in charge of the region immediately flew in to meet the families of the victims, visit each wounded employee in hospital, and begin a review of security arrangements for our employees with government authorities. Support was provided for other employees at the project site itself, and SNC-Lavalin's President and CEO paid them a visit. We issued public and internal statements expressing our deepest sympathies to the families of the victims and deploring this act of terrorism; SNC-Lavalin offices and project sites worldwide observed a moment of silence in memory of the victims, and flags at head office were flown at half-mast for a week.

A true measure of SNC-Lavalin's capacity for caring and acting was also reflected in the many offers of assistance and support for the families of the victims from employees on project sites elsewhere in Algeria, and from our offices worldwide.

We would also like to acknowledge the many messages of support and sympathy received from clients and other stakeholders in the weeks following the attack.



Flying at half-mast
Outside head office in Montreal, flags flew at half mast to honour the employees who were killed in the Algeria bombing in August 2008.



Cleaning up for the community

Fouka, Algeria: Socotec's Desalination Plant project team organized a cleanup at a three-kilometre stretch of beach that had become a polluted dumping ground. The cleanup involved local schools, associations, businesses, firemen, boy scouts, residents and project subcontractors. About 2,000 tonnes of rubbish and rock were cleared away over five days and the road connecting the beach to the highway was also cleared to give local residents easy access. An official letter from the Mayor of Fouka thanked the project team for returning the beach to its former beauty. The cleanup aimed to contribute to the protection and preservation of the fragile coastal ecosystem, making it habitable again for marine life.



A partnership for life

France: SNC-Lavalin in Europe formalized its partnership with the EFS (French Blood Establishment) by circulating its blood drive announcements to employees. In addition, bus transportation is now provided up to twice a year for those wishing to give blood at one of the local EFS centres during work hours.



World Partnership Walk

Ontario, Canada: Employees and family members from the Lakeshore and Oakville offices participated in the 24th Annual World Partnership Walk for Global Poverty (WPW), raising a total of \$9,000 through sponsorships. The WPW helps improve the lives of families and communities in Africa and Asia through health, education, rural development programs and community-led initiatives.

Security and Safety First

A secure working environment for our employees is a top priority, and while certain situations are beyond anyone's control, we continue to work closely with local and national authorities worldwide to ensure the most secure environment possible for our employees and others working under our aegis.

In addition, our WE CARE commitments require that we place the health and safety of our employees at the very heart of how we work and operate. Our overriding goal is to send our people home safely at the end of each day, so we continue to strive every day, on every project site, to eliminate accidents.

2008 Initiatives

And now, let us review some examples of visible leadership in support of our WE CARE values at the corporate, project team, division and office levels.

WE CARE about the Well-being of our Employees

CARING starts with recognizing the critical contributions of our employees to our ongoing success, and by providing them with a positive and fulfilling work environment.

In 2008, we supported the personal development of our employees with a variety of new and ongoing corporate and divisional workshops and presentations on: nutrition, safe driving, dealing with stress, parenting, effective communications at work, as well as on executive leadership and professional training.

In addition, many offices in Canada and worldwide offered free flu vaccinations for employees.

We also strengthened our Human Resources teams globally and developed a framework where we work more closely together to better develop our employees and facilitate global mobility.

WE CARE about Health & Safety

OUR culture of visible leadership around safety is led by each member of the Office of the President and is pursued at all levels. In 2008, Health & Safety officers on project sites worldwide continued to ensure daily adherence to each project's Safety Management Plan, which takes local regulations, culture and project-specific risks into consideration, and emphasizes regular training to recognize and understand hazards, assess risks and mitigate potentially harmful outcomes.

Again in 2008, thousands of workers, supervisors and foremen on projects in Canada, Saudi Arabia, the UAE, Algeria and Brazil were recognized and rewarded for their contributions to site safety as part of an expanding recognition and motivation program.

In offices worldwide, business units adhere to individual Safety Management Systems, which include measures such as an Emergency Response Plan with designated leaders, and mandatory full-scale evacuation drills.

In 2008, SNC-Lavalin's good safety record was recognized by:

- Two "Prévention" Awards for SNC-Lavalin in Europe for incorporating sound safety procedures right from the design phase into building projects in Mayenne and Angers, France
- A "Safety Award" in the Large Companies category for SNC-Lavalin ProFac from the New Brunswick Road Builders and Heavy Construction Association for the way we operate and maintain 275 km of the Brun-Way Highway
- A fifth "Safety Excellence" Award for The Chemicals & Petroleum Division, Calgary and its joint venture partner on the Horizon Oil Sands Secondary Upgrader Project in Alberta from the project's client for demonstrating the best overall safety standards, procedures, culture and results.

WE CARE about our Communities

SNC-Lavalin employees are committed to working with and contributing to the communities where they live and work worldwide.

Their growing number of initiatives (examples on these pages) take many forms: raising AIDS awareness among adolescents and good dental care in primary schools in Algeria; volunteering for Habitat for Humanity in Toronto, Roofs for Chile in Santiago and for a local Special Olympics competition by our Houston, Texas Business Unit; marathon running/walking to fundraise for a seeing eye dog trainer in Brussels and for breast cancer research in a number of Canadian cities; a special partnership between our French offices and the French Blood Establishment; support for a variety of charities through United Way and Centraide across Canada; and individual volunteering to help build an orphanage in Mexico and in a local French food bank.

At the corporate level—our focus is on the *recruitment* of promising young engineering students through the SNC-Lavalin Award Scholarship-Internship Program and other local initiatives. In 2008, this Award Program welcomed a record 27 engineering students in offices across Canada, the US, France, Chile and Egypt. The interns benefited from a paid summer job plus a CAN\$2,500 scholarship, and our local offices benefited from their enthusiastic participation as part of a project team. Truly a win-win situation, which will expand to 40 students in 2009.

WE CARE about the Environment

SNC-Lavalin is committed to pollution prevention and abiding by the principles of responsible stewardship of the environment in all activities worldwide. As part of our efforts in support of a sustainable planet, we are continuously looking for innovative ways to help our clients lessen their environmental footprint.

Some examples in 2008

- SNC-Lavalin engineers are studying carbon capture and storage technology to reduce the carbon footprint of large greenhouse gas emitters, notably in Canada's oil sands.
- We participated in the global Carbon Disclosure Project, where according to the Conference Board of Canada, our assessment of our carbon footprint places us in the Low



A special day with special athletes

Houston, USA: For the fourth year in a row, several employees from the Baytown office volunteered at a local Special Olympics competition helping to keep time for track events and assisting with other field events involving wheelchair athletes.



Encouraging the next generation of engineers

Calgary, Canada: SNC-Lavalin's C&P Business Unit developed a 'Science at the Stampede' contest inviting high schools to submit ideas for an alternative method of VIP transport in the annual Calgary Stampede Parade. Two winning designs were selected from the many secondary school submissions, which were combined and produced with the help of the University of Calgary's Schulich School of Engineering. The project encouraged young students to get excited about engineering as a potential career.



Joining forces for a cause

Brussels, Belgium: SNC-Lavalin employees joined forces with the Association de la Ligue Braille (Braille League Association) to form a team for the Brussels 20K Run. The team included blind and partially blind participants, who may not otherwise have had the chance to participate in the run. While the Brussels 20K is not officially a charity run, SNC-Lavalin and the Braille League used the occasion to raise much-needed funds for the instruction for a third guide dog trainer at the League.



Supporting those far away

Toronto, Canada: Employees launched a fundraising campaign in support of the victims of Cyclone Ivan that caused massive damage to the Atsinanana region of Madagascar. A total of \$5,000 was collected from employees, client representatives and SNC-Lavalin (Toronto). 259 knapsacks were distributed to students, with enough supplies for the school year. Funds were also donated to an elementary school, as well as to homeless children.



Campaigns for charity

Fundraising campaigns that took place coast to coast at the end of 2008, in support of United Way (Centraide) and other organizations, raised a combined total of over one million dollars. This was one of the most impressive years in terms of fundraising and volunteer activities by all divisions across Canada and in offices worldwide. In Montreal, Jacques Lamarre, President and CEO of SNC-Lavalin Group Inc., co-chaired the Centraide Greater Montreal Campaign.



Top fundraisers

Saint John, Canada: Members from the SNC-Lavalin/Snamprogetti (SNC-SNAM) partnership at work on the Canaport Liquid Natural Gas (LNG) project participated in the 2008 Saint John Dragon Boat Festival and raised \$26,000 towards the expansion of the Extended Day Surgery Program at the local St. Joseph's Hospital. The team was the top fundraiser for the event.

Carbon Impact Sector category of companies. This is good news. Nevertheless, we continue to seek ways to reduce our emissions and the environmental footprint of our 200-plus offices worldwide. An example is the employee-led "green teams", which raise awareness on environmental issues and experiment with alternative ways of doing things.

- In Algeria, the Koudiat-Acerdoune water treatment and distribution project team not only relocated over 20 mature olive trees to another part of the site instead of simply disposing of them, they also planted more than 2,000 new trees to help stabilize the plant's embankments and landscape open spaces.
- In British Columbia, our environment engineers went well beyond standard site reclamation for an EnCana oil and gas well site when they developed a plan for a marsh-pond complex complete with re-shaped and re-contoured cleaned-up land, new vegetation and additional woody debris to blend into the natural landscape. The project is now self-sustaining and complements local biodiversity by creating a new habitat for migratory wildlife.

In 2008, we received the following acknowledgements for sustainable development:

- LEED™ Platinum certification for SNC-Lavalin Environment from the Canada Green Building Council for the first phase of the Dockside Green Community project in Victoria, which also scored the world's highest marks for new construction in this program.
- The Sustainable Development Project Award of Excellence from the Quebec Order of Engineers for our Quebec City office of the Transport, Infrastructure and Buildings Division for its work on Pavilion Espace 400®.

WE CARE about the Quality of our Work

SNC-Lavalin's growth is based on managing for quality. It is a fundamental pillar of our identity and our success as one of the world's leading groups of engineering and construction companies. Quality is what we deliver to our clients, and quality work requires ongoing investment in our people.

Our culture of learning and training, the sharing among divisions of expertise and experiences, including lessons learned, all attest to this commitment.

In 2008, SNC-Lavalin received the following awards and recognition for quality work:

- An Award of Excellence from the Canadian Institute of Steel Construction for our work on the Pavilion Espace 400® for Quebec City's 400th anniversary
- Léonard Awards at the 6th Annual Quebec Consulting Engineering Grand Prize Awards for: the rehabilitation of the Taschereau Interchange and Autoroute 10 projects near Montreal, Transport Infrastructure category; the main dam of the Péribonka Hydroelectric Development Project, Power category; the Montreal subway extension project, Project Management category; and a vaccine plant expansion near Quebec City, Industrial category
- For the third year in a row, our Annual Report won the Award for excellence in corporate reporting, Industrials and Energy Sector, from the Canadian Institute of Chartered Accountants