



SNC • LAVALIN

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January 13, 2016

Business & Human Rights Resource Centre
1-3 Charlotte Street, third floor
London, W1T 1RD,
United Kingdom

Subject: Re: Opportunity to provide information: SNC-Lavalin and Qatar working conditions

Dear Sir;

Thank you for your interest in SNC-Lavalin and our operations in Qatar.

SNC-Lavalin is proud of the work we do in Qatar and welcomes the opportunity to provide you with information on our management of both health & safety and human rights.

Sincerely,

Mark Osterman
Vice-President, Environment & Sustainability
SNC-Lavalin Group Inc.

Encl. SNC-Lavalin response to questionnaire (9 pages)

SNC-Lavalin response to questionnaire on Qatar working conditions

- 1. Social responsibility or human rights policy: Does your company have a publicly-available commitment to human rights or to social responsibility? If so please share the link.**

SNC-Lavalin's Code of Ethics and Business Conduct specifically addresses the human rights elements related to employment. (See Code section 4.7 at:

<http://www.snclavalin.com/en/code-of-ethics>)

In addition, by letter dated August 15, 2015 to United Nations Secretary General Ban Ki-Moon SNC-Lavalin has confirmed its adherence to the UN Global Compact on human rights, labour, environment and anti-corruption and will report annually on progress in meeting these commitments.

Operations in Qatar

- 2. Scope: Please describe the nature and scope of your company's operations in Qatar.**

SNC-Lavalin, including its subsidiaries, provides the following services to blue chip clients in Qatar: Engineering services, Facility Management and EPC project delivery.

- 3. Sub-contracting: How many workers do you hire directly and how many are sub-contractors?**

Currently we employ 1706 directly, 2314 via manpower agencies and 834 via subcontractors.

- 4. Health and safety: In direct operations and in contracts with sub-contractors:**

- a) What is the company's approach to ensuring workers' health & safety in Qatar?**

Health and Safety is one of the Company's core values as adopted by the executive team, stating that "we have a responsibility to protect everyone who comes into contact with our organization". The safety of our employees and those who enter our work sites is a top priority at all our locations around the world.

To reinforce this commitment in Qatar, as in all countries where we work, we implement our Habits of Highly Effective Health and Safety Leaders on all projects. Senior managers are personally engaged through inspections, participation in audits and in review meetings. Management at all levels are involved in the Health, Safety & Environment (HSE) process, such as the Monthly Country Management/IMS meetings at the Head office, and weekly or monthly HSE meetings at sites. In addition, management also participates in Risk Assessments, HSE trainings, Inspections, Tool box talks, the Behavioural Intervention Program (BIP), and the Incident Observation Card (IOR).

Great importance and effort are placed on accident avoidance through rigorous early stage planning in health, safety and environmental requirements of a project, including project-specific HSE processes and applicable HSE procedures that provide the required guidance for HSE controls and implementation at every project site.

The Company's goal is to achieve a workplace where no one gets hurt, everyone goes home safe and well and the environment is preserved, in the successful operation of our business.

We have implemented a Security, Safety, Health & Environment (SSH&E) Management System based on the management system requirements of:

- OHSAS 18001:2007
- ISO 14001:2004
- BS 8800
- HSG 65 and
- ILO-OSH:2001

Oil and gas sector operations in Qatar are covered by certification to OHSAS 18001:2007 and ISO 14001:2004 achieved in March 2006. The certification to the two standards was part of the Integrated Management System (ISO 9001:2008, OHSAS 18001:2007 & ISO 14001:2004) certification achieved as of 2013. Société Générale de Surveillance (SGS) is providing the Company's certification to OHSAS 18001:2007 and ISO 14001:2004.

Management operates an open door policy to all its employees and empowers them to report any deficiency. This is communicated to all employees during their HSE induction. Incentives and awards are given to employees including subcontractor personnel for reporting near misses and working safely. The details of incentive and awards are given below and the ratio of the number of incentives is linked to the number of personnel at each site:

- **Safe Worker of the Month Awards** - Safe worker of the month awards is chosen jointly by the Project HSE Manager and the Site Manager using the criteria given in the incentive nomination form. An award of approximately QR 200 is distributed monthly and certificates are issued.
- **Foreman/Supervisor/Superintendent of the Month** - Awards are given to the Foreman/Supervisor/ Superintendent having an outstanding safety performance and managing his group safely without any incident or HSE violations. They are chosen jointly by the Project HSE Manager and the Site Manager. An award of QR 200 is distributed monthly along with a certificate.
- **Incident Observation Report (IOR) Reporting**. Incentive is given weekly for personnel submitting the best "IOR". The Project HSE Manager selects the best stop card from the cards which have been submitted every week. A Hala (Cell recharge Voucher) card worth QR 50 is awarded along with a certificate of appreciation.
- **Monthly Spot Award for Outstanding Safety Performance**. It is awarded monthly by the Project Site Management team to any personnel who they deem to have exceeded the standard performance in safety during their walkthrough. Spot award of QR 200 is given.

- **Safe Driver of the Month** - The records of the project drivers are submitted by the Project Administrator monthly and jointly reviewed by the Project HSE Manager and the Site Manager. The award is given to the driver without any accident or motoring offense including positive safe observations recorded for the nominated driver. An award of approximately QR 200 is distributed monthly and a certificate is issued.

The Company has procedure(s) in place to identify, assess and control hazards before starting any work. A Task Risk Assessment (TRA) is prepared for each activity and before starting each activity at site, the TRA & MSDS (Material Safety Data Sheet) is communicated to all personnel. STARRT / Tool Box Talk is conducted, signed by employees and maintained at the workplace. The Task Risk Assessment (TRA) is a live document throughout the project duration. Any recommended actions based on recorded near misses / incidents, PTW (Permit to Work) requirements/ violations etc. and /or any changes that effects the working conditions at site are addressed and the task risk assessment will be reviewed accordingly.

The Company has procedures in place to give HSE training to all its employees including employees of its subcontractors. Project specific training modules are prepared taking into account all contractual training requirements that cover all aspects of a project –from personnel and equipment/vessel mobilization to life critical activities at work sites.

Training is conducted in-house, externally or at client facilities. Back to Basic (B2B) in-house training is provided on topics which include HSE critical activities e.g. Fall Protection, Electrical Safety, Confined Space, Manual Handling, Hot Work etc. while external training includes Defensive Driving, Sea Survival, and First Aid, among others. Comprehensive training records are maintained, and job-related HSE training is provided and recorded on employees' "training passports".

The Company has a hazard communications procedure in place to measure and monitor exposure of personnel to workplace chemical or physical hazards. Measuring and monitoring equipment such as toxic gas detectors, sound level meters and personal H2S detectors are available and used in order to alert employees if exposure levels are exceeded. MSDS sheets are mandatory for all chemicals used at site and are kept at the workplace. In addition, supervisors and/or HSE representatives explain chemical-related hazards to all employees and all special precautions that are required.

Personal Protective Equipment (PPE) required for a project is procured and stored in the stores, and is issued by the site material controller. A certain quantity of PPE is maintained at the site for the duration of a project to ensure that it is immediately available at no cost to the work force. PPE is inspected by the HSE officer as part of his daily level 1 inspection and also by users prior to start of work activity. As part of the PPE procedure, PPE is replaced whenever it is identified as faulty or unsafe due to wear and tear.

The Company has road transport safety procedures in place which has the following key elements:

- Maintenance of vehicle in good condition.
- Periodic inspection of the vehicle using the vehicle inspection checklist.

- Testing and Training of drivers in defensive driving techniques.
- Tracking and monitoring driving performance and behavior.

HSE representatives advise on HSE matters and monitor site personnel on a daily basis. We also verify the compliance / performance of line supervisors and line employees (including employees of subcontractors), communicating any issues to management.

The Company has a written procedure in place to conduct HSE audits. An Audit Schedule is prepared for each project based on the project duration and submitted along with the project HSE plan. A systematic review of documentation and physical evaluation of construction sites is conducted based on OHSAS 18001:2007, 14001:2004 standards. Task Risk Assessment and control measures are verified during the construction HSE audit.

BIP's (Behavioural Intervention Program) and Incident Observation Report (IOR) programs are carried out by site personnel to audit unsafe acts and conditions. Daily level 1 HSE inspections are carried out by the HSE officers; Level 2 weekly HSE inspections are carried out by the construction manager along with Senior HSE personnel and Level 3 HSE inspections are carried out by senior management to verify compliance of the HSEMS at site.

The Company also has procedures in place for the assessment, selection and evaluation of its subcontractors. All subcontractors must implement the Company's and/or client's HSE requirements. The Subcontractor Assessment Procedure is utilized to approve HSE-compliant subcontractors and ensure they have HSE policies and HSEMS systems in place.

Subcontractors are provided with ITT (Invitation to Tender), contract documents along with the Company Project HSE plan. Their standards are verified through subcontractor audits during performance of work as per the frequency defined in the Project HSE plan i.e. HSE readiness to start audit, six monthly audit etc. and after completion of work. Audits are measured against HSE objectives, targets and programs which are specified in the project HSE plan.

b) Have you established occupational health and safety committees, and if so, do these have worker participation?

HSE committees are established both at a country level as well as the project level to manage HSE-related issues. Committees may be composed of:

- Management representative from various departments who have the authority to act on views and recommendations
- Subcontractor representatives
- Client representatives
- HSE personnel who communicate feedback received from employees to management.

Committees are chaired by:

- The Country Manager at the country level
- The Project Manager of each project

c) How many accidents and fatalities have taken place on site in the last two years?

Please find below a summary of incidents for SNC-Lavalin's Oil & Gas Sector activities in Qatar:

| YEAR | TOTAL M/HRS SPENT | ON THE JOB INJURIES | | | | | | | | Total Recordable Incident Rate |
|------|-------------------|---------------------|---------|------------|---------|------------|---------|--------------|--------|--------------------------------|
| | | IDI | | RDI | | MC | | FAT | | |
| | | # of Cases | Frequ . | # of Cases | Frequ . | # of Cases | Frequ . | No. of Cases | Frequ. | |
| 2013 | 7,033,931 | 0 | 0.00 | 0 | 0.00 | 1 | 0.03 | 0 | 0.00 | 0.03 |
| 2014 | 6,310,432 | 0 | 0.00 | 0 | 0.00 | 1 | 0.03 | 0 | 0.00 | 0.03 |
| 2015 | 7,725,903 | 0 | 0.00 | 0 | 0.00 | 2 | 0.05 | 0 | 0.00 | 0.05 |

Notes:

1. The figures are safety records for Qatar operations consisting of head office, projects and sub-contractors.
2. The terms and calculations below are applicable to the above statistics as laid down by the U.S. Department of Labour's OSHA standards
3. IDI - Industrial Disabling Injury
4. RDI - Restricted Duty Injury
5. FAT - Fatality
6. MC - Treatment Cases
7. Frequency / TRIR - No. of cases x 200,000/Total Man-hours for period
8. Severity Rate - No. of man-hours lost / total man-hours X 100

5. Conditions of employment: In direct operations and in contracts with sub-subcontractors, labour suppliers and joint ventures, please describe the company's policy and practice on:

a) Contracts - ensuring they are in a language the worker understands and are not modified upon the worker's arrival in Qatar.

Contracts are negotiated and agreed with candidates in their local language. Written contracts are issued in English to all Employees prior to their mobilization. Once signed, contracts are not modified by either party when the employee arrives in Qatar. An Arabic/English version of the same contract is submitted to the authorities for visa purposes. Under Qatar law, contracts may only be prepared in English and Arabic.

b) Timely payment of wages

We pay all our employees on or before 7th of every month for wages earned in the preceding month, in accordance with the Qatar Wages Protection System.

c) Issuing ID and health cards for workers

The Company abides by government rules and processes for identification cards and health cards and coverage. Identification cards for work visa holders are completed within 4-6 weeks after arrival. Health cards are issued for government hospital services, and the Company's medical services are made available for all our workers in accordance with the Supreme Council of Health requirements.

d) Ensuring adequate worker accommodation

The Company provides employees with accommodation that complies with Qatar Foundation / Labour Department rules for worker accommodation.

e) Passport retention - ensuring workers can store passports in a safe place and have access

The Company does not retain employee passports. If specifically requested by employees, the Company can provide safe custody of passports in fire & water proof lockers.

f) Issuing of exit permits for workers who wish to leave the country

The Company abides by government rules and processes and issues exit permits for employees upon request. As part of our local sponsorship agreement, we have online access to the immigration system for exit visa processing.

6. Recruitment agencies:

a) What process does the company go through to recruit migrant workers?

The Company abides by and mobilises employees in strict accordance with the laws of the country of origin and country of operations. To engage directly with a large number of our employees, and to ensure processes are upheld, the Company maintains an office in the Philippines where a significant number of our employees in Qatar come from.

- b) **Which recruitment agencies does your company regularly work with to hire workers? Please list names and contact details of the recruitment agencies.**

Sinclus Marketing Services
Mumbai - 400 093
INDIA
Tel: +91 22 2687 4709 / 4036 4700
Email. Shaili@sinclus.com

Omanfil International
Parañaque Metro
Manila, Philippines
Tel : +63 2 8222143
Email. manpower@omanfil.com

- c) **Does the company take steps to ensure that recruiting agencies it may deal with do not charge recruiting or placement fees? If workers have been charged fees, does the company compensate them for this expense on arrival in their position?**

It is company policy to pay all placement fees and demands from the different recruiting agencies not to charge any placement fees to candidates. Any deviation from this that is brought to company attention is investigated with proper remedial actions taken, whether against the recruiting agency or in favour of candidates and could amount to compensating them in credible cases.

- d) **Does the company have a policy on the indirect employment of workers by business partners?**

No. In all cases, SNC-Lavalin requires that its suppliers and business partners adhere to its Code of Ethics and Business Conduct.

7. Freedom of association:

- a) **Does your company have organizational-level policies and procedures in place on freedom of association for workers?**

No. The Company, however, complies with the labor laws of all the countries in which it does business.

- b) **How does the company implement such policies in a context where local law restricts the ability of migrant workers to form or join trade unions, such as in Qatar?**

The Company complies with the labor laws of all the countries in which it does business. For questions on laws in various countries, these questions are best directed to the respective governments.

8. Grievance/remedy:

- a) **Does the company have a grievance mechanism that is accessible to workers directly employed by you and working indirectly for you via business partners - in their own language?**

The Company has a clearly defined grievance process that applies across the Company in all countries where it operates.

The grievance process is part of Human Resources procedure. The aggrieved employee gets the chance to discuss the matter verbally in his own language or English with his Superior and if required the employee is allowed to get assistance from his fellow worker or representative to explain the grievance to his supervisor. The procedure further allows for appeals and escalation of grievances to successive levels of management. Employees may also raise grievances of an ethical nature through the Code of Ethics and Business Conduct via a variety of mechanisms including a telephone hotline, via the internet, email, post, or via Human Resources.

- b) **How do you ensure that workers are aware of its existence?**

We communicate it with the employees verbally and display the policy on notice boards. (The communication is done as part of the onboarding induction and displayed on notice boards). The company provides periodic training on its grievance procedure to line managers. All employees must also complete a mandatory training and certification process for the Code of Ethics and Business Conduct.

- c) **How do you ensure that workers do not face retaliation from supervisors or others for raising grievances?**

The employee has access to the higher management personnel and also to the ethics and compliance team. Our ethics & compliance framework ensures there is no retaliation as a principle.

The communication with regards to the employee's access to the higher management or HR and E&C Team is also done verbally to all new hires.

- d) **What processes do you have in place to address and remedy grievances?**

As described above we have a documented HR procedure, which is communicated to all employees and fully accessible to all employees.

9. Public engagement:

- a) **Who in your leadership is responsible for ensuring compliance with policies and procedures related to human rights in Qatar?**

The Qatar Country Leader and Middle East regional management are responsible for all aspects of the business in Qatar.

- b) **Who should be contacted if workers or civil society groups have questions or concerns about your company's Qatar operations? Please provide contact information.**

For further information please communicate with:

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10. Engagement with Qatari government:

- a) **Does the company engage the Qatari government to encourage enforcement of the labour law in areas such as passport and fee retention?**

As stated in 5e and 6c, the Company does not retain employee passports, nor does it charge or permit the charging of recruitment fees to its employees. Our dealing with local government covers mainly transactional issues. Questions relating to local laws are best directed to the appropriate government department.

- b) **Has the company raised concerns with the government about elements of the "kafala" sponsorship system that restrict workers' ability to change jobs or leave the country?**

As stated above, our dealing with the different local government departments covers mainly transactional issues. Questions relating to local laws are best directed to the appropriate government department.

11. Challenges: Please describe any challenges your company is encountering in the areas described above.

SNC-Lavalin faces various operational challenges in all countries in which it operates, and the Company strives to deliver its clients' projects on time and on budget. A specific current challenge in Qatar is the availability of work visas and staff to meet the Company's operational needs.