

SNC-LAVALIN'S GHG BUSINESS PLAN

**REGIONAL CLIMATE CHANGE INVESTMENT
CONFERENCE
SZENTENDRE, HUNGARY**

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PRESENTATION OUTLINE

- ◆ **SNC-Lavalin: brief overview**
- ◆ **What does the Kyoto Protocol mean for SNC-Lavalin?**
- ◆ **SNC-Lavalin's GHG business plan**
- ◆ **Climate change issues in SNC-Lavalin projects**
- ◆ **Project financing**
- ◆ **Conclusion**

SNC-LAVALIN

- ◆ **Founded in 1911**
- ◆ **A world leader in engineering and construction**
- ◆ **Over 16 000 employees**
- ◆ **Annual revenues: Over CAN\$ 3 billion**
- ◆ **Permanent offices in more than 30 countries**
- ◆ **Projects in more than 100 countries**
- ◆ **Public company (TSE)**

MAIN OFFICES OF SNC-LAVALIN GROUP

Algeria
Australia
Belgium
Brazil
Canada
Chile
China
France
Haiti
Honduras
Hungary
India
Indonesia
Ivory Coast
Kazakhstan
Malaysia
Mexico
Peru
Philippine
Russia
Singapore
South Africa
Taiwan
Thailand
Tunisia
United Kingdom
United States
Venezuela
Vietnam

- ◆ Head office
- Operating offices
- Marketing offices



WHAT DOES THE KYOTO PROTOCOL MEAN FOR SNC-LAVALIN?

◆ Opportunities!

- ◆ International operations
- ◆ Identification of trans-national possibilities
- ◆ Studies
- ◆ Demonstration projects
- ◆ Compliance monitoring and other new businesses

◆ Threats...

- ◆ Slowdown in some of our traditional businesses
- ◆ Other countries competing for same opportunities
- ◆ Recession???

SNC-LAVALIN'S GHG BUSINESS PLAN

- ◆ Largest environmental issue
- ◆ Kyoto Protocol:
 - ◆ Significant issue in many SNC-Lavalin projects
- ◆ Added value to projects and clients
- ◆ Integrate GHG issues in projects' analysis
- ◆ Build an ERCs portfolio for partners/clients : added value for all parties involved.
- ◆ Increase partnerships with regards to climate change technologies

SNC-LAVALIN'S GHG BUSINESS PLAN (cont'd)



◆ All divisions are concerned:

- ◆ Chemical
- ◆ Industrial
- ◆ Power
- ◆ Infrastructure
- ◆ Facilities Management
- ◆ Etc.

◆ Environment:

- ◆ Baseline and additional studies
- ◆ JI project design
- ◆ GHG management and audits
- ◆ GHG emissions inventories and measurements
- ◆ CO₂ sequestration

CLIMATE CHANGE ISSUES IN SNC-LAVALIN PROJECTS

◆ Energy Division

- ◆ Hydroelectric projects
- ◆ Cogeneration projects (GHG offsets)
- ◆ Energy from waste and fuel substitution (emission reduction credits)
- ◆ New fields
 - ◆ Climate change risk assessment
 - ◆ Coal gasification
- ◆ Alternative sources of energy



CLIMATE CHANGE ISSUES IN SNC-LAVALIN PROJECTS (cont'd)

◆ Industrial Division

- ◆ New or refurbished plants = emission reduction credits
 - ◆ Petrochemical, refineries
 - ◆ Ethanol plants
 - ◆ Cement plants
 - ◆ Iron facilities
 - ◆ Smelters
 - ◆ New technologies such as aluminum inert anodes
 - ◆ Norsk Hydro: SF₆ substitution
- ◆ Energy efficiency
- ◆ GHG capture and sequestration



CLIMATE CHANGE ISSUES IN SNC-LAVALIN PROJECTS (cont'd)

◆ Transportation

- ◆ GHG emissions inventories & reduction strategies for road projects
- ◆ Mass transit and public transportation projects
- ◆ Vehicles I & M and scrap-it programs
- ◆ Green vehicles: hybrid cars and buses

PROJECT FINANCING

- ◆ **SNC-Lavalin Capital**

- ◆ Structuring of Financing in Canada and Abroad for Projects to be Carried out by the Company and for Third Parties

- ◆ **SNC-Lavalin Investment**

- ◆ Investment of the Company's Funds and Management of its Participation in Special-purpose Companies

- ◆ **SNC-Lavalin Insurance**

- ◆ Minority Participation in Associated Risk Insurance for the Company's Projects

CONCLUSION

- ◆ **GHG management needed to**
 - ◆ Evaluate actual and future emissions
 - ◆ Evaluate clients business risks
 - ◆ Develop a strategic plan
- ◆ **Kyoto Protocol: Business opportunity**
- ◆ **SNC-Lavalin can be your partner to successfully develop your project**
- ◆ **Good projects are easy to finance**
- ◆ **Winners: pro-active companies**