

The Bombardier story

Bombardier was born from the inventive genius and entrepreneurial spirit of a young mechanic. Born in 1907, Joseph-Armand Bombardier was barely 15 years old when he built his first "snow vehicle". Helping people get around on the snowy roads of rural Quebec was his motivation. Thus, in 1937, Joseph-Armand Bombardier achieved his first major commercial success with the launch of the B7, a seven-seat snowmobile. Five years later, L'Auto-Neige Bombardier Limitée was officially founded to manufacture the B12, a 12-seat snowmobile. Other winter vehicles followed for ambulance services, freight transport, mail delivery and school transportation.

From 1959 to 2008, Bombardier expanded its product portfolio several times, moving from recreational and railway products to eventually focus on the aerospace sector in 2022.

Bombardier's Transformation

In 2015, transformative measures were required to protect Bombardier's legacy and secure its future. A five-year restructuring plan is established to reduce debt and improve the company's financial health. After strengthening an alliance with the Quebec government and Airbus, Bombardier sold its stakes in the C Series/A220 partnership, closing the commercial aerospace chapter of its history. Bombardier will always be proud of its pioneering impact on commercial aviation thanks to the ingenuity of its employees. Bombardier is equally proud of the responsible way it has exited the commercial aviation sector, retaining jobs and strengthening the aerospace cluster in Quebec and Canada.

In early 2021, Bombardier concluded the sale of Bombardier Transportation to Alstom, a transaction that will close another important chapter in its history.

Bombardier Today

Today, Bombardier is a global leader in business aviation, creating innovative, game-changing aircrafts. Its products and services deliver world-class experiences that set new standards in passenger comfort, energy efficiency, reliability and safety. Its portfolio of business jets is the most comprehensive in the industry, consisting of two industry-leading lines of Challenger and Global aircraft.

In addition to creating exceptional business aircraft, the Bombardier Defence division offers unique aircraft solutions to meet the growing needs of special mission operators. These aircraft support a full range of demanding missions, such as urgent humanitarian assistance, transporting heads of state, airspace calibration, infrastructure validation as well as battlefield and border surveillance.

Journey Forward

In 2022, Bombardier introduced the new Global 8000 aircraft, which will be in service in 2025 and will combine an unbeatable top speed of Mach 0.94, an industry-leading autonomy of 8,000 nautical miles, the smoothest flight with proven reliability and the healthiest, most connected cabin in business aviation.

It is also in 2022 that Bombardier unveils its EcoJet research project, an ambitious innovative platform to promote cutting-edge technologies for more environmentally friendly aviation. EcoJet is designed to reduce emissions by up to 20% only by improving the aerodynamics of the aircraft.

Headquartered in Montréal, Canada, Bombardier has production and engineering facilities and an extensive network of customer service centers in more than 12 countries.

Vision and values

To this day, Bombardier's history continues to inspire the company's vision and mission.

Indeed, Bombardier's ambition is to be the leader in sustainable aviation by offering the most advanced and environmentally friendly products, while listening to its customers' needs. In order to do so, the company relies on the commitment and creativity of its employees who have diverse backgrounds and knowledge.

In 2020, Éric Martel was appointed President and Chief Executive Officer of Bombardier. Upon his arrival, he put in place five pillars on which the company's culture is based to ensure that its employees embody this vision.

Table 1: 5 Pillars - Values and culture

1	People & Customers We are a people and customer-centric organization
2	Performance We value performance and honour our commitments to shareholders
3	Excellence Operational excellence is fundamental to our company's DNA and an integral part of everything we do
4	Team work We work together with a team spirit
5	Authenticity We are transparent and authentic at all times and at all levels of the organization

Mr. Martel is evolving Bombardier's industry-leading business aircraft portfolio and expanding the company's global service presence, all while generating strong financial results. He is committed to the company's environmental, social and governance (ESG) strategy, in particular to achieving the company's goals for the number of women in management and shaping a more environmentally responsible future for business aviation.

In 2021, Bombardier published its first environmental, social and governance plan. The company is committed to a sustainable and financially resilient future, and intends to achieve its goals by 2025 (see Appendix A)

ESG within companies

In Quebec, sustainable development is the "development that meets the needs of the present without compromising future generations from meeting their own needs. Sustainable development is based on a long-term vision that takes into account the inseparable nature of the environmental, social and economic dimensions of development activities.

The acronym "ESG" stands for environmental, social and governance aspects, which together shape the long-term sustainability of a company. Environmental aspects at Bombardier represent the environmental footprint and sustainable aviation.

Social aspects at Bombardier represent employee health and safety, employee diversity and inclusion, employee engagement, customer satisfaction, the communities in which the company operates and personal data protection.

The governance aspects at Bombardier represent business ethics and compliance, responsible supply chain, committees and board of directors that ensure the rigor of the company's sustainable development.

Since the 2010s, a practice known as socially responsible investing (SRI) has gained popularity. This has resulted in an increase in the number of responsible investment funds. When investors finance companies, they no longer look only at financial data, but also at how the company generates its profits. ESG criteria are therefore put forward by the company in order to evaluate its quality.

Thus, the sustainable development of companies is now a must in the corporate world and not working on it carries the risk of seeing the value of the company decrease in the eyes of stakeholders such as investors, customers and employees.

ESG and the Impact on Bombardier

The growth in popularity of ESG matters necessarily affects Bombardier. The company's stakeholders (employees, customers, banks, creditors, investors, governments, business partners, members of the surrounding communities, suppliers, etc.) have increasingly high sustainability expectations of the company.

These expectations may relate to reducing the environmental footprint of products, better employment practices, no forced labor in its value chain, diversity and inclusion of its workforce, employee engagement, personal data protection, business ethics and more.

In addition, the aviation industry's long-term goal of achieving zero net carbon emissions by 2050 is a significant challenge for all players in the aerospace industry.

Bombardier must therefore continue its efforts to remain relevant and competitive in an economy that will become increasingly carbon-free in the coming years.

ESG Plan

Bombardier published its first ESG plan in 2021. This plan covers 11 areas of the company's sustainable development, includes precise objectives to achieve by 2025, and uses the OGSM (objectives, goals, strategies and measures) format. See Appendix A for the detailed ESG plan.

Bombardier's ESG Plan consists of 25 distinct strategies that will enable the company to achieve its ESG objectives by 2025. Each of the strategies has been assigned to a senior executive and the responsibility for it has been assigned to a specific individual and one or more experts. These stakeholders are responsible for ensuring that their strategy is implemented properly. Such broad and clear accountability across the company helps to

ensure that ESG aspects are an integral part of strategic activities. Various teams, including customer relations, the community engagement team, environmental experts, engineering professionals and supply chain experts, contribute directly to the realization of this plan. With their efforts, Bombardier becomes a more resilient and sustainable company.

In order to accelerate the integration of ESG aspects within the company and to make senior executives more accountable for achieving ESG objectives, Bombardier has integrated non-financial ESG measures related to greenhouse gas (GHG) emissions, lost-time incidents, percentage of women in management positions and employee engagement into their long-term incentive plans for fiscal 2021. These ESG measures were selected for their alignment with the long-term strategy.

Finally, Bombardier publishes annual ESG reports to measure the progress of the ESG plan. The reports also explain how the company is contributing to the United Nations Sustainable Development Goals (SDGs), how it is integrating the UN Global Compact principles into its operations and finally how it is managing ESG risks and opportunities.

Demographics of the company

Bombardier has employees in the factories (woodworker, machinist, mechanic, etc.) who work directly to manufacture or maintain the aircrafts, as well as office employees (engineer, legal, communication, finance, human resources, etc.) who make up the support functions.

In Appendix B, you will find a detailed description of Bombardier's employees, their age, location, gender distribution, etc.

Communication Tools

Bombardier has several tools to reach its employees. Here is a list of the communication tools used and a brief description of them.

The company mainly uses Microsoft Teams for its internal communications as well as its newsletter called "What's New" for office employees.

For factory employees, there are physical communication areas equipped with televisions on which messages or videos are displayed. Daily morning meetings are held in areas dedicated to *Bombardier Operational Excellence* (BOE). The operational objectives of each team in the plants and the progress of these objectives are posted within these zones.

Of their 13,800 employees in 12 different countries, the majority work in the plants. As a result, communicating with these employees to inform them of the ESG plan is a challenge, because not all of them have access to a computer daily. Bombardier must therefore find an easy way to reach its plant employees so that they, too, can contribute and share their ideas related to the company's sustainable development.

Bombardier is also present on social networks: LinkedIn, Twitter, Facebook and YouTube.

Mandate

Bombardier wants to bring its ESG plan to life through its employees and with its employees. What is the best way for Bombardier to integrate ESG aspects into daily operations so that it becomes second nature to employees and ensure that the objectives of the ESG 2021 plan are met by 2025?

Constraints

Bombardier has already put in place internal initiatives. They are as follows:

Bombardier has a small central sustainability team. This team is responsible for advancing the ESG plan, ESG reporting and any tasks related to corporate sustainability. Rather than building a larger core team, the company would like to ensure that ESG values are integrated across the organization and that employees from all functions are engaged in advancing the plan.

The ESG team is a broad and interdisciplinary team composed of various professionals from all eleven areas of Bombardier's ESG Plan. Members of the broad ESG team meet on a quarterly basis through ESG Forums. The purpose of these forums is to create synergies between the various departments within the company in order to accelerate sustainability initiatives and ensure good governance of the ESG plan. Around thirty experts from the eleven areas of the ESG plan are also involved in these forums.

Bombardier wants its employees to be part of the change and to be given the necessary means to understand the ESG plan in order to contribute meaningfully to its progress and to the development of a sustainable company.

As such, Bombardier is asking you to develop a strategic action plan to engage employees in achieving their ESG goals by 2025. Bombardier is looking for concrete solutions to make sustainability a part of the cultural fabric of the company. Solutions should have short-term impacts that will contribute to long-term goals while engaging and encouraging employee contribution.

Appendix A : ESG Plan - Aspects

1. Environmental footprint

OBJECTIVE	● Manufacturing and servicing aircraft with the lowest environmental impact
GOAL	● Reduce our greenhouse gas emissions, energy consumption and waste production generated by our manufacturing and service activities
STRATEGY	● Increase the energy efficiency of our production processes and sites ● Increase our use of renewable energy ● Optimizing carbon offsets and trading opportunities ● Optimize our manufacturing activities to reduce our waste production ● Promote the use of electric vehicles
MEASURE	● 25% reduction in our greenhouse gas emissions by 2025 compared to 2019 levels ● 20% reduction in our energy consumption by 2025 compared to 2019 ● 5% reduction in our total waste generation by 2025 from 2019 levels ● 20% reduction in our hazardous waste generation by 2025 compared to 2019

2. Sustainable Aviation

OBJECTIVE

- To be a leader in sustainable aviation by designing innovative and environmentally friendly products

GOAL

- Investing in research and development to make our aircraft more environmentally friendly
- Develop and publish an environmental product declaration for each aircraft in production
- Maximizing the use of sustainable aviation fuel for Bombardier flights

STRATEGY

- Design our products with durable materials and high efficiency
- Increase the eco-responsibility of our products throughout their life cycle
- Be a leader in the adoption of sustainable aviation fuel and sustainable aircraft operations

MEASURE

- Over 50% investment in research and development for more environmentally friendly aircraft
- Publishing environmental product declarations
- Use of sustainable aviation fuel in our flight operations

3. Health and Safety

OBJECTIVE

- Goal zero injuries

GOAL

- Reduce the number of lost time incidents to be among the best in our industry

STRATEGY

- Targeted harm reduction programs
- Reducing employee exposure to health and safety risks at the source
- Wellness and mental health support integrated into the employee value proposition

MEASURE

- 30% reduction in the rate of lost time incidents in 2025 compared to 2020
- Severity rate of lost time incidents

4. Diversity and inclusion

OBJECTIVE	● Having a diverse workforce that leads change toward an inclusive world
GOAL	● Increase the importance of underrepresented groups throughout the organization
STRATEGY	● Increase hiring in underrepresented groups ● Empowering managers to identify their unconscious biases when making decisions for development, advancement opportunities and promotions ● Measuring progress in diversity across functions and hierarchical levels
MEASURE	● More than 30% of women in management positions by 2025 ● Percentage of members of under-represented groups

5. Employee Engagement

OBJECTIVE

- Being an employer of choice

GOAL

- Be recognized as an employer of choice and improve our employee engagement score

STRATEGY

- Establish programs that enhance employee experience and autonomy, notably by including flexible work arrangements
- Measure engagement across the employee lifecycle

MEASURE

- 75% employee engagement score by 2025
- Voluntary turnover rate

6. Customer satisfaction

OBJECTIVE

- Putting the customer at the center of our products and services

GOAL

- To be attentive to the needs of our clients and to manage our activities with complete transparency at all times

STRATEGY

- To act as a united team to ensure ethical dealings, during and after the acquisition of an aircraft or service, always providing transparent, factual information on products and services.

MEASURE

- Bombardier's market share

7. Customer satisfaction

OBJECTIVE

- Ensure optimal protection of personal data of all employees and customers worldwide

GOAL

- Increase awareness of data privacy requirements and integrate data privacy into our daily activities and processes

STRATEGY

- Implement and maintain our data privacy policies, systems and processes in accordance with the requirements of laws and best practices around the world
- Offrir régulièrement une formation en la matière aux employés, contrôler la conformité et évaluer les risques

MEASURE

- Percentage of employees trained

8. Communities

OBJECTIVE

- Be a vehicle for constructive change in our communities

GOAL

- Offer diversified internship and scholarship programs and align our donations and sponsorships with our ESG plan

STRATEGY

- Promote existing talent from underrepresented groups through internship and scholarship programs
- Make donations and sponsorships targeting ESG plan priorities

MEASURE

- Number of internships and scholarships
- Percentage of donations and sponsorships in ESG areas

9. Board of Directors and Committees

OBJECTIVE	• Have a strong governance to support shareholder value
GOAL	• Periodic review of ESG performance by the Governance Committee
STRATEGY	• Have the governance committee oversee and monitor the implementation of the ESG plan
MEASURE	• Number of ESG plan progress reviews during the year

10. Ethics and compliance

OBJECTIVE	• Uphold the highest standards of integrity, ethics and leadership
GOAL	• Proactively identify, address and monitor all our significant risks
STRATEGY	• Adopt a proactive data-driven approach to identifying risks and making decisions • Provide employee-focused training and counseling
MEASURE	• Percentage of identified ethics and compliance risks for which a response plan has been put in place

11. Responsible supply chain

OBJECTIVE

- Influencing suppliers on their environmental, ethical and employment practices

GOAL

- Ensure that all our suppliers are committed to Bombardier standards and that compliance is monitored and assured

STRATEGY

- Obtain supplier commitment to Bombardier standards, monitor their compliance and take appropriate action in the event of a breach

MEASURE

- Percentage of suppliers who have committed to Bombardier standards

Appendix B: Distribution of employees

By region

	2021 CONTINUING OPERATIONS	2020 CONTINUING OPERATIONS	2019	2018	2017
Asia-Pacific	198	193	3 529	4 245	3 902
Europe	504	478	23 399	25 042	24 837
North America	12 527	13 964	25 957	29 720	30 233
Elsewhere in the world	144	127	1 126	1 509	1 626

Diversity and equal opportunities

	2021 CONTINUING OPERATIONS	2020 CONTINUING OPERATIONS	2019	2018	2017
EMPLOYEES - TOTAL	13 373	14 762	54 011	60 516	60 598
Distribution by gender					
Woman	20 %	20 %	18 %	19 %	19 %
Men	80 %	80 %	82 %	81 %	81 %

	2021 CONTINUING OPERATIONS	2020 CONTINUING OPERATIONS	2019	2018	2017
Distribution by age group					
Under 30 years old	8 %	9 %	14 %	15 %	14 %
Between 30 and 50 years old	51 %	55 %	56 %	55 %	53 %
Over 50 years old	41 %	36 %	30 %	30 %	33 %
Average age	47	45	43	43	44
EMPLOYEES - MANAGEMENT POSITIONS	660	728	3 126	3 908	3 932
Distribution by gender					
Women	25 %	25 %	19 %	20 %	19 %
Men	75 %	75 %	81 %	80 %	81 %

Distribution by age group					
Under 30 years old	0,2 %	0,1 %	0,3 %	1 %	0,5 %
Between 30 and 50 years old	58 %	66 %	60 %	62 %	58 %
Over 50 years old	41 %	34 %	40 %	37 %	41 %
Average age	48	47	48	47	48
EMPLOYEES - NON-MANAGEMENT POSITIONS	12 713	14 034	50 885	56 608	56 666

Distribution by gender					
Woman	20 %	20 %	18 %	19 %	19 %
Men	80 %	80 %	82 %	81 %	81 %

	2021 CONTINUING OPERATIONS	2020 CONTINUING OPERATIONS	2019	2018	2017
Distribution by age group					
Under 30 years old	9 %	10 %	15 %	16 %	15 %
Between 30 and 50 years old	50 %	55 %	55 %	54 %	52 %
Over 50 years old	41 %	36 %	30 %	30 %	33 %
Average age	47	45	43	43	43

MEMBERS OF THE BOARD OF DIRECTORS	12	12	14	14	15
Distribution by gender					
Women	33 %	33 %	36 %	29 %	27 %
Men	67 %	67 %	64 %	71 %	73 %
Distribution by age group					
Between 30 and 50 years old	8 %	8 %	7 %	0 %	0 %
Over 50 years old	92 %	92 %	93 %	100 %	100 %
Average age	60	61	60	64	64
Diversity					
Number of nationalities	99	98	139	141	122