

2023

Environmental, social and governance report

Progress and impact



Bombardier



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The cover and inside pages of this report feature Bombardier team members and partners beside an 18-foot-wide prototype used in the EcoJet research project. This initiative aims at developing technologies to reduce emissions for the next generation of business aircraft.

Welcome

This report gives an overview of Bombardier’s performance on Environmental, Social and Governance (ESG) topics for fiscal year 2023.

In this report, you will learn how ESG topics are managed, the achievements made toward the United Nations Sustainable Development Goals (SDGs), and Bombardier’s pledge to the United Nations Global Compact (UNGC). It also includes the ESG plan, how it is carried out across the company by employees, and progress made in reaching its objectives. This report follows reporting standards from the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB), where relevant. Bombardier is dedicated to providing accurate and relevant data in a transparent manner.

PROFILE

Bombardier designs, builds and maintains the world’s best-performing aircraft for the world’s most discerning people, businesses and governments. That means not simply exceeding standards, but understanding customers well enough to anticipate their unspoken needs.

For them, Bombardier’s talented teams are committed to pioneering the future of aviation – innovating to make flying more reliable, efficient and sustainable. And they are passionate about delivering unrivaled craftsmanship and care, giving their customers greater confidence and the elevated experience they expect. Because people who shape the world will always need the most productive and responsible ways to move through it.

Bombardier customers operate a worldwide fleet of more than 5,000 aircraft, supported by a vast network of Bombardier team members worldwide and 10 service facilities across six countries. Bombardier’s performance-leading jets are proudly manufactured in aerostructure, assembly and completion facilities in Canada, the United States and Mexico.

You are invited to send your feedback and questions.

Feedback and questions can be sent to csr@bombardier.com

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May 6, 2024

All amounts in this report are expressed in U.S. dollars, unless otherwise indicated.



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Snapshot of 2023



\$8.0B
REVENUES

\$14.2B
IN ORDER BACKLOG

18,100+
EMPLOYEES¹

➤ **Second testing phase of the EcoJet research project** with an 18-foot-wide prototype

See page [17](#)

➤ **79% score for employee engagement**

See page [28](#)

➤ **Women in Governance Silver 2023 Gender Parity Certification**

See page [25](#)

➤ **Mercure Award** in the category of “International Market Development – Large Companies”

See page [30](#)

➤ **Environmental product declarations** published for *Global 6500* and *Global 5500*

See page [17](#)

➤ **5.3% employee voluntary turnover rate**

See page [28](#)

1. As at December 31, 2023, including contractual and inactive employees.



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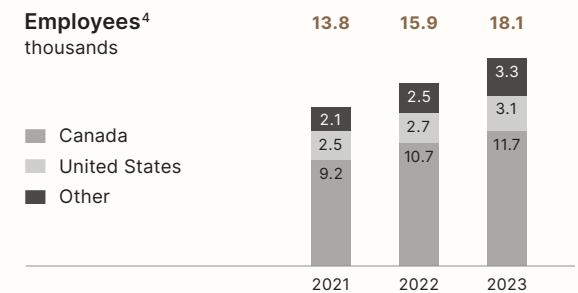
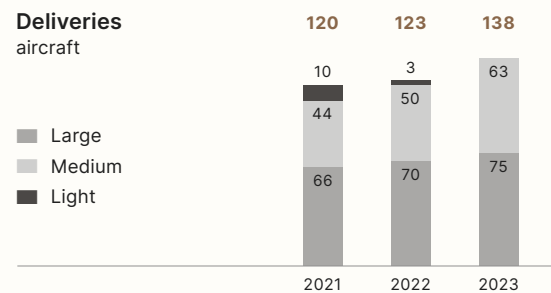
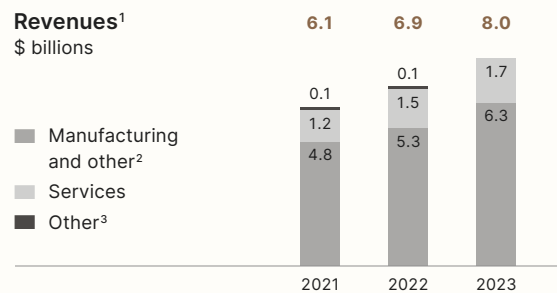
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At a glance

Bombardier's global footprint extends from its headquarters in Greater Montréal to production and engineering sites as well as an extensive customer support network around the world.

LEGEND

- Headquarters
- Production sites:
 - aerostructures
 - assembly
 - completion
- ★ Bombardier Defense & Bombardier Flight Test Centre
- ◆ Customer Response Centre
- Service Centre
- ▲ Aftermarket sites:
 - regional depots
 - line maintenance stations
 - mobile response teams
 - parts hubs & other



1. For fiscal year 2023, "other" revenue is \$38 million. 2. Includes revenues from sale of new aircraft, specialized aircraft solutions and pre-owned aircraft. 3. Includes revenues from sale of components related to commercial aircraft programs. 4. As at December 31, 2023, including contractual and inactive employees.

Proudly building a more sustainable future



PIERRE BEAUDOIN
Chairman of the Board



ÉRIC MARTEL
President and Chief Executive Officer

Welcome to Bombardier's Environmental, Social and Governance (ESG) report, which becomes more relevant and timely with each passing year.

Bombardier is many things: global company and family business, aircraft manufacturer and innovator, service provider and defense player. Across all our activities, we are strongly committed to being a responsible corporate citizen. As you'll see in this report, Bombardier's action plan is comprehensive, transparent and measurable.

The importance of good governance is deeply ingrained in Bombardier's culture. We have a proud heritage as a family company, and our team members genuinely care about our stakeholders and the communities where we operate. This philosophy is true at all levels, including the Board of Directors, which plays an active role in Bombardier's ESG strategy. A committee of Board members reviews and approves this report, and receives regular progress updates throughout the year.

Our senior executives are also involved, as champions of our ESG initiatives and ambassadors of our values. Adding to this, team member participation across the organization is key: not only do our people embrace our goals, they are extremely proud that Bombardier is building a greener future for aviation.

As you'll see in these pages, we're making excellent progress together.

I'm pleased to present Bombardier's latest Environmental, Social and Governance (ESG) report, which shows our impressive progress in 2023. We believe that how we do business is just as important as the results we achieve.

You'll read about many accomplishments in these pages. We're giving shape to the next generation of business jets with our EcoJet research project, which entered a new phase in 2023. Meanwhile, we published Environmental Product Declarations for two more aircraft in our existing portfolio, the Bombardier *Global 5500* and *Global 6500*. Throughout 2023, Bombardier purchased Sustainable Aviation Fuel (SAF) for all its flight operations through a Book-and-Claim system, which contributed to reducing our environmental footprint.

Our 18,000 team members are incredibly proud that Bombardier is building a greener future for business aviation. In fact, engagement was another highlight for Bombardier in 2023 as our employee survey yielded an overall engagement score of 79%, surpassing our goal of 75% for 2025. This positive result validates our efforts to be a world-class employer prioritizing safety, ethics, diversity, inclusion and community giving.

I'm also pleased to confirm that Bombardier renewed its pledge toward the ten principles of the United Nations Global Compact. We also continued our progress on the seven United Nations Sustainability Goals where we have the greatest impact.

I trust you'll agree that the accomplishments in this report demonstrate our enduring commitment to sustainable development.



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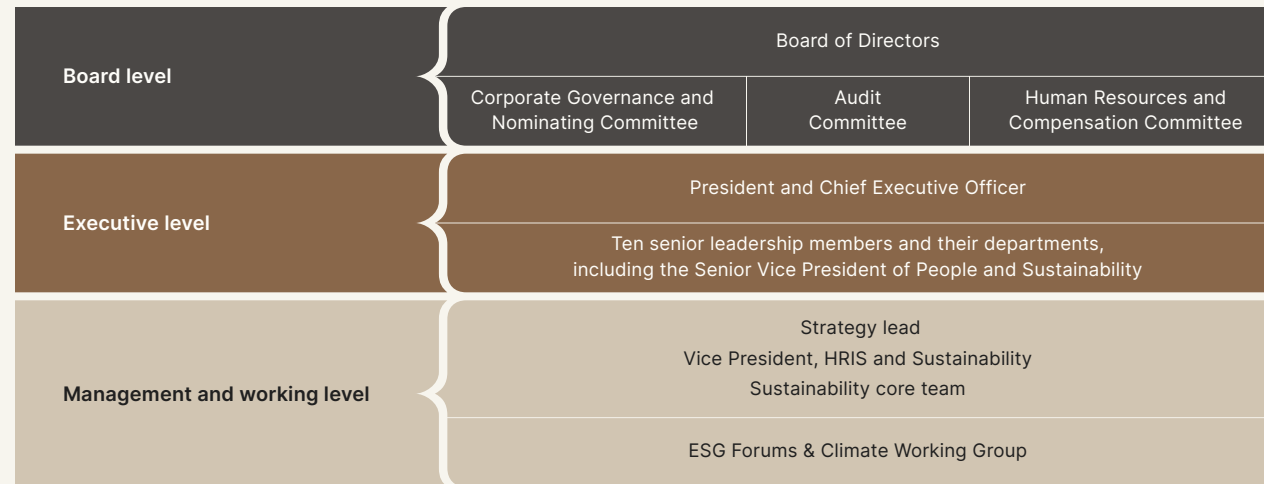
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Accountable leadership

Ensuring Board and executive oversight of ESG topics



In addition, Senior Leadership Team members are also accountable for processes, controls, procedures, monitoring, managing and overseeing areas of sustainability and climate risks and opportunities that fall within their team’s area of responsibility.

Different teams, including customer-facing employees, community engagement professionals, environmental experts, engineering professionals, supply chain experts and more, are contributing to the advancement of the ESG plan and are making Bombardier more resilient and sustainable. Members of these teams meet three times a year through ESG Forums. These forums aim to create synergies between the different departments within the company to accelerate sustainability initiatives, share knowledge on sustainability issues and ensure strong governance of the ESG plan.

Aligning performance incentives with the long-term strategy

To further integrate ESG considerations within the business and to increase senior executives’ accountability in achieving ESG objectives, Bombardier included non-financial ESG metrics – relating to greenhouse gas emissions, lost-time incidents, women in management and employee engagement – in the design of the long-term incentive plan for the grant years 2021, 2022 and 2023. The selected ESG metrics reflect business factors that are aligned with Bombardier’s long-term strategy. These metrics are reviewed and updated on a regular basis.

At Bombardier, Environmental, Social and Governance (ESG) topics are under the primary responsibility of the Corporate Governance and Nominating Committee of the Board of Directors (Board), composed exclusively of independent members, which recommends approval of the ESG plan to the Board. See the section on [Board and committees](#) for more information.

Sustainability at the Senior Leadership Team level is headed by Daniel Brennan, Senior Vice President of People and Sustainability. He is supported by Bombardier’s Vice President of Human Resources Information Systems and Sustainability, Paul Michaud, who oversees a dedicated ESG team that collaborates with a cross-functional team that works on various aspects of the ESG plan.

The company’s Senior Leadership Team receives quarterly reports on ESG developments. These reports cover progress toward the ESG plan and future initiatives.

The ESG plan consists of 25 strategies that help achieve the ESG goals related to 11 topics by 2025. The strategies are included at the beginning of each topic throughout the Performance section of this report. Each strategy has a Senior Leadership Team member as its owner and a designated leader who works with one or more subject matter experts. These key stakeholders oversee the progress of their strategy, ensuring that their team has the skills and competencies needed for the execution of the ESG plan and ultimately the realization of the 2025 ESG goals.

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United Nations Sustainable Development Goals



The ESG plan is aligned with the United Nations Sustainable Development Goals (SDGs), focusing on seven goals where Bombardier can have the greatest impact.

4 Quality education

Bombardier develops the future talents of the industry through collaboration with academia on educational and research projects, prioritizing sustainability activities related to science, technology, engineering and mathematics (STEM), and entrepreneurship. Approximately 1,400 student interns in Canada were onboarded in 2023.

See: [Communities](#)

5 Gender equality

Bombardier is firmly committed to closing the gender gap in its workplace. In 2023, the organization received Silver Parity Certification from Women in Governance, celebrated the Bombardier graduates from the A Effect program, and enrolled women in the next cohort to fuel their talent and develop their full potential. Bombardier has a Women@Bombardier Forum championed by a woman senior executive.

See: [Diversity and inclusion](#)

8 Decent work and economic growth

Bombardier's global presence can stimulate inclusive growth globally. In 2023, Bombardier invested CAD \$1.7 billion¹ in wages, salaries and employee retirement benefits, and invested approximately CAD \$29 million² in its internship program in Canada to train the next generation of innovators.

See: [Communities](#)

9 Industry, innovation and infrastructure

Bombardier is committed to designing, manufacturing and servicing business jets, incorporating advanced technologies and materials to improve durability, deliver a lower noise output and reduce fuel consumption.

See: [Sustainable aviation](#)

12 Responsible consumption and production

In 2023, overall GHG emissions (scope 1 and 2) were 15% lower compared to 2019 and water consumption was 44% lower compared to 2019.

See: [Environmental footprint](#)

13 Climate action

Bombardier's product innovation strategy is aligned with the goals of the business aviation industry to achieve net-zero carbon emissions by 2050. In 2023, Bombardier used a Book-and-Claim system to purchase SAF for all flight operations.

See: [Sustainable aviation](#)

17 Partnerships for the goals

In 2023, Bombardier maintained its contributions to the International Aerospace Environmental Group (IAEG) and to the International Civil Aviation Organization (ICAO) to promote sustainability standards and guidelines in the industry. In addition, as an active member of the General Aviation Manufacturers Association's (GAMA) Environmental Committee, Bombardier is contributing to the industry's progress toward reducing the impact of air travel on climate change and fully supports the goals of the Business Aviation Commitment on Climate Change (BACCC). Bombardier is also building partnerships with communities to promote social and economic development, diversity and inclusion, sustainability initiatives and educational perseverance.

See: [Sustainable aviation](#), [Diversity and inclusion](#), [Communities](#)

1. Refer to the 2023 Financial Report.
2. Includes interns' salary and overhead investment in Canada.



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United Nations Global Compact

As a signatory of the United Nations Global Compact (UNGC), Bombardier is committed to promoting the 10 fundamental principles relating to human rights, labour, the environment and anti-corruption, through its strategies, policies and procedures across its operations.

The following is an overview of how the UNGC principles are incorporated in Bombardier's daily operations. For more details on progress visit:

www.unglobalcompact.org/what-is-gc/participants/1397

Human rights

Bombardier supports and respects the protection of internationally recognized human rights, ensuring that the organization is not complicit in human rights abuses and that it upholds the freedom of association. Bombardier has policies and procedures aiming to prevent the company from engaging with suppliers, organizations or customers that do not respect human rights.

See: [Diversity and inclusion](#), [Ethics and compliance](#), [Responsible supply chain](#)

Labour

Bombardier works to ensure that neither forced nor child labour are used in its operations or those of its suppliers, and prohibits employment discrimination. Bombardier trains leaders to recognize and eliminate unconscious biases in their hiring, employment and mentoring practices.

See: [Diversity and inclusion](#), [Responsible supply chain](#)

Environment

Bombardier supports a proactive approach to address environmental challenges by undertaking initiatives to promote greater environmental responsibility and investing in the development and diffusion of environmentally friendly technologies. Bombardier engages with suppliers to make its supply chain more sustainable and collaborates with its peers in the aviation industry to foster a transition toward a low-carbon economy.

See: [Sustainable aviation](#)

Anti-corruption

Bombardier works to counter corruption in all its forms, including extortion and bribery. Bombardier has a third-party due diligence process performed on its suppliers. There are multiple layers of due diligence performed on customers purchasing an aircraft as well as before Bombardier sponsors or donates to an organization.

See: [Ethics and compliance](#), [Responsible supply chain](#), [Communities](#)



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ESG plan

Developed with the collaboration of teams across the organization, the ESG plan is forward-looking, bold, measurable and achievable.

Bombardier is stewarding sustainable business aviation through the most advanced and environmentally responsible products, and with its creative, diverse and engaged employees. This report presents progress made in 2023 toward achieving the ESG plan by 2025. The ESG plan includes objectives, goals, strategies, measures and targets to drive change in the business by bringing sustainability into the business decision-making process.

In the Performance section of this report, the ESG plan specifics are presented for each of the 11 topics of the plan. You can also find the complete ESG plan by visiting: www.bombardier.com/en/sustainability/our-esg-plan

ENVIRONMENTAL	SOCIAL	GOVERNANCE
<p>14 Environmental footprint Manufacture and service aircraft with the smallest possible environmental impact</p> <p>17 Sustainable aviation Lead sustainable aviation by designing innovative and environmentally responsible products</p>	<p>22 Health and safety Target zero harm</p> <p>25 Diversity and inclusion A diverse workforce who feel empowered to bring their authentic self to work</p> <p>28 Employee engagement Be an employer of choice, creating an employee experience in which heart meets mastery</p> <p>30 Customer satisfaction Setting the highest standards and fostering true connections</p> <p>33 Data privacy Ensure best-in-class protection of personal data for all employees and customers globally</p> <p>35 Communities Be a vector of positive change in communities</p>	<p>38 Board and committees Strong governance for sustained shareholder value</p> <p>40 Ethics and Compliance Uphold the highest ethical integrity and leadership standards</p> <p>43 Responsible supply chain Lead supplier practices in environment, ethics and employment</p>
<h1>E</h1>	<h1>S</h1>	<h1>G</h1>



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ESG plan implementation

Bombardier encourages its employees to be involved in the advancement of the ESG plan.

To make the ESG plan work across the organization and bring it to life, it needs the commitment and engagement of employees. Employees help the ESG plan move forward by enhancing existing processes, by participating in sustainable initiatives, and by suggesting new ideas. To acknowledge these efforts, Bombardier employees were asked to name colleagues who had significant impact in 2023 in one of the 11 topics of the ESG plan, or who incorporated different elements of the ESG plan in a project.

Throughout the report, nominated employees are featured for their outstanding and noteworthy contributions to the progress of the ESG plan. These employees helped Bombardier become more sustainable.





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Stakeholder engagement

Bombardier team members are connoisseurs who care. They take a personalized approach, going above and beyond to exceed expectations and demonstrate what makes Bombardier unique. Bombardier is dedicated to engaging with all stakeholders, including employees, customers, suppliers, investors, industry partners and governments, to make sure that its business strategy keeps evolving in line with the ecosystem in which it operates. Bombardier considers the concerns and ideas that stakeholders raise and works toward addressing them, as appropriate.

Employees

Bombardier regularly engages with its employees, both informally through daily and weekly team meetings, and formally through yearly surveys, training programs, diversity and inclusion forums, questionnaires and newsletters. Bombardier also communicates frequently with union representatives. Multiple channels, including a reporting system and compliance resources, are available to enable employees to report ethics and compliance issues.

Customers

Customers have various ways to engage with Bombardier, such as through concierge services, customer satisfaction interviews, account managers, the Bombardier Customer Support Network and more. Customers also influence Bombardier's product design by joining customer forums for new products, product interviews and surveys and customer advisory boards. Bombardier aims to always maintain the highest ethical standards and engages with customers as soon as an issue arises.

Suppliers

Bombardier representatives are constantly interacting with suppliers via quality audits, monthly program reviews, quarterly business reviews, supplier interventions on site, suppliers rate readiness and more. Bombardier also rewards suppliers who help surpass customer expectations and performance with the Diamond Certification Program. This program recognizes top performers in an award ceremony every year.

Investors

As a corporation listed on the Toronto Stock Exchange (TSX), Bombardier files disclosure documents required by provincial securities laws electronically through SEDAR+, which can be accessed on the website www.sedarplus.ca. Bombardier discloses relevant information to investors, including via quarterly financial results calls and reports and periodic investor events, and its Investor Relations team is available to answer questions and concerns from investors.

Industry partners and governments

Bombardier's expertise in sustainability is shared with the General Aviation Manufacturers Association (GAMA) Environment Committee, the Aerospace Industries Association of Canada (AIAC), the National Business Aviation Association (NBAA), the International Aerospace Environmental Group (IAEG), the National Air Transport Association (NATA) and the European Business Aviation Association (EBAA). Through a variety of committees, Bombardier collaborates with the International Civil Aviation Organization (ICAO) toward developing Standards and Recommended Practices (SARPs) in safety, security and environmental practices. Bombardier participates in public debates and engages in public policy advocacy by communicating in a compliant and appropriate manner with policymakers and regulators.



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ESG materiality matrix

In 2022, Bombardier conducted an ESG materiality assessment to ensure optimal alignment of its ESG priorities with those identified by its stakeholders.

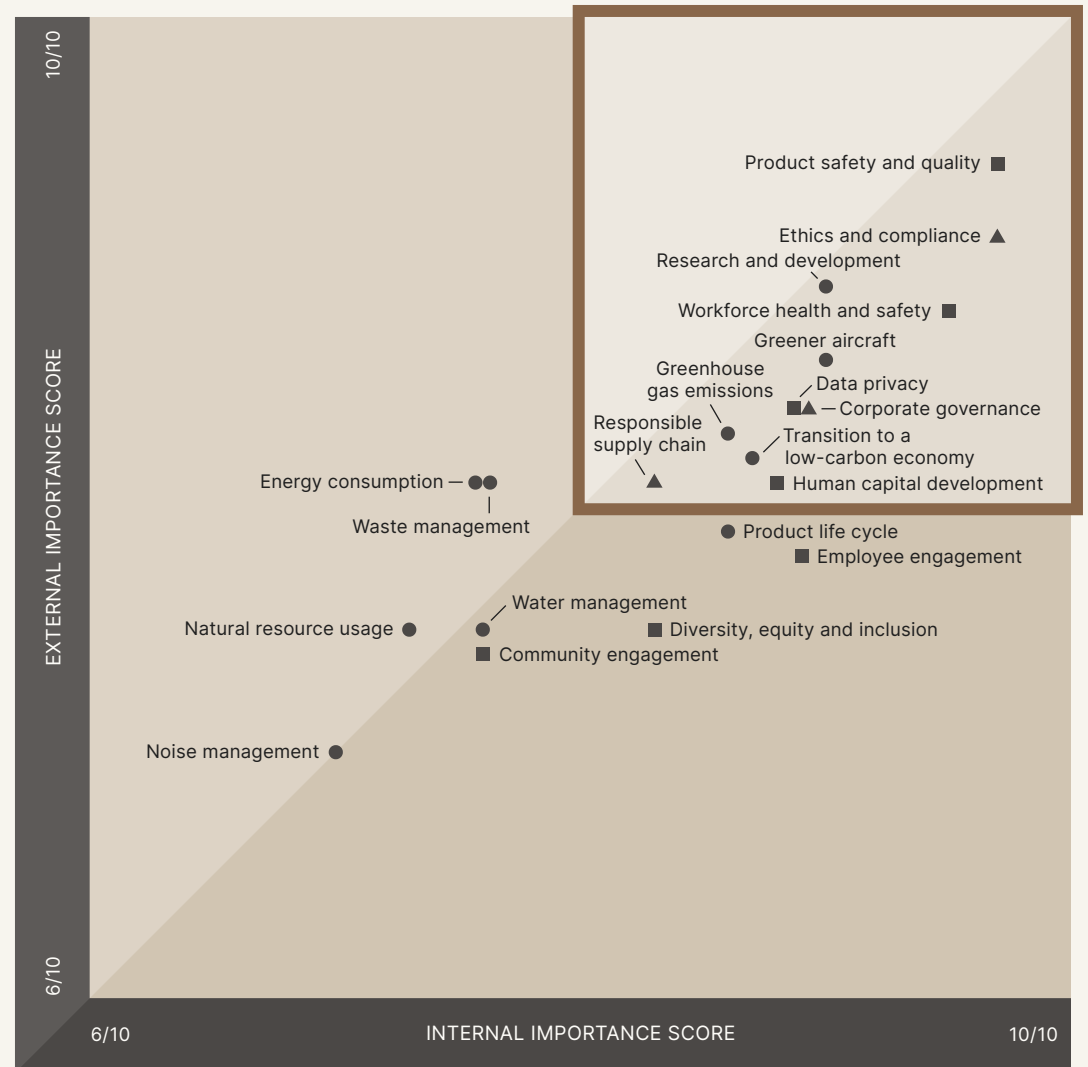
The Sustainability team reached out to internal and external stakeholders to assess the importance of a range of ESG topics and mapped these results in a materiality matrix. Internal stakeholders were comprised of Bombardier’s Board of Directors, CEO and Senior Leadership Team, while external stakeholders included Bombardier’s employees, clients, investors, suppliers, government representatives, non-for-profit organizations, industry collaborators, unions, media and educational institutions.

Results of the survey are shown in the graph. The framed area reflects all topics that had an average score of 8.0 or higher out of 10 from both the internal and the external stakeholders. The topics with the highest scores were:

- Product safety and quality
- Ethics and compliance
- Research and development
- Workforce health and safety

LEGEND

- Environmental topic
- Social topic
- ▲ Governance topic
- Topics with an average score of 8.0 or higher





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1. Based on International Organization for Standardization (ISO) 31000:2009.

Risk management

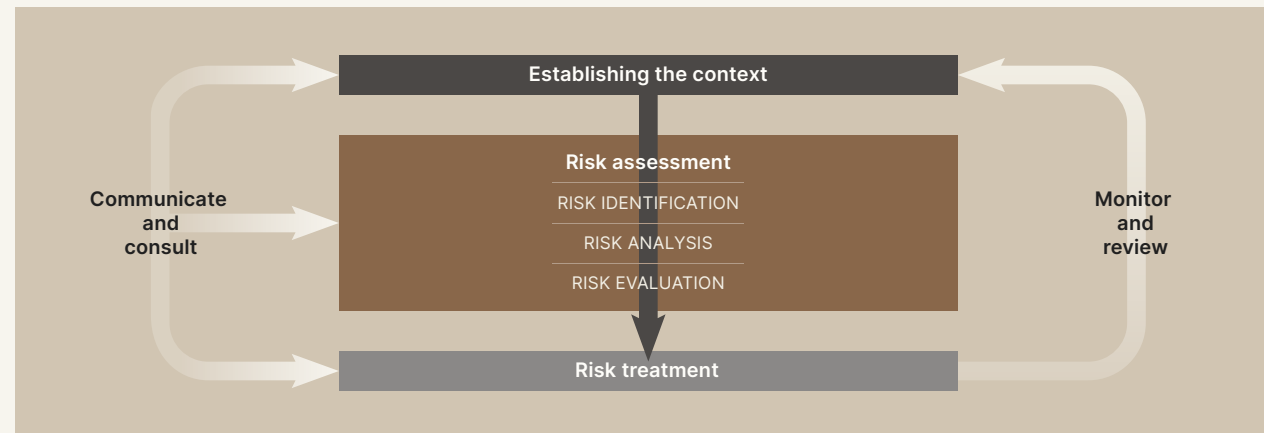
Bombardier’s risk management framework covers sustainability and climate-related risks along with other business risks. Risk management activities are a key part of Bombardier’s governance, planning, decision making and organizational and accountability structure.

The risk management process involves a continuous cycle of activities for each risk category. The risk assessment, which includes identification, analysis and evaluation, determines the probability and impact of the risk happening and the effectiveness of existing controls. After risks are assessed, mitigation actions are defined. Each function implements risk management processes that are embedded in a governance structure. In addition, the Internal Audit team evaluates major risks every year.

The Board of Directors is ultimately accountable for overseeing the overall risks that Bombardier faces. The Audit Committee, which is composed of independent directors, reviews significant business risks and actions taken by management to monitor, control and manage those risks, including the adequacy of policies, procedures and controls.

Information on how risks related to each topic of the ESG plan are managed and relevant policies and processes are addressed within the Performance section of this report.

Risk management framework¹



Environmental footprint

ESG STRATEGY

Objective: Manufacture and service aircraft with the smallest possible environmental impact

GOAL

- Reduce greenhouse gas emissions, energy consumption and waste generated by manufacturing and services

STRATEGIES

- Increase energy efficiency of production processes and site operations
- Increase use of renewable energy
- Optimize carbon offsets and trading opportunities
- Optimize manufacturing to reduce waste
- Promote use of electric vehicles

MEASURES

- 25% reduction in greenhouse gas emissions (scope 1 and 2) by 2025 relative to 2019
- 20% reduction in energy consumption by 2025 relative to 2019
- 5% reduction in total waste by 2025 relative to 2019
- 20% reduction in hazardous waste by 2025 relative to 2019

2023 HIGHLIGHTS

- ▶ **Greenhouse gas (GHG) emissions (scope 1 and 2) were 15% lower** compared to baseline year 2019, despite an increase in production
- ▶ **Energy consumption was 6% lower** compared to baseline year 2019
- ▶ **Contributed to local circular economy** through donation of CAD \$450,000 worth of paint, leather and sandpaper to local partners

Energy efficiency of production processes and site operations

In 2023, Bombardier continued to increase the energy efficiency of production processes and site operations. The results from 2023 are in line with Bombardier's trajectory toward 2025 targets, despite an increase in production rates and service centre activity, and a transition to a new manufacturing site in Toronto (Canada) which requires maintaining two sites for a period.

An array of projects has positively impacted 2023 results, including:

- Replacement with light-emitting diode (LED) lighting in Montréal (Canada) sites, and in Wichita, Los Angeles, Opa Locka, and Hartford (USA) sites;
- Installation of motion sensors for lighting in Montréal (Canada) sites;
- Replacement of boilers in Hartford (USA);
- Replacement of an autoclave burner in Saint-Laurent (Canada); and
- Completion of the replacement of an incinerator in Dorval (Canada).

continues



Working in sustainability means I'm challenged with the question – "how can we improve the environmental and social impact of our aircraft at every stage of the product life cycle?" This looks like transitioning away from hazardous materials, complying with environmental standards, and putting sustainability at the core of our innovation process.



SARAH DHANANI
Analyst, Product Sustainability and Strategy



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Energy efficiency of production processes and site operations (continued)

Additional projects were implemented and will impact 2024 results:

- Transfer of manufacturing site in Toronto (Canada) in progress;
- Replacement of air conditioning units in Saint-Laurent (Canada); and
- Replacement of a Volatile Organic Compounds (VOC) abatement system and of rotor concentrators in the Challenger plant in Montréal (Canada).

Renewable energy

In 2023, Bombardier maintained its focus on using renewable electricity by completing the installation of solar panels in its Singapore Service Centre. Those solar panels generated approximately 1.2M kWh of renewable electricity in 2023. For this same year, the share of Bombardier's electricity consumption from renewable sources was 72%. The percentage of grid electricity was 99.6 % and the percentage of renewable energy purchased was 71.9%.

Carbon emissions reduction and trading

Three of Bombardier's biggest sites voluntarily participate in the Western Climate Initiative's (WCI) cap-and-trade system for greenhouse gas emission (GHG) allowances, which requires to report GHG emissions and to cover them by purchasing allowances. In 2023, Bombardier implemented a process to optimize the financial aspects of the program and support the transition to a low-carbon operation.

Waste

In 2023, Bombardier's total waste was 23% lower and its hazardous waste was 24% lower compared to baseline year 2019. These results stem from improvements in the company's stock management in manufacturing sites.

Examples of additional actions implemented include the following:

- In the Querétaro (Mexico) site, the method to handle chemicals was improved and the method to remove paint booth filters was enhanced to increase recyclability. Both these actions led to a decrease in hazardous waste.

- In Montréal (Canada), Bombardier donated materials that could benefit community partners and support the local circular economy while avoiding waste being sent to a landfill. In 2023, Bombardier donated paint, leather and sandpaper worth CAD \$450,000 to l'École des métiers de l'aérospatiale de Montréal, l'École nationale d'aérotechnique, the Cégep Marie-Victorin, l'École des métiers du meuble de Montréal, the Centre Communautaire Bon Courage, the Centre de formation professionnelle des Moulins, among others.

Also, in 2023, for all the company's worldwide operations, 41% of hazardous waste generated was recycled and 66% of hazardous and non-hazardous waste was valorized. There were no recordable spills in 2023.

Water consumption

Water consumption was 44% lower in 2023 compared to the baseline year 2019. Process and facility improvements in Saint-Laurent (Canada) contributed to this reduction.

ESG plan performance

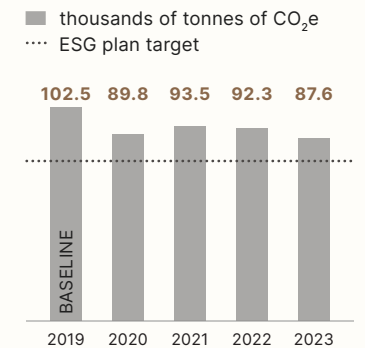
Measure	Baseline (2019) ¹	2020 ²	2021 ³	2022 ³	2023 ³	2023 vs. baseline	2025 targets vs. baseline
Gross greenhouse gas emissions – scope 1 and 2 (thousands of tonnes of CO ₂ e)	102.5	89.8	93.5	92.3	87.6	-15%	-25%
Energy consumption (millions of gigajoules)	2.1	1.9	1.9	1.9	2.0	-6%	-20%
Total waste generated (thousands of tonnes)	15.1	11.1	12.1	12.2	11.7	-23%	-5%
Hazardous waste generated (thousands of tonnes)	5.5	3.6	3.7	4.3	4.2	-23%	-20%

1. For continuing operations only.

2. For continuing operations only.

3. Environmental results include all sites in the scope of the reporting of environmental and energy data: buildings owned or leased for the long term and managed as the sole tenant by Bombardier, with more than 4,645 square meters (50,000 square feet) of conditioned space, sites having 100 employees or more, sites that are considered primary production/operation and service facilities, and joint ventures where Bombardier has operational control (where Bombardier owns more than 50% of voting shares).

Greenhouse gas emissions Scope 1 and 2



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Environmental footprint

Environmental footprint risk management

The company can reduce risks related to its environmental footprint by investing in projects that have a lower impact on the environment. In 2023, an environmental calculator was created to use in the capital allocation process in 2024. The calculator allows for the measurement of the environmental impact of a project by looking at carbon, energy and water use and waste production and shows the costs or savings from the environmental impacts related to the project being contemplated. This will help approvers make informed decisions and requesters choose projects that are not as impactful on the environment.

Bombardier is certified according to ISO 14001:2015, an internationally recognized standard for environmental management systems (EMS) that provides a framework to design, implement and continually improve environmental performance which supports Bombardier's objectives to reduce environmental impact and minimize environmental risks. Certified sites have been transitioned to a global corporate certificate in 2023, and other sites where health, safety and environment systems are not currently certified are in the process of being phased in. The Health, Safety and Environment Policy was reviewed and updated in 2023 to align to the current company structure and objectives.

Electric vehicles

Bombardier is using its first 100% electric operation vehicle to transport parts between sites. In 2023, Bombardier's new Aircraft Assembly Centre in Toronto (Canada) installed charging stations with 40 ports for electric vehicles. The company also introduced an electric forklift at its Querétaro (Mexico) site and uses a majority of electric equipment at its Montréal (Canada) sites. To support employees in using different transportation methods, Bombardier took part in a scientific study by the research chair of Polytechnique Montréal called Vélovolt. The organizations in the study were provided with electric bikes for employees to try out for free and see if these could be a viable way to travel to work.



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Sustainable aviation

ESG STRATEGY

Objective: Lead sustainable aviation by designing innovative and environmentally responsible products

GOALS

- Commit research and development investments toward greener aircraft
- Develop and publish Environmental Product Declarations (EPDs) for all in-production aircraft
- Maximize use of Sustainable Aviation Fuel (SAF) in Bombardier flight operations

STRATEGIES

- Design products with sustainable materials and high efficiency
- Increase product sustainability throughout the whole life cycle
- Lead the adoption of SAF and sustainable aircraft operation

MEASURES

- EPDs published
- SAF usage in flight operations

2023 HIGHLIGHTS

- ▶ Publication of **Environmental Product Declarations (EPDs)** for the *Global 6500* and the *Global 5500*
- ▶ **Vast majority of strategic R&D** applied to greener aircraft technologies
- ▶ Ramp up of **second testing phase of the EcoJet research project** with 18-foot-wide prototype

Products with sustainable materials and high efficiency

Bombardier's EcoJet research project aims at maturing and delivering technologies to reduce aircraft CO₂ emissions by up to 50% through a combination of advanced aerodynamic shapes and features and emerging low-emissions propulsion and fuel systems. In 2023, Bombardier ramped up the second testing phase of its EcoJet research project, leveraging a prototype twice as large as the first flight test vehicle. The 18-foot-wide prototype's flight tests allowed Bombardier's Engineering team to gather significant data toward the advancement of this project.

The project team is modelling, designing and testing prototype models with a blended wing-body configuration, which could contribute to reducing aircraft emissions by up to 20% compared to the current aircraft aerodynamic design. Hybrid propulsion systems are being studied as well as digital and simulation capabilities to further optimize energy demand and accelerate the introduction of new technologies.

continues



It has been thrilling and rewarding to work within the Product Sustainability team, where interdisciplinary collaboration strengthens our dedication to improving our products throughout their life cycles. In order to create a safer and more sustainable future, I am excited to keep working with everyone in the industry.



IMMANUEL TABLAS
Professional, Product Sustainability and Strategy



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Products with sustainable materials and high efficiency (continued)

The Research and Technology team, in collaboration with the University of Victoria, is also working on research that will help create the next two generations of transonic wings. These new generations of transonic wings aim to be more energy efficient than the current wings resulting in reduced energy consumption.

In 2023, Bombardier concluded its Aero21 and SA²GE collaboration projects which brought together large aerospace companies, small and medium enterprises, universities and research centres to push the limits of technology and build more efficient aircraft. The findings and expertise Bombardier has gained through the SA²GE project, such as being able to estimate the environmental benefits of a given project, will not only be beneficial to Bombardier but also to industry partners for years to come. The methodology developed by Bombardier in the SA²GE project was externally audited by a third party against ISO standards, giving credibility to this robust methodology.

Moreover, Bombardier continued in 2023 to participate in the program Les projets collaboratifs de l'aéronef de demain (LPCAD-1), more specifically in a project called Laboratoire volant with CMC Électronique and ARA Robotique. Laboratoire volant aims at developing flexible and scalable solutions for onboard and ground-based electronics, which can integrate autonomy technologies for both drones and civil aviation.

Finally, in 2023, Bombardier joined the program *Transport de demain (TDD)* that aims at promoting sectoral collaboration between land transportation, marine transportation and aerospace industries, in order to share the experience gained in the development of technologies applicable to these sectors.

Product sustainability throughout the whole life cycle

An Environmental Product Declaration (EPD) is a document that reports key scientific data about the environmental impact of a product and ensures transparency in environmental communication, in accordance with ISO 14020. The life cycle assessment (LCA) is the scientific basis from which data is extracted for the EPD and is carried out in accordance with ISO 14044. The LCA analyzes the environmental impact of a product throughout its life cycle against potential indicators such as acidification, eutrophication, global warming, photochemical ozone creation, total freshwater use and water scarcity potential. An LCA provides essential information that could lead to the reduction of the environmental footprint of a product and insights on how to apply more sustainable strategies as early as the product design stage. In 2023, Bombardier published EPDs for the *Global 6500* and the *Global 5500* aircraft and plans to publish an EPD for the *Challenger 650* aircraft in 2024, thereby on track to achieve its 2025 target of publishing EPDs for all in production aircraft ahead of time.

ESG plan performance

Measure	2022	2023	2025 targets
EPDs published	2	4	All aircraft in production (currently five)
SAF usage in flight operations ¹	9.3K U.S. gallons	SAF (approx. 30% blend) covering all flight operations, using Book-and-Claim	—

1. This measure refers to the quantity of blend fuel used in Bombardier's flight operations that contains neat sustainable aviation fuel (SAF).



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Sustainable aviation

Sustainable Aviation Fuel and sustainable aircraft operation
 SAF from all seven production pathways in the relevant American Society for Testing and Materials (ASTM) standard are approved for use with Bombardier aircraft. The use of SAF is explained to operators in the Aircraft Flight Manual (AFM) for each model. Currently, the highest blend allowed for flying is 50% SAF and 50% conventional jet fuel, according to ASTM standards. SAF is fully compatible with conventional jet fuel, and therefore a blended batch can be used by any fixed-base operator or other fuel provider in airport systems, aircraft tanks, fuel systems and engines. Bombardier is working actively with the ASTM on raising future blend ratios and developing the full potential of SAF as a critical pathway for the industry. By being part of the General Aviation Manufacturers Association (GAMA), International Civil Aviation Organization (ICAO) and the Aerospace Industries Association of Canada (AIAC) committees, through Bombardier’s partnership with the International Business Aviation Council (IBAC), and through Bombardier’s participation in the local C-SAF initiative, Bombardier leads the way for SAF development and global use. For year 2023, Bombardier purchased approximately 2.5M U.S. gallons of blended SAF for all its flight operations through the Book-and-Claim system, with a blend of approximately 30% of neat SAF, which is the blend currently available in North America. Flight operations include flight tests used to verify that the aircraft meets standards before delivery, experimental flight tests, demonstration and marketing flights. This was enabled by an agreement with Signature Aviation, a partner that allows the use and measurement of SAF through the Book-and-Claim system. This initiative has reduced the greenhouse gas emissions from fuel use in flight operations. Importantly, it shows the company’s dedication to making the use of SAF widespread across the industry.

As part of the company’s actions to lead the way for SAF development, Bombardier’s President and CEO, Éric Martel, recently published an article in the Milken Institute’s “The Power of Ideas” series. See page [21](#).

Product safety and quality

In 2023, Bombardier continued to collaborate with the Canadian government and industry partners to modernize the Canadian aviation regulation that governs its Safety Management System. As a way to continuously improve the safety culture within the company, employees were surveyed as part of the company’s 2023 engagement survey on their level of comfort in raising concerns regarding safety hazards. Since 2012, product safety training is provided every three years to all employees and contractors who are working on Bombardier products. As of December 31, 2023, 13,742 people have completed the training, which is approximately 90% of the targeted group. In 2023, Bombardier developed a new product safety training that will be deployed in 2024 to all employees who may impact aircraft safety and quality. Finally, in 2023, the Supplier Quality Assurance team conducted 535 quality reassessments and 136 on-site supplier audits. Approximately 530 product inspection audits were also performed at suppliers’ sites.

What is Sustainable Aviation Fuel (SAF)?

SAF is a blend of conventional jet fuel and fuel derived from approved sustainable sources such as used cooking oils or forestry and agricultural residues. Approved sources cannot come from lands with high biodiversity or carbon stocks, cannot compete with the food chain and must provide a societal benefit. The reduction of greenhouse gas emissions associated with SAF is achieved throughout its life cycle.

What is Book-and-Claim?

The Book-and-Claim system allows an aircraft operator to order and pay for SAF without transporting SAF over long distances from where it is available. The paying operator can claim the greenhouse gas emissions reductions associated with the use of SAF, and the operator that uses SAF pays for the cost of regular jet fuel and does not claim the reduction in greenhouse gas emissions. The system requires a rigorous accounting of SAF quantity and related greenhouse gas emissions reductions. In addition to substantially reducing in sector carbon emissions, it also allows the industry to optimize fuel delivery logistics and contribute to generating demand for the ramp-up of SAF production on a global basis.



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Information on product recalls

The service bulletins for *Global* and *Challenger* aircraft are reported in Canada, and service bulletins for *Learjet* aircraft are reported in the U.S. service bulletins are available on Bombardier's customer portal.

Information on counterfeit parts detected

Bombardier's Quality Management System meets the rigorous requirements of AS9100D with respect to counterfeit parts. Moreover, the Supplier Code of Conduct states that suppliers are expected to develop, implement and maintain effective methods and processes appropriate to their products to minimize the risk of introducing counterfeit parts and materials into products supplied to Bombardier.

Airworthiness directives

Bombardier has established a system to continuously identify hazards and proactively address safety risks. Airworthiness directives are published by regulatory authorities to support the execution of mandatory corrective actions on aviation products. Hazard reporting plays a key role in identifying safety risks and is supported by a positive safety culture and an effective reporting system. Airworthiness directives for *Global* and *Challenger* aircraft are reported in Canada. Airworthiness directives for *Learjet* aircraft are reported in the U.S.

Safety Standdown

In 2023, Bombardier hosted its 27th Safety Standdown, a three-day seminar in Wichita, Kansas (USA). The theme of the conference was "Integrity in safety". The questions discussed were "Are we doing all we can?" and "How do we aim for a higher standard?". Since 1996, more than 10,000 corporate, commercial and military aviation professionals have attended Bombardier's Safety Standdown seminars. Admission is free to all aviation professionals as part of Bombardier's ongoing contribution to the betterment of the industry.

Sustainable aviation risk management

In addition to its Safety Management System (SMS) and its Quality Management System, Bombardier follows the industry practices described in ARP (Aerospace Recommended Practice) documents that provide a systematic and comprehensive way to manage safety risks proactively and deliver quality products to customers. While a SMS program is only required to cover airport operations, flight operations and maintenance organizations, Bombardier's SMS goes beyond that by covering the design and manufacturing stages of the aircraft life cycle. To ensure that quality and safety are the top priorities of the organization, the President and CEO is the executive accountable for Bombardier's Safety Committee and for its Safety Management System.



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Sustainable aviation fuels can move us forward, so where’s the commitment?

ÉRIC MARTEL

President and Chief Executive Officer

Flight shaming is increasingly common in popular culture, and in some ways, this isn’t surprising. Climate change is one of the major concerns of our time, and there are many ways to react to this problem. Major industries, including transportation, are hard at work to reduce the environmental footprint of their products.

When it comes to aviation, the promise of electrification or hydrogen fuel cells is not viable in the short term. Those technologies may work to get you to the airport, but not to another continent. We are simply not there yet. Aviation relies on high-energy-density propulsion. If energy density had the progression curve of technologies like AI, we could have a conversation about an electric plane flying passengers from Singapore to Los Angeles within the Millennial generation’s lifetime.

We don’t have to shy away from the fact that there’s a long technological road ahead. But if we want to reduce the environmental impact of aviation right now, we should pay more attention to Sustainable Aviation Fuel. SAF is a certified chemical equivalent to fossil fuels that “drops in” to any jet. It’s derived from alternative sources like plant-based feedstocks. The math is simple: the carbon dioxide removed from the atmosphere while growing feedstocks offsets the carbon emissions from combustion in flight. We call this a closed loop, the benefits of which can be achieved without drastic changes to current jets.

The business aviation industry’s plan to net zero is based on a combination of SAF adoption, realistic progression curves for propulsion technology and the market’s ability to replace existing aircraft at a realistic pace.

SAF is scientifically proven and is already in use. Bombardier, for example, covers all its internal flight operations with a blend of approximately 30% SAF. Due to distribution constraints, Bombardier uses a Book-and-Claim system, as it would be counter-productive to transport SAF from California (where SAF is currently available) to its manufacturing facilities in Canada.

The truth is, there isn’t enough SAF being produced today. According to the International Air Transport Association (IATA), SAF production reached 300 million liters in 2022, representing 0.1% of aviation’s total kerosene consumption for the same year. In 2024, SAF production is expected to reach 1.875 billion liters, or 0.53% of the fuel needed for global civil aviation. In order for aviation to achieve its goal of net zero by 2050, the growth in SAF production will need to reach 449 billion liters of SAF annually.

This low production volume means economies of scale are lagging. In turn, demand is constrained by prices and availability.

There is a tremendous opportunity for the fuel industry and governments to shift their mindsets from rigs and extraction to renewable growth. The carbon in cellulose, seed oils or forest canopies can be refined and used to create billions of gallons of Sustainable Aviation Fuel that also easily mixes with the supply of traditional fossil fuels, hence the term “drop in.”

We are seeing some progress in building up SAF infrastructure, but not nearly enough. The world’s leading producer of SAF is Neste, based in Finland. Its largest SAF production facility, located in Singapore, can produce up to one million tons annually from waste oils and fats. Worldwide, there are almost 300 SAF facilities announced or in production and 120 airports that distribute SAF.

This represents a fraction of the infrastructure development needed if aviation is to successfully transition to wide-spread SAF use.

At the core of SAF development is the condition that it will not interfere with food supplies and forest integrity. To accelerate further will take a government, or a combination of governments and energy conglomerates, to decide that it’s good business to put farmers to work. According to the Commercial Aviation Alternative Fuels Initiative “additional feedstock production creates jobs in rural areas where economic opportunities may be limited.” There’s a path for governments and regulators to spur revolutions in the agricultural and petrochemical industries through SAF incentives. This will not only reduce emissions for aviation but revitalize or create rural economic development.

SAF gives us an effective way to reduce aviation emissions right now. What we need is the collective will to take production and distribution to a global level.

Originally published by the Milken Institute’s “The Power of Ideas” series in April 2024.

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Health and safety

ESG STRATEGY

Objective: Target zero harm

GOAL

- Reduce lost-time incidents toward best-in-class performance

STRATEGIES

- Targeted risk reduction programs
- Reduce employee exposures at source
- Well-being and mental health support embedded in employee value proposition

MEASURES

- 30% reduction in lost-time incident rate by 2025 relative to 2020
- Lost-time severity rate

2023 HIGHLIGHTS

- ▶ **18% lower lost-time incident rate** compared to 2020 baseline
- ▶ **Updated Health, Safety and Environment (HSE) Policy**
- ▶ **Transition** from regional HSE management system to a corporate system and **ISO 45001:2018 certification**

Targeted risk reduction programs

Bombardier's health and safety strategy is built on the foundation of effective risk management. Top risks are identified through risk assessments and incident trend analysis, and then prioritized to create targeted action plans to mitigate them. In 2023, the top risks across Bombardier were ergonomics, head strikes and slips, trips and falls.

TO PREVENT ERGONOMIC INJURIES:

Ergonomic-related incidents continue to be the largest contributor to Bombardier's total number of lost-time incidents, representing 38% of lost-time incidents in 2023. The first phase of the multi-year ergonomic strategy was deployed in 2023, which involves:

- Training on ergonomic risk mitigation: Over 1,000 employees, senior and front-line leaders were trained since the strategy was launched in August 2023.
- Risk reduction: Over 50 projects were implemented to reduce ergonomic risks at employee workstations.

continues

“

It is rewarding to see that health and safety is considered at the initial design phase of all projects, from building a new factory to a small change in a work centre. I am confident that this focus on health and safety by our stakeholders will lead to continued improvement in our performance.

”

REMO BATTISTA
Health, Safety and
Environment Leader



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Health and safety

Targeted risk reduction programs (continued)

TO PREVENT HEAD STRIKES:

Working in, under or around aircraft presents a risk of head strikes on components of the structure of the aircraft. Head strikes continued to be a 2023 priority. Preventive measures implemented in recent years include a Head Injury Prevention Program based on a hierarchy of controls:

1. Restrict movement of personnel under low structures by use of barricades.
2. Where practical and feasible, apply protective padding on protruding objects or low structures that pose a risk of head injury.
3. When the two first measures are not adequate in controlling the hazard, bump caps must be worn.

Lost-time incidents related to head injuries were reduced from 10% of all lost-time incidents in 2022 to 5% in 2023.

TO PREVENT SLIPS, TRIPS, AND FALLS:

Despite proactive measures to mitigate this risk, there was an increase in the number of slips, trips and falls, from 15% of all lost-time incidents in 2022 to 25% in 2023. Proactive measures included:

- Removing snow quickly in parking lots, adding abrasives to ice patches, improving visibility for nighttime travel and sending safety messages to remind employees to act safely and to use pedestrian pathways in sites subject to severe winter conditions.
- Installing platforms to reduce falling hazards and to limit the use of ladders.
- Installing custom fitted floorboards to prevent falling inside the aircraft.

Reduce employees' exposure at source

Bombardier continues to evaluate employees' exposure to hazardous substances and actions are taken to reduce these exposures at source, including substitution of products, engineering controls and personal protective equipment. In 2023, the Materials and Process Engineering teams continued to research new products and processes that have less of an impact on the health of employees and on the environment.

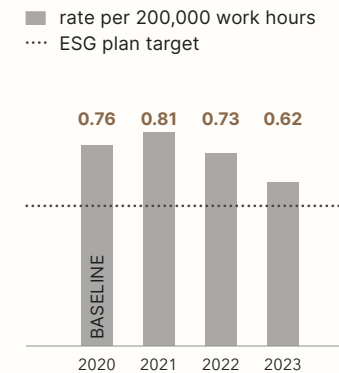
ESG plan performance

In 2023, the lost-time incident rate improved by 18% from the 2020 baseline to reach 0.62. The lost-time severity rate reduced by 33% compared to the 2020 baseline to reach 26.1.

ESG plan performance

Measure	Baseline (2020)	2021	2022	2023	2023 vs. baseline	2025 target vs. baseline
Fatalities (employees)	0	0	0	0	0%	
Lost-time incident rate (per 200,000 work hours)	0.76	0.81	0.73	0.62	-18%	-30%
Lost-time severity rate (per 200,000 work hours)	38.8	36.1	34.7	26.1	-33%	

Lost-time incident rate



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Health and safety

**Strengthening the health and safety culture**

Health and safety strategic risk management training for operations leaders is critical when it comes to the health and safety of employees. In 2023, Bombardier continued to provide training to all new operations leaders. Moreover, operations leaders continued to engage with employees on the shop floor to promote a safety culture based on risk management. Workshops were also held with key stakeholders in manufacturing sites to determine Bombardier's health and safety strategy for 2030.

Well-being and mental health support embedded in employee value proposition

In 2023, Bombardier created a strategic plan with objectives related to well-being and mental health support and a cross functional Well-Being Working Committee to support the deployment of the strategy. The Well-Being and Mental Health Awareness Series continued to be available to leaders to support their teams and monthly articles on well-being were published internally to remind employees of its importance. In 2023, employees were also invited to participate to information sessions regarding the tools and resources available to them. On International Mental Health Day, the Well-Being Working Committee organized a webinar available to all employees to raise awareness on the importance of mental health and well-being. The webinar featured well-being and healthcare professionals and two Bombardier leaders who shared past situations where their mental health and well-being were put to the test, and how they overcame these situations.

Health and safety risk management

Bombardier is currently certified according to ISO 45001:2018 Occupational Health and Safety management systems. Sites which are certified have been transitioned to a global corporate certificate in 2023 and other sites whose HSE systems are not currently certified are in the process of being phased in. Having one corporate management system provides a management framework that engages employees and leadership to continuously improve health and safety performance and adopt a proactive approach toward risk management. To transition to a global corporate certification, Bombardier's health and safety system was audited by a third party. The HSE Policy was also reviewed and updated in 2023 to align to the current company structure and objectives.



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Diversity and inclusion

ESG STRATEGY

Objective: A diverse workforce who feel empowered to bring their authentic self to work

GOAL

- Increase representation of underrepresented groups throughout the organization, by encouraging an inclusive, welcoming and collaborative workplace culture

STRATEGIES

- Increase the hire of underrepresented groups
- Equip leaders to identify unconscious biases in making decisions on development opportunities and promotions
- Measure diversity progress across the functions and hierarchical levels

MEASURES

- Over 30% women in management by 2025
- Percentage of underrepresented groups employed

2023 HIGHLIGHTS

- Women in Governance **Silver 2023 Gender Parity Certification**
- **Launch of activities with B-Enabled D&I Forum**
- **Participation in the Montréal (Canada) and Querétaro (Mexico) pride parades**

D&I Forums

Bombardier's D&I Forums, its version of "employee resource groups", support the four pillars of Bombardier's D&I strategy: lead, attract, include and develop. The four D&I Forums are championed by members of the Senior Leadership Team. The forums' main activities consist of hosting awareness-raising and networking events (online and in person), acting as a resource for employees and more. These forums also help to guide Bombardier's D&I-related practices toward becoming more inclusive.

Here are a few examples of activities held in 2023:

- The **Women@Bombardier D&I Forum** and its affinity groups focus on women. In 2023, they helped to organize awareness-raising and networking activities like events for International Women's Day, as well as offering development opportunities to its members, such as a conference with Bombardier's Chief Procurement Officer on negotiating skills.

continues



Over the last few years, there have been so many examples of employees' work lives meaningfully changing thanks to the fantastic support given by management for BProud's initiatives. I am so thankful to the entire BProud team for all our efforts, and Bombardier as a whole for cheering us on!



JOEL KIMELMAN
Technical Expert,
Engineering



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Diversity and inclusion

D&I Forums (continued)

- The **Mosaic D&I Forum** and its affinity groups focus on Indigenous Peoples and ethnocultural diversity, such as the Latino Affinity Group created in 2023. They helped to organize awareness-raising activities during Black History Month and the Lunar New Year. They also organized a conference on the importance of inclusion with the Rwanda genocide survivor, Freddy Mutanguha and the Honourable Roméo A. Dallaire.
- The **BProud D&I Forum** focuses on LGBTQ+ communities. In 2023, it helped to organize Bombardier's pride parade participation in Montréal (Canada) and Querétaro (Mexico) as well as flag-raising ceremonies in Montréal (Canada), Toronto (Canada) and Querétaro (Mexico). The BProud Forum also held webinars on gender identity with GRIS-Montréal, a local non-profit organization, and a bowling fundraising event in honour of the International Transgender Day of Visibility.

- The **B-Enabled D&I Forum** focuses on people with disabilities and neurodiversity. In 2023, it helped to organize a webinar with Left Turn Right Turn, an accessibility consulting firm, for all employees to learn more about disabilities, neurodiversity and accommodations and inclusion at work. It held webinars during la Semaine québécoise des personnes handicapées, on the hidden side of invisible disabilities.

Employees at Bombardier are encouraged to participate in the D&I Forums' activities and, when of interest, to volunteer during specific events, or join their committees to assist in setting their agenda and to take part in the conversation to improve D&I practices at Bombardier.

Increase the hire of underrepresented groups

In 2023, Bombardier continued promoting diversity and aiming to attract diverse new talents including during events such as Le Salon international de la femme noire and the Ontario Society of Professional Engineers (OSPE) conference. More specifically, one of Bombardier's engineers (leading the BProud Forum) presented at the OSPE conference.

Additionally, recruiters were offered training on D&I topics to be better equipped in 2023 to introduce candidates to Bombardier's D&I efforts in order to attract diverse candidates. The job description template was also adjusted to attract a more diverse pool of candidates, and targeted job boards were used to advertise Bombardier's job opportunities to various groups. The information new employees receive, such as the dress code, was also modified to be gender-neutral.

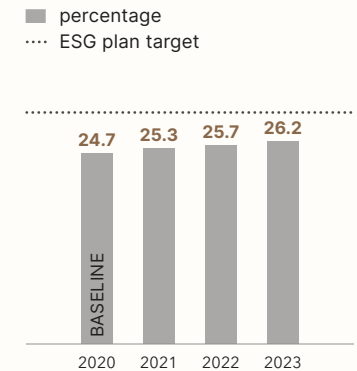
In 2023, Bombardier enrolled 18 women to The A Effect program. This external program has the mission to propel female ambition, which helps Bombardier achieve a greater representation of women in management positions in the years to come. The A Effect measures how participating women evolve in their program based on three pillars (influence, self-confidence and risk taking) and the progression of Bombardier participants based on these pillars was above the average of participants from other firms for the 2023 cohort.

ESG plan performance

Measure	Baseline (2020)	2021	2022	2023	2025 target
Percentage of women	20.4%	20.2%	20.4%	21.6%	
Percentage of women in management	24.7%	25.3%	25.7%	26.2%	30%
Percentage of employees in Canada that identified as part of underrepresented groups ¹	13.4%	13.4%	15.7%	17.0%	
Percentage of employees in the United States identified as part of underrepresented groups ²	28.4%	28.4%	30.3%	32.3%	

1. In Canada, "underrepresented groups" refers to Indigenous Peoples or members of a visible minority.
 2. In the United States, "underrepresented groups" refers to historically underrepresented races and ethnicities.

Women in management



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Diversity and inclusion



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Equip leaders to identify unconscious biases in making decisions on development, career opportunities and promotions

In 2022, the D&I team completed the rollout of a training series on unconscious biases for employees at the director level and above. The training helps participants recognize their unconscious biases and equips them to limit the impact of such biases in their daily work. The content of the unconscious biases training was embedded in other human resources trainings such as trainings on the evaluation of employee performance and growth potential. In 2023, the D&I team improved the training program and targeted new employees (director level and above) who had not already received the training.

Measure diversity progress across the functions and hierarchical levels

At Bombardier, gender diversity progress is measured across all functions and hierarchical levels. In Canada and in the United States, additional information for employment equity purposes is collected such as ethnocultural identity and disability status. Employees in Canada and in the United States complete a self-declaration form that contains D&I related questions when hired, and can update their information at any moment. This data informs executives on how to increase diversity representation in all functions and at all levels of the organization. Gender diversity metrics are presented monthly to the Senior Leadership Team, and leaders are kept informed about how the data is collected and how the results should be interpreted in the context of evolving labour force demographics.

Each member of the Senior Leadership Team has the responsibility to raise the percentage of women in management roles within their respective departments to help Bombardier reach its goal of 30% women in management by 2025. A global continuous improvement exercise was performed that helped identify 15 root causes and actions to improve the measure. One area of improvement is to have more women in the roles that form the pool of talent for management roles. Another is to have information sessions on career sponsorship to encourage leaders to sponsor women in the organization.

External benchmarking and commitments

In 2023, Bombardier received the Silver 2023 Gender Parity Certification by Women in Governance awarded to recognize an organization's commitment to gender parity in the workplace through the mechanisms it implements to bridge equity gaps. In 2022, it had received the Bronze certification for a third year in a row. This Women in Governance certification is proof of Bombardier's commitment to making progress with regards to gender diversity and female leadership.

Efforts also continued toward the BlackNorth Initiative CEO Pledge undertaken in 2020. Bombardier pursued its dialogue with Black employees through the D&I Forums to identify possible improvements to policies and practices. In addition, Bombardier allocated the targeted part of its donations and sponsorship budget in Canada, specifically to Black-led and Black-empowering organizations. Bombardier is working to increase the number of Black employees in its workforce through outreach activities, such as participating in recruiting events like the one held at Le Salon international de la femme noire.

Diversity and inclusion risk management

In order to prevent the mismanagement of D&I conflicts or sensitive situations, when possible, the D&I team collaborates with Human Resources representatives and the Communications team and is also trying out ideas, listening and staying connected with participants of D&I forums to better understand different viewpoints.

Employee engagement

ESG STRATEGY

Objective: Be an employer of choice, creating an employee experience in which heart meets mastery

GOAL

- Recognized as employer of choice and increased employee engagement score

STRATEGIES

- Introduce programs that enhance employee experience and empowerment, including flexible work environment
- Measure engagement throughout employee life cycle

MEASURES

- Employee engagement score of at least 75% by 2025
- Voluntary turnover

2023 HIGHLIGHTS

- **79% score** for employee engagement
- **5.3%** employee voluntary turnover rate
- **Maintained** Bombardier's Flexible Work Policy

Programs that enhance employee experience and empowerment, including flexible work environment

In 2023, more than 600 first-line leaders throughout the company participated in the First-Line Leadership Program. This program helps leaders improve their skills in communication, conflict resolution, team management, delegation, coaching and more. Bombardier also continued with its high-potential employee program and launched a new cohort that had around 87 employees who were chosen based on their ability to grow and take on leadership roles in the company. The program assists employees in their development through mentoring, networking, workshops, on-the-job opportunities, co-development sessions, meetings with executive leaders and more.

Bombardier maintained its Flexible Work Policy that allows employees to work from home, and on a flexible schedule, within a framework set by their manager and where appropriate for their role. The goal is to give employees a work environment where they can perform to their best potential, while allowing them to balance their personal life obligations.

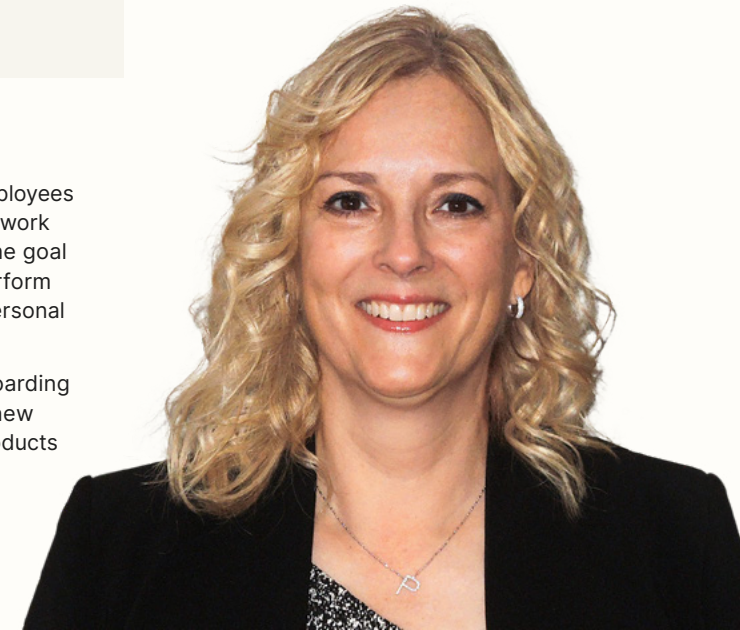
The Employee Engagement team did a pilot test for the onboarding process to improve the experience of new employees. This new project involved information sessions such as Meet a Pilot, Products and Services 101, Aircraft 101 and more.



I have been involved in the hiring of many employees for over 25 years at Bombardier in all sectors of activity, both in office and unionized positions. Today, my passion is to advise different management teams at all levels to build plans to constantly improve the work environment.



PASCALE VALLÉE
Manager
Human Resources



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Employee engagement

Measuring engagement throughout the employee life cycle

Bombardier measures engagement throughout an employee’s journey to understand where the organization is having a positive impact and where it can improve. In 2023, Bombardier conducted a global employee engagement survey, where employee experience was measured through nine dimensions. With this survey, Bombardier was able to measure employee engagement which resulted in a 79% engagement score, surpassing the 2025 target of 75% and improving on the 73% engagement score of 2022.

Bombardier’s employee engagement score is based on four factors:

1. if employees feel energized by their job;
2. if employees would recommend Bombardier as a place to work;
3. if employees feel proud to be working at Bombardier; and
4. if employees are ready to go above and beyond what is asked of them for the organization to be successful.

Bombardier also collects feedback from new hires to learn about their experience in joining the company and learn how to improve the new hire experience. In addition, Bombardier does off-boarding surveys and exit interviews. This helps the company find out the reasons for an employee’s departure, what they liked and disliked at Bombardier and how it can improve employee retention. It also gives insights on the voluntary turnover rate which is part of the ESG plan.

In 2023, the voluntary turnover rate was 5.3%, an improvement compared to the rate of 7.0% for 2022. The employee turnover rate is an important performance indicator that is closely reviewed every month by the Senior Leadership Team. This allows a rapid deep dive and for mitigating measures to be implemented as soon as a high turnover trend is detected in a department or business unit.

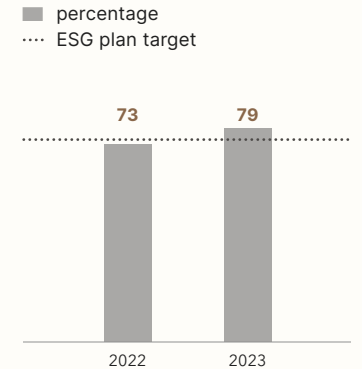
Employee engagement risk management

Bombardier has set up a layered action planning process to use the employee engagement survey as a tool to prompt conversations, promote positive changes in the company and to increase employee engagement. This means that some initiatives are deployed company-wide, and that each business unit has its own employee engagement plan to address challenges that are common across each organization. In addition, each people leader must have a specific engagement plan for their team to address team-specific challenges. This layered action planning process is compulsory and must be documented by leaders by the end of the first quarter of each year. Leaders get training to help them act upon their results with the most impact. The newest addition for 2023 was the offering of information sessions on results and tendencies at the enterprise level to Human Resources representatives and senior directors and above to ensure greater transparency and action planning alignment.

ESG plan performance

Measure	2022	2023	2025 target
Employee engagement score	73%	79%	75%
Voluntary turnover (last 12 months)	7.0%	5.3%	—

Employee engagement score



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Customer satisfaction

ESG STRATEGY

Objective: Setting the highest standards and fostering true connections

GOAL

- Exceed customer expectations with unrivaled products and services built around them, fostering long-term relationships that make customers feel like a part of the Bombardier family

STRATEGY

- Products that meet the highest standards; a highly engaged workforce who are proud to be connoisseurs who care; staying ahead of the curve with innovation and a commitment to sustainability

MEASURE

- Bombardier market share

2023 HIGHLIGHTS

- ▶ **Mercure Award** in the category of “International Market Development – Large Companies” for the expansion of Bombardier’s worldwide customer service network
- ▶ **Singapore Service Centre** won two awards: **Top Asia-MRO (Airframe)** and **OEM Service Provider of the Year**
- ▶ **Launch of the Customer Satisfaction Innovation Award** to recognize employees who positively impacted customer satisfaction

Connoisseurs who care

Bombardier’s caring approach is a true differentiator for its customers, who appreciate being treated like family. This includes “always-on” access to the Bombardier team and company leadership.

As a result of its expansion of the service centre network that allows customers to “bring their jet home, wherever home is”, Bombardier won the prestigious Mercure Award in the category of “International Market Development – Large Companies”. This Mercure recognizes a foreign export or direct investment strategy that enabled the development of a market outside of Canada.

Also, as a recognition of the quality of its services, the Singapore Service Centre won two awards for ongoing service excellence at the MRO Asia Pacific Awards: Top Asia-MRO (Airframe) and OEM Service Provider of the year.

continues



I enjoy working with our internal partners to evaluate, propose and deliver the right solutions for our customer’s needs. By offering flexibility, timely responses and a focus on innovation, our sales support offerings ensure Bombardier will continue to remain competitive in today’s market.



CRISTIAN ARDELEANU
Specialist,
Engineering Program Management



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Connoisseurs who care (continued)

With the goal of continuously satisfying all customers, Bombardier continued to roll-out its Certified Pre-Owned Program throughout the year whereby used aircraft refurbished by Bombardier are sold to customers as an alternative to purchasing a new aircraft.

In 2023, Bombardier continued to host industry events to support customers, such as maintenance and operations conferences in Europe and in North America, the Safety Standdown and the new Flight Attendant Safety Standdown. Surveys are used on a continuous basis to stay connected with customers. Results are monitored and actions are taken as appropriate. For example, Bombardier created the Voice of the Customer Forum where senior leadership members respond to feedback received from customers.

Bombardier stays connected with customers through different channels, such as:

- The **Full Throttle** blog, which is updated every month, and allows customers to stay updated with Bombardier's news. Social media platforms and email campaigns are also used to inform customers of enhancements or product updates.
- Bombardier's online **Customer Insights Community** started in 2017 that has close to 750 members. This online community allows customers to share their opinions on product development, operational needs, new tools and more.
- **Customer Advisory Committees** where selected customers are invited to provide feedback on their aircraft and discuss how products and services can improve. Customers are informed of updates on products and introduced to new business initiatives.

In addition to these various channels, Bombardier developed a one-stop-shop application called My Bombardier Portal to help customers navigate the digital applications ecosystem. The application will officially be launched in 2024 and aims to make it easier and more convenient for customers and flight crew members to use an aircraft.

In 2023, Bombardier launched the Customer Satisfaction Innovation Award to recognize employees who directly and positively impacted customer satisfaction. As part of this initiative, customer-facing employees from service centres worldwide were invited to submit ideas to improve customer satisfaction. Many good ideas were submitted and implemented.

ESG plan performance

Measure	2022	2023
Bombardier market share – Aircraft sales (three-year average)	24% in units, 33% in revenues	24% in units, 35% in revenues
Bombardier market share – Aftermarket services	41% in revenues	46% in revenues



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Customer satisfaction

Customer Credo

In 2023, Bombardier continued to implement the Customer Credo which is a set of customer satisfaction values that employees are expected to live by. The Credo is based on five cultural pillars that aim to place the customer at the centre of the organization. Most customer service employees received a Credo card and were asked to sign the “We are a people and customer-centric organization” poster.

Bombardier believes that listening to its customers’ needs, making them the focus of its products and services and dealing with them in an ethical manner is the only way to do business. It is also the best way to keep existing customers and to welcome new customers to the Bombardier family.

Ethical interaction during and after acquisition of an aircraft with factual product information

Bombardier is proud of its diverse team of experts who communicate with customers every day. Having relevant team members involved in customer conversations ensures that the information shared is reliable and accurate.

Bombardier also implemented many policies to guide how it does business such as the Anticorruption Policy, the Antitrust and Competition Law Policy and the Export Control Policy. Employees must act in compliance with such policies. Moreover, every year, employees must confirm their commitment to comply with the Code of Ethics and report any conflict of interest.

Bombardier’s cultural pillars

- We are a **people and customer-centric organization**
- We value **performance and honour our commitments** to shareholders
- **Operational excellence** is fundamental to our company’s DNA and **an integral part of everything we do**
- We **work together** with a team spirit
- We are **transparent and authentic** at all times and at **all levels of the organization**



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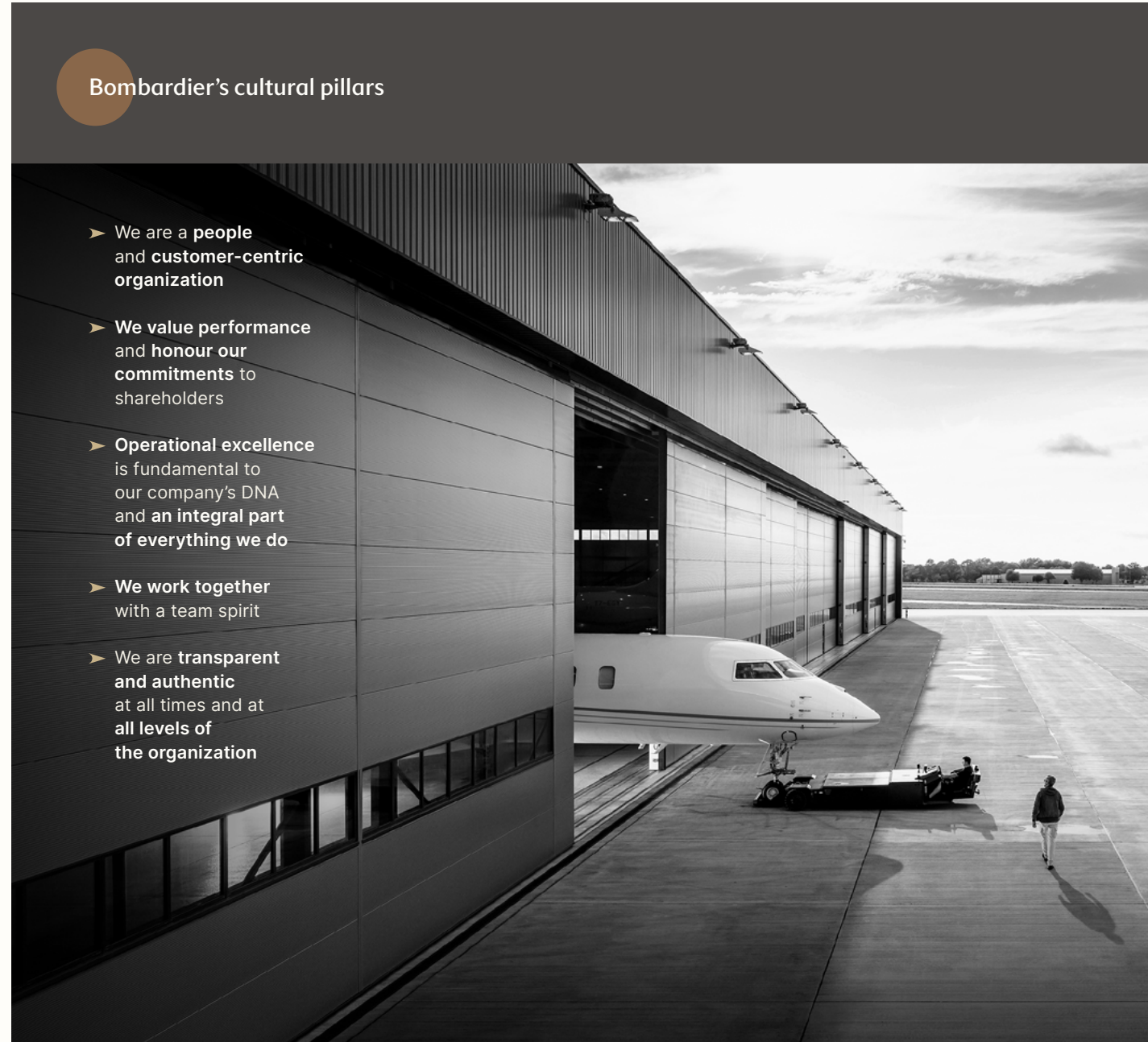
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Data privacy

ESG STRATEGY

Objective: Ensure best-in-class protection of personal data for all employees and customers globally

GOAL

- Increased awareness of data privacy requirements and embed data privacy into our day-to-day activities and processes

STRATEGIES

- Implement and maintain data privacy policies, systems and processes that embed legal requirements and best practices worldwide
- Provide regular employee training, monitor compliance and conduct risk assessments

MEASURE

- Percentage of employees trained

2023 HIGHLIGHTS

- Automated and optimized **privacy impact assessments**
- Training and activities throughout **Cyber Security Awareness Month (CSAM)** in November

Ensuring implementation and continual improvement of data privacy policies, systems and processes that embed legal requirements and best practices worldwide

In 2023, Bombardier continued its work toward the continual improvement of its privacy protection practices. New information technology projects continue to be assessed to ensure that appropriate mechanisms are implemented to protect personal data according to its sensitivity and the scope of processing.

The privacy impact assessment process was optimized and automated so as to be more efficient and to better address newly introduced legal requirements. Project team members fill out a questionnaire and the Data Privacy team can then evaluate and mitigate privacy-related risks based on the data sensitivity and scope of processing before the project is implemented.

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Ensuring implementation and continual improvement of data privacy policies, systems and processes that embed legal requirements and best practices worldwide (continued)

Committees also provide governance over data privacy and cyber security matters. For example, the Cyber Security Governance Committee, composed of senior leaders from different parts of the organization, meets monthly to oversee the cyber security strategy and direction. A Digital Transformation Steering Committee was also created in 2023 to develop guiding principles for the ethical use of artificial intelligence within Bombardier.

Moreover, as part of Bombardier’s 2023–2025 privacy protection priorities, the company continued to execute its privacy protection program based on the ISO 27701 framework aiming to ensure that it can proactively manage risks and continuously improve its data privacy practices over time.

Provide regular employee training on data privacy and cyber security

Data privacy and cyber security training and employee awareness activities were conducted in various forms throughout the year, from data privacy training as part of the onboarding of new employees to mandatory cyber security training for employees who work with a computer. Employees were given monthly phishing simulations, to raise awareness of how to spot and treat phishing emails. Employees who failed a simulation, for example by clicking a malicious link, were directed to take additional reinforcement training on phishing prevention.

The company also participated in a cyber security awareness month (CSAM) campaign in November that included additional and targeted training, facts, interactive games, learning videos and more about cyber security.

ESG plan performance

Measure	2022	2023
Percentage of employees trained on data privacy	96% of office employees hired completed data privacy training	95% of office employees hired completed data privacy training



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Communities

ESG STRATEGY

Objective: Be a vector of positive change in communities

GOAL

- Diverse internship and scholarship programs and align donations and sponsorships to support ESG plan

STRATEGIES

- Promote talent in underrepresented groups through internship and scholarship programs
- Focus donations and sponsorships on ESG plan priorities

MEASURES

- Number of internships and scholarships
- Percentage of donations and sponsorships toward ESG initiatives

2023 HIGHLIGHTS

- Bombardier obtained a **Caring Company Certification** from Imagine Canada
- **96% of in-kind donations, monetary donations and sponsorships** were aligned with the ESG plan
- Organization of the **Dare to Dream Case Competition** in collaboration with Deloitte

Promoting talent in underrepresented groups through internship and scholarship programs

Supporting a diversity of emerging talents is important. In 2023, Bombardier welcomed approximately 1,000 interns in Canada that filled approximately 1,400 internships. Some 28% of the interns in Canada were international students and 42% were women, of which 58 were from the Women in Engineering – Career Launch Experience (WIE-CLE) from the Gina Cody School of Engineering and Computer Science of Concordia University.

These WIE-CLE interns were partnered with Bombardier mentors during their internship and had the chance of presenting to primary and high school students their career paths as well as moderating activities aimed at promoting careers in the Science, Technology, Engineering and Mathematics (STEM) field for young women.

continues



Being actively involved in ensuring the well-being of my colleagues is a founding principle, it's a way of contributing to building a fair and equitable society. I find rewarding to get involved in the social causes supported by Bombardier. I'm always proud to represent Bombardier by participating in volunteering activities.



MARC LAMARRE
Health, Safety
and Environment Leader



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Promoting talent in underrepresented groups through internship and scholarship programs (continued)

In 2023, Bombardier partnered anew with Polytechnique Montréal's day camp to welcome over a hundred children from underprivileged backgrounds on site to discover aerospace through various group activities including a guided tour of the facility.

Bombardier also co-sponsored the event "Women and Sciences" with Montréal's École de technologie supérieure held in September 2023, aiming at promoting careers in sciences among women by providing coaching. Bombardier also held the Dare to Dream Digital Case Competition in which more than 100 Bombardier interns participated over the course of eight weeks, where they were asked to pitch to judges from Bombardier and Deloitte their innovative solutions on how Bombardier can digitally transform the way it does business.

In 2023, Bombardier offered 59 internships to aerospace trade students to gain practical experience. Bombardier also partnered with the Foundation du Cégep Édouard-Montpetit to offer CAD \$87,000 in scholarships to encourage students to obtain their degree and instill a passion for aerospace with the next generation. Bombardier also donated \$5,000 in scholarships to the Wichita State University Foundation and to the WSU Tech Foundation to support the next generation. On the international front, Bombardier donated to two schools in Singapore where it has operations.

Focusing donations and sponsorships on ESG plan priorities

Bombardier focuses on making donations to non-for-profit organizations and sponsoring initiatives that are aligned with its ESG plan as well as its ESG values. In 2023, 96% of in-kind donations, monetary donations and sponsorships were aligned with the ESG plan. Bombardier also invested \$1.9M in in-kind donations, monetary donations and sponsorships in its communities worldwide.

From an environmental standpoint, Bombardier supported many initiatives, notably through a partnership with Soverdi, an organization that plants trees in the Montréal area. Employees from Red Oak (USA), and Toronto (Canada) also partnered with One Tree Planted and Tree Canada to plant trees in 2023. The goal is to give an opportunity to Bombardier employees to contribute to the community where they work and to decrease the heat island effect where Bombardier's sites are located. Bombardier continued to support the non-profit Grupo Ecologico Sierra Gorda IAP community organization which has the mission of protecting the Sierra Gorda Biosphere Reserve in Mexico.

From a social standpoint, Bombardier consulted its employees through various affinity groups such as BProud and B-Enabled, to determine the organizations to which it would donate. For example, in 2023, Bombardier donated to the Montréal Gay and Lesbian Community Centre and the Regroupement des organismes spécialisés pour l'emploi des personnes handicapées (ROSEPH).

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ESG plan performance

Measure	2022	2023
Student internships	~ 1,200	~ 1,400
Percentage of donations and sponsorships toward ESG initiatives	89%	96%



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Focusing donations and sponsorships on ESG plan priorities (continued)

In 2023, Bombardier sponsored anew Le Salon International de la Femme Noire organized by Audace au Féminin. To support future Science, Technology, Engineering and Mathematics (STEM) leaders, Bombardier also sponsored two FIRST Robotics competitions, the Défi Techno First and FIRST's annual regional competition in Trois-Rivières (Canada). The Défi Techno First gathered 39 teams of youths aged between 12 and 18 years old that were tasked with designing, building and programming a 60-kg robot. Bombardier's partnership in the competition included CAD \$150,000 in sponsorship and the participation of Bombardier volunteers. For the third consecutive year, Bombardier supported Aviation Connection, a registered charity whose mission is to promote STEM education to public high school students by establishing, facilitating and overseeing a program focused on aeronautics, aerospace, artificial intelligence and flying robots. In 2023, Bombardier was a diamond in-kind sponsor of the McGill University 2022–2023 Formula Electric racing team, an initiative that gathers over 300 students with a core group of approximately 60 dedicated students who are tasked with designing, building and racing a 100% electric formula-style car.

In 2023, Bombardier announced a partnership with the Bombardier, Beaudoin and Fontaine families to donate CAD \$2M toward the SERVO project of the Centre Hospitalier de l'Université de Montréal (CHUM). Using artificial intelligence, this unique project in Canada focuses on research in treating neurological diseases such as epilepsy, Parkinson's and multiple sclerosis. As a result of its community investment, Bombardier earned a Caring Company Certification from Imagine Canada.

Communities risk management

Bombardier, through its Ethics and Compliance Office, does a thorough check of every organization before partnering with them to avoid any reputational risks. Also, Bombardier has a Policy on Donations, Sponsorships and Memberships that was updated in 2023 that provides a clear set of guidelines for donations, sponsorships and memberships that apply to all corporate community investments given to any non-profit organization, non-governmental organization or charity from any Bombardier entity. Other processes, such as a review by the team responsible for all company expenses, ensure that donations are reported and follow Bombardier policies.

Bombardier employees supporting their communities

Bombardier employees are supporting their communities around the world. In 2023, employees significantly contributed to the Centraide of Greater Montréal campaign allowing Bombardier to donate CAD \$1,158,857, thereby exceeding its objective. They raised CAD \$110,334 for the Make-A-Wish Foundation through an event where 23 teams totaling 140 Bombardier cyclists biked 9,000 km in 48 hours. Bombardier employees also donated CAD \$70,500 to their Greater Montréal community via the Employee Charity Fund. They gave their time through various employee-led volunteering programs such as the B Effect in Montréal (Canada), Causa Querétaro in Querétaro (Mexico) and We Care in Red Oak (USA). Bombardier supports these employee-led initiatives and maintains a work environment where employees are encouraged to give back to their communities.

Breaking down barriers in STEM

“As a longtime champion of women's careers in engineering and all the STEM fields, I couldn't be happier with the incredible partnership between Bombardier and Concordia University's Gina Cody School of Engineering and Computer Science. Since 2020, Bombardier's Women in Engineering internship program has been a model of what's possible when an organization dedicates itself to leveling the playing field for the next generation. It's exactly this kind of impact that will create the more equal, open society our planet needs to thrive.”

GINA PARVANEH CODY
Co-Chair, The Campaign for Concordia and Benefactor, Gina Cody School of Engineering and Computer Science



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Board and committees

ESG STRATEGY

Objective: Strong governance for sustained shareholder value

GOAL

- ESG performance regularly reviewed at Corporate Governance and Nominating Committee

STRATEGY

- Corporate Governance and Nominating Committee oversees and monitors ESG plan

MEASURE

- Number of ESG status reviews in year

2023 HIGHLIGHTS

- **ESG update** provided at every CGNC board meeting
- **Continued ESG forums** throughout 2023
- **Enhanced Climate Report** prepared by the Climate Working Group

Board oversight and monitoring of ESG

The Board of Directors (Board), with the assistance of its committees, exercises oversight of Bombardier's global corporate strategy, which includes various sustainability-related topics such as the ESG plan. "Corporate Social Responsibility" is listed in the Board's skills matrix, as it is one of the primary competencies that Bombardier believes is required to effectively oversee and manage its business,

all as described in the corporation's most recent management proxy circular that is available on the company's website at bombardier.com/en/investors or at SEDAR+ at www.sedarplus.ca. As such, the Board is structured to ensure that certain directors have sufficient experience and knowledge of ESG-related matters in order for the Board to effectively oversee Bombardier's ESG strategy.

continues



I believe it's essential for companies to assess and do everything possible to limit any negative ESG impact. I'm delighted to be able to contribute to monitoring the development of the ESG plan and to see the efforts made by the company to improve and achieve its objectives.



CÉLINE ROUSSEL
Internal auditor



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Board and committees

Board oversight and monitoring of ESG (continued)

The **Corporate Governance and Nominating Committee** (CGNC) of the Board supports the Board's oversight responsibilities by monitoring Bombardier's ESG development and performance, including its ESG plan and practices, and related policies and disclosures.

The CGNC reviews and recommends approval by the Board of Bombardier's ESG report, in conjunction with the Board's Audit Committee, which has specific oversight and responsibility for any ESG-related metrics within the report. In 2023, the CGNC met four times and an ESG update was provided by the Senior Vice-President, People and Sustainability at every meeting. Following each meeting, the Chair of the CGNC provided a summary to the full Board, including key matters addressed in the ESG updates.

The topics discussed during those updates included a review of the corporation's ESG performance and ESG-related measures, developments in ESG reporting, as well as significant initiatives that advanced the ESG plan. These updates ensure that the Board is well informed of ESG developments and progress of the ESG plan.

The directors are also informed of various sustainability-related topics through information provided by other teams within the company, such as the Ethics and Compliance team that provides a quarterly report on ethics and compliance matters.

The Board's **Audit Committee** supports the Board's oversight responsibilities in relation to risks related to environmental matters, including periodically reviewing management reports on environmental matters, as well as monitoring environmental financial and operational risks and their disclosure, if required, in the company's financial statements. The Audit Committee also ensures that adequate procedures are in place for the internal auditing of ESG-related metrics contained in the ESG report, whether from internal or external sources.

The Board's **Human Resources and Compensation Committee** (HRCC) is responsible for overseeing the total compensation of the CEO and senior officers who report directly to the CEO, including the determination of incentive plan key performance measures, which in 2023 included ESG-related performance indicators and targets.

Members of the CGNC, Audit Committee and HRCC are composed exclusively of independent members of the Board.

ESG committees

Starting in 2022, Bombardier established a Climate Working Group with experts from different functions such as finance, accounting, legal/governance, sustainability, environment, engineering, operations, business strategy and investor relations. The Climate Working Group is responsible for conducting climate risk assessments, developing the company's climate strategy, as well as preparing the Climate report enclosed as an appendix to this report.

In 2023, ESG forums continued throughout the year, an initiative that was officially launched in 2022. These forums group representatives from various teams across the organization that contribute to the progress of the ESG plan and provide opportunities to share ESG-related developments, initiatives and knowledge among all ESG contributors.

For additional information on ESG governance at Bombardier, refer to the [Accountable leadership](#) section.

ESG plan performance

Measure	2022	2023
Number of ESG status reviews by CGNC	4	4



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Ethics and compliance

ESG STRATEGY

Objective: Uphold the highest ethical integrity and leadership standards

GOAL

- All significant risks proactively identified, acted upon and monitored

STRATEGIES

- Proactively use data-driven approach to identify risk areas and drive decisions
- Provide employee-centric training and advice

MEASURE

- Percentage of compliance risks identified for which a response plan is being implemented

2023 HIGHLIGHTS

- ▶ The Ethical Leadership Training module won **two gold Human Capital Management (HCM) Excellence Awards**
- ▶ The Export Control Training module won a **gold Human Capital Management (HCM) Excellence Award**
- ▶ **The Ethics and Compliance team** was expanded to **centralize and strengthen E&C efforts**

Business ethics risks throughout the value chain

Bombardier ensures business ethics and compliance (E&C) in various aspects of its value chain. It achieves this by establishing procedures and implementing controls throughout the business, from the creation of its products to sourcing of materials, and from promotion to delivery. Examples of such processes are:

- the due diligence performed on customers; and
- the due diligence performed on third parties such as suppliers and vendors.

DUE DILIGENCE PROCESS FOR BOMBARDIER CUSTOMERS

Before selling an aircraft, Bombardier's E&C team does a careful due diligence check on the aircraft's ultimate owner. The potential buyer completes a due diligence questionnaire that the E&C team reviews using different compliance tools and search engines. If everything is clear, the sale can move forward. But if red flags are raised, the E&C team performs a deeper analysis of potential legal, financial and reputational risks that Bombardier might face by dealing with this prospective client. Following this assessment, the E&C team determines if the sale can move forward, unless the red flags are ones which the Aircraft Sales Due Diligence Directive requires review by the Risk Management Committee, in which case, the Risk Management Committee, comprised of executives from various functions, determines whether the transaction can move forward.

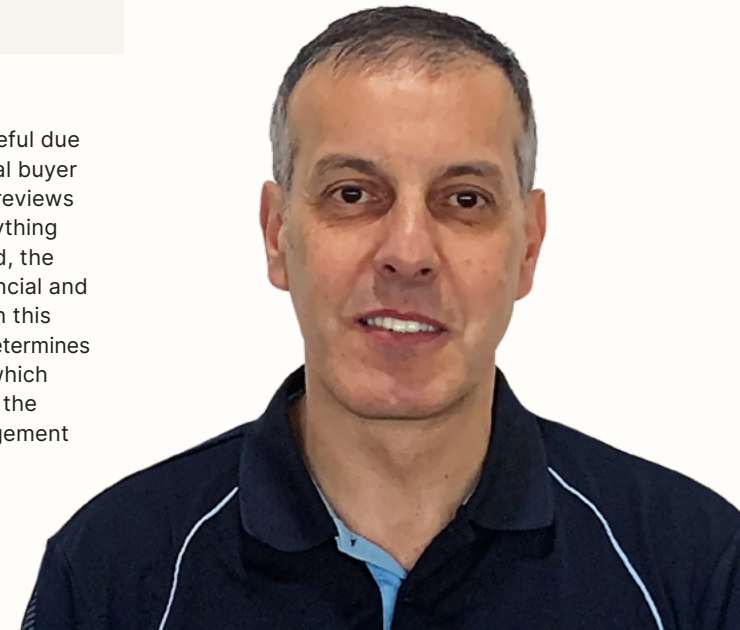
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I'm involved as an Ambassador to raise awareness on the tools and practices in place to deal with the issues that affect our daily lives. Ethics and compliance enable me to behave in an irrefragable way.



MAHIEDDINE SAIM
Project Management, Manufacturing
Infrastructures Engineering



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Business ethics risks throughout the value chain (continued)

THIRD-PARTY DUE DILIGENCE

To deal with third parties such as suppliers or vendors, Bombardier has a four-step risk-based approach for third-party due diligence. This helps to identify and mitigate risks related to fraud, corruption, modern slavery, conflicts of interest, etc. In 2023, selected suppliers went through this process with the objective of testing it and improving it as necessary.

Data-driven approach to identify risk areas and drive decisions

Bombardier continuously uses data to identify needs and gaps and improve its compliance program. This data can take the form of disclosures or reports made by employees, investigation results or recommendations, internal audit findings, observations made by the E&C team or the E&C Ambassador Network and more. The collected data helps Bombardier understand whether tools, training, additional attention, more awareness or new or improved processes and controls are needed to help employees make better decisions.

Employee-centric training and advice

Several training modules were launched in 2023 to enhance Bombardier's ethical culture, reduce ethics and compliance risks and ensure employees are well-informed on various ethical topics. The Ethical Leadership module, which was launched in January 2023, was specially designed for leaders in the organization (supervisors and above) to remind them of their ethical responsibilities and to stress the importance of prioritizing ethics when dealing with employees. They looked at specific risk areas and real-world case studies of scandals to show the impact of weak ethics for both the company and employees. The Ethical Leadership Training module received two gold Human Capital Management (HCM) Excellence Awards. In 2023, Bombardier also received a gold award for its Export Control module that was developed and launched in 2022. As part of its E&C strategy focusing on the role of leaders in fostering a global ethical culture, Bombardier's CEO discussed an E&C topic highlighting the importance of ethical leadership and decision-making in every quarterly management meeting. In 2023, the mandatory E&C objective in every leader's performance management was extended to non-managerial employees, showing the importance of E&C for all employees.

A custom training module on Conflicts of Interest was also launched in June 2023. This training sought to explore the different types of conflicts that can be encountered at work and explain the importance of disclosing conflicts as soon as they arise so they can be properly mitigated. The disclosure process was also detailed in full, which led neatly into the annual conflict of interest disclosure process. Both were launched concurrently, along with the annual Code of Ethics certification. All together, these three tasks had a completion rate of 98.2% by office employees.

As a priority for Bombardier, a module on E&C topics such as Bombardier's Code of Ethics, corruption, conflicts of interest, etc. was provided to Bombardier's Board of Directors.

continues

ESG plan performance

Measure	2022	2023
Percentage of compliance risks identified for which a response plan is being implemented	100%	100%



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Employee-centric training and advice (continued)

Throughout the year, advice on E&C topics was given in different ways:

- internal articles in the employee “What’s new” newsletter covered E&C such as reporting and non-retaliation and the investigation process;
- a column answering common E&C questions from employees was published twice and a column called Ethics Tips started in April 2023 with bi-weekly tips on ethics; and
- an E&C Toolbox was made available for managers and employees with new content added regularly, and the content roadmap was refreshed every quarter with new ready-to-use downloadable material.

Bombardier expects all employees to speak up when they witness ethical misconduct. To help them, an E&C Ambassador Network of more than 20 employees from different functions and locations is in place to offer personal guidance on E&C-related issues. Ambassadors have a key role in answering employee questions, encouraging discussions on ethics and helping them make the right decisions. The E&C team also responds to inquiries sent by email or via an online reporting portal (Ethics Line). Bombardier values the importance of employees being knowledgeable about E&C topics so they can make informed and ethical business decisions, recognize misconduct and report breaches to the Code of Ethics promptly without fear of retaliation.

Investigation process

Bombardier is committed to conducting business ethically and does not tolerate any violation of its Code of Ethics, policies or of any applicable laws or regulations by its employees or business partners. It is crucial to Bombardier’s success and reputation that any alleged violations are reported promptly and investigated thoroughly to avoid any damaging consequences for both Bombardier and the individuals involved. Bombardier has established a process for conducting investigations in accordance with lawful fraud examination techniques, which include, but are not limited to examination of books and records, voluntary interviews of appropriate personnel and other evidence-gathering procedures as necessary under the circumstances. If misconduct is confirmed, appropriate measures are taken. Additionally, a root cause analysis is performed.

Ethics and compliance risk management

Bombardier manages ethics and compliance risks throughout its value chain through various means. Bombardier has a compliance risk assessment process (CRA) where risks are identified and analyzed, and where concrete strategies are developed to manage and mitigate those risks. This process is a cross-organizational effort led by the E&C team where professionals from various functions own and monitor risks and are responsible for implementing response plans. The Compliance Risk Register (CRR), which is a centralized compliance risk management tool, facilitates the management of related activities and allows the visualization of relevant key performance indicators. Every year, the CRA is reviewed by all key stakeholders (risk sponsors, risk owners and mitigation actions owners) along with the dedicated resources from the E&C team. They review all identified risks and associated mitigation actions to determine if changes are required. If new risks are added, new mitigation actions are identified. In 2023, 100% of identified compliance risks had a response plan in implementation.

In 2023, the E&C team was expanded to ensure that E&C risks are identified and mitigated as part of a centralized effort and that ethical behaviour is embedded in the global company culture.



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Responsible supply chain

ESG STRATEGY

Objective: Lead supplier practices in environment, ethics and employment

GOAL

- All suppliers commit to Bombardier standards, compliance is monitored and enforced

STRATEGY

- Secure supplier commitment to Bombardier’s standards, monitor compliance and take appropriate action in case of breach

MEASURE

- Percentage of suppliers who adhere to Bombardier standards

2023 HIGHLIGHTS

- ▶ **98% of the top 150 suppliers**, accounting for 83% of the total spend, **adhered to Bombardier’s recently updated Supplier Code of Conduct** or to standards at least as robust as those set out in Bombardier’s Supplier Code of Conduct
- ▶ Bombardier won the **Beroe Best-In-Class bronze award** in the Aerospace category as a **recognition of its supply chain excellence**
- ▶ **Bombardier’s Chief Procurement Officer and Procurement team** were awarded a place in the **Sustainable Procurement Champions Index** by CPOstrategy magazine

Securing supplier commitment to Bombardier’s standards

In 2023, 98% of the top 150 suppliers, accounting for 83% of the total spend, adhered to Bombardier’s Supplier Code of Conduct or to standards at least as robust as those provided by Bombardier’s Supplier Code of Conduct which states expectations regarding how its suppliers should be doing business. The Supplier Code of Conduct integrates the ten principles of the United Nations Global Compact (UNGC) addressing areas of human rights, labour, environment, and anti-corruption.

The Supplier Code of Conduct provides ethical standards that Bombardier expects its suppliers to adhere to while conducting business with Bombardier or throughout their own supply chain, including matters such as non-discrimination, child labour, forced labour, modern slavery/human trafficking, employment rights and practices, drugs and alcohol, environmental practices, anti-corruption and fraud, etc.

continues



I have worked for Bombardier for 16 years in different roles such as the new ASM team, whose objective is to make a more resilient supply chain, through improving communication, collaboration and relationships with our suppliers, accompanying them in risk prediction, proactivity in problem solving and more.



MAYRA IBETH LÓPEZ
Leader of
Advanced Supplier Management



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Securing supplier commitment to Bombardier's standards (continued)

In light of emerging regulations and evolving best practices, in 2023, the Supplier Code of Conduct was reviewed and updated to incorporate additional topics such as conflict minerals and ethical sourcing, cybersecurity, counterfeit parts, insider trading and tipping and trade control. A communication was sent to suppliers to inform them of the updated Supplier Code of Conduct and the top 150 suppliers received a letter informing them of the change and seeking confirmation that they adhere to these revised standards, or to standards at least as robust. In 2023, adhering to Bombardier's Supplier Code of Conduct or to standards at least as robust as those provided by the Supplier Code of Conduct was added as an eligibility criterion for suppliers to apply to the Diamond Supplier Program. This demonstrates the importance attributed by Bombardier to the adherence to its Supplier Code of Conduct.

Monitoring suppliers' compliance to Bombardier's standards and taking appropriate action in case of a breach

Bombardier's representatives are constantly interacting with suppliers via quality audits, monthly program reviews, quarterly business reviews, supplier interventions on site, suppliers rate readiness and more. These interactions allow Bombardier to have visibility on suppliers' way of doing business and whether they respect the standards. Bombardier takes prompt action in case of non-compliance with its standards, including working with suppliers or alternate suppliers, where appropriate, and implementing a corrective action plan to remedy the situation.

Bombardier has taken measures to strengthen the existing third-party due diligence process for suppliers by enhancing it with a comprehensive four-step, risk-based approach that improves Bombardier's ability to identify and mitigate risks associated with its supply chain. In 2023, selected suppliers went through the process with the objective of testing it and improving it as necessary.

Collaborating with suppliers to make procurement practices more sustainable

Bombardier collaborates with its suppliers through different means to ensure that procurement practices are more sustainable. In 2023, Bombardier continued to implement its environmental management compliance strategy to ensure that suppliers are on track to reduce and/or eliminate the use of hazardous and toxic substances in its supply chain such as hexavalent chromates. Supply chain experts work together with the Product Sustainability team to collect Material Declaration Forms in accordance with the European Union REACH regulation. In 2023, Bombardier's Chief Procurement Officer and the Procurement team were awarded a place in the Sustainable Procurement Champions Index by CPOstrategy magazine as a recognition of procurement leaders who are championing sustainability and companies who are building a solid future for sustainability in the global procurement area.

ESG plan performance

Measure	2022	2023 ¹
Percentage of suppliers who adhere to Bombardier standards	95%	98%

1. The measure in 2023 represents Bombardier's top 150 suppliers, accounting for 83% of its total spend, who adhere to the company's standards or to standards at least as robust.



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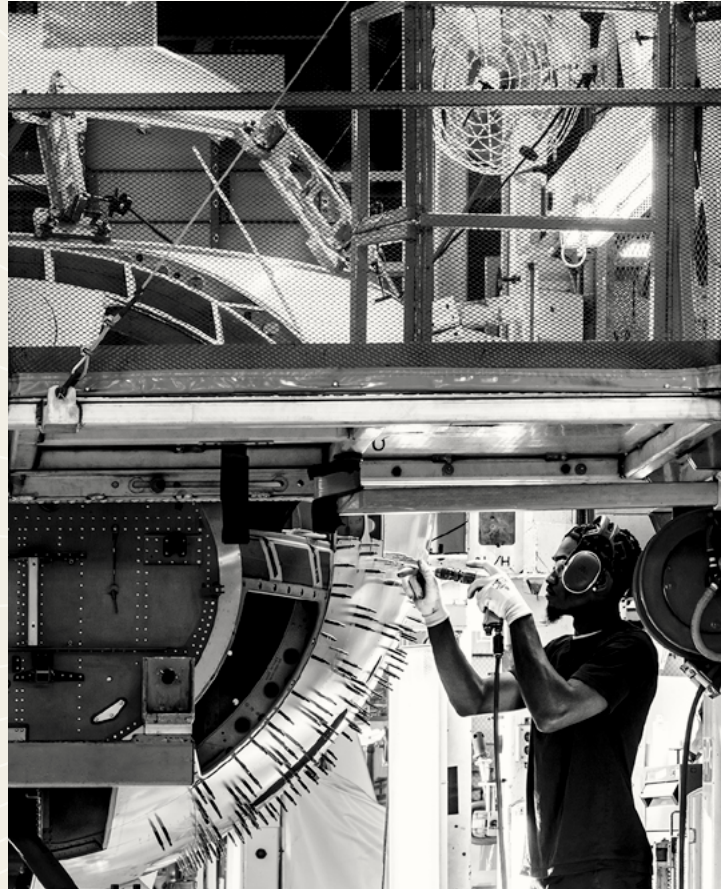
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Diamond Supplier Program

Several years ago, Bombardier initiated the Diamond Supplier Program to reward suppliers who help exceed customer expectations. The program recognizes top performers in an annual award ceremony. The Diamond Supplier Program questionnaire includes questions about the materials suppliers use, an assessment of environmental risks associated with their activities, health and safety practices as well as other sustainability-related questions. Where applicable, suppliers must complete the supply chain visibility assessment through Bombardier’s new real-time solution tool and provide their Material Declaration Form data to be eligible for the Diamond Supplier Program. This program is one of the tools Bombardier uses to elevate the sustainability standards within its supply chain.

Responsible supply chain risk management

Bombardier uses a monitoring solution that detects global events that could potentially impact its supply chain. This tool allows Bombardier to increase its visibility over its supply chain and monitor events that may cause disruptions or impact its operations such as natural disasters, labour disruptions, cyberattacks, etc. In addition, in 2023, Bombardier took measures toward strengthening its knowledge of its supply chain’s financial health by engaging with a technology firm that provides information on the financial health of public and private companies around the world allowing to further mitigate risk. Bombardier is therefore able to act proactively and to respond in a timely and efficient manner.

Bombardier’s Supplier Intervention team is working with suppliers to ensure that parts are delivered on time. In 2023, this team’s scope was broadened to include part suppliers from Bombardier’s aftermarket segment. Also, an Advanced Supplier Management team was formed to keep a steady inflow of material, which includes using a 360° capability assessment questionnaire that aims to track suppliers’ performance and prevent related risks, including sustainability risks.

After this assessment, Bombardier collaborates with its suppliers to reduce any risks of interruptions or delays in deliveries. Furthermore, as part of its procurement strategy, Bombardier works closely with its suppliers to create a strong supply in advance to maintain capacity and avoid interruptions. In 2023, Bombardier set up a governance body that includes Bombardier’s Chief Procurement Officer, where suppliers’ performance is reviewed and action plans are carried out to reduce supply chain-related risks.

A Modern Slavery Report setting out the steps taken to prevent and reduce the risk that forced or child labour is used at any step of the production or the importation of goods was published in accordance with the Canadian legislation recently adopted on modern slavery. To consult Bombardier’s Modern Slavery Report, see www.bombardier.com/en/sustainability/governance/modern-slavery-report.

Bombardier employs a comprehensive strategy to reduce risks related to using critical materials. A critical material is a material that is both essential in use and subject to the risk of supply restrictions. In addition to the initiatives detailed above, in 2023, Bombardier performed 1,505 interventions on supplier sites to expedite critical parts and conducted weekly executive management reviews of critical suppliers. Bombardier uses a “just in case” approach to critical materials, ensuring that supplies are available in advance of being required.

In 2023, Bombardier partnered with the IVEY School of Business to offer a one-day training on sustainable supply chain and offered a training session on sustainable practices to its supply chain employees, again with a focus on mitigating procurement risks, including sustainability-related risks. Moreover, in 2023, Bombardier won the Beroe Best-In-Class bronze award in the Aerospace category which is awarded to the most efficient procurement organizations.

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Measures	Baseline	2022	2023	Reference
ENVIRONMENTAL				
Greenhouse gas emissions (thousands of tonnes of CO ₂ e)	102.5	92.3	87.6	Baseline: year 2019, for continuing operations
Energy consumption (millions of gigajoules)	2.1	1.9	2.0	Baseline: year 2019, for continuing operations
Total waste generated (thousands of tonnes)	15.1	12.2	11.7	Baseline: year 2019, for continuing operations
Hazardous waste generated (thousands of tonnes)	5.5	4.3	4.2	Baseline: year 2019, for continuing operations
Environmental Product Declarations (EPDs) published	—	2 (Challenger 3500)	4 (Global 6500, 5500)	Global 7500, 6500, 5500 and Challenger 3500
SAF usage in flight operations	—	9.3K U.S. gallons	SAF (approx. 30% blend) covering all flight operations, using Book-and-Claim	
SOCIAL				
Fatalities	0	0	0	Baseline: year 2020, for continuing operations
Lost-time incident rate (per 200,000 work hours)	0.76	0.73	0.62	Baseline: year 2020, for continuing operations
Lost-time severity rate (per 200,000 work hours)	38.8	34.7	26.1	Baseline: year 2020, for continuing operations
Percentage of women	20.4%	20.4%	21.6%	Baseline: year-end 2020, for continuing operations
Percentage of women in management	24.7%	25.7%	26.2%	Baseline: year-end 2020, for continuing operations
Employee engagement score	—	73%	79%	
Voluntary turnover (last 12 months)	—	7.0%	5.3%	
Bombardier market share – Aircraft sales (three-year average)	—	24% in units, 33% in revenues	24% in units, 35% in revenues	
Bombardier market share – Aftermarket services	—	41% in revenues	46% in revenues	
Percentage of employees trained on data privacy	—	96% of office employees hired completed data privacy training	95% of office employees hired completed data privacy training	
Student internships	—	~ 1,200	~ 1,400	
Percentage of donations and sponsorships toward ESG initiatives	—	89%	96%	
GOVERNANCE				
Number of ESG status reviews by CGNC	—	4	4	
Percentage of compliance risks identified for which a response plan is being implemented	—	100%	100%	
Percentage of suppliers who adhere to Bombardier standards	—	95%	98%	The measure in 2023 represents Bombardier's top 150 suppliers, accounting for 83% of its total spend, who adhere to the company's standards or to standards at least as robust.

Climate report Introduction

The objective of this Climate report is to inform stakeholders on how Bombardier is assessing and acting upon risks and opportunities related to climate change and the transition to a low-carbon global economy.

Bombardier published its first Climate report pursuant to the Taskforce on Climate-related Financial Disclosures (TCFD) as an appendix to the 2022 ESG report. The Climate report was reviewed and updated in 2023 and incorporates recommendations from the International Financial Reporting Standards (IFRS) S2 standard.

Strategy

This section describes the company's strategy with regards to climate.

Industry commitment toward net-zero carbon emissions by 2050

For many years, Bombardier has contributed to the business aviation industry's work on reducing greenhouse gas emissions.

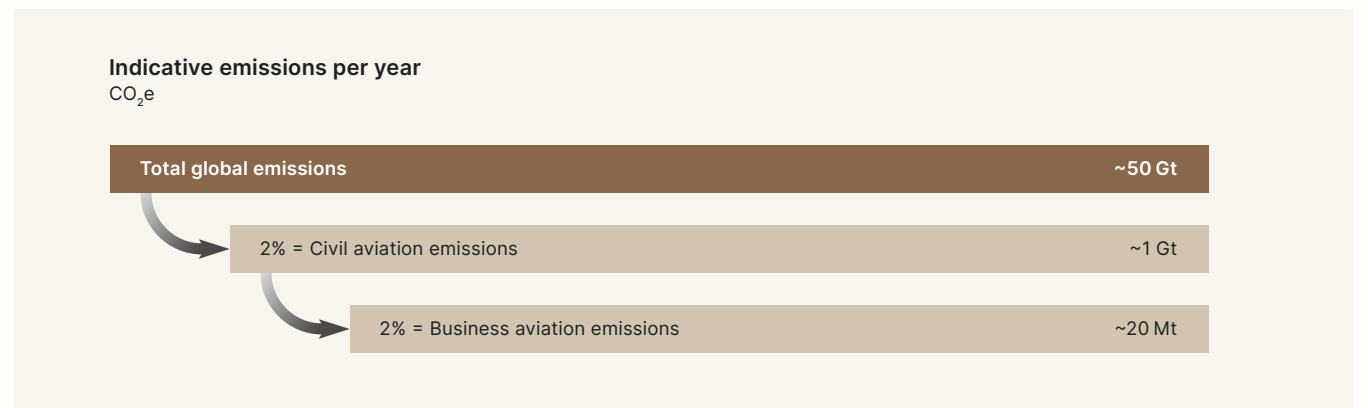
In October 2021, at the National Business Aviation Association's 2021 Business Aviation Convention and Exhibition (NBAA-BACE), the heads of the General Aviation Manufacturers Association (GAMA), International Business Aviation Council (IBAC) and NBAA pledged to reach net-zero carbon emissions by 2050, in addition to pursuing the goal of increasing fuel efficiency by 2% per year between 2020 and 2030. These updated climate goals followed a planned review of the Business Aviation Commitment on Climate Change (BACCC) during 2021. The initial goals of the BACCC were originally published in 2009.

In October 2022, governments meeting at the International Civil Aviation Organization (ICAO) 41st General Assembly in Montréal adopted a goal of net-zero carbon emissions for international flights by 2050. The goal aligns international aviation with the Paris Agreement on climate and follows commitments individually made by both the business and commercial aviation industry in 2021.

Carbon emissions from business aviation total

The illustration below shows CO₂e emissions for business aviation in the context of global emissions across all sectors. Civil aviation accounts for approximately 2% of total CO₂e emissions produced annually, and business aviation is approximately 2% of civil aviation, at approximately 20 million tonnes of CO₂e per year. Therefore, business aviation accounts for less than 0.05% of total yearly annual emissions.

Although business aviation accounts for a small portion of total annual emissions, Bombardier firmly believes that the industry has a duty to take action toward achieving net zero by 2050.



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Strategy

Path toward net zero for business aviation

As disclosed in the 2022 ESG report, the business aviation industry has projected its path toward net-zero carbon emissions by 2050 as shown in the graph below.

This graph was originally created in 2009 to track the evolution of CO₂ emissions in the business aviation industry. It shows the actual emissions of CO₂ for the overall business jet industry (jets and turboprops combined) and the forecasted emissions until 2050 based on the four key pillars the industry is relying on to reduce its CO₂ emissions:

- reduction from alternative fuel adoption
- reduction from technology improvements
- reduction from operation and infrastructure improvements
- reduction from introduction of global market-based measures

While CO₂ emissions projections have consistently been declining since the original 2009 calculations (as shown by the dashed grey and yellow lines), the latest update in 2021 still shows the importance of progressing on each pillar to reach the 2050 goal. Sustainable Aviation Fuel (SAF) adoption amongst business aviation operators and the introduction of new technologies in business aviation will be the most important drivers to help the industry achieve net zero by 2050.

Bombardier's strategy to support the business aviation industry toward net zero

As a leading manufacturer and servicing company for business aircraft, it is essential for Bombardier's long-term success that it leads the way in driving decisive actions toward net zero by 2050. Bombardier's actions cover each of the following four pillars:

A) ALTERNATIVE FUELS

The gradual replacement of regular jet fuel with SAF will require widespread efforts to increase the production of SAF availability on a global scale, both for commercial and for private aviation. SAF is produced from sustainable feedstocks, which are sources that do not use fossil fuels and that do not impact food production. Therefore, SAF provides a significant environmental benefit on a life cycle basis compared to regular jet fuel. Bombardier is strongly engaged in supporting SAF. The company has used a fuel blend that included approximately 30% neat SAF in 100% of its own flights since January 2023 (pre-delivery testing, demonstration, development, etc.). To reduce emissions related to the use of SAF, Bombardier uses the Book-and-Claim system through its partnership with Signature Aviation. See the [Sustainable aviation](#) section for additional information.

B) TECHNOLOGY

Technology improvements in aircraft have been constant and decisive, leading to significantly more fuel-efficient models. In fact, the industry achieved a 2% fuel efficiency improvement per year from 2010 to 2020. Bombardier is working to improve fuel efficiency through new propulsion systems, aerodynamics and lower consumption onboard systems. It is also investing in innovative aircraft designs, such as the EcoJet research project that could reduce aircraft emissions by up to 50% through a combination of aerodynamic, propulsion and other enhancements. In the longer term, new propulsion systems powered by hydrogen or hybrid technologies are expected to play a key role for the aerospace industry.

C) OPERATIONS AND INFRASTRUCTURE

Future aircraft operations will also benefit from advances in navigation systems and airport-based operations systems that will further reduce the industry's total greenhouse gas emissions. For example, such advances may allow aircraft to move around airports without any carbon emissions via on-board or on-ground based electrical power.

D) GLOBAL MARKET-BASED MEASURES

The industry will need to rely on market-based measures such as the purchase of carbon credits available in other industries should the above-mentioned pillars not be sufficient to reach net zero by 2050.

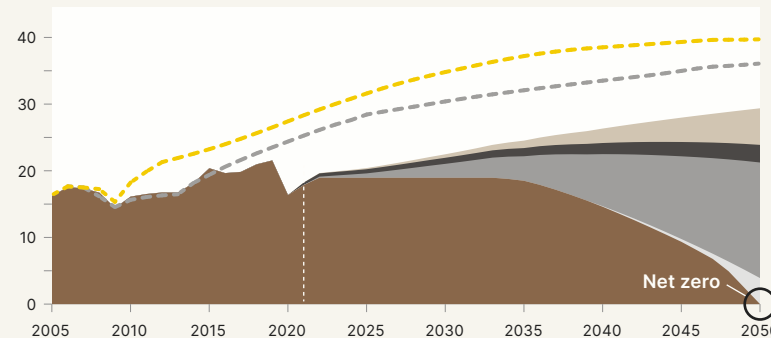
Business aviation advantages within the aviation industry

Business aviation presents advantages that are not generally captured in assessing aviation transportation modes which is why it is well positioned to play an important role in progressing toward net zero emissions. The business aviation model uses smaller airfields than commercial aviation by transporting people from locations much closer to their origin to their destination, thereby minimizing unnecessary transfers and travel and corresponding emissions. Also, business aviation is often faster to adopt new technology than commercial aviation because fleet retirement and upgrades generally follow a shorter life cycle. Business aviation operators also generally have more cost flexibility than commercial aviation customers and therefore, are able to more readily adopt tools such as the use of SAF through the Book-and-Claim system.

Business aviation total CO₂ emissions (2021 forecast¹) million tonnes, 2005–2050F

- Projection to net zero
- Global market-based measures
- Alternative fuels
- Operations and infrastructure
- Technology
- 2009 forecast --- 2015 forecast

1. Sources: IBAC and GAMA, Business Aviation Commitment on Climate Change (BACCC)



Climate scenarios

This section shows the climate scenarios chosen by the company and how they could potentially impact Bombardier.

The models of the United Nations Intergovernmental Panel on Climate Change (IPCC) were used to establish the climate scenarios in the table. The IPCC produces emission projection scenarios driven by different socioeconomic assumptions, which are called Shared Socioeconomic Pathways (SSPs). The chosen scenarios reflect the degree to which the business aviation industry will achieve its target of reaching net-zero carbon emissions by 2050. Scenarios 1 and 2 are aligned with the objective of the Paris Agreement on climate to pursue efforts to limit global warming to 1.5°C above pre-industrial levels. Bombardier's commitments toward reducing carbon emissions are aligned to scenario 1 as shown in the table, which means that the company's actions support and anticipate that the industry will reach its target of net-zero carbon emissions by 2050.

The listed scenarios apply to Bombardier's entire scope of operations and were chosen in 2022, with the potential risks of those scenarios for Bombardier having been added for the current reporting period. Potential risks listed in the table correspond to the risks identified in the Risks and opportunities section of this Climate report.

Shared Socioeconomic Pathways (SSPs)	Business aviation industry	Potential risks for Bombardier
SCENARIO 1		
<p>SSP1-1.9</p> <p>Local CO₂ emissions reduce to reach net zero after 2050. Global temperatures reach 1.5°C warmer than pre-industrial levels by 2100.</p>	<p>The business aviation industry reaches its goal of net zero by 2050.</p>	<ul style="list-style-type: none"> Increasing cost of GHG emissions (risk #1) Increasing regulation on products and services (risk #3) Increasing average temperatures (risk #12)
SCENARIO 2		
<p>SSP1-1.9</p> <p>Local CO₂ emissions reduce to reach net zero after 2050. Global temperatures reach 1.5°C warmer than pre-industrial levels by 2100.</p>	<p>The business aviation industry reaches a level of net CO₂ emissions by 2050 that corresponds to 50% of the 2005 level.</p>	<p>In addition to the risks above:</p> <ul style="list-style-type: none"> Increasing regulation on the use of aircraft (risk #4) Increasing risk of climate-related litigation (risk #5) Decline in business aircraft demand (risk #7)
SCENARIO 3		
<p>SSP3-7.0</p> <p>Emissions and temperatures rise steadily and CO₂ emissions roughly double from current levels by 2100. Global warming continues significantly.</p>	<p>The business aviation industry does not significantly reduce its CO₂ emissions compared to the 2005 level.</p>	<p>In addition to the risks above:</p> <ul style="list-style-type: none"> Increasing impact and frequency of extreme weather events (risk #10) Increasing sea levels (risk #11)

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Risks and opportunities

This section lists climate-related risks and opportunities that may impact the company over various time horizons.

Risks

Each risk has been assessed based on the likelihood of a risk materializing over a time horizon and the impact on Bombardier if the risk does materialize. Each criteria used to determine the level of impact was given a low-medium-high rating and the average resulted in the overall level of impact. The following set of criteria was used:

Category	Criteria	Measure	Low	Medium	High
Likelihood		Probability of occurring during time period	< 10%	10 – 50%	> 50%
Impact	Business units	Company sites impacted	Single site	Several sites	Whole company
	Reputational	Impact on reputation	Low	Medium	High
	Compliance	Impact on compliance	Low	Medium	High
	Stakeholder expectations	Impact on internal and external stakeholders	Low	Medium	High
	Business continuity	Impact on business continuity	Low	Medium	High
	Financial impact	Impact on annual net income	< \$10M	\$10 – 20M	> \$20M

The estimated potential financial impact reflects the average annualized impact on net income, assuming current business volume and current U.S. dollar value (i.e. no future inflation).

For the purposes of assessing the time horizon, the short, medium and long term, were established at years 2035, 2050 and 2100, respectively. The medium-term horizon of 2050 is set to align to the business aviation industry’s target of reaching net-zero carbon emissions.

The short-term horizon of 2035 is an intermediate step toward that goal, and the long-term horizon of 2100 represents an outlook of how climate is expected to evolve in the decades following the industry’s achievement of net zero.

Physical risks are those that result from climate events or changes, such as earthquakes, hurricanes, floods, fires, storms, water scarcity, etc., whereas transition risks result from actions or changes to support a low-carbon economy.

The identified risks are concentrated in geographical areas where Bombardier has operations (see [At a glance](#) section). None of those risks currently affect Bombardier’s business model and value chain. However, Bombardier anticipates that risks #3, 4, 6, 7, 8, 9 and 10 could affect its business model and value chain in the future.

The table that follows shows a detailed analysis of those risks and corresponding mitigation strategies.

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Number	Type	Classification	Risk name	Risk description	Time horizon	Likelihood	Impact	Mitigation
1	Transition risk	Policy and legal	GHG emissions pricing	Cost of emitting GHG could increase in both the mandatory and voluntary carbon markets, impacting direct costs and potentially product attractiveness.	Short term	High	Low	Continue to reduce scope 1 and 2 emissions. Promote SAF in the industry and develop more efficient aircraft.
2	Transition risk	Policy and legal	Emissions reporting obligations	TCFD-inspired mandatory reporting requirements could be adopted, generating legal or reputational risks.	Short term	High	Low	Prepare by continuing to develop voluntary reporting of emissions and strategies.
3	Transition risk	Policy and legal	Regulation on products and services	Regulations on emission requirements for aircraft could increase, potentially making aircraft development and manufacturing more costly.	Medium term	Medium	Medium	Continue to work to develop next generations of aircraft and collaborate with engine manufacturers.
4	Transition risk	Policy and legal	Regulation on use of aircraft	Jurisdictional restrictions of use of specific aircraft types or mission could be introduced, impacting the overall market for our products and services.	Short term	Medium	Low	Continue to work to lead the industry in reducing carbon emissions through ESG plan, SAF investments and R&D.
5	Transition risk	Policy and legal	Climate-related litigation	There could be an increased exposure to litigation related to climate, potentially resulting in increased costs and reputational impact.	Medium term	Low	Medium	Continue to work to lead the industry in reducing carbon emissions through ESG plan, SAF investments and R&D.
6	Transition risk	Technology	Development of new technologies	Competitors from within or outside the industry could bring new products or aircraft models with reduced emissions before Bombardier does, resulting in a loss of market share.	Medium term	Medium	High	Ensure to continue to be a leader in greener aircraft product development and continue making investments in new aircraft technologies and collaborating with universities, governments, industry associations and NGO research institutes.
7	Transition risk	Market	Demand for business aircraft	Demand for business aircraft could decline as clients wish to reduce their GHG emissions, negatively impacting sector revenues.	Medium term	Medium	Medium	Lead efforts to reduce carbon emissions for the business aviation sector and support customers in their decarbonization journey.

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Number	Type	Classification	Risk name	Risk description	Time horizon	Likelihood	Impact	Mitigation
8	Transition risk	Market	Sustainable Aviation Fuel ramp-up	The production and availability of SAF does not ramp up to the levels required to achieve the industry decarbonization targets, resulting in increased financial costs related to the purchase SAF.	Medium term	Medium	Medium	Pursue strategy to promote the adoption of SAF within the industry, use SAF in our own operational flights and make SAF available to our clients across our service centres.
9	Transition risk	Market	Sustainable Aviation Fuel adoption	Business aircraft operators may not adopt SAF to the level needed, resulting in less reductions in emissions than anticipated.	Medium term	Low	Low	Continue to work with operators and clients to promote the use of SAF and to cover operational flights with SAF.
10	Physical risk	Acute	Extreme weather events	Extreme weather events could become more severe, generating disruption or damages to installations due to floods, power failure, etc., and increased insurance premiums.	Medium term	Medium	Low	Maintain emergency response plans for manufacturing installations and service centres in case of major damage to installations.
11	Physical risk	Chronic	Sea levels increase	Sea levels could rise, resulting in some installations needing to be relocated.	Long term	Low	Low	Evaluate the sea level rising potential where the company has operations, and physically prepare where the risks are high.
12	Physical risk	Chronic	Average temperatures increase	Average temperatures could rise, resulting in increased cost of air conditioning and reduced access to fresh water.	Long term	High	Low	Take into account the rise of air conditioning and water costs in various financial planning scenarios.
13	Physical risk	Chronic	Data loss	Climate events (floods, storms, fires, etc.) could damage installations where data is stored, potentially resulting in system downtime or data loss.	Short term	Low	Low	Ensure a robust IT infrastructure, addressing such risks such as migrating to cloud servers.

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Opportunities

The climate transition also presents several opportunities. As with risks, the opportunities were assessed based on their likelihood and impact. Each criteria used to determine the level of impact was given a low-medium-high rating and the average resulted in the overall level of impact. The following set of criteria was used:

Category	Criteria	Measure	Low	Medium	High
Likelihood		Probability of occurring during time period	< 10%	10 – 50%	> 50%
Impact	Business units	Company sites impacted	Single site	Several sites	Whole company
	Reputational	Impact on reputation	Low	Medium	High
	Stakeholder expectations	Impact on internal and external stakeholders	Low	Medium	High
	Financial impact	Impact on annual net income	< \$10M	\$10 – 20M	> \$20M

None of the identified opportunities currently affect Bombardier’s business model and value chain. However, Bombardier anticipates that opportunity #4 could affect its business model and value chain in the future.

The table that follows shows a detailed analysis of those opportunities and corresponding realization strategies.

Number	Type	Classification	Name	Description	Time horizon	Likelihood	Impact	Realization
1	Opportunities	Resource efficiency	Reduce energy consumption	Reduce the energy consumption of our sites and operations.	Short term	High	Low	Implement ESG strategy to reduce the environmental footprint (e.g., through machinery replacement).
2	Opportunities	Resource efficiency	Increase green energy	Increase the proportion of energy used from green sources.	Short term	High	Low	Leverage hydroelectricity in Quebec and green energy sources in other locations.
3	Opportunities	Products and services	Drive the adoption of SAF	Play a key role in the industry’s adoption of SAF.	Short term	High	Medium	Pursue strategy to use, promote and offer SAF to customers.

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Number	Type	Classification	Name	Description	Time horizon	Likelihood	Impact	Realization
4	Opportunities	Products and services	Develop lower emissions aircraft	Develop future generations of aircraft with reduced emissions.	Medium term	High	Medium	Continued R&D investments, including EcoJet research program.
5	Opportunities	Markets	Use incentives for greener aircraft development	Leverage government incentives to develop greener aircraft.	Short term	High	Low	Closely monitor and continue to leverage incentive programs.

Initiatives in support of climate strategy

The climate-related risks and opportunities set out above are translated into Bombardier’s strategic and financial planning through concrete projects. Here are recent examples:

- The Bombardier Aircraft Assembly Centre in Toronto (Canada) recently commenced operations and is expected to reduce energy consumption by 40% by focusing on natural, more efficient lighting elements and heating methods, as well as updated processing systems that will lower greenhouse gas emissions by more than half compared to the previous Toronto (Canada) site. Considerably less water will be used in the manufacturing process and electric vehicles will be favoured for on-site transportation.
- The Singapore Service Centre expansion includes solar panels that handle 15% of the site’s annual electricity demand. It also features building management systems, insulation, LED lighting, low-flow plumbing fixtures, automated water distribution for improved water conservation, enhanced energy efficiency and the availability of SAF. The building design achieved Singapore’s Green Mark Gold and the U.S. Green Building Council (USGBC) Silver LEED Green Building certifications.
- Embedding growing investments toward greener aircraft directly into Bombardier’s financial plans, including R&D destined to develop the aircraft of tomorrow that will significantly reduce greenhouse gas emissions.
- The SAF commitment and yearly investment have a direct reduction on Bombardier’s scope 1 emissions.

For additional examples, see the [Environmental footprint](#) and [Sustainable aviation](#) sections.



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Risk management

This section explains Bombardier's climate risk management approach.

Processes for identifying and managing climate-related risks

Risks identified in this Climate report were assessed by the Climate Working Group, combining experts from finance, accounting, legal/governance, sustainability, environment, engineering, operations, business strategy and investor relations. The broad composition of this group ensures that climate-related risks are assessed in a holistic way.

Action plans are built to address the risks identified by the Climate Working Group. The Corporate Governance and Nominating Committee of the Board of Directors is also informed of those risks through its review of this Climate report.

From an operational standpoint, environmental experts in Bombardier's facilities work in alignment with the ISO 14001 environmental management system certifications to ensure environmental risks are identified, managed and mitigated. Using this management system, each site can evaluate, plan, approve and implement objectives and targets to respond to environmental risks, in accordance with Bombardier's environmental strategic plan. The progress of selected projects is tracked by each site's management. To deliver projects and achieve planned objectives and targets, each site's five-year CAPEX budget is adjusted according to priorities.

Bombardier's Global Security team is responsible for preparing the company for emergencies, including climate-related events. This team performs a risk assessment that includes 14 risks, including natural disasters, and develops an emergency response plan in accordance with local regulations and CSA Z1600 and NFPA-1600 standards. Under this plan, three teams may be deployed depending on the gravity of the risk: Level 1 – First Response team, Level 2 – Local emergency operation centre, and Level 3 – Corporate emergency operations centre. Though risks may materialize differently, the crisis management protocol followed by the Global Security team remains the same: notify, assess, activate, manage information, decision and back to normal.

The identification of climate-related risks by the Climate Working Group, environmental experts on site and the Global Security team are aligned with Bombardier's risks management framework, which is that each function of the business is responsible for installing the appropriate structures, processes and tools to allow proper identification of risks. Once the risks have been identified, analyzed and evaluated, a risk mitigation plan provides the actions to be implemented by management.

The process to monitor climate-related risks did not change compared to the prior reporting period.



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Metrics and targets

Bombardier tracks a complete set of measures of its environmental performance.

Gross greenhouse gas emissions (GHG) thousands of tonnes of CO ₂ equivalent (tCO ₂ e)	2019 Baseline	2020	2021	2022	2023
Scope 1	78.1	68.8	71.1	69.7	66.0
Scope 2	24.5	21.0	22.4	22.6	21.6
Total scope 1 and 2	102.5	89.8¹	93.5	92.3	87.6

These measures are used to select, develop, and implement projects to reduce Bombardier’s impact on climate. The main measures are listed below:

- energy consumption
- renewable electricity and renewable energy
- energy intensity
- greenhouse gas emissions (scope 1 and 2)
- greenhouse gas emissions intensity
- ozone depleting substance emissions
- water withdrawal
- waste generated (hazardous and non-hazardous)
- waste valorized (hazardous and non-hazardous)

For the disclosure of additional environmental metrics, see Bombardier’s environmental performance here: <https://bombardier.com/en/sustainability/environmental/environmental-performance>.

For disclosure in accordance with the Sustainability Accounting Standards Board (SASB), see Bombardier’s SASB index here: <https://bombardier.com/en/sustainability/sasb-index>.

Greenhouse gas (GHG) emissions

Bombardier discloses scope 1 and scope 2 GHG emissions. As part of the 2021 ESG plan, an absolute target has been set to reduce GHG emissions by 25% in year 2025 compared to the 2019 baseline.

GHG emissions are calculated in accordance with the GHG Protocol which is the set of standards most widely recognized to calculate GHG emissions. No changes were made to the method of calculation in 2023. See [Environmental footprint](#) section for additional climate-related targets.

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Scope 3 emissions

Bombardier strives to be as transparent as possible when it comes to its environmental footprint. As part of an ongoing process, Bombardier is working to collect scope 3 emissions data.

For product-related emissions, Bombardier is the first and only business aircraft manufacturer to publish Environmental Product Declarations (EPDs) for its products. The EPD makes a rigorous evaluation of the environmental impact of a product during its life cycle. For GHG emissions, the EPD shows the emissions generated at each of four steps of the value chain. The EPD components are detailed in the table below.

As of the end of 2023, Bombardier has published EPDs for four of its aircraft models, the *Global 7500*, *Global 6500*, *Global 5500* and *Challenger 3500* business jets. Bombardier is committed to publishing EPDs for all in-production aircraft models by 2025 at the latest. This will provide a unique view of the emissions’ impact of all products throughout their life cycle and supports the design engineering group with historic emissions data in making design decisions related to environmental impacts of future aircraft. See the [Sustainable aviation](#) section for additional information.

EPD Component	Description	Scope association
Upstream	GHG emissions generated by the complete supply chain, from raw materials to finished components	Scope 3
Core	GHG emissions generated by manufacturing by Bombardier	Scope 1 and 2
Operation	GHG emissions generated by the operation of the aircraft during its lifetime	Scope 3
End of life	GHG emissions generated by the disposal and recycling of the aircraft at its end of life	Scope 3



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Bombardier’s 2023 ESG report is guided by the Global Reporting Initiative (GRI), the International Financial Reporting Standards (IFRS), the Task Force on Climate-related Financial Disclosures (TCFD), and the Sustainability Accounting Standards Board (SASB).

This report shows how Bombardier integrates environmental, social and governance considerations to create sustainable, long-term value.

Bombardier welcomes your feedback and questions to csr@bombardier.com

This ESG report includes forward-looking statements, which may involve, but are not limited to: statements with respect to our objectives, anticipations and outlook or guidance in respect of various company and global metrics and sources of contribution thereto, targets, goals, priorities, market and strategies, financial position, financial performance, market position, capabilities, competitive strengths, credit ratings, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; general economic and business outlook, prospects and trends of an industry; customer value; expected demand for products and services; growth strategy; product development, including projected design, characteristics, capacity or performance; expected or scheduled entry into-service of products and services, orders, deliveries, testing, lead times, certifications and execution of orders in general; competitive position; expectations regarding revenue and backlog mix; the expected impact of the legislative and regulatory environment and legal proceedings; strength of capital profile and balance sheet, creditworthiness, available liquidities and capital resources, expected financial requirements, and ongoing review of strategic and financial alternatives; the introduction of productivity enhancements, operational efficiencies, cost reduction and restructuring initiatives, and anticipated

costs, intended benefits and timing thereof; the ability to continue business growth and cash generation; expectations, objectives and strategies regarding debt repayment, refinancing of maturities and interest cost reduction; compliance with restrictive debt covenants; expectations regarding the declaration and payment of dividends on our preferred shares; intentions and objectives for our programs, assets and operations; expectations regarding the availability of government assistance programs; the impact of new, or exacerbation of existing global health, geopolitical or military events on the foregoing and the effectiveness of our plans and measures in response thereto; and expectations regarding the strength of markets, economic downturns or recession, and inflationary and supply chain pressures.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this ESG report. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements. Forward-looking statements can generally be identified by the use of forward-looking terminology such as “may”, “will”, “shall”, “can”, “expect”, “estimate”, “intend”, “anticipate”, “plan”, “foresee”, “believe”, “continue”, “maintain” or “align”, the negative of these terms, variations of them or similar terminology. Forward-looking statements are presented for the purpose of assisting investors and others in understanding certain key elements of our current

objectives, strategic priorities, expectations, guidance, outlook and plans, and in obtaining a better understanding of our business and anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

By their nature, forward-looking statements require management to make assumptions and are subject to important known and unknown risks and uncertainties, which may cause our actual results in future periods to differ materially from forecast results set forth in forward-looking statements. While management considers these assumptions to be reasonable and appropriate based on information currently available, there is risk that they may not be accurate. The assumptions underlying the forward-looking statements made in this ESG report include the following material assumptions: growth of the business aviation market and the corporation’s share of such market; proper identification and continued management of recurring cost saving; optimization of our real estate portfolio; and access to working capital facilities on market terms. For additional information, including with respect to other assumptions underlying the forward-looking statements made in this ESG report, refer to the Forward-looking statements – Assumptions section in the corporation’s financial report for the fiscal year ended December 31, 2023 (“MD&A”) which may be viewed on SEDAR+ at www.sedarplus.ca.

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Given the impact of the changing circumstances surrounding new or continuing global health, geopolitical and military events, and the related response from the corporation, governments (federal, provincial and municipal, both domestic, foreign and multinational inter-governmental organizations), regulatory authorities, businesses, suppliers, customers, counterparties and third-party service providers, there is an inherently higher degree of uncertainty associated with the corporation's assumptions.

Certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to: operational risks (such as risks related to business development and growth; order backlog; deployment and execution of our strategy, including cost reductions and working capital improvements and manufacturing and productivity enhancement initiatives; developing new products and services, including technological innovation and disruption; the certification of products and services; pressures on cash flows and capital expenditures, including due to seasonality and cyclicalities; doing business with partners; product performance warranty and casualty claim losses; environmental, health and safety concerns and regulations; dependence on limited number of contracts, customers and suppliers, including supply chain risks; human resources including the global availability of a skilled workforce; reliance on information systems (including technology vulnerabilities, cybersecurity threats and privacy breaches); reliance on and protection of intellectual property rights; reputation risks; scrutiny and perception gaps regarding environmental, social and governance matters; adequacy of insurance coverage; risk management; and tax matters); financing risks (such as risks related to liquidity and access to capital markets; substantial debt and interest payment requirements, including execution of debt management and interest cost reduction strategies; restrictive and financial debt covenants; retirement benefit plan risk;

exposure to credit risk; and availability of government support); risks related to regulatory and legal proceedings; risks associated with general economic conditions and disruptions, both regionally and globally, that may impact our sales and operations; business environment risks (such as risks associated with the financial condition of business aircraft customers; trade policy; increased competition; political instability and geopolitical tensions; financial and economic sanctions and export control limitations; global climate change; and force majeure events); market risks (such as foreign currency fluctuations; changing interest rates; increases in commodity prices; and inflation rate fluctuations); and other unforeseen adverse events. For more details, see the Risks and uncertainties section in Other in the MD&A. Any one or more of the foregoing factors may be exacerbated by new or continuing global health, geopolitical or military events, which may have a significantly more severe impact on the Corporation's business, results of operations and financial condition than in the absence of such events.

Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. Other risks and uncertainties not presently known to us or that we presently believe are not material could also cause actual results or events to differ materially from those expressed or implied in our forward-looking statements. The forward-looking statements set forth herein reflect management's expectations as at the date of this report and are subject to change after such date. Unless otherwise required by applicable securities laws, we expressly disclaim any intention, and assume no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this ESG report are expressly qualified by this cautionary statement.



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Bombardier designs, builds and maintains the world's best-performing aircraft for the world's most discerning people, businesses and governments. That means not simply exceeding standards, but understanding customers well enough to anticipate their unspoken needs.

For them, Bombardier's talented teams are committed to pioneering the future of aviation – innovating to make flying more reliable, efficient and sustainable. And they are passionate about delivering unrivaled craftsmanship and care, giving their customers greater confidence and the elevated experience they expect. Because people who shape the world will always need the most productive and responsible ways to move through it.

Bombardier customers operate a worldwide fleet of more than 5,000 aircraft, supported by a vast network of Bombardier team members worldwide and 10 service facilities across six countries. Bombardier's performance-leading jets are proudly manufactured in aerostructure, assembly and completion facilities in Canada, the United States and Mexico.



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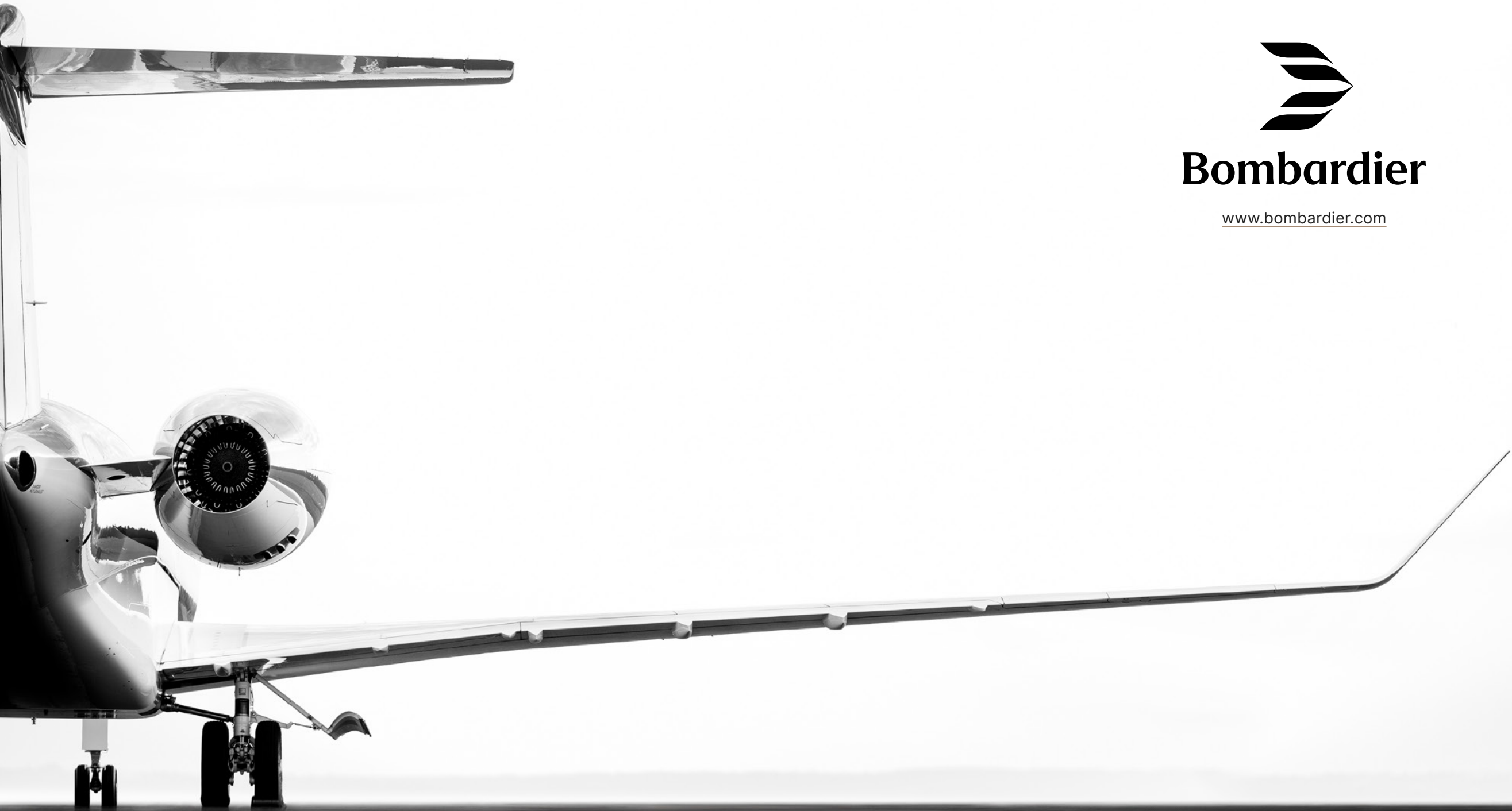
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