



Environmental, social and governance report

2022 progress and impact ►

BOMBARDIER

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This report covers Bombardier's Environmental, Social and Governance (ESG) performance for fiscal year 2022.

In this report, you will find how ESG topics are managed, the progress made with regards to the United Nations Sustainable Development Goals (UN SDG), and Bombardier's commitment to the United Nations Global Compact (UNGC). It also covers the ESG plan, how it is implemented by employees and progress made toward achieving its goals. An ESG materiality matrix, a description of risks and opportunities, and a climate report pursuant to Task Force on Climate-related Financial Disclosures are also presented. This report is aligned with the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) where applicable. Bombardier is committed to providing factual and pertinent data in a transparent matter.

PROFILE

Bombardier focuses on manufacturing exceptional business jets and special mission aircraft and servicing them around the globe

Bombardier is a global leader in aviation, focused on designing, manufacturing, and servicing the world's most exceptional business jets. There is a worldwide fleet of approximately 5,000 Bombardier aircraft in service with a wide variety of multinational corporations, charter and fractional ownership providers, governments, and private individuals. Bombardier aircraft are also trusted around the world in government and military special-mission roles leveraging Bombardier Defense's proven expertise. Headquartered in Greater Montreal, Quebec, Bombardier operates aerostructure, assembly and completion facilities in Canada, the United States and Mexico, and has an expansive and robust global service centre network.

You are invited to send your feedback and questions

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

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Snapshot of 2022

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10%

reduction in scope 1 and 2 GHG emissions, compared to 2019 baseline

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LEED Silver

certification for the Singapore Service Centre

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SAF

Coverage of all operational flights with Sustainable Aviation Fuel (30% blend), through a Book-and-Claim system starting January 2023

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Delivery

of the first *Challenger 3500* with an Environmental Product Declaration

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2022

Mercure Award

for Technological Innovation in the “large business” category for the *Smart Link Plus* program

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40

electric car charging ports added

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Formalized the D&I forums

that each have their executive champions

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73%

employee engagement score

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\$1.2M

invested toward in-kind donations, monetary donations and sponsorships, in Bombardier’s communities worldwide

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Challenger 3500

1. For fiscal year 2022.
2. As at December 31, 2022
3. As at December 31, 2022, including contractual and inactive employees.

At a glance

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

LEGEND

- Headquarters and Customer Response Centre
- Production site
- Service Centre
- Other aftermarket sites:
 - line maintenance station
 - parts and component repair & overhaul
 - parts services
- Authorized training provider
- Authorized service facility

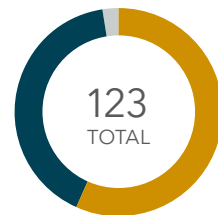


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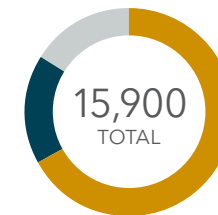
Revenues¹

● Manufacturing and other	\$ 5.3
● Services	\$ 1.5
● Others	\$ 0.1



Deliveries²

● Large	70
● Medium	50
● Light	3



Employees³

● Canada	67%
● United States	17%
● Other	16%

1. For fiscal year 2022. 2. For fiscal year 2022. 3. As at December 31, 2022, including contractual and inactive employees.

Proudly building a more sustainable future

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PIERRE BEAUDOIN
Chairman of the Board

With each passing year, our stakeholders – whether they be customers, employees, suppliers, investors or neighbours – want to know more about what we’re doing to create a more sustainable future for business aviation, to reduce our environmental footprint, to attract the next generation of workers, and to better represent diversity in all its forms. I’m pleased to say that with each passing year, we have more good news to share, because these concerns are at the heart of our development at Bombardier; so much so that our Board of Directors is taking an active role in determining our Environmental, Social and Governance priorities and monitoring our progress. This includes continued emphasis on Ethics and Compliance, data privacy, and supply chain governance.

In these pages, we proudly highlight Bombardier’s progress toward being a more sustainable company and an increasingly responsible corporate citizen. You’ll learn more about the steps Bombardier is taking not just to meet our ambitious targets – such as reaching net zero emissions by 2050 – but to truly lead by example.

I’m confident you will agree that Bombardier, which celebrated its 80th anniversary in 2022, has the talent and determination to tackle challenges old and new with the innovation and ingenuity that have been moving people for generations.



ÉRIC MARTEL
President and Chief Executive Officer

There is much to be proud of in Bombardier’s latest Environmental, Social and Governance report.

Our Bombardier teams are particularly passionate about sustainability, and we are committed to finding solutions. Among our achievements for 2022, Bombardier announced it will cover the totality of its flight operations with Sustainable Aviation Fuel, an industry first; our *Challenger 3500* aircraft entered service as the first super-midsize business jet with an Environmental Product Declaration; and Bombardier is showing the world what the future could look like with its EcoJet research project.

It was also a milestone year for employee engagement at Bombardier, with an overall score of 73%, very close to our 2025 engagement target of 75%. Our newly launched Diversity & Inclusion forums, each championed by a member of the Senior Leadership Team, are proving extremely popular. Also new this year, Bombardier created the role of Vice President, Chief Ethics and Compliance Officer, reporting directly to me.

As Bombardier continues on its mission to continuously improve, I’m pleased to confirm that we renew our commitment towards the ten principles of the United Nations Global Compact. In 2022, we also continued our progress on seven United Nations Sustainability Goals where we have the greatest impact.

You’ll have the opportunity to learn about many more of our accomplishments in these pages, and I hope you will agree that Bombardier’s commitment to building a better future has never been stronger.

Accountable leadership

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Ensuring Board and executive oversight of ESG topics

At Bombardier, Environmental, Social and Governance (ESG) topics are under the responsibility of the Corporate Governance and Nominating Committee of the Board of Directors, composed exclusively of independent members, which approves the ESG plan. At the Senior Leadership Team level, sustainability is led by Daniel Brennan, Senior Vice President of People and Sustainability. Reporting to Mr. Brennan is Bombardier's Vice President of Human Resources Information Systems and Sustainability, Paul Michaud, as well as a cross-functional team that contributes to different elements of the ESG plan.

The ESG plan includes 25 strategies that contribute to achieving the ESG goals by 2025. Each strategy is owned by a member of the company's senior leadership team and is led by a designated person responsible who works with one or several subject matter experts. These key stakeholders are responsible for the progression of their strategy and ultimately the achievement of the 2025 ESG goals. Such a broad and clear ownership of the ESG plan across the organization contributes to ensuring that the ESG topics are embedded in the core business. 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 on a quarterly basis through ESG Forums. These forums aim to create synergies between the different departments within the company in order to accelerate sustainability initiatives and ensure good 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 to achieving the 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 plans from the grant year 2021 and 2022. The selected ESG metrics reflect business factors that are aligned to Bombardier's long-term strategy. These metrics are reviewed and updated on a regular basis.

United Nations Sustainable Development Goals

The ESG plan is well 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, and approximately 990 student interns in Canada were onboarded in 2022.

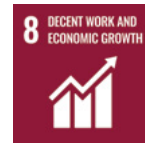
See page [33](#)



#5 Gender equality

Bombardier is firmly committed to closing the gender gap in its workplace. In 2022, the organization received Bronze Parity Certification from Women in Governance, celebrated the Bombardier graduates from The A Effect program, and enrolled new women to fuel their talent and develop their full potential. Bombardier has a Women@Bombardier Forum championed by two women senior executives.

See pages [23](#) and [33](#)



#8 Decent work and economic growth

The organization's global presence can stimulate inclusive growth globally. In 2022, Bombardier invested \$1.5 billion¹ in wages, salaries and employee retirement and benefits, and invested approximately \$18 million Cdn² in its internship program in Canada to train the next generation of innovators. See pages [20](#), [26](#), [28](#), [36](#), [38](#) and [40](#)

#9 Industry, innovation and infrastructure

In 2022, 32% of Bombardier R&D³ expenditures were toward greener aircraft. 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 pages [14](#), [17](#), [31](#) and [40](#)

#12 Responsible consumption and production

In 2022, Bombardier inaugurated new or expanded service centres that were built with sustainability in mind, notably its Service Centre in Singapore that won the MRO Asia-Pacific Awards 2022 under the category of Sustainability Initiative of the Year. Overall GHG emissions (scope 1 and 2) were reduced by 10% compared to 2019 and water consumption was 49% lower compared to 2019.

See pages [14](#), [17](#) and [40](#)



#13 Climate action

Bombardier's product innovation strategy is aligned with the business aviation sector goals to achieve net-zero carbon emissions by 2050. In 2022, Bombardier committed to use a Book-and-Claim system to purchase SAF for the totality of its flight operations starting in 2023 and has started conversations with its customers regarding their sustainability journey.

See pages [14](#), [17](#), [33](#) and [43](#)

#17 Partnerships for the goals

In 2022, Bombardier maintained its contributions to the International Aerospace Environmental Group and to the International Civil Aviation Organization to promote sustainability standards and guidelines in the industry. In addition, as an active member of the General Aviation Manufacturers Association's Environmental Committee, the organization is contributing to the industry's progress to reduce 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 the communities to promote social and economic development, diversity and inclusion, sustainability initiatives and educational perseverance.

See pages [11](#) and [33](#)



1. Refer to the 2022 Financial Report.
 2. Includes interns' salary and overhead investment in Canada.
 3. Represents R&D expenditures, including development expenditures capitalized to aerospace program tooling, excluding amortization of aerospace program tooling. Refer to note 5 of the 2022 Financial Report.

- Accountable leadership
- **United Nations Sustainable Development Goals**
- United Nations Global Compact

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United Nations Global Compact

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As a signatory to the United Nations Global Compact, Bombardier is committed to its ten fundamental principles on human rights, labour, the environment, and anti-corruption, through its strategies, policies, and procedures across its operations.

Here is an overview of how the UNGC principles are incorporated in Bombardier's daily operations. For the complete communication on progress visit:

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

Human rights

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

See:

- [Ethics and Compliance](#)
- [Diversity and inclusion](#)

Labour

Bombardier works to ensure that neither forced or compulsory labour, nor child labour, is used in its operations or those of its suppliers; and prohibits discrimination in respect of employment and occupation. The company sets up training to help leaders recognize and eliminate unconscious biases in their hiring and mentoring practices.

See:

- [Responsible supply chain](#)
- [Diversity and inclusion](#)

Environment

Bombardier supports a proactive approach to address environmental challenges, undertakes initiatives to promote greater environmental responsibility and invests in the development and diffusion of environmentally friendly technologies. The organization 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. The company has a detailed Third-Party Due Diligence Directive which formalized the due diligence performed on its suppliers and clarified the escalation process. There are multiple layers of due diligence performed on customers purchasing an aircraft, and Bombardier vets organizations before sponsoring an initiative or making a donation.

See:

- [Ethics and Compliance](#)
- [Responsible supply chain](#)

ESG plan



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

Bombardier's vision is to be the leader of sustainable business aviation with the most advanced and environmentally responsible products, and with its creative, diverse and engaged employees. This report presents progress made in 2022 toward achieving the ESG plan by 2025. In the Performance section of this report, the ESG plan specifics are presented for each of the 11 areas of the plan. You can also find the full ESG plan by visiting:

www.bombardier.com/en/sustainability/our-esg-plan

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ESG plan implementation

Bombardier wants its employees to be part of the change and to have the means at their disposal to fully understand the ESG plan and to contribute to its advancement.

Implementing an ESG plan across the organization and making it come to life requires committed and engaged employees. At Bombardier, each employee is encouraged to contribute to the advancement of the ESG plan either by improving existing processes, contributing to sustainable initiatives organized by Bombardier, or proposing new ideas.

To recognize employee contributions, Bombardier employees are asked to nominate colleagues that had a significant impact in 2022 in one of the 11 areas of the ESG plan, or that integrated different elements of the ESG plan in a project. A committee determines the final nominations based on criteria such as the impact on the company.

Throughout the report, you will see employees that were nominated, and that Bombardier wishes to highlight for their remarkable and significant contributions to the advancement of the ESG plan. These employees contributed to making Bombardier more sustainable.

"The 1942 Saint-Laurent plant is in transformation and it's for me a unique opportunity to better integrate it in its community, to reduce its environmental footprint and to shed light on its history. With this in mind, we held a one-day workshop with 70 people from various backgrounds to help us reflect on a sustainable transformation. Bombardier is a key player in the economic life of the borough of Saint-Laurent and all of Quebec. The Saint-Laurent plant is a source of pride for its employees and through this sustainable transformation we want it to be a source of pride for the surrounding community."

LUCIE FRANCOEUR
Director, Strategy - Aerostructure Industrialization, Footprint and Central Planning



Stakeholder engagement

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Bombardier is committed to engaging with all stakeholders, including employees, customers, suppliers, investors, and industry partners and governments, to ensure a continuous evolution of the business strategy in harmony with its ecosystem. Concerns and ideas are taken seriously and Bombardier acts to address them.

Employees

Bombardier engages with its employees regularly, both informally, through regular scrums and team meetings and formally through annual surveys, training programs, D&I Forums, questionnaires and newsletters. Bombardier also regularly communicates with union representatives. Multiple channels, including a reporting system and compliance resources, are in place to enable employees to report concerns.

Customers

Customers have multiple ways to engage with Bombardier, including concierge services, customer satisfaction interviews, through account managers, the Bombardier customer support network and more. Customers also influence Bombardier's product design by participating in customer forums for new products, product interviews and surveys, as well as in customer advisory boards. Bombardier is proactively in contact with customers whenever a situation arises and Bombardier aims to uphold the highest ethical standards at all times.

Suppliers

Bombardier representatives are constantly interacting with Bombardier's suppliers via quality audits, program monthly reviews, quarterly business reviews, supplier interventions on site, suppliers rate readiness and more. Bombardier also rewards suppliers who help exceed customer expectations and performance with the Diamond certification program. The 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.sedar.com. The company holds quarterly results calls and periodic investor events, discloses relevant information with the investor community, and its investor relations team is available to answer questions and concerns.

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 works with the International Civil Aviation Organization (ICAO) toward building Standards and Recommended Practices (SARPs) in safety, security and environmental. Bombardier continues to engage in the public debate and participates in public policy advocacy by communicating in a legal and appropriate manner with policymakers and regulators on issues that impact its business.

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 blue 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



- Stakeholder engagement
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Risks and opportunities

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Bombardier uses a risk-based approach to assess ESG topics. Here is a non-exhaustive overview of the ESG risks and opportunities. The Performance section of this report includes more details regarding the risk-based approach for various ESG areas.

Climate change and environmental footprint

A changing climate could result in physical risks (extreme weather, long-term shifts in climate patterns, sea level rise, population migration following habitat loss) and transition risks (policy and regulations, technology, market, reputation, public, customers, shareholder and investor reluctance), which could materially affect the business. See the list of climate risks and opportunities in the climate report on pages [14](#), [17](#) and [43](#).

Health and safety

Bombardier's products, operations and service activities are subject to laws and regulations where it operates, which also govern its health and safety (H&S) approach. Bombardier's H&S strategy is based on a risk management approach by making risk assessments and incident trend analysis to build action plans that are data driven. Bombardier's data-based actions provide significant positive results and help manage the H&S risks in an efficient manner in all its sites. See more on page [20](#).

Employee engagement

Competition in the labour market is fierce when it comes to hiring highly qualified employees. Bombardier's success depends on its ability to recruit, develop and retain qualified talent that makes strong, diverse teams. To do this, the company scaled up its talent acquisition team to meet its hiring targets in growth areas, surveyed its employees to gauge their engagement and implemented measures where needed. See more on pages [23](#) and [26](#).

Ethics and Compliance

Bombardier's international footprint exposes the business to numerous risks related to current and future regulations. Failure to comply could result in heavy fines, harm Bombardier's reputation and, as a result, reduce revenues and profitability. The company continuously strengthens its compliance management system with a clear focus on fostering a sustainable compliant culture across its organization. See more on page [38](#).

Responsible supply chain

To further enhance the monitoring of its supply chain, in 2022, Bombardier implemented a comprehensive and robust monitoring solution that detects global events that could potentially have an impact. This new real-time solution helps Bombardier to increase the visibility of its supply chain, to monitor activity around the world that may disrupt or affect operations, and to be more proactive when dealing with risks. Events monitored include natural disasters, labour disruptions, cyber-attacks, financial and geopolitical risks, and more. See more on page [40](#).

Environmental footprint

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ESG PLAN

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

GOAL

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

2022 HIGHLIGHTS

- Added**
40 electric car charging ports
- LEED Silver certification**
for the Singapore Service Centre
- Reduced waste**
by donating 2.3 tonnes of paint kits to the *École des métiers de l'aérospatiale de Montréal*

Energy efficiency of production processes and site operations
In 2022, Bombardier continued to increase the energy efficiency of production processes and site operations. While the increase in production rates and the aftermarket expansion in 2022 offset part of the improvement, the 2022 resulting measures are in line with the trajectory toward the 2025 targets. The 2022 energy consumption was 7% lower, and the greenhouse gas (GHG) emissions (scope 1 and 2) was 10% lower, compared to its baseline year of 2019.

An array of projects are impacting those results. Notably, the replacement of a volatile organic compounds (VOC) abatement system and the continuation of the light-emitting diode (LED) lighting replacement in Red Oak (United States), Singapore, and Montreal. Moreover, several multi-year projects progressed in 2022, such as the upgrade of a solvent concentrator system at the *Challenger* site, which will be fully functional starting 2023, and the first phase of replacement of the boilers in the Saint-Laurent plant. ➤

“Sustainable development has always been part of my interests and personal values. I’m proud to be able to support Bombardier on its journey to become one of the most sustainable aviation companies. Because I do believe there is a way to align operational performance with environmental efficiency.”

CLÉLIA MARPAULT
Industrial Engineering
Strategy Project Manager



KEY PERFORMANCE MEASURES

Measure	Baseline (2019) ¹	2020 ²	2021 ³	2022	2022 vs. baseline	2025 targets vs. baseline
Greenhouse gas emissions – scope 1 and 2 (thousands of tonnes of CO ₂ e)	102.5	89.8	93.5	92.3	-10%	-25%
Energy consumption (millions of gigajoules)	2.1	1.9	1.9	1.9	-7%	-20%
Total waste generated (thousands of tonnes)	15.1	11.1	12.1	12.2	-20%	-5%
Hazardous waste generated (thousands of tonnes)	5.5	3.6	3.7	4.3	-21%	-20%

In addition, Bombardier started environmental assessments using the ASHRAE environmental audit procedures for two of its main sites in Montreal. These assessments are used to identify the best potential sources of reduction of energy and GHG emissions.

Renewable energy

Bombardier continued to increase the use of renewable electricity in 2022, notably with the solar panels installed in its Singapore Service Centre. Although the installation was not completely finished in 2022, the solar panels at the Singapore site produced 785,000 kWh of renewable electricity. Globally, the part of Bombardier’s electricity consumption that is from renewable sources has increased by 1% in 2022, to reach a total of 76%. This performance is attributable to the use of solar panels, the access to hydro-electric power for all sites in Quebec and the transition of our other electricity suppliers to cleaner energy sources.

Carbon offsets and trading opportunities

In 2022, Bombardier worked on developing a carbon credits risk management policy regarding emission allowances. The goal is that every year in its planning Bombardier systematically considers the carbon offsets and trading opportunities available to ensure a smooth transition toward a low carbon economy.

This approach also allows for financing of future energy-saving projects. Three of Bombardier’s largest sites have been participating, on a voluntary basis, in the Western Climate Initiative’s (WCI) cap-and-trade system for Greenhouse Gas Emissions (GHG) allowances, enabling them to proactively report the GHG emissions and reductions.

Waste reduction

In 2022, Bombardier’s total waste was 20% lower and its hazardous waste was lower by 21% compared to the baseline year of 2019. Multidisciplinary teams at the Laurent Beaudoin Completion Centre (LBCC) and at the Querétaro site implemented a process to better control the inventory of materials. At the LBCC, the order was adjusted for paint kits, which are composed of four gallons of paint, catalyst and thinner, to have just the right number of extra kits in the inventory. The LBCC team also donated 109 paint kits – approximately 2.3 tonnes, worth more than \$70,000 Cdn – to the *École des métiers de l’aérospatiale de Montréal*. A total of 8.6 tonnes of scrap materials such as leather offcuts, equipment of all kinds, mockup and scrap parts from Saint-Laurent, Wichita, LBCC and Toronto was diverted from the landfill. Finally, plastics from one Montreal site are valorized by a third party to produce energy. In 2022, 1.1 tonnes of plastic were diverted from the landfill and valorized.

Electric vehicles

In 2022, 28 charging stations equipped with 40 charging ports were added and are now available to employees and customers. This increased capacity in charging stations and charging ports was seen in Miami (United States), Singapore, and Biggin Hill (UK).

Water consumption

In 2022, water consumption was 49% lower compared to the baseline year of 2019. The installation of four loops of water-cooling units on manufacturing equipment and the rightsizing of the Saint-Laurent plant contributed to this reduction. The Saint-Laurent facility is also in the process of upgrading of its fire protection network, which will have a positive impact on water consumption in the future.

Environmental management system certifications

In 2022, Bombardier maintained its eligible sites certified under ISO 14001. The company is also working on a multi-year strategy to replace its four regions’ certifications into one corporate certification which will include the new sites acquired in recent years.

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). To that end, the sites of Singapore, Red Oak and Berlin were included and the sites of Biggin Hill and Tianjin were excluded in 2021.

Singapore Service Centre



In 2022, Bombardier inaugurated the quadruple-sized Singapore Service Centre, which was certified LEED Silver. The enlarged facility includes new solar panels, electric vehicle charging stations and the availability of Sustainable Aviation Fuels (SAF). The Singapore Service Centre team won the Sustainability Initiative of the Year of the 2022 MRO Asia-Pacific Awards, a well-deserved recognition for placing sustainability at the heart of the service centre transformation.



LEED Silver certified and winner of the Sustainability Initiative of the Year

Sustainable aviation

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ESG PLAN

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 Declaration (EPD) 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

- Over 50% of R&D investments toward greener aircraft by 2025
- EPDs published
- SAF usage in flight operations

2022 HIGHLIGHTS

32%
of R&D expenditures¹
toward greener aircraft

Delivery of the first Challenger 3500
with an Environmental Product Declaration

Coverage
of all operational flights with SAF (30% blend), through a Book-and-Claim system, starting January 2023

“15 years of research on the blended wing-body aircraft configuration has been a labor of love, for me. Now, our endeavor to create a significantly more sustainable aircraft, which in addition provides for an incredible customer experience, is greatly accelerated thanks to Bombardier’s EcoJet research project. The future is bright!”

SID BANERJEE
Technical expert, Engineering in Research and Product Development (R&D)



Products with sustainable materials and high efficiency

In 2022, Bombardier made public its EcoJet research project that aims at delivering technologies to reduce aircraft CO₂ emissions by up to 50% through a combination of advanced aerodynamic shapes and features and emerging low emission propulsion and fuel systems. The project team is modelling, building, and testing prototype models with the blended wing-body concept. Hybrid propulsion concepts are being studied as well as digital and simulation capabilities to further optimize energy demand and accelerate the introduction of new technologies.

In 2022, the *Challenger 3500* aircraft entered service, offering sustainable materials like upcycled fabrics, alternative wood options and natural fibre-based materials. The aircraft is also equipped with the eco app (eWAS Pilot with OptiFlight® from SITA) allowing crews to optimize their flight profiles, maximizing fuel efficiency, lowering CO₂ emissions and improving situational awareness. Its flight test program was the first in business aviation to be completely carbon neutral. ➤

1. Represents R&D expenditures, including development expenditures capitalized to aerospace program tooling, excluding amortization of aerospace program tooling. Refer to note 5 of the 2022 Financial Report.

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In May of 2022, Bombardier used a *Global 7500* test aircraft to conduct the first Transport Category supersonic flight using Sustainable Aviation Fuel (SAF), demonstrating to operators that SAF is a drop-in fuel that behaves like regular jet fuel. The *Global 8000* aircraft that was announced in 2022 will enter service in 2025 and will include efficiency improvements that will extend the aircraft range and reduce the aircraft's empty weight.

Finally, in 2022, Bombardier concluded the industry research multi-year project HORIZON, and continued the Aero21 and SA²GE (phases 2 and 3) projects which bring together large aerospace companies, small and medium enterprises, universities, and research centres to push the limits of technology and build more efficient aircraft. The company continued its collaboration with Scale AI, an artificial intelligence ecosystem cluster to provide predictive aircraft maintenance technologies and smarter inventory management.

Product sustainability throughout the whole life cycle

The Environmental Product Declaration (EPD) is a document that ensures transparency in environmental communication, as governed by ISO 14020. The Life Cycle Assessment (LCA) is the scientific basis for the EPD and is carried out in accordance with ISO 14044. LCA analyses the product throughout its life cycle against potential impact indicators such as acidification, eutrophication, global warming, photochemical ozone creation, water depletion, recyclability and recoverability, and provides essential information for reducing the environmental footprint by applying eco-design strategies at the design stage. In 2022, Bombardier published the *Challenger 3500* aircraft EPD, making it the second EPD after the *Global 7500*, progressing on the roadmap toward publishing an EPD for all in production aircraft by 2025.

Investments toward greener aircraft

In 2022, Bombardier worked on solidifying the method for calculating the percentage of R&D investments made toward greener aircraft. Since this measure is currently unique in the industry, the team followed guidance materials from the Intergovernmental Panel on Climate Change (IPCC) as inspiration. The company defines greener aircraft as

aircraft that have a smaller environmental impact than prior generations. The criteria for qualifying an investment as greener aircraft includes reduced greenhouse gas emissions, reduced total waste and hazardous waste production, less water consumption, less hazardous materials and processes, lower fuel burn, and improved recovery rates at the end of life. These investments in research will, in the medium to long term, contribute positively to the business aviation industry's commitment to achieve net-zero emissions by 2050, among other benefits. In 2022, 32% of Bombardier expenditures in R&D¹ were toward greener aircraft. Bombardier evaluated its planned R&D investment trajectory to achieve its target of 50% R&D toward greener aircraft by 2025.

Sustainable Aviation Fuel and sustainable aircraft operation

In 2022, Bombardier announced that it will use the Book-and-Claim solution to purchase sustainable aviation fuel (SAF) for all its flight operations, with a 30% blend, starting January 1st of 2023. This was made possible through an agreement with Signature Aviation, a partner that will enable the use and measuring of SAF through the Book-and-Claim system. This decision will reduce the annual greenhouse gas emissions from fuel use in flight operations by approximately 25%. Flight operations include all flights that generate scope 1 emissions: flights to validate that the aircraft meets standards prior to delivery, experimental flight tests, and demonstration and marketing flights.

Bombardier aircraft are authorized to use all seven types of SAF specifications listed in the applicable American Society for Testing and Materials (ASTM) standard. All Bombardier Aircraft Flight Manuals (AFM) provide this guidance to operators. Today, the maximum blend certified to fly is 50% SAF and 50% traditional jet fuel, according to ASTM standards. The blend of 30% SAF and 70% traditional jet fuel used in flight operations corresponds to what is currently available in North America. SAF is fully fungible with conventional jet fuel, and therefore once a blended batch is created, it may be used at any fixed-base operator or other fuel provider in airport systems and aircraft tanks, fuel systems and engines that contain either 100% conventional fuel, or any previously processed SAF blend. ➤



Q: What is Sustainable Aviation Fuel (SAF)?

Sustainable Aviation Fuels (SAF) are a blend of conventional fuel and fuel derived from approved sustainable sources. Approved sources to produce sustainable fuels are feedstocks such as used cooking oils, forestry residues and agricultural residues. These cannot come from lands with high biodiversity or carbon stocks, cannot compete with the food chain, and must provide a societal benefit through the development of this new activity. The reduction of greenhouse gas emissions associated with Sustainable Aviation Fuels is achieved throughout their life cycle.

Q: 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 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 batches and related greenhouse gas emission reductions. It allows to optimize logistics, generate the environmental benefits associated with SAF and contribute to generating demand for the ramp-up of SAF production on a global basis.

1. Represents R&D expenditures, including development expenditures capitalized to aerospace program tooling, excluding amortization of aerospace program tooling. Refer to note 5 of the 2022 Financial Report.

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Moreover, Bombardier engages with its customers through the Customer Advisory Committees to explain the nature of SAF and support them in their journey toward using more SAF. Bombardier representatives are also participating in forums, events, and panels to explain and promote the use of SAF. Finally, as part of the ASTM committee, Bombardier is actively working on increasing future blend ratios and introducing SAF new pathways for the industry.

Product safety and quality

In 2022, Bombardier continued to foster a safety culture by solidifying its Safety Management System (SMS) and its Quality Management System (QMS) which provides a systematic and comprehensive approach to managing safety risks in a proactive manner and deliver quality product to customers. The two management systems are complementary to one another. While an SMS program is only mandatory to cover airport operations, flight operations and maintenance organization, Bombardier’s SMS goes a step further by including the designing and the manufacturing phases of the aircraft life cycle. Moreover, Bombardier fosters a safety culture in which employees are comfortable raising risks, hazards, or errors. To ensure that quality and safety is at the top of the organization’s priorities, the President & CEO is the accountable executive of Bombardier’s Safety Committee and of the SMS. Bombardier also collaborates with the

Canadian government to modernize the Canadian Aviation Regulation which enacts the SMS. Since 2012, product safety training is provided every three years to all employees and contractors who are working on the products. As of December 2, 2022, a total of 11,034 people have completed the training, which is about 88% of the targeted group. Finally, in 2022 the Supplier Quality Assurance team conducted 604 quality reassessments and 118 onsite supplier audits. The Supplier Compliance Team performed 159 interventions at suppliers’ locations to further address quality issues. Approximately 460 product inspections audits were also performed at suppliers’ sites.

Safety Standdown

In 2022, Bombardier hosted the 26th Safety Standdown, a three-day seminar in Wichita, Kansas. The theme of the conference was: “Moving Safety Forward,” and the question asked was: “Are aviation professionals doing enough to move the safety needle forward?”. Since 1996, more than 10,000 corporate, commercial and military aviation professionals have attended the Safety Standdown seminars. Admission is free to all aviation professionals as part of Bombardier’s ongoing contribution to the betterment of the industry.



Bombardier at ICAO

In July 2022, Bombardier representatives participated in the International Civil Aviation Organization (ICAO) high-level meetings in preparation for the ICAO 41st Assembly. On October 7, 2022, governments at the ICAO Assembly adopted a goal of net-zero carbon emissions for international flights by 2050 which aligns with the Paris Agreement. At this assembly, Bombardier’s team has been proudly involved in promoting its sustainable development and innovation, including the EcoJet project, in the Sky Talks 2022 sessions.

“Innovative and environmentally responsible products rely on solid process management to minimize design risks. As Safety Officer for Aircraft Design and Development, I am honoured to be part of a team that works collaboratively within Engineering and collectively across our global sites to ensure safety is the focus for all employees.”

TIM YEE LEE
Safety Officer,
Aircraft Design and Development



Health and safety

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ESG PLAN

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

2022 HIGHLIGHTS

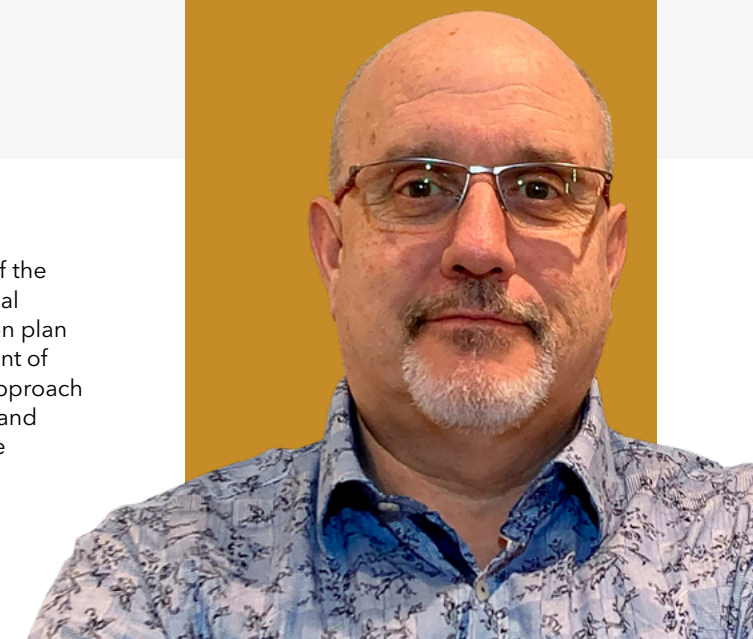
Well-being and mental health trainings to equip leaders in supporting their teams

28% reduction in incidence of falling from heights of four feet or lower in 2022 compared to 2021

2,393 HS&E leadership tours, 1,282 H&S critical audits, and 1,140 H&S risks mitigated on the shop floor

“For me, health and safety is taking care of our most valuable resource: our employees. Our health and safety approach at Bombardier is to identify risks and act before they become accidents. As a prevention tool, we have a new application that helps us to share valuable information among all teams.”

JEAN-FRANÇOIS MORIN
HSE Project Manager,
Centre of Excellence – HSE Senior Advisor



Targeted risk reduction programs

Bombardier’s health & safety strategy is built on the foundation of effective risk management. Top risks are identified through risk assessments and incident trend analysis then prioritized to create robust, targeted action plans to mitigate them. In 2022, the top three risks across Bombardier were ergonomic risks, risks when working at heights (four feet or lower) and risks of head strikes.

In 2022, ergonomic-related incidents accounted for 40% of the lost-time incidents across Bombardier. Following an external assessment on the ergonomics program, a multi-year action plan was developed and approved by the Executive Vice President of Operations. The plan includes integrating an ergonomic approach in the processes and in the We Care program, eliminating and reducing existing ergonomic risks as well as controlling the introduction of new ergonomic risks. ➤

KEY PERFORMANCE MEASURES

Measure	Baseline (2020)	2021	2022	2022 vs. baseline	2025 target vs. baseline
Incident rate (per 200,000 work hours)	1.49	1.78	1.70	+14%	
Lost-time incident rate (per 200,000 work hours)	0.76	0.81	0.73	-4%	-30%
Lost-time severity rate (per 200,000 work hours)	38.8	36.1	34.7	-11%	
Fatalities (employees)	0	0	0	0	
Workforce represented in formal joint management-worker health and safety committees (%)	86	82	77	-10%	

Local initiatives that were proven successful will be leveraged to other sites across the organization like the Early Detection of Pain process used in the Saint-Laurent site. The desired outcome of the multi-year plan is ergonomic-related risk reduction, which will lead to a reduction in ergonomic related incidents.

Incidents related to working at heights (greater than four feet) have been addressed in the past through Bombardier’s Critical Risk Management Program. However, there was an increase in incidents for work at heights, of four feet or lower, based on the 2021 year-end assessment and was therefore identified as one of the top priorities in 2022. Targeted action plans were put in place to address work on stepladders and platforms, which resulted in a 28% reduction of these types of lost-time incidents in 2022. Moreover, the company invested in fall protection systems in the Toronto Pearson International Airport facility that will open in 2023, placing mitigation of safety risks in the design of future sites.

Working in, under or around aircraft presents a risk of head strikes on components of the structure of the aircraft. Head strikes were one of the 2022 priorities based on the risks and number of incidents in 2021. In 2021, the health and safety team developed and implemented a Head Injury Prevention Program that is based on the following 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.

Based on site risk assessments, mandatory bump cap areas were identified and enforced. In 2022, total number of head injuries were reduced by 14% compared to 2021 due to effective risk reduction measures, however, the number of lost-time incidents related to head injuries increased.

Focusing the efforts on the top three risks to mitigate in 2022 resulted in an improvement of 10% for the overall lost-time incident rate compared to 2021 and a 4% improvement from the 2020 baseline. However, the number of lost-time incidents related to slips, trips and falls slightly impaired the improvement in the performance.

Reduce employee exposures at the source

In 2022, two major projects to reduce employees’ exposures to hazardous substances were completed. At the Saint-Laurent site, Bombardier invested in a new dust collector and local exhaust ventilation system for assembly operations. In the *Challenger* facility, Bombardier expanded the existing installation of the dust collection system to the entire site. In parallel, the Materials & Process Engineering teams continued to research new products and processes that have less of an impact on the health of the employees and of the environment.

Bombardier’s health and safety performance, which is measured with the lost-time incident rate, improved by 10% in 2022 compared to 2021 (0.73 versus 0.81), and by 4% from the baseline in 2020 (0.76).

Finally, the proportion of workforce represented in formal joint management-worker health and safety committees has reduced. This is mainly due to our aftermarket expansion increasing the number of employees before such committees are put in place in new sites.

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Strengthening the health and safety culture

Health and safety strategic risk management training for the leaders is critical when it comes to the health and safety of the employees. In 2022, Bombardier continued to give this training to all new operation leaders. Having operations leaders engaged on the shop floor with the employees is key to promoting a safety culture based on risk management. The leading indicators track their proactive prevention activities that drive Bombardier’s health and safety performance. In 2022, 2,393 health, safety and environment leadership tours were conducted, 1,282 health and safety critical audits were made, and 1,240 health and safety risk were mitigated on the shop floor.

Health and safety management system certifications

In 2022, Bombardier maintained its eligible sites certified under ISO 45001. The company is working on a three-year strategy to transition its four regional certifications into one corporate health and safety management system and ISO certification by 2025 which will include the new sites acquired in the recent years. This will promote health and safety alignment across Bombardier.

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

In 2022, six online capsules were developed on well-being to raise leaders’ awareness and to equip them to better support their employees and start having mental health and well-being conversation with them. In 2022, all leaders were required to complete the trainings which were about:

- the dimensions of well-being
- the definition of mental health
- psychological safety
- how to start a conversation
- the We Care program, and their role
- the tools and resources available.

As part of the We Care program, Bombardier continued in 2022 to support its employees notably through the Employee Family Assistance Programs (EFAP). The EFAP can assist employees with relationships and couples, family and parenting, stress, anxiety, depression, legal and financial, diet and nutrition, work-related stress, etc. In 2022, its insurance coverage offered to employees in Canada was extended to include gender affirmation, fertility treatments as well as a surrogate mother and adoption of a child, effective from 2023. The insurance coverage for psychologists and other mental health professionals was also enhanced. Finally, the insurance coverage offered to employees in the United States was extended in 2022 to include gender affirmation.

Measure	2021	2022
Health, safety and environment leadership tours	1,870	2,393
Health and safety critical audits	1,451	1,282
Health and safety risk mitigated on the shop floor	580	1,140



Rethinking ergonomics for painters

In 2022, the Laurent Beaudoin Completion Centre (LBCC) used creative thinking and worked on a pilot project to address ergonomic risks for aircraft painters. The pilot project had two components: introducing a work rotation for painters and introducing robots to help painters. Introducing a work rotation for painters was a measure designed to avoid repetitive movements, while introducing robots enabled them to work in a more comfortable and safe position. This pilot project in the LBCC was successful in reducing ergonomic risk-related incidents.

Diversity and inclusion

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ESG PLAN

Objective: Diverse workforce leading change toward an inclusive world

GOAL

- Increase representation of underrepresented groups across the organization

STRATEGIES

- Increase the hire of under-represented 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

2022 HIGHLIGHTS

Women in Governance
bronze certified
for a third consecutive year

Formalized
the D&I forums
that each have their
executive champions

Leaders trained
on unconscious biases

“Being an ally is so important. For us to break new ground in this space, a wide set of people will be needed to support our efforts. That means making everyone see that they have a role to play in making the workplace fair and representative.”

WALTER-ALEXANDER BOYNE
Senior Advisor
(Diversity, Inclusion and Talent)



Formalizing diversity and inclusion forums

The four pillars of Bombardier’s Diversity & Inclusion (D&I) strategy – lead, attract, include and develop – remained for 2022, while Bombardier developed and formalized D&I Forums, its version of “employee resource groups.”

The four Forums championed by members of the senior leadership team and that are the host of awareness-raising events, social events, and more. The Forums also serve to orient the evolution of the company’s policies and practices. ➤

In 2022, the main activities were:

- The **Women@Bombardier Forum** and its affinity groups focus on women. It helped organize awareness-raising activities during the International Women's Day and the International Women in Engineering Day, organized outreach activities in high schools, and held numerous career-related activities throughout the year.
- The **Mosaic Forum** and its affinity groups focus on Indigenous peoples and ethnocultural diversity. It helped organize awareness-raising activities during Black History Month, Lunar New Year and National Truth and Reconciliation Day. In addition, the Forum organized career-related workshops and webinars for members and allies.
- The **BProud Forum** focuses on LGBTQ+ communities. It helped organize Bombardier's first participation at the Montreal Pride activities and the Querétaro Pride Parade, plus various awareness-raising activities including webinars with GRIS-Montréal, a local non-profit.
- The **People with Disabilities and Neurodiversity Forum** focuses on people with disabilities and neurodiversity. It developed in 2022 its working committee, its vision and its mission.

All employees at Bombardier including members of the D&I Ambassadors Network have been encouraged to participate in the new D&I Forums' activities and, when of interest, to join their committees.

Increasing recruitment and development for employees in underrepresented groups

In 2022, Bombardier's recruitment team started promoting the D&I strategy, including for the Forums during recruitment events with the aim of attracting diverse new talent. In addition, members of the D&I Forums began collaborating with Bombardier's recruitment team to establish relationships with student organizations serving designated groups. Initiatives to ensure employees of underrepresented groups have access to interesting and useful development activities have also been deployed, such as enrolment of women to The A Effect development external program. This is an external program whose mission is to propel female ambition, helping Bombardier achieve greater representation of female talent in management positions in the years to come. To give greater visibility to participants and previous graduates of the program, a closing ceremony was organized in 2022 with members of the senior leadership team.



B Proud Forum



The A Effect closing ceremony

© Olivier Samson Arcand / OSA

KEY PERFORMANCE MEASURES

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

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

In 2022, the D&I team completed the roll-out of the training series on unconscious biases for employees at the level of director or higher that was first launched in 2021. The training helps participants recognize their unconscious biases and equips them to limit the impact of such biases in their daily work. Unconscious biases training content was embedded in other human resources training, such as the evaluation of employee performance and growth potential. Moreover, in 2022, the D&I Forums organized lunch-and-learn sessions and conferences accessible to all employees, in which specific topics were discussed, such as how to be a good ally to members of LGBTQ+ communities. These sessions were led by Forum participants and championed by senior executives, and contributed to raising awareness for a large population of employees.

Measuring diversity progress across 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 when hired and can update their information at any moment. In 2022, Bombardier led a self-declaration campaign to remind employees that they can update their information should they feel the need.

This data allows the D&I team to engage with the executive leaders on how to increase diversity representation in all functions and at all levels of the organization. Diversity metrics are presented monthly at the senior leadership team, and the D&I team continues to educate the leaders about how the data are collected and how they should interpret the results.

External benchmarking and commitments

In 2022, Bombardier obtained a Bronze certification by Women in Governance for the third year in a row, showing its commitment to making progress with regards to gender diversity and female leadership. In addition, Bombardier collaborated for the second year in a row with the Prosperity Project in their exercise to measure diversity among Canada's largest corporations. In 2022, Bombardier also pursued its efforts toward the BlackNorth Initiative CEO Pledge that was taken in 2020. Employees at the level of director and above were trained on unconscious biases, while the diversity and inclusion team involved Black employees in decision-making with regards to the D&I efforts through the D&I Forums. Of Bombardier corporate donations and sponsorship, 2.8% went to Black-led and Black-empowering organizations. Bombardier is working to increase the number of Black employees among its workforce.

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.

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ESG PLAN

Objective: Be an employer of choice

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

2022 HIGHLIGHTS

Conducted a global employee engagement survey covering nine dimensions of the employee experience

73% employee engagement score

Launched the First Line Leadership pilot program

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

Bombardier believes that employees who feel respected, supported and professionally challenged at work will contribute to the organization’s mission and success, and, accordingly, customers, investors and other stakeholders will benefit from it. In 2022, the First-Line Leadership Program was launched

where approximately 60 leaders in the organization participated in piloting the program that aims to enrich leaders’ skills in communication, in resolving workplace conflicts, in managing teams, and more. In 2023, the program will be deployed to all first-line leaders across the organization. ▶

“I am proud to contribute towards creating a meaningful and enriching experience for the interns starting their careers within our organization. The Internship Experience team has developed an incredible program throughout the years. Seeing these young professionals learn, grow and thrive throughout their experience with us is truly rewarding.”

MADELEINA BRETON
Human Resources Analyst



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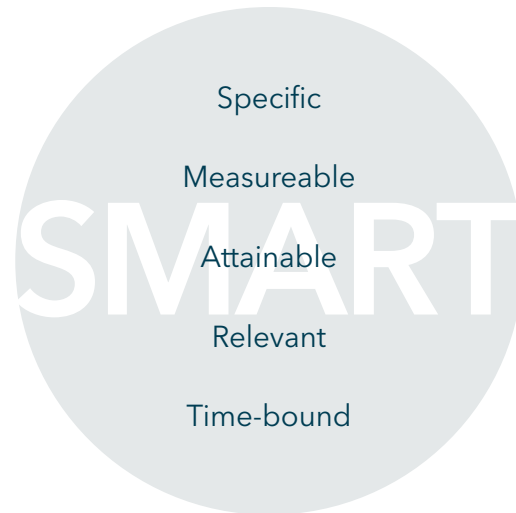
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Effective in 2022, the rating component of the performance review process was removed. Employees and leaders were accompanied through the change with training modules on the Performance Management Program cycle, on how to set S.M.A.R.T objectives, on how compensation is determined and on how to progress in their careers as well as how to give quality feedback. Managers had an additional module on how to manage low and high performing employees. Bombardier also organized trainings for leaders on how to give constructive feedback and safe-space sessions where leaders were able to practice giving feedback in advance of the performance review with their team members.

Moreover, in 2022, Bombardier continued its high-potential employee program with a cohort of 187 employees who were selected based on their potential to grow and become leaders in the organization. The program supports employees in their development through mentoring, networking, workshops, on-the-job opportunities and more.

Finally, Bombardier resumed the employee recognition galas that had paused during the COVID-19 pandemic. Bombardier celebrated employees with 25, 30, 35 and 40 years of service. These recognition galas were held in Montreal, Toronto and Wichita. Querétaro also recognized its employees starting at 5 years of service.

Measuring engagement throughout the employee life cycle

Bombardier measures engagement throughout the employee journey to understand where the organization is having a positive impact and where it can improve. In 2022, the listening strategy was redefined and a global employee engagement survey, where employee experience is measured through nine dimensions, was conducted for all Bombardier employees. Through the survey, Bombardier was able to measure employee engagement, which resulted in a 73% engagement score, a very significant progress toward the 2025 target of 75%. Bombardier's employee engagement measure is captured with four survey questions:

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 in order for the organization to be successful.

The results of the engagement survey were communicated to leaders. Leaders were then trained to understand and interpret the results, to conduct a feedback meeting with their teams and to build an effective engagement action plan. Leaders were asked to create an engagement plan to address opportunities for improvement.

In 2022, Bombardier conducted focus groups to better understand what employees are expecting from their employer, and how Bombardier can adjust its engagement strategy. There was one workshop each in Wichita (United States), Montreal (Canada), Melbourne (Australia), and Singapore, plus one held virtually to gather employees from around the world. The workshops focused on three themes: communication, workload, and learning and development. The results were reviewed by engagement champions from the organization to better understand the employees' realities, and then used to create an enterprise-wide employee engagement action plan. The actions will be deployed in the next few years, under three pillars: We Care, We listen and We develop you.

In 2022, Bombardier launched a survey for employees who were recently onboarded. This allows to understand how the employee experienced the onboarding process, if they had a contact with their human resource business partner (HRBP), if they received all the information needed, if they felt supported by their hiring manager, and so on. This data is sent every month to the HRBPs, which allows them to quickly rectify any gaps reported.

Finally, Bombardier also deployed off-boarding surveys and exit interviews. This allows the company to better understand why the employee is leaving, what they appreciated and did not appreciate at Bombardier, and more. The off-boarding survey and the exit interviews provide data regarding the voluntary turnover rate, which is a measure of the ESG plan. In 2022, the voluntary turnover rate was 7.0%, a slight reduction compared to the rate of 7.2% seen in 2021. The employee turnover rate is an important key performance indicator that is reviewed closely every month by the senior leadership team. This allows for rapid deep-dive and mitigating measures when high turnover trends are detected in certain departments or business units.

Customer satisfaction

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ESG PLAN

Objective: Put customer at centre of products and services

GOAL

- Attentive to clients’ needs and conducting our business interactions in a transparent manner at all times

STRATEGIES

- Act as one team for ethical interaction during and after acquisition of an aircraft, always with transparent and factual product information

MEASURES

- Bombardier market share

2022 HIGHLIGHTS

Opened Miami and Melbourne, Australia, Service Centres and expanded the Singapore and Biggin Hill (UK), Service Centres

2022 Mercure Award for Technological Innovation in the “large business” category for the *Smart Link Plus* program

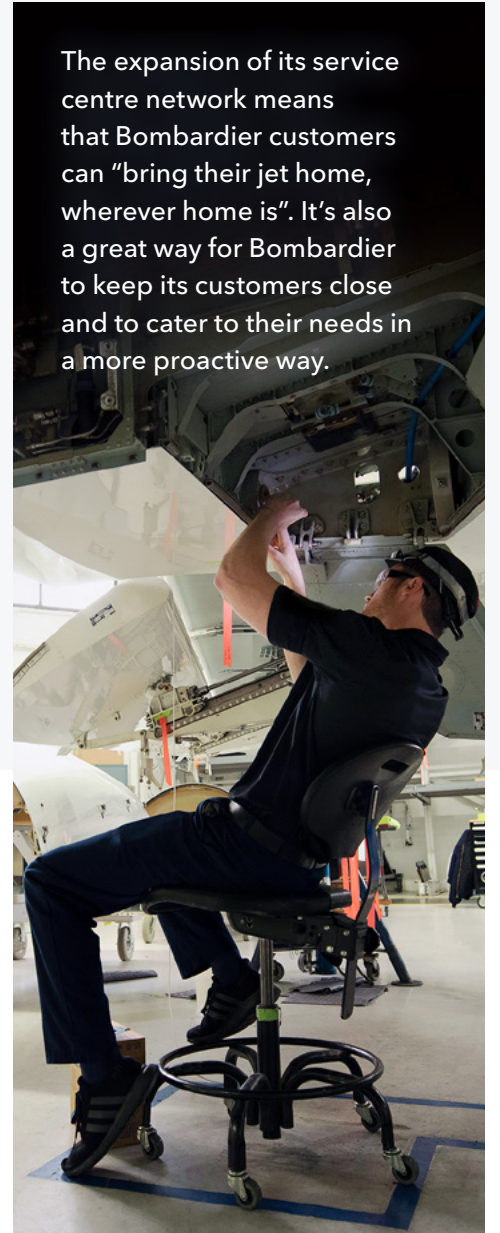
Reinforced customer-centric behavior via the re-energized Customer Credo

Customer communication channels

Bombardier has many ways of connecting with its customers to share information pertinent to them, and to receive important feedback to identify areas of improvements and to rapidly rectify the situation.

The *Full Throttle* blog, which is refreshed monthly, is an excellent source of information for customers to stay up to date on Bombardier’s news. Social media channels and a robust email campaign are used to ensure that customers are being informed

on any product or service upgrades that are relevant to them. Bombardier’s virtual Customer Insights Community that was launched in 2017 has grown to almost 700 members. This virtual community is comprised of Bombardier’s customers who are passionate and committed to providing feedback on a myriad of topics ranging from product development, operational needs, signing-up to test new tools and more. ➤



The expansion of its service centre network means that Bombardier customers can “bring their jet home, wherever home is”. It’s also a great way for Bombardier to keep its customers close and to cater to their needs in a more proactive way.

KEY PERFORMANCE MEASURES

Measure	Baseline	2021	2022	Note
Bombardier market share	25% in units,	24% in units,	24% in units,	Baseline: three-year period ended December 31, 2020 for business aircraft units delivered
– Aircraft sales (three-year average)	31% in revenues	32% in revenues ¹	33% in revenues	
Bombardier market share	38%	39%	41%	Baseline: year 2019, as a percentage of revenues
– Aftermarket services				



In 2022, Bombardier was thrilled to return to in-person events which allowed reconnection with its customers. Bombardier rekindled the in-person Customer Advisory Committees. These Customer Advisory Committees assemble selected customers to give feedback on their aircraft and to converse with Bombardier on how products and services can be improved. These Customer Advisory Committees are used to give updates on the products and to present future endeavors the business wants to undertake, for which of the customers pulse is checked using live polls during the meetings. These polls allow Bombardier to make sure that its customers are on board with the approach presented and to receive feedback.

In 2022, Bombardier invited customers to celebrate the expansion of its service centre network with the expansions in Biggin Hill (UK), and Singapore and the inauguration of the new Miami and Melbourne, Australia, Service Centres. The expansion of its service centre network means that Bombardier customers can “bring their jet home, wherever home is”. It’s also a great way for Bombardier to keep its customers close and to cater to their needs in a more proactive way. During those service centres openings, Bombardier organized listening sessions, where customers had open conversations with members of the senior leadership team to voice thoughts or concerns. In 2022, Bombardier also met its clients at industry events such as the National Business Aircraft Association’s Business Aviation Convention & Exhibition, the European Business Aviation Convention & Exhibition, and more.

Following each maintenance event, customers receive satisfaction surveys, allowing Bombardier to remain agile throughout the year.

In addition to these event-based surveys, in 2022 Bombardier launched a pulse-check survey where its customers are encouraged to provide ad-hoc feedback. Results are reviewed by Bombardier daily and the link to this survey can be found in the Customer Portal, in the *Full Throttle* blog and in select emails.

In 2022, many businesses including Bombardier experienced issues with the worldwide supply chain. To mitigate the effect, a massive customer satisfaction campaign was kicked off wherein Bombardier has a cross functional tiger team dedicated to alleviating customers’ pain points. This initiative is dynamic, always evolving and as one issue is resolved the team moves to the next one. It is imperative that Bombardier continues to receive regular honest feedback from its customers as it truly drives its customer satisfaction efforts.

In 2022, Bombardier received a Mercure award in the Technological Innovation “large business” category for advancements in its *Smart Link Plus* connected aircraft program. Bombardier also continued to improve its various applications throughout the year, and it worked on a one-stop-shop application that would help its customers navigate the digital applications ecosystem. This will be available later in 2023 and should facilitate the work and life of the customers and their flight crew when using their aircraft.

1. 2021 market share figures were adjusted from last year's report to show the three-year average, as with the baseline and for year 2022.

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

Bombardier takes great pride in having a wide-reaching team of subject matter experts that supports its customers. Regional sales managers, project managers, sales directors, sales engineers, sales account representatives, customer account managers, as well as members of the trade sales team, the Smart Parts team, the proposal teams and more, interact daily with customers. The appropriate team members are brought into all customer discussions to ensure that the information relayed is accurate and dependable. The legal team reviews all public documents, marketing material and communications to remain confident that no facts are embellished. Bombardier also has many policies dictating how it does business. From the Gifts and entertainment policy, the Anticorruption policy, the Antitrust and competition law policy, to the Export control policy, employees are required to know the policies and to respect them. Moreover, every year all involved team members are required to certify their adherence to the Code of Ethics and to disclose any possible conflict of interest.

Bombardier believes that being attentive to its clients' needs, putting the customer at the centre of its products and services and always interacting with them in an ethical manner is the only way of doing business. It is also the best way to retain existing customers as well as adding new customers to the Bombardier family.

Re-energized Customer Credo

In 2022, Bombardier re-energized its Customer Credo which is the set of customer satisfaction values that employees live by. The Credo is based on five cultural pillars that aim to put the customer at the centre of the organization. Bombardier organized a Credo roll-out world tour that took place in the second half of 2022 and at the beginning of 2023. Most customer service employees received a Credo card, which they are asked to wear and were asked to sign the "We are a people and customer-centric organization" poster.

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



- Health and safety
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Data privacy

ESG PLAN

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

MEASURES

- Percentage of employees trained

2022 HIGHLIGHTS

Provided mandatory privacy training to new employees as well as specialized training as part of employees' roles and responsibilities

Led a cyber security awareness campaign during the month of October

Conducted maturity and risk assessment of data privacy practices

"Without automation in the tracking and remediation process, our data and hence the privacy of that data is exposed, and our environment becomes vulnerable. The Compliance team is excited to be a part of Bombardier's commitment to compliance and data privacy."

KELLY MEALING
Compliance,
BIS Operations



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

In 2022, Bombardier continued its work toward the continual improvement of its privacy protection practices and their implementation within its day-to-day activities. For example, the company proceeded with the assessment and implementation of new requirements under Quebec's new *Act Respecting the*

Protection of Personal Information in the Private Sector (Quebec's Private Sector Act). The Data Protection Officer oversees Bombardier's compliance with Laws, including Quebec's Private Sector Act, the *Personal Information Protection and Electronic Documents Act* (PIPEDA) and the *General Data Protection Regulation* (GDPR). ➤

- Health and safety
- Diversity and inclusion
- Employee engagement
- Customer satisfaction



In addition, new information technology projects processing personal data continue to be assessed to ensure that appropriate mechanisms are implemented to protect personal data according to its sensitivity and the scope of processing. Namely, Data Processing Agreements are signed with Suppliers who process personal data on behalf of Bombardier. Bombardier tests the strength of passwords to assess potential cyber security risks that could translate in the loss of personal data. Bombardier also conducts regular penetration testing designed to find vulnerabilities in systems that could lead to an exposure of the data.

Monitoring compliance and conducting data privacy and cyber security risk assessments

During the Fall of 2022, Bombardier performed a Privacy Protection Maturity and Risk Assessment. The results supported the establishment of its 2023-2025 privacy protection priorities. Bombardier has started to model its privacy protection program on the ISO/IEC 27701 framework. The risk-based approach privileged by this standard aligns with the Information Security Management Framework and allows Bombardier to proactively address risks and continually improve its practices over time.

Provide regular employee training on data privacy and cyber security

Bombardier also increased training and awareness of data privacy and cyber security best practices across the organization. Training and awareness of employees was executed in various forms, from the onboarding of new employees to training related to the employees' roles and responsibilities and Privacy Impact Assessments.

The company also provided mandatory cyber security awareness and trainings to employees who use a computer as part of their work. The trainings focused on social engineering, password and authentication, Bombardier's Password Policy and on how to avoid dangerous links. Following the trainings, employees were put to the test with recurring phishing simulations. The ones who failed the test were required to take reinforcement training on phishing prevention. The cyber security team also led a cyber security Awareness campaign throughout the month of October, which provided employees with cyber security facts, interactive games, learning videos and more.

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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

2022 HIGHLIGHTS

~990 interns
in Canada that filled
approximately 1,200 internships

89%
of in-kind donations as well as
monetary donations and sponsorships
aligned with the ESG plan

\$1.2M
invested in in-kind donations,
monetary donations and sponsorships in
Bombardier's communities worldwide

"I am very grateful for the positive impact B Effect has made in our community. This is particularly dear to my heart because the activities have allowed Bombardier employees to make stronger ties with the local community and with each other, providing opportunities for positive exchanges and collaborations."

RACHEL LE BLANC
Analyst, Customer Skyline
& Central Planning



Promoting talent in underrepresented groups through internship and scholarship programs

Supporting a diversity of emerging talents is important. In 2022, Bombardier welcomed approximately 990 interns in Canada that filled approximately 1,200 internships. 25% of the interns in Canada were international students and 43% were women, of which 52 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 fun engineering activities related to coding and to building model bridges. Additionally, Bombardier organized a conversation with Zara Rutherford who made the Guinness World Record for being the youngest female pilot to fly solo around the world at just nineteen years of age. During her conversation, where all interns were invited, she discussed the various obstacles she had to overcome throughout her professional and personal journey. ➤

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In 2022, Bombardier pledged \$1 million Cdn in scholarships for 2023 to encourage aerospace trade students to finish their program and to obtain their degree. This was made possible with the collaboration of the union representatives that have agreed to welcome students on the shop floor, and two foundations that will help administer the scholarships in the Montreal area. The goal is to offer a scholarship to students that come to Bombardier for a co-op experience and ultimately to instill a passion for aerospace with the next generation. Bombardier also donated \$10,000 in scholarships to the Wichita State University Foundation, and to the WSU Tech Foundation, to support the next generation.

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 2022, 89% of its in-kind donations, monetary donations and sponsorships were aligned with the ESG plan. Bombardier also invested \$1.2M 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 Montreal area. Employees from Red Oak (United States), and Toronto also partnered with One Tree Planted and Tree Canada and planted trees in 2022. 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 nonprofit Grupo Ecologico Sierra Gorda IAP community organization which has the goal of protecting the Sierra Gorda Biosphere Reserve, in Mexico.

From a social standpoint, Bombardier sponsored the *Salon International de la Femme Noire* organized by *Audace au Féminin*, in which a Bombardier employee presented the sustainability strategy. In 2022, Bombardier dedicated 2.8% of its community budget to support the Black community and continues to work toward achieving its Black North Pledge commitment of having 3% of its donation and sponsorship dedicated to the Black community by 2025.

To support future Science, Technology, Engineering and Mathematics (STEM) leaders, Bombardier delivered the donated Flight Test Vehicle (FTV4) of the *Global 7500* development program to Centennial College. Bombardier also hosted the FIRST Robotics Competition regional tournament at its Percival Reid site in Montreal, Canada. This international competition gathered youths from 14 and 18-year-old cohorts that were given the task of designing, building and programing a 60 kg robot. Bombardier's partnership in the competition included a \$150,000 Cdn in sponsorship, the use of its hangar, utilities and the participation of Bombardier's volunteers. Bombardier also supports Aviation Connection, a registered charity, whose mission is to promote education to high school students in the fields of STEM by establishing, facilitating and overseeing a program focused on aeronautics and aerospace as well as artificial intelligence and flying robots in public schools. Bombardier is supporting this program and a Bombardier senior engineer is involved as an ambassador for student coaching.

To support the growing needs to strengthen sustainability governance, Bombardier hosted in its Saint-Laurent facility the second edition of the Excellence Industrielle Forum which explored the theme of "circular manufacturing and procurement." Bombardier's Vice-President of Human Resource Information Systems and Sustainability was the honorary president, and a senior specialist in product sustainability and environmental affairs presented how Bombardier worked with its supply chain to produce its environmental product declarations (EPDs).



Tree planting activity



Bombardier at the Salon International de la Femme Noire

Bombardier employees supporting their communities



Bombardier employees are supporting their communities around the world. In 2022, they donated \$1,138,520 Cdn to the Centraide of Greater Montreal campaign. They raised \$45,000 Cdn for the Make-a-Wish-Foundation where seven teams totaling forty-two Bombardier cyclists biked 9,000 km in 48 hours. This initiative was made in partnership with the Employee Charity Fund that contributed \$5,000 Cdn. Bombardier employees also donated \$65,000 Cdn to their Greater Montreal community via the Employee Charity Fund. They gave their time through various employee-led volunteering programs such as the B Effect in Montreal, Causa Querétaro in Querétaro and We Care in Red Oak. Bombardier supports the employee-led initiatives and maintains a work environment where employees are encouraged to give back.

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ESG PLAN

Objective: Strong governance for sustained shareholder value

GOAL

- ESG performance regularly reviewed at Governance Committee

STRATEGY

- Governance Committee oversees and monitors ESG plan

MEASURE

- Number of ESG status reviews in year

2022 HIGHLIGHTS

Corporate Governance and Nominating Committee

(Governance Committee) updated four times on ESG matters

Development of the climate report

pursuant to the Task Force on Climate-related Financial Disclosures (TCFD) presented to the Governance Committee

ESG Case competition

on how to implement the ESG plan in employees' daily tasks

Governance Committee oversees and monitors ESG plan

The Governance Committee of the Board of Directors (Board) is responsible for overseeing and monitoring ESG development and performance, including Bombardier's ESG plan, practices, related policies, and disclosure with respect to ESG. The committee reviews Bombardier's ESG reports, in conjunction with the Audit Committee of the Board which has specific oversight and responsibility for any ESG-related metrics within an ESG report. The Governance Committee normally meets four times a year, and an ESG update is included on each meeting's agenda. The topics covered include a review of ESG performance through the measures, new developments for auditing and reporting, as well as significant initiatives that progress the ESG plan.

Following Governance Committee meetings, the committee submits a summary to the Board to inform all the directors of the ESG quarterly updates. The Board approves all ESG reports upon recommendation of the Governance Committee and the Audit Committee. The Audit Committee and the Human Resources and Compensation Committee of the Board also oversee certain elements pertaining to ESG-related matters and disclosures. Refer to the section entitled "Climate governance" within the Climate report pursuant to TCFD included as an appendix to this ESG report. ➤

Bombardier wishes to integrate the ESG plan across all parts of the company and ensure that employees are contributing the ESG plan through their daily activities.



Global 8000

ESG Case competition

Bombardier wishes to integrate the ESG plan across all parts of the company and ensure that employees are contributing to the ESG plan through their daily activities. To generate new and creative ideas, Bombardier organized a business case competition where interns were mandated to come up with solutions to the problem: "How can Bombardier integrate ESG into day-to-day operations so that it becomes second nature to employees, in order to ensure that the objectives of the ESG plan are met by 2025?" A total of 40 interns forming 10 teams participated to the challenge and came up with innovative solutions and out-of-the-box thinking. Bombardier also sponsored the HR Symposium Case Competition, where the same problem was asked to students from eight Quebec universities. These ideas will be considered in the future to strengthen the ESG implementation, governance and performance of Bombardier.



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ESG PLAN

Objective: Uphold the highest ethical integrity and leadership standards

GOALS

- 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

MEASURES

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

2022 HIGHLIGHTS

Vice President,
Chief Ethics and
Compliance Officer
role created that reports
to the President and CEO

99.2%
of office employees completed their
annual mandatory E&C trainings

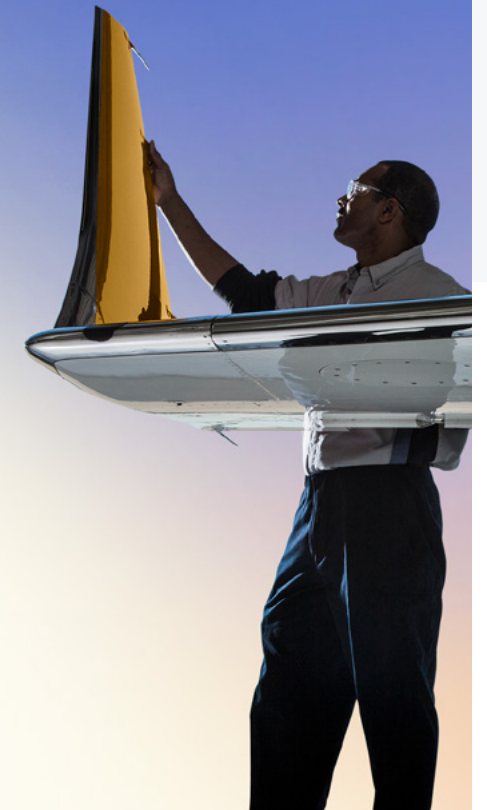
100%
of the risks identified have a
response plan in implementation

Data-driven approach to identify risk areas and drive decisions

Bombardier has a compliance risk management process 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 Ethics and Compliance (E&C) Office where professionals from various areas own risks and are responsible for implementing response plans and monitoring the risks. A centralized compliance risk management tool facilitates the management of related activities and allows the visualization of relevant key performance indicators. In 2022, 100% of identified compliance risks had a response plan in implementation.

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 which areas require additional attention, new or improved controls and processes, more awareness, training or tools to help employees make better decisions. ➤

Bombardier believes it is important that employees are knowledgeable about compliance topics and able to make informed and ethical business decisions. Bombardier expects them to recognize misconduct and encourages them to report it with no fear of retaliation.





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Employee-centric training and advice

Bombardier believes that raising employees' awareness on Ethics and Compliance risks could be one of the most powerful ways to mitigate them all while strengthening an ethical culture. In 2022, employees were trained on two important topics: antitrust laws, and export controls and sanctions. The training modules were meant to make employees more knowledgeable about relevant laws and regulations as well as the company's internal policies and procedures. Obtaining 100% on quizzes at the end of each training module helps confirm the employees' learnings. In 2022, 99.2% of office employees successfully completed the training modules. Moreover, in 2022 the E&C team won a bronze excellence award from Excellence in Human Capital Management in the category "Best Advance in Custom Content" for the e-learning training module on undue pressure created and launched in 2021.

Throughout the year, with the help of data, the E&C team can identify ad hoc needs for specific employee audiences (a specific function, geography, etc.) where enhanced targeted trainings or refreshers on specific subjects are required. The E&C team also regularly provides support and advice to employees who reach out to them directly, via the E&C Ambassador network, or through the online reporting system, Ethics Line.

Upon joining Bombardier, new office employees are required to complete a series of mandatory E&C training modules. They are trained on subjects such as the Code of Ethics, harassment, reporting and non-retaliation, undue pressure and more. The same is required from interns who receive an adapted training package. Every year, office employees are required to adhere and abide the Code of Ethics, agree to comply with it and certify that they have not breached it in the last year. Employees are also required to disclose any situation that could lead to a conflict of interest, and conflict management plans are defined, when needed.

Bombardier's E&C Ambassador Network, comprised of over 25 ambassadors present on different sites around the world, plays a key role in promoting ethics on the frontline. Ambassadors help answer employee questions, facilitate conversations on ethics and guide them in doing the right thing.

Finally, Ethics and Compliance is a shared responsibility. In addition to the internal communications on multiple topics addressed to employees throughout the year, leaders help ensure Ethics and Compliance is on top of everyone's mind. They are requested to talk about Ethics and Compliance with their teams at least once a quarter as part of their performance management process, to increase employee awareness and to embed Ethics and Compliance in the business culture.

Bombardier believes it is important that employees are knowledgeable about compliance topics and able to make informed and ethical business decisions. Bombardier expects them to recognize misconduct and encourages them to report it with no fear of retaliation.

Business ethics risks throughout the value chain

Bombardier has multiple ways of managing business Ethics and Compliance throughout the value chain. Bombardier does so by building processes and setting controls across the business, from the design of its products to procurement of materials all the way through marketing and delivery, and everything in between. Examples of such processes are:

- the due diligence performed on customers; and
- the due diligence performed on suppliers as well as the Supplier Code of Conduct that suppliers commit to as part of their contract.

Due diligence process for Bombardier customers

Whether it's for the sale of a business aircraft or the sale of a special mission aircraft, Bombardier has a rigorous process to ensure that all risks are covered for every transaction:

- due diligence performed on clients, prior to entering into Aircraft Purchase Agreement in accordance with New and Pre-owned Aircraft Due Diligence Directive;
- export regulation assessment performed by the export control team;
- for High-Risk regions, enhanced risk assessment performed by a cross-functional team;
- delegation of authority specifying responsibilities for any aircraft sale, including aircraft modifications; and
- transaction approval policy, which describes the thorough process and steps to sell any aircraft as well as modifications.

The due diligence process is a continual one, meaning that Bombardier continues throughout the life of the aircraft to re-evaluate if the owners are respecting its standards. That includes a due diligence process when the aircraft enters service.

Ethics and Compliance at the senior leadership team

To continuously comply with the highest standards, Bombardier decided that the Chief Ethics and Compliance Officer role should report directly to the President and CEO and be a member of the senior leadership team. To that effect, in 2022, Martin LeBlanc joined Bombardier as the new Vice President, Chief Ethics and Compliance Officer, giving Ethics and Compliance a seat at the senior leadership table.

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ESG PLAN

Objective: Lead supplier practices in environment, ethics and employment

GOAL

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

STRATEGIES

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

MEASURES

- Percentage of suppliers who adhere to Bombardier standards

2022 HIGHLIGHTS

95%
of the top 150 suppliers, that account for 83% of the total spend, adhere to Bombardier standards

Implemented a monitoring solution to detect global events that could potentially impact Bombardier’s supply chain

Enhanced ESG criteria for the Diamond program certification

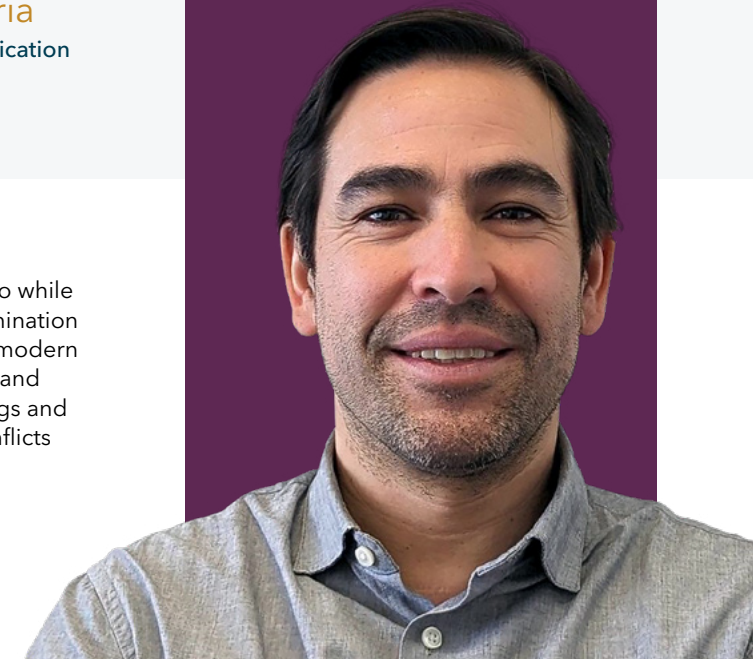
Securing supplier commitment to Bombardier’s standards

In 2022, 95% of the top 150 suppliers, accounting for 83% of the total spend, adhere to standards at least as robust as those set out in Bombardier’s Supplier Code of Conduct which states expectations of how its suppliers should be doing business. Bombardier’s 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 sets the ethical

standard that Bombardier expects its suppliers to adhere to while conducting their business with matters such as non-discrimination in employment opportunities, child labour, forced labour, modern slavery, human trafficking, freedom of association, respect and dignity of employees, health and safety of employees, drugs and alcohol, environment, anti-corruption behaviors, fraud, conflicts of interest, intellectual property and data privacy. ➤

“For me, a responsible supply chain also means a resilient supply chain. It is important to recognize that building a resilient supply chain goes beyond our organization. It requires collaboration with suppliers and partners to identify and mitigate risks throughout the entire supply chain.”

ALEJANDRO MONTALVO
Supply Chain Specialist





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

Bombardier's representatives are constantly interacting with Bombardier's suppliers via quality audits, program monthly reviews, quarterly business reviews, supplier interventions on site, suppliers rate readiness and more. These interactions allow Bombardier to have visibility on its suppliers' way of doing business and if they respect the standards. To enhance the monitoring of its supply chain, in 2022, Bombardier implemented a comprehensive and robust monitoring solution that detects global events that could potentially impact its supply chain. This new real-time solution helps the company to increase the visibility of its supply chain, to monitor activity around the world that may disrupt or affect operations, and to be more proactive when dealing with risks. Events monitored include natural disasters, labour disruptions, cyber-attacks, financial, geopolitical risks and more.

If non-compliance to its standards is identified, Bombardier takes prompt action, including working with the impacted supplier, or if applicable, alternate suppliers, and implements a corrective action plan to remedy the situation.

For any new suppliers, Bombardier continued to enforce its Third-Party Due Diligence Directive which instructs its employees on how to perform due diligence on prospective suppliers including the verification and handling of red flags to ensure prompt treatment. To that effect, in 2022, the company took steps toward strengthening its current Third-Party Due Diligence Directive by mapping out a four-step risk-based approach that will provide a systematic due diligence on specific topics and risks. Notably, sustainability topics and risks will be systematically addressed in this four-step risk-based approach that will be launched in 2023.

Collaborating with suppliers to make procurement practices more sustainable

Bombardier monitors emerging environmental regulations to make sure that it remains compliant. A training program is in preparation to help suppliers comply with frequently changing legislation. Bombardier continues 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 eco-design team to collect the Material Declaration Form from suppliers in accordance with the European Union REACH regulation.

Management of risks associated with the use of critical materials

A critical material is a material that is both essential in use and subject to the risk of supply restriction. In 2022, Bombardier used a holistic approach to mitigate the risk related to critical materials that present a significant risk to its operations. Notably, Bombardier performed over 1,056 interventions on supplier sites to expedite critical parts and conducted weekly executive management reviews of critical suppliers. Bombardier conducted capacity assessments on its supplier sites which allowed to identify the high, medium, and low risk suppliers and to build an action plan. Furthermore, Bombardier reinforced its intervention team around the world to facilitate the access to its suppliers. A tiger team was created to support the supply chain team in finding critical metals and electronics components. Finally, site evaluations of critical material were conducted for outside processing houses and fabricated metal parts suppliers. These interventions were to manage and reduce the risks related to the use of critical materials.

Diamond Supplier Program

Several years ago, Bombardier started the Diamond Supplier Program to reward suppliers who help exceed customer expectations. The program recognizes top performers in an annual award ceremony. In 2022, Bombardier enhanced the ESG criteria for the certification. The Diamond Supplier program questionnaire includes questions about the materials suppliers use, an assessment of environmental risks associated with their activities, and questions their health-and-safety management system and on their substance declaration (AD-DSL) practices. Where applicable, suppliers must complete the supply chain visibility assessment through Bombardier's new real-time solution tool and provide their substance declaration (AD-DSL) 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.

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Measures	Baseline	2021	2022	Reference
Environmental				
Greenhouse gas emissions (thousands of tonnes of CO ₂ e)	102.5	93.5	92.3	Baseline: year 2019, for continuing operations
Energy consumption (millions of gigajoules)	2.1	1.9	1.9	Baseline: year 2019, for continuing operations
Total waste generated (thousands of tonnes)	15.1	12.1	12.2	Baseline: year 2019, for continuing operations
Hazardous waste generated (thousands of tonnes)	5.5	3.7	4.3	Baseline: year 2019, for continuing operations
R&D ¹ expenditures toward greener aircraft	–	–	32%	
Environmental Product Declarations (EPDs) published	1 (<i>Global 7500</i>)	1	2	<i>Global 7500</i> and <i>Challenger 3500</i> aircraft
SAF usage in flight operations	SAF available at delivery upon client request	SAF was used in most deliveries to VistaJet	9.3K U.S. gallons	
Social				
Fatalities	0	0	0	Baseline: year 2020, for continuing operations
Lost time incident rate (per 200,000 work hours)	0.76	0.81	0.73	Baseline: year 2020, for continuing operations
Lost time severity rate (per 200,000 work hours)	38.8	36.1	34.7	Baseline: year 2020, for continuing operations
Percentage of women	20.4%	20.2%	20.4%	Baseline: year-end 2020, for continuing operations
Percentage of women in management	24.7%	25.3%	25.7%	Baseline: year-end 2020, for continuing operations
Employee engagement score	–	–	73%	
Voluntary turnover (last 12 months)	4.2%	7.2%	7.0%	Baseline: year 2020, for continuing operations
Bombardier market share – Aircraft sales (three-year average)	25% in units, 31% in revenues	24% in units, 32% in revenues ²	24% in units, 33% in revenues	Baseline: three-year period ended December 31, 2020 for business aircraft units delivered
Bombardier market share – Aftermarket services	38%	39%	41%	Baseline: year 2019, as a percentage of revenues
Percentage of employees trained on data privacy	N/A	All office employees hired receive data privacy training in the first month of employment	96% of office employees hired completed data privacy training	From 2022 onward, the percentage of employees who complete the training is reported.
Student internships	1,200+	~ 1,200	~ 1,200	Baseline: three semesters of 2020
Percentage of donations and sponsorships toward ESG initiatives	91%	97%	89%	Baseline: year 2020
Governance				
Number of ESG status reviews by governance committee	0	2	4	
Percentage of compliance risks identified for which a response plan is being implemented	0	93%	100%	
Percentage of suppliers who adhere to Bombardier standards	N/A	90%	95%	The measure in 2022 represents Bombardier's top 150 suppliers, accounting for 83% of its total spend, who adhere to the company's standards

1. Represents R&D expenditures, including development expenditures capitalized to aerospace program tooling, excluding amortization of aerospace program tooling. Refer to note 5 of the 2022 Financial Report.

2. 2021 market share figures were adjusted from last year's report to show the three-year average, as with the baseline and for year 2022.

Climate report

pursuant to the Task Force on Climate-related Financial Disclosures (TCFD)

Bombardier is pleased to publish its first report on climate risks and opportunities pursuant to the recommendations of the Task Force on Climate-Related Financial Disclosures. The objective 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.

In this report, Bombardier aims to answer the TCFD recommendations, all while taking into consideration questions from the Carbon Disclosure Project (CDP) that may be helpful to the development of a low carbon transition strategy for the company, where applicable. The following sections are included:

- Climate governance
- Climate strategy
- Climate scenarios
- Risks and opportunities
- Risk management approach
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There is no doubt that the industry in which Bombardier operates in will be impacted by the transition to a low-carbon global economy. The business aviation industry has established clear commitments to reduce its carbon emissions, and Bombardier is playing a leading role in that strategy. The present report is relevant to its various stakeholders as it provides key information on how the company is preparing for this transition. Bombardier chose to follow the framework of the TCFD recommendations because it provides stakeholders with quality, consistency and transparency in climate-related financial disclosures.

Bombardier strongly believes that the best way to address transition risks inherent to its industry, such as regulatory, market and reputational risks, is to lead the way by taking decisive actions to reduce its industry's carbon footprint.

While business aviation represents a small share of total carbon production, the industry is emitting its share of carbon and will be impacted by the transition to a low carbon economy.

Bombardier firmly believes that the way to address the transition risks and opportunities in the industry is to decarbonize business aviation.

Bombardier is committed to continue occupying a leading position by taking steps that enable the industry to reduce its carbon footprint.

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Climate governance

This section describes the company's governance of climate topics.

The Board of Directors bears the overall responsibility for environmental matters, including monitoring and reviewing, as appropriate, the company's environmental policies and practices and overseeing their compliance with applicable laws and regulatory requirements. The Board is responsible for adopting the company's strategic plan, which considers the opportunities and risks of the business, including those related to climate. The Board also adopts an annual business plan and reviews it on a quarterly basis.

When considering any matters before the Board, its members consider, as part of their fiduciary duties, the interests of the company's various stakeholders, such as shareholders, bondholders, employees, creditors, clients, governments, regulators, as well as the public, including in respect of the environment and climate-related matters where relevant.

Climate-related topics are shared amongst three committees of the Board:

- The **Audit Committee** supports the Board's oversight responsibilities in relation to environmental matters, including the company's environmental policies and practices and their compliance with applicable legal and regulatory requirements, reviewing corporate management's reports on environmental matters, as well as reviewing environmental situations that could have an effect upon the company's financial position or operating results, and the manner in which these are disclosed in the company's financial statements.

Additionally, the Audit Committee ensures that adequate procedures are in place for the review of any environmental, social and governance (ESG) related metrics of the company's performance, status, progress or otherwise that are included in Bombardier's annual ESG report (ESG Report). This is published on the company's website, including, if deemed advisable, a review or audit of such metrics by the independent auditor or other third party, and periodically assessed as to the adequacy of those procedures.

- The **Corporate Governance and Nominating Committee (CGNC)** also supports the Board's oversight responsibilities in relation to environmental matters, including monitoring the company's ESG plan and related policies, practices and disclosures. The ESG plan includes the company's objectives, goals, strategies and measures to reduce energy consumption, greenhouse gas emissions and waste production, and more as well as strategies to adapt to a lower carbon global economy consistent with TCFD recommendations. The CGNC reviews and recommends to the Board the approval of the annual ESG Report, in conjunction with the Audit Committee who reviews and recommends to the Board approval of any ESG-related metrics included in the report. The CGNC receives a report from management every quarter on ESG-related matters of the company and to ensure the Committee members have insight on the latest sustainability and climate developments.

- The **Human Resources and Compensation Committee (HRCC)** is responsible for overseeing the total compensation of the CEO and the senior officers who directly report to the CEO, which includes the establishment of short-term and long-term incentive key performance indicators and targets. Beginning in 2021, the HRCC approved non-financial ESG metrics into the design of long-term incentive plans. The HRCC recommends to the full Board approval of the CEO's total compensation and approves and reports to the full Board the total compensation of the senior officers reporting to the CEO.

Each of the three committees is composed exclusively of independent members of the Board.

At the senior leadership level, sustainability is led by the Senior Vice President of People and Sustainability and the Vice President of Human Resources Information Systems and Sustainability. Each strategy of the ESG plan is owned by a member of Bombardier's Senior Leadership Team and has identified responsible person and one or several subject matter experts. These stakeholders are responsible for the progression of their strategy and for the achievement of the ESG goals. Having clear ownership ensures that the ESG topics are embedded in day-to-day business operations and activities.

Finally, Bombardier established a Climate Working Group, with representatives from different functions such as financial reporting, investors relations, engineering, environment, sustainability, corporate strategy, internal audit and legal. The Climate Working Group conducts climate risk assessments, develops the company's climate strategy and prepares climate reports such as this one.

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Climate strategy

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

Industry commitment toward net-zero carbon emissions by 2050

Bombardier has for many years contributed to Business aviation industry work on reducing greenhouse gas emissions.

In October 2021, at the National Business Aviation Association's 2021 Business Aviation Convention & 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 continuing the goal of increasing fuel efficiency 2% per year between 2020 and 2030. These updated climate goals followed a planned thorough 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 Montreal adopted a goal of net-zero carbon emissions for international flights by 2050. The goal aligns international aviation with the Paris Agreement and follows commitments individually made by both the business and commercial aviation industry 2021.

Carbon emissions from business aviation total

The illustration on the right shows CO₂e emissions for business aviation in the context of global emissions across all sectors. Civil aviation counts 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.

1. Scope 1, 2, and 3 CO₂ emissions refer to the three categories of greenhouse gas emissions generated by a company. Scope 1 emissions are direct emissions from sources owned or controlled by the company. Scope 2 emissions are indirect emissions from the consumption of purchased electricity, heat, or steam. Scope 3 emissions are all other indirect emissions resulting from the company's activities, but occurring at sources not owned or controlled by the company.
 2. Sources: GAMA, ASCEND, Jetnet, TRB 10-year forecast and Bombardier calculations

Although business aviation counts 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.

Bombardier's business aircraft products currently in operation represent approximately 5 M tonnes of CO₂ per year. The company's own emissions (scope 1 and 2¹) account for approximately 100 K tonnes per year.

Path toward net zero for business aviation

The business aviation industry has projected its path toward net-zero carbon emissions by 2050. The result is summarized in the graph to the right below which is referred to in the text as the sand chart.

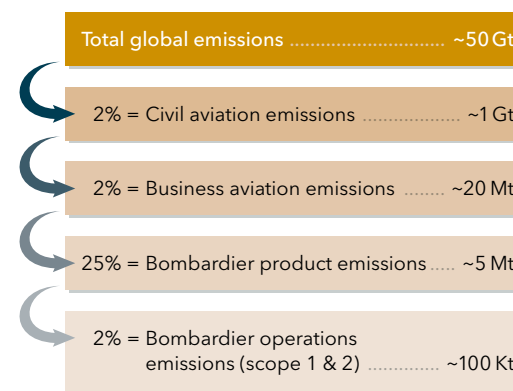
The sand chart was originally created in 2009 to track the evolution of the CO₂ emissions in the business aviation industry. It shows the actual emissions of CO₂ for the overall business jet industry (jets and turboprops combined) as well

as the forecasted emissions until 2050. It also breaks down the contributions in CO₂ emission reductions of the four key pillars the industry is relying on to reduce its CO₂ emissions:

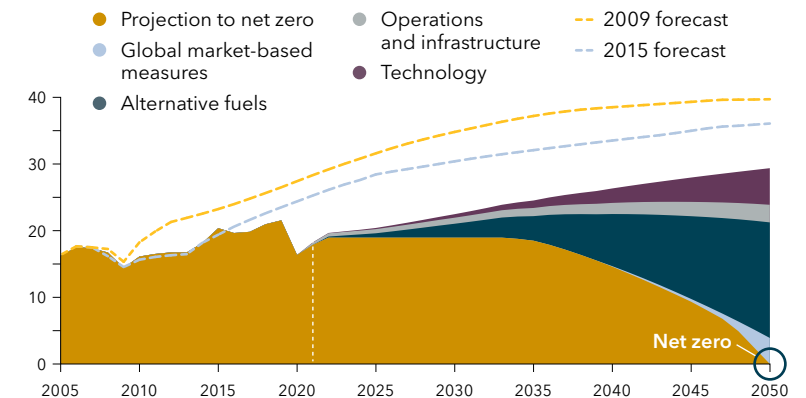
- reduction from alternative fuel adoption
- reduction from technology improvements
- reduction from operation and infrastructure improvements
- reduction from introduction of global market-based measures

While CO₂ emissions projections have consistently been declining since the original 2009 calculations (refer to the dotted blue and yellow lines above the sand chart), 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. ➤

Indicative emissions per year (CO₂e)



Business aviation total CO₂ emissions – 2021 forecast² (million tons, 2005-2050F)



**CLIMATE STRATEGY** (continued)**Bombardier's strategy toward net zero**

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

A) ALTERNATIVE FUELS

The gradual replacement of regular jet fuel with SAF will be the driving force toward reaching net-zero emissions. This will require widespread efforts to increase the production of SAF its availability on a global scale, both for commercial and for private aviation. SAF provides a significant environmental benefit on a lifecycle basis compared to regular jet fuel. SAF is produced from sustainable feedstocks, which are sources that do not use fossil fuels and that do not impact food production.

Bombardier is strongly engaged in supporting SAF. For its own flights (pre-delivery testing, demonstration, development, etc.), the company is covering 100% of the fuel used with a blend that has 30% of neat SAF starting January 2023. This represents more than two million US gallons of jet fuel every year.

Considering that there will be no production of SAF in Canada before 2025, Bombardier will use the Book-and-Claim instrument through its partnership with Signature Aviation. Under the Book-and-Claim system, an aircraft operator located near a SAF production site uses SAF in their flights. An operator located at a site where SAF is not available, Bombardier in this case, pays for the additional cost of SAF compared to regular jet fuel, in exchange for the right to claim the reduction in CO₂e emissions associated with this use of SAF. This mechanism allows to reduce CO₂e emissions without transporting fuel over long distances.

Using SAF for all its aircraft operations using Book-and-Claim demonstrates Bombardier's commitment toward SAF. As more and more aircraft operators follow a similar path, demand for SAF will grow, which in turn will create a market for scaling up the production of SAF at a global level. Over the long term, Book-and-Claim will be replaced with local availability of SAF in different countries, including in Canada.

B) TECHNOLOGY

Technology improvements will play an important role in achieving net zero by 2050. The impact of technology improvements gradually builds over time, considering that it takes many years for a new aircraft to complete its development and reach the market, and that existing aircraft can be operated for 25 years or more.

The development of aircraft technology has been constant and decisive over the past few decades, and the aircraft models that Bombardier manufactures today are significantly more fuel efficient than those produced in the past. In fact, the industry has achieved a 2% fuel efficiency improvement per year from 2010 to 2020, demonstrating the impact that introducing new technologies can have on CO₂e emissions reductions.

This trend will continue. Bombardier is constantly working to improve fuel efficiency by adopting new generations of propulsion systems, improving aerodynamics and developing lower consumption onboard systems.

Bombardier targets investing over 50% of its R&D budget toward the development of greener aircraft, i.e. aircraft designed to have a smaller environmental impact than prior generations. This includes reduced greenhouse gas emissions when operating the aircraft, as well as reduced use of hazardous materials, production of waste and consumption of water in the production process, and improved recovery rates at the end of the aircraft's operational lifetime.

Bombardier is also making significant investments on developing radical new aircraft designs, such as Bombardier's EcoJet research project, with a blended wing-body fuselage, which has a potential of reducing fuel emissions by up to 20% by sole virtue of aerodynamic improvement compared to aircraft produced today.

Finally, there is the outlook of new propulsion systems powered by hydrogen or hybrid technologies. Even though such technologies will not be available in the medium or long-haul aircraft segments for many years, they are expected to play a key role in the longer term.

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, this is expected to enable aircraft to move around airports without any carbon emissions via on-board or on-ground based electrical power.

Bombardier's *Challenger 3500* contains the latest thinking in sustainable aircraft design with advanced technologies such as the eco app (eWAS Pilot with OptiFlight from SITA) which provides the ability to lower CO₂e emissions by optimizing the flight profile. Developing tools to provide routing efficiency is one of the ways Bombardier is contributing to the operations and infrastructure pillar of its strategy.

D) GLOBAL MARKET-BASED MEASURES

The three instruments mentioned above do not allow on their own to reach net zero by 2050, and therefore the industry will need to rely on market-based measures such as the purchase of carbon credits available in other industries.

Business aviation advantages within the aviation industry

Business aviation presents advantages that are not generally captured in assessing transportation modes. The business aviation model is efficient in that it transports people exactly from their origin to their destination, using smaller airfields than commercial aviation, thereby minimizing unnecessary transfers and travel. Also, business aviation can often adopt technology more quickly than commercial aviation because fleet retirement and upgrades generally follow a shorter lifecycle. Finally, business aviation operators generally have more cost flexibility than commercial aviation customers and will be well positioned to adopt tools such as SAF using Book-and-Claim. For these reasons, business aviation is well positioned to play a leading role in progressing toward net zero.

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Climate scenarios

This section shows the climate scenarios chosen by the company.

The models of the United Nations Intergovernmental Panel on Climate Change (IPCC) were used to establish climate scenarios. The IPCC produces emission projection scenarios driven by different socioeconomic assumptions, which are called Shared Socioeconomic Pathways (SSPs).

The chosen scenarios also reflect the degree to which the business aviation industry will achieve its target of reaching net zero carbon emissions by 2050. **Scenario 1** is one where global warming remains below two degrees Celsius and where business aviation reaches net zero by 2050. In **scenario 2**, business aviation only partially reaches this target in 2050. And **scenario 3** is one where global warming continues to increase.

Bombardier's commitments toward reducing carbon emissions and the strategies being pursued are aligned to our scenario 1 above, which means that the company's actions support and anticipate that the industry will reach its target of net-zero carbon emissions by 2050.

For the purposes of assessing climate-related risks and opportunities, the short-, medium- and long-term time horizons were established at respectively years 2035, 2050 and 2100. 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 attainment of net zero.

Scenario	Shared Socioeconomic Pathways (SSPs)	Business aviation industry
1	SSP1-1.9 Local CO ₂ emissions reduce to reach net zero after 2050. Global temperatures reach 1.5 °C warmer than pre-industrial levels by 2100.	In this scenario, the business aviation industry reaches its goal of net zero by 2050.
2	SSP1-1.9 Local CO ₂ emissions reduce to reach net zero after 2050. Global temperatures reach 1.5 °C warmer than pre-industrial levels by 2100.	In this scenario, the business aviation industry reaches a level of net CO ₂ emissions by 2050 that corresponds to 50% of the 2005 level.
3	SSP3-7.0 Emissions and temperatures rise steadily and CO ₂ emissions roughly double from current levels by 2100. Global warming continues significantly.	In this scenario, the business aviation industry does not significantly reduce its CO ₂ emissions compared to 2005 level.

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Risks and opportunities

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

Risks

Each of the risks has been assessed based on a grid that considers the likelihood of a risk materializing over the time period, and the impact if the risk does materialize. Each impact item is given a low-medium-high rating and the individual impact is the averaged to produce an overall impact assessment. 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 annualized impact on net income over the period, assuming current business volume and current U.S. dollar value (i.e. no future inflation).

The table that follows on pages 49-50 shows the detailed analysis as well as mitigation strategies for each of the identified risks. ➤

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RISKS AND OPPORTUNITIES (continued)

Number	Type	Classification	Risk name	Risk description	Time horizon	Likelihood	Impact	Mitigation
1	Transition risk	Policy and legal	GHG emission 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.	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	Low	Continue to work to develop next generations of aircraft and collaborate with engine manufacturers.
4	Transition risk	Policy and legal	Litigation	Increased exposure to litigation related to climate.	Medium term	Low	Medium	Continue to work to lead the industry in reducing carbon emissions through ESG plan, SAF investments and R&D.
5	Transition risk	Technology	Competition	Competitors from within or outside the industry could bring new products with reduced emissions before Bombardier does.	Medium term	Medium	Medium	Continue to be a leader in greener aircraft product development.
6	Transition risk	Technology	Investment in new technologies	Potential inability to successfully develop new aircraft models that have significant lower emissions, reducing Bombardier's market share.	Medium term	Low	Medium	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.	Medium term	Medium	Medium	Pursue strategy to promote the adoption of SAF within the industry, use SAF in operational flights and make SAF available to clients across service centres network.
9	Transition risk	Market	Sustainable Aviation Fuel adoption	Business aircraft operators may not adopt SAF to the level needed, resulting in lower reductions in emissions than anticipated.	Medium term	Medium	Low	Continue to work with operators and clients to promote the use of SAF. Continue to use SAF to show that SAF is safe to use in aircraft.
10	Physical risk	Acute	Extreme weather events	Extreme weather events could become more severe, generating disruption or damage 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	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	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	Climate events (floods, storms, fires, etc.) could damage installations where data is stored.	Short term	Medium	Low	Ensure a robust IT infrastructure addressing such risks.

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RISKS AND OPPORTUNITIES (continued)

Opportunities

The climate transition also presents several opportunities. As with risks, the opportunities were assessed based on their likelihood and impact. Each item is given a low-medium-high rating and the individual items are averaged to produce an overall impact assessment.

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

The table below shows the detailed analysis as well as realization strategies for each of the identified opportunities:

Number	Type	Classification	Opportunity name	Opportunity description	Time horizon	Likelihood	Impact	Mitigation
1	Opportunities	Resource efficiency	Energy consumption	Opportunity to reduce the energy consumption of sites and operations.	Short term	High	Low	ESG strategy: footprint rationalization, machinery replacement, etc.
2	Opportunities	Resource efficiency	Renewable energy	Opportunity to increase the proportion of renewable energy used.	Short term	High	Low	Leverage hydroelectricity in Quebec, develop green energy sources in other locations.
3	Opportunities	Products and services	Sustainable Aviation Fuel adoption	Bombardier can 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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RISKS AND OPPORTUNITIES (continued)

Number	Type	Classification	Name	Description	Time horizon	Likelihood	Impact	Mitigation
4	Opportunities	Products and services	Lower emission aircraft	Opportunity to develop future generations of aircraft with reduced emissions.	Long term	High	Medium	Continued R&D investments including EcoJet research project blended wing-body design.
5	Opportunities	Markets	Incentives for greener aircraft development	Opportunity to leverage government incentives to develop greener aircraft.	Medium term	High	Low	Closely monitor incentive programs.

Initiatives in support of climate strategy

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

- The Toronto Pearson International Airport facility project will provide a reduced energy consumption of 60% by focusing on natural, more efficient lighting elements, newer heating methods and updated processing systems that will lower greenhouse gas emissions by more than half. Considerably less water will be used in the manufacturing process and electric vehicles will be favoured for onsite transportation.
- Singapore Service Centre expansion includes solar panels which translates to 15% of the site’s annual electricity demand, building management systems, insulation, LED lighting, low-flow plumbing fixtures, automated water distribution for improved water conservation, enhanced energy efficiency and Sustainable Aviation Fuel (SAF). The building design also 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 which will significantly reduce greenhouse gas emissions.
- The SAF commitment and yearly investment have a direct reduction on Bombardier’s scope 1 emissions.

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Risk management approach

This section explains the Bombardier's climate risk management approach.

Processes for identifying climate-related risks

Bombardier has a cross-functional Climate Working Group combining experts from finance, accounting, sustainability, environment, engineering, operations, business strategy and investor relations. Its broad composition allows the working group to identify and assess climate-related risks in a holistic way.

Physical risks are those that are resulting from climatic events or changes, such as earthquakes, hurricanes, floods, fires, storms, water scarcity, etc. Transition risks results to actions or changes to support to a low-carbon economy. It includes policy, legal, regulatory, technological, market, reputational changes stakeholder expectations.

For the present exercise, both the physical and transitional risks were assessed for different time horizons, the impact it would have on the business, and the likelihood of it occurring. The process for identifying the size and scope of climate-related risks is through a series of working sessions of the Climate Working Group. The Climate Working Group will continue to reassess on a yearly basis the climate-related risks that may impact the corporation's ability to function properly.

From an operational standpoint, environmental experts in Bombardier's facilities are leading the identification of the environmental risks and impacts at the site with the participation of key stakeholders. They have the mandate to analyze and escalate the capital requirements in the site's five-year CAPEX budget according to the priorities they identify. Moreover, Bombardier's global security team is responsible for preparing the business in case of any emergency, including climate-related ones. More specifically, the global security team elaborates Emergency Response Plan in accordance with CSA-1600 and NFPA-1600 standards, which are aligned with international standards and recognized as the references in developing such plans.

Local regulations applicable to Bombardier's facilities and operation are also considered. The Bombardier Emergency Response Plan is based on risk assessment and includes fourteen risks of which one of them is natural disasters.

The identification of climate related risks by the Climate Working Group, by environmental experts on sites and by the global security team are aligned with the Enterprise Risks Management framework, which is that each function of the business is responsible for implanting 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 identifies the actions to be implemented by management.

Processes for managing climate-related risks

Environmental experts on site work in alignment with the ISO 14001 environmental management system certifications, making sure environmental impacts are identified and effectively managed and reduced.

Environmental experts in the facilities are leading the management of the environmental risks and impacts at the site. Bombardier's ISO 14001-certified environmental management system (EMS) provides a methodology to identify, assess, justify, prioritize, plan, track and realize projects to address climate-related risks. Each site can evaluate, plan, approve and implement relevant and suitable objectives and targets, in accordance with the Bombardier Environmental Strategic Plan. The selected projects are registered in the Master plan of the site and the progress is followed in their management review. With the Management review process embedded in the ISO 14001 EMS, there is the opportunity to escalate the capital requirements in the site's five-year CAPEX budget according to the priorities. Bombardier is then able to deliver projects and achieve its plan, objectives and targets.

Though risks may materialize differently, the crisis management protocol utilized by the global security team remains the same: notify, assess, activate, manage information, decision and back to normal. There are three levels of teams identified in the Emergency Response plan: Level 1 – First Response team, Level 2 – Local emergency operation centre, Level 3 – Corporate emergency operations centre. The escalation depends on the gravity of the risk that is materializing.

This is aligned with the Enterprise Risks Management framework, whereby each function has implemented risk management processes that are embedded in governance and activities to achieve the objectives of the Corporate Risk Management Policy. At the enterprise level, to achieve the risk management objectives, risk management activities are embedded in the operational responsibilities of management and made these activities an integral part of the overall governance, planning, decision making, organizational and accountability structure. For each risk or category of risks, the risk management process includes activities performed in a continuous cycle.

The Senior Vice President of People and Sustainability and the Vice President of Human Resources Information Systems and Sustainability elevate the climate-related risks and opportunities identified as well as the actions required to manage the risks by the Climate Working Group and the environmental experts in the sites for the senior leadership team and the Corporate Governance and Nominating Committee of the Board to provide guidance.

Climate Working Group members assess risks related to climate change. Action plans are built to address the identified risks. The Board of Directors is ultimately responsible for reviewing the overall risks faced by the Corporation.

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Metrics and targets

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

Greenhouse gas emissions (GHG) tonnes of CO ₂ equivalent (tCO ₂ e)	2019 Baseline	2020	2021	2022
Scope 1	78,055	68,777	71,140	69,716
Scope 2	24,487	21,030	22,375	22,586
Total scope 1 and 2	102,542 ¹	89,807 ¹	93,515	92,302

These measures are used to select, develop, and implement projects to reduce the environmental footprint of global manufacturing and servicing operations. The main measures are listed below:

- Energy consumption
- Renewable electricity and renewable energy
- Energy intensity
- Greenhouse gas emissions (scope 1 and 2) and greenhouse gas emissions intensity
- Ozone depleting substance emissions
- Water withdrawal
- Waste generated (hazardous and non-hazardous)
- Waste valorized (hazardous and non-hazardous)

Greenhouse gas (GHG) emissions

With regards to greenhouse gas emissions, the company's published metrics cover all of scope 1 and scope 2. As part of the 2021 ESG plan, a target has been set to reduce the greenhouse gas emissions by 25% in year 2025 compared to the 2019 baseline. This is a significant step toward reaching net-zero emissions by 2050. ➤

1. To establish a baseline measure for the 2025 ESG targets, Bombardier excluded sites divested in 2020 (Belfast, Morocco, Tucson BCA and West Virginia) and added the two sites that met its reporting scope criteria in 2020 (Singapore and Biggin Hill). That is why the 2021 ESG report shows a baseline measure of 102.5 thousands of tonnes of CO₂e in 2019 for GHG emissions, and a performance of 89.8 thousands of tonnes of CO₂e in 2020 for GHG emissions. This may diverge from the data presented in the table on Bombardier's website for the years 2019 to 2021 which include all sites in the aviation division.

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METRICS AND TARGETS (continued)

Scope 3 emissions

Scope 3 emissions are defined as indirect emissions that are generated by the company's operations – from its supply chain to the use of its products and to the CO₂e generated by employee commuting. For an aircraft manufacturer, scope 3 emissions are mainly composed of emissions related to its products, which includes the supply chain and emissions generated by the operation of aircraft during their lifetime.

Bombardier is committed to transparency when it comes to its environmental footprint. To build complete and reliable scope 3 emissions is a significant endeavor, and Bombardier is well under way.

For product-related emissions, Bombardier is the first and only business aircraft manufacturer to complete the research and publication of Environmental Product Declarations (EPDs) for its products. The EPD makes a rigorous evaluation of the environmental impact of a product during its lifecycle. For CO₂e emissions, the EPD shows the emissions generated at each of four steps of the value chain.

As of the end of 2022, Bombardier has published EPDs for two of its aircraft models, namely the *Global 7500* and the *Challenger 3500*. Bombardier is committed to publishing EPDs for all in-production aircraft models by 2025 at the latest. This will provide a unique view at the emissions impact of all products throughout their lifecycle and supports the design engineering group with historic emissions data in making design decisions related to environmental impacts of future aircraft.

In addition to the product-related emissions, Bombardier is also working on building reporting for other scope 3 emissions categories such as employee commuting and non-product related suppliers.

EPD Component	Description	Scope
Upstream	GHG emissions generated by the complete supply chain, from raw materials to finished components	Scope 3
Core	GHG emissions generated by the manufacturing by Bombardier	Scope 1
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

Scope 3 CO₂e emissions reporting roadmap

COMPLETED

Product-related

- *Global 7500* EPD – published
- *Challenger 3500* EPD – published

These EPDs are available on Bombardier's web site at <http://www.bombardier.com/en/sustainability/resources-and-publications>

IN THE WORKS

Product-related

- Use of sold product – 2023
- EPDs for other aircraft models – by 2025 latest

Non-product related

- Employee commuting and business travel – 2023
- Non-product related supply chain – by 2025 latest
- Other ancillary scope 3 impacts – by 2025 latest

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Bombardier’s 2022 ESG report is guided by the Global Reporting Initiative Standards, the Task Force on Climate-related financial Disclosures and the Sustainability Accounting Standards Board metrics. This report shows how Bombardier integrates environmental, social and governance considerations to create sustainable, long-term value. It is part of its ongoing dialogue with stakeholders.

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, market position, capabilities, competitive strengths, 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; the expected impact of the legislative and regulatory environment and legal proceedings; strength of capital profile and capital resources; expected financial requirements, and ongoing review of strategic alternatives; the introduction of productivity enhancements, operational efficiencies, and anticipated costs, intended benefits and timing thereof; the ability to continue business transition to growth cycle and cash generation; intentions and objectives for our programs, assets and operations; expectations regarding the availability of government assistance programs; and expectations regarding the strength of the market, inflationary and supply chain pressures.

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, 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, inter alia, the following material assumptions: growth of the business aviation market and the Corporation’s share of such market; proper identification of recurring cost savings and executing on our cost reduction plan; 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 management’s discussion and analysis of the Corporation’s financial report for the fiscal year ended December 31, 2022 (“MD&A”), which may be viewed on SEDAR at www.sedar.com. ▶

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Given the impact of the changing circumstances surrounding both the repercussions of the COVID-19 pandemic and the ongoing military conflict between Ukraine and Russia, including because of the emergence of COVID-19 variants and the imposition of financial and economic sanctions and export control limitations, 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 inherently more uncertainty associated with the Corporation’s assumptions as compared to prior years.

Certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to: risks associated with general economic conditions; operational risks (such as risks related to development of new business; deployment and execution of our strategy, including cost reductions and working capital improvements and manufacturing and productivity enhancement initiatives; developing new products and services; pressures on cash flows and capital expenditures, including due to seasonality and cyclicalities; the certification of products and services; doing business with partners; product performance warranty; 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; adequacy of insurance coverage; risk management and tax matters); financing risks (such as risks related to liquidity and access

to capital markets, and reliance on government support); risks related to regulatory and legal proceedings; business environment risks (such as risks associated with the financial condition of business aircraft customers; trade policy; increased competition; political instability; 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 the repercussions of the COVID-19 pandemic and the ongoing military conflict between Ukraine and Russia, and 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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Melbourne Service Centre, Australia

Bombardier is a global leader in aviation, focused on designing, manufacturing, and servicing the world's most exceptional business jets.

There is a worldwide fleet of approximately 5,000 Bombardier aircraft in service with a wide variety of multinational corporations, charter and fractional ownership providers, governments, and private individuals. Bombardier aircraft are also trusted around the world in government and military special-mission roles leveraging Bombardier Defense's proven expertise. Headquartered in Greater Montreal, Quebec, Bombardier operates aerostructure, assembly and completion facilities in Canada, the United States and Mexico, and has an expansive and robust global Service Centre network.

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