



SHAPING THE FUTURE OF MOBILITY, RESPONSIBLY



2012 CORPORATE SOCIAL RESPONSIBILITY
REPORT SUMMARY

BOMBARDIER
the evolution of mobility

ABOUT THIS PUBLICATION

We report on our corporate social responsibility (CSR) performance annually in the spring, in alignment with our Annual General Meeting of Shareholders. Data in this report covers the period from January 1, 2012 to December 31, 2012. Financial information is given in U.S. dollars, unless otherwise specified.

To view our full online report, which was developed in accordance with the Global Reporting Initiative (GRI) 3.1 and the GRI Principles for Defining Quality, please visit **csr.bombardier.com**.

LEADERSHIP PERSPECTIVE

Since our founding in 1942 as the manufacturer of the 12-passenger *B12* snowmobile to our position today as the world's only manufacturer of planes and trains, we have again and again transformed the way people move. While our product portfolio has evolved over the years, our core values have remained the same.

SHAPING THE FUTURE OF MOBILITY, RESPONSIBLY

Our sixth corporate social responsibility (CSR) report, *Shaping the Future of Mobility, Responsibly*, articulates our belief that to be a leader in the transportation industry of today and tomorrow, we must dedicate ourselves to:

- Delivering Innovation by creating advanced mobility solutions that provide safe, efficient, and environmentally-responsible air and rail travel to meet the needs of the world's growing population and industry.
- Managing Responsibly by conducting our business ethically and transparently; applying manufacturing practices that continually improve the quality of our products and adhere to the highest health, safety, and environmental standards; and supporting the engagement and empowerment of our 71,700 employees.
- Supporting Communities by partnering with our employees, customers, local organizations, and all stakeholders to help build communities and improve quality of life wherever we do business.

For us, 2012 was a year of great progress in The Evolution of Mobility. While there were some challenges — as all members of our industry still cope with heightened economic uncertainty — it was still a year of innovation and achievements. We began the final stages of the development of the *CSeries* mainliner, an aircraft with an unmatched environmental scorecard, in preparation for its first flight in 2013. We also continued testing the *ZEFIRO* 380, a very high speed train that sets a new, high standard for climate-friendly, long-distance travel. We are excited about the environmental potential of these products, but also the promise they hold for communities. In this age of urbanization and globalization, these products provide affordable and environmentally-efficient mobility solutions for cities — large and small — to connect to one another. This brings new opportunities and experiences to communities and businesses that may not have previously been connected to the global network.

Internally at Bombardier, 2012 was a year of innovation and integration. We are a large, global company with practices that sometimes differ across our many locations. In 2012 we took a close look at some of the best practices originating from different parts of our business — from health, safety, and environmental management to development programs for managers and leaders — and identified those that could be shared across the business. By growing successful practices globally, we can operate more efficiently and make greater year-on-year progress in our CSR performance. This is also part of how we will continue to fulfill our commitment to practice and progress against the principles of the United Nations Global Compact.

IT'S ALL ABOUT WHAT'S NEXT

We are proud of the progress we made against our CSR objectives in 2012 and proud that our progress earned Bombardier recognition on two Dow Jones Sustainability Indices for the sixth consecutive year and, for the first time, as a Sector Leader. But there is still much work to be done. Over the next several years we will:

- Continue to focus on creating industry-leading products that address societal needs while reaching new levels of environmental responsibility. We will explore alternative fuels for use in our products and work toward our long-term goal to manufacture 100% recoverable products.
- Ensure we are providing our employees with the best opportunities to grow and advance their careers.
- Attract and retain more women engineers and leaders across our organization.
- Work to decrease our environmental impact while simultaneously growing our business.
- Focus more closely on our approach to human rights, including how we guard against the use of conflict minerals in our supply chain.
- Further implement our Health, Safety, and Environment Preventive Culture in all of our operations.
- Continue to develop communities and grow local roots in our key markets.

Thank you for taking the time to read about our CSR efforts. To read our full 2012 CSR report and to provide feedback, please visit csr.bombardier.com. We look forward to continuing our conversation about the future of CSR at Bombardier and how we can work together to shape the future of mobility, responsibly.



Pierre Beaudoin

President and
Chief Executive Officer,
Bombardier Inc.



Daniel Desjardins

Senior Vice President,
General Counsel,
Corporate Secretary,
and CSR Committee
Chairman,
Bombardier Inc.

WHO WE ARE

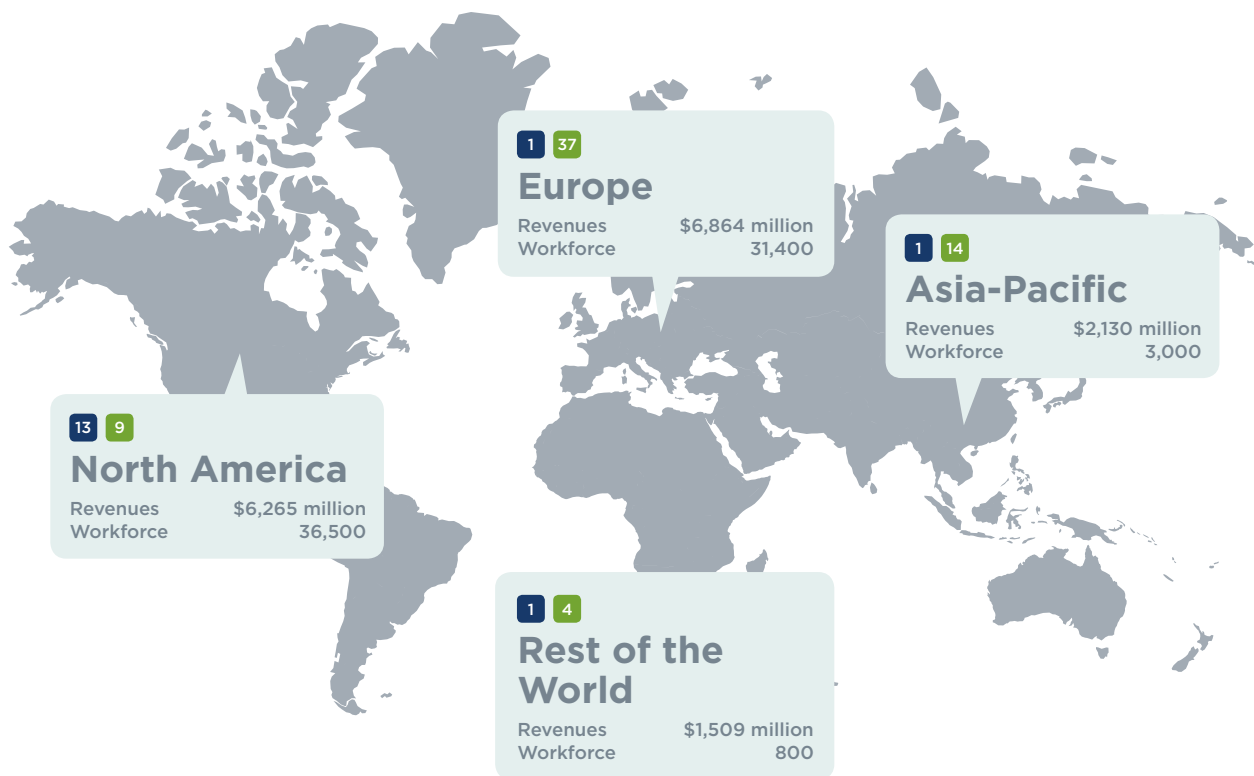
Bombardier is the world's only manufacturer of both trains and planes. We are committed to meeting the challenges of today and tomorrow by continuing to evolve the way people move around the world.

From high speed trains to commercial and business aircraft, our approach to product development is focused on improving people's ability to connect with each other through safe and environmentally-responsible means of transportation. That is why we consistently invest in research and development, deploy innovative product development tools, and work directly with all of our stakeholders to ensure our progress in The Evolution of Mobility continues.

In 2012, we continued to display leadership in aerospace with the industry's most comprehensive portfolio of products and services, as well as in rail transportation, where our technological capabilities are unmatched.

WHERE WE ARE

As at December 31, 2012



- Number of Bombardier Aerospace production and engineering sites
- Number of Bombardier Transportation production and engineering sites

OUR APPROACH

CSR is a fundamental part of how we think about and conduct our business and how we identify growth opportunities.

OUR CSR MISSION

As the world's only manufacturer of both planes and trains, we provide the transportation solutions of tomorrow that drive value by addressing mobility needs, while respecting planet and people. By conducting our business in collaboration with and to the benefit of our stakeholders, we create the conditions for engaged talent, constant innovation, and eco-efficient products and services that shape The Evolution of Mobility. This is how we move forward, responsibly.

Our CSR approach is organized into six pillars representing the six areas in which we believe we have the greatest responsibility and opportunity to make progress.

Products and Services

We are committed to creating products and services that meet the world's mobility needs, while upholding best-in-class standards of safety and creating new, high standards in environmental responsibility.

Governance

We are committed to strong and ethical corporate governance, embedded in our promise, our core values, and our Code of Ethics and Business Conduct.

Employees

We are committed to our employees. Our success depends on their full engagement and enablement. By listening to, developing, and rewarding our employees, we promote the success of our business worldwide.

Operations

We are committed to operating our business in a way that maximizes the safety and environmental efficiency of our workplaces and of our products.

Supply Chain

We are committed to working closely with our suppliers around the world to ensure the efficiency and sustainability of our supply chain.

Responsible Citizenship

We are committed to making a positive contribution everywhere we do business — starting in the communities where we operate.

SUSTAINABILITY LEADERSHIP IN 2012

The world's 2,500 largest companies (based on the Dow Jones Global Total Stock Market Index) are invited to participate in RobecoSAM's Corporate Sustainability Assessment (CSA) every year. The survey results determine inclusion in the Dow Jones Sustainability Indices (DJSI).

Our DJSI rankings for 2012 represent our sixth consecutive listing on both the DJSI World and DJSI North America Indices.

Following RobecoSAM's CSA, we were also awarded Sector Leader, considered to be the company within our sector best prepared to seize the opportunities and manage risks derived from economic, environmental, and social developments.



OUR PROMISE

The Evolution of Mobility is about creating better ways to move the world.

Transforming how millions of people get around every day, by train and by plane.

We take the lead, and we deliver.

We're mobilizing the future in more than 60 different countries.

Investing in communities around the globe to break new ground.





After all, The Evolution of Mobility is all about what's next.



2012 CSR GOALS & PROGRESS

The following are some of the goals we set for ourselves for 2012 and how we have tracked against those objectives. Our full 2012 goals and our goals for 2013 are available at csr.bombardier.com.

PRODUCTS AND SERVICES

| What we said we'd do in 2012 | What we did in 2012 | Progress |
|--|---|--|
| Sustain progress through our own and joint industry initiatives to reduce or eliminate the use of hazardous substances or regulated chemicals in our products | We have continued to reduce our use of hazardous substances by addressing requirements of Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), through the extension of the Railway Industry Substance List, a standard of the Association of the European Rail Industry (UNIFE), and by leading the International Aerospace Environmental Group's (IAEG) work to develop an aerospace voluntary standard for the reporting of dangerous chemicals. The IAEG is aiming to issue the standard by the end of 2013. |  ON TRACK |
| Introduce the first-ever Environmental Product Declaration (EPD) in the aerospace industry by entry-into-service for the <i>CSeries</i> family of aircraft by 2014 | We have developed the EPD to help our customers understand the environmental impact of the <i>CSeries</i> family of aircraft. We plan to issue it in 2014 to coincide with the aircraft's entry-into-service. |  ON TRACK |
| Launch Advanced Safety Planning across Aerospace | We instituted a new Advanced Safety Planning process to more proactively identify and mitigate the root causes of product safety accidents/incidents. In 2012, we implemented this process with the <i>CRJ</i> fleet and plan to expand the process to other programs in coming years. |  ON TRACK |
| Improve customer engagement to better understand customer needs and concerns | At Transportation, we conducted a survey of 21 major customers with an external partner. At Aerospace, following a customer engagement survey, we focused on the key drivers of customer engagement: Parts Services, Supplier Management, and Service Centres. |  ON TRACK |







GOVERNANCE

| What we said we'd do in 2012 | What we did in 2012 | Progress |
|--|---|---|
| Complete the second wave of ethics e-learning training and begin developing the next phase | We completed our series of six training modules addressing various provisions of our Code of Ethics and Business Conduct. We began development of the next phase of training, which will be focused specifically on anti-corruption. |  ACHIEVED |
| Generate increased employee awareness around ethics | We published two B-ethics newsletters and began development of an ethics intranet. |  ON TRACK |
| Complete external stakeholder assessment to revise current materiality matrix | We completed a third-party led external stakeholder assessment and, through this process, held one-on-one conversations with stakeholders including customers, investors, suppliers, regulators, labour unions, industry organizations, NGOs, and community partners. |  ACHIEVED |

EMPLOYEES

| What we said we'd do in 2012 | What we did in 2012 | Progress |
|---|--|---|
| Align the employee engagement survey process across all company locations | We completed a fully aligned survey across all locations with an 82.9% participation rate. |  ACHIEVED |
| Improve the current Performance Management Process to strengthen alignment with business objectives and clarify desired behaviours and competencies | The Performance Management Process was aligned introducing competencies, making it more efficient for managers to conduct performance reviews. Eligible employees completed the process entirely through BTALENT, our online talent management tool. |  ACHIEVED |
| Expand the "Making Great Leaders" leadership training program across the company | Originally active only at Transportation, we have expanded "Making Great Leaders" to all groups. In 2012 alone, more than 150 leaders, director level and higher, participated in the program. |  ACHIEVED |
| Increase women in management in our Aerospace group to 25% by 2014 | We increased the percentage of women in Aerospace management from 18.6% to 19.1%. We continue to progress toward this goal by providing networking and development opportunities for women leaders. |  ON TRACK |




OPERATIONS

| What we said we'd do in 2012 | What we did in 2012 | Progress |
|--|---|--|
| Create additional tools and programs to further the adoption of our Health, Safety, and Environment (HSE) Preventive Culture | We significantly enhanced our infrastructure to support our HSE Preventive Culture by augmenting HSE monitoring systems, improving HSE training, and increasing management's engagement in HSE issues. |  ON TRACK |
| Strive to achieve our ultimate target of zero occupational illness and injury | While our accident frequency and severity rates each decreased by more than 10% in 2012, we did unfortunately have a fatality at one of our sites in France. |  BEHIND |
| Achieve a 10% reduction in energy consumption and greenhouse gas emissions between 2009 and 2013, based on 2008 data | We have reduced our energy consumption by 15.1% and our greenhouse gas emissions by 24.4% since 2009, based on 2008 data. While these numbers exceed our goal, we anticipate that production levels will increase in 2013, which may lead to higher energy use and greenhouse gas emissions than in 2012. We therefore are continuing to work toward our 10% goal as our production increases. |  ON TRACK |
| Reduce waste and hazardous waste by 9% between 2010 and 2012, based on 2009 data | In 2010 we expanded our definition of waste to include all disposal streams (not just non-valorized waste as we had done in 2009 and prior). Our reported waste therefore jumped between 2009 and 2010 due to the expanded definition. Between 2010 and 2012, using the 2010 definition, our waste increased by 12.6%. This goal has therefore not been achieved, but we are working to identify ways to improve our performance. |  BEHIND |
| Reduce water consumption by 3% between 2010 and 2012, based on 2009 data | Since 2010, we reduced our water consumption by 12.6%, based on 2009 data, exceeding our goal. |  ACHIEVED |
| Implement 2012 Green Fund projects, launch 2013 Green Fund campaign, and support best practices across the organization | We selected 20 Green Fund projects for development in 2012 and implemented 12 of them. The remaining eight projects as well as the 2013 Green Fund campaign have been postponed due to resource constraints. |  BEHIND |

SUPPLY CHAIN

| What we said we'd do in 2012 | What we did in 2012 | Progress |
|---|--|---|
| Train our high potential procurement managers on CSR | Nearly all of our high-potential procurement managers received CSR training in 2012. Transportation managers received training through the European Institute of Purchasing Management and Aerospace managers received training and information through internal meetings and external CSR events. |  ACHIEVED |
| Further implement the compliance program for the Supplier Code of Conduct for Aerospace suppliers | We took several actions to enhance our monitoring of suppliers' compliance with the Code, the most significant of which was training our procurement team to enable them to do CSR spot-checks as part of their regular visits to our strategic suppliers. We conducted spot-checks of nine Aerospace suppliers in 2012. |  ON TRACK |
| Conduct more on-site CSR spot-checks of Transportation suppliers | We conducted spot-checks of 13 suppliers. No violations of the Supplier Code of Conduct were discovered. |  ON TRACK |
| Lead in the development of a common rail industry-wide approach to management systems and on-site audits of suppliers | We worked with the Association of the European Rail Industry (UNIFE) to move this forward and in 2013 succeeded in finalizing a clear quality management auditing policy for the industry. |  ON TRACK |

RESPONSIBLE CITIZENSHIP

| What we said we'd do in 2012 | What we did in 2012 | Progress |
|---|---|---|
| Define common Key Performance Indicators (KPIs) to measure our community involvement | We defined common KPIs to measure impact across our 3E focus areas (Education, Environment, Entrepreneurship). KPIs to be measured include amount of cash contributions, value of in-kind contributions, and number of Bombardier employees volunteering. |  ACHIEVED |
| Align 80% of donations and sponsorships budget with 3E focus areas by 2015 | Contributions within our focus areas were increased from 33% in 2011 to 45% in 2012. |  ON TRACK |
| Update the Donations, Sponsorships, and Employee Volunteering Policy to include common Employee Volunteering guidelines | We updated the Donations, Sponsorships, and Employee Volunteering Policy to include program guidelines and HR criteria for employee volunteering. |  ACHIEVED |

DELIVERING INNOVATION

SHAPING THE
FUTURE OF
MOBILITY,
RESPONSIBLY

Delivering
Innovation

Managing
Responsibly

Supporting
Communities

Bombardier's most important role in society is to create products that safely and efficiently move people across cities, countries, and continents.

With this in mind, we have dedicated ourselves to delivering innovation. We deliver innovation by creating advanced mobility solutions that provide safe, efficient, and environmentally-responsible air and rail travel to meet the needs of the world's growing population and industry.



PRODUCTS & SERVICES

Current estimates project that by 2025, the world's top 600 cities will have more than two billion inhabitants and account for 60% of the world's gross domestic product.¹ As we draw closer to that milestone, implementing effective and efficient transportation solutions becomes more and more critical.

¹ McKinsey Global Institute (2012), *Urban world: Cities and the rise of the consuming class*.



Mass urbanization is just one trend affecting transportation demand. Other factors having an impact include:

- Globalization and the continued increase of business and leisure travel
- Climate change
- Space scarcity and congestion, especially in urban areas
- Resource scarcity and the growing need for the recyclability of materials
- Aging infrastructure

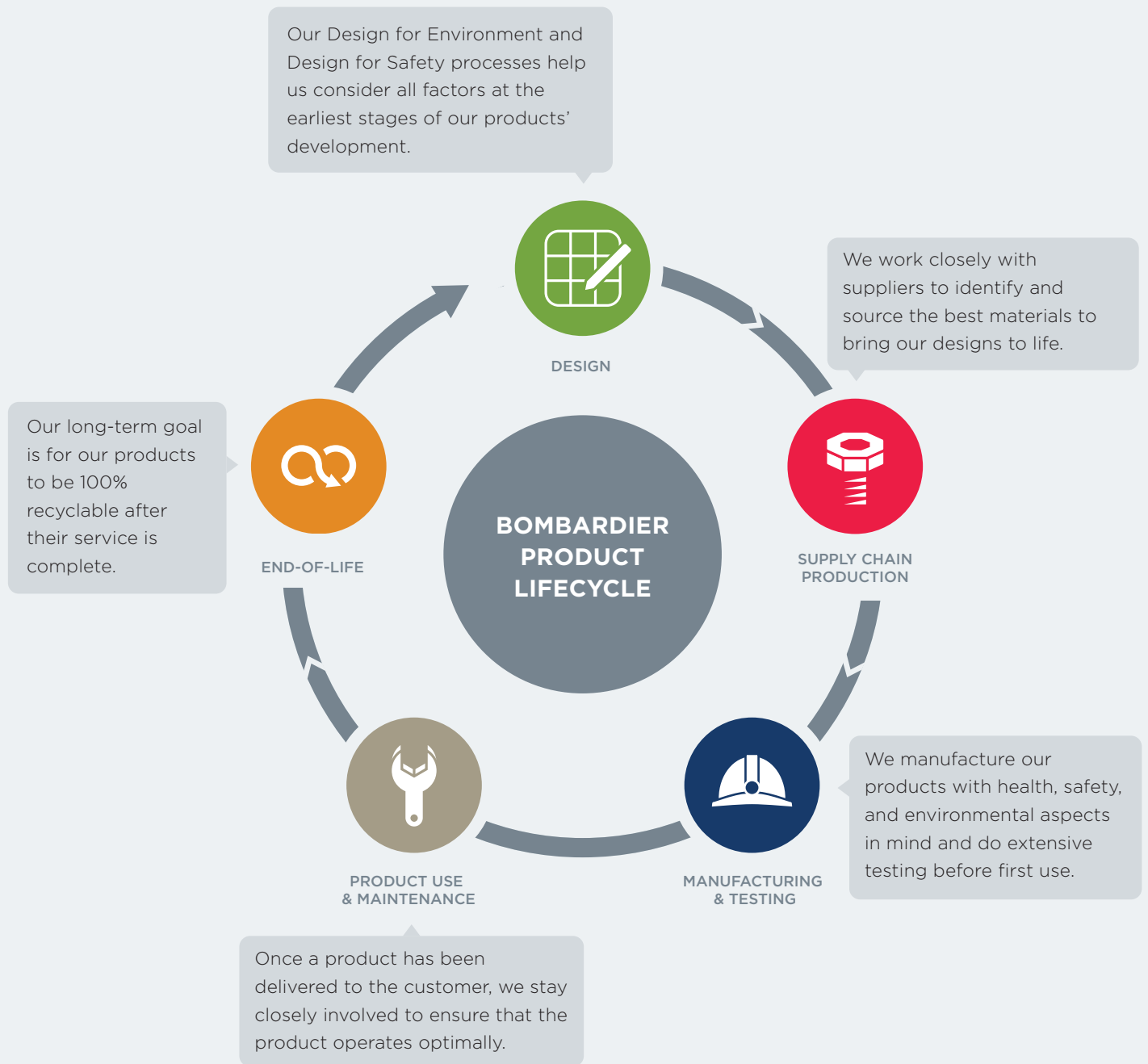
All of these elements present a complex set of opportunities and challenges. Our business is responding to these challenges by bringing transportation solutions to market that are shaping a new future for mobility. For example, the *CSeries* commercial aircraft, scheduled for its first flight in 2013, promises to deliver 20% fewer CO₂ emissions¹ than any in-production aircraft in its segment. Our *Learjet 85* business aircraft, scheduled to enter service in 2014, sets a new standard in environmental performance in the midsize category.¹

Our *ECO4* portfolio of technologies is paving the way for a new era in environmentally-responsible rail technology. The *ECO4* portfolio reduces overall energy consumption on trains by up to 50% compared to current solutions and reduces emissions by up to 80%, thereby minimizing carbon footprints.

As we look ahead, we aim to continuously find better ways to bring people together through responsible, safe, and reliable mobility solutions.

¹Key performance targets, under certain operating conditions, when compared to aircraft currently in production, for flights of 500 nautical miles. See the *CSeries*, *Learjet*, and *Global* aircraft programs disclaimer at the end of this report.

BOMBARDIER PRODUCT RESPONSIBILITY STRATEGY



THE RESULTS¹

The CSeries aircraft program: an affordable, efficient, and responsible mobility solution to connect cities to each other.

UP TO
50%
FEWER NO_x EMISSIONS
VERSUS CURRENT REGULATIONS

UP TO
20%
FUEL BURN
ADVANTAGE



PRODUCT RESPONSIBILITY STRATEGY IN ACTION WITH THE CSERIES AIRCRAFT¹



2008 Program Launch

The *CSeries* aircraft is a “clean sheet” design. We have taken advantage of this to make dozens of environmental innovations that include using the latest generation system technology, state-of-the-art aerodynamics, and advanced materials to reduce the aircraft’s weight significantly — all of which leads to 20% fewer carbon emissions compared to competitors in the same category.

We designed the *CSeries* aircraft for safe and comfortable use by operators and passengers. We worked with pilots to design the flight deck to give them enhanced vision to steer the plane safely in all conditions. The aircraft also features more room for passengers and their luggage and newly designed lavatories accessible to passengers with reduced mobility.

The new paint system used in the *CSeries* aircraft design reduces both hazardous material use and contributes to reduced aircraft weight, saving 40kg of fuel over the aircraft’s lifetime.



We worked with Pratt & Whitney to produce the PurePower® PW1500G Engine for the *CSeries* aircraft — a breakthrough in engine technology that will significantly decrease the aircraft’s fuel burn.



Before the manufacturing ever began, employees spent nine months simulating the *CSeries* aircraft assembly process, building a full-size wooden mock-up. Through this exercise, more than 800 improvements were made to the process — more than half of which were made to specifically improve worker health and safety.

Prior to entry into service, the *CSeries* aircraft will undergo extensive testing. This will include both ground and flight tests, looking at takeoff and landing performance, aircraft handling characteristics, flying in various wind conditions, cold starts, and much more. At the end of this process, the aircraft will receive their Type Certificate from Transport Canada.



2014 Entry into Service

We will work closely with our customers to ensure they get all of the benefits of the *CSeries* aircraft during use. This will include publishing the aerospace industry’s first Environmental Product Declaration in 2014 to communicate the environmental impact of the aircraft and how customers can maximize environmental benefits.



Right now, aircraft are about 75% recyclable. By the time customers begin retiring their *CSeries* aircraft, we expect to increase that percentage. We are conducting multiple research projects with partners to explore how to cost-effectively recycle more of the aircraft — particularly parts made of composite materials, like the empennage, rear fuselage, nacelle, and wing of the *CSeries* aircraft.

¹Key performance targets, under certain operating conditions, when compared to aircraft currently in production, for flights of 500 nautical miles. See the *CSeries*, *Learjet*, and *Global* aircraft programs disclaimer at the end of this report.



UP TO
20%
FEWER CARBON
EMISSIONS

TAKE-OFF NOISE FOOTPRINT UP TO
4X
SMALLER THAN ITS
COMPETITORS

Unrivalled passenger experience
with more comfort, service, and
efficiency, and greater accessibility
for persons with reduced mobility

THE RESULTS OF OUR PRODUCT RESPONSIBILITY STRATEGY

In addition to the *CSeries* family of aircraft, the following are several examples of the results of our product responsibility strategy on the rail transportation side of our business.

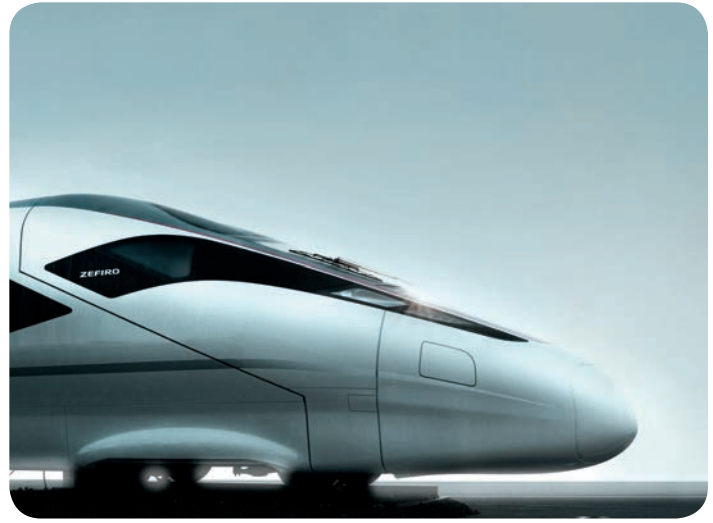


PRIMOVE

As cities continue to grow at an exponential rate, they are forced to deal with countless mobility-related challenges, including increases in carbon emissions and noise and visual pollution. Our *PRIMOVE* transportation system moves cities into the future responsibly, offering ways to charge all types of electric rail and road vehicles — including trams, buses, cars, and trucks — without the use of any overhead wires. It eliminates the traditional constraints of cables, wires, and plugs, and makes urban transportation more flexible, convenient, and safe.

We designed *PRIMOVE* as a unique intermodal technology that allows electric vehicles to be recharged either in motion or at rest without affecting driving habits. This enables mass transit networks, fleet operators, and car owners to benefit from e-powered mobility without the range and recharging issues normally associated with electric charging. And because all of the *PRIMOVE* components are underground and will release zero emissions when powered by renewable energy, the result is a cleaner, quieter, and prettier city.

PRIMOVE technology is being tested and will be applied on trams, buses, minivans, and cars in various locations in Europe including Augsburg, Berlin, Braunschweig, and Mannheim in Germany, as well as Bruges and Lommel in Belgium.



ZEFIRO

Globalization brings increasing demands for fast, comfortable, energy-efficient, and environmentally-responsible transportation solutions. While congestion and pollution pose serious challenges to the growth of industrialized and developing nations, very high speed (VHS) trains like the *ZEFIRO* present a low-carbon, ecologically-sensitive solution to connect to areas with high population density.

The *ZEFIRO* train radically redefines VHS rail travel, setting benchmarks in performance and efficiency. It was designed with a scalable traction power that allows for customized solutions and offers other options including train length, car body profile, interior layout, and front-end design.

The *ZEFIRO* train also has the highest capacity of any VHS train on the market (up to 1,300 seats), with an open tube design that maximizes interior space to ensure easy passenger flow. Due to its capacity, *ZEFIRO* consumes the lowest energy per seat of any VHS train in the world, making it the most economical and environmentally-friendly train of its class on the market today.

MANAGING RESPONSIBLY

SHAPING THE
FUTURE OF
MOBILITY,
RESPONSIBLY

Delivering
Innovation

Managing
Responsibly

Supporting
Communities

We cannot be profitable nor can we create great products if we do not manage our business responsibly.

We do this by conducting our business ethically and transparently; applying manufacturing practices that continually improve the quality of our products and adhere to the highest health, safety, and environmental standards; and supporting the engagement and enablement of our 71,700 employees.



Bombardier Senior Management at the 2012 Annual General Meeting of Shareholders

GOVERNANCE

Strong corporate governance begins with our Board of Directors. Our Board has a responsibility to set governance policies, identify priorities, and oversee the ethical implementation of all of our work.

BOMBARDIER CODE OF ETHICS AND BUSINESS CONDUCT

Bombardier's expectations for high standards of ethical behaviour are laid out in our Code of Ethics and Business Conduct, which all Bombardier Board members and employees are expected to follow.

We provide our employees with information and training to help them follow the Code and understand its provisions. We also offer further training for management to help them develop skills to handle ethical dilemmas in the context of their everyday activities. In 2012, Bombardier management completed the final modules of a three-year series of in-depth trainings on provisions of the Code, including bribery and corruption; anti-trust laws; conflicts of interest; employment practices; and fraud.

In 2013, we will launch an ethics intranet to give all employees access to ethics-related information through one, user-friendly resource.

RISK MANAGEMENT

Risk management is an essential part of ethical governance. The Board's Finance and Risk Management Committee evaluates risk and reports to the full Board on risk assessment and mitigation action plans.

In 2012, in accordance with the UK Bribery Act, we conducted an anti-corruption risk assessment pilot project in five countries. The results of this pilot project highlighted a few areas for improvement that we will address accordingly in the next several years.

HUMAN RIGHTS

While human rights considerations have always been implicitly part of our CSR approach, in 2012 we began looking at them as an independent CSR issue. In early 2013, we developed a formal human rights statement for the company that better defines how we address and respect human rights.

B-ETHICS

Our B-ethics newsletter — circulated several times per year — is one of the ways employees can stay up-to-date on how to conduct their work in accordance with all of our ethics policies and guidelines.



EMPLOYEES

Our 71,700 employees are the heart and soul of our category-leading planes and trains. Ensuring that our employees are highly trained, engaged, and enabled is essential for our viability as a business and our ability to shape the future of mobility.



RECRUITMENT

We work hard to recruit the right talent for our business everywhere we operate across the globe. This often means engaging closely with governments and universities to find — or train — local talent for the specialized jobs our sites require. For example, in 2012 Bombardier employees provided “train-the-trainer” sessions to teachers at the Institut des Métiers de L’Aéronautique in Casablanca to help them train local workers for jobs as aircraft assemblers at Bombardier’s new site in Morocco. The four certified trainers completed 16 weeks of classes with the first cohort of 26 students, 18 of whom have already begun work in a Bombardier facility.

ENGAGEMENT

In 2012 we administered our annual Employee Engagement Survey. For the first time, we aligned the survey across all of our locations globally. This alignment will help us capture more comprehensive data and analyze it more holistically to identify changes that need to be made. Nearly 83% of employees participated in this voluntary survey in 2012. Bombardier's overall engagement score is 72% and overall enablement score is 67%, exceeding the Hay Group Manufacturing norm and almost reaching the Hay Group High Performance Organizations norm of 76% for engagement and 71% for enablement. The results confirmed that employees continue to be highly engaged in their work and in the organization.

2012 EMPLOYEE ENGAGEMENT SURVEY RESULTS (SAMPLE)

| | Employees Agreed | Manufacturing Norm | High-performing Organizations Norm |
|--|------------------|--------------------|------------------------------------|
| I feel proud of the products we produce | 89% | N/A | N/A |
| I feel proud to work for this organization | 83% | 79% | 85% |
| In my site/location, we take concrete steps to protect the environment | 76% | 73% | 80% |
| My job provides me with the opportunity to do challenging and interesting work | 75% | 68% | 77% |
| This organization is socially responsible (a good "corporate citizen") | 71% | 74% | 85% |

DEVELOPMENT

We are wholly committed to supporting our employees in managing and developing their careers. In 2012 we significantly enhanced our programming to help employees become the strong managers and leaders that will move our company forward. Some of the programs launched or expanded in 2012 include:

- **Making Great Leaders:** Originally active in only one business group, in 2012 we continued expanding the Making Great Leaders program across the organization. The program invites employees in leadership positions to a three-day session that explores various leadership styles and how those styles impact teams and work climate. More than 150 employees at the director level and above participated in 2012.
- **New Manager Integration Program:** Launched in 2012, the New Manager Integration Program provides new managers within Aerospace with a personalized online introduction to the resources they will need to be successful managers.
- **Talent Champions:** Launched in 2012 within our Transportation business group, the Talent Champions program provides managers with step-by-step support to move from the basics of managing employees to becoming Talent Champions — capable of engaging, coaching, and developing employees to their greatest potential.





OPERATIONS

As a manufacturer of planes and trains, it is critical not only for our products, but also for our workplaces, to be safe and environmentally-responsible. At all of our sites, our aim is to operate to high standards of health, safety, and environmental (HSE) performance. Our HSE Policy, international standards like EMAS, ISO 14001, and OHSAS 18001, and our cross-company HSE Council guide our work.

Our key long-term HSE goals are to:

- Achieve zero occupational illness and injury
- Work to achieve carbon-neutral operations
- Decrease the amount of natural resources such as water, energy, and raw materials used in our production processes
- Eliminate the use of restricted substances (i.e. material or substance classified by Bombardier as restricted, but not prohibited by law)

ADVANCING AN HSE PREVENTIVE CULTURE

We have a robust system in place to help us track, analyze, and improve our HSE performance across all of our sites. This includes an HSE online management system to monitor and manage performance. Complementing that, our vast array of safety checks and site audits (including voluntary compliance audits) ensure all HSE legal requirements are met, and often exceeded, and best practices are followed on a daily basis. We also provide HSE training to help all employees — and in many cases contractors and visitors to our sites — understand and live by proper HSE values and actions.

In 2012, we also took steps to increase engagement of Bombardier line management in our HSE approach by sharing more information on HSE performance and, in certain cases, bringing management into the process to recommend corrective actions. We believe this will be an important step in the process to completely integrate an HSE Preventive Culture throughout the business.

We also made strides in improving our environmental performance in 2012. For example, through the Bombardier Green Fund — a program through which employees submit ideas, based on their day-to-day experiences to improve our environmental operations — we implemented 12 new projects in 2012. To date, the Green Fund has received more than 200 proposals and implemented 31. In 2012, these projects saved more than \$1 million and 3,353 tons of greenhouse gas emissions.

2012 HSE PERFORMANCE

↘ **12.6%**

Decrease in accident frequency rate since 2011

↘ **17.2%**

Decrease in accident severity rate since 2011

↘ **1.5%**

Decrease in energy consumption since 2011

↘ **0.8%**

Decrease in greenhouse gas emissions since 2011

↘ **7.2%**

Decrease in water consumption since 2011

↗ **0.6%**

Increase in waste generated since 2011

SUPPLY CHAIN

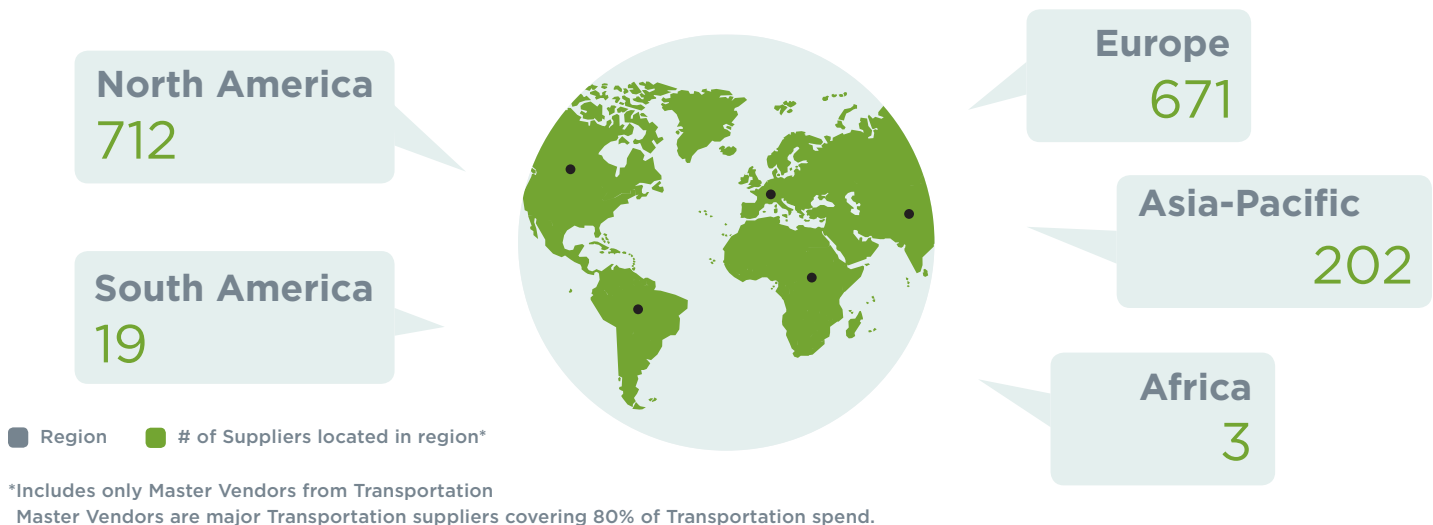
The quality of our products depends on integrating hundreds of thousands of well-designed and manufactured parts and advanced technologies from other innovators. As we grow as a company and create new, innovative, and more energy-efficient products, our supply chain continuously evolves and suppliers become increasingly incorporated into our operations and our strategy. We are committed to maintaining transparent, respectful, and long-lasting relationships with our suppliers.

SUPPLIER CODE OF CONDUCT

Our Supplier Code of Conduct sets our expectations for suppliers on legal compliance, labour, health and safety, environment, anti-corruption, ethics, and governance. The following are some of the ways we execute the Code.

| Supplier Selection | Spot-Checks and Audits | Performance Tracking and Self-Assessment |
|--|---|---|
| Before Bombardier enters into contract negotiation with a potential supplier (Master Vendor at Transportation), we look for both the ability to adhere to the Supplier Code of Conduct or equivalent code and the ability to help us manufacture products that meet high environmental and safety standards. | In 2012, we provided tools and training to our procurement professionals to conduct CSR spot-checks of our suppliers as part of their regular on-site visits. In this pilot year, our procurement managers and other trained supply chain representatives conducted spot-checks of more than 20 critical suppliers. No violations of the Code or any other causes for corrective action were found as a result of these checks. | To understand our suppliers' performance on CSR and other areas, we have performance tracking databases across our business. The data gathered from these sources help us engage in more informed conversations on social responsibilities. |

2012 SUPPLIERS WORLDWIDE



WORKING WITH SUPPLIERS

We are dedicated to working with our suppliers to help them improve their own CSR performance and grow as successful businesses. The quality of our products and the success of our own business depend on it. We do this in a variety of ways, such as collaborating with industry groups to promote supplier CSR development industry-wide and working closely with our own suppliers. For example, in 2012 we held workshops attended by 35 of our major suppliers in which we discussed how they could further integrate CSR into their business practices, manage risk, realize efficiencies, and create sustainable products.

SUPPORTING COMMUNITIES

SHAPING THE FUTURE OF MOBILITY, RESPONSIBLY

Delivering
Innovation

Managing
Responsibly

Supporting
Communities

The Evolution of Mobility means not only making great products, but also supporting great communities. We have a responsibility to be an active member of the communities in which we live and work. This responsibility is a social responsibility, but also a business imperative. Without thriving communities with strong infrastructures, we cannot run a successful business.



Employee Volunteers, Belfast, United Kingdom

RESPONSIBLE CITIZENSHIP

We aim to annually contribute 1% of our earnings before tax (EBT)¹ of the previous year, divided evenly between direct community investments and a contribution to the J. Armand Bombardier Foundation — a private family foundation that advances the humanitarian work of our founder Joseph-Armand Bombardier and helps fulfill his vision of social responsibility. In 2012, we contributed more than \$13 million to our communities, comprising 1.29% of the 2011 fiscal year EBT. This included \$7 million to the Foundation to honour our founder's vision and to support the needs of our home community in Canada.

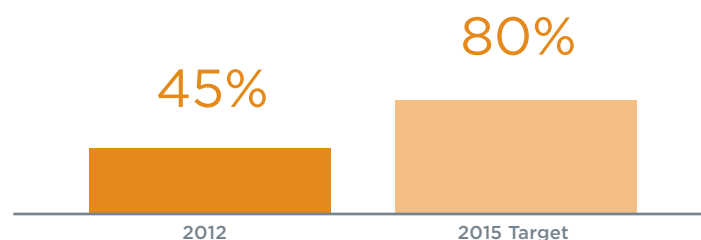
¹Based on the national standard for excellence in corporate community investment of 1% EBT, as defined by the Imagine Canada Program, 2010.

We gave \$6 million of our corporate contributions directly to our communities around the world. To make the greatest impact, we focus an increasing portion of our giving in three areas — the “3Es” — aligned with our core business.

Currently, approximately 45% of our giving is focused within the 3Es. By 2015, we aim to reach 80%.

To further enhance our impact within the 3Es, in 2012 we began the process of creating a formal employee volunteering program by holding pilot volunteer events in several markets to gather best practices. The program will be officially launched in 2014.

GIVING WITHIN THE 3ES



Bombardier 2012 3E Giving

EDUCATION

Supporting educational opportunities to build communities, as well as a sustainable workforce for the transportation industry

\$2,448,321

ENVIRONMENT

Supporting programs and projects that protect and preserve the natural environment

\$173,769

ENTREPRENEURSHIP

Supporting young entrepreneurs in developing their skills and launching their businesses

\$214,280

COMMUNITY INVOLVEMENT IN 2012

In 2012, we contributed to dozens of projects around the world to support our communities. For example, we have partnered with the Ulster Wildlife Trust for more than 15 years to help protect native habitats and local species in areas adjacent to our facilities in Northern Ireland. As part of this work, in 2012 we supported Flight in Nature, which teaches local students how the “natural flight engineering” of birds, bats, bees, and other flying creatures has contributed to the evolution of aviation technology.

Also in 2012, we partnered with Hürdenspringer+, a Berlin-based nonprofit organization that provides mentoring for children from economically underprivileged families. Through this partnership, we invited teenagers to attend the “On Track to Success” workshop at our event at InnoTrans in September 2012, engaging these students in the different stages of our value chain and encouraging them to generate, implement, and sustain their own innovative ideas.



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SHAPING THE FUTURE OF MOBILITY, RESPONSIBLY

csr.bombardier.com

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SHARE YOUR FEEDBACK

Thank you for taking the time to read about our CSR work in 2012. The purpose of this report — and our full online report — is to have a dialogue with our stakeholders. Please email us your thoughts on our CSR approach and performance at **csr@bombardier.com**.

If you would like to contact Bombardier for any other matter, please visit **bombardier.com/en/corporate/contacts**.

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32
mature trees, equivalent
to the area of 2 tennis courts



1,774 kg
of waste, or the contents
of 36 waste containers



52 GJ
of energy, equivalent to
the energy used by
241,131 60W light bulbs
in an hour



4,612 kg
of CO₂, equivalent to
the annual emissions
of 2 cars



117,126 litres
of water, equal to
one person's consumption
of water in 335 days



14 kg
of NO_x, equivalent to
the emissions of a truck
in 42 days

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