

Tax Strategy

Bombardier's UK tax strategy

Our UK tax strategy applies to all our legal entities in the UK, which are ultimately owned by Bombardier Inc., headquartered in Montreal, Canada. This approach to taxation is effective for the year ended 31 December 2023 onwards and complies with our publication duty under paragraph 19(2) of Schedule 19 of the Finance Act 2016.

We willingly recognise our duty to those communities around the world in which we operate to make our tax contribution. In addition to paying corporate income tax on our profits, we pay various taxes that are incurred in our business operations. These include employer payroll taxes and social charges, irrecoverable transaction and sales taxes, and taxes on property and business operations. We also collect taxes on behalf of tax authorities in respect of employee payroll taxes and social charges, and transaction taxes.

Bombardier's approach to UK tax risk management and governance

The Bombardier group has invested in an internal tax team to manage the group's tax affairs. The internal tax team is headed by the global Vice President – Taxation, who reports directly to the Chief Financial Officer of Bombardier Inc. With respect to the UK, there is a part-time UK Advisor, Taxation who reports to the UK Finance Manager and supported by the Director, International Taxation who reports to Vice President, Taxation. The UK Advisor taxation has the day-to-day responsibility for UK tax. We consider that this team has the appropriate level of resource and geographical reach to deal with the territories in which we operate. The team works closely with the business to ensure that we identify, assess, manage and report the tax risks associated with business decisions. Our internal tax team, together with the other functions of the company, work within the controls and processes set out in our global Corporate Office Policy on Taxation (the "Policy"). The Policy supports our commitment to full compliance with all applicable laws including our statutory obligations related to filings, payments, withholding obligations and disclosures to authorities. It also provides a framework for the management of tax risk in Bombardier, and ensures a consistent approach to the assessment, documentation and approval of all matters relating to tax risk.

The Policy requires that all transactions with a tax impact must be documented and authorised in accordance with an approval matrix, depending on the size of the potential tax impact. All decisions are made at a level within the organisation that is commensurate with the level of risk, so matters are escalated according to the matrix in the Policy.

The Policy is reviewed and approved by the group's global Chief Financial Officer and General Counsel. Our UK tax strategy and policies also conform to our global Code of Ethics and Business Conduct.

Bombardier's attitude to UK tax planning and approach to UK tax risk

Our attitude to UK tax planning and our approach to UK tax risk are informed by our Tax Policy, which requires us to comply with the various tax laws and regulations, everywhere we operate.

We determine the level of tax risk that we are prepared to accept in setting our Tax Policy. The risk that Bombardier is willing to accept is rather low.

In taking the decision whether to pursue a UK tax planning opportunity or not, we are guided by the following principles:

- Our commercial needs are paramount, and tax planning must be aligned with genuine commercial purpose.
- We apply the standards set out in our Code of Ethics and Business Conduct. We balance the economic advantages to us of tax planning with potential negative impact, including adverse publicity. We therefore consider the effect of tax planning on stakeholders other than our shareholders, particularly our employees and the communities in which we operate.
- Where tax laws are unclear or subject to interpretation, we will only adopt a tax position if it is more likely than not that the position will be found to be correct.

Our Tax Policy specifies the level at which an opinion from external counsel is required to support the position adopted.

Bombardier's approach towards its dealing with tax authorities

It is our aim to maintain a cooperative relationship with all tax authorities and adopt a policy of open communication and full disclosure in respect of all tax matters. We seek to achieve this through:

- operating in an open, honest and transparent manner;
- regular dialogue on outstanding issues;
- seeking pre-transaction clearances where appropriate; and
- responding to communications in a clear and timely manner.

We also aim to manage our business to ensure that we file all returns on time, completely and in a manner to avoid penalties.