



**MOVING FORWARD
RESPONSIBLY**

.....

ALL ABOARD

.....



2011
CORPORATE SOCIAL
RESPONSIBILITY REPORT

BOMBARDIER
the evolution of mobility

SCOPE

This report focuses on Bombardier's corporate social responsibility (CSR) performance at all of our facilities worldwide. This includes joint ventures where we have operational control. For detailed information on the geographic scope of our performance indicators, consult the Measuring our performance section, pages 73 to 76.

This report's quantitative data reflects our CSR performance from January 1, 2011 to December 31, 2011.

We last reported on progress related to our Objectives in the 2010 CSR Report, published in November 2010. The Objectives in this report cover goals and progress made between February 1, 2010 and December 31, 2011.

All amounts are in U.S. dollars unless otherwise stated.

REPORTING CYCLE

Our last CSR publication was the interim 2011 CSR Overview, published October 20, 2011. Following the internal audit of our complete 2010 CSR Report, as well as Bombardier Inc.'s conversion to calendar years for financial reporting, this 2011 CSR Report is aligned with the publication of our Annual Report. We'll issue our next full CSR Report in spring 2013, continuing alignment with our Annual Report publication.

DATA VERIFICATION

The information provided for our environmental indicators is only partially verified by an external party. Energy and greenhouse gas emissions data from our Aachen, Germany, and Belfast, U.K. sites is verified by external parties under the European Union Emission Trading Scheme. In addition, eight German sites and the Wroclaw sites in Poland receive annual external verification of all environmental data under the EU Eco-Management and Audit Scheme (EMAS).

In May 2011, our Corporate Audit Services and Risk Assessment (CASRA) function conducted an audit of our CSR-related data. Totally independent from our business entities, CASRA can be regarded as a second-party verifier. It applied recognized standards like AA 1000 and ISAE 3000 to conduct the audit, which included in-depth assessments at 5 Bombardier Aerospace (Aerospace) and 10 Bombardier Transportation (Transportation) sites. Through this audit and with the successful implementation of our new HSE data management solution, we're enhancing the accuracy and consistency of our CSR data in preparation for future external verification.

GRI COMPLIANCE

Our 2011 CSR Report has been developed in accordance with the Global Reporting Initiative (GRI) 3.1 and the GRI Principles for Defining Quality. In conjunction with other corporate disclosures and information available at csr.bombardier.com, we self-declare that this report meets GRI Application Level B. For more information on how we met the GRI Principles for Defining Quality and the Standard Disclosures, please refer to the GRI Content Index at csr.bombardier.com/gri.

YOUR FEEDBACK

Let's continue the dialogue on CSR. You can tell us what you think about our CSR performance by emailing us at csr@bombardier.com.

COVER PHOTOS:
Q400 NEXTGEN REGIONAL AIRCRAFT
MOVIA METRO

CONTENTS

2 Executive messages	28 Products	70 The 10 principles of the United Nations Global Compact
5 Our approach	44 Operations	73 Measuring our performance
12 Governance	52 Supply chain	
18 Employees	60 Responsible citizenship	

.....

To earn a place at the head of any industry today, you need to lead in corporate social responsibility (CSR). That's our goal at Bombardier.

To create meaningful economic, social and environmental benefits with every step we take.

Five consecutive years of focused effort and intense activity in CSR have taught us much.

Our most valuable takeaway?

People lie at the heart of our journey.

Their passion and commitment drive all progress.

They help us shape The Evolution of Mobility and ensure the greatest positive impact.

People make the difference; they make it happen.

That's why our proudest and most significant achievement in CSR is inspiring a growing number of stakeholders to join us on our journey.

We will continue to welcome them aboard as we move forward responsibly.

.....

.....

EXECUTIVE MESSAGES

.....

ALL ABOARD

If we had to describe our approach to Corporate Social Responsibility (CSR) in one word, we'd describe it as "committed." We uphold our commitment to CSR through a steadfast focus on execution, yielding measurable improvements over time. CSR is an integral part of Bombardier's competitive foundation, and helps us invest in leading mobility solutions, grow local roots in key markets, and achieve flawless execution every step of the way.

While 2011 marked the fifth year of CSR reporting at Bombardier, we've always engaged in best CSR practices as part of our daily activities. We're determined to build on our five-year legacy of complying with the highest international CSR reporting requirements and to continue embedding CSR in everything we do. CSR is a fundamental driver of profitable, long-term growth. This is how we move forward, responsibly.

SETTING THE STANDARD

By mobilizing the future in more than 60 countries around the world, our products and services help create transportation networks that offer people everywhere more environmentally responsible, energy-efficient and convenient transportation choices than ever before.

We've long recognized that our continued success can only be achieved by hiring, training, motivating and retaining people with the skills and commitment to make it happen; their abilities and enthusiasm are the drivers that enable us to accelerate the Evolution of Mobility on a global basis.

Setting the standard starts at home. At the request of the CSR Committee, in 2011, Bombardier's Corporate Audit Service and Risk Assessment (CASRA) team audited how well our 2010 CSR report conforms to Global Reporting Initiative (GRI) principles, the effectiveness of the processes and systems we use to report CSR data, and the reliability and quality of our performance indicators.

Overall, CASRA's findings confirmed the high quality of our CSR reporting. Not only has CASRA's audit helped us improve our internal reporting processes and prepare for external verification, but it has also triggered the launch of a number of strategic initiatives across our organization with respect to how we measure and report on performance.

We know that we don't have all the answers to the sustainability challenges we face, but we believe that we do ask the right questions—and we act on what we learn. We're committed to pursuing a precautionary approach to the CSR issues on our horizon over the next three to five years, supported by active risk management policies and procedures. These issues include:

- continuing our commitment to strong governance and our Code of Ethics and Business Conduct, which enables us to navigate global economic instability and transform downturns into opportunities to strengthen our competitive advantage
- implementing our Global Talent Roadmap to address the evolving talent landscape, from diversity trends to demographic changes
- complying with and even surpassing legal and regulatory requirements with our Design for Environment program at both Aerospace and Transportation to ensure that environmental concerns are addressed from the earliest stages of product development to proactively prepare for a low carbon economy, resource scarcity and increasing fuel and energy prices
- working to steadily reduce our environmental footprint so that our global operations will be carbon neutral by 2020
- developing our supply chain compliance program to enhance supplier engagement and mitigate supply chain risks

We've already achieved some important milestones: our energy consumption decreased by 1.4% in 2011 compared to the previous year and greenhouse gas emissions by 5%, while our revenues increased by 2.5% or \$0.4 billion compared to last fiscal year.



.....
Pierre Beaudoin

.....
Daniel Desjardins

INVESTING IN THE PROMISE

Because it's our corporate responsibility as well as a sound business practice, we're investing in and helping build the communities in which we operate.

We're passionate about finding and developing local talent, about establishing partnerships with customers, suppliers and academic institutions, and about engaging with community groups and NGOs to find solutions that work for all of our stakeholders.

Achieving leadership in aerospace and rail transportation carries with it an implied promise to be at the forefront of advancing international CSR standards by:

- embedding the principles of the United Nations Global Compact across our organization
- protecting our employees through our Design for Safety program and other measures
- investing in products like the *CSeries* commercial aircraft, the *ZEFIRO* very high speed train and *ECO4* rail technologies that are setting new global standards of energy efficiency and eco-friendliness
- addressing the reporting standards established by the Global Reporting Initiative and following our new reporting cycle, which aligns our CSR Report with our Annual Report to ensure our stakeholders receive information when it is most relevant
- engaging with our employees around CSR issues, enabling them with the right tools, trusting them to get us where we need to go, and soliciting their feedback through our Employee Engagement Survey so that we can make their working environment the best it can be

Striving for excellence generates tangible results: following our participation in Sustainable Asset Management's (SAM) Corporate Sustainability Assessment, we were listed on both the Dow Jones Sustainability North America and Dow Jones Sustainability World Indexes, benchmark indicators of sustainability, for the fifth consecutive year.

In the SAM Sustainability Yearbook 2012, we were recognized as the SAM 2011 Sector Mover, ranking within the top 15% of our sector, Aerospace & Defence, and having achieved the largest proportional year-over-year improvement in our sustainability performance.

We also received the SAM Gold Class award, ranking within 1% of the Sector Leader's score. These awards represent international recognition of our sustainability practices and are a testament to our performance over the past year.

EVOLVING FORWARD

At Bombardier, The Evolution of Mobility is inextricably linked to the evolution of CSR. Throughout 2011, we advanced CSR across our entire organization, from product development and innovation to talent management and community involvement. Take a look inside our CSR Report and browse our dedicated CSR website at csr.bombardier.com to see how we continued to move forward responsibly in 2011. Welcome aboard!

Pierre Beaudoin
 President and
 Chief Executive Officer
 Bombardier Inc.

Daniel Desjardins
 Senior Vice President,
 General Counsel and
 CSR Committee Chairman
 Bombardier Inc.



As a leading aircraft manufacturer, we're responsible for connecting the world. This responsibility represents tremendous impact: contributing not only to investment and product innovation, but to an entire industry of people moving people.

Beyond facilitating world trade, air transport offers a lifeline to communities lacking infrastructure. In many remote regions, access to the rest of the world and to essential services such as healthcare is often only possible by air.

In these ways, our obligations to the global community extend beyond addressing environmental challenges. While we design our products with the environment in mind, ultimately they're designed by and for people. Our Design for Safety program is a testament to this, ensuring that safety aspects are considered from the earliest stages of a product's lifecycle. We share our expertise with our industry, inviting leading experts to attend Safety Standdown forums on four continents to present the latest thinking on ways to improve flight safety and help ensure that connectivity remains safe.

To secure the sustainability of the aerospace sector and our world, our industry has set ambitious environmental targets. We collaborate with organizations within our sector to help reduce emissions and share knowledge. I'm proud that our products and programs, such as our new *CSeries* aircraft, are part of the solution.

Guy C. Hachey

President and Chief Operating Officer
Bombardier Aerospace



After more than 200 years of service, railway transportation is the most cost-effective and environmentally responsible means of moving large numbers of people and quantities of commodities over vast distances on land. The Climate is Right for Trains.

At Bombardier Transportation, we're passionate about moving people more efficiently, bringing greater mobility to millions of people around the world by developing new rail technologies and extending the capabilities of existing rail systems.

Our vision is one of interconnected modality with rail as the backbone of national transportation infrastructures. Our newest mass transit and e-mobility technologies mean that integrated sustainable mobility is achievable today, supporting the urgently needed shift from road to rail to deliver a smaller environmental footprint. Our smart transport solutions strive to be the fastest way to save the planet. And it's our people who help us do this. Through innovative global talent management including our renowned Global Graduate Program, we recruit and train talent from around the world, developing a diverse workforce with a truly global perspective.

We're working hard to ensure that sustainable rail transportation continues to advance The Evolution of Mobility throughout this century and beyond.

André Navarri

President and Chief Operating Officer
Bombardier Transportation

.....

OUR APPROACH

.....

At Bombardier, we strive to be the world’s leading manufacturer of planes and trains. To us, the word “leading” means driving progress universally by helping people get where they need to go, safely, efficiently, comfortably and with the least possible burden on the environment. It means delivering innovative products of unsurpassed quality and generating ever-greater value for our shareholders. And, as we’ve learned during 70 years of operation, it means acting on the obligation to grow responsibly as a business enterprise. These are the keys to sustaining leadership in a highly competitive global marketplace.

MOVING FORWARD RESPONSIBLY

Risks, challenges and opportunities

In recent years, we've matured considerably in our approach to CSR. By consistently investing time, effort and resources in our evolution as a CSR leader, we've acquired an in-depth understanding of the sustainability risks, challenges and opportunities that we face in the two major industries in which we compete.

As a result, our entire organization is working together to:

- roll out effective action plans to support our CSR commitment
- help employees, suppliers and other stakeholders understand our CSR commitment and what they can do to reinforce it
- develop and report on key performance indicators
- improve our ability to track, compile and share accurate data

Our corporate strategy

Creating better ways to move the world is imperative, both on the ground and in the air. It's the answer to urban congestion and sprawl, escalating oil and energy prices, environmental challenges, aging air and rail fleets, and the overwhelming need to connect people in cities, countries and continents around the world.

Our promise: The Evolution of Mobility

We're the only company in the world to hold leadership positions in both air and land transportation. This distinctive dual focus multiplies our opportunities to shape the Evolution of Mobility.

The Evolution of Mobility is the promise we make to all of our stakeholders. It's what motivates our people to excel and our customers to choose Bombardier products and services. Equally important, our commitment to CSR is part of its foundation.

Our growth strategies

In 2011, we distilled our strategic framework into three interrelated growth strategies for delivering the Evolution of Mobility.

AT BOMBARDIER, WE'RE SHAPING THE EVOLUTION OF MOBILITY BY...



THE SIX PILLARS OF CSR

In 2009, we identified the six areas in which we have the greatest impact. These are the six pillars of CSR at Bombardier.

Governing effectively

The turbulent economic climate of global financial markets has been exacerbated by inadequate corporate governance. It's clear that the key to surviving the economic fallout of these events is strong governance. At Bombardier, our approach to governance is grounded in our promise, solid core values and rigorous application of our Code of Ethics and Business Conduct.

Valuing our employees

Employees are arguably our most important stakeholder group. Our success depends on their full engagement in embracing our business ethics, values and operating principles. Engaged employees are innovative, dedicated and productive. By listening to, developing, rewarding and recruiting the best, we promote the well-being and growth of our workforce worldwide.

Building responsible products

Building responsible products is essential to moving forward responsibly—safe products that consume less energy and non-renewable materials, and generate less noise, waste and emissions. We're committed to investing in innovative technologies that uphold best-in-class standards of safety and make our products more environmentally responsible. This is one of the ways we help tackle climate change while reducing customers' costs, a total lifecycle, bottom-line approach.

Operating sustainably

We want to minimize the environmental impact of our operations. To do so, we act on our commitment to innovation, improved efficiency and investing in our goals of switching to renewable resources where possible. We also aim to eliminate banned and restricted substances and deliver a "zero waste" performance. Our overriding operational objective remains working to achieve carbon neutrality by 2020.

Engaging our suppliers

Our supply chain is constantly evolving, with our suppliers becoming increasingly integrated into our operations. This is why it's more crucial than ever to work closely with them to manage our supply chain responsibly. This entails ensuring the efficiency and viability of our suppliers, enhancing the sustainability of our procurement processes, while at the same time promoting the principles of the United Nation Global Compact throughout our supply chain.

Acting as a responsible citizen

At Bombardier, being a responsible corporate citizen means continuously improving our positive impact. It entails advancing the development of our communities by investing through donations and sponsorships. It also involves volunteering to support community projects while engaging our employees.

We're committed to giving back, annually, 1% EBT (earnings before taxes) of the previous fiscal year to the community through our donations and sponsorships worldwide, and through the J. Armand Bombardier Foundation for Canadian charitable organizations.

Our donations, sponsorships and employee volunteering activities are centred upon our 3E approach: Education, Environment and Entrepreneurship. These themes reflect our specific strengths as a business and our view of the most effective ways to apply our core competencies to give back to communities where we operate.

THE UNITED NATIONS GLOBAL COMPACT

We're dedicated to upholding the United Nations Global Compact, the world's largest corporate citizenship and sustainability initiative. A signatory since 2007, we've committed ourselves to actively promoting its 10 principles addressing the issues of human rights, labour, the environment and anti-corruption through our strategies and across our operations. Its principles are embedded in our Code of Ethics and Business Conduct, providing clear guidance to our employees as to what is expected of them as they carry out their duties and responsibilities.

ASSIGNING PRIORITIES

To successfully engage with our stakeholders, we need to move forward responsibly by addressing their concerns and learning from their experiences. Meaningful dialogue broadens our understanding of the world and provides us with different perspectives that ultimately help us deliver on our growth strategies. This includes creating better ways to move the world, capturing global growth opportunities and strengthening our customer-focused excellence.

In 2010, we began developing an organization-wide strategy and process for systematically engaging with our stakeholders. Through industry benchmarking, informal stakeholder feedback and stakeholder impact assessments conducted for specific projects, we've been able to clearly identify our stakeholder groups, deepen our understanding of their expectations and interests, and implement a variety of engagement mechanisms.

The knowledge we gained about stakeholder engagement allowed us to identify and prioritize the CSR issues with the greatest current or potential impact on our organization. This prioritization formed the basis of our first global CSR materiality matrix in 2010.

The table below summarizes our diverse stakeholder groups and some of the ways we engage with them.



ENGAGING WITH STAKEHOLDERS ACROSS THE SIX PILLARS

In 2011, we solicited the feedback of our stakeholder groups to drive our business by:

Addressing shareholder concerns by adopting a "Say on Pay Vote"

GOVERNANCE P. 17

Leveraging employee insight to improve environmental efficiency through our Green Fund

OPERATIONS P. 48

Listening to our employees through our annual, globally aligned Employee Engagement Survey

EMPLOYEES P. 21

Hosting supplier workshops and recognition programs

SUPPLY CHAIN P. 58

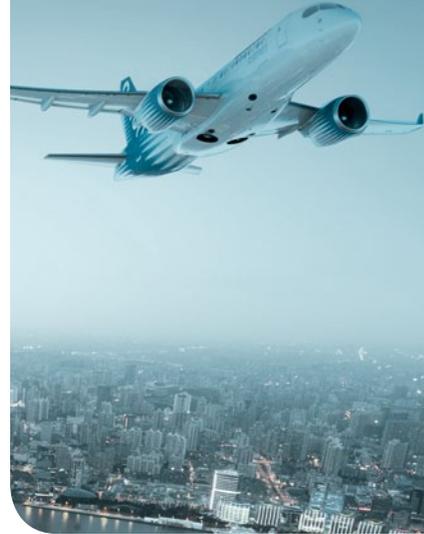
Promoting product safety education and awareness throughout the aerospace industry with our renowned Safety Standdown program

PRODUCTS P. 41

Giving back to the community in the areas of Education, Environment and Entrepreneurship

RESPONSIBLE CITIZENSHIP P. 60

C SERIES
COMMERCIAL
AIRCRAFT



ZEFIRO 380 VERY HIGH SPEED TRAIN



THE 2011 MATERIALITY MATRIX ASSESSMENT

In 2011, we revisited our materiality matrix to reassess the scoring of our CSR issues with respect to their potential or actual impact on our business. Using the same CSR prioritization methodology that was applied in 2010, we interviewed several internal subject matter experts to identify any changes in relevant issues and their material importance.

Through this partial assessment, we identified key trends impacting the business in the areas of climate change, global talent management, health and safety, labour practices, product safety and supply chain, influencing the prioritization of our CSR reporting.

Our CSR Reporting Committee mapped the results of this internal review onto the matrix. The revised materiality matrix (see below) prioritizes the CSR issues that we face over the next three to five years and defines our CSR reporting content.

REFINING THE MATRIX IN 2012

The CSR Reporting Committee developed an action plan to further improve the matrix. In 2012, we plan to conduct a formal survey of our CSR priorities with key stakeholder groups to continue refining our materiality matrix. This external assessment will also serve to strengthen our stakeholder engagement process.

MAPPING WHAT MATTERS: OUR MATERIALITY MATRIX



HIGHLIGHTS OF OUR 2011 RECOGNITIONS

BOMBARDIER INC.



Dow Jones Sustainability Index World

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

Dow Jones Sustainability Index North America

Our DJSI rankings for 2011 represent our fifth consecutive listing on both indexes.



SAM Gold Class 2012

Following SAM's Corporate Sustainability Assessment, we ranked within 1% of the Sector Leader's score.



SAM Sector Mover 2012

Following SAM's Corporate Sustainability Assessment, we ranked within the top 15% of our sector, Aerospace & Defence, and achieved the largest proportional improvement in our sustainability performance over last year.

BOMBARDIER AEROSPACE



Flight Safety Foundation's Business Aviation Meritorious Award

Aerospace was acknowledged by the Flight Safety Foundation for raising safety awareness in several countries through its Safety Standdown seminars.



Platinum Business in the Community Award

Organizations scoring 90% or higher on Northern Ireland's leading environmental benchmarking assessment are awarded Platinum status in recognition of their achievements. This award recognizes those who perform well with improved environmental efficiencies. As a recipient of this award, our Aerospace group demonstrates that good environmental performance makes sound business sense.

BOMBARDIER TRANSPORTATION



iF Product Design Award

Our Transportation group received the iF Product Design Award for the *ZEFIRO* 380 and its groundbreaking fusion of aerodynamic efficiency to reduce energy consumption with a distinctive appearance reflecting our state-of-the-art technologies.

2012



Middle East Rail Award

At the Middle East Rail Conference in Abu Dhabi, United Arab Emirates, Transportation won the Middle East Rail Award in the category "Most innovative use of technology" for our game-changing *PRIMOVE* system. Identified as the industry's leading innovator, the jury recognized our passion for innovation and setting new standards in electric mobility while providing a smart, competitive solution for urban transportation.

For a complete list of our recognitions in 2011, visit csr.bombardier.com/recognitions.

.....

GOVERNANCE

.....

Upholding and expanding on our commitment to CSR is part of the competitive foundation of our long-term growth strategies at Bombardier. Reporting to our President and CEO as well as to the Board of Directors, our cross-functional CSR Committee manages CSR issues by identifying and developing priorities and implementing initiatives.

In 2011, we worked towards a clearly defined set of corporate objectives, listened to the concerns of our stakeholders, conducted a rigorous internal audit of our CSR reporting processes and sustained our commitment to ethics across the organization. This allowed us to make steady progress towards our goal of achieving world leadership in advancing CSR standards and practices.

OBJECTIVES: HIGHLIGHTS OF OUR GOALS AND PERFORMANCE

CSR GOVERNANCE

WHAT WE SAID WE'D DO IN 2010-11¹

- Ensure strong alignment between the groups' CSR strategies and develop key areas for collaboration
- Reassess our medium- and long-term CSR priorities

WHAT WE DID¹

Progress 

- Assessed priorities including more strategic planning while keeping focus on project-driven initiatives
- Held CSR Committee meetings every two months as well as conducted CSR reporting workshops and deep-dive sessions on key topics, tracking areas of concern and developing concrete action plans
- Reinforced CSR awareness among internal and external stakeholders by improving online communications

WHAT WE'LL DO IN 2012

- Conduct external stakeholder survey and use results to refine our CSR priorities

PROMOTING ETHICAL BEHAVIOUR

WHAT WE SAID WE'D DO IN 2010-11¹

- Finalize the development of the second wave of ethics e-learning training
- Conduct internal controls survey

WHAT WE DID¹

Progress 

- Completed four modules of e-learning ethics training
- Conducted internal controls survey
- Published three B-ethics newsletters in six languages for management, also accessible to 25,000 employees worldwide via intranets

WHAT WE'LL DO IN 2012

- Complete last two modules of second wave of ethics e-learning training and begin developing next phase of ethics training modules
- Continue to generate awareness around ethics, publishing three B-ethics newsletters and introducing a single intranet for all ethics-related content

¹ Due to the change in our reporting period to calendar year beginning in 2012, "What we did" covers the period from February 1, 2010 to December 31, 2011. For a complete list of our Objectives and progress, visit: csr.bombardier.com/governance/objectives.

STAKEHOLDER ENGAGEMENT

WHAT WE SAID WE'D DO IN 2010-11¹

- Continue reinforcing our relationships with key stakeholder groups and individuals in communities where we operate

WHAT WE DID¹

Progress 

- Revised our materiality matrix, applying existing methodology and consulting internal stakeholders
- Played an active role within our two industries, aerospace and rail transportation, on several subjects, notably the environment

WHAT WE'LL DO IN 2012

- Complete external stakeholder assessment, including identification of stakeholder groups, topics and evaluation criteria and consolidate results to revise current materiality matrix
- Continue engaging with key industry associations, NGOs, regulatory authorities and stakeholder groups to expand our presence and influence

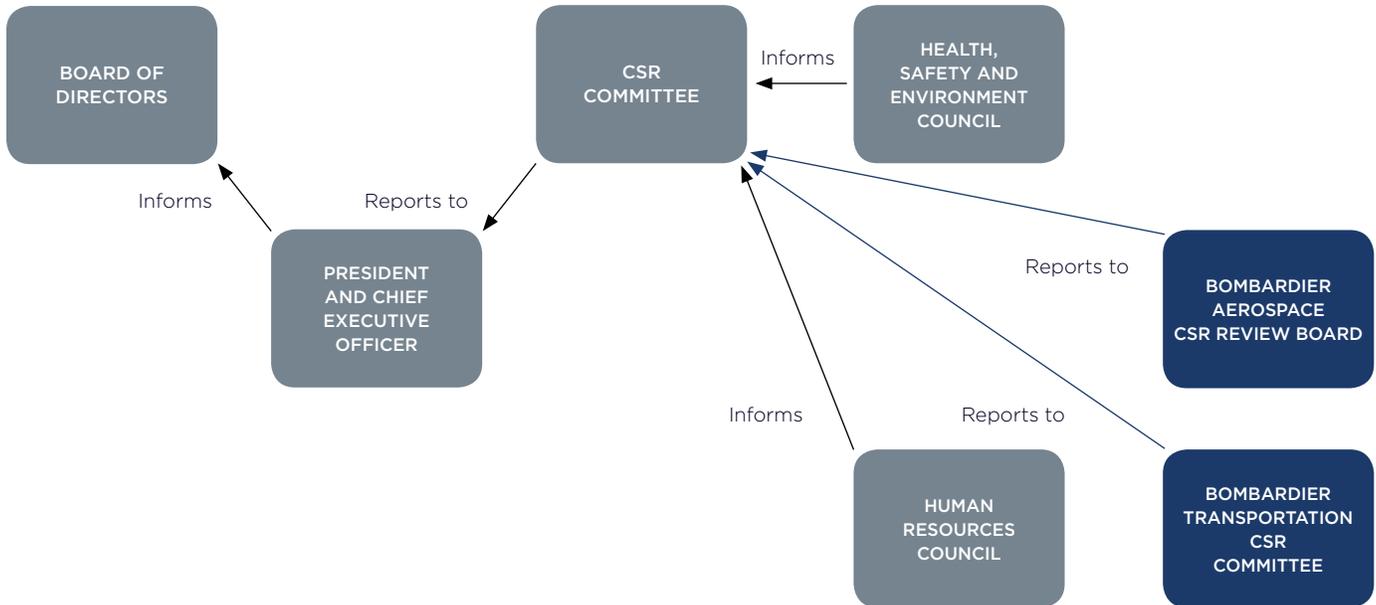
¹ Due to the change in our reporting period to calendar year beginning in 2012, "What we did" covers the period from February 1, 2010 to December 31, 2011. For a complete list of our Objectives and progress, visit: csr.bombardier.com/governance/objectives.



CSR COMMITTEE (For the complete list of committee members see csr.bombardier.com/csr-governance)

From left to right : Isabelle Rondeau, Director, Communications and Public Affairs, Bombardier Inc.; Daniel Bureau, Director, Ethics and Compliance, Bombardier Inc.; Marie-Eve Lepage, Director, HSE, Bombardier Aerospace; Hartmut Mueller, Director Group HSE, Bombardier Transportation; Delphine Néant, Legal Counsel, Legal Services, Bombardier Inc.; Michael Schemmer, Senior Director, HSE and CSR, Bombardier Transportation; John Paul Macdonald, Senior Vice President, Human Resources and Public Affairs, Bombardier Inc.; Dominique Cristall, Analyst, Communications, Bombardier Inc.; Me Daniel Desjardins, Senior Vice President, General Counsel, CSR Committee Chairman, Bombardier Inc.; Karina Ruffo Leduc, Senior Advisor, Communications, Bombardier Inc.; Sharon Christians, Vice President, Communications and Public Affairs, Bombardier Transportation; Bruce Parry, Manager, CSR, Communications, Public Affairs and CSR, Bombardier Aerospace; Anne-Josée Laquerre, Senior Advisor, Communications and CSR, Bombardier Aerospace; Patrick Jacob, Analyst, Public Affairs, Bombardier Inc.; Julie Carrier, Senior Advisor, HSE, Bombardier Aerospace

CSR GOVERNANCE STRUCTURE



GOVERNING CSR AT BOMBARDIER

Our governance structure includes a cross-functional CSR Committee with broad representation from across the organization. Responsible for overseeing sustainability performance and compliance, the committee develops CSR guidelines and initiatives. It aligns and oversees the various CSR projects developed by Aerospace and Transportation and their business units.

The CSR Committee consists of executives and senior managers from our Corporate Office, Aerospace, Transportation and most recently, Flexjet. It includes representation from Public Affairs and Communications, Legal Services, Health, Safety and Environment, Investor Relations, Ethics and Compliance, Government Affairs, Human Resources and Web Strategy.

The committee's chair, Daniel Desjardins, Senior Vice President and General Counsel, is accountable to Bombardier's President and CEO and provides him with regular updates on our CSR performance. He also presents the Board with annual progress reports.

Committee members also chair or sit on their respective Aerospace and Transportation CSR boards. In this way, our CSR Committee members and designated functional representatives ensure an effective flow of communication between our three CSR governing bodies.

By embedding CSR in our business behaviours, within our groups and various functions, we not only improve engagement and reporting, but also encourage the development of local initiatives to help achieve our objectives for each of the six CSR pillars in our communities.

In 2011, the CSR Committee met every two months to review our portfolio of CSR projects, raise concerns, propose solutions and plan future initiatives.

Auditing our performance: improving transparency and disclosure

As part of our commitment to continuous improvement, every year Bombardier's Corporate Audit Services and Risk Assessment (CASRA) function develops an annual action plan to address our strategic, operational and financial risks.

Senior management and the Audit Committee review the results and approve an annual action plan to address these risks.

As part of our precautionary approach to CSR and in preparation for external verification of our CSR Report, in 2011, the CSR Committee requested that one of CASRA's auditing activities assess adherence of the CSR Report to Global Reporting Initiative principles, the effectiveness of processes and systems used to report CSR data, and the reliability, traceability and quality of reported CSR performance indicators.

The audit was conducted at a sample of Aerospace and Transportation sites, as well as at Corporate Office, following recognized standards such as AA 1000 AS, ISAE 3000 and GRI G3.

Overall, CASRA found Bombardier's CSR reporting to be of high quality. Some weaknesses were identified in the CSR governance reporting processes that may have had an impact on data accuracy and reliability in a few isolated cases.

The audit team recommended the implementation of a new content management system at the corporate level. This system would support the streamlined transmission of all CSR-related data and information in the same way that Health, Safety and Environment (HSE) information is already managed. The team also suggested the creation of a new operating framework for CSR-related communications within Aerospace and Transportation.

We're currently investing significant resources to implement concrete action plans based on the audit's findings, including the implementation of a content management system and supporting workflow, to improve our CSR reporting processes. Aligning the publication of our CSR Report with that of our Annual Report for improved timeliness in communicating our CSR information is another example of how we're addressing CASRA's recommendations.

SURVEYING OUR STAKEHOLDERS: SENIOR MANAGEMENT FEEDBACK

As part of our commitment to listening to our stakeholders, our Director, Ethics and Compliance conducts a confidential survey every two years with senior management (director level and above) to review our control environment.

The survey findings help us develop and implement action plans to improve corporate governance on a wide range of issues from management philosophy to Human Resources policies.

The survey provides respondents with the opportunity to submit anonymous and confidential feedback, further helping identify elements requiring improvement in our control environment.

Participation in the most recent survey, conducted in March 2011, rose to 73% of the approximately 1,500 senior managers targeted. This represents a 2% increase compared to the previous survey in 2009. The 2011 results showed improvements across all areas surveyed.

ENFORCING THE CODE: ETHICAL BEHAVIOUR AT BOMBARDIER

At Bombardier, we understand that establishing and enforcing the highest ethical standards is essential to our immediate and long-term success.

Our Code of Ethics and Business Conduct (the Code) sets out clearly and definitively the standards of behaviour that are required of all Bombardier Board members and employees.

The Code is available in 15 languages and can be viewed on our website. It helps ensure that we promote ethical conduct in the work environment, including the management of employment practices, harassment and personal security issues as well as HSE issues.

The Code also provides clear guidance on managing potential conflicts of interest, illegal or improper payments, participation in outside political activity, and a range of other issues that employees and managers might need to address. It clearly outlines the potential consequences of any violations.

In addition, the Code addresses standards of ethical conduct in our business practices and external stakeholder relationships. The Bombardier Ethics Advisory Council (BEAC) directs and oversees the Code's implementation and refers sensitive or potentially harmful violations to the President and Chief Executive Officer or the Board of Directors, as appropriate.

Encouraging ethical behaviour throughout our organization is about more than publishing our formal Code. That's why, two years ago, we launched B-ethics, a newsletter for management that continues to gain in popularity across the corporation.

B-ethics raises awareness of, and interest in, the standards of personal and business behaviour called for in Bombardier's Code of Ethics and Business Conduct.

Written in an informal, reader-friendly style, B-ethics covers a broad range of ethics-related issues, including information on ethics training, the Code and its governance, upcoming ethics-related activities, available resources for addressing ethical issues and questions, and case studies of situations involving potential or actual misconduct. It has been the subject of a growing number of requests for greater distribution inside our organization, enabling us to reach a higher percentage of our workforce. Due to its increased popularity, B-ethics is currently published in English, French, German, Spanish, Swedish and, most recently, Chinese.

GIVING SHAREHOLDERS A "SAY ON PAY"

There are various mechanisms by which our shareholders and employees can provide recommendations to the Board, including through shareholder resolutions. Shareholders expect the Board of Directors to oversee all business matters concerning the corporation, including executive compensation policy, to ensure alignment with the most recent regulatory requirements and best practices.

The Board of Directors decided to implement advisory, non-binding "Say on Pay" votes granting shareholders a role in determining executive compensation. During Bombardier's annual general meeting in June 2011, shareholders voted for and approved a "Say on Pay" resolution by a more than 99% margin.

Being among the leaders of Canadian corporations to adopt an annual "Say on Pay" vote furthers our commitment to good governance, giving stakeholders a voice on compensation issues.


 The logo for B-ethics features a large, bold, black letter 'B' enclosed within a square border. To the right of the 'B', the word 'ethics' is written in a lowercase, bold, sans-serif font. The entire logo is contained within a rounded rectangular frame.

.....

EMPLOYEES

.....

Our employees' ideas move people. They lie at the heart of our category-leading planes and trains. Their commitment, expertise and enthusiasm are the keys to our continued success. Our people are our most important asset.

Ensuring that our employees are highly trained, engaged and enabled, as well as providing them with a healthy and safe workplace is a must for sustaining a dynamic workforce.

Securing a strong competitive advantage requires that we attract, develop and retain the right talent globally.

We've taken major steps to transform how we motivate and manage our 70,000 employees working in 40 countries around the world.

In key areas such as global talent management, health and safety, employee engagement and performance management, we're making steady progress, ensuring that Bombardier is globally respected as an excellent employer and celebrated by our employees as a great place to work.

OBJECTIVES: HIGHLIGHTS OF OUR GOALS AND PERFORMANCE

MANAGING OUR TALENT GLOBALLY

WHAT WE SAID WE'D DO IN 2010-11¹

- Continue implementing the Talent Management Roadmap, including:
 - Embed and leverage the Employee Value Proposition (EVP) in our talent acquisition processes
 - Improve the current performance management process
 - Ensure compensation programs support the Talent Management Roadmap

WHAT WE DID¹

Progress 

- Released our EVP "Your Ideas Move People"
- Implemented our new online global performance management process in our talent management tool BTALENT
- Created the Bombardier HR Strategic Dashboard with common global key performance indicators

WHAT WE'LL DO IN 2012

- Continue implementing the Talent Management Roadmap, including:
 - Improve the current performance management process to strengthen alignment with business objectives and clarify desired behaviours and competencies
 - Align and deploy generic role and competency profiles in BTALENT to allow our employees to self-assess and refine their development plans
 - Ensure compensation programs support our Talent Management Roadmap
 - Expand our leadership training program "Making Great Leaders" across Bombardier
 - Improve our "Go to Market" infrastructure, enhance the candidate experience and open new sourcing channels

¹ Due to the change in our reporting period to calendar year beginning in 2012, "What we did" covers the period from February 1, 2010 to December 31, 2011. For a complete list of our Objectives and progress, visit: csr.bombardier.com/employees/objectives.



CHANGZHOU, CHINA



QUERÉTARO, MEXICO



SAVLI, INDIA

HEALTH AND SAFETY (H&S)

WHAT WE SAID WE'D DO IN 2010-11¹

- Sustain efforts to improve our H&S performance throughout the corporation
- At Aerospace, continue developing a standardized Health, Safety and Environment (HSE) system to achieve our ultimate target of zero occupational illness and injury
- Include H&S deliverables in product engineering processes and increase our design community's awareness of H&S issues
- Expand use of leading indicators to improve safety awareness and safety culture
- Enhance our HSE Information Management System (HSE IMS) with new functionalities to support operations

WHAT WE DID¹

Progress 

- Implemented incident/event management, audit management and action plan management functionalities in our HSE IMS
- Held first global HSE Leadership Conference attended by Bombardier's senior management
- Initiated internal audit on HSE data quality
- At Aerospace, implemented HSE system, including development of eight standardized H&S programs and an audit process to evaluate their deployment across all sites
- At Transportation, further enhanced existing and division-wide certified H&S management system
- Supported integration of Design for Safety in new Aerospace aircraft programs: *CSeries*, *Learjet 85*, *Global 7000* and *Global 8000* aircraft
- At Transportation, continued integrating H&S aspects into product design in the Systems division and launched first pilot project

WHAT WE'LL DO IN 2012

- Deploy and align additional HSE tools to increase focus on our safety culture
- Continue developing a standardized HSE system to improve performance while striving to achieve our ultimate target of zero occupational illness and injury

EMPLOYEE ENGAGEMENT

WHAT WE SAID WE'D DO IN 2010-11¹

- Continue to increase employee engagement
- Align and consolidate employee surveys across the organization
- Develop specific action plans as effective drivers of employee engagement

WHAT WE DID¹

Progress 

- Aligned Employee Engagement Surveys to create one overall questionnaire and process
- Made action planning tools and resources available to support managers in creating and implementing action plans prior to the subsequent survey
- Our latest overall engagement score reached the level of best-in-class, high performing organizations

WHAT WE'LL DO IN 2012

- Continue to support survey-specific action plans as effective drivers of employee engagement
- Support managers to turn action plans into results and improve employee engagement

¹ Due to the change in our reporting period to calendar year beginning in 2012, "What we did" covers the period from February 1, 2010 to December 31, 2011. For a complete list of our Objectives and progress, visit: csr.bombardier.com/employees/objectives.

CREATING GLOBAL OPPORTUNITIES FOR EMPLOYEES

In 2011, we introduced BTALENT, a user-friendly online tool designed to help our employees around the world take ownership of their career, in keeping with our Employee Value Proposition (EVP) “Your Ideas Move People.”

BTALENT facilitates the movement of talent across the organization by identifying employee mobility, interests and skills and matching them to opportunities. It empowers employees to take an active role in their career development by expressing their personal and professional interests through their individual Employee Profile. BTALENT enables managers to support the career aspirations of employees based on their development areas and interests.

BTALENT provides us with valuable information on our talent pool, advancing business strategies and medium- to long-term objectives.

ALIGNING OUR GLOBAL REPORTING

Our Corporate Audit Services and Risk Assessment (CASRA) team’s extensive audit of our 2010 CSR Report identified the need for global alignment of our human resources (HR) key performance indicators (KPIs).

As a multinational organization that has grown largely by acquisition, many of the techniques we use to track and measure HR performance vary from country to country and site to site, leading to difficulties in the aggregation and comparison of the data received.

CASRA’s findings and recommendations sparked a thorough review and, in some cases, a redefinition of our HR KPIs to guide strategic decision-making at a corporate level and to produce significant improvements in our reporting.

As a result, we have developed and are now implementing a revised Global HR Strategic Dashboard that provides greater accuracy, clarity and efficiency in measuring our KPIs. The new dashboard expands on the previous year’s version by placing an increased emphasis on workforce diversity. For example, it records with greater precision the hiring and employment rates of women in our workforce, the number of citizenships represented, and the number of countries in which our employees are located.

We’re also now recording corporate-wide participation in our “Making Great Leaders” program, which places a strong emphasis on leadership style and its impact on the work environment of our employees.

We continue to monitor such important measures as employee engagement and enablement, the number of women in senior leadership positions and talent retention on our dashboard to ensure clarity around what we’ve accomplished and what more needs to be done.

The logo for BTALENT features the letters 'B', 'T', and 'A' in black, 'L' in green, and 'E', 'N', 'T' in blue. The letters are stylized and set against a background of a green field with a blue sky and a road leading into the distance.

ASKING OUR EMPLOYEES WHAT THEY THINK

Every year we conduct a confidential extensive survey of employee opinions, perceptions and concerns.

We understand that a high level of employee engagement translates into greater motivation, better on-the-job performance and, ultimately, improved customer satisfaction. We also know that when Bombardier employees have the right tools and training, they can achieve outstanding results wherever they’re located.

To find out what our employees believe we’re capable of doing together, we take the most direct course of action: we ask them—and we listen to what they have to say.



GLOBAL GRADUATE PROGRAM PARTICIPANTS



RAPHAEL CAVALCANTI
GLOBAL GRADUATE ALUMNUS

“When I graduated from engineering school in France, I decided that I wanted to work with an international company in Europe. I was also interested in becoming involved in a graduate program that offered accelerated management training and a broad range of experiences in a relatively short period of time. I really believe the program provided us with the equivalent of five to six years in the field in only a year and a half.”

Raphael Cavalcanti
Strategic Analyst
Bombardier Transportation

THE GLOBAL GRADUATE PROGRAM: BREAKTHROUGH THINKING THROUGH INSPIRED GLOBAL TALENT MANAGEMENT

The Global Graduate Program provides highly skilled graduates with opportunities that help them qualify for future leadership roles within our Transportation group.

This innovative and effective approach to global talent management enables us to recruit the best and brightest candidates by offering a work and learning experience that reflects both our values and our business needs.

The 18-month program, which involves six-month rotations at three different Bombardier locations around the world, combines hands-on training with on- and off-the-job personal development. In this way, the graduates acquire a broad knowledge base and an in-depth understanding of our organization.

We work closely with many universities and colleges and participate in numerous career events to attract the best candidates to the program.

GLOBAL GRADUATE TO MAKE URBAN TRANSIT MORE ENERGY-EFFICIENT

Raphael Cavalcanti, a Global Graduate at Bombardier Transportation, is experiencing first hand how our EVP, “Your Ideas Move People”, is applied in the business world.

After completing the Global Graduate Program, Raphael joined our Transportation group in Berlin in a career position as a Strategic Analyst.

In a time of growing environmental concern, he’ll be in a position to make a difference. In this role, Raphael will be able to apply the critical thinking skills he acquired during the 18-month program to increase the energy efficiency of urban transit systems.

Raphael earned a Bachelor of Science degree in Mechanical Engineering at the Universidade Federal do Paraná, Brazil. He then moved to France to do his Master of Engineering and Diploma in Mechanical Engineering in a double program at the Institut national des Sciences appliquées (INSA) in Lyon.

Raphael’s assignments included six months in Bangkok, Thailand, in project management for an international railway project. Before that, he spent six months working in Berlin, Germany, on the design and launch of a division-wide software tool for project tracking and analysis.

Raphael completed his final six-month stint in Montréal, Canada, with Bombardier Aerospace Customer Services. He is the first Global Graduate to complete a six-month assignment at Aerospace.

FILLING THE TAP

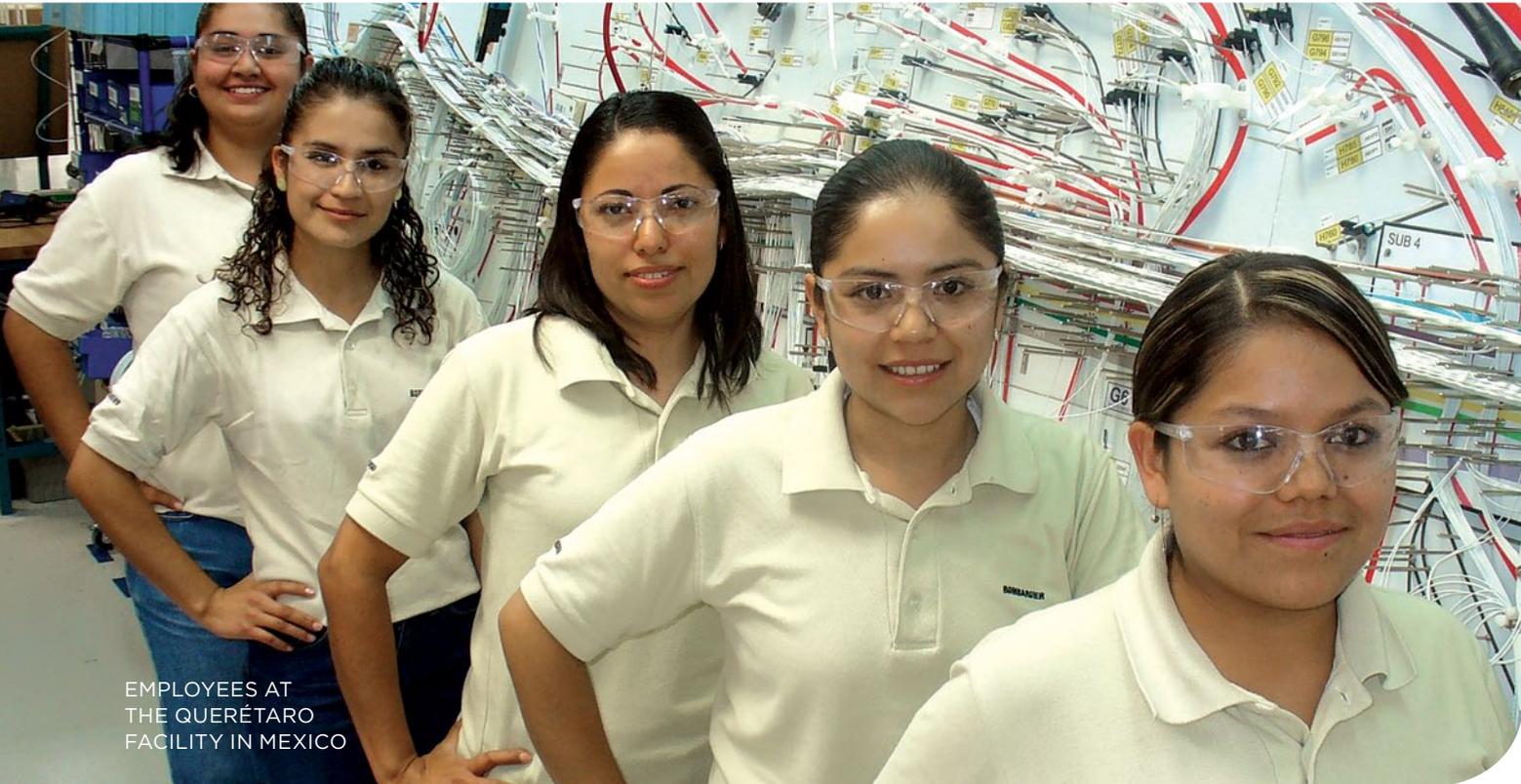
At Aerospace, our Talent Acceleration Pool (TAP) will help us increase the percentage of women in management roles to 25% by 2014.

The proportion of women in management at Aerospace increased from 16.8% as of January 31, 2011 to 19% as of December 31, 2011.

The percentage of women in our TAP program reached 34% in 2011, demonstrating clear progress towards achieving our goal.

BUILDING WORKFORCE DIVERSITY

Ensuring a global perspective is fundamental to our success. The cultural diversity, innovative spirit and unique range of skills and experience of our workforce, present in 40 countries, give us a strong competitive advantage. Our employees represent approximately 100 nationalities and speak around 70 different languages, providing us with a truly global viewpoint of business issues. Our commitment to employee diversity and equal opportunity is described in detail in our Code of Ethics and Business Conduct. This promise to our employees and other stakeholders is also reflected in our Human Resources policies, which are implemented daily at every one of our sites, from our Corporate Office to local manufacturing sites around the world.



EMPLOYEES AT THE QUERÉTARO FACILITY IN MEXICO

HEALTH AND SAFETY

Maintaining the highest standards of Health and Safety (H&S) practices is an obligation at Bombardier that goes far beyond satisfying minimum legal or regulatory requirements.

We believe our employees have a right to feel safe and protected at all of our on- or off-site locations. That's why we constantly strive to achieve best practices in H&S throughout our organization.

During 2011, we continued to make progress towards our ultimate objective of reaching world-class H&S performance as we implemented new systems to support H&S standards at both our operating groups.

At Transportation, several Design for Safety (DfS) initiatives were further integrated into project development and execution. The group introduced improved off-site safety policies and procedures that reflect more comprehensive training and auditing standards. In addition, Transportation performed a group-wide safety culture assessment and began programs to improve the safety culture at all sites.

During 2010 and 2011, Aerospace developed eight standardized H&S programs and implemented an audit process to evaluate their deployment across all sites. In addition, the integration of DfS standards and policies into new aircraft programs for the *CSeries*, *Learjet 85*, *Global 7000* and *Global 8000* aircraft received strong support within the group.

Aerospace is currently implementing a series of systemic improvements that are expected to enable the group to achieve its H&S benchmark two years ahead of plan. At the same time, it continues to seek new ways to improve its H&S performance to ultimately reach the goal of zero accidents.

DESIGN FOR SAFETY (DfS)

Our DfS approach is concerned with identifying, controlling, mitigating and eliminating occupational health risk from the earliest stages of product development.

To provide the highest level of protection to our employees, we have dedicated teams of human factors design experts at work at both our Transportation and Aerospace groups.

They're responsible for ensuring that our technological innovations are designed from the perspective of the people who will actually build, install, maintain or operate them. Among other things, this means introducing ergonomics early in the design process to lower the incidence of work-related injuries at all of our sites.

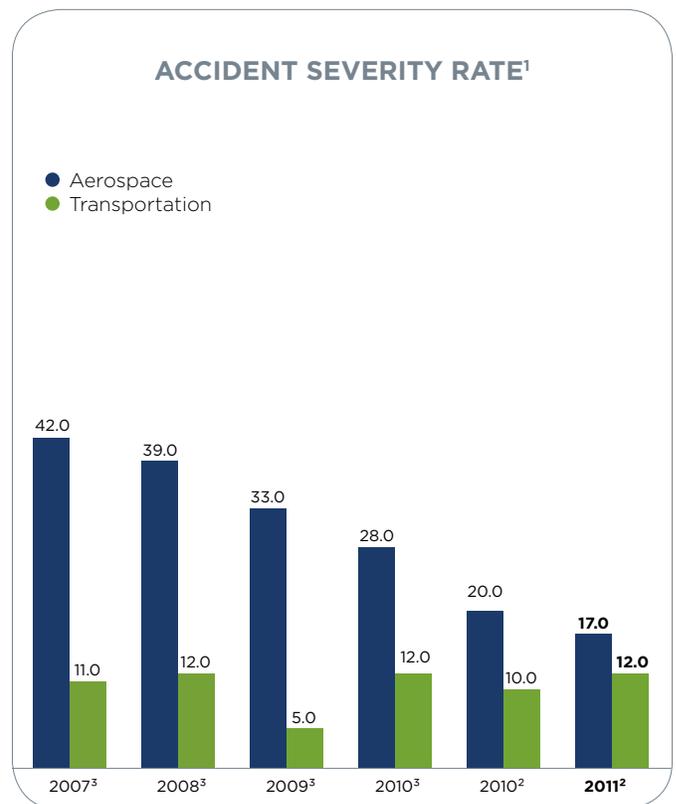
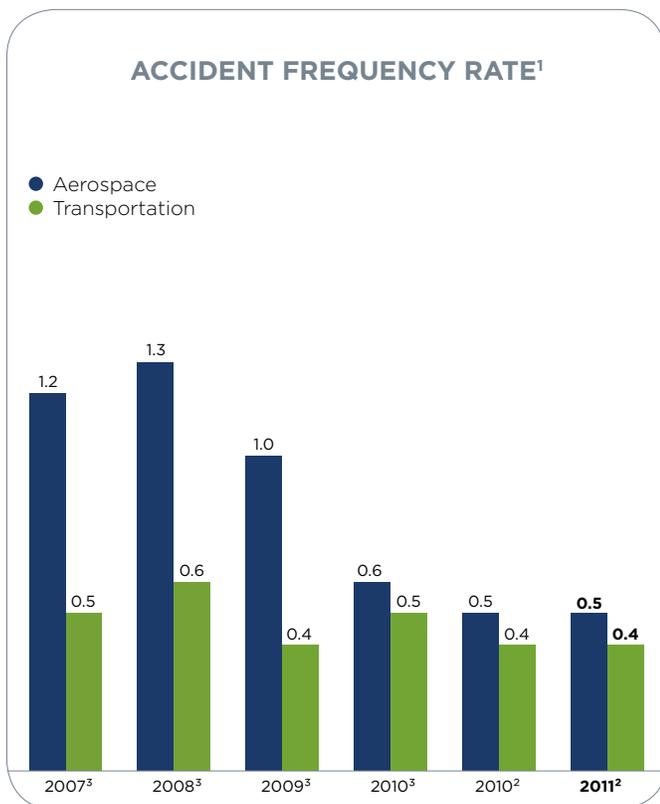
DfS is the highest priority in the product development process at Bombardier and reflects our overriding commitment to protecting the health and well-being of our employees, customers and other stakeholders.

Health and Safety key performance indicators

To achieve our objective of a zero-accident culture, we must raise awareness of safety at all levels of the organization. Tracking key performance indicators of our overall H&S performance is a fundamental step in attaining this goal.

In 2011, in addition to tracking and reporting on accident frequency and severity, we decided to track the rate of both major and minor incidents, including occupational sickness, temporary assignments and medical situations, to support a stringent mitigation process. This new metric will be included in our CSR reporting beginning in the year 2013.

As we approach best-in-class performance, generating improvements becomes more difficult. Our approach to improving will therefore be different. Despite a slight increase in accident severity at Transportation in 2011, the group sustained its world-class performance and remains committed to its goal of zero-accidents.



1 In previous CSR reports, we reported accident frequency and severity rates including restricted duty cases. As of 2011, for external reporting, we have started to report accident frequency and severity rates for lost workday cases to comply with standard industry practices. Cases are normalized by 200,000 hours worked.

2 Lost workday cases

3 Total lost time including restricted duty

Sharing health, safety and environment leadership best practices

In March 2011, we held our first annual global Corporate Health, Safety and Environment (HSE) Leadership Conference, attended by representatives of Bombardier Inc., Aerospace and Transportation from around the world.

This gathering provided HSE leaders with an opportunity to share challenges and best practices and meet with external experts as part of our steady effort to achieve and sustain world-class performance in this vital area. Among other things, the conference's interactive workshops enabled participants to discuss strategies to strengthen Bombardier's HSE culture in the coming years.

During the conference, the participants:

- discussed ways of enhancing performance over the entire lifecycle of a product by fostering integration of HSE considerations into our continuous improvement systems
- confirmed the necessity of adopting common HSE tools across Bombardier
- recommended taking further steps to identify and monitor leading indicators that provide more detailed HSE metrics for use in internal performance assessments and external reporting
- acknowledged the need to reinforce competence development, accountability and the engagement of line management in HSE issues
- called for enhanced internal and external communications on HSE matters, with greater leveraging of rewards for performance and more recognition of outstanding achievement by external stakeholders

Harmonizing health and safety practices

Given the history and complexity of our organization, having grown by acquisition or by moving to locations that are close to our customers, our H&S procedures sometimes differ from site to site.

As a consequence, while our H&S procedures always meet local legal requirements, they have evolved in different national or social contexts and may require realignment to establish common standards across the organization.

To address this need, we've implemented the Health, Safety and Environment Information Management System (HSE IMS), a tool that's applied across our business groups. As a result of CASRA's audit in 2011, we assessed the processes for reporting data into the system for the first time.

International standards provide guidance for our safety management systems. This year, both operating groups will be improving the systems and maintaining certification according to the industrial HSE standards OHSAS 18001.

As we evolve at Aerospace, the HSE system will become increasingly embedded in our OHSAS 18001 certification, while furthering a preventive culture through our continuous improvement system.

An additional focus at Transportation will be on deploying standard processes for H&S training at off-site locations. Transportation also developed a group-level HSE manual and revised its standard for HSE roles and responsibilities.

EMPLOYEE AT THE SAVLI FACILITY
IN INDIA

A MARK OF RESPECT FOR EMPLOYEES AND FAMILIES

“I strongly believe that caring about health, safety and environment issues is a fundamental mark of respect for our employees and their families. As leaders of a global corporation, our managers must act as role models and demonstrate their commitment to maintaining the same high standards for health, safety and the environment wherever we operate.”

Pierre Beaudoin
President and CEO
Bombardier Inc.



.....

PRODUCTS

.....

The products we design, assemble and service play a major role in the global economy and are contributing to the well-being and prosperity of millions of people.

We have an obligation to all of our stakeholders to create products that are safe, efficient and in full compliance with the highest standards of CSR.

This year, through our Design for Environment (DfE) and Design for Safety (DfS) programs at both Aerospace and Transportation, we worked hard to meet that obligation at every phase of the product lifecycle, from initial design to end of life.

OBJECTIVES: HIGHLIGHTS OF OUR GOALS AND PERFORMANCE

SAFE PRODUCTS

WHAT WE SAID WE'D DO IN 2010-11¹

- Continue deployment of our Safety Management System to achieve our 2015 target of full implementation and leverage our expertise to guide our industries
- Continue existing Safety Standdown forums and leverage web-based and social media tools, such as podcasts, webinars and other vehicles to expand message reach

WHAT WE DID¹

Progress 

- At Aerospace, pursued deployment of our Safety Management System
- Expanded Aerospace's Safety Standdown forums to São Paulo, Brazil and Shanghai, China, in addition to the original Wichita, U.S. forum. We also increased online communications
- At Transportation, enhanced our support for the Centre of Competence for Product Safety and confirmed management structure in each division
- Updated Product Safety Management documentation and created a common database for Transportation to collect product safety-related information
- Launched training in product safety for Transportation employees

WHAT WE'LL DO IN 2012

- Continue deployment of our Safety Management System to achieve our 2015 full-implementation target and leverage our expertise to guide our industries
- Pursue continuous improvement of Aerospace's Safety Standdown forums and related communication with relevant industry stakeholders
- Continue rigorous application of the measures undertaken in 2011, while tracking the number of open product safety cases and our efficiency in resolving them

¹ Due to the change in our reporting period to calendar year beginning in 2012, "What we did" covers the period from February 1, 2010 to December 31, 2011. For a complete list of our Objectives and progress, visit: csr.bombardier.com/products/objectives.



GLOBAL 7000 BUSINESS JET



CUSTOMER SERVICES



INNOVIA MONORAIL

ENVIRONMENTALLY RESPONSIBLE PRODUCTS

WHAT WE SAID WE'D DO IN 2010-11¹

- Continue deploying DfE capabilities in *CSeries*, *Learjet 85*, *Global 7000* and *Global 8000* aircraft programs
- Develop additional Environmental Product Declarations (EPDs) for our rail products and follow the rail industry's common Product Category Rules (PCRs)
- Establish a standard on recyclability calculation and recycling strategies for rail systems leading to the Association of the European Rail Industry (UNIFE) standard
- Increasingly implement *ECO4* technologies in our rail transportation customer projects and broaden the range of our *ECO4* portfolio

WHAT WE DID¹

Progress 

- Implemented a systematic approach to measure, track and manage chemical risks and chemical regulations, with emphasis on Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)
- Enhanced the DfE capabilities of engineering at both Aerospace and Transportation
- At Aerospace, refined our Lifecycle Assessment (LCA) methodology for the *CSeries*, *Learjet 85*, *Global 7000* and *Global 8000* aircraft programs
- Issued two new EPDs at Transportation
- Helped develop a common UNIFE standard for rolling stock recyclability calculation as well as helped develop and launch the first version of the industry-accepted Railway Industry Substances List (RISL)
- Expanded Transportation's *ECO4* product portfolio to increase the energy efficiency and other environmental features of our rail products and system solutions

WHAT WE'LL DO IN 2012

- Align our engineering/ design, purchasing and project management processes to address REACH requirements
- Sustain progress through our own and joint industry initiatives to reduce or eliminate the use of hazardous substances or regulated chemicals in our products

CUSTOMER SATISFACTION

WHAT WE SAID WE'D DO IN 2010-11¹

- Continue to improve customer satisfaction as measured by independent and internal surveys
- Make significant progress towards our goal of global leadership in CSR in both the rail transportation and aerospace industries

WHAT WE DID¹

Progress 

- At Aerospace, deployed customer orientation training to 2,023 employees and improved customer relationships by holding 72 Executive Listening visits to customers' sites and hosting over 30 customer briefings, committee meetings and conferences around the world
- Conducted two surveys with 16 major Transportation customers, developed action plans from key findings and held customer workshops to discuss areas of improvement

WHAT WE'LL DO IN 2012

- Continue the initiatives undertaken in 2011, launch transformation initiatives around key areas to improve Aerospace customer engagement and continue to standardize common tools, customer surveys, metrics and analytics
- Conduct a customer survey with at least 20 major Transportation customers

¹ Due to the change in our reporting period to calendar year beginning in 2012, "What we did" covers the period from February 1, 2010 to December 31, 2011. For a complete list of our Objectives and progress, visit csr.bombardier.com/products/objectives.

THE WORLD NEEDS MORE SUSTAINABLE MOBILITY

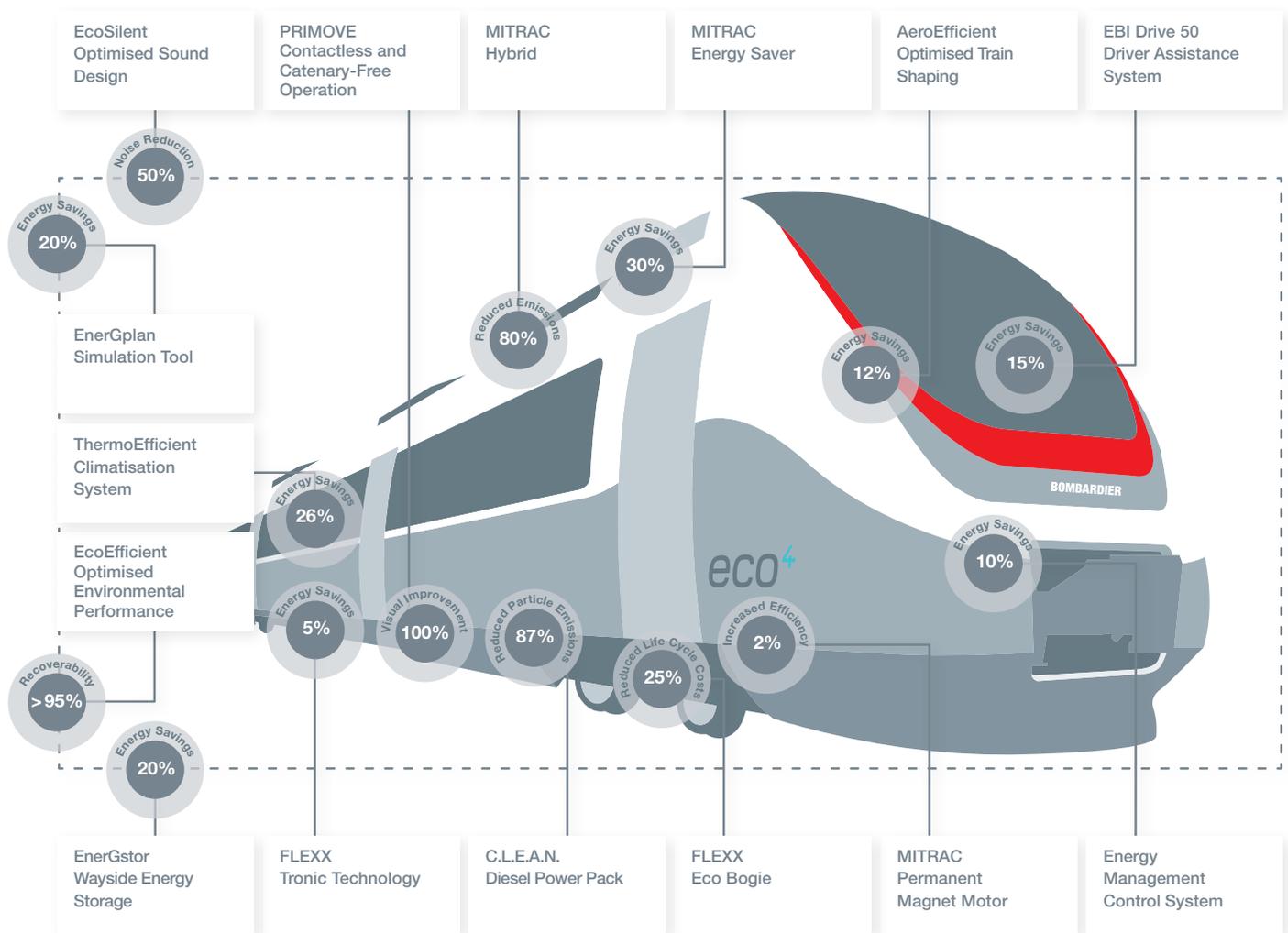
Given our history, resources and global reach, we believe that we have an essential role to play in the evolution of sustainable mobility to achieve a better, healthier and more prosperous future for everyone, everywhere. We do this through our product portfolio.

The four cornerstones of ECO4

Throughout 2011, we continued to work hard to make rail, the world's most sustainable mode of mass transit even more environmentally responsible. During this period, we also developed new technologies that will increase the energy efficiency of our vehicles and reduce fuel consumption.

Launched four years ago, our ECO4 technologies are structured around the four cornerstones of energy, efficiency, economy and ecology. ECO4 is both a product portfolio and a roadmap for action in the rail transportation community.

Since that time, our customers have gained 1.7 billion km of experience with ECO4—more than 4,400 times the distance between the earth and the moon.





PRIMOVE

PRIMOVE

Imagine a city where all vehicles are electric—quiet and emissions free. No pollution, no fumes, virtually no noise. Imagine electric vehicles that don't need to be plugged in to recharge—so no waiting, no downtime, ever.

Imagine cities where mass transit vehicles don't alter the landscape but become part of the scenery; no above-ground catenaries or wires leaving the visual beauty of landmarks and heritage sites unspoiled.

Our *PRIMOVE* transportation system transforms this vision from imagination to reality.

PRIMOVE technology is one of the highlights within our innovative *ECO4* portfolio of technologies, offering energy-efficient and cost-effective solutions for total mobility performance.

The *PRIMOVE* solution is a game-changing technology that enables the wireless charging of all types of electric transport, from light rail and bus networks to commercial vehicles and cars. Based on inductive power transfer, the *PRIMOVE* system liberates e-mobility from the constraints of cables, wires and plugs, making urban transport more flexible and convenient than ever before.

By applying the inductive principle, *PRIMOVE* technology allows energy to be transmitted without contact between components buried underground and receiving equipment installed beneath the vehicle.

It powers vehicles whether they're in motion (dynamic charging) or at rest (static charging) with energy transfer at high power levels providing quick and convenient charging. With *PRIMOVE* technology, cities can now integrate light rail vehicles into areas where conventional catenary networks are prohibited or unwelcome, such as urban centres, parks, gardens and protected heritage sites. The charging process is fully automated, driver friendly and hassle free. No specific training or qualifications are required and the driver never comes into contact with electricity, ensuring that the entire process is safe. The system is vandal proof and compatible with all weather and ground conditions.

PRIMOVE is about moving people within cities, sustainably and conveniently.

CSeries aircraft

Our approach to innovation consists of an understanding of our customers' needs coupled with the application of the most advanced technology to develop high performance solutions.

We designed the *CSeries* aircraft family in collaboration with airlines, listening to what they had to say about their current and future needs as well as their passengers' expectations, while applying our total lifecycle approach.

Scheduled to enter service in late 2013, the *CSeries* jetliner is the only 100% newly designed aircraft to meet today's operational realities. Optimized for the longer range, single-aisle, 100- to 149-seat market, the *CSeries* aircraft family offers the lowest operating costs in its class and exceptional operational flexibility. Tailored to the challenges of our time, this family will meet both the growing demands of airlines and the travelling public with respect to comfort, performance and reliability. It will deliver radically reduced emissions and a significant fuel burn advantage. These aircraft will fly four times quieter than any other in-production aircraft in their class. With an unmatched environmental scorecard, the *CSeries*—the greenest single-aisle aircraft in its class—will be as responsible as it is profitable.¹

¹ Under certain operating conditions, when compared to aircraft currently in service for flights of 500 nautical miles. See *CSeries* aircraft family program disclaimer on the inside back cover of this report.

CS300 COMMERCIAL AIRCRAFT



SETTING A NEW STANDARD FOR TRAINS

“The Green Train concept has set a new train standard that offers low-cost high speed capabilities with even lower environmental footprint than previously achieved.”

Henrik Tengstrand

Director, Mainline and Metros Vehicle Performance Engineering and Bombardier Transportation's Project Director for Gröna Tåget

LEADING THROUGH INNOVATION

It's easy being green: the train of the future

In 2011, the Gröna Tåget (Green Train) research project in Sweden established that new-generation trains running on standard tracks can readily deliver higher speeds and lower energy consumption, noise and costs.

The project integrates ideas, proposals and technical solutions aimed at making long distance and fast regional services more attractive to travellers and operators.

The project was a cooperative initiative between the Swedish Transport Administration, Bombardier Transportation, the Royal Institute of Technology in Stockholm and several other partners.

The Gröna Tåget itself is a fast, electric tilting train that can reach speeds of 300 km/h. Its highly aerodynamic design and more efficient motors, which even generate electricity when braking, have been shown to reduce power consumption by 30% to 35%.

Given the nature of existing Nordic track profiles, new “green” trains can be designed wider than current trains, creating more passenger space. This translates into reduced operating costs.



GRÖNA TÅGET GREEN TRAIN

Adding engines to reduce emissions

In 2011, Transportation's diesel locomotive engineers faced the challenge of achieving compliance with the European Union's (EU) latest emission standards, which could not have been met by conventional diesel locomotives with large power packs. They also had to address the reality that the number of diesel locomotives in production was too small to justify a major investment in the development of a new power pack to meet the stricter standards.

Our engineers came up with an innovative, practical solution: use four smaller industrial diesel engines compliant with the latest standards, already in production in large quantities.

This multi-engine solution offered many advantages, including:

- the significantly lower cost of purchasing four engines as compared to designing and manufacturing a custom-made large diesel power pack
- extremely high reliability as the locomotive can still move even if three of the four engines fail (similar to multi-engine aircraft)
- major reductions in energy consumption and emissions as one or more engines can be shut down or cut back when full power isn't required

Our Design for Environment approach

Our Design for Environment (DfE) approach is a fundamental component of our product responsibility strategy.

DfE at Bombardier dates back over 15 years to when our Transportation group began embedding the approach as a core function in designing state-of-the-art rail transportation equipment.

Today 25 dedicated DfE experts at Transportation enhance our expertise and ensure current and future legal and environmental requirements are addressed at the earliest stages. More than 900 Transportation engineers and procurement specialists are trained to apply DfE principles and guidelines.

Within Aerospace, Design for Environment has been rapidly gaining traction since its introduction in 2008. The group's DfE team continues to expand to meet a growing need for its services and expertise, with one dedicated DfE expert assigned to each new aircraft program.

The team's goal is to increasingly embed DfE principles in aircraft design and to write the industry standard for Lifecycle Assessments and Environmental Product Declarations, much like our Transportation group accomplished in the rail industry.

By December 31, 2011, approximately 200 Aerospace engineers had received in-class DfE training. We're planning more advanced training, through both classroom and e-learning programs, for engineers and managers in 2012.



CS100 COMMERCIAL AIRCRAFT



GLOBAL 7000 BUSINESS JET



GLOBAL 8000 BUSINESS JET

DfE in the *Global 7000* and *Global 8000* programs

The *CSeries* was the first aircraft designed with rigorously applied DfE principles from day one. It was also the first program within Bombardier to integrate a lifecycle analysis tool. We subsequently applied the lessons learned during the development of our *CSeries* commercial aircraft, scheduled to enter into service in 2013, in the design of the *Global 7000* and *Global 8000* aircraft.

The newest members of our *Global* aircraft family incorporate the latest technologies for reducing the environmental impact of their production and operation.

From the first days of development, the *Global* aircraft design team committed to creating a product that systematically addresses environmental concerns. Among other things, this meant incorporating such features as high efficiency engines and greater controls on emission output to reduce the aircraft's environmental impact.

We also invite suppliers to participate in our design program because we recognize that their decisions can dramatically affect the environmental footprint of our products.

Our ultimate goal is to fully embed DfE in Aerospace's day-to-day business operations and design practices.

DESIGNING IT RIGHT FROM THE START

“The aviation industry has collectively set ambitious environmental targets. It is well understood that 60% to 80% of an aircraft’s environmental impact is determined at the design stage, so by applying DfE to our aircraft programs to minimize environmental impact, we ensure that our products are part of the solution to the industry’s ambitions.”

Guy C. Hachey
President and Chief Operating Officer
Bombardier Aerospace

Short, simple and effective DfE tools

Sometimes the simplest solutions are the best.

During 2011, our Aerospace engineers developed new tools to accurately measure reductions in CO₂ emission levels from weight savings and aerodynamic changes by simply inputting fuel consumption rates into a spreadsheet and calculating the results with a couple of mouse clicks.

They employed the same idea to calculate drag counts for airflow surfaces, a critical element in wing design, enabling an instant review of aerodynamic impacts.

Aerospace also developed a light DfE tool called the B-EcoTool. This tool can be used to easily assess the environmental footprint of a design and while comparing different options in trade studies. It can also be used to assess the toxicological effects of some hazardous materials.

These tools help engineers take environmental considerations into account at the earliest design stages and to simplify the environmental assessment process, enabling Aerospace achieve its DfE targets more efficiently and at virtually no cost.

Spreading the DfE word

Published quarterly, e-IQ is a new, user-friendly environmental intelligence report featuring a wide range of content to support decision-making regarding environmental matters. e-IQ updates key internal stakeholders on the latest environmental news.

To support the engineering community and DfE-trained employees, we produce DfE flyers and posters that serve as at-a-glance reminders of key DfE principles to apply daily.

All DfE documents are made accessible to employees on a dedicated DfE portal on Aerospace's intranet.

Unified approach to material compliance

Transportation's Material Product List helps minimize the duplication of work for DfE engineers and our suppliers. Developed by the Kingston DfE team, this tool streamlines the efforts of Transportation's North American DfE team when dealing with documentation requirements for suppliers. Using this approach, our Transportation group is able to leverage its purchasing power across its supply chain. Both the Systems division and Bombardier Transportation North America have benefited from this tool.

Declaring our environmental performance

At Transportation, we publish Environmental Product Declarations (EPDs) to inform all of our key stakeholders about the environmental performance of our products. This enables our customers to fully understand the environmental impact of operating the transportation products they buy from us.

This year, Transportation issued two new EPDs for the *INNOVIA* Metro 200 and a second for the *REGINA* Intercity X55 regional train. The *INNOVIA* Metro 200 EPD is the first EPD in North America to apply ISO 14025 standards. Both EPDs apply the Association of the European Rail Industry's (UNIFE) Product Category Rules for Rail Vehicles (PCR 2009:05) and follow the International EPD System.

At Aerospace, we'll issue EPDs for all new aircraft programs upon entry into service, an industry first. This initiative will begin in 2013 when our *CSeries* commercial aircraft and *Learjet 85* business aircraft enter into service.

EPDs will detail the overall environmental performance of our aircraft, including:

- hazardous materials used
- raw material use and breakdown
- recyclability of maintained parts
- recyclability at end of life
- performance data (e.g. noise and other emissions)

The lessons learned in preparing the environmental impact assessments required to produce these EPDs will be integrated into our DfE process. This will help us introduce continuous improvements in our future aircraft programs and understand more fully the overall environmental impact of an aircraft throughout its entire lifecycle.



INNOVIA METRO 200



LEARJET 85 BUSINESS JET

LEADING THROUGH RESEARCH

Dealing with a product's end of life

When the product development project is launched, it's important to immediately consider what will happen to that product at the end of its service life. With growing focus on energy efficiency, changing waste requirements and steady increases in raw material costs, the management of end-of-life issues has become a significant component of the product development process.

That's why, in 2011, Transportation worked with the UNIFE Sustainable Transport Committee topical group to develop a recyclability calculation method (RCM) for rolling stock and equipment. The method provides a series of algorithms to calculate the percentage weight of the product rolling stock that can potentially be either recycled, reused or both.

The RCM can be applied to follow the flow of materials extracted, from a vehicle through the pre-treatment, dismantling for example, and shredder stages of the recycling process to determine its overall recyclability potential.

The aerospace industry in particular faces major product end-of-life challenges. Over the next 20 years, approximately 250 commercial aircraft will be withdrawn from service every year. Due to a current lack of necessary infrastructure and technologies to undertake recycling of these aircraft profitably, it's estimated that more than half will be abandoned in deserts or warehouses.

At Aerospace, our goal is to bring that number down significantly by improving the reusability and recyclability of aircraft parts. We're making major investments to achieve this objective.

For example in 2012, we'll work with the Consortium for Research and Innovation in Aerospace in Québec (CRIAQ) and other industry partners, donating a Bombardier CRJ200 regional jet to be dismantled to determine which of its thousands of parts and materials can be recycled.

The dismantling will take place at the new Aerospace Technology Centre inaugurated in St. Hubert, Canada, in November 2011. This facility will be used to conduct experiments associated with dismantling the aircraft.

CRJ200 REGIONAL AIRCRAFT



The research obtained will help us make a broad range of recommendations for the recovery, revalorization and redistribution of reusable and disposable parts and materials at the end of an aircraft's life.

Bombardier Aerospace is acting as the industrial lead and supplying financial assistance and in-kind contributions to achieve the best outcomes in the shortest amount of time. We fully expect this project to deliver a new level of expertise to the Québec and Canadian aerospace industries on how to deal with aircraft and other complex manufactured products at the end of their service life.

At the end of 2011, we also conducted a research and development project with CRIAQ and other industry partners to investigate the recyclability potential of certain carbon composite materials. The project studied several methods of recycling composite materials originating from a variety of sources, including manufacturing wastes, manufacturing molds and carbon parts removed from aircraft at their end of life.

By finding innovative solutions to help eliminate much of the waste produced during the manufacturing and end-of-life cycle of our products, we expect to acquire knowledge that we can then share across the aviation industry and in other manufacturing sectors.

MANUFACTURING PRODUCTS SAFELY

Across our organization, an overriding objective is to design products that have no detrimental impact on the safety of the people manufacturing, using and maintaining them. We do this by ensuring that we consider the health and safety impacts of our significant products and services during all lifecycle stages, complementing our DfE program. Through this approach, we strive to:

- avoid hazards throughout the product lifecycle by using proven designs and materials as well as diverse, redundant or fail-safe components
- implement product safety requirements at all project stages
- include safety requirements in the project's Requirements Management documentation and procurement specifications
- incorporate safety standards in all operation and maintenance documentation
- ensure product safety through subsequent product changes or modifications

Designing for Safety

Our responsibility for product development includes both environmental and social considerations. Just as we design for the environment in creating new products, we also design for safety at every stage of the production, maintenance and end-of-life processes to provide end-users with optimal comfort, space, reliability, style and security.

The mission of our Aerospace and Transportation Design for Safety teams is to contribute to and support every phase of the design effort to ensure that our products take into account the many related human factors. It's their job to ensure that our products are fully compatible with the cognitive and physical attributes of the people who will assemble, maintain, support and operate them.

Team members participate in the design evaluation of every new product, assessing in detail the assembly, maintenance and services tasks that will need to be performed to design, manufacture, service and operate the product over its lifespan.

Their work is extremely broad and includes carefully evaluating concerns such as tools suitability, reach zone, security, force/fatigue considerations, vision and comfort. At Aerospace, except for the cockpit, DfS team members are involved in every design phase for all aircraft programs.

Managing product safety at Aerospace

The travelling public has every right to expect that product safety will keep pace with the growing number of aircraft in service. In 2011, we continued to make significant progress in implementing our Safety Management System (SMS), which enforces the highest industry safety standards and integrates leading safety processes into the aircraft production process.

SMS provides a framework for adding new safety measures to our current processes and practices and defines how we manage product safety throughout the Aerospace group.

The Employee Safety Reporting System (ESRS) is one of the SMS processes at Aerospace. This confidential process allows employees to report issues that they believe affect product safety. It serves as an additional safety net to capture potential issues not addressed by regular reporting and corrective action processes.

Managing product safety at Transportation

Launched in 2005, Transportation's Product Safety Management System specifies the roles, responsibilities and cycles for ensuring continuous improvement within the group by:

- defining product safety requirements based on laws and regulations in each country in which the group operates and on customer, regulator and other legitimate third-party criteria
- ensuring that safety requirements are fulfilled during the development and delivery of products and services
- analyzing incidents and accidents to review and improve product safety performance

Every project design team is responsible for collecting and integrating safety analyses conducted by the subsystem teams. This data is then summarized in a Safety Case Report prepared by the project's lead safety engineer.

Enhancing product safety skills

In 2011, Transportation launched an action plan to review its programs and develop new courses that closely reflect industry standards in Product Safety. The group will continue to pursue this initiative in 2012 with the aim of harmonizing and enhancing its product safety initiatives.

Transportation's Centre of Competence in Product Safety is composed of representatives from all Transportation divisions, including specialists in product safety. These specialists meet twice a year for face-to-face meetings and monthly for conference calls. A variety of subjects are discussed and actions taken to constantly enhance the group's product safety organization, process and methodology.

In 2011, Transportation successfully implemented a safety incident/accident reporting database to apply the lessons learned from experiences in the field during the design process to improve the safety of its products.

MINIMIZING USE OF HAZARDOUS SUBSTANCES

Hazardous substances may impact production, maintenance, use and end-of-life treatment of our products. To comply with regulations, including the European Union's Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), our Aerospace and Transportation groups apply a systematic approach to measure, track and manage chemical risks throughout our supply chain.

The Bombardier HSE Council keeps each of our operating units abreast of any changes in REACH regulation while participating in the Aerospace and Transportation REACH working groups launched in 2011. We continue to work with our suppliers to build our knowledge of chemical risks and identify alternatives to hazardous substances.

Our Banned and Restricted Substances List takes into account HSE issues. This list helps us eliminate banned substances and reduce the use of restricted substances while remaining fully compliant with legal requirements. It also assists us in targeting and replacing substances that are currently restricted and may be banned in the future.

We share our Banned and Restricted Substances List with our suppliers and require them to disclose the substances they use. This enables us to ensure that supplied products and sub-assemblies comply with our requirements.

The list also helps us identify where these substances are used in manufacturing our products as well as work with our suppliers to make substitutions if and when necessary.

We review our list annually, adjusting the status of substances or adding new materials based on changes in applicable regulatory frameworks.

RELEASE OF AN INDUSTRY-ACCEPTED RAILWAY INDUSTRY SUBSTANCES LIST (RISL)

During 2011, we continued our work with UNIFE's Sustainable Transportation Committee throughout a comprehensive review of European and selected international environmental legislation. The result is an industry-accepted list of substances that are either classified as prohibited or declarable. The Railway Industry Substances List (RISL) provides guidance for the entire supply chain on controlled substances, banned substances as well as substances that must be declared prior to use in the design.

STANDING UP FOR SAFETY: AEROSPACE'S SAFETY STANDDOWN

Over the past 10 years, nearly 80% of all business and corporate turbojet accidents have been caused by human error.

The fact that over 18,000 business jets are operating around the world today underlines the importance of Bombardier's Safety Standdown forum. This annual gathering of aviation professionals, including pilots, flight crews, technicians, schedulers and aviation executives has become the industry's most respected and valued safety forum.

Safety Standdown was conceived in 1996 as a safety training event for the Bombardier *Learjet* flight demonstration team and was opened to outside pilots and flight crews three years later. Safety Standdowns are held annually in Wichita, U.S., and around the world. 2011 marked the expansion of the initiative into Asia, with the launch of the first Safety Standdown event in Shanghai, China, in June and saw the second Latin America Safety Standdown in São Paulo, Brazil, in August.

Bombardier's Safety Standdown is supported by the National Business Aviation Association (NBAA) and has been endorsed by the Embry-Riddle Aeronautical University. The program is also recognized by the Federal Aviation Administration (FAA) and the National Transportation Safety Board (NTSB).

Bombardier is the only civil aircraft manufacturer currently offering knowledge-based training free of charge across the aviation industry.

In April 2011, the Flight Safety Foundation presented Bombardier with the Business Aviation Meritorious Service Award in recognition of the Safety Standdown Program.



SAFETY STANDDOWN TRAINING



THE 15TH ANNUAL SAFETY STANDDOWN
IN WICHITA, U.S.

From left to right: Gene Cernan, American astronaut and Bombardier Safety Ambassador; actor William Shatner; Rod Williams, Vice President Marketing, Bombardier Business Aircraft

THE EXECUTION IMPERATIVE

“Strong execution increases productivity, lowers costs, reduces waste and thus ensures greener and safer operations, and improves the customer experience. It also means that we’re managing our risks well. In fact, it’s all interconnected. When our employees are engaged and their talents fully developed, we operate more smoothly and deliver a higher quality product and service, which translates into happier and more engaged customers.”

Pierre Alary

Senior Vice President and Chief Financial Officer
Bombardier Inc.

CUSTOMER-CENTRIC METRICS BUILT INTO INCENTIVE PLANS

“To achieve our goal of being number one in customer satisfaction, customer-centric metrics are now part of all management and employee incentive plans. This makes our commitment to customer satisfaction very tangible and real.”

André Navarri

President and Chief Operating Officer
Bombardier Transportation

EXCELLENCE IN EXECUTION

Like any business, our skill in executing the projects we take on determines how much value we generate for our stakeholders.

Customer satisfaction is about asking ourselves “If I do this, will it create value for our customers? If not, what can I change so that it does?”

Over the past three years, Transportation’s Customer Satisfaction Management process has been used to engage with the group’s top 25 customers worldwide.

Twice a year, it tracks and measures 14 internal KPIs in four areas:

- customer orientation
- sales and price
- project management
- product execution

Our Transportation group conducted five surveys to date consisting of face-to-face interviews with our key customers. The result has been a steady improvement in performance in three of the four areas, with product execution—on-time delivery—remaining our customers’ biggest concern.

Individual customer action plans are being implemented across the organization to improve our execution in all four areas.

EMBRACING CHANGE TO INCREASE CUSTOMER SATISFACTION

When our Transportation group won the contract to provide 140 regional coaches to the Swiss Federal Railways (SBB), the value of its change in approach to customer engagement was clearly demonstrated.

To win the *TWINDEXX* double-deck bid, Transportation presented a proposal that went beyond a product investment perspective to take into account SBB’s total lifecycle, operational and technological issues.

SBB has clearly been impressed by the group’s performance: in less than four years, Transportation’s customer satisfaction rating from SBB tripled.

KEEPING THE PROMISE: BRAND AMBASSADORS

Putting customers first

You. First.

That's the motto of Bombardier Customer Services (BCS)—a promise that's being kept by more than 4,000 BCS brand ambassadors every day. They say: "we'll do whatever it takes to put our customers first."

Their mission is to be recognized as the number one aircraft services company in the world and the primary reason why customers choose to operate Bombardier aircraft.

BCS is the only division that extends across the entire Aerospace group. In its own words, BCS brings together "the people, the passion and the performance" to put customers first.

This means investing in product enhancements to deliver the highest levels of reliability and performance across our platforms. It entails investing nearly \$200 million to support Aerospace's Parts Satisfaction Guarantee. And it includes

operating Regional Support Offices (RSO) staffed by more than 150 support personnel, to deliver the highest standards of service excellence to our customers.

Best-in-class engagement

As part of our growing regional support network, we doubled the number of RSOs around the world in 2011 to provide even better service to our business aircraft customers.

A new feature-rich online customer portal, iflybombardier.com, is also earning top marks with our customers.

Our most recent customer engagement survey reported that both Business and Commercial Aircraft continue to improve customer satisfaction. Business Aircraft customers rated us best-in-class in customer engagement, with Learjet approaching the world-class benchmark.



GLOBAL, LEARJET AND CHALLENGER BUSINESS JETS

.....

OPERATIONS

.....

We're committed to fostering innovative operations that enables us to deliver more environmentally compatible aircraft and make the world's most sustainable mode of mass transit—rail—even more sustainable. We're committed to doing this with the least environmental impact possible.

This includes monitoring key environmental performance indicators, setting realistic targets and developing concrete initiatives to achieve our goals. It also includes implementing innovative programs like our Bombardier Green Fund, dedicated to leveraging employee insight to improve the environmental efficiency and impact of our operations.

OBJECTIVES: HIGHLIGHTS OF OUR GOALS AND PERFORMANCE

RESOURCE AND ENVIRONMENTAL MANAGEMENT

WHAT WE SAID WE'D DO IN 2010-11¹

- Further enhance our centralized HSE Information Management System (IMS), integrating HSE data collection and site-specific management programs and tools
- Begin monitoring new environmental indicators (waste valorization index, use of volatile organic compounds [VOC] and number of environmental incidents) across Bombardier
- Enhance existing environmental reporting using these new indicators to better fulfill Global Reporting Initiative (GRI) requirements
- Launch an annual Green Fund project campaign across the company to finance environmental efficiency initiatives
- Establish site-specific CO₂ emission reduction targets for our Transportation sites

WHAT WE DID¹

Progress 

- Implemented new management application in our centralized HSE IMS
- Began to monitor new environmental indicators to broaden the scope of future reporting
- Launched the 2011 Green Fund campaign and implemented a number of Green Fund projects
- Defined site-specific GHG emission reduction targets for the most significant locations and monitored progress

WHAT WE'LL DO IN 2012

- Implement 2012 Green Fund projects, launch 2013 Green Fund campaign, and support best practices across organization
- Develop dashboard with strategic indicators for our centralized HSE IMS implementation in 2013
- Review and improve Aerospace's Energy and Carbon Management Strategy
- Eliminate redundant data management at Transportation to satisfy needs of specific system standards
- Identify optimum targets for water consumption and waste generation at Transportation and establish related action plan studies at local level

¹ Due to the change in our reporting period to calendar year beginning in 2012, "What we did" covers the period from February 1, 2010 to December 31, 2011. For a complete list of our Objectives and progress, visit: csr.bombardier.com/operations/objectives.



QUERÉTARO, MEXICO



QINGDAO, CHINA



MIRABEL, CANADA

OUR ENVIRONMENTAL PERFORMANCE

OUR EQUIVILANCIES

Between 2007 and 2011 we...

... decreased our water consumption by 5.3% or 120,852 cubic metres, a reduction equivalent to the volume of water in 40 Olympic-sized swimming pools.

... achieved an overall 8.2% or 411,338 gigajoule reduction in energy consumption, savings that could power more than 119,000 homes over a month.

... saved 71,899 metric tonnes of CO₂ equivalent, comparable to taking 14,097 passenger vehicles off the road over a year.

... decreased hazardous waste production by 10.7%, from 11,758 metric tonnes in 2007 to 10,498 metric tonnes in 2011, comparable to taking 36 fully loaded merchandise trucks off the road.

OUR ENVIRONMENTAL TARGETS

Energy consumption and GHG emissions¹

an additional 10% reduction between 2009 and 2013, based on 2008 data

Waste and hazardous waste

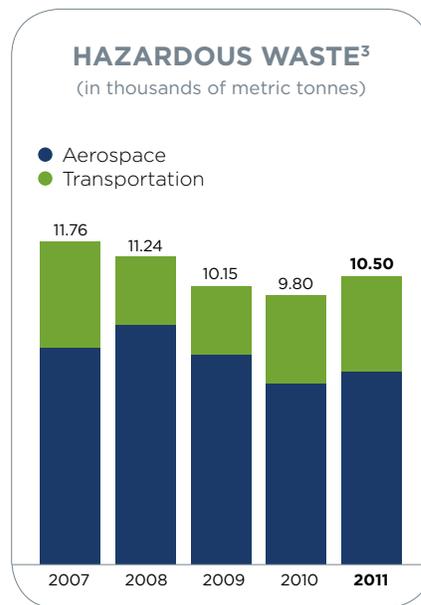
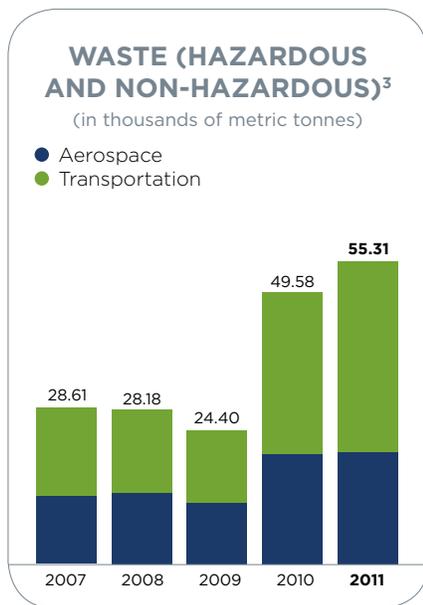
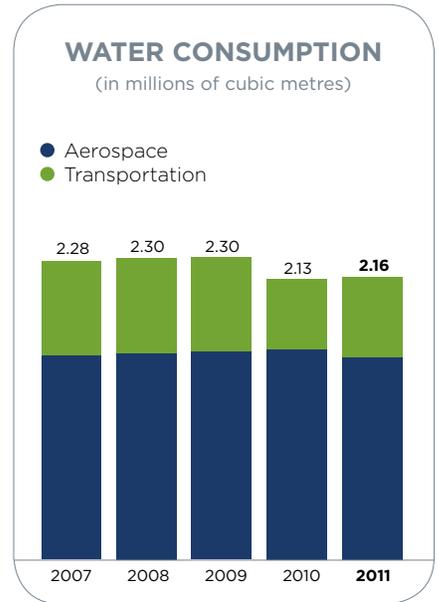
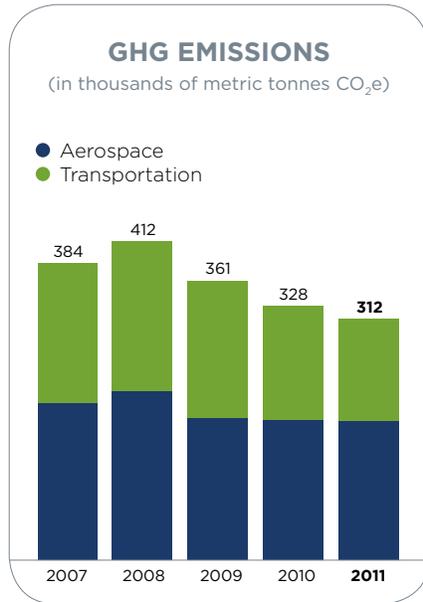
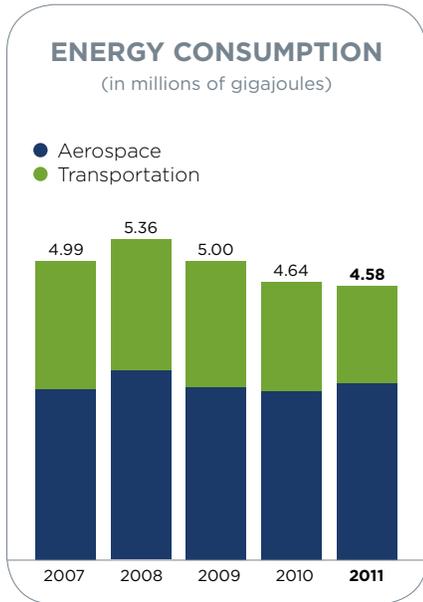
an additional 9% reduction between 2010 and 2012, based on 2009 data

Water consumption

an additional 3% reduction between 2010 and 2012, based on 2009 data

¹ Transportation's reduction target is 20% for GHG emissions.

OUR ENVIRONMENTAL PERFORMANCE^{1,2}



1 As of 2010, the scope of our reported environmental and energy data includes: buildings we own or lease long term and manage as the sole tenant, with more than 15,000 square metres (50,000 square feet) of conditioned space; sites having 150 employees or more; sites that are considered primary production/operation and service facilities; group headquarters; and joint ventures where we have operational control (where we own more than 50% of voting shares).

2 2010 data has been updated to address internal audit findings by the Corporate Audit Services and Risk Assessment (CASRA) internal audit team.

3 As of 2010, our waste data has been expanded to include all disposal streams and not just non-valorized waste as reported in previous years.

THE BOMBARDIER GREEN FUND

Our employees are the heart of our operations. In 2010, we created the Bombardier Green Fund to solicit the best management and employee insight to further improve our energy efficiency and overall environmental footprint. We wanted to draw upon their understanding of our day-to-day operations while further embedding CSR across our sites. Proposals are submitted to the Green Fund selection committee which selects projects based on optimal energy and GHG emission savings, payback period and cost. The Green Fund enjoyed outstanding success in its first year, with 19 projects implemented at both Aerospace and Transportation.



Aerospace: solar preheating and new lighting fixtures save energy

In 2011, Aerospace received nearly 200 Green Fund ideas from employees and selected eight to launch the program within the group.

At our *Global* Completion Centre in Montréal, Québec, where the installation of interiors is the final production step prior to delivery of the aircraft to the customer, we installed a solar wall to preheat the building in which the paint shop is housed. This move will result in CO₂ emission savings of 65 tonnes annually and 35,000 m³ of energy savings from natural gas.

At our Toronto Downsview site in Ontario, we replaced the 20-year-old lighting fixtures in the warehouse building and bay area with the latest in fluorescent fixtures, reducing energy consumption by 45%. This initiative will result in an annual reduction of 181 tonnes of CO₂ emissions and energy savings of 821,000 kWh.

Also in Toronto, the Green Fund financed the replacement of the existing constant-flow chilled water pumping system with a variable flow system. This change made the building more comfortable for employees by improving control of the interior climate. It also resulted in substantial cost savings. In addition, CO₂ emissions will be reduced by 128 tonnes annually and 584,000 kWh of electrical energy will be saved annually.

At the Dorval headquarters, near the Montréal-Trudeau International Airport, an electrical steam boiler that generates humidity for the ventilation system was replaced by an atomized water system that requires no heat to operate. This initiative will reduce annual CO₂ emissions by nine tonnes and cut electrical energy consumption by 1.8 million kWh annually.

In the Business Aircraft Service Center in Dallas, Texas, financial support from the Green Fund enabled the group to replace 77 1000-watt Mercury Halide fixtures with 12 T5 high-output High Bay lights. The old fixtures were positioned between two hangars and consumed nearly 600,000 kWh annually in electrical energy. By replacing them with the 12 new lamp fixtures, total energy use per year will be reduced by more than 230,000 kWh, resulting in major cost savings. In addition, CO₂ emissions will be reduced by 156 tonnes annually.



LIGHTING SYSTEM, TORONTO
DOWNSVIEW FACILITY, CANADA



ČESKÁ LIPA, CZECH REPUBLIC



SIEGEN, GERMANY



GÖRLITZ, GERMANY

Transportation: carbon-neutral operations in sight

At Transportation, more than 80 prospective projects were identified through nine separate studies. Following a review of each proposal, 11 Green Fund projects were implemented during 2011 that proved to be not only environmentally responsible but also cost effective. Transportation also achieved an annual reduction of 1,800 tonnes of CO₂ emissions from projects supported by the Fund.

The range of Transportation's Green Fund projects is widely dispersed both geographically and operationally.

At our Česká Lípa site in the Czech Republic, we made the paint shop operations more energy efficient by introducing a sand-blasting robot. This move significantly reduced energy consumption and optimized the timing of on-off appliance switching in the spraying and drying booths, which lowered annual CO₂ emissions by 800 tonnes. Eventually this site plans to purchase 20% of its annual electricity consumption from renewable sources.

Also at the Česká Lípa site, we implemented a high efficiency ventilation control system, adjustable to the demands of the production process. Ventilating units equipped with heat recovery are auto controlled to ensure maximum energy saving, reducing carbon emissions by 80 tonnes each year.

Lighting optimization projects are popular at several sites because of the moderate investment required and their short payback period. For example, Česká Lípa installed automatic switch-off controllers to shut off its main lighting during breaks and at shift-ends, reducing annual carbon emissions by 28%.

Another successful initiative was the recent installation of fluorescent lights with electronic ballast to replace old mercury lamps at our site in Siegen, Germany. This move reduced annual greenhouse gas emissions by 23 tonnes. The total reduction in carbon emissions resulting from all lighting projects will be more than 400 tonnes per year.

At our Görlitz site in Germany, we optimized energy consumption during set-up and drying operations in the painting booths by installing a smart consumption controller. This will reduce carbon emissions by 300 tonnes annually.

Transportation's Carbon Neutral Champions Network will be a key factor in developing these projects successfully. This network of energy specialists from 20 sites around the world liaises regularly via conference calls to share best practices. The network plays a major role in Transportation's efforts to embed CSR throughout its operations.

Transportation expects that an estimated 400 Green Fund projects will have been launched across all its sites by the year 2020.

These are but a few of the many Green Fund projects that are currently underway or in development to help us meet our environmental responsibilities with the help of our employees.



EMPLOYEES AT THE
DERBY FACILITY, U.K.

.....

SUPPLY CHAIN

.....

To achieve a high standard of corporate social responsibility, we strive to develop and sustain strong supplier relationships based on trust, transparency and open communication.

That's why we work with suppliers that commit to our rigorous Supplier Code of Conduct. It's also why we go beyond the provisions of this code to actively engage our suppliers on a daily basis in responsible supply chain management.

OBJECTIVES: HIGHLIGHTS OF OUR GOALS AND PERFORMANCE

SUPPLY CHAIN MANAGEMENT

WHAT WE SAID WE'D DO IN 2010-11¹

- Develop a comprehensive five-year roadmap to reduce restricted and hazardous substance use in supplied products and work with other Original Equipment Manufacturers to harmonize supplier requirements
- Continue deployment of the compliance program for our Supplier Code of Conduct
- Explore options to harmonize our Supplier Code of Conduct with other approaches taken by the European rail industry through UNIFE (The Association of the European Rail Industry) to reduce duplication of monitoring efforts
- Launch a survey of Transportation suppliers on supplier relations management and communication with a participation feedback rate of at least 30% of our master vendors

WHAT WE DID¹

Progress 

- Brought the number of suppliers committed to respecting the principles of our Supplier Code of Conduct to more than 500 Transportation master vendors and 245 Aerospace suppliers operating under formal contracts
- Developed a responsible supply chain roadmap
- At Transportation, completed a second survey on supplier relationships
- Started to train key Aerospace team members on social and environmental issues within the framework of our Supplier Code of Conduct compliance plan

WHAT WE'LL DO IN 2012

- Continue the deployment of our responsible supply chain roadmap, focusing at Transportation on conducting more on-site CSR spot-checks and at Aerospace on further implementing the compliance program for the Supplier Code of Conduct
- Train our high potential procurement managers on CSR values and practices

¹ Due to the change in our reporting period to calendar year beginning in 2012, "What we did" covers the period from February 1, 2010 to December 31, 2011. For a complete list of our Objectives and progress, visit: csr.bombardier.com/supply-chain/objectives.



CSERIES AIRCRAFT INTERIOR



PRATT & WHITNEY PUREPOWER®
GEARED TURBOFAN ENGINE



INNOVIA METRO INTERIOR



ALL ABOARD!

STRENGTHENING EVERY LINK IN THE SUPPLY CHAIN

Our Supplier Code of Conduct: a statement of principle

Four years ago, we launched our Supplier Code of Conduct, a clear statement to the industry and the public of our commitment to the United Nations Global Compact principles. To do business with us, our suppliers are also required to commit to respecting these principles.

As of December 31, 2011, 245 Aerospace suppliers operating under formal contracts had committed to respecting the principles of our Supplier Code of Conduct. Of these, 93 are aircraft equipment suppliers whose products and services represent 91%¹ of our total aircraft-related procurement spend. The remaining 152 suppliers provide non-aircraft-related products and services, representing about three-quarters¹ of spend in that category.

At Aerospace, the target is to have 100% of suppliers committed to our Supplier Code or equivalent code. To achieve this target, the Supplier Code is systematically incorporated into every new contract, contract amendment and purchase order. A strategy is now in place to monitor compliance.

By the end of 2011, all 548 Transportation master vendors had reported compliance with our Supplier Code of Conduct, representing 70% of the group's procurement spend, compared to 469 at year-end 2010. Because the list of master vendors changes regularly as projects are started and completed, Transportation requires that vendors affirm their compliance with the Supplier Code on an annual basis.

At Transportation, the focus is currently on securing the commitment of all master vendors to the Supplier Code. Master vendors are strategic suppliers as well as suppliers with a high annual spend. We'll gradually cast our net wider to include smaller, higher risk suppliers.

Going beyond the Supplier Code of Conduct

At both Transportation and Aerospace, 2011 was dedicated to developing strategies to ensure our suppliers respect the principles of our Supplier Code of Conduct. We're currently implementing a series of compliance programs designed to support these strategies.

Compliance means that suppliers have signed our Supplier Code of Conduct, have signed equivalent industry-association codes, have demonstrated that their internal systems cover our Supplier Code, or have provided evidence that their parent company's commitment meets the standards required by our Supplier Code.

¹ Using 2008 as reference year

At both Aerospace and Transportation, we're actively embedding our supply chain roadmap to promote CSR among our suppliers and integrate its principles into our Supplier Evaluation and Approval Process (SEAP) to help assess risk in our Procurement Excellence program, and into our supplier development process.

To better manage non-financial risks, in 2011, Transportation updated its Procurement Guide and related directives as well as systematically anchored CSR in the procurement process.

In June 2011, Transportation completed a CSR supplier self-assessment survey to verify acceptance of its ethical, environmental and social standards. The self-assessment survey is part of Transportation's supplier roadmap to develop and integrate CSR practices in its supplier relationships. More than 400 responses were received.

This self-assessment process provided a clear picture of what our master vendors are doing in the high priority areas of HSE and quality control. It also gave us the information we needed to plan further initiatives to enhance the business process.

The roadmap also includes on-site spot-checks introduced in 2012. By the end of 2012, Transportation's procurement specialists will have conducted spot-checks with all critical suppliers. When abnormalities are found, the next steps include extensive audits, improvement programs if required, and termination of the relationship in cases of continued non-compliance.

The objective is to harmonize the group's compliance programs and external verification with the UNIFE framework. Harmonization will reduce the time and, for suppliers, expense Transportation devotes to monitoring its suppliers and ease the burden of compliance reporting that they currently face.

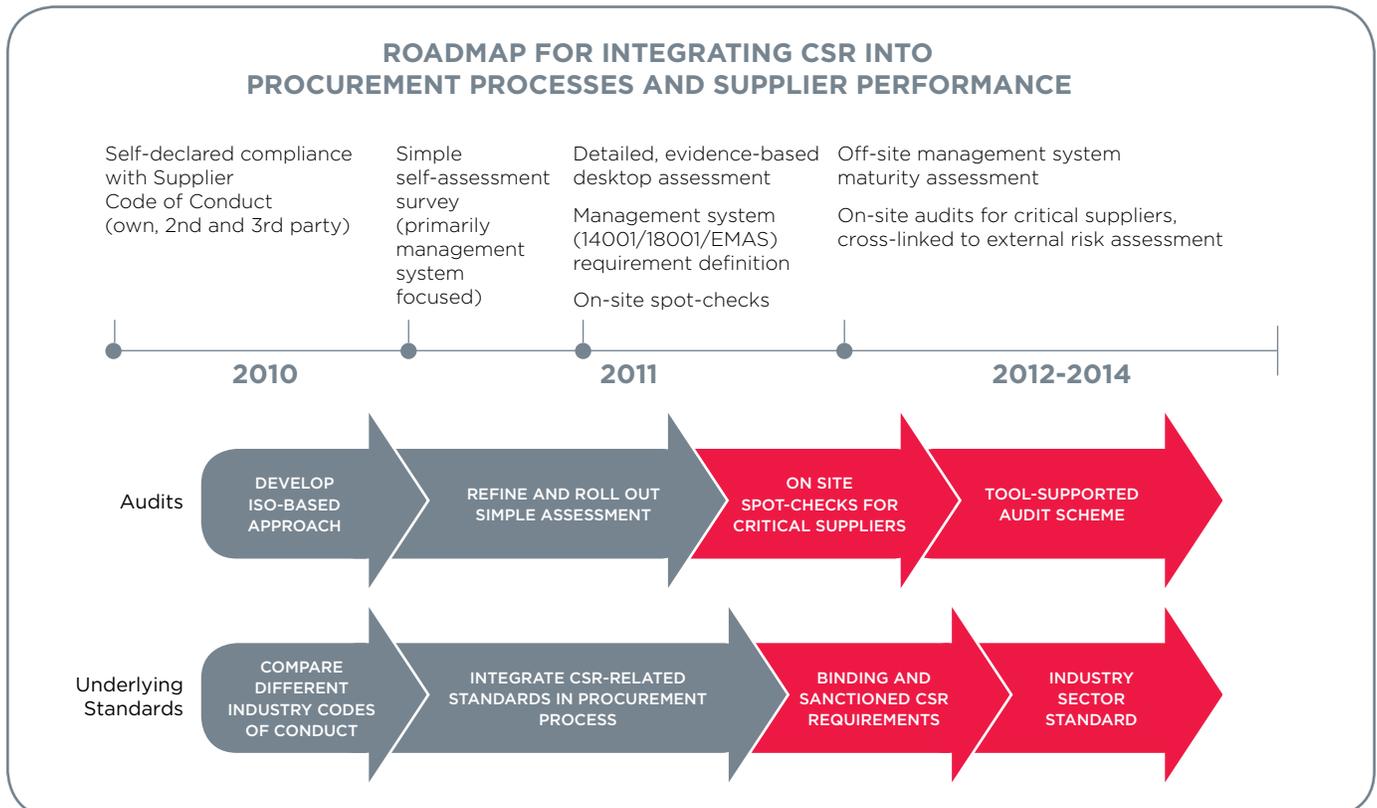
These initiatives are helping both our Aerospace and Transportation groups make steady progress towards their common goal of building and sustaining a reliable network of socially responsible suppliers in our key markets around the world.

FORGING ALLIANCES

Transportation's supplier communication plan helps forge strategic long-term alliances with key suppliers and improve overall supply chain performance. The group's various supplier advisory and technical boards encourage collaboration on market strategies, technology roadmaps and business continuity issues.

In addition, Transportation conducts regular supplier forums to facilitate discussions on key market issues, fostering a mutual understanding of the potential major business challenges that may lie ahead and how both sides can work together to address them.

Similarly, every year Aerospace invites top suppliers for a full day of open discussions at its Strategic Supplier Executive Meeting (SSEM).



At the 2011 SSEM, frank and open discussions on key market issues and opportunities to develop complementary business strategies took place with 47 strategic suppliers. In the same spirit, the Supplier Advisory Board (SAB) is held on a biannual basis, gathering eight of Aerospace's most strategic suppliers for in-depth discussions on strategy, the market and the industry at large.

At Aerospace, we're constantly looking for ways to contribute to our suppliers' development and help them improve operations. In 2011, we accelerated the deployment of our supplier value creation approach and other continuous improvement programs.

Exemples include the 5-Star certification program for fabricated metal parts suppliers, and several specific quality improvement plans developed with suppliers. We also collaborated with industry associations to create and implement supplier development programs.

Through these initiatives, we work collaboratively to:

- improve productivity and quality
- remove low value activities from our supply chain
- integrate processes
- implement Lean manufacturing techniques that preserve value while requiring less work

Three years ago, we began conducting executive reviews with key suppliers, allowing all stakeholders to drive root-cause analysis and help achieve the permanent resolution of issues based on factual evidence. In 2011, we conducted six executive reviews with key strategic suppliers.

A BASiS for improvement

In 2009, Aerospace launched a new supplier performance indicator tool called BASiS—the Bombardier Aerospace Supplier Improvement System—to track supplier quality and delivery performance. The data gathered is shared with suppliers to ensure that they consistently meet the required standards. In 2010, the group introduced top 30 suppliers.

By the end of 2011, BASiS was fully deployed across all Aerospace production sites. Aerospace now tracks the performance of all its suppliers and to this day, more than 100 suppliers of aircraft-related materials, representing 450 production sites, benefit from this monitoring and communication tool.

As a result, group managers were able to engage in much more comprehensive and fact-based discussions with these suppliers to improve operational performance and meet their mutual social responsibilities.

“Deep dives” with master vendors

Transportation's Supplier Relationship Management Program has the same objectives as BASiS. Using the master vendor list, the group collaborates with key suppliers to systematically measure and analyze their performance.

The program assists in the management of the technical, operational, commercial and financial performance of more than 500 master vendors. It also plays a role in developing common product and market strategies.



ACKNOWLEDGING SUPPLIER ACHIEVEMENT: BOMBARDIER AEROSPACE 2011 CSR AWARDS

From left to right: Guy C. Hachey, President and Chief Operating Officer, Bombardier Aerospace; H el ene V. Gagnon, Vice President, Public Affairs, Communication and Corporate Social Responsibility, Bombardier Aerospace; Rob Wilson, President, Business and General Aviation, Honeywell Aerospace; Maria Della Posta, Senior Vice President, Sales and Marketing, Pratt & Whitney Canada; Marc Parent, President and CEO, CAE Inc.; David Gitlin, President, Aerospace Customer & Business Development, Hamilton Sundstrand Corporation; Janice Davis, Vice President, Supply Chain and Chief Procurement Officer, Bombardier Aerospace

The Supplier Relationship Management program incorporates a series of case-driven, “deep dive” workshops that take a “total cost of ownership” (TCO) approach to optimizing the value chain.

TCO includes the purchase price of a product and its transportation costs, as well as the handling, inspection, quality, rework, maintenance and all other follow-in costs associated with the purchase.

Building on this program, every year Transportation invites between 120 and 140 master vendors to a Suppliers Day to discuss market developments and current business issues.

In addition, the group completes more than 200 quarterly business reviews with suppliers to address operational and financial issues and talk about business strategies. Supplier performance dashboards have been introduced to help identify issues for discussion and improvement.

Sharing product responsibility

In 2011, to further reduce the use of restricted and hazardous substances in suppliers’ products, Aerospace published an engineering requirement document that provides a list of banned and restricted substances for suppliers for new aircraft programs.

That same year the group became a founding member of the International Aerospace Environmental Group (IAEG). This organization seeks to harmonize the industry response to existing and emerging environmental regulations and develop a common approach for supply chain issues. It also promotes the development and implementation of global environmental reporting standards for the entire aerospace industry.

In the same way, for many years, Transportation has played a leading role in the UNIFE Sustainable Transport Committee, which developed an agreed list of prohibited and hazardous substances to provide guidance across the railway industry’s entire supply chain.

To comply with all applicable legal and regulatory requirements, including REACH (Registration, Evaluation and Authorization of Chemicals) in the European Economic Area, both Aerospace and Transportation have implemented a systematic approach to measure, track and manage chemical risks throughout the supply chain.

We continue to work with suppliers to improve mutual knowledge of chemical risks and identify alternatives to the use of hazardous substances in product manufacturing. We also maintain a list of restricted substances in the supplier requirement documentation.

SAFEGUARDING SUPPLIER HEALTH AND SAFETY

When we updated our HSE Policy three years ago, we clarified our HSE vision for all our stakeholders, including suppliers.

In 2011, we continued to leverage our HSE Policy, HSE directives and our Supplier Code of Conduct to enforce high standards across our facilities and throughout the entire supply chain.

In fact, whenever suppliers sign a contract with us, they’re expected to uphold OHSAS 18001, ISO 14001 or equivalent HSE standards.



ACKNOWLEDGING SUPPLIER ACHIEVEMENT: BOMBARDIER TRANSPORTATION SUSTAINABLE SUPPLIERS AWARD

From left to right: Shigeharu Nonoyama, General Manager, Hitachi Power Device Division; Pierre Attendu, Vice President, Operations and Chief Procurement Officer, Bombardier Transportation; William McCluskey, Group Vice President, ABB; Christoph Schwärzler, Director, CSR Strategy, Bombardier Transportation

ENGAGING WITH OTHERS

Fostering a responsible supply chain relies on our industry involvement. We actively engage with our suppliers to optimize supply chain performance throughout our sectors.

Aerospace: building Québec's aerospace supply chain

Our Aerospace group continues to play a leadership role in the MACH initiative of Aéro Montréal, the Québec aerospace cluster. The MACH initiative, officially launched at Aerospace's administrative centre in June 2011, is designed to optimize the performance of Québec's aerospace supply chain and increase its global competitiveness.

Transforming the supply chain requires a commitment to steady development and continuous improvement by all stakeholders. The MACH initiative aims to strengthen the supply chain structure and the companies involved by creating special collaborative links between customers and suppliers. It also promotes specific strategies and individual projects that will help fill integration gaps within Québec's aerospace supply chain and help it achieve true world-class status.

Transportation: providing industry leadership

For many years, our Transportation group has played a leadership role in Der Verband der Bahnindustrie in Deutschland (VDB), the German railway industry association.

The railway industry in Germany is made up of more than 130 companies, ranging from a few large-system operators, to a variety of medium-sized businesses. These companies supply specialized and innovative railway technology components and subsystems to a number of small businesses that provide engineering, testing and leasing services.

By working closely with the VDB, Bombardier Transportation fosters cooperation between suppliers and vehicle manufacturers to enhance the eco-competitiveness of all forms of rail transportation. The group's efforts are intended to encourage the development of superior technologies that not only lower greenhouse gas emissions but also increase the energy efficiency of the entire rail infrastructure.

ACKNOWLEDGING SUPPLIER ACHIEVEMENT

Our efforts to engage with suppliers on CSR go far beyond requiring their compliance with our performance standards. We also believe that it's important to recognize suppliers that share our commitment to CSR and demonstrate this commitment in the way they do business.

In 2011, both Aerospace and Transportation established supplier recognition programs to acknowledge suppliers that, through their own initiatives and business practices, add value to our supply chain and help us achieve our CSR goals.

PURCHASING MANAGERS PASS THE TEST ON CSR TOPICS

This year, our Transportation group launched a pilot program in partnership with the European Institute of Purchasing Management (EIPM). Eleven Transportation managers successfully completed the first certification courses for purchasing managers.

These advanced procurement courses, held at EIPM in Archamps, France, consisted of four week-long modules in which CSR-related topics were embedded in the curriculum.

In fact, CSR-related subjects made up 20% of the total examination score for the program.

Supplier recognition at Aerospace

At Aerospace, our BASE (Bombardier Achieving Supplier Excellence) awards recognize suppliers that support our strategy of delivering an amazing customer experience through superior performance.

The BASE program evaluates suppliers by applying fact-based standards and a transparent measurement methodology to recognize their strategic contributions to our success.

During 2011, Aerospace also announced the results of its new CSR supplier recognition program, which acknowledges suppliers that distinguish themselves through their initiatives in support of CSR values and standards. The recipients for 2010 were:

- CAE Inc., Montréal, Québec, Canada
- Hamilton Sundstrand Corporation, Windsor Locks, Connecticut, U.S.
- Honeywell Aerospace, Phoenix, Arizona, U.S.
- Pratt & Whitney Canada, Longueuil, Québec, Canada



CRJ AIRCRAFT SHADOW

Supplier recognition at Transportation

In 2011, Transportation recognized the CSR achievements of its suppliers Hitachi Europe Ltd. and Asea Brown Boveri Ltd. by presenting them with its first Sustainable Suppliers Awards.

These recognitions were awarded on the basis of our supplier self-assessment survey. The selection criteria cover conformity to international standards for quality systems (IRIS); environment and HSE systems (ISO 14001 and OHSAS 18001); labour conditions and business ethics (SA 8000); as well as a general commitment to socially responsible business practice (such as GRI Level B reporting), and include philanthropic engagement.

The awards acknowledge supplier accomplishments in sustainable development to emphasize the importance of corporations fostering a responsible supply chain as a strategic priority.

Hitachi was honoured for its sustainable product design and lifecycle concepts while ABB received the award for its long-term engagement and continuous improvement in CSR.

Additionally, in June 2011, Transportation inaugurated the Supplier Improvement Award and honoured its Polish supplier RAWAG Sp. z o.o. in recognition of its outstanding achievements during the previous year.



AGC REGIONAL TRAIN

.....

RESPONSIBLE CITIZENSHIP

.....

At the local level, we're determined to live up to our responsibilities as a business, employer and community member by investing in and strengthening the communities in which we operate. Our goal is to make a positive contribution everywhere we do business.

Today our efforts to support community engagement involve thousands of employees who are active volunteers in their communities. Our entire organization is becoming increasingly aligned around our 3E—Education, Environment, Entrepreneurship—approach to community engagement to heighten our social impact as we achieve our CSR goals.

In the years ahead, we intend to enhance our focus on the 3Es and increase the number of employee volunteers participating in 3E-related initiatives.

In 2011, we contributed more than \$12 million to help build stronger and more self-sufficient communities, including \$6.7 million to the J. Armand Bombardier Foundation and an additional \$5.7 million to community organizations worldwide. The J. Armand Bombardier Foundation donated \$6.5 million Cdn and pledged more than \$11.3 million Cdn over the next eight years.

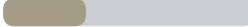
OBJECTIVES: HIGHLIGHTS OF OUR GOALS AND PERFORMANCE

COMMUNITY INVOLVEMENT

WHAT WE SAID WE'D DO IN 2010-11¹

- Ensure progressive migration of community-related spending to our new 3E approach supporting Education, Environment and Entrepreneurship, with the aim of achieving 80% of our donations and sponsorships budget to be aligned with 3Es by 2015
- Provide a structured framework for employees interested in volunteering activities

WHAT WE DID¹

Progress 

- Improved alignment with our 3E approach by nearly doubling our focused contributions within the 3Es from 17% in 2010 to 33% in 2011
- Created and implemented a governing Employee Volunteering Committee to establish guidelines and formalized the guidelines in a draft company-wide policy

WHAT WE'LL DO IN 2012

- Update the Donations, Sponsorships and Community Involvement Policy to include common Employee Volunteering guidelines across Bombardier
- Define common key performance indicators (KPIs) to measure community involvement (donations, sponsorships and employee volunteering) with accurate monitoring, documentation, targets and reporting
- Further increase the percentage of spending dedicated to initiatives aligned with the 3E approach
- Grow internal and external awareness of the 3E approach and our related community activities

¹ Due to the change in our reporting period to calendar year beginning in 2012, "What we did" covers the period from February 1, 2010 to December 31, 2011. For a complete list of our Objectives and progress, visit : csr.bombardier.com/responsible-citizenship/objectives.



EDUCATION



ENVIRONMENT



ENTREPRENEURSHIP

HOW TO APPLY FOR BOMBARDIER'S SUPPORT

As a global corporate citizen, Bombardier supports charities, non-profit organizations and volunteering activities to build strong communities, especially those in which we operate. When these communities thrive, then all our stakeholders, including our employees, benefit in the long term.

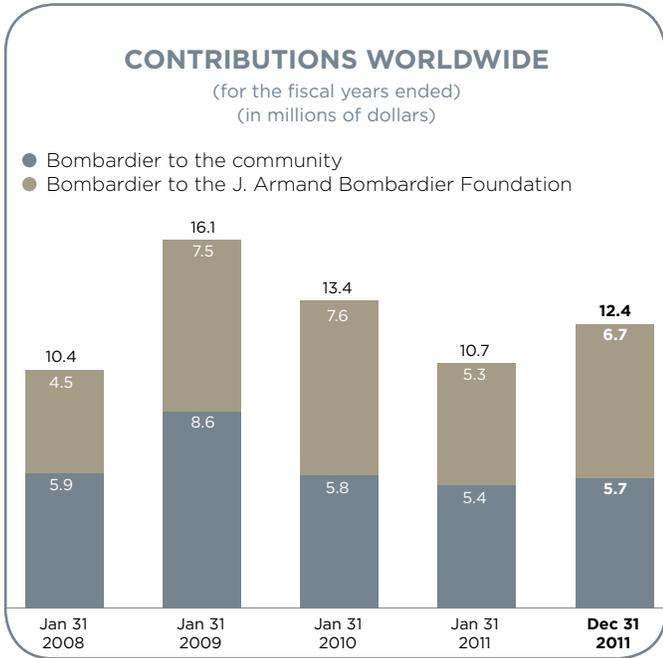
Each year Bombardier receives many requests for financial support. Prospective applicants should be aware that the objective of our Community Involvement policy is to allocate 80% of our community funding to projects that fall within the Bombardier 3E approach, which is focused on Education, Environment and Entrepreneurship.

All requests must be submitted online at bombardier.sponsor.com.

The following table summarizes our direct and indirect contributions over the past five fiscal years to the communities where we operate around the world.

OUR 3E APPROACH TO COMMUNITY SUPPORT

Our 3E approach concentrates our commitment to responsible citizenship and community support on three themes: Education, Environment and Entrepreneurship. These 3Es reflect our core values and competencies as an organization. They help us ensure consistency in our community investment decisions across our groups, divisions and operating units worldwide.



CONTRIBUTING GLOBALLY: THE 3Es IN ACTION

EDUCATION

Canada: inspiring a passion for technology

The FIRST Robotics program turns learning about science and technology into a hands-on experience—creating an exciting adventure for kids around the world that’s rapidly gaining fans in Québec, Canada.

The FIRST Robotics program—“FIRST” means “For Inspiration and Recognition of Science and Technology”—is an innovative program that not only develops students’ science and technology skills and interests, but also their self-confidence, leadership and life skills.

Students are given six weeks to build robots to meet the assigned sports challenge of the year. With the help of a mentor, they work with strict rules, limited resources and time constraints, combining the excitement of sports with the intellectual challenges of science and technology.

Laurent Beaudoin, Bombardier’s Chairman of the Board of Directors, heads up FIRST Robotics Québec’s board. The organization receives funding from Bombardier Inc., the J. Armand Bombardier Foundation, the BMO Financial Group and other leading Québec corporations. Youth Fusion, an organization dedicated to reducing the dropout rates in Québec schools, also supports FIRST Robotics.

When FIRST was introduced in Québec in 2009, a pilot project was held in two schools. In January 2011, our Saint-Laurent manufacturing hangars hosted the inaugural FIRST Robotics competition launch in Québec.

In March 2011, teenagers from 14 Québec high schools travelled to Toronto to participate in the competition.



FIRST ROBOTICS PROGRAM

United Kingdom: soaring with the Flight Experience

As part of our extensive educational outreach program in Northern Ireland, each year we invite about 500 students to take part in the Flight Experience, our award-winning program for schools across the country. The program includes a wide range of practical activities and field trips to provide hands-on learning experiences.

Students learn about the history of flight and how to build a balsa-wood aircraft. The program also includes visits to a local museum and Belfast's interactive discovery centre in addition to presentations from company engineers, apprentices and commercial pilots.

The program's High Flyers module targets nine- to 11-year-olds with a series of workshops. The module's highlight—a flight in a Bombardier Q400 NextGen aircraft—allows the young high flyers to experience some of the theory they've learned.

The Flight Experience program received the Belfast Telegraph's Outstanding Community Involvement Award and the Allianz Arts & Business NI Business and Sustainability Award.



THE FLIGHT EXPERIENCE, U.K.

Austria, Germany and Switzerland: Girls' Day showcases career options

For several years, our Transportation group has invited girls aged 12 to 16 to visit local production sites in order to gain fresh insight into a variety of career options traditionally dominated by men, such as welding, painting and mechanical engineering.

In April 2011, the group welcomed about 60 girls to production sites in several European sites, including Mannheim, Kassel and Aachen in Germany, Vienna in Austria and Zurich in Switzerland.

The girls discovered the diverse job opportunities available in the rail industry and took part in new learning experiences, such as exploring a powerful wind tunnel where vehicles are tested under extreme climatic conditions in Vienna, and touring a power lab in Zurich.



GIRLS' DAY, VIENNA, AUSTRIA

FLYING FULL CIRCLE

“The Flight Experience has been running for 10 years, and we are now starting to see some of the children who previously took part in the program applying for apprenticeships with us.”

Tony Monaghan
Education Liaison Officer
Bombardier Aerospace
Belfast, U.K.

India: a National Art Competition on “Smart Transportation”

In 2011, in partnership with the High Commission of Canada to India, our Transportation group organized a nationwide competition encouraging youth aged 10 to 18 to submit artwork on the theme of “Smart Transportation.”

More than 300 creative entries were received, with about 12,000 votes cast by the public on the Facebook page of Canada’s High Commission to India. In the months following the competition, the artwork of all 36 finalists was incorporated into special displays showcased at High Commission events.



DRAWING BY: VEDANT KAJARIA, AGE 12, KOLKATA, INDIA

South Africa: reaching for the STARS

In 2011, we continued our long-term investment in the young people who will shape South Africa’s future through our support of the STARS program. STARS completed its third year of operation to create a network of education, training and innovation opportunities in the area of sustainable transportation.

Between 2009 and 2011, 1,435 students participated in the STARS Saturday School program. Of these students, 98% finished the program successfully and received graduation certificates enabling them to continue on to university.



STARS PROGRAM, SOUTH AFRICA

ENVIRONMENT

Germany: sponsoring the first Climate Concert

Our Transportation group sponsored the first Climate Concert in Berlin, Germany, to support a forest conservation initiative in India, one of its key markets. World-renowned conductor Zubin Mehta, a citizen of India, led the Orchestra for Change at the Berliner Staatskapelle.

The Orchestra for Change is a creation of the NaturTon Foundation, which initiates and assists in climate and environmental conservation projects with the support of Transportation.

United States: rebuilding a devastated community

In October 2011, more than 20 employees from our Transportation group volunteered to work on a community project in New Orleans to rebuild homes destroyed by Hurricane Katrina in 2005. They were attending the American Public Transportation Association (APTA) Expo 2011 in New Orleans when they decided to take part in the St. Bernard Project during APTA Community Service Day.

The project, sponsored by the United Way, was established six years ago to rebuild homes within New Orleans' St. Bernard Parish, which was the site of 27,000 homes and 14,000 businesses prior to Katrina. All were destroyed during the onslaught of the hurricane. Transportation's volunteers spent the day working in two groups to help the rebuilding efforts. So far, volunteers for the St. Bernard Project have rebuilt about 350 homes, with more under construction.

Bombardier Transportation was officially recognized as the company with the highest number of volunteers taking part in the Community Service Day.

APTA COMMUNITY SERVICE DAY, NEW ORLEANS, U.S.



United States: Rock 'n' Recycling

The Wichita River Festival, a 39-year tradition, is a nine-day community celebration held every spring. For five years, the *Learjet* name has been front and centre at the Festival's landmark Legends of Rock concert, which regularly features world-famous acts such as Steppenwolf and Loverboy.

This year, Learjet became the festival's first-ever official recycling partner in a move that demonstrated a creative way to continue supporting the celebration while ensuring consistency with Bombardier's 3E approach.

The Festival routinely draws about 300,000 visitors and has an annual economic impact of over \$20 million in the community. Nearly 50,000 beverage containers are sold at the festival.

By the time the festival drew to a close on June 11, 2011, an estimated 23,000 bottles and 5,600 pounds of plastics and cardboard had been sent for recycling rather than dumped in a landfill as a result of Learjet's sponsorship.



Mexico: preserving ecological diversity

The Sierra Gorda Biosphere Reserve is located in the State of Querétaro and represents one of the most ecologically rich and diverse areas in the world.

Since 2008, Bombardier has been committed to the conservation of these ecosystems and has supported the Grupo Ecológico Sierra Gorda A.C in carrying out three specific projects:

- watershed restoration
- reforestation
- economic development

Our assistance benefits the reserve's 23,000 residents directly and the more than 90,000 people living in the surrounding area indirectly.

The projects we support include reforesting devastated areas of the reserve and commercial plantations as well as restoring the community's watershed. They also assist in developing sustainable and diversified work projects in the reserve's northern region.

A variety of northern and tropical species flourish in the reserve. Within its boundaries, Northern firs grow as well as the desert plants and tree ferns typical of humid mountainside forests. The reserve is also home to endangered and threatened animal species, such as jaguars and otters, as well as 650 species of butterflies.



SIERRA GORDA BIOSPHERE RESERVE
REFORESTATION PROJECT, MEXICO

ENTREPRENEURSHIP

Worldwide: contributing by e-card

For the 2011 holiday season, our Transportation group decided to reduce the environmental impact of its Season's Greetings and free up funds for charitable donations by transmitting its good wishes electronically instead of sending out paper cards.

Together with their partners, United Way Worldwide (UWW) and Plan India, members of Transportation's CSR team selected two projects that were consistent with our 3E approach to community investment to be beneficiaries of the initiative. These projects received donations equivalent to the group's normal annual spending on paper-card production and postage.

Both programs reinforce our commitment to Entrepreneurship. Saksham, a program run locally by Plan India, promotes employment among disadvantaged girls and boys in the Delhi region through vocational training. It also provides them with access to well-paid employment opportunities.

In the Campina area of São Paulo, Brazil, a program called Youth Entrepreneurs as Changemakers offers entrepreneurial education to young people from low-income and at-risk communities providing positive experiences that counteract violent influences in their lives.

The program is managed by United Way Brazil in cooperation with local partner Ashoka and the state's Department of Education.



FIVE-YEAR ANNIVERSARY CELEBRATION AT THE QUERÉTARO FACILITY IN MEXICO



RED CROSS VOLUNTEERS, QUÉBEC, CANADA

OUR EMPLOYEE VOLUNTEERS

Our employee volunteers contribute their time, energy and skills to community projects on a worldwide basis with our support. For example, in Canada, 435 Montréal-area employees have been trained as volunteers with the Québec Red Cross for the “Ready When the Time Comes” program. When a major flood occurred in the area in 2011, 188 Bombardier employees volunteered 1,925 hours to work with the Red Cross to aid flood victims.

Before their involvement with the “Ready When the Time Comes” program, more than half of these employees had not had the opportunity to volunteer for over five years. Their interest in contributing to the community was made possible by a structured employee volunteering program that created new opportunities to help in a significant way.

In 2011, we established a governing Employee Volunteering Committee to develop a set of company-wide guidelines on employee volunteering for incorporation into a formalized policy. The Committee worked on developing a draft of the policy in 2011, to be finalized in 2012.

FIVE YEARS IN QUERÉTARO, MEXICO

On May 2, 2011, our Aerospace group celebrated the fifth anniversary of its operations in Querétaro with a ceremony held at the Aerospace Park facility attended by the group’s 1,700 employees in Mexico.

At the event, 160 employees who have been with us since the start of our Mexican operation were recognized for their contribution to our success.

Since our arrival in the community, we’ve made a major commitment to the Querétaro region.

In 2007, employees launched Causa Querétaro, a group of volunteers that supports a variety of local organizations.

During a special community week in the summer of 2011, 200 members of the group volunteered to take part in more than 15 activities that benefited the local community.



THE 10 PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

The United Nations Global Compact's (UNGC) 10 principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption.

The table below provides examples of how we promote these principles internally and externally:

HUMAN RIGHTS

UNGC Principles and Bombardier Initiatives	Corresponding GRI Indicators
PRINCIPLE 1:	
<p>Support and respect the protection of internationally proclaimed human rights</p> <p>Our Code of Ethics and Business Conduct, our Supplier Code of Conduct, and our Health, Safety and Environment Policy formalize our commitment to safeguard internationally proclaimed human rights.</p>	<p>Human Rights DMA, 4.12, HR1, HR2, HR3, LA4, LA6, LA7, LA13, LA14.</p>
PRINCIPLE 2:	
<p>Ensure that they are not complicit in human rights abuses</p> <p>We continue to roll out our Supplier Code of Conduct across our global supply chain. The Supplier Code of Conduct is aligned with the principles of the UNGC. Every new supplier contract automatically requires adherence to the Supplier Code of Conduct.</p> <p>In 2011, we gained further commitments to respect the Supplier Code of Conduct and developed compliance programs at both Aerospace and Transportation.</p>	<p>Human Rights DMA, HR1, HR2</p>

LABOUR

UNGC Principles and Bombardier Initiatives	Corresponding GRI Indicators
PRINCIPLE 3:	
<p>Uphold the freedom of association and the effective recognition of the right to collective bargaining</p> <p>We acknowledge our employees' right to freedom of association based on applicable legislation and foster a constructive dialogue with all labour unions and work councils active in our operations.</p> <p>Among our Aerospace and Transportation employees, 50% and 60% respectively were covered by collective agreements in 2011.</p>	HR5, LA4, LA5
PRINCIPLE 4:	
<p>The elimination of all forms of forced and compulsory labour</p> <p>Our Code of Ethics and Business Conduct articulates employee rights to work in a safe and healthy environment.</p> <p>Our Supplier Code of Conduct outlines specific requirements to support the elimination of forced labour. For example, supplier employees must be free to leave work or terminate their employment with reasonable notice, and they are not required to surrender any government issued identification, passports or work permits as a condition of employment.</p>	HR7
PRINCIPLE 5:	
<p>The effective abolition of child labour</p> <p>Our Supplier Code of Conduct clearly stipulates our position against child labour. By child labour, we mean employees under the age of 15. However for work not suitable for a person under the age of 18, child labour refers to employees younger than 18.</p>	HR6
PRINCIPLE 6:	
<p>The elimination of discrimination in respect of employment and occupation</p> <p>In November 2009, we launched the second phase of our e-learning program on ethics, which includes six modules on specific provisions of the Code. The module that addresses employment practices and discrimination was completed in 2011 by our management.</p>	HR4, LA14

ENVIRONMENT

UNGC Principles and Bombardier Initiatives	Corresponding GRI Indicators
PRINCIPLE 7:	
<p>Support a precautionary approach to environmental challenges</p> <p>Through a risk assessment approach, our Environmental Management System helps us identify significant environmental aspects and take appropriate action for continuous improvement. Energy and resource consumption, along with waste generation, are our most significant environmental impacts.</p>	4.11
PRINCIPLE 8:	
<p>Undertake initiatives to promote greater environmental responsibility</p> <p>Our Health, Safety and Environment Policy calls on us to remain vigilant and seize every opportunity to constantly improve our performance and minimize our environmental impact.</p> <p>We're pursuing two core opportunities to reduce the environmental footprint of our global operations:</p> <ul style="list-style-type: none"> • Decrease our consumption of inputs and resources such as energy, water and materials • Reduce and, where possible, eliminate unwanted outputs, including greenhouse gas emissions, volatile organic compound emissions, wastewater release and the generation of non-hazardous and hazardous waste materials <p>Our industry leadership in Environmental Product Declaration publication at Transportation, and soon at Aerospace as the new aircraft programs enter into service, demonstrate our commitment to transparent communications surrounding the impact of our products.</p> <p>We're playing a leadership role in industry efforts to define future environmental targets and communicate environmental achievements and challenges.</p>	EN3-9, EN16-18, EN22, EN23, EN26-27, SO5
PRINCIPLE 9:	
<p>Encourage the development and diffusion of environmentally friendly technologies</p> <p>Our innovative Design for Environment approach at both Aerospace and Transportation ensure that environmental considerations are taken into account from the earliest stages of design.</p>	EN18, EN26-27, SO5

ANTI-CORRUPTION

UNGC Principles & Bombardier Initiatives	Corresponding GRI Indicators
PRINCIPLE 10:	
<p>Work against corruption in all its forms, including extortion and bribery</p> <p>Our Code of Ethics and Business Conduct articulates our position against corruption and illegal and improper payments.</p> <p>Every year, management (director level and above) is required to renew their commitment to our Code of Ethics and Business Conduct, acknowledging that they have read, respected and have no personal knowledge of any breaches of the Code. By March 2011, the Ethics and Compliance Office had confirmed the compliance of 100% of our 1,754 senior managers.</p> <p>We also launched the second phase of our e-learning ethics program for management, including specific modules on bribery and corruption, anti-trust laws and conflicts of interest.</p>	SO2-SO4

MEASURING OUR PERFORMANCE^(a)

HEALTH & SAFETY

	2011 (Dec 31, 2011)	2010 (Jan 31, 2011)
Accident Frequency (with restricted duty) (Injury Rate)^{(b),(d)}	–	0.5
Accident Frequency (without restricted duty) (Injury Rate)^{(b),(c)}	0.5	0.5
Employee accident frequency (without restricted duty) ^(c) in Europe	0.4	0.5
Employee accident frequency (without restricted duty) ^(c) in Asia-Pacific	0.3	0.1
Employee accident frequency (without restricted duty) ^(c) in North America	0.5	0.5
Employee accident frequency (without restricted duty) ^(c) in other regions	2.3	1.3
Accident Severity (with restricted duty) – (Lost Day Rate)^{(b),(f)}	–	19
Accident Severity (without restricted duty) – (Lost Day Rate)^{(b),(e)}	14	14
Employee accident severity (without restricted duty) ^(e) in Europe	13	14
Employee accident severity (without restricted duty) ^(e) in Asia-Pacific	8	3
Employee accident severity (without restricted duty) ^(e) in North America	16	18
Employee accident severity (without restricted duty) ^(e) in other regions	68	18

On November 30, 2011, the Board of Directors approved the change of our financial year-end from January 31 to December 31, effective December 31, 2011.

ENVIRONMENT^(g)

	2011 (Dec 31, 2011)	2010 (Jan 31, 2011)
Total Energy Consumption (Direct and Indirect) (Gigajoules (GJ))^{(b),(h),(i)}	4,578,361	4,643,114
Total Direct Energy Consumption (GJ)^{(b),(h),(i),(j)}	2,514,833	2,607,940
Proportion of renewable energy (%) ^(l)	Less than 1%	Less than 1%
Natural gas energy consumption (non-renewable) (GJ)	1,955,406	2,062,882
Kerosene energy consumption (non-renewable) (GJ)	450,730	439,555
Other non-renewable energy consumed (GJ)	108,457	105,304
Total Indirect Energy Consumption (GJ)^{(b),(h),(i),(k)}	2,063,528	2,035,174
Electricity from renewable sources (GJ) ^(m)	632,461	631,671
Electricity energy consumption (GJ)	1,797,451	1,731,641
Total GHG Emissions (Direct and Indirect) (tonnes of CO₂ equivalent [tCO₂e])^{(b),(h),(i)}	311,844	328,230
Total direct GHG emissions (tCO ₂ e) ^(j)	153,062	156,533
Total indirect GHG emissions (tCO ₂ e) ^(k)	158,782	171,697
Total Water Withdrawn (Cubic metres [m³])^{(b),(i)}	2,157,323	2,127,979
Municipal / water utility withdrawal (%)	More than 90%	More than 90%
Total Waste Generated (hazardous and non-hazardous) (metric tonnes)^{(b),(i),(n)}	55,309	49,576
Hazardous waste (metric tonnes)	10,498	9,802
Non-hazardous waste (metric tonnes)	44,811	39,774
Waste to landfill (hazardous and non-hazardous) (metric tonnes)	8,964	9,466

ECONOMIC

	2011 (Dec 31, 2011)	2010 (Jan 31, 2011)
Revenues (in millions of dollars)	18,347	17,892
Dividends paid (in millions of dollars)	156	197
Income Taxes (in millions of dollars)	203	222
Wages, Salaries and Other Employee Benefits (in millions of dollars)	5,185	4,739
Bombardier Inc - Donations and Sponsorships (excluding those to the J. Armand Bombardier Foundation) (in millions of dollars)	5.7	5.4
Bombardier Inc. to the J. Armand Bombardier Foundation - Donations and Sponsorships (in millions of dollars)	6.7	5.3

On November 30, 2011, the Board of Directors approved the change of our financial year-end from January 31 to December 31, effective December 31, 2011.

EMPLOYEES

	2011 (Dec 31, 2011)	2010 (Jan 31, 2011)
Number of Employees^(o)	70,028	65,324
Active and inactive employees (%) ^{(p),(q)}	89	91
Contractual employees (%) ^(r)	11	9
Number of Employees by Region	—	—
Europe ^(s)	31,875	30,707
Asia-Pacific	2,696	2,684
North America	34,876	31,442
Other regions ^(t)	581	491
Number of Employees by Level	—	—
Senior leadership positions ^(u)	39	39
Management positions ^(v)	4,583	3,814
Women in the Workforce (Active and Inactive) (%)	18.2	17.5
Women on the Board of Directors (%)	14.3	14.3
Women in senior leadership positions (%) ^{(b),(v)}	20.5	18.5
Women in management positions (%) ^(u)	15.4	14.2
New Employee Hires^(w)	5,935	—
New hires—women (%)	23.3	—
Employee Turnover^{(x),(b)} Rate (%)	2.5	2.2
New hire turnover rate (%)	2.5	—
Turnover rate—women (%)	3.2	—
Employee Citizenships^(y)	More than 99	—
Employees Covered by Collective Bargaining Agreements (%)	54	53
Employee Development	—	—
High Potential Talent Pool (%) ^(z)	2.4	2.0
Women in the High Potential Talent Pool (%) ^(aa)	25.5	22.8
Participants in “Making Great Leaders” (%) ^(bb)	45.3	—

On November 30, 2011, the Board of Directors approved the change of our financial year-end from January 31 to December 31, effective December 31, 2011.

Footnotes:

- (a) We have adjusted the environmental data for 2010 and 2011 to ensure joint ventures that are less than 50% and not under Bombardier control are excluded from the environmental data scope. As a result, environmental data from this CSR report and our previous CSR report are not comparable.
- (b) 2010 data has been updated to address internal audit findings by the Corporate Auditing Services and Risk Assessment (CASRA) internal audit team.
- (c) The accident frequency rate measures the number of accidents (including lost-time accident cases and excluding restricted duty) resulting in lost work days expressed per 200,000 hours worked. In order to be consistent with industry reporting standards, we are excluding restricted duty from the accident frequency rate from 2011. In 2012, we will be including a new measure for incident rate, which will capture the restricted duty cases.
- (d) The accident frequency rate measures the number of accidents (includes lost-time accident and restricted duty cases) resulting in lost work days expressed per 200,000 hours worked.
- (e) The accident severity rate is the number of accidents resulting in lost workdays, expressed per 200,000 hours worked. The total number of lost days includes days away from work and excludes days in restricted duty.
- (f) The accident severity rate is the number of accidents resulting in lost work days, expressed per 200,000 hours worked. The total number of lost days includes days away from work and days in restricted duty.
- (g) As of 2010, the scope of our reported environmental and energy data includes: buildings we own or lease long term and manage as the sole tenant, with more than 15,000 square metres (50,000 square feet) of conditioned space; sites having 150 employees or more; sites that are considered primary production/operation and service facilities; group headquarters; and joint ventures where we have operational control (where we own more than 50% of voting shares).
- (h) Some of this data has been third-party verified. The verification covers sites that qualify under the European Union Emission Trading Scheme (EU ETS).
- (i) Some of this environmental data has been third-party verified. The verification covers sites participating in the European Union Eco-Management and Audit Scheme (EMAS).
- (j) Direct energy/emissions are from sources that are owned or controlled by the Company.
- (k) Indirect energy/emissions result from Company activities but are generated at sources owned or controlled by another organization, which is mainly electricity.
- (l) Direct renewable resources are capable of being replenished within a short time through ecological cycles as opposed to resources such as minerals, metals, oils, gas and coal that does not renew in short time periods.
- (m) Indirect renewable electricity covers consumption from Québec, Belgium and Sweden.
- (n) We have adjusted the waste definitions for 2010 and 2011 to ensure that all disposal streams are included in the reporting scope. As a result, waste data from this CSR report and our previous CSR report are not comparable. In previous years, only non-valORIZED waste was reported.
- (o) The total number of employees represents the sum of all (Corporate, Aerospace, Transportation and Flexjet) active employees, inactive employees and contractual employees.
- (p) Active includes employees that are permanent full-time, permanent part-time, temporary full-time, temporary part-time and paid apprentices.
- (q) Inactive includes employees on short-term leave, maternity and parental leave, and other long-term leave including long-term disability.
- (r) Contractual employees include interim managers (also called consultants at Transportation), non-employees (Aerospace) and agency outsourced employees.
- (s) The definition of Europe changed in 2011 from previous years – it no longer includes Russia.
- (t) The definition of Other Regions changed in 2011 from previous years – it now includes Russia.
- (u) Senior Leadership Positions are defined as direct report to Group Presidents or CEO.
- (v) Management positions are defined as Manager and above.
- (w) New hire is a measure of permanent employees (active and inactive) hired externally within the reporting period.
- (x) Turnover measures the percentage of employee turnover explained by voluntary departures (employee-initiated terminations).
- (y) Number of different citizenships registered for all employees included in the employed workforce at the end of the reporting period.
- (z) The percentage of employees identified as part of the High Potential (HP) Talent Pool.
- (aa) The percentage of women within the organization's pool of HP employees.
- (bb) The percentage of leaders (Directors and up) within the organization who have participated in "Making Great Leaders" since the beginning of the program.

The *CSeries* family of aircraft, *Learjet 85* aircraft and *Global 7000* and *Global 8000* aircraft programs are currently in development, and as such are subject to changes in family strategy, branding, capacity, performance, design and/or systems. All specifications and data are approximate, may change without notice and are subject to certain operating rules, assumptions and other conditions. This document does not constitute an offer, commitment, representation, guarantee or warranty of any kind. The configuration and performance of the aircraft may differ from the descriptions and photos provided and, together with any related commitment, representations, guarantee or warranty, shall be determined in a final purchase agreement.

Bombardier, Challenger, CRJ, CRJ200, CS100, CS300, CSeries, ECO4, EnerGplan, EnerGstor, FLEXX, Global, Global 7000, Global 8000, INNOVIA, Learjet, Learjet 85, MITRAC, NextGen, Q400, PRIMOVE, REGINA, The Climate is Right for Trains, The Evolution of Mobility, TWINDEXX, You. First. and *ZEFIRO* are trademarks of Bombardier Inc. or its subsidiaries.

RESPONSIBILITY

To reduce our environmental footprint, complete information on our CSR performance including our GRI Content Index, is available at csr.bombardier.com.

Additionally, our choice of Enviro 100 paper, containing 100% recycled fibre, has allowed us to save:



98

mature trees,
equivalent to
the area of
7 tennis courts



5,474 kg

of waste, or the
contents of 112
garbage bins



14,230 kg

of CO₂,
equivalent to
the annual
emissions
of 5 cars



361,398 litres

of water, equal
to 1 person's
consumption
of water during
almost 3 years

Design: CG3

Printing: Transcontinental Acme Direct

Printed in Canada

ISBN: 978-2-923797-15-1

Legal deposit, Bibliothèque
et Archives nationales du Québec

All rights reserved.

© May 2012, Bombardier Inc.
and its subsidiaries.



Completely recyclable –
the responsible choice

.....
**MOVING FORWARD
RESPONSIBLY
ONLINE...**
csr.bombardier.com

.....