

Moving Forward Responsibly

BOMBARDIER

2009 Corporate Social Responsibility Overview



A Message from the Committee Chairman

“ At Bombardier, our corporate social responsibility journey is based on a long-term vision consisting of well-planned initiatives that are spearheaded by engaged employees and increasingly rooted in our daily operations. As Chairman of Bombardier’s Corporate Social Responsibility Committee, I had the privilege of working with colleagues from Corporate Office and our Aerospace and Transportation groups at monthly meetings to further this vision and deepen our commitment to moving forward responsibly. I witnessed how the committee members’ passion and dedication motivated employees across the company and drove our many achievements over the past year. It is this growing passion and commitment that fuel our efforts along our important journey of corporate social responsibility. ”

DANIEL DESJARDINS

Senior Vice President and General Counsel

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Reporting on Our Performance

This year, we decided to produce our complete 2009 Corporate Social Responsibility (CSR) Report exclusively online. Aligned with best practices, this decision improves access to our report, while minimizing its environmental impact.

We also prepared this overview of our performance. It provides you with a summary of our CSR approach and recent activities. It captures elements of the full online report, but does not replace it.

For a detailed look at our performance, we encourage you to consult our 2009 Corporate Social Responsibility Report at www.bombardier.com. Additional information is also available under “Corporate Responsibility” in the Bombardier and Aerospace sections and under “Sustainability” in the Transportation section.

Scope

This overview includes aspects of our CSR performance at all of our facilities worldwide, including joint ventures where we have operational control. Quantitative data reflects our performance in fiscal year 2009, which runs from February 1, 2008 to January 31, 2009. Qualitative data and information cover fiscal year 2009 as well as the period between February and August 2009. All amounts are in U.S. dollars unless otherwise indicated.

Your Feedback

Receiving your comments is an important part of our stakeholder dialogue process. Your opinions help us focus on the issues that matter most to our diverse stakeholder groups. Please either email us your thoughts on our efforts to move forward responsibly at corporate.responsibility@bombardier.com or complete our online survey.


Ensuring a Positive Impact

So much more is expected of us today. Having good products is no longer enough, they must also contribute to a greener planet. Our operations must not only keep employees healthy and safe, they must also leave a minimal environmental footprint. And as a neighbour in many communities worldwide, we must be a consistently stellar one. Striving to fulfill these expectations ensures that we move forward responsibly at Bombardier.



Moving Forward Responsibly

In last year's report, we committed to becoming a leader in corporate social responsibility. Since then, events in the world's financial markets have underscored the importance of good governance and corporate social responsibility. They also created far-reaching economic challenges that make the obligation to move forward responsibly more urgent than ever before.



While Bombardier generated an unprecedented net income of \$1 billion in fiscal 2009, the current fiscal year is proving to be more difficult. Among the challenges we face, a recession-fueled drop in demand for business and regional jets forced us to downsize our Aerospace workforce.

Despite such downward pressures, it is evident to me that the key to emerging stronger from the recession is prudent execution and clear priorities. One of these priorities is continuing to invest in our dedicated employees—they truly drive our success. The recession has also been difficult for them. We are grateful to our employees for their unflagging efforts and are committed to expanding the opportunities we offer them.

We must also keep investing, regardless of the economic crisis, in advanced solutions that address the global need for sustainable mobility. At Bombardier, our planes and trains are increasingly energy efficient. When our all-new *CSeries* commercial aircraft

take flight in 2013, they will burn up to 20% less fuel and generate up to 20% less carbon dioxide emissions than other aircraft in their class. The *ZEFIRO* portfolio features the world's most economical and eco-friendly very high speed trains. It includes our *ECO4* technologies, which can yield overall energy savings of up to 50%.

These ongoing investments attest to our belief that excellence in corporate social responsibility makes business sense in all economic cycles. That is why we made corporate social responsibility a key element of our new business strategy.

Our Vision for the Future

For those who follow our progress closely, you may already know that we are implementing a new corporate strategy called *Our Way Forward*. Its five interdependent priorities reflect our vision for the future. They include becoming #1 in customer satisfaction through enhanced execution discipline, raising the bar on our global talent management, actively managing risks, establishing local roots in all

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key markets, and increasing our corporate social responsibility commitment.

Over the next few years, these priorities will guide our decisions and actions. In fact by fiscal 2011, they will serve as the basis by which we will assess the performance of both our organization and our senior management.

A sharper focus on corporate social responsibility augurs well for all of our stakeholders. It underscores our commitment to leverage our industry-leading innovation, talents, products and resources to increase our positive contribution to the world. This clear commitment was already evident in fiscal 2009.

Corporate Social Responsibility Highlights

In 2009, we continued to build a sustainable business model to enhance our economic, environmental and social responsibility. This includes an environmentally focused approach to manufacturing processes, product design and community impacts. It also entails a concerted effort to develop and maintain strong stakeholder relationships.

Our achievements include reducing our water consumption by 35%, energy consumption by 17% and greenhouse gas emissions by 10% between fiscal 2004 and 2009. In fiscal 2009, we also advanced pioneering products such as our *ECO4* energy-saving rail technologies and our *CSeries* commercial aircraft.

We take pride in our listing, again, on two Dow Jones Sustainability Indexes and, for the second time, on the U.K.-based Carbon Disclosure Project (CDP), the world standard for carbon disclosure

methodology and process. The CDP named Bombardier one of the 10 Canadian Climate Disclosure Leaders.

We continue to actively promote the UN Global Compact's principles of social responsibility. A table on page 20 of this overview offers several examples of how we put these principles into action.

Moving forward responsibly also means constantly seeking ways to improve our performance. Along with our health, safety and environmental initiatives, our enhanced Corporate Social Responsibility Committee pinpointed four areas that will require additional focus over the next few years: community investment, stakeholder engagement, employee volunteering, and corporate social responsibility reporting and communication.

This overview highlights our corporate social responsibility performance in areas where we have the greatest responsibilities, that is, governance, employees, products, operations, suppliers and citizenship. I also encourage you to visit our website and read our full 2009 Corporate Social Responsibility Report for a more complete understanding of how, in each of these areas, we are fulfilling our obligation to move forward responsibly.



Pierre Beaudoin
President and Chief Executive Officer
Bombardier Inc.

"As a global leader in aircraft manufacturing, we are duty-bound to play a role in addressing our industry's sustainability challenges. This includes working with industry partners to develop a global vision for carbon-neutral growth and set international environmental targets. In the years to come, our new and more fuel-efficient *CSeries* and *Learjet 85* aircraft will help our customers meet these targets."

GUY C. HACHEY
President and
Chief Operating
Officer,
Bombardier
Aerospace



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"As the world leader in rail, it is our responsibility to deliver groundbreaking technologies and sustainable solutions to the globe's mobility challenges. Our long-standing Design for Environment program allows us to advance sustainable mobility by taking a total lifecycle view to product design. One example is our ever-expanding *ECO4* portfolio of energy-saving products, which enables rail operators to increase energy efficiency by up to 50%."

ANDRÉ NAVARRI
President and
Chief Operating
Officer,
Bombardier
Transportation



Presenting

Bombardier at a Glance

Bombardier Inc.

Headquartered in Montréal, Canada, we are a world-leading manufacturer of innovative transportation solutions, from commercial aircraft and business jets to rail transportation equipment, systems and services.

	FY09	FY08	FY07	FY06	FY05
Revenues (in billions of dollars)	19.7	17.5	14.9	14.8	15.6
Net income (loss) (in millions of dollars)	1,008	317	268	249	(85)
Earnings per share (in dollars)	0.56	0.26	0.14	0.11	nil
Free cash flow (in millions of dollars)	342	1,963	610	532	206
Order backlog (as at Jan. 31, in billions of dollars)	48.2	53.6	40.7	31.6	31.5
Workforce (as at Jan. 31)	66,935*	59,760	56,428	55,643	59,298

*Workforce 2009: This figure does not take into account Bombardier Aerospace's total workforce reduction subsequent to January 31, 2009.

Our Way Forward to Corporate Social Responsibility (CSR)

A NEW CORPORATE STRATEGY

In fiscal 2009, we began rolling out a new corporate strategy called Our Way Forward.

It charts a course for the sustainable growth of our organization and employees. Our Way Forward builds on our strengths and addresses areas requiring improvement. Its five business priorities are aligned with our mission and aspirations, and each priority is headed up by a member of our senior management team.

In fiscal 2011, we will start assessing our performance based on these five strategic priorities.

- **Enhanced Execution Discipline:** We will rigorously implement our existing strategies and systems to achieve best-in-class execution discipline, deliver on our promises and improve customer satisfaction.

- **Improved Global Talent Management:** We will develop a coherent, company-wide approach to talent management that will enable us to better support our employees and meet our growth objectives.
- **Active Risk Management:** We will establish a more structured framework to further embed proactive risk management in all key functions.
- **More Local Roots:** We will implement a "local roots" organizational model in key markets worldwide to readily capture new business opportunities and deliver best-in-class value for customers and overall profitability.
- **Greater CSR:** We will more actively address stakeholder concerns, contribute to the well-being of our communities, and leverage

our energy- and resource-efficient products to champion sustainability.

Doing More, Wisely

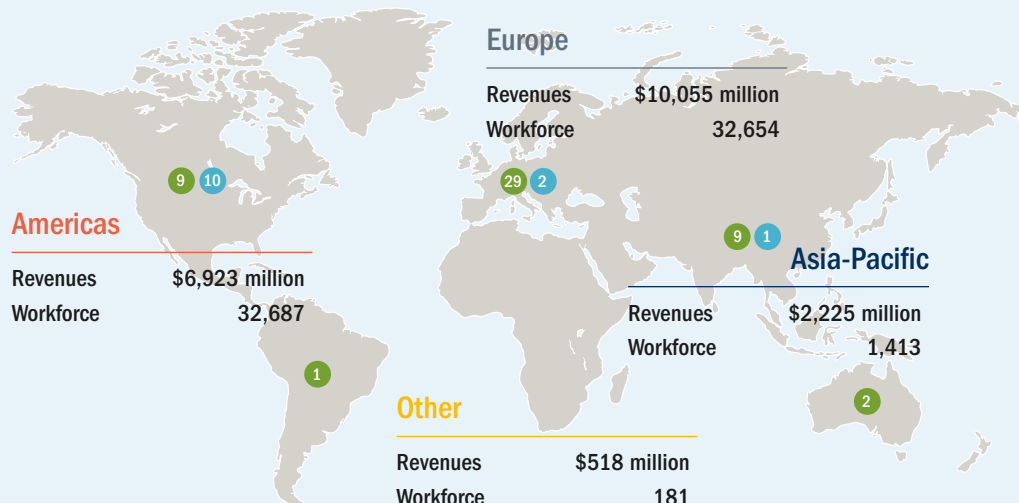
Our stakeholders' expectations are evolving quickly as the world faces mounting challenges such as climate change, resource scarcity and rapid urbanization. In response, we have made strengthening CSR part of our overall business strategy.

This means expecting even more of ourselves and openly sharing both our achievements and challenges. It entails taking additional steps to embed this priority in our systems, processes, products and, above all, employees' minds. We took several of these steps in fiscal 2009.

Worldwide Presence

We are a truly global organization with manufacturing, engineering and service facilities in 29 countries and a worldwide network of service and support centres.

- Bombardier Aerospace production and engineering sites, and service centres
- Bombardier Transportation production and engineering sites



Our Products and Services

Bombardier Aerospace—The world's third largest civil aircraft manufacturer



Business jets: *Learjet, Challenger and Global*



Commercial aircraft: *CRJ Series, Q-Series and CSeries*



Amphibious aircraft and specialized aircraft: *Bombardier 415, Bombardier 415 MP and specialized aircraft*



Customer services



Fractional ownership: *Flexjet and Skyjet programs in the U.S.*

Bombardier Transportation—The world leader in rail technology



Rail vehicles: Very high speed, high speed (*ZEFIRO*); intercity (*REGINA*); commuter and regional trains (*AGC, SPACIUM, TALENT, ELECTROSTAR, TURBOSTAR, BiLevel* and multilevel); metro cars (*MOVIA*); and light rail vehicles (*FLEXITY*)



Locomotives and Equipment: locomotives (*TRAXX*); bogies (*FLEXX*); and propulsion & controls (*MITRAC*)



Transportation systems: Automated People Mover (APM) systems (*CX-100, INNOVIA*); mass transit systems; operations and maintenance








Services: fleet maintenance, refurbishment and overhaul, and material solutions









Rail control solutions: mass transit (*CITYFLO*); mainline (*INTERFLO*); and *EBI* family of products

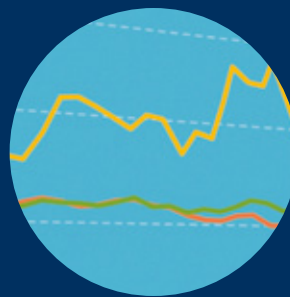
Measuring Up

Here is a summary of how we measured up against our fiscal 2009 objectives, along with some of our objectives for fiscal 2010. For the complete scoreboard, see the “Introduction” section of our online 2009 Corporate Social Responsibility Report.

2009 OBJECTIVES		WHAT WE DID	PROGRESS	2010 OBJECTIVES
GOVERNANCE AND ETHICS				
Corporate Social Responsibility (CSR) Governance	Continue embedding CSR in all business activities and functions	Broadened composition of Bombardier CSR Committee with representatives from various functions Improved communication and collaboration between CSR governance bodies at the corporate and business group levels		Continue improving communication between Bombardier and business group CSR committees to ensure effective implementation of CSR initiatives
CSR Priorities	Identify CSR areas requiring added focus	Pinpointed and began working on four areas requiring enhanced focus: community investment, stakeholder engagement, employee volunteering, and CSR communication and reporting		Develop long-term action plan and begin implementing new community investment, stakeholder engagement and employee volunteering programs
Ethics and Business Conduct		Launched second phase of e-learning program to train managers on specific provisions of Code of Ethics and Business Conduct		Enhance Code of Ethics and Business Conduct to better reflect UN Global Compact principles
EMPLOYEES				
Health and Safety	Develop and begin reporting on leading health and safety indicators	Identified two new occupational health and safety leading indicators to foster more proactive prevention-first mindset: <ul style="list-style-type: none"> ▪ HSE training hours ▪ Definition and implementation of Safety Observation Program 		Increase standardization of health and safety practices across organization Embed health and safety considerations in product design processes Complete OSHAS 18001 certification at remaining eligible sites by end of fiscal 2010 Start monitoring leading indicators
Global Talent Management				Begin implementing new talent management roadmap to better attract, retain and develop engaged employees and leaders
Employee Engagement	Improve employee engagement as measured by employee engagement surveys, continuous improvement programs and transversal initiatives	Increased employee engagement by 2.5% at Aerospace and 5% at Transportation compared to previous survey		Continue to improve employee engagement as measured by employee engagement surveys, continuous improvement programs and transversal initiatives

2009 OBJECTIVES		WHAT WE DID	PROGRESS	2010 OBJECTIVES
PRODUCTS				
Customer Satisfaction	Improve customer satisfaction as measured by independent and internal surveys	At Aerospace, marked improvement in customer satisfaction based on external industry and internal surveys At Transportation, conducted surveys with key customers worldwide as part of our Customer Management Program		Continue to improve customer satisfaction as measured by independent and internal surveys
Product Environmental Footprint				Expand Design for Environment capabilities and Environmental Product Declarations in new product programs
Greenhouse Gas (GHG) Emissions				Promote Bombardier Carbon Offset Program to all business aircraft customers as part of our aircraft services
Industry Leadership in CSR				Play a leadership role in the aerospace and rail transportation industries' CSR efforts
OPERATIONS				
Energy and Carbon Management	Refine energy and carbon strategy: <ul style="list-style-type: none">Complete energy/carbon assessment for all operationsIdentify and prioritize improvement activities	Completed detailed inventory of energy sources and GHG emissions at all manufacturing plants, service centres and main offices in Q2 fiscal 2010 Developed global Energy and Carbon Management Strategy based on three pillars: <ul style="list-style-type: none">Improved energy efficiencyIncreased use of renewable energy sourcesCarbon offsetting if required		Conduct site-by-site assessment of energy-efficiency improvement and GHG emission reduction opportunities Complete inventory of renewable energy resources in countries where we operate; assess feasibility of progressively switching to this type of energy
Environmental Performance Management	Define new environmental indicators and targets	Added three new key performance indicators: <ul style="list-style-type: none">Waste valorization indexUse of volatile organic compounds (VOCs)Number of environmental incidents		Reduce energy consumption and GHG emissions by additional 10% between fiscal 2010 and 2015 Start implementing new HSE Information Management System to increase environmental data accuracy and consistency Begin monitoring new environmental indicators Adopt company-wide green building guidelines for new facilities
SUPPLY CHAIN				
Supply Chain Management	Continue to implement company-wide Supplier Code of Conduct	To date, 83 suppliers in Aerospace and over 120 in Transportation committed to respecting the Code		Implement first phase of compliance program for Supplier Code of Conduct
RESPONSIBLE CITIZEN				
Stakeholder Engagement	Establish formal company-wide stakeholder engagement process	Formed Stakeholder Engagement Working Group to align engagement efforts across company Prioritized stakeholders, identified key CSR issues and defined phased stakeholder engagement process		Establish proactive dialogue with key stakeholders on major CSR issues
Human Rights	Strengthen company-wide human rights commitment	Began company-wide inventory of human-rights-related policies and processes		Hold meetings with human rights NGOs to explore potential initiatives Conduct scope analysis to improve human rights management
Community Investments				Refocus community investments and progressively introduce employee volunteering program

Governing Effectively



Global financial markets have been rocked recently by several instances of inadequate governance. It is 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 mission, solid core values, leadership attributes and rigorous application of our Code of Ethics and Business Conduct.

Fiscal 2009 Highlights

- Listed on two Dow Jones Sustainability Indexes for the third consecutive year
- Provided close to 25,000 employees with ethics training
- Received 2008 Corporate Reporting Award for our 2008-09 annual report from the Canadian Institute of Chartered Accountants

PROMOTING ETHICAL BEHAVIOUR

Code of Ethics and Business Conduct

High ethical standards are essential to sustain our success. The standards of behaviour required of all Bombardier Board members and employees are laid out in our Code of Ethics and Business Conduct, which is available in 14 languages on our website. The Code addresses ethical conduct in the workplace, including business and employment practices, and external stakeholder relationships.

Our Director of Ethics and Compliance ensures adherence to the Code through ongoing ethics training, continuous communication and ad-hoc training for specific business group requirements. In fiscal 2009, 100% of our 1,447 senior managers renewed their annual commitment to

the Code, and we launched the second phase of our e-learning ethics program. We also understand our responsibility to promote human rights across our supply chain. To date, a total of 83 Aerospace suppliers and more than 120 Transportation suppliers committed to respecting our Supplier Code of Conduct.

STRENGTHENING OUR GOVERNANCE

Board of Directors

Elected every year at our annual meetings, our Board of Directors is responsible for supervising the management of our company in a transparent and accountable manner. This includes being responsive to shareholder queries. In fiscal 2009, we examined two issues to which shareholders

are increasingly attuned—gender diversity on our Board and executive compensation.

In terms of gender diversity, we strongly support having more women on our Board and will continue to select the candidate best qualified to serve the interests of our company and shareholders. With regards to executive compensation, while our policy is aligned with the most recent regulatory requirements and best practices, we will continue to monitor trends in this important area.

To enhance our transparency and respond to stakeholder requests, we posted all Board committee charters, our new Supplier Code of Conduct and our revised Health, Safety and Environment Policy, the latter two in English and French, on our website.

Risk Management

In today's fast-paced world, risks can materialize more rapidly than ever. In May 2007, the Board created the Finance and Risk Management Committee, making risk management a central focus. We reinforced this focus in fiscal 2009 by including enhanced risk management as one of the priorities of Our Way Forward corporate strategy.

This priority will help us better link our risk management strategy and practices into a company-wide risk framework. It will enable us to further embed risk management across all key functions, enhance our insight into risks and better engage stakeholders in our risk management culture.

In March 2009, our Director of Ethics and Compliance conducted a confidential survey with senior management regarding our internal controls. While the survey results were positive, we are currently developing an action plan to improve our controls in the lower-scoring areas, which include some of our Human Resources policies and practices.

Corporate Social Responsibility (CSR) Governance

A strategic approach to CSR is an integral part of Our Way Forward. This approach includes stronger CSR governance across Bombardier.

In March 2009, we implemented our new CSR governance structure, which includes a more effective CSR Committee with broader expertise. CSR governance is also now firmly entrenched at the business group level with members from Aerospace's CSR Review Board and Transportation's CSR Committee also sitting on our central CSR Committee. This new structure improves communication and collaboration between these three governing bodies.

We also developed initiatives to improve our CSR performance in four areas requiring enhanced focus—community investment, stakeholder engagement, employee volunteering, and CSR reporting and communication. We are currently allocating resources to implement the various initiatives approved in each area and will share our progress in next year's report.



Ethics Training

Ongoing ethics training is central to our strategy for supporting ethical behaviour at Bombardier. To date, close to 25,000 employees, including 3,000 managers, have completed the first phase of our e-learning program on our Code of Ethics and Business Conduct. This awareness training is now part of our new employee orientation process. In November 2009, we launched the second phase of this e-learning program. It consists of a series of e-learning capsules that will train managers on specific provisions of the Code, including bribery, corruption, anti-trust laws, discrimination and strategies for dealing with various ethics-related issues.

Valuing Our Employees



Employees are arguably our most important stakeholder group. Our very success hinges on their full engagement. Engaged employees are innovative, dedicated and productive. In fiscal 2009, initiatives promoting the well-being, growth and development of our employees took many forms. They revolved around listening to, developing, rewarding and recruiting employees worldwide.

Fiscal 2009 Highlights

- Dramatically reduced both our accident frequency and severity ratios between fiscal 2004 and 2009
- Revised our Health, Safety and Environment Policy to reinforce a zero accident mindset
- Continued to increase employee engagement across our organization

RAISING THE BAR ON TALENT MANAGEMENT

Attracting and retaining top talent is critical to our success in both our established and emerging markets. In fiscal 2009, we made improving global talent management one of the priorities of Our Way Forward corporate strategy. This entails developing a coherent, company-wide approach to talent management based on best practices. Providing more attractive career opportunities and facilitating mobility across divisions and geographies are two elements of this new approach.

Increased Employee Engagement

Listening to our employees always pays off. In fiscal 2009, our employee surveys confirmed that our workforce is increasingly engaged. Compared to the previous survey, employee engagement rose by 2.5% at Bombardier Aerospace and 5%

at Bombardier Transportation. Employees in both business groups also scored our corporate social responsibility performance higher in fiscal 2009. The first survey of our 150 Corporate Office employees provided us with a baseline for assessing our performance in the years ahead.

We also promote employee engagement through Aerospace's Achieving Excellence System (AES) and Transportation's Bombardier Operations System (BOS) and PEOPLE initiative. The AES engages employees in continuously improving our safety, quality, productivity, human development and cost performance. The system includes a five-level Bronze-to-Diamond certification process. In fiscal 2009, Silver certification rose from 6% to 87% of employees, and Bronze certification from 96% to 99.5%.

IMPROVED HEALTH AND SAFETY PERFORMANCE

Accident Frequency Ratio ¹ (total lost time cases)							
	FY04 (baseline)	FY05	FY06	FY07	FY08	FY09	% of improvement FY09 vs. FY04
Aerospace	3.7	3.0	2.1	1.5	1.2	1.3	65%
Transportation	1.6	1.3	1.0	0.8	0.5	0.6	63%
Accident Severity Ratio ² (total lost time cases)							
	FY04 (baseline)	FY05	FY06	FY07	FY08	FY09	% of improvement FY09 vs. FY04
Aerospace	232.3	116.2	86.8	62.5	41.3	38.9	83%
Transportation	25.0	21.8	21.2	17.0	11.3	12.0	52%

Note 1: Total number of accidents without lost workdays plus number of temporary assignments resulting from work-related accidents normalized per 200,000 hours worked.

Note 2: Severity of work-related accidents that have resulted in lost workdays and days of temporary assignments normalized per 200,000 hours worked.

BOS integrates proven methods and tools such as Six Sigma, World-Class Manufacturing (WCM) and Lean. It guides our way of working across the Transportation group. BOS principles include People Involvement and Continuous Improvement. Our PEOPLE initiative incorporates the systems and processes needed to acquire and develop talent and competencies. It helps create an engaged, boundary-less organization where ideas, knowledge and talent are readily shared.

Rewarding Employees

When we formally recognize our employees' achievements, we encourage others to follow in their footsteps. Several programs exist to reward employees who contribute to our company's innovation, continuous improvement and success. Aerospace programs include the Health and Safety Awards and the Annual Accomplishment Award. In our Transportation group, the Knowledge Champion Award and Innovation Award are two important employee recognition programs.

GETTING TO ZERO ACCIDENTS

In fiscal 2009, we took several steps towards our objective of zero accidents and occupational illnesses. We revised our Health, Safety and

Environment (HSE) Policy to better manage HSE risks and foster a zero accident culture. We also identified new leading indicators such as "number of safety training hours" to foster a proactive prevention-first attitude.

We are now focusing on three initiatives to further improve our health and safety performance. First, we began harmonizing our various health and safety systems to create one company-wide Health and Safety Excellence System based on leading practices. We expect to fully implement this system in 2012.

Secondly, we will more fully integrate health and safety considerations into AES at Aerospace and BOS at Transportation. And finally, we will continue to enforce high health and safety standards across our

supply chain by leveraging our HSE Policy and our new Supplier Code of Conduct.

Ongoing Progress

The past year's safety record shows significant progress in our accident frequency and severity performance. Between fiscal 2004 and 2009, our total lost-time cases continued to decline. During the same period, we reduced our accident frequency ratio by 65% at Bombardier Aerospace and 63% at Bombardier Transportation. We also decreased our accident severity ratio by 83% at Aerospace and 52% at Transportation.

Despite this progress, our safety results leave much room for improvement. In fiscal 2009, we sadly reported four employee fatalities, one in Aerospace due to an on-site delivery truck accident and three in Transportation due to a business trip car accident. In both cases, we took steps to thoroughly analyze these events and implement changes to prevent their recurrence.



Diversity and Equal Opportunity

As a global company, our diversity drives our competitive advantage and fuels innovation. Bombardier employees represent close to 90 nationalities and speak some 20 languages. Women currently compose approximately 15% of our total workforce worldwide. From fiscal 2007 to 2009, the percentage of women in management positions rose by nearly 13%.

At Bombardier Aerospace, our Talent Acceleration Pool (TAP) will enable us to increase women in management to 25% by 2012. At Bombardier Transportation, we kicked off our Female Engineering Network in May 2008. Its goal is to make Bombardier an even more attractive place to work for female engineers.

Building Responsible Products



Building sustainable products is essential to moving forward responsibly—products that consume less energy and non-renewable materials, and generate less noise, waste and detrimental air emissions. Despite the recession, we continue to invest in innovative technologies that make our products more environmentally responsible. This is one of the ways we help tackle climate change while driving down our customers' costs.

Fiscal 2009 Highlights

- Expanded our *ECO4* portfolio of breakthrough energy-saving rail solutions
- Extended our industry-leading Carbon Offset Program
- Continued to develop our environmentally focused 110- and 130-seat *CSeries* commercial aircraft and *ZEFIRO* family of high speed and very high speed trains

MAKING MASS TRANSIT EVEN MORE SUSTAINABLE

Rail transportation is the world's most sustainable mode of mass transit, generating less than 1% of global greenhouse gas (GHG) emissions. Yet the industry faces significant challenges, including volatile oil and other resource prices and stricter emission and land-use regulations. As the global leader in rail technology, we helped make the world's most sustainable mode of mass transit even more environmentally sound in fiscal 2009.

One of the ways we did this was by launching our groundbreaking *ECO4* suite of customizable solutions in September 2008. *ECO4* technologies are built on the pillars of energy, efficiency, ecology and economy. They reduce overall energy consumption by up to 50%, minimize CO₂ emissions, improve total train performance and decrease operating costs.

ECO4 includes the *MITRAC* Energy Saver, which stores and reuses brake energy for a 30% to 35% energy saving. Other *ECO4* technologies include *EnerGplan* Simulation Tool, *AeroEfficient* Optimized Train Shaping, *EBI* Drive 50 Driver Assistance System and *ThermoEfficient* Climatization System.

Designing with the Environment in Mind

Our HSE Policy incorporates the guiding principle of designing products with minimal environmental impact. In keeping with this principle, our product responsibility strategy includes three cornerstones for advancing sustainable mobility: our Design for Environment (DfE) program, lifecycle assessments (LCAs) and Environmental Product Declarations (EPDs).

Since the 1990s, our Transportation group's proprietary DfE guidelines have helped us design products with greater energy and resource efficiency. LCAs also guide us in minimizing our products' environmental lifecycle impacts and form the basis of our EPDs.

EPDs summarize a product's environmental impact, set a baseline for further product-related environmental improvements and enhance our environmental reporting. EPDs already exist for several Transportation products with four additional EPDs to come in fiscal 2010, two of which will undergo Eco-Management and Audit Scheme (EMAS) validation. We will also develop EPDs for our new *CSeries* and *Learjet 85* aircraft programs.

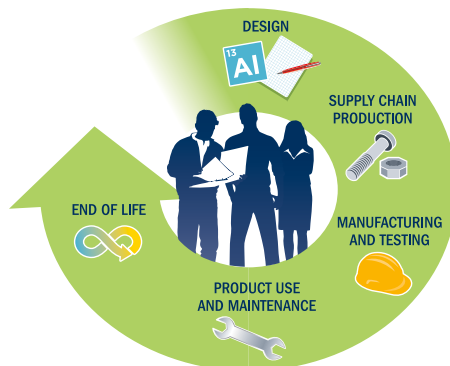
TACKLING AVIATION EMISSIONS

Even though civil aviation only generates 2% of the world's CO₂ emissions, the industry has committed to reducing these emissions. This includes targeting carbon-neutral growth for commercial aviation by 2020. No other industry has set such a target at a global level, and we are actively supporting this commitment in our Aerospace group. We are also spearheading the creation of a position statement for business aviation that focuses on GHG emission reductions. One of our objectives is to effectively address business aviation's climate change impact in a global industry-wide solution.

Fuelling Environmentally Focused Innovations

As a leading manufacturer, we also play a key role in developing greener technologies, aircraft, operations and aviation infrastructures. In fiscal 2009, our new R&D product innovation engineering team leveraged our DfE guidelines to meet increasingly stringent environmental regulations for aircraft. We also applied our

OUR LIFECYCLE MANAGEMENT APPROACH



product responsibility strategy to new aircraft programs, in line with the industry's commitment to carbon-neutral growth.

Our 110- and 130-seat *CSeries* commercial jets will produce up to 20% less CO₂ emissions and burn up to 20% less fuel than current in-production aircraft in the same category. They will also be four times quieter. Our *CRJ NextGen* and *Q400 NextGen* regional aircraft deliver best-in-class environmental performances, while our revolutionary clean-sheet

Learjet 85 business jet will also reduce fuel consumption and emissions.

Expanding Our Carbon Offset Program

In 2007, we became the first aircraft manufacturer to offer a Carbon Offset Program. It allows operators to offset their aircraft emissions by funding projects worldwide that reduce an equal amount of CO₂ emissions. In October 2008, expanding our program enabled both our business aircraft and *Flexjet* customers to offset the climate impact of the aircraft they own or operate. In April 2009, we further improved the program by offering it to our customers on a per-flight-hour basis.



Developing Safe Products and Behaviours

Every three seconds, a Bombardier aircraft takes off or lands around the globe. Our worldwide fleet includes more than 3,700 business jets, 2,380 regional jets and turboprops, and 147 amphibious aircraft. Safety and reliability have always been top priorities. Our Product Safety Policy promotes a proactive approach to product safety.

To help reduce the accidents caused by human error, we have offered our industry-leading Safety Standdown program annually in the United States since 1996 and in Europe since 2007. To date, over 4,100 pilots, crew members, safety specialists and industry officials have graduated from our Safety Standdown seminars.

Operating Sustainably



In fiscal 2009, we fine-tuned our vision to minimize our operations' environmental impact as part of Our Way Forward strategy. Our long-term goals include progressively achieving carbon neutrality throughout our activities, switching to renewable materials where possible, eliminating restricted substances and delivering a “zero waste” performance. Greater innovation, efficiency improvements and investments will be required to fulfill this vision.

Fiscal 2009 Highlights

- Completed an energy and greenhouse gas (GHG) emission assessment at 85 sites
- Set a preliminary target: Reduce energy consumption and GHG emissions by an additional 10% between fiscal 2010 and 2015
- Added three new key performance indicators to enhance our environmental monitoring: waste valorization index, use of volatile organic compounds (VOCs) and number of environmental incidents

MANAGING ENERGY AND CARBON MORE EFFECTIVELY

In fiscal 2009, we launched a global energy and carbon assessment of our operations, which we completed in the second quarter of fiscal 2010. This included a detailed inventory of energy sources and GHG emissions at 85 sites. Based on this inventory, we began identifying facilities with the greatest opportunities for energy-efficiency improvements and GHG emission reductions.

We also set a preliminary target of decreasing our facilities' energy consumption and GHG emissions by an additional 10% between fiscal 2010 and 2015. This target builds on our 17.5% reduction in energy consumption and 10%

reduction in CO₂ emissions achieved between fiscal 2004 and 2009. In fiscal 2010, we will complete a more detailed assessment of direct and indirect emission reduction opportunities for our most relevant sites, which will allow us to confirm our exact reduction targets.

We also started to develop a more comprehensive Energy and Carbon Management Strategy (ECMS) to help us reach these targets. The strategy will move us towards a zero GHG emission performance through improved energy efficiency, increased use of renewable energy sources, and carbon offsetting if required either due to the unavailability of regenerative energy or for economic reasons.

Driving Down Our Carbon Footprint

In August 2009, we joined prominent companies worldwide in signing the Copenhagen Communiqué as a lead-up to the UN Climate Change Conference in Copenhagen. The communiqué calls for organizations to request an ambitious, robust and equitable global deal on climate change. We also held a carbon-neutral Annual General Meeting on June 3, 2009, offsetting the 35 tonnes of carbon that the meeting generated by purchasing high-quality carbon credits.

In fiscal 2009, we reduced our operations' carbon footprint through energy-efficiency programs, process modifications and renewable energy sources. Under Transportation's "Energy Efficiency at Our Facilities" (ENEFA) project, we completed a two-year energy survey of the group's major production sites to identify energy usage and key emission sources. As a result, we launched energy-saving initiatives at nine sites, which should save approximately 50,000 MWh every year.

Energy Efficiency and Process Modifications

At the site level, employees play a key role in developing initiatives to meet our global reduction objectives and targets. For example, at our Transportation site in Derby, England, employees focused on raising awareness by appointing additional energy champions and initiating climate change toolbox talks. In Belfast, U.K., our Aerospace facility is testing wind turbine, solar panel and biomass technologies as alternative energy sources.

Modifications to our processes enabled us to achieve sizeable reductions in GHG emissions and energy consumption. In Mirabel, Canada, our

Aerospace site improved operating procedures for the engine and flight testing processes on our *CRJ700* and *CRJ900* aircraft. These modifications reduced fuel consumption on 62 aircraft, saving more than 650,000 litres of fuel. At our Transportation site in La Pocatière, Canada, using heat generated by compressors and a laser-cutting machine to heat parts of the workshop saves 112 MWh annually.

Renewable Energy Sources

Some of our major manufacturing sites are located in Québec, Canada, a province with significant renewable hydro-electricity. In fiscal 2009, our use of renewable energy accounted for approximately 29% of our global energy consumption. Over the next year, we expect to obtain a more comprehensive understanding of our sites' green energy use worldwide. This will help us identify opportunities to harness new sources of renewable energy and further reduce our environmental footprint.

Improving Our HSE Data

In fiscal 2009, we acted on our commitment to enhance the accuracy and integrity of our health, safety and environment (HSE) data. We purchased a leading HSE Information Management System and expect to start deploying the system across Bombardier by the end of fiscal 2010. Among other improvements, this data management tool will provide greater data quality, integrity and traceability for reporting purposes. We also set the stage for broader monitoring by adding three new environmental indicators: waste valorization index, use of volatile organic compounds (VOCs) and number of environmental incidents.



How We Scored

In fiscal 2004, we set a five-year 15% overall reduction target for our key environmental metrics. Here's how we did (absolute values).

Water consumption: ↓ 35% or 1,232,710 cubic metres—exceeded target by 20%

Energy consumption: ↓ 17.5%—exceeded target by 2.5%

Greenhouse gas emissions: ↓ 10% or approximately 45 kilotonnes—missed target by 5% mainly due to increases in Aerospace production volumes

Waste: ↓ 11% or 3,483 metric tonnes—missed target by 4% partially due to Transportation increasing the number of non-European Union suppliers, which resulted in more wooden, non-returnable packaging

Hazardous waste: ↓ 17% or 2,259 metric tonnes—exceeded target by 2% with Transportation achieving a 46% reduction

Engaging Our Suppliers



Our supply chain is constantly evolving and increasingly integrated within our activities, which is why it is more crucial than ever to work closely with our suppliers and to manage our supply chain responsibly. This entails ensuring the efficiency and viability of our suppliers, enhancing the sustainability of our procurement processes, and promoting human rights and internationally sanctioned labour standards across our supply chain.

Fiscal 2009 Highlights

- Secured commitment to respect our Supplier Code of Conduct from 83 suppliers in Aerospace and over 120 in Transportation to date
- Incorporated adherence to Code in every new supplier contract
- Engaged suppliers in our Design for Environment (DfE) and lifecycle assessment processes

ENCOURAGING HIGH ETHICAL STANDARDS

Our new Supplier Code of Conduct reflects our determination to promote high standards of corporate social responsibility throughout our supply chain. It also embodies the principles of the United Nations Global Compact, which we signed in 2007. Engaging our suppliers through our Supplier Code of Conduct strengthens their commitment to adhere to our standards. Across Bombardier, all new contracts now automatically include an agreement to respect the principles of our Supplier Code of Conduct.

In Aerospace, a total of 83 suppliers committed to adhering to the principles of our Supplier Code. Of those, 50 are aircraft equipment vendors representing 78% of our total aircraft-related procurement spend. In Transportation,

more than 120 suppliers either signed the Code or demonstrated that they have equivalent codes. By the end of fiscal 2010, Transportation's 400 master vendors will have committed to respecting our Code.

In our Aerospace group, we will continue rolling out the Supplier Code of Conduct to the remainder of our suppliers. We are also developing a compliance program for the Code, consisting primarily of supplier self-audits. This program will include our ability to ensure suppliers address any breach or behaviour not in line with the Code's principles in a timely manner.

In our Transportation group, Supplier Code of Conduct issues are part of our ongoing Supplier Evaluation and Approval Process. We are currently discussing compliance programs and external

audits within the UNIFE (Association of the European Rail Industry) framework to harmonize our efforts in this area.

ENGAGING SUPPLIERS IN SUSTAINABLE DESIGN

Involving suppliers in our DfE and lifecycle assessment processes enables us to influence supplier decisions and reduce our products' environmental lifecycle footprint. One key area is encouraging suppliers to select materials and processes that enhance our products' end-of-life recyclability.

Joint research and development activities with our suppliers yield new technologies that further improve our products' environmental performance. In our Aerospace group, we are collaborating with several suppliers on developing key technology to help us achieve our DfE goals. In our Transportation business, we joined forces with IVECO, a leading transport manufacturer, to design a low-emission propulsion system, which will further improve the energy efficiency of our rail vehicles.

IMPROVING OUR SUPPLY CHAIN PERFORMANCE

Both our Aerospace and Transportation groups have implemented programs to systematically measure and manage supplier performance. Through these programs, we work with suppliers to improve productivity and quality, remove non-value activities, integrate processes and implement lean techniques. To ensure compliance with our sourcing strategy, the programs include a rigorous selection process to verify supplier quality and qualifications.

Communicating with Suppliers

Our supplier communication plan fosters long-term strategic alliances with key suppliers and improves supply chain performance. Our supplier advisory and technical boards facilitate collaboration on market strategies, technology roadmaps and business continuity. Supplier forums engage suppliers in discussions on key market issues, ensuring a common understanding of challenges and strategies.

In Aerospace, we launched the Bombardier Suppliers Advisory Board in 2007 to build strategic alliances with major suppliers. The board includes eight of our key suppliers and several panels. At our Strategic Supplier Executive Meeting (SSEM), we discuss market issues with 30 key suppliers. At the end of 2008, a challenging aerospace market prompted us to institute regular calls between our vice presidents and major suppliers to foster dialogue and optimize communication.

Other supplier touch points include frequent program reviews and a supplier web portal. In late fiscal 2010 or early fiscal 2011, we intend to launch a supplier recognition program in our Aerospace group.



Partnering with Our Master Vendors

In our Transportation group, approximately 400 master vendors account for 80% of our procurement spend. Every year, we invite 120 to 140 master vendors to our Suppliers Day to discuss market developments and current business issues. We also conduct total cost of ownership workshops. By the end of 2009, more than 40 suppliers will have attended over 80 of these workshops. Quarterly reviews with our main suppliers allow us to discuss current business, operational issues, R&D and future commercial targets. Through these diverse supplier touch points, we ensure the sustainability and responsible management of our supply chain.

Acting as a Responsible Citizen



At Bombardier, being a responsible corporate citizen means continuously improving our ability to make a positive contribution. It entails advancing the development of our communities by safeguarding human rights and investing through donations and sponsorships. It involves volunteering to support community projects, as well as engaging with academic institutions, local organizations and other key stakeholders.

Fiscal 2009 Highlights

- Contributed close to \$15 million to community projects and programs
- Conducted our first international stakeholder engagement survey in our Transportation group
- Launched a review of our donations and sponsorships across Bombardier to optimize our community contributions
- Developed a formal, company-wide stakeholder engagement process

SUPPORTING OUR COMMUNITIES

Investing in Our Communities

At Bombardier, we have always invested in activities and organizations that contribute to the prosperity, well-being and sustainability of the communities where we operate. Fiscal 2009 was no exception.

In last year's report, we announced a \$1 million investment over three years to train Tibetan rural youth in tourism management. In 2009, all 20 students completed on-the-job training in Jiangsu Province and Tibet. Next year, the students will finish the program's third and last year, which includes a six-month internship. Given the project's success, we are currently exploring the possibility of expanding the program with our partner, Agriteam Canada.

In October 2008, we became a long-term supporter of the Sierra Gorda World Biosphere Reserve in Querétaro, Mexico. We are funding three environmental and economic development projects, which are managed by the Sierra Gorda Ecological Group. The projects include reforestation of devastated areas of the reserve and commercial plantations, restoring the community's watershed, and developing sustainable and diversified work projects in the reserve's northern region.

Refocusing Our Community Engagement

To optimize the positive impact of our contributions, our new Community Investment Working Group reviewed and benchmarked our current policies and programs. This allowed us to narrow our focus to three areas that are aligned with our corporate DNA. We will gradually implement this "3E" approach

The following table summarizes our direct and indirect community contributions over the past three fiscal years:

(in millions of dollars)		FY07	FY08	FY09
Bombardier to J. Armand Bombardier Foundation*	Donations	\$3.5	\$4.7	\$7.4
J. Armand Bombardier Foundation to community	Donations	\$4.7	\$6.0	\$7.4
Bombardier to community	Donations	\$1.8	\$1.7	\$2.1
	Sponsorships	\$3.0	\$4.2	\$6.5

*The J. Armand Bombardier Foundation is a private family foundation that supports organizations and institutions working in Canada in education, community support, healthcare, the arts and culture.

across the company over the next few years, concentrating our community investments on the environment, education and entrepreneurship.

Our new Employee Volunteering Working Group took steps to enable us to better manage and align employee activities with our community investments. We are currently evaluating the resources required to implement the new employee volunteering program proposed by the working group.

Promoting Human Rights

Signing the United Nations Global Compact in 2007 formalized our commitment to respect and protect human rights within our sphere of influence. Stakeholders recently asked us how we act on this commitment. The answer is by implementing our various human-rights-related policies and codes, including our Code of Ethics and Business Conduct and our Supplier Code of Conduct. To strengthen our ability to influence behaviour, we are currently reviewing and benchmarking these policies and codes against best practices to eliminate any gaps.

ENGAGING WITH STAKEHOLDERS WORLDWIDE

In today's interconnected world, fostering good relations and dialoguing with key stakeholders are more vital to our success than ever. We actively collaborate and engage with stakeholders worldwide, including policy makers and industry

groups, to reduce emissions and increase efficiency standards.

In addition to several global industry initiatives, we are also a founding member of Canada's Green Aviation Research and Development Network (GARDN), a new grouping of 18 government, academic and industry partners. This unique R&D partnership focuses on developing green engine and aircraft technologies to lower noise and emissions pollution. Our ultimate goal is to reduce the carbon footprint of the aviation sector.

In our Transportation group, we established focused stakeholder engagement mechanisms to drive targeted innovations in sustainable and clean rail technologies. One example is our partnership with customers to advance our C.L.E.A.N. (Catalyst-based Low Emission Application) diesel research project. In 2008, C.L.E.A.N. produced

environmentally friendly diesel trains that reduce nitrogen oxide and particulate emissions to levels that will become European Union law in 2012.

Enhancing Our Stakeholder Engagement Process

In fiscal 2009, the Corporate Social Responsibility Committee created the Stakeholder Engagement Working Group to address issues, organize proactive meetings and align our stakeholder engagement activities. The working group prioritized our stakeholders and pinpointed key sustainability issues including governance, ethics, human rights and the environment. It also developed a more effective and coordinated stakeholder engagement process. In fiscal 2010, the working group will begin implementing this new process and establish a more sustained dialogue with selected NGOs and sustainability experts to help us move forward responsibly.



Building Young South African "Stars"

In 2008, we made a long-term commitment to South Africa's Gautrain Rapid Rail Link, a major light rail infrastructure project in Gauteng Province. This commitment led to STARS, a private/public partnership focused on creating a skilled workforce capable of delivering sustainable solutions to Africa's rail transportation challenges.

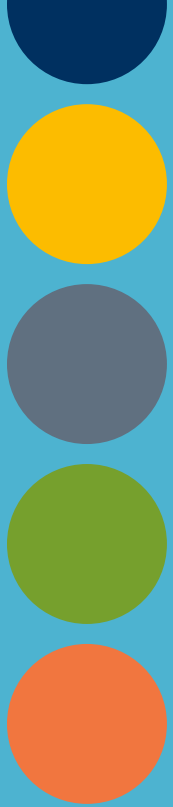
In fiscal 2009, we invested more than \$258,000 to help provide tutoring in math, science and English to some 600 students, including 300 Bombardier Young Learners. Forty students also received scholarships. Through the Further Learning Bursary Program, four students obtained scholarships to attend the University of Cape Town.

Respecting the UN Global Compact

Our 2008 Corporate Responsibility Report constituted our first Communication on Progress relative to the United Nations Global Compact. The table below provides examples of how we continue to promote the Global Compact's 10 principles both internally and externally. For the complete table, see the "Governance" section of our online 2009 Corporate Social Responsibility Report.



GLOBAL COMPACT PRINCIPLE	ACTIONS TO PROMOTE UN GLOBAL COMPACT PRINCIPLES
HUMAN RIGHTS	
Businesses should:	
1. Support and respect the protection of internationally proclaimed human rights	Applied our Code of Ethics and Business Conduct, our Supplier Code of Conduct, and our Health, Safety and Environment Policy
2. Make sure they are not complicit in human rights abuses	Continued to roll out our new Supplier Code of Conduct across our global supply chain
LABOUR STANDARDS	
Businesses should uphold:	
3. The freedom of association and the effective recognition of the right to collective bargaining	Acknowledged our employees' right to freedom of association: 55% of Aerospace employees and 64% of Transportation employees covered by collective agreements in fiscal 2009
4. The elimination of all forms of forced and compulsory labour	Applied our Code of Ethics and Business Conduct and our Supplier Code of Conduct, both of which promote employee rights in this area
5. The effective abolition of child labour	Applied our Supplier Code of Conduct, which clearly stipulates our position against child labour
6. The elimination of discrimination in respect of employment and occupation	Launched the second phase of our e-learning program on ethics, which includes modules on discrimination
ENVIRONMENT	
Businesses should:	
7. Support a precautionary approach to environmental challenges	Leveraged our Environmental Management System to identify significant environmental aspects and take appropriate action for continuous improvement
8. Undertake initiatives to promote greater environmental responsibility	Took steps to decrease our consumption of input resources as well as reduce and, where possible, eliminate unwanted outputs
9. Encourage the development and diffusion of environmentally friendly technologies	Became the chair of the Canadian Aerospace Environmental Technology Roadmap, established in fiscal 2009 to develop environmentally focused technologies Promoted our <i>ECO4</i> portfolio of energy-saving rail products, services and technologies
ANTI-CORRUPTION	
Businesses should:	
10. Work against all forms of corruption, including extortion and bribery	Launched the second phase of our e-learning ethics program for managers, which includes modules on bribery, corruption and anti-trust laws



We are proud of our employees' engagement. We sincerely thank each employee who agreed to appear in our 2009 Corporate Social Responsibility Overview.

Responsibility

Producing our complete 2009 Corporate Social Responsibility Report exclusively online, along with this shorter 2009 Overview relative to our 2008 printed document, minimizes the environmental impact of our reporting. Using 100% recycled paper allowed us to save:



26 mature trees



749 kg of solid waste



1,645 kg of atmospheric emissions



70,872 L of water

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