

ONWARD

ONWARD

2019 Highlights

\$ 15.8B REVENUES¹

\$ 52.1B BACKLOG²

60,600 EMPLOYEES²

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Corporate Profile

With over 60,000 employees, Bombardier is a global leader in the transportation industry, creating innovative and game-changing planes and trains. Our products and services provide world-class transportation experiences that set new standards in passenger comfort, energy efficiency, reliability and safety.

Headquartered in Montréal, Canada, Bombardier has production and engineering sites in more than 25 countries across its Aviation and Transportation business segments. The company is recognized on the 2020 Global 100 Most Sustainable Corporations in the World Index.

1. For fiscal year 2019.

2. As at December 31, 2019

3. Forward-looking statement. Refer to Forward-looking statements at the end of this report.

4. Refer to our 2020 First Quarterly Report for complete description of impacts of COVID-19 pandemic.

All financial figures in this report are in U.S. dollars unless otherwise stated.

Strategically Focused on Business Aviation

In February 2020, we announced our strategic decision to focus on business aviation and to accelerate the deleveraging and strengthening of our balance sheet through the sale of our Transportation division to Alstom SA. Expected to be completed following regulatory approvals and other conditions, this transaction will mark the conclusion of our turnaround and the beginning of a new chapter for our company.³ In the future, we will be focusing on our business aircraft segment, where Bombardier is a strong, well-established market leader.³

This Activity Report provides a review of the year 2019 and includes performance from both our Transportation and Aviation business segments.

Although it remains important for us to report transparently on past performance, we cannot ignore the unprecedented global health and economic crisis we are facing today, caused by the novel coronavirus (COVID-19) pandemic. At the date of publication of this report, the COVID-19 pandemic has negatively impacted the global economy, disrupted global supply chains and created significant economic uncertainty and disruption of financial markets. Bombardier temporarily reduced or suspended operations at various production facilities around the world. We have also suspended our 2020 financial outlook to reflect the uncertainty related to the financial impact of the COVID-19 pandemic on our global operations.⁴

We will keep our stakeholders informed as we navigate these extraordinary times together.

LEADING THROUGH EXCEPTIONAL TIMES

In my first weeks back at Bombardier, I've had the opportunity to interact with a lot of our talented people and I have been impressed with their commitment to our company, to serving our customers and supporting our communities in the face of adversity. So, I want to start this letter by thanking our employees and their families for their hard-work, patience and dedication during these difficult times.

With the COVID-19 pandemic creating unprecedented challenges for our industry, for our company and for all of us individually, our immediate attention is rightly focused on protecting the health and safety of our people, supporting our customers to the best of our abilities and taking the actions necessary to preserve the company's long-term future.

In this environment, publishing a report on Bombardier's 2019 performance and past achievements might seem a bit disconnected or irrelevant. But, here's why it is so crucial. The speed and depth of the current global health and economic crisis has demonstrated that sustainability is more important today than ever before. And, for a company that is entrusted to safely move millions of people around the globe every day and whose success depends on attracting and retaining thousands of talented employees, it is critical that we send a loud and clear message reaffirming our commitment to sustainable business practices as we resume operations and look to move beyond the current crisis.

As Bombardier's new Chief Executive Officer, I am personally committed to pursuing ambitious environmental, social and governance (ESG) goals,

Earlier this year, I was honoured to be asked to take the helm as Chief Executive Officer of Bombardier, a company I am deeply passionate about, having previously worked in both the rail and aerospace sides of our business. As I look to the future, I see many opportunities to elevate our culture and performance even as we navigate through the new challenges brought on by the COVID-19 pandemic.

and to continuing Bombardier's engagement towards the principles of the United Nations Global Compact. I also want to reaffirm our promise to report on our progress and performance with consistency and transparency in annual Activity Reports.

In this year's Activity Report, we highlight some of the notable achievements and milestones over the past year as we continue to transform Bombardier. They include reaching agreements to sell the CRJ program and our aerostructures business, which supports our strategic decision to exit commercial aviation. In early 2020, we also announced the sale of our Transportation segment to Alstom SA, and our intention to focus exclusively on business aviation in the future. Collectively, these divestitures will significantly strengthen the balance

sheet and will mark the beginning of a new chapter for our company – one which I am very proud to lead.¹

In business aviation last year, we celebrated the flawless entry-into-service of the *Global 6500* aircraft. We also witnessed the remarkable in-service performance of the *Global 7500* and successfully completed the integration of its wing program into our operations. The *Global 7500* truly sets the benchmark for the industry and it will be an integral part our future growth and success.

Bombardier also continues to make progress in integrating ESG performance into our business operations. We were again listed on the Carbon Clean 200 List and among Corporate Knights' Global 100 Most Sustainable Corporations. These recognitions reflect Bombardier's continued investments in building advanced products and efficiently managing resources in its operations and across its supply chain. They also strengthen our conviction that sustainability is a key element of Bombardier's performance and long-term success.

We understand that Bombardier, through its actions, must continue to demonstrate that it is a good steward of the skies in which we have the privilege to operate. A great example of our leadership in the area is our use and promotion of sustainable aviation fuels, which we now make available to our customers taking delivery of their aircraft in Montréal, Canada.

We also continue to stand by our principles that how we deliver results is just as important as what we achieve. Our renewed Code of Ethics, enhanced training programs and updated Supplier Code of Conduct reinforce this commitment and guide the programs and resources we put in place to ensure we all work in a safe environment, abiding to the highest ethical standards.

In closing, I want to emphasize my strong belief that sustainable organizations must build and maintain a healthy, values-based culture. This will be a key focus for me in the coming year, ensuring that Bombardier is a people and customer-centric organization; that we value performance and honour all commitments; that we work together with team spirit; and that we are transparent and authentic in all our interactions.

Again, I want to thank our incredible employees for their dedication, hard work and passion over the past year and for helping to make the achievements outlined in this report possible. I'm confident that together, we will overcome the current challenges, rebuild our business, and celebrate an exciting new chapter for Bombardier. **Onward.**




Éric Martel
President and
Chief Executive Officer

MAJOR TRANSFORMATIONAL MILESTONES

- Successfully completed development and reached entry-into-service of major aerospace programs.
- Improved cost structure by streamlining activities and reinforcing our procurement organization.
- Responsibly exited commercial aviation through the sale of our commercial aerospace programs.
- Reached an agreement with Alstom SA to sell our rail transportation business.
- Consolidated assets and engineering capabilities under one strong business, focused on business aviation.

OUR 2020 PRIORITIES



Effectively Manage our COVID-19 Response to ensure our company's long-term sustainability.



Align Aviation with Market Demand to be more profitable and a steadier cash-flow generating business.



Build Predictability at Transportation by being consistent in our performance.



Vigorously Pursue Aftermarket growth opportunities in our business aviation segment.



Responsibly Complete Business Divestitures to help solve our balance sheet challenges.



Set the Foundation for Long-term Success by defining a clear vision for our company and resetting our culture.

From left to right: Employee, Querétaro site, Mexico; Learjet 75 Liberty aircraft; AVENTRA Electrical Multiple Unit, Derby site, United Kingdom; Aviation Mobile Response Team vehicle; MOVIA metro C30 for Stockholm, Sweden; Global 7500 aircraft

WE DELIVER INNOVATIVE AND SUSTAINABLE PRODUCTS

Based in Montréal, Canada, Bombardier is a leading manufacturer of planes and trains, with more than 70 production and engineering sites in more than 25 countries and a global network of service centres. Our Aviation and Transportation businesses offer an extensive portfolio of innovative products. Every day, our trains and planes move millions of people around the globe – quickly, safely and efficiently.



Global 7500 aircraft



TWINDEXX Swiss Express Electrical Multiple Unit, Switzerland

BOMBARDIER AVIATION

Our business aviation segment designs, develops, manufactures, markets and provides customer support for three class-leading families of business jets – *Learjet*, *Challenger* and *Global* – in addition to outfitting various aircraft platforms for specialized use. Our business jet portfolio spans from the light to large categories.

Portfolio

- *Learjet* – light business jets
- *Challenger* – medium business jets
- *Global* – large business jets
- Specialized aircraft
- Services

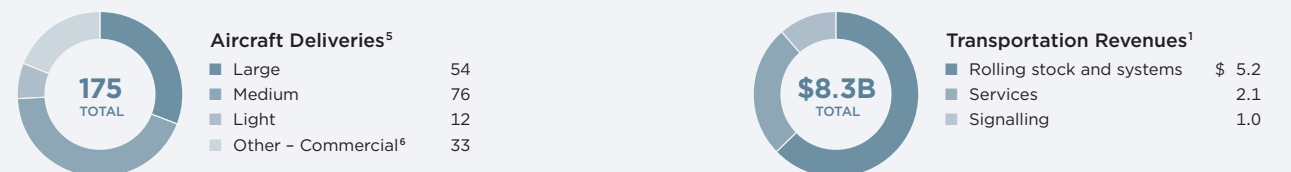
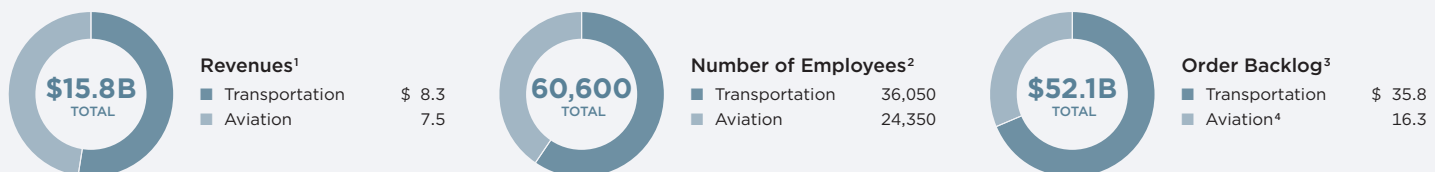
BOMBARDIER TRANSPORTATION

Our rail transportation segment offers a wide-ranging portfolio of innovative and efficient solutions in the rail industry. It offers the full spectrum of rail solutions, ranging from trains to sub-systems and signalling to complete turnkey transport systems, e-mobility technology and data-driven maintenance services.

In early 2020, we announced the sale of our Transportation division to Alstom SA.

Portfolio

- Rail vehicles – urban, commuter, regional, intercity, very high-speed
- Transportation systems
- Locomotives and equipment
- Signalling
- Propulsion, controls and energy management systems
- Services, operations and maintenance



~4,900 Business aircraft in service 24/7 Customer support 100+ Service facilities worldwide

100,000+ Rail vehicles in service 500+ Customers 70+ Countries with a local presence

1. In billions of dollars. For fiscal year 2019. 2. As at December 31, 2019, including contractual and 1,700 inactive employees. ~200 corporate office employees are not allocated to a reportable segment.
 3. In billions of dollars. As at December 31, 2019. 4. \$14.4B for business aircraft, \$1.9B for other aviation. 5. In units. For fiscal year 2019.
 6. 26 regional jets and 7 turboprops. In June 2019, we announced the sale of our CRJ program to Mitsubishi Heavy Industries, Ltd. In May 2019, we completed the sale of the Q Series program to De Havilland Aircraft of Canada Limited.

Sustainable product innovation and customer experience are at the centre of everything we do.

People
Create a people-centric and healthy work environment

Operational Excellence
Develop efficient, cost-effective, and innovative products

Responsibility
Operate with integrity and maintain trust in society



Global 6500 aircraft

CREATING A STRONGER, MORE RESILIENT BUSINESS

Effective management of financial and non-financial issues is an integral part of our business model. Various environmental, social and governance related risks are shaping our operating environment and we regularly track how these potential risks could affect our business. Taking a holistic and balanced approach to risk management enables us to further our ambition to create a more resilient business for the future.¹

Product Development

Introducing new products or technologies requires a significant commitment to R&D investment and to maintaining highly skilled employees. Changes resulting from global trends influence customer demands in our main markets. We anticipate these changes and continuously develop and invest in new products and technologies, and improve existing products and services. Having just completed a major product investment cycle puts us in a solid position to compete and win in this competitive industry. See *Product Innovation*.

Order Backlog and Future Revenues

Our book-to-bill ratio and order backlog may not be indicative of future revenues. Changes in contracts may have an adverse effect on our reported backlog and impact on expected future revenues and profitability. We are taking proactive actions to provide the right products and services to our customers and deliver on our commitments. See *Customer Experience*.

Cost Reduction and Working Capital Improvements

As with any company-wide transformation, there are inherent risks in the time of the deployment and in the planned value to be achieved. In February 2020, we announced the strategic decision to sell our Transportation business. This transaction accelerates Bombardier's

deleveraging and strengthens the balance sheet², but the timing and magnitude of the specific initiatives and associated benefits, if any, could still be affected by a multitude of external and internal factors. See *Operational Excellence*.

Compliance and Ethical Conduct

Our global footprint exposes us to numerous risks relating to current and future regulations. Failure to comply with laws and regulations, including anti-bribery and other requirements could harm our reputation and reduce revenues and profitability. In addition to clarifying our ethics and compliance expectations, we continue to strengthen our compliance management system and embed our compliance culture across our network. See *Responsible Business*.

Human Resources

Employment market competition is fierce when it comes to hiring the highly qualified employees needed to complete the work we require, particularly in certain emerging countries. Our success depends on our ability to develop skills, to retain employees, and to recruit, and there is no guarantee we will be successful. We have executed on our workforce optimization actions, and are now standardizing learning and development opportunities and increasing internships to ensure our success. See *Talent*.

Health, Safety and Environment

Our products and manufacturing service activities are subject to laws and regulations where we operate, governing, among other things, human health and safety, product performance or material content, chemical use, energy and greenhouse gas emissions, air, water, noise pollution, hazardous materials, and groundwater contamination. Embedding an HSE preventive culture in everything we do is essential to managing these risks effectively. See *Preventive Culture; Environment*.

Climate Change

Changing climate, including from the impacts of global warming, could result in both physical risks such as extreme weather and long-term shifts in climate patterns and transition risks such as new regulations and technology. These changes could materially affect our business, results of operations and financial conditions. We are increasingly incorporating climate-related consideration into how we manage and oversee our product design, operations, and customer relations. See *Environment*.

Global Pandemic Outbreak

The COVID-19 pandemic has negatively impacted the global economy, disrupted global supply chains and created significant economic uncertainty and disruption of financial markets. The health and safety of our employees remains our first priority and we are monitoring the situation closely.³

1. Refer to our 2019 Financial Report for complete description of risks and uncertainties.
2. Forward-looking statement. Refer to Forward-looking statements at the end of this report.
3. Refer to our 2020 First Quarterly Report for complete description of impacts of COVID-19 pandemic.

CONTRIBUTING TO SUSTAINABLE GROWTH

As a signatory of the United Nations Global Compact since 2007, we are committed to actively promoting its 10 fundamental principles across our operations. We also endorse the United Nations' 17 Sustainable Development Goals to end poverty, protect the planet and ensure peace and prosperity. We focus on the goals where we can have the greatest impact given our corporate mission.

Sustainable Development Goals 2019 Highlights

| | |
|--|--|
| | <p>Given our global presence, we have the ability to set sustainability standards across our value chain and positively stimulate inclusive growth. Last year, we contributed \$5 billion in employee benefits sustaining high-value jobs and invested an unprecedented \$17 million CAD in our internship program to train the next generation of innovators.</p> |
| | <p>Our products are setting new benchmarks in passenger comfort, reliability and eco-efficiency. Last year, we invested \$435 million in research and development. We also embarked on exciting collaborations in big data, artificial intelligence and cleaner, greener technology that we believe will deliver value and positive impact for societies worldwide.</p> |
| | <p>In rail, our mission is to make reliable, safe, and sustainable transport available for all. At the end of 2019, \$4.1 billion of our order intake originated from emerging countries, a 86% increase from last year. We started a partnership with the Climate Bonds Initiative in Asia Pacific to further help our customers advance rail projects by leveraging green bonds opportunities.</p> |
| | <p>As more than 80% of environmental impacts can be determined at the design stage, our eco-design process ensures we embed the environment at all phases of our product innovation life-cycle both in rail and aviation. We are the only business aviation manufacturer to have completed an environmental life-cycle assessment on an aircraft, the <i>Global 7500</i> aircraft.</p> |
| | <p>In aerospace, our product innovation strategies are aligned with the business aviation sector goals for carbon neutral growth from 2020; and for reducing CO₂ emissions by 50% by 2050, based on 2005 data. In 2019, we made great progress in increasing adoption and availability of sustainable alternative fuels in business aviation, a critical element of aviation's climate action plan.</p> |
| | <p>We play a leadership role in advancing global action in various areas of sustainability. In 2019, we contributed to the establishment of industry-wide standards in environment through the International Aerospace Environmental Group and sustainable procurement practices through Railsponsible. We also support many community partnerships. In 2019, we invested \$2.5 million in community development globally.</p> |

MEASURING OUR PROGRESS

We are committed to providing transparent and precise information on how we are performing as a business. The following table¹ provides a brief summary of the indicators we track to measure our performance every year, covering financial, social and environmental information. Throughout our transformation, we have continued to measure our progress against these indicators to ensure consistency and transparency.

| | 2019 | 2018 | 2017 ² |
|--|--------|--------|-------------------|
| Financial | | | |
| (in millions of dollars, unless otherwise indicated) (for fiscal years) | | | |
| Revenues | 15,757 | 16,236 | 16,199 |
| EBIT margin | (3.2)% | 6.2% | 1.8% |
| Cash flows from operating activities | (680) | 597 | 531 |
| Investments in product development ³ | 435 | 1,136 | 1,235 |
| Available short-term capital resources ⁴ | 3,925 | 4,373 | 4,225 |
| Social | | | |
| Incident rate ⁵ | 0.97 | 1.08 | 1.30 |
| Fatalities (employees) | 0 | 2 | 0 |
| Employees covered by collective bargaining agreements (%) | 61 | 57 | 56 |
| Total turnover rate (%) | 21 | 12 | 10.8 |
| Employee productivity (in thousands of dollars) | 244 | 239 | 233 |
| Gender diversity (% women) | 18 | 19 | 19 |
| Environmental | | | |
| Energy intensity (GJ per million dollars of revenue) | 270 | 283 | 271 |
| GHG emission intensity (tCO ₂ e per million dollars of revenue) | 16 | 17 | 17 |
| Renewable electricity (thousands of GJ) | 894 | 663 | 701 |
| Valorized waste (% total waste generated, hazardous and non hazardous) | 84 | 84 | 81 |

Renewed Sustainability Objectives and Strategy

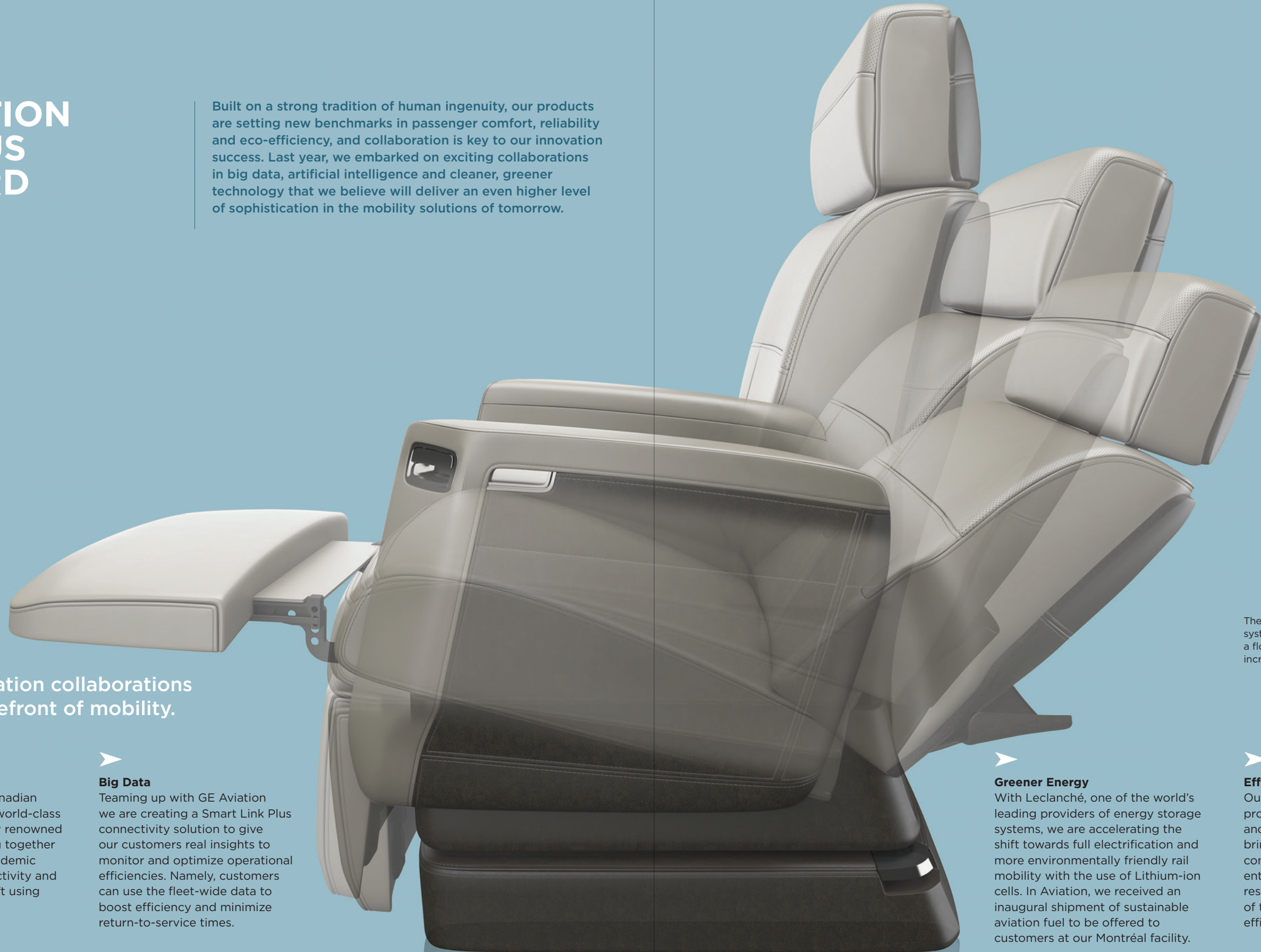
Measuring our progress is key to our success. Our Board of Directors, through its Human Resources and Compensation Committee and Audit Committee, already reviews on a quarterly basis occupational health and safety as well as ethics and compliance matters. This year, in an effort to further advance our sustainability approach, we will reinforce our internal governance on sustainability topics.

In addition, we plan to deploy a renewed global sustainability strategy overseen by the Board of Directors. This new global strategy will help create value for our stakeholders and further our ambition to build a world-class sustainable business for the long-term. By developing a renewed plan, we will be able to make measurable progress on our sustainability performance.

1. Refer to Our Performance section on our website for more detailed information.
 2. 2017 figures have been restated due to the adoption of IFRS 15, *Revenue from contracts with customers*.
 3. R&D expense and program tooling before amortization.
 4. Defined as cash or cash equivalents plus the amount available under revolving credit facilities.
 5. Number of recordable cases, expressed per 200,000 hours worked.

INNOVATION MOVES US FORWARD

Built on a strong tradition of human ingenuity, our products are setting new benchmarks in passenger comfort, reliability and eco-efficiency, and collaboration is key to our innovation success. Last year, we embarked on exciting collaborations in big data, artificial intelligence and cleaner, greener technology that we believe will deliver an even higher level of sophistication in the mobility solutions of tomorrow.



Our many innovation collaborations put us at the forefront of mobility.



Artificial Intelligence

Working with Scale AI, a Canadian supercluster, and IVADO, a world-class ecosystem of internationally renowned researchers, we are bringing together our know-how and their academic expertise to improve productivity and design more efficient aircraft using artificial intelligence.



Big Data

Teaming up with GE Aviation we are creating a Smart Link Plus connectivity solution to give our customers real insights to monitor and optimize operational efficiencies. Namely, customers can use the fleet-wide data to boost efficiency and minimize return-to-service times.



Greener Energy

With Leclanché, one of the world's leading providers of energy storage systems, we are accelerating the shift towards full electrification and more environmentally friendly rail mobility with the use of Lithium-ion cells. In Aviation, we received an inaugural shipment of sustainable aviation fuel to be offered to customers at our Montréal facility.



Efficient Mobility

Our investments in industry research projects, such as HORIZON, Aero21 and SA₂GE (phases 2 and 3), are bringing together large aerospace companies, small and medium enterprises, local universities and research centres, to push the limits of technology and build more efficient aircraft.

The *Nuage* seat features a patented tilt link system for a novel deep recline position, a floating base and a tilting headrest for increased comfort.

EMBEDDING SUSTAINABILITY IN PRODUCT INNOVATION

Our rich history of ingenuity makes us who we are today: an industry-leading manufacturer with a strong portfolio of products. We are conscious of the increasing impact of megatrends shaping our business from population growth and urbanization, to digitalization and environmental awareness. We are committed to building our products with the future in mind – making them reliable and more efficient, while contributing to highly favourable operating costs.



FLEXITY 2 tram, Blackpool, United Kingdom



Global 7500 aircraft



Employee, Hartford Service Centre, United States

Sustainability is core to our product innovation strategy.



Delivering Safe Autonomous Operations

Our automated train operations innovations provide new technologies for driver assistance systems and driverless trains. In 2019, we released our latest innovation, COMPAS, a collision and over-speed monitoring and prevention system based on our proven Obstacle Detection Assistance (ODAS) technology. A first in the industry, COMPAS is now in the final stages of operational evaluation

with additional functionality being planned to enable safer operation of trams on city streets.

As part of our engagement with the Shift2Rail initiative, we successfully demonstrated digitally coupled trams using radio remote control systems. This innovative system aims to help operators increase rail capacity on tracks by operating trains closer together without compromising on safety.



Designing for a Smooth Ride

The new high-speed transonic wing of the Global 7500 aircraft is one of its signature components. The wing design contributes to the aircraft performance through its optimized weight, flight control system architecture, improved aerodynamics such as its patented inboard slat cut, and structural improvements such as straight leading-edge slats for higher wing loading and stability.



Setting the Benchmark on Performance

In the year since its entry-into-service, the Global 7500 has continued to set records and be recognized for its design and performance. In 2019, the aircraft set speed and distance records, including completing the longest non-stop city pair in business

aviation history, demonstrated its steep-approach and short landing capabilities and garnered five prestigious awards.

The Global 7500 is also the only business aircraft designed using a total life-cycle approach, making the design for environment an integral part of how we innovate.

GLOBAL 7500 AIRCRAFT: ENGINEERED FOR EXCELLENCE

- Industry-leading 7,700 nautical mile range
- Top speed of Mach 0.925 and exceptional short-field performance
- Only business jet to accommodate four true living spaces
- Next generation fly-by-wire technology to maximize safety
- Advanced air management system offering 100% outside air or Purification setting

DELIVERING A SUPERIOR CUSTOMER EXPERIENCE

On the ground and in the air, our products provide customers with world-class transportation experience. To meet their evolving needs, our ambition is to build stronger customer relationships, achieve an unparalleled level of satisfaction and loyalty, and make sure customers can experience our products to the fullest. Put simply, our job is to make customers' lives better.

Over the past year, we have been actively working to further create an optimized service experience – one that thoroughly anticipates our customers' needs. This has included bringing into service new generation solutions that surpass customer expectations, using big data to revolutionize how our customers use our products, delivering superior aftermarket services and staying fully connected with our customers in real time.

Delivering Value to Customers

We are driven by the desire to offer unmatched value to our customers and we continuously work at improving efficiency and reliability of our products and services. Our *Challenger 350* aircraft was the most delivered business jet in the super mid-size segment again last year. The aircraft has the lowest direct operating cost in its class, through affordable maintenance programs and longer maintenance intervals than the competition.

In rail, we recently started using drones for inspection of rolling stock and facilities as part of our offerings for customers in the United Kingdom. This innovative technology lowers maintenance costs and enables customers to increase inspections without disrupting operations.

In 2019, our Rail Control Solutions team in Asia Pacific also started a partnership with the Climate Bonds Initiative (CBI) to further help our customers in emerging markets advance rail projects by leveraging green bonds opportunities. Green bonds represent an exciting new source of capital to realize large, climate-friendly infrastructure projects like rail. As a not-for-profit organization working to mobilize the bond market for climate change solutions, CBI delivered training sessions to our leadership team, structured finance, sales and bids teams, as well as offered a broader training session to key employees.

Redefining Passenger Experience

Our new generation of mobility solutions are the result of an unrelenting commitment to excellence and a desire to give our customers an exceptional experience. The *Global 7500* aircraft offers a unique spaciousness, being the only business jet to offer four distinct living spaces. Last year, we continued to elevate offerings for our customers, launching three new features: an advanced *Soleil* cabin lighting, the immersive *l'Opéra* audio system, and the newly designed *Nuage* seat.

Offering Superior Customer Support

Over the past few years, we have been actively working to grow our global customer experience footprint, introducing new features and services for our customers. We have reinvested in parts inventory, expanded maintenance stations and service centres, and grown our operations and maintenance services.

In Aviation, we continued to deliver a double-digit organic growth in 2019 and extended our customer support substantially around the world. We launched new line maintenance stations in Dubai, Teterboro and Van Nuys, expanded our Paris line maintenance station, announced expansions of service centre offerings in Singapore and China, and also announced the development of a new service centre in Miami Dade Opa-Locka. With our new Service Touchpoint survey, customers can also now communicate directly with our leadership team on their customer experience.

In Transportation, signalling can play a dynamic role in optimizing total system performance, leading to increased customer satisfaction. For instance, for the Shenzhen Metro Line 3, equipped with our *CITYFLO 650* solution, we are working to introduce a diagnostic monitoring program and build an upgrade testing lab on site to support the whole life of the signalling system.

▶ *Global 6500* aircraft entry-into-service

▶ 200 aircraft serviced daily by Aviation

▶ 56% order increase for rail signalling and services¹

¹ In dollars. As at December 31, 2019. Compared to order intake as at December 31, 2018.



Global 6500: Elevating our Customer Offering to New Heights

The entry-into-service of the *Global 6500* marked a significant milestone in 2019, offering unmatched passenger comfort, greater range, a larger cabin and a smoother ride than competitor aircraft in the same class.

- Strong environmental performance
- 13% more fuel efficient compared to previous generation
- Advanced aircraft health management system
- *Nuage* seat, the only seat with deep recline, floating base and tilting headrest
- *Nuage* chaise, converting into a flat surface for sleeping or banquet-style dining
- Air management system offering 100% outside air or Purification setting

Nuage chaise, *Global 6500* aircraft

DESIGNING FOR COMFORT AND ELEGANCE

In 2019, our recently-launched *ZEFIRO* Express intercity train for Sweden's Västra Götaland region received the Brandenburg Design Award.

The award recognized the train's striking exterior, which is characterized by a classic Scandinavian design that merges practical functionality with modern elegance and a subdued colour scheme. The design process presented a unique challenge to create an attractive train that could still function efficiently in the region's demanding winter conditions.

The award also highlighted the spacious interior architecture focused on passenger experience and comfort, namely featuring a smart lighting concept that creates a serene ambiance for passengers.



ZEFIRO Express intercity train

CONTINUOUSLY STRIVING FOR OPERATIONAL EXCELLENCE

Over the past few years, we have been focused on improving efficiency and productivity, while taking actions to create a leaner, more focused business to better serve our customers.

Streamlining our business

In 2019 and early 2020, we announced transactions to exit from commercial aerospace and we streamlined remaining aerospace activities and engineering capabilities under one single Aviation business.

We also reshaped our rail business, improving our design-to-production process. While steady progress was made, we still experienced challenges and delays on key legacy rail projects, which negatively affected our financial performance for 2019. In early 2020, we announced our strategic decision to accelerate the deleveraging of our balance sheet through the sale of our Transportation division to Alstom SA.

Improving Efficiency and Productivity

Last year, we completed our rail transition towards standardized product platforms that work to build more commonalities and scale up innovations. Almost 70% of new orders in 2019 came from high reuse platforms, options on existing rolling stock, service contracts and signalling projects, which carry lower execution risk.

▶ Ramped up the *Global 7500* aircraft

All through our turnaround journey, we have managed our business with prudence, maintained a solid liquidity position and kept our sight on our end goal: gain the right financial flexibility to face growing challenging environments. To improve our performance, we spent recent years building our organization and streamlining our aerospace and rail businesses to become a much more focused company. As a result, we are now concentrated on our key strengths.

In Aviation, we focused on ramping up new programs. In 2019, we celebrated the successful certification and entry-into-service of the *Global 6500* aircraft, on-time and on-budget. We also made significant progress on our *Global 7500* production learning curve and acquired the wing program from Triumph Group, Inc. to ensure a seamless transition from design to production.

Empowering our Supply Chain

Engaging with a thriving supply chain is essential to our success. Over the past years, we have taken significant steps to streamline procurement activities. Last year, we also extended our Supplier Diamond Awards to our rail business, sharing best practices and highlighting suppliers operational performance and competitiveness. The awards aim to:

- Motivate our supply chain to achieve excellence;
- Build mutually beneficial relationships with suppliers;
- Align our language, expectations, and definition of excellence; and
- Source strategically and make better decisions for partnerships.

▶ Recognized high-performing suppliers

Managing Supply Chain Risks

While improving operational efficiency, we have strengthened our processes to reduce risks in our supply chain. Guided by our revised Third-Party Due Diligence Policy, our supply chain organization has formalized its risk assessment procedure prior to engaging with new suppliers and conducts reviews based on their operational risk framework. Last year, we also reviewed our Supplier Code of Conduct to keep on par with international standards, especially with respect to anti-corruption, human rights and forced labour.

Many of the issues associated with global procurement are common to all our industry. We continuously collaborate with industry peers to enhance sustainable supply chain management and find alternatives to comply to changing regulations when certain chemicals become obsolete. In Aviation, we also provided trainings on environmental compliance and management to our supply chain agents.

Navigating through Uncertain Times

The current global economic and sanitary crisis caused by the COVID-19 pandemic is significantly impacting our activities. We already took the decision to suspend our 2020 financial outlook to reflect the uncertainty related to the financial impact of the pandemic on our global operations.

▶ Announced aviation divestitures



State-of-the-Art Manufacturing

Global 7500 aircraft manufacturing

INVESTING IN ADVANCED TECHNOLOGIES

Each aspect of the thoughtful design of the *Global 7500* is built using new and advanced manufacturing technologies. The ramp-up in production of our *Global 7500* program has been successful thanks to these technologically advanced tools and processes, resulting in first-time quality and high efficiency.

- A state-of-the-art Automated Positioning System uses laser guidance to position major components for joining.
- A robotic arm for precision drilling ensures that no sharp aluminum extends beyond the edge of the cut.
- Advanced practices in dimensional management determine variations between design dimensions and actual dimensions to increase efficiency and achieve first-time quality.
- Reconfiguration of the shop floor includes a fully-enclosed finishing department to increase quality.

Higher Efficiency



50%

Reduction in required time for engine installation

CREATING A WORKFORCE FOR OUR FUTURE

As part of our transformational journey, we have rethought how we work to strengthen our performance, reduce operating costs and achieve best-in-class productivity. Our focus is now on leveraging the full potential of our more than 60,000 employees representing 139 nationalities to create a skilled, inclusive and diverse workplace where every employee feels empowered and respected.

Last year, we focused our actions on reinforcing tools and strategies offered to our employees so they develop their skills and competences, feel part of an inclusive community and embrace a high-performance culture. We also launched a brand-new internship program to ensure we train the next generation of talented leaders.

Engaging with our Employees

Over the past few years, our transformation journey has undoubtedly affected our employees across Bombardier. In times of change, it is critical to listen to our people and provide the right set of channels to collect their feedback. Employee engagement remains a strong focus, and last year we completed a pulse survey to complement our full two-year employee survey. This pulse survey permitted our employees to speak their mind through this anonymous and open dialogue and informed us of the areas that necessitated the most attention.

Focusing our Diversity and Inclusion Strategy

With our changing global footprint, we remain committed to providing an inclusive workplace to a diverse workforce. To focus our efforts, last year, we began formalizing our future

diversity and inclusion strategy and hired a dedicated Talent and Diversity lead. We launched a number of awareness campaigns, including unconscious bias webinars for managers and embedded diversity and inclusion content in leadership training modules.

As part of our rigorous focus on gender balance, we paired high-potential female with executive mentors. We also deployed an internal gender pay gap tool and engaged in a three-year collaboration with "Women in Governance" to grow women representation in our workforce under their Parity Certification program.

Investing in our Future

Attracting talented individuals is key to the success of our business. This is why we are committed to early career development programs designed to increase the talent pool in the rail and aerospace sectors through industry placements, apprenticeships, and internship programs.

The year 2019 marked a new internship record for us. We committed \$17 million CAD to educate and develop the next generation of innovators and business leaders through 1,000 paid internship positions in Canada in a single academic year, partnering with more than 20 colleges and universities.

With this program, we aim to provide students with practical real-world experiences that complement their academic training and better prepare them for a career in our field. We believe this program will also help tackle the important projected skills shortages and underrepresentation of women in the transport sector, since we have committed to reaching a 40% female participation in the program.

Optimizing Training and Development Platforms

Our employees have their own career development plans, supplemented by opportunities for high-potential employees to work closely with our leadership teams. Last year, we continued to enhance our Bombardier Academy of Learning to enable an automated and self-service platform for our teams, focusing on functional skills as well as leadership development. As part of our leadership training, we finalized the curriculum of our Leadership MasterClass, an advanced development program focused on strengthening the competencies of our Executives, which will be piloted in 2020 with a sample from the executive pool.

Bombardier Academy of Learning

Full deployment in 2020

As an employer of choice, we are committed to investing in the development of our talent by providing state of the art learning solutions accessible to all. The Bombardier Academy of Learning portal is ready to be fully launched in 2020, encouraging employee empowerment, autonomy, and self-driven initiatives with hand-picked learning materials accessible at all times.

The Academy focuses on many aspects of development, including:

- ❑ Self-development;
- ❑ Leadership development;
- ❑ Team development; and
- ❑ Functional complementary skills on ethics, diversity, health & safety, and environment.

Through the portal, our employees can take charge and develop a strong foundation in five leadership competencies:

- ❑ Driving success;
- ❑ Providing direction;
- ❑ Engendering confidence and trust;
- ❑ Building effective teams; and
- ❑ Leading change.

In 2019, we also initiated a pilot project by offering 2,000 employees access to the LinkedIn Learning Program.

Employees, Querétaro facility, Mexico



➤ 2,000 LinkedIn Learning licenses granted

➤ 1,000 paid internship positions offered in Canada

➤ Gender Parity Certification program started

DELIVERING EXCELLENCE IN PREVENTIVE CULTURE

Our aim is for a HSE preventive culture that goes beyond compliance to one that people feel empowered by. Over the past year, we continued to make progress towards our zero harm ambition. Our efforts focused on three key areas: visible leadership, preventive risk management, and HSE best practice sharing to foster continuous improvement.

Embracing Visible Leadership

Executive leaders hold quarterly HSE meetings, with structured follow-ups and performance monitoring, and health and safety results are also reviewed by the Board of Directors through its Human Resources and Compensation Committee on a quarterly basis. The visible embrace of HSE preventive culture by our leaders and their interactions with our employees have been important in motivating and generating a revised sense of ownership for HSE at all levels.

Last year, our management teams at Transportation reinforced the importance of promoting a positive safety culture and participated in a HSE preventive culture e-learning series to further their knowledge and engagement.

In Aviation, we also deployed a new “We Care” program. The program aims at placing the employee at the center of all health and safety actions and ensuring people feel listened to and cared for. At Transportation, where we have the largest operational footprint, our senior leaders stepped up their involvement by actively participating in more than 18,500 compliance-driven and leadership safety tours across our sites worldwide and conducted deep dives on our critical safety risks and adherence to safety directives. Transportation also produced a series of videos highlighting leaders in action during safety tours to elevate the message to all employees worldwide.

Focusing on Preventive Risk Management

Our health and safety management system, which we are now transitioning to the ISO 45001 standard to further proactive risk control and leadership involvement, defines the requirements we follow to identify and manage HSE risks and impacts across our operations. Over the years, our focus has been on better understanding the site activities and processes that could lead to critical risks.

▶ 51% incident rate reduction since 2014

▶ ISO 45001 management system transition underway

▶ 45+ alerts and 85+ best practices shared across sites

1. Refer to our 2020 First Quarterly Report for complete description of impacts of COVID-19 pandemic.

Safety is a core value that we strive to embed in everything we do. Our journey towards leadership in a Health, Safety & Environment (HSE) preventive culture is driven by our zero harm mindset and belief that all incidents can be prevented. The safety of our people, our communities and the environment around us is paramount and we expect all those who work for or on our behalf to adopt this same commitment.

Last year, we reviewed and updated our standard rules for critical risks at Aviation and, based on this review, we will be deploying a safety consequence management standard across our sites in 2020. At Transportation, we also started using predictive analytics on both our critical incidents and near misses to gain insights into patterns and correlations, to help us anticipate where and how incidents might occur next.

Prioritizing Safety in a Global Crisis

Since the start of 2020, the global COVID-19 pandemic has greatly affected our operations. We are implementing the necessary measures to protect our employees, customers and suppliers and do our part to limit the spread of the virus. We implemented travel restrictions globally, increased the frequency of our stringent cleaning and disinfection measures across our offices, production sites and maintenance facilities and took additional country and location-specific measures that comply with local guidelines and restrictions such as asking employees who can work from home to do so. Safety remains our number one priority.¹

Leveraging Best Practices to Achieve Zero Harm

With more than 70 production and engineering sites across the globe, we always look to improve ways to ensure prevention measures are applied systematically and best practices leveraged globally. In 2019, more than 85 best practices were shared and more than 45 lessons learned were raised and implemented across sites.

For example, the cohabitation campaign best practice at our *Challenger* plant in Canada was shared with all HSE teams worldwide. The campaign puts the reality of employees and their colleagues front and center to raise employee awareness regarding internal circulation issues. Through the campaign, participants are proud to share their prevention messages and employees better relate to them.

Sharing such best practices increases commitment towards an HSE preventive culture. Engagement from leaders and employees, and their disciplined and relentless focus on critical risks have also been important success factors. As a result of these actions, several large manufacturing and servicing sites celebrated impressive milestones in zero lost time incident last year, including:

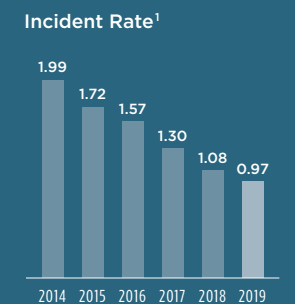
- 15 years in Kingston, Canada;
- 15 years in Camden, USA;
- 6 years in Pittsburgh, USA;
- 5 years in Kuala Lumpur, Malaysia;
- 1,300+ days in Savli, India;
- 1,000+ days in Kassel, Germany; and
- 1,000+ days in Casablanca, Morocco.

Safety tour, Hennigsdorf facility, Germany

DRIVING PERFORMANCE THROUGH CONTINUOUS IMPROVEMENT

We are diligent in reinforcing and embracing a mindset of continuous improvement. Sites regularly receive updates on incident investigations and action-oriented directions to prevent similar incidents from occurring. We also regularly refresh communications on our key safety values and behaviours, and share best practices from sites with lower incidents.

As a result of our efforts, our safety performance has been gradually improving. Our incident rate is down 51%, from 1.99 in 2014 to 0.97 in 2019 and some of our largest manufacturing and services sites are proud to have achieved continuous months with zero incidents.



1. Number of recordable cases, expressed per 200,000 hours worked.

MANAGING OUR RESOURCES EFFICIENTLY

As we evolve our business for the future, we are innovating our operations in a way that creates more value from fewer resources and reduces environmental impacts. More than ever, there is a real sense of urgency for climate action and a growing concern that the natural resources we rely on to produce our products will become scarcer and more expensive. We want to be ready to tackle these challenges.

By reducing our footprint and using resources more efficiently, we can also improve cost efficiencies and build competitiveness in our business. Anchored by our ISO 14001 Environmental Management System, we are now actively defining our next cycle of environmental targets and long-term objectives, designed to help further reduce our environmental footprint, as well as drive greater efficiencies in the business. Our priorities will be focused on reducing our energy, greenhouse gases (GHG), waste and water across our value chain.

Energy and GHG Management

In 2019, we improved our energy and GHG efficiency by 7% and 10%, respectively, surpassing our fixed one-year target to sustain our 2018 results. The majority of our energy consumption is driven by production and demand for cooling and heating. In 2019, more than 50% of energy requirements for electricity

were supplied by renewable electricity sources, an increase from 2018. Last year, we also completed the voluntary adhesion of our eligible sites to the Western Climate Initiative's (WCI) cap and trade system for GHG allowances, which connects markets from Quebec, Nova Scotia and California. This decision helps lower climate impacts from our operations, and offers both environmental and cost saving.

Water Consumption

Efficiencies in water consumption have realized a 4% reduction in water use in 2019. Although our water consumption levels remain low, we have been making sure water use is metered and measured to improve data quality and reporting. We also made structural changes at many of our sites to further reduce water leaks and optimize consumption.

Waste Generation

Measures to reduce waste at our manufacturing sites are focused on the recovery of solvent waste, better segregation of materials, and offering our customers technologies and solutions to help reduce their material use. Despite these efforts, we saw our total waste generation (both hazardous and non-hazardous) increase by 3% compared to 2018, while valorization rate remained at 84%.

Eco-efficient Manufacturing

In the past ten years, our new buildings have received LEED certifications or have been built following eco-efficiency best practices adapted to regions' environmental concerns. We continue to follow this approach for ongoing constructions. Moving forward, we are determined to put a premium on eco-efficiency with our Singapore, Biggin Hill and Florida sites now planned to be built following this approach.

Fueling a More Sustainable Aviation Industry

The aviation industry has been proactive in recognizing and tackling its climate change impact. On the technology side, we continue to make huge strides in aircraft efficiency, as original equipment manufacturers like Bombardier invest and innovate. New engines and advancements in aerodynamics contribute to delivering reduced fuel burn.

That said, we know that technological improvements are only part of the solution. For this reason, Bombardier is leading the way to ensure that sustainable aviation fuels (SAF) become a standard for the industry, for our customers and in our day-to-day operations. Since 2017, we have been using SAF during

demonstration flights as well as during flights to major air shows and events to raise industry awareness of SAF as a mainstream, drop-in alternative to traditional jet fuel for business aircraft.

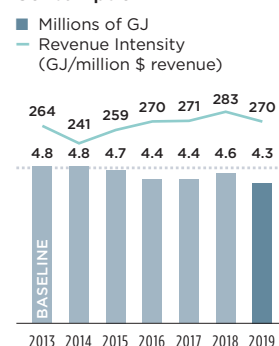
In 2019, we played a leading role advancing actions through the General Aviation Manufacturers Association (GAMA) Environment Committee and we organized four industry-wide SAF demonstrations. We also received an inaugural shipment of SAF at our delivery centre in Montréal, Canada to offer to our customers on delivery flights. This is a first step in our plan to secure long-term supplier partnerships for SAF to all our facilities, as worldwide supply becomes more readily available.

KEY FACTS ON SUSTAINABLE AVIATION FUELS

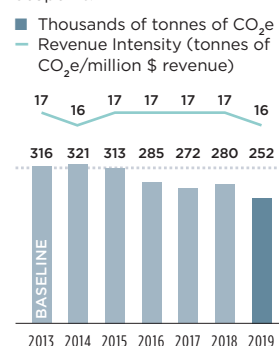
- Are made of non-petroleum-based or blended components, e.g., used cooking or plant oils, solid municipal waste, biomass, agricultural residues
- Reduce net life-cycle CO₂ emissions
- Respect the same standards as jet A/A-1 fuel
- Enable drop-in jet fuel production from different raw material sources
- Offer superior benefits to petrol-based jet fuel in environmental, social and economic aspects

ENVIRONMENTAL PERFORMANCE

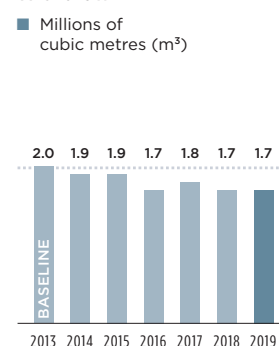
Total Energy Consumption



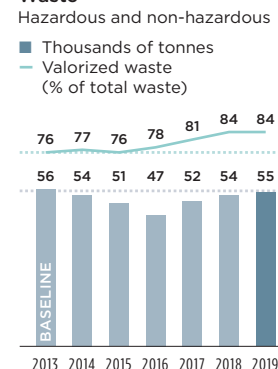
GHG Emissions Scope 1 & 2



Water Withdrawn



Waste



INITIATING A DECARBONIZATION TRANSITION PLAN

As a leading manufacturer, we know the important role we can play to address the growing threat of climate change, while embracing the opportunity to drive innovation, increase competitiveness and stimulate growth. We also recognize the importance of communicating transparently on our approach and we are looking to align with the recommendations from the Task Force on Climate-related Financial Disclosures.

Our Aspiration

Achieve net zero emissions by 2050, with the aim of limiting planetary warming to less than 2°C when compared to pre-industrial levels.

Our Game Plan

Over the next year, we plan to formalize our plan on how we will achieve our net-zero aspirations. We already have a number of initiatives underway to:

- Increase R&D in clean products development and electrification;
- Improve energy efficiency in our operations;
- Source renewable energy;
- Secure the long-term supply of sustainable aviation fuels; and
- Optimize carbon offsets.

ACHIEVING A WORLD-CLASS ETHICS PROGRAM

A strong ethical culture is fundamental to our success. It helps us attract, hire and retain the very best people. It reinforces our ability to compete with integrity in the most competitive global markets. And, it gives us a sense of pride and instills confidence in all our stakeholders that we are a trustworthy partner. From the boardroom to day-to-day operations on our shop floors, our compliance culture permeates all facets of our business.

Last year, under the oversight of our Ethics and Compliance Office, we took important steps to build upon and strengthen our solid foundation of ethics and compliance. We renewed our Ethics and Compliance management system, refreshed our codes and compliance policies, expanded our training program, and continued to develop our Ambassadors network and promote a safe environment for employees to speak up.

Strengthened Ethical Leadership

Our senior leadership team sets the right tone from the top and continues to reinforce our shared responsibility to all act with openness, honesty, and with unwavering integrity. They communicate regularly on the importance of nurturing and growing a strong compliance awareness culture. Through the Ethics

and Leadership series, we bring to life the important role our leaders play to inspire the right behaviours in us and create a safe environment for employees to speak up. We also strengthened our ethics and compliance on-boarding process for new employees to ensure they share our values right from the start and know the channels available to them to report any concerns.

Renewed Code of Ethics and Policies

Our Code of Ethics and Supplier Code of Conduct set the global standards for our business and activities, underpinned by our values of integrity, respect for others, and commitment to excellence.

In alignment with international standards, last year we strengthened both our Code of Ethics and Supplier Code of Conduct and updated several corporate policies to reflect the ever changing global environment in which we operate,

as well as our key risks areas – corruption, anti-trust, gifts and entertainment, conflicts of interest, harassment, money laundering and export control. The revised Code of Ethics is available in 16 languages, and is supplemented by tools and resources to provide information, support and training for employees on related topics.

Reinforced Ethics and Compliance Culture

In 2019, we updated our ethics and compliance online training portfolio to reflect our new corporate policy and empower our employees with the right knowledge on corruption, anti-trust, data privacy, conflicts of interest, harassment, as well as reporting potential misconduct. We also enhanced our ethical leadership development program for managers to reflect the importance of living our Codes

and values in everyday decision-making. Furthermore, a face-to-face training was provided to shop floor employees on the new Code of Ethics.

When employees have questions, concerns or need specific training, they can turn to our on-site Ethics and Compliance Ambassador network, now comprising over 90 ambassadors in more than 80 of our sites around the world.

As a result of these programs, we have measured increased commitment from our employees to acting ethically and with integrity and have clear indicators of a thriving ethical culture.

Shared Responsibility to Speak Up

Our new Reporting and Non-Retaliation Policy deployed in 2019 defines our reporting processes and formalizes our promise to protect employees who come forward in good faith with ethical concerns.

Empowering and encouraging our employees to identify instances of potential wrongdoing provides us with an extra safeguard in the event of unforeseen failures or violations.

Employees have access to various resources, including our online reporting system, to get advice, and to report suspected cases of misconduct – and can always remain anonymous. In the past year, we have seen an increased trust from employees to use these channels to raise concerns and potential violations. When suspected cases are raised, we take them seriously and fully investigate them in a confidential manner and take disciplinary action, up to and including dismissal, where appropriate.



Last year, we renewed our Ethics and Compliance management system to ensure all our actions gravitate around a state-of-the-art and sustainable system.

ADVANCING OUR ETHICS AND COMPLIANCE PROGRAM

Ethical Culture

Promoted active involvement and communications from management such as through the Ethics and Leadership series to ensure there is the right tone from the top.

Solid Foundation

Refreshed our Code of Ethics and Supplier Code of Conduct, as well as 8 compliance policies to continue to align with best practices and international standards.

Regular Training

Provided 10 online training modules to office employees worldwide totaling 6 hours of training and reaching a 97% completion rate. Provided in-person training on Code of Ethics to shop floor employees.

Strong Organization

Strengthened our Ethics and Compliance Ambassadors Network, now comprising 90+ Ambassadors in nearly 30 countries to provide direct support to employees.

Engaging Communications

Ensured continuous awareness on ethics and compliance and how to speak up, including through Ethics in Action series, awareness posters and roadshows.



FLEXITY tram, Strasbourg, France

HELPING SOCIETIES PROSPER AND GROW

We believe the most effective community programs are those that not only provide real social benefits but also add value to our business. Our community program is anchored by three themes – education, environmental sustainability and stakeholder engagement – as well as the work of our philanthropic arm, the J. Armand Bombardier Foundation in Canada. It supports our priority to make a real and positive difference in our local communities.

EDUCATION

Training for a Bright Future

In Canada, we fostered the next generation of aerospace professionals by donating a *Global 7500* Flight Test Vehicle to Centennial College in Ontario, providing students with hands-on training experience with a technologically advanced, cutting-edge business jet. We also contributed \$150,000¹ for the completion of the college's Landing Gear Research Project and the extension of the educational program.

In India, we co-hosted a nationwide competition for engineering students – Ingenium India 2019 – which covered a wide array of engineering topics and attracted thousands of applicants from technical programs across the country. Last year's winners were offered a visit to Bombardier's site in Derby, UK.

ENVIRONMENTAL SUSTAINABILITY

Promoting Environmental Stewardship

We continue to foster our long-term partnership with Grupo Ecologico Sierra Gorda IAP, a community organization working to protect the Sierra Gorda Biosphere Reserve in Mexico. Since 2017, our support has been focused on reducing CO₂ emissions from our operations through a voluntary carbon offset project. In 2019, we helped protect 250 hectares, capturing a total of 1,250 tons of CO₂.

Helping build a Marine Stop in La Pocatière, Québec, where we operate, will offer educational and knowledge-sharing activities to visitors on biodiversity and benefits of the local river's salt marshes. The eco-education project will feature a permanent exhibit and a series of educational workshops, and provide special access to the marshes.



Centennial College's Bombardier Centre for Aerospace and Aviation, Toronto, Canada

STAKEHOLDER ENGAGEMENT

Fighting the COVID-19 Pandemic

In early 2020, we deployed resources and capacities to help support public authorities in the fight against COVID-19. In particular, we designed and produced more than 40,000 protective visors, supported the manufacturing of close to 30,000 ventilators and donated thousands of gloves and masks from our inventories. Our aircraft, including our *Global 6500* demonstration aircraft, were also utilized for humanitarian and medical transport worldwide.

J. ARMAND BOMBARDIER FOUNDATION

Building Capacity through Collaboration

Funded from the company's profits, the J. Armand Bombardier Foundation contributes to the development of communities and supports organizations that foster capacity building and human dignity in Canada. Beyond financial contribution, the Foundation helps organizations maintain their relevance by focusing on the culture of change and their capacity to innovate.

Philagora is the Foundation's capacity building program built specifically for the non-profit sector. It aims to support organizations in their development and to promote social innovation. This innovating and unique program is two-fold: a series of workshops, conferences and events offered to community organizations, and a coaching cohort for non-profit executive directors to deepen knowledge and capabilities to help organization reach new heights.

Most recently, the Foundation responded to the COVID-19 crisis, helping the most vulnerable members of our society and funding a medical trial to treat the infection.

► \$2.5M invested in our communities

► 200+ community organizations supported

► \$4.2M donated by the J. Armand Bombardier Foundation¹

► 350 organizations reached through Philagora in 2019

¹. In Canadian dollars.

ABOUT THIS REPORT

Bombardier's 2019 Activity Report is guided by the Global Reporting Initiative Standards and the International Integrated Reporting Council framework. This report shows how Bombardier integrates financial, societal and environmental considerations to create sustainable, long-term value. It is part of our ongoing dialogue with stakeholders. We welcome your feedback and questions at csr@bombardier.com.

Our 2019 Activity Report addresses Bombardier's performance across all our facilities worldwide including our joint ventures. We have included financial data for Bombardier Inc. and its subsidiaries as well as updates on the societal, environmental, governance and economic issues that are most important to the company and our stakeholders. This report includes quantitative data reflecting our performance for the year ended December 31, 2019. Most of the financial information in this report is extracted from our 2019 Annual Financial Report. All financial figures are in U.S. dollars unless otherwise stated. For more detailed information regarding our financial disclosures for the year ended December 31, 2019, please see our 2019 Annual Financial Report.

Data Verification

The information provided for our environmental indicators is partially verified by an external party. Energy and GHG emissions data from our Belfast, U.K. site is verified by external parties under the EU ETS, which includes BSI Assurance UK Ltd., located at Kitemark Court, Davy Avenue, Knowlhill, Milton Keynes, Buckinghamshire, MK5 8PP. In addition, nine Transportation sites (six in Germany, as well as sites in Austria, Spain and Hungary) also receive annual external verification of all environmental data under the EMAS. Two sites in Montréal (Canada) receive external verification for GHG emissions under the Québec cap-and-trade system for GHG emission allowances (C&T system).

Forward-looking Statements

This Activity Report includes forward-looking statements, which may involve, but are not limited to: statements with respect to our objectives, anticipations and outlook or guidance in respect of various financial and global metrics and sources of contribution thereto, targets, goals, priorities, market and strategies, financial position, market position, capabilities, competitive strengths, credit ratings, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; general economic and business outlook, prospects and trends of an industry; expected demand for products and services; growth strategy; product development, including projected design, characteristics, capacity or performance; expected or scheduled entry-into-service of products and services, orders, deliveries, testing, lead times, certifications and project execution in general; competitive position; expectations regarding challenging Transportation projects and the release of working capital therefrom; expectations regarding revenue and backlog mix; the expected impact of the legislative and regulatory environment and legal proceedings; strength of capital profile and balance sheet, creditworthiness, available liquidities and capital resources and expected financial requirements; productivity enhancements, operational efficiencies and restructuring initiatives; expectations and objectives regarding debt repayments and refinancing of bank facilities and maturities; expectations regarding availability of government assistance programs, compliance with restrictive debt covenants; expectations regarding the declaration and payment of dividends on our preferred shares; intentions and objectives for our programs, assets and operations; and the impact of the COVID-19 pandemic on the

foregoing and the effectiveness of plans and measures we have implemented in response thereto. As it relates to previously announced pending transactions, including the divestiture of our operations in Belfast and Morocco, the sale of the CRJ aircraft program, and the sale of the Transportation division to Alstom (collectively, the "Pending Transactions"), this Activity Report also contains forward-looking statements with respect to the expected completion and timing thereof in accordance with their terms and conditions; the respective anticipated proceeds and use thereof, as well as the anticipated benefits of such transactions and their expected impact on our outlook, guidance and targets, operations, infrastructure, opportunities, financial condition, business plan and overall strategy.

Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may", "will", "shall", "can", "expect", "estimate", "intend", "anticipate", "plan", "foresee", "believe", "continue", "maintain" or "align", the negative of these terms, variations of them or similar terminology. Forward-looking statements are presented for the purpose of assisting investors and others in understanding certain key elements of our current objectives, strategic priorities, expectations, outlook and plans, and in obtaining a better understanding of our business and anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

By their nature, forward-looking statements require management to make assumptions and are subject to important known and unknown risks and uncertainties, which may cause our actual results in future periods to differ materially from forecast results set forth

in forward-looking statements. While management considers these assumptions to be reasonable and appropriate based on information currently available, there is risk that they may not be accurate. The assumptions are set out throughout this Activity Report (particularly, in the assumptions below the Forward-looking statements in the MD&A of our financial report for the quarter ended March 31, 2020). For additional information, including with respect to other assumptions underlying the forward-looking statements made in the Activity Report, refer to the Strategic Priorities and Guidance and forward-looking statements sections in the applicable reportable segment in the MD&A of our financial report for the fiscal year ended December 31, 2019. Given the impact of the changing circumstances surrounding the COVID-19 pandemic and the related response from the Corporation, governments (federal, provincial and municipal), regulatory authorities, businesses and customers, there is inherently more uncertainty associated with the Corporation's assumptions as compared to prior periods.

Certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, risks associated with general economic conditions, risks associated with our business environment (such as risks associated with "Brexit", the financial condition of the airline industry, business aircraft customers, and the rail industry; trade policy; increased competition; political instability and force majeure events or global climate change), operational risks (such as risks related to developing new products and services; development of new business and awarding of new contracts; book-to-bill ratio and order backlog; the certification and homologation of products and services; fixed-price and fixed-term commitments and production and project execution, including challenges associated with certain Transportation projects; pressures on cash flows and capital expenditures based on project-cycle fluctuations and seasonality; execution of our strategy, transformation plan, productivity enhancements, operational efficiencies and restructuring initiatives; doing business with partners; inadequacy of cash planning and management and project funding; product performance warranty and casualty claim losses; regulatory and legal proceedings; environmental, health and safety risks; dependence on certain customers, contracts and suppliers; supply chain risks; human resources; reliance on information systems; reliance on and protection of intellectual property rights; reputation risks; risk management;

tax matters; and adequacy of insurance coverage), financing risks (such as risks related to liquidity and access to capital markets; retirement benefit plan risk; exposure to credit risk; substantial debt and interest payment requirements; restrictive debt covenants and minimum cash levels; financing support for the benefit of certain customers; and reliance on government support), market risks (such as foreign currency fluctuations; changing interest rates; decreases in residual values; increases in commodity prices; and inflation rate fluctuations). For more details, see the Risks and uncertainties sections in Other in the MD&A of our financial report for the quarter ended March 31, 2020 and in the MD&A of our financial report for the fiscal year ended December 31, 2019. Any one or more of the foregoing factors may be exacerbated by the growing COVID-19 outbreak and may have a significantly more severe impact on the Corporation's business, results of operations and financial condition than in the absence of such outbreak. As a result of the current COVID-19 pandemic, additional factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to: risks related to the impact and effects of the COVID-19 pandemic on economic conditions and financial markets and the resulting impact on our business, operations, capital resources, liquidity, financial condition, margins, prospects and results; uncertainty regarding the magnitude and length of economic disruption as a result of the COVID-19 outbreak and the resulting effects on the demand environment for our products and services; emergency measures and restrictions imposed by public health authorities or governments, fiscal and monetary policy responses by governments and financial institutions; disruptions to global supply chain, customers, workforce, counterparties and third-party service providers; further disruptions to operations, production, project execution and deliveries; technology, privacy, cybersecurity and reputational risks; and other unforeseen adverse events.

With respect to the Pending Transactions, certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to: the failure to satisfy closing conditions, including regulatory approvals, or delay in completing such transactions and, as regards the sale of the Transportation division, the failure to enter into definitive documentation or the failure to receive Alstom shareholder approval in respect of the required capital increase or to

complete relevant works council consultations, or the occurrence of a material adverse change; alternate sources of funding to replace the anticipated proceeds from the Pending Transactions may not be available when needed, or on desirable terms; the occurrence of an event which would allow the parties to terminate their obligations or agreements in principle; changes in the terms of the transactions; the failure by the parties to fulfill their obligations and agreements in principle; risks associated with the loss and replacement of key management and personnel; and the impact of the transactions on our relationships with third parties, including potentially resulting in the loss of clients, employees, suppliers, business partners or other benefits and goodwill of the business.

Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. For more details, see the Risks and uncertainties sections in Other in the MD&A of our financial report for the quarter ended March 31, 2020 and in the MD&A of our financial report for the fiscal year ended December 31, 2019. Other risks and uncertainties not presently known to us or that we presently believe are not material could also cause actual results or events to differ materially from those expressed or implied in our forward-looking statements. The forward-looking statements set forth herein reflect management's expectations as at the date of this Activity Report and are subject to change after such date. Unless otherwise required by applicable securities laws, we expressly disclaim any intention, and assume no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this Activity Report are expressly qualified by this cautionary statement.

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AVENTRA train



Challenger 350 aircraft cockpit

