

ingenuity+

BOMBARDIER

2008 Corporate Responsibility Report

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We believe that a strategic approach to corporate responsibility is essential to addressing the challenges and opportunities of a rapidly changing world. This report shares our approach for managing our business in a sustainable manner. It focuses on our fiscal year 2008, which runs from February 1, 2007 to January 31, 2008, and includes qualitative discussions on some of our more recent initiatives.

We have aligned our report with the Global Reporting Initiative (GRI) G3 guidelines, and provide qualitative and quantitative information on selected GRI indicators. We cover the key sustainability issues in our two industries, aerospace and rail transportation, and bear in mind our stakeholders' expectations and feedback. We discuss corporate governance and ethics, our occupational health, safety and environmental performance, people development, community investments and stakeholder engagement.

This report provides information assessed by sustainability indexes and disclosure initiatives such as the United Nations Global Compact, Dow Jones Sustainability Index, Carbon Disclosure Project and by certain international and Canadian sustainability rating agencies. It also respects the reporting requirements of industry associations, specifically the International Air Transport Association (IATA) and the International Association of Public Transport (UITP).

We took significant steps internally to ensure the integrity and accuracy of the information in this report. To prepare for external assurance of our subsequent corporate responsibility reports, we are enhancing our data management process and will communicate our progress next year.

ingenuity + sustainability

This first corporate responsibility report provides a snapshot of our sustainability journey to date, as well as our priorities in the years ahead. It builds on our Corporate Responsibility Roadmap, published in 2007, and marks the next step in our formal reporting process.

Preparing this report taught us a great deal. It deepened our awareness of the key sustainability issues and the meaningful role we can play in addressing them. Taking a step back allowed us to realize how, in many instances, our ingenuity enables us to make the most of this role. It also gave us a rich opportunity to listen to and learn from some of our stakeholders. We intend to continue these fruitful exchanges.

While we are proud of our accomplishments in corporate responsibility, we recognize that we still have much to do. We look forward to sharing our progress and ongoing efforts and to contributing even more along this important journey in the years to come.



our journey

A message from our President and CEO

At Bombardier, we are pleased to issue our first company-wide corporate responsibility report. It is based on a comprehensive review, launched in 2007, of our sustainability activities. This review is serving many purposes. Foremost among them, it is allowing us to identify areas requiring improvement and better inform our stakeholders about our corporate responsibility activities.

Recent achievements include the publication of our 2007 Corporate Responsibility Roadmap, which presented the three pillars of our corporate responsibility commitment: Excellence, People and Environment. Signing the United Nations Global Compact and adopting its 10 principles of social responsibility are milestones, as is our listing on two Dow Jones Sustainability Indexes.

To make this report meaningful and transparent, we have presented our efforts and achievements, along with areas needing improvement. This report represents an honest attempt to do a better job of communicating to our stakeholders our corporate responsibility

performance, which includes a solid track record in philanthropy, environmental protection, and employee health and safety.

At Bombardier, sustainability means balancing long-term and profitable growth with the responsible management of our impact on communities, the environment and the economy. We design and manufacture products that help address some of the most urgent issues of our time, including climate change and urban congestion, and the need for sustainable modes of transportation.

Mobility is our business. Air travel is necessary in today's world, but we also recognize that it contributes 2% of the globe's greenhouse gas emissions.



That is why we are committed to developing more fuel-efficient aircraft such as the recently announced *CSeries* commercial aircraft, which will generate 20% less carbon dioxide emissions than current in-production aircraft in the same categories. Rail already ranks among the most sustainable means of transportation available, but we are determined to further minimize its environmental footprint. Our new *ECO4* portfolio of energy-saving products enables rail operators to increase energy efficiency by up to 50%.

Looking back on recent years, we have accomplished most of our objectives. Our good financial results speak to our responsible management. We also formalized our approach to corporate responsibility. Our employees continued to push ingenuity further to deliver environmentally focused products that meet the needs of our customers and communities.

Our industries and worldwide operations necessitate the involvement of a wide array of partners. In the past, we have had to adjust the way we assessed the risks and impacts of some of our

projects. Today, we have integrated the lessons learned from these experiences into how we do business. Our projects in India and South Africa, outlined in the Transportation section, attest to this fact.

Bombardier is a leader in both aerospace and rail transportation, and we are committed to achieving the same status in corporate responsibility. As we progress, we will focus on improving our performance and, as the theme of this report *Ingenuity +* suggests, identifying the areas where we can apply our ingenuity and expertise to create the greatest positive impact.

PIERRE BEAUDOIN

President and
Chief Executive Officer
Bombardier Inc.



We are a leader in both aerospace and rail transportation, and we are committed to achieving the same status in corporate responsibility.

mobility challenges + advanced solutions

In a world more interconnected than ever before, mobility is essential for economic and social development. That's why we take pride in building state-of-the-art planes and trains that carry people and goods where they need to go. To maintain our worldwide leadership in aerospace and rail transportation, we focus on developing ingenious and sustainable solutions to today's mobility challenges.

Headquartered in Montréal, Canada, Bombardier Inc. operates two industry-leading businesses: Bombardier Aerospace (BA) and Bombardier Transportation (BT). Our world-class transportation solutions range from commercial, specialized and amphibious aircraft, business jets and

related services, to rail transportation equipment, systems and services.

We are guided by our mission, our core values, our leadership attributes and a good dose of ingenuity—something that has always been part of our DNA at Bombardier.

Our Core Values

Our shared values guide our actions and decisions, and serve as a benchmark for all employees.

INTEGRITY

We behave with integrity and in an ethical manner in everything we do and say, thereby earning and maintaining the trust and respect of customers, shareholders, suppliers, colleagues, partners and communities.

COMMITMENT TO EXCELLENCE

Our commitment is to demonstrate excellence in all spheres of our work and in our interactions with customers, shareholders, suppliers, colleagues, partners and communities. In addition, we commit to exercising judgment, professionalism, rigour, self-discipline, perseverance and team spirit.

CUSTOMER ORIENTATION

We promote a customer-centred culture that emphasizes outstanding service and meets our commitments at every level of our organization.

SHAREHOLDER FOCUS

We are focused on creating sustainable shareholder value through developing profitable products and projects, and soundly managing the business for the benefit of customers, shareholders, suppliers, colleagues, partners and communities.

Our Leadership Attributes

Our leadership attributes describe the qualities we expect of employees at all levels of our organization.

- We put people first.
- We work together.
- We have a passion for winning.
- We have a drive for results.

BOMBARDIER INC.

Corporate office in Montréal, Canada

Workforce: 59,760 people worldwide

Revenues: \$17.5 billion (more than 96% generated outside Canada)

Listed on the Toronto Stock Exchange (BBD)

AEROSPACE

Headquarters in Dorval, Canada

Workforce: 28,100 people

Revenues: \$9.7 billion (55% of total revenues)

Backlog: \$22.7 billion

● Bombardier Aerospace service centre or manufacturing facility

TRANSPORTATION

Headquarters in Berlin, Germany

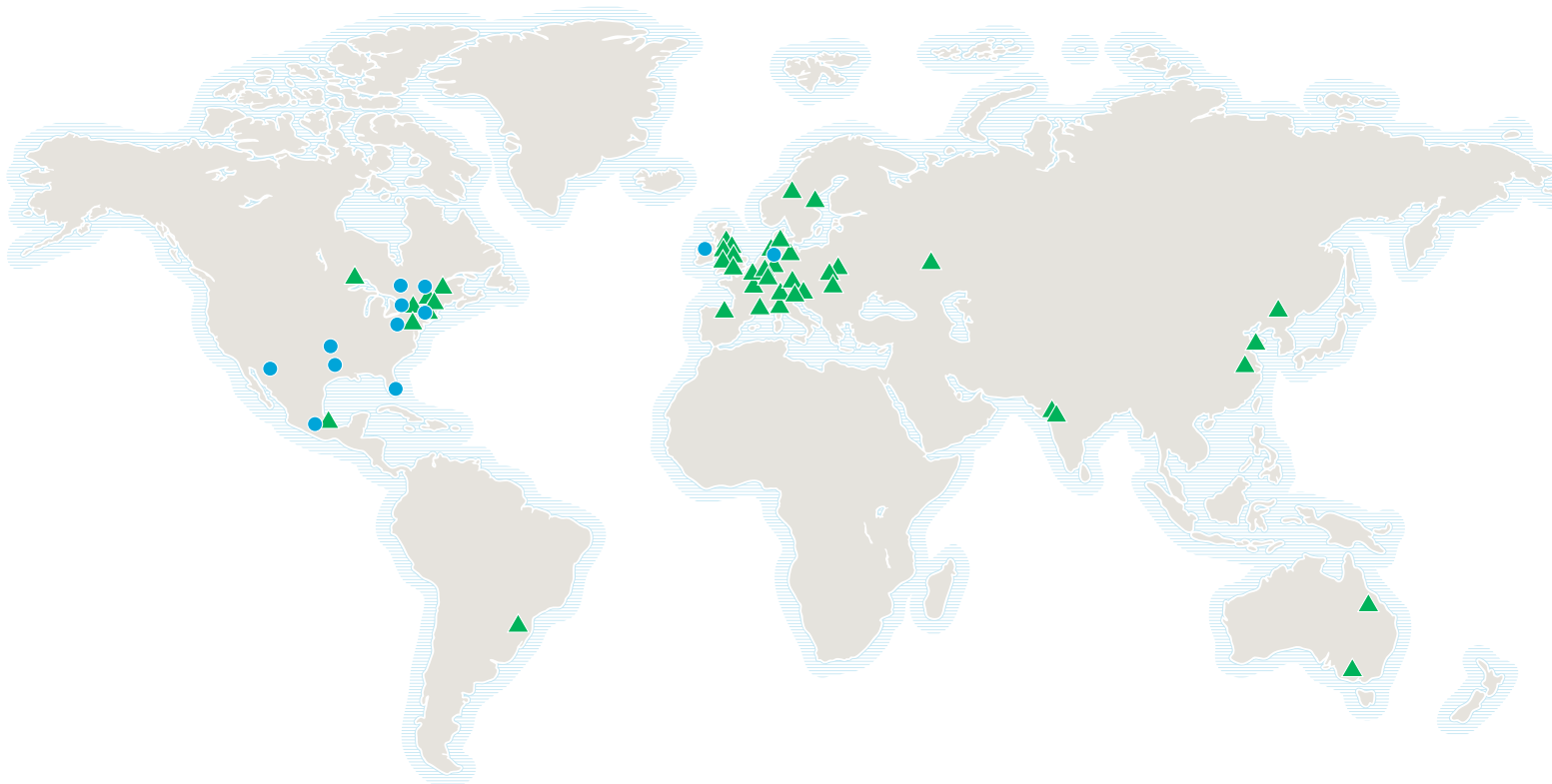
Workforce: 31,485 people

Revenues: \$7.8 billion (45% of total revenues)

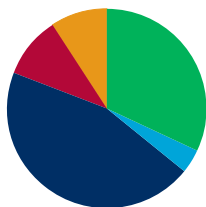
Backlog: \$30.9 billion

▲ Bombardier Transportation manufacturing facility

Workforce and backlogs as at January 31, 2008; revenues for the fiscal year ended January 31, 2008

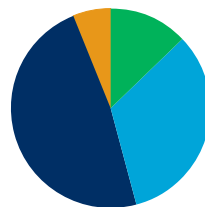


Breakdown of revenues by geographic region



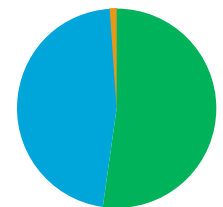
● United States 32%
 ● Canada 4%
 ● Europe 45%
 ● Asia-Pacific 10%
 ● Other 9%

Breakdown of workforce by geographic region



● United States 13%
 ● Canada 33%
 ● Europe 48%
 ● Other 6%

A workforce of nearly 60,000 dedicated and highly skilled people



● Transportation 52.5%
 ● Aerospace 47.0%
 ● Other 0.5%

sustainable business strategy + opportunities to create value

At Bombardier, we view sustainability as both a responsibility and an opportunity. We strive to manage our business effectively and profitably, while simultaneously taking actions that support the economic, environmental and social well-being of our stakeholders. Balancing these objectives requires commitment, but the benefits are many.

When we improve our operational efficiency, we decrease energy consumption, reduce our environmental footprint and generate meaningful cost savings. When we design and build more energy-efficient planes and trains, we enhance our competitive advantage and create value for all stakeholders. And addressing concerns today that will be increasingly critical tomorrow lays the foundation for long-term shareholder value.

Our entrepreneurial mindset allows us to tackle some of the most pressing issues of our time—climate change, rapid urbanization and the need for sustainable mobility. In aerospace, our fuel-efficient *Q400 NextGen* turboprop helps airlines lower emissions. In rail transportation, our groundbreaking C.L.E.A.N. (Catalyst-based Low Emission ApplicationN) Diesel Power Pack drive system currently reduces nitrogen oxide

(NO_x) and particle emissions to levels that will only become European Union law in 2012. This report includes many more examples of corporate responsibility at work across Bombardier.

Ingenuity is how we will thrive over the long term. It is also how we began. As a family-founded business, we have consistently believed that acting responsibly for the sake of future generations was the right thing to do. From the outset, creating a company where people and communities could prosper for decades to come ranked high among our priorities. That's why balancing short-term imperatives with the need for a long-term vision is second nature to us.



Find out more about our history at www.bombardier.com under About Us/History.



excellence



people



environment

EMBEDDING SUSTAINABILITY AT BOMBARDIER

Our corporate responsibility model helps us embed a strategic approach for advancing our economic viability, environmental stewardship and social responsibility agenda. Launched last year, this model is built on three pillars.

Excellence: Raising the bar on our business and operational performance

Excellence fuelled our growth from a regional snowmobile manufacturer to a global provider of advanced aerospace and rail transportation solutions. In sustainability, it is reflected in our listing on the Dow Jones Sustainability World and North America Indexes for the 2007-2008 and 2008-2009 periods. These indexes track the financial performance of the leading sustainability-driven companies worldwide.

People: Living up to our responsibilities to all stakeholders

At Bombardier, we put people first. We are committed to our employees' growth and development, to delivering value to our customers, investors and communities, and to raising health, safety, environment and labour standards across our supply chain. To promote ethical behaviour, more than 25,000 employees will complete training on our Code of Ethics and Business Conduct and all 60,000 of our employees will receive additional information on ethics by year-end 2008.

Environment: Improving the environmental footprint of our products and operations

Against a backdrop of growing environmental awareness and new regulations, aviation and mass transit operators must renew fleets with more energy-efficient aircraft and rail vehicles. We are well-positioned to help. With its reduced fuel burn, our *CRJ NextGen* family of aircraft responds to today's environmental challenges, delivering greenhouse gas (GHG) emission reductions of up to 30% and more compared to older generation aircraft in its categories. Our modern trains, like the *REGINA Gröna Tåget* (Green Train), use innovative features such as drive-style management to decrease energy consumption by approximately 15%. This Green Train is the first to incorporate permanent magnet technology, increasing efficiency by about 2%.



Strengthening our supply chain

In 2008, we launched our company-wide Supplier Code of Conduct, which is consistent with the United Nations Global Compact. By signing it, suppliers commit to high labour standards and to regularly self-audit their performance with regard to human rights and child labour, health, safety, environment and governance standards, anti-corruption behaviour and ethics. Suppliers must report non-compliances and develop corrective action plans. Bombardier may investigate and audit suppliers.

What sustainability means to us

- Designing the most fuel-efficient aircraft with the lowest noise and emissions in their categories
- Providing environmentally friendly rail transportation to reduce urban pollution and congestion
- Creating a safe, challenging and rewarding workplace for our 60,000 employees worldwide
- Minimizing the environmental footprint of our operations through increased efficiency and innovation
- Contributing positively to the communities where we operate through job opportunities, technology transfer and education funding

corporate governance + risk management

Our mission statement guides us in our daily operations and our core values help us fulfill this mission. A comprehensive Code of Ethics and Business Conduct (Code) sets the standards of ethical business practices and behaviour to be followed by all employees and partners.

The Corporate Compliance Officer ensures full adherence to the Code and handles employee grievances and complaints. Our whistle-blowing system includes a guarantee of anonymity. All complaints are reported to the Board of Directors' Audit Committee on a quarterly basis.

The Board of Directors oversees compliance with the Code and all legal and regulatory requirements. Of the Board's 12 directors, seven are independent, including the lead director. All members of Board committees are also independent.

As committed in our 2007 Corporate Responsibility Roadmap, both of our business groups created cross-functional corporate responsibility committees to guide their sustainability activities and drive results. To optimize effectiveness and information sharing, members of the BA and BT committees also sit on the Bombardier Inc. Corporate Responsibility Committee. The Chair of this committee is a member of our corporate management team and liaises with the Board. These committees oversee implementation of our corporate responsibility activities and programs, and create processes to manage sustainability information.

Risk and compliance

Every year, our Corporate Audit Services and Risk Assessment (CASRA) team identifies, evaluates and prioritizes our major risks, and develops action plans to address them. Risk control matrices and risk management tools are used to assess risks and our exposure to them. The team looks at a broad range of potential risks, including integrity and ethics, human resources issues and supply chain management. Key risks are reported internally to the Board's Audit Committee and to the Board itself on a quarterly basis, as well as externally in the Management Discussion and Analysis section of our annual reports.



Find out more about corporate governance and our Code of Ethics and Business Conduct at www.bombardier.com under Governance, and in our Management Proxy Circular under Investor Relations/ Financial Reports.

Praise for our governance practices

In September 2007, the Canadian Coalition for Good Governance praised our disclosure of director attendance. In September 2008, we received the Coalition's Governance Gavel for Excellence in Compensation Disclosure Award.

tracking our progress + setting new targets

Monitoring our sustainability performance enables us to ensure we deliver on our commitments and set objectives and targets that drive continuous improvement. For the past decade, we have monitored and reported internally on the following health, safety and environment (HSE) key performance indicators at the site, division, group and corporate levels: accident frequency and severity, water and energy consumption, GHG emissions, and total waste and hazardous waste.

To ensure the comprehensiveness of our data, we plan to establish a robust global HSE information technology infrastructure. This data management tool will enable us to automate the data compilation process, ensure the quality and integrity of our data for reporting to stakeholders, and make strategic

decisions about our HSE policies, programs and resources.

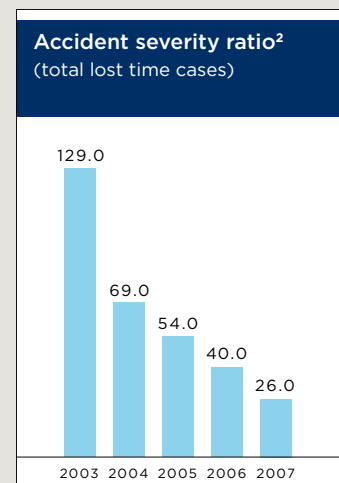
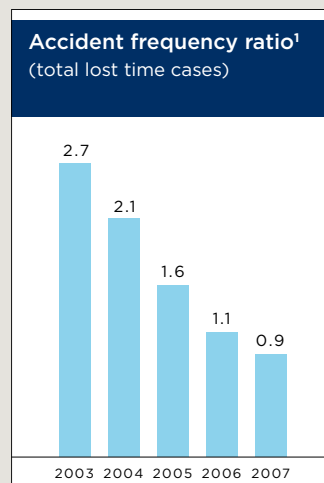
The assessment of the cost of implementing and maintaining the new data management system will be completed by 2009. We will establish new HSE targets in fiscal year 2009 and report on our progress relative to these targets in fiscal year 2010.

OUR CONSOLIDATED HEALTH AND SAFETY PERFORMANCE

We have made significant progress in our health and safety performance and have surpassed our accident severity target of 57. We will continue to intensify our efforts to provide our employees with a healthy and safe workplace and to reach our 0.5 accident frequency target.

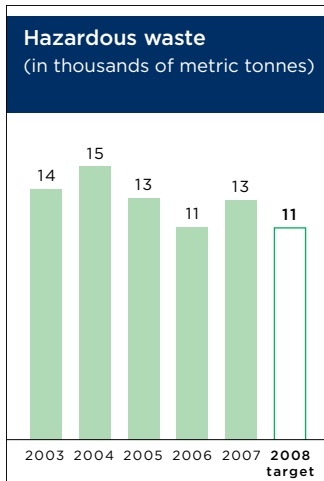
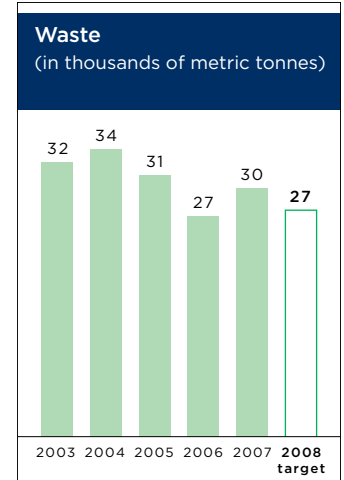
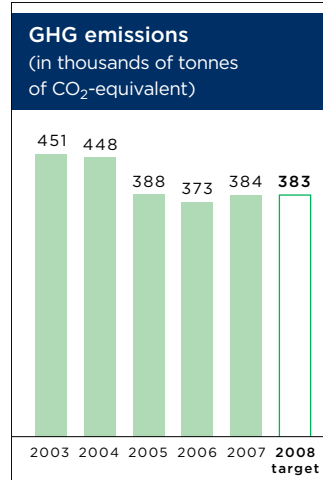
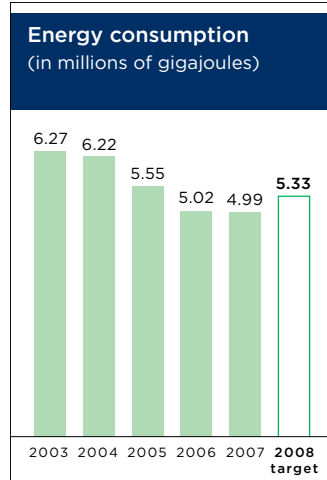
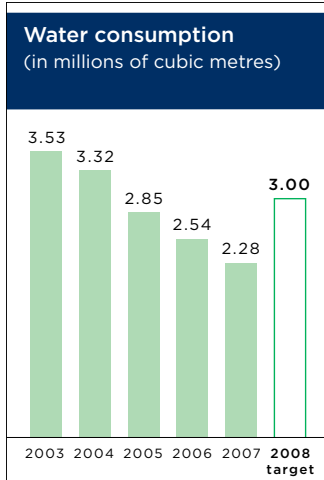
Note 1: Total number of accidents with lost workdays plus number of temporary assignments resulting from work-related accidents normalized per 200,000 hours worked.

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



OUR CONSOLIDATED ENVIRONMENTAL PERFORMANCE

In 2003, we targeted an annual 3% reduction in our key metrics over a five-year period, for a total 15% reduction by the end of 2008. We have already achieved our targets for water and energy consumption, and are on track to meet our overall 15% reduction objective for GHG emissions. The increase in waste and hazardous waste, posted in 2007, is mainly due to the growth in BT's service activities.



Notes: Since they are not manufacturing sites or service centres, environmental data for *Flexjet*, BA's fractional ownership program for business aircraft, and for the NATO Flying Training in Canada program are not included; however, they will be taken into account when setting new targets in 2009.

Differences between energy consumption and GHG emission figures in this report and those appearing in our 2007 Corporate Responsibility Roadmap are due to adjustments made following recalculations at some sites.

DEFINITIONS

Water consumption:

Total volume of water consumed during the period, expressed in cubic metres.

Energy consumption:

Total energy consumed or used, expressed in gigajoules. This represents the sum of all electricity and carbon-based fuels consumed.

Greenhouse gas emissions:

Total direct and indirect greenhouse gases emitted as a result of manufacturing or service activities, expressed in tonnes of CO₂-equivalent (CO₂-eq.).

Waste:

Total quantity of non-reusable, non-recyclable hazardous and non-hazardous waste generated, expressed in metric tonnes.

Hazardous waste:

Total quantity of non-reusable, non-recyclable hazardous waste generated, expressed in metric tonnes.

Our scoreboard

This scoreboard tracks our progress in key areas of corporate responsibility (CR) against the commitments we made in last year's CR Roadmap.

OUR ROADMAP COMMITMENTS	CORP.	BA	BT	REFERENCE
CR strategy and implementation Establish CR structure	✓	✓	✓	Pages 6, 8, 9
Corporate governance Disclose Corporate Governance and Nominating Committee responsibilities	✓	Not applicable	Not applicable	Our Web site and page 9
Code of Ethics and Business Conduct Improve employee understanding of the Code and access to resources for dealing with ethical questions	✓	✓	✓	Pages 7, 9 and 25
Supply chain Improve systems to ensure high HSE and labour standards across supply chains	Ongoing	Ongoing	Ongoing	Pages 8, 26 and 41-42
United Nations Global Compact Improve performance and report on progress	✓	✓	✓	Our 2008 Corporate Responsibility Report
Continuous improvement Identify potential improvements across our manufacturing and service networks	Ongoing	Ongoing	Ongoing	Pages 10-11, 21-24, 35 and 45-46
Responsible management Review internal compliance audit process and develop action plans to manage risks and opportunities	Ongoing	Ongoing	Ongoing	Pages 9-10, 24-25, 27 and 38-40
HSE metrics and data management Implement HSE database	In progress	In progress	In progress	Page 10
Energy and climate change Develop a global energy and climate change strategy	In progress	In progress	In progress	Page 14
Research and development Find ways to share knowledge of Design for Environment and lifecycle assessment process	✓	✓	✓	Pages 14, 28-29, 37, 40-42 and 45
2008 Corporate Responsibility Report Publish and report on CR activities	✓	✓	✓	Our 2008 Corporate Responsibility Report

Corp.: Bombardier Corporate Office

BA: Bombardier Aerospace

BT: Bombardier Transportation

Our objectives for fiscal year ending January 31, 2009

<p>Governance</p>	<ul style="list-style-type: none"> • Continue embedding corporate responsibility in all business activities and functions • Identify areas of corporate responsibility on which Bombardier will focus
<p>Health, safety and environment</p>	<ul style="list-style-type: none"> • Refine Bombardier’s overall energy and carbon strategy <ul style="list-style-type: none"> ▪ Complete an energy/carbon assessment baseline for Bombardier’s operations ▪ Identify opportunities and prioritize activities for improved performance • Define new environmental indicators and targets • Develop and begin reporting on preventative indicators
<p>Management</p>	<ul style="list-style-type: none"> • Strengthen working capital and cash flow management • Continue implementing company-wide Supplier Code of Conduct • Improve customer satisfaction as measured by independent surveys
<p>Stakeholder capital</p>	<ul style="list-style-type: none"> • Improve employee engagement as measured by continuous improvement programs (Achieving Excellence System at BA and TOPSIX at BT) • Establish a formal stakeholder engagement process at Corporate Office • Strengthen our company-wide human rights commitment



How much CO₂ does Bombardier emit?

Our worldwide operations emit 380 kilotons of CO₂-eq. annually, which is equivalent to the CO₂ emissions generated by 69,000 cars. According to the United States Environmental Protection Agency in 2006, an average car in the U.S. emitted 5.5 tonnes of CO₂-eq. each year.

Shrinking our environmental footprint

Climate change poses a new set of environmental, social and economic challenges and we are determined to play a role in addressing them.

APPROACHING CLIMATE CHANGE STRATEGICALLY

Our climate change initiatives focus on four key areas:

- Minimizing GHG emissions by enhancing the efficiency of our operations and processes
- Pushing the boundaries of innovation in product design to advance sustainable mobility
- Supporting the climate change commitments and initiatives of industry associations through collaboration and research with academic institutions
- Driving and communicating performance improvements through accurate and transparent reporting

OPERATIONAL EFFICIENCIES

Greenhouse gases and energy

Our manufacturing and servicing network produces annual carbon dioxide (CO₂) emissions in the 380-kiloton range worldwide. Despite our relatively low GHG-emission footprint, we are committed to voluntarily reducing our overall emissions even more.

In 2008, we began assessing the global carbon footprint of our operations and products with a view to developing a comprehensive Energy and Carbon Management Strategy (ECMS). We will use this data to establish absolute and intensity-based reduction targets in 2009.

PRODUCT INNOVATION

Design for Environment

We are committed to satisfying our customers and communities by refining our existing products and developing new ones. Our Design for Environment (DfE) program helps us create more energy-efficient and environmentally focused products. It takes environmental impacts into account throughout the product lifecycle—from design to end-of-service life.

DfE examines lifecycle attributes such as recyclability, energy and fuel efficiency, GHG, noise and other emissions, while driving additional environmental improvements. We use environmentally focused research and development programs to optimize these attributes, and Environmental Product Declarations and Environmental Fact Sheets/Scorecards to communicate achievements.

Here are a few recent product innovations that are enabling our customers to reduce their environmental footprint.

- Scheduled to enter service in 2013, the *C-Series* aircraft will employ new technologies and materials to deliver up to a 20% better fuel burn than any other aircraft in its category.
- The new *Q400 NextGen* turboprop offers exceptional cruise speed and generates 30% less CO₂ emissions than regional jets currently in service.

- In 2007, BT introduced the world's first hybrid high-capacity AGC (*Autorail Grande Capacité*) train—a dual-mode, dual-voltage passenger train that runs on both electric and non-electric tracks, including cross-regional lines powered by different voltages.
- Biodiesel trials on a Virgin Voyager trainset showed that CO₂ emission reductions of up to 14% are possible with this type of fuel.

Reducing our emissions

In 2003, we launched a five-year Global Energy Reduction program, targeting a 15% overall reduction in energy consumption and GHG emissions by the end of 2008. Renewable energy sources, energy efficiency practices and process modifications have put us on track to meet this target.

Broadening our social footprint

Wherever we operate around the globe, we adhere to the highest standards of quality, integrity and transparency. Signing the United Nations Global Compact in 2007 formalized our commitment to rigorous environmental protection, human and labour rights, and anti-corruption standards.

As we continue to expand in high-potential markets where travel infrastructure is urgently required, we will uphold this commitment within our sphere of influence.

Adding value wherever we are

We understand the importance to our stakeholders and our business of creating a net positive value in every one of our communities. We do this, in part, by providing competitively paying jobs and safe and healthy workplaces. We partner with local suppliers and academic institutions, and openly engage with community groups and non-governmental

organizations (NGOs) to find solutions that meet our mutual needs.

Simply put, we invest in our communities because when they grow strong, we do too. And when its youth are healthy and well-educated, so are our future employees. Here are a few examples of how we are striving to add value around the world.

- In Mexico at BA's Querétaro facility, the employee-led *Causa Querétaro* committee uses 100% of the funds from the plant's recycling program to support local social responsibility programs. At a nearby elementary school, these funds recently helped install water services, paint the





Investing in our communities

Our Corporate Donations and Sponsorship Policy guides our community investments, which focus on youth and education, community outreach, science and technology, and arts and culture. During the 2008 fiscal year, our donations and sponsorships totalled more than \$10 million, including \$5 million Cdn to the J. Armand Bombardier Foundation. The Foundation itself donated, during the same period, more than \$6.3 million Cdn. We have contributed a total of \$300 million Cdn in today's dollars to the Foundation since its inception in 1965.

building, purchase furniture, repair computers and provide Internet access, and buy sports equipment for the children.

- In Tibet, we are investing \$1 million to conduct a three-year professional training program in tourism management to enable 20 rural Tibetan students to benefit from the increase in tourists in their region, created in part by the introduction of the Golmud-Lhasa railway. To facilitate the students' entry into the labour market, the program includes a job fair and an internship in ecotourism. The students will receive a diploma from the Canada-based Holland College of Prince Edward Island and the China-based Changzhou Institute of Technology (CIT), increasing their ability to advance in the tourism industry and eventually secure managerial positions in Tibet.

We continue to monitor the progress of these students, who are currently in their second year of the program.

- In South Africa, we joined forces with government and academic institutions to create an education and training program in science and engineering. Together, we are developing skilled South African professionals and strengthening innovation in sustainable transportation. This project includes a Young Learners intervention program to improve student competencies at the high-school level. It also incorporates a Further Learning Bursary Program, which offers merit-based financial assistance to students. An innovation component supports specific research and training at the post-graduate level to build capacity in the transportation sector. We intend to use this entire program as a model for stakeholder engagement elsewhere in the world.

our awards + recognitions

Some organizations that have recognized our sustainability initiatives over the past two years include, among others:

AWARDS	DESCRIPTION	SECTOR
GOVERNANCE AND SUSTAINABILITY		
Dow Jones Sustainability North America Index, and Dow Jones Sustainability World Index	Selected in 2007 and 2008 as index component of two Dow Jones Sustainability Indexes, which track financial performance of leading sustainability-driven companies worldwide	Bombardier Inc.
Canadian Coalition for Good Governance: Governance Gavel for Excellence in Compensation Disclosure Award	Judged against best practices in compensation disclosure	Bombardier Inc.
ENVIRONMENT		
Business in the Community: Environmental Improvement Award	Recognized for demonstrating significant improvements in management of waste and energy	BA - Belfast United Kingdom
<i>ICI ON RECYCLE!</i> (Here, we recycle): Certificate of Performance by Recyc-Québec	Recognized for setting up integrated plan for proper management of residual materials	BA - Dorval Canada
European Mobility Exhibition Innovation Award	Won in "Energy/Environment" category for hybrid AGC train	BT
<i>Réseau Écoélectrique</i> (Ecoelectric Network)	Selected as member of Ecoelectric Network created by Hydro-Québec, the Québec government energy generation and management company	BT - La Pocatière Canada
HEALTH AND SAFETY		
Swiss Accident Prevention Association: SUVA Prize	Recognized for accident-free performance in 2007	BT - Villeneuve Switzerland
FAA (Federal Aviation Administration) Diamond Award	Received FAA's highest award of excellence for aviation maintenance training	BA Flexjet
TECHNOLOGY AND COMMUNICATION		
<i>Batefuegos de Oro</i> Award in Spain	Recognized the <i>Bombardier 415</i> amphibious aircraft as greatest technological breakthrough in firefighting	BA
WorldMediaFestival 2008: Hamburg Award	Received intermedia-globe Silver Award in "Public Relations" category for the film "The Climate is Right for Trains"	BT
Best Global Project to Sign Award	Recognized Gautrain project for its unique engineering and socio-economic developmental requirements	BT Systems
ETHICS		
Pittsburgh Business Ethics Award	Received from University of Pittsburgh's David Berg Center for Ethics and Leadership and the Society for Financial Service Providers' Pittsburgh chapter	BT Systems
Irish News: Right Place to Work Award	Recognized for demonstrating close links to charities and commitment to environmental issues	BA - Belfast United Kingdom

AEROSPACE



innovative design + positive contributions

Aircraft are one of the fastest and most reliable means of transportation. They support the growing demand for global mobility, and facilitate economic and social progress. They provide access to international markets and generate trade and tourism. Aircraft forge links between nations and cultures. Both commercial and business aviation help connect communities and extend the global transportation network to remote locations.

Today, the aerospace industry faces several key challenges. Foremost among these challenges is ensuring the safety and reliability of air travel. To cope with volatile fuel costs, airline carriers must eliminate inefficiencies and employ more modern and energy-efficient aircraft. Reducing the industry's noise and carbon emission footprint, attracting and

retaining a skilled workforce, and fostering community well-being also figure prominently among our shared challenges.

At Bombardier Aerospace (BA), our vision of excellence—"Giving People Wings"—guides our efforts to address these challenges and build both a sustainable business and industry.



EXCELLENCE

vision of
excellence +
growing
sustainability
momentum

At Bombardier Aerospace, our commitment to excellence fuels our growth. Well-positioned in global markets, we are the world's third largest civil aircraft manufacturer. We design and build business, commercial, amphibious and specialized aircraft solutions, and provide related services and training.

Our production sites are located in Canada, the United States, the United Kingdom and Mexico. We also operate maintenance service centres, authorized service facilities, distribution centres and depots for spare parts, and several sales and marketing offices worldwide.



Find out more about our products at www.bombardier.com under Aerospace/Products.

Growing focus on sustainability

In recent years, sustainability has moved increasingly front and centre in the aerospace industry. At BA, our growing sustainability focus sparks

innovations that improve our products, processes, and overall performance. It also drives our efforts to engage with stakeholders worldwide. This dialogue takes many forms, including joint research and development (R&D) projects with academic institutions and participation in industry alliances such as the Air Transport Action Group (ATAG). In 2008, this independent coalition of member organizations and companies from the global air transport industry signed the Aviation Industry Commitment to Action on Climate Change, which includes moving toward carbon-neutrality.

Giving People Wings

“Giving People Wings” defines our vision of excellence and of a sustainable organization. It captures our commitment to corporate responsibility and our determination to foster mutually beneficial relationships with all key stakeholders. We strive to give people wings around the world through innovation, pride and setting the highest standard for excellence. Throughout this section, you will find examples of how we are working toward this vision.

1. Employees

The engagement of all of our employees is key to our success. By giving our employees wings, we:

- Offer a unique environment where individuals grow as part of multidisciplinary teams engaged in continuous improvement.
- Broaden business acumen, creatively expand limits and pursue professional development.
- Nurture growth, spark engagement and inspire a winning attitude.

2. Customers

Our customers are the main focus of everything we do. By giving our customers wings, we:

- Serve their needs and widen their business horizons with outstanding solutions, products and services.
- Establish trusting relationships based on proactivity and honesty.
- Provide an unrivalled total and amazing customer experience, which breeds pride and loyalty.

3. Suppliers

Our suppliers are essential to our success.

By giving our suppliers wings, we:

- Build rewarding partnerships, which allow our respective businesses to prosper.
- Establish relationships based on trust and respect.
- Secure innovative technology and competitive lifecycle costs.

4. Investors and shareholders

We rely on the continued commitment of our shareholders and investors.

To give them wings, we:

- Generate value and growth for sustained return on investment.
- Lead the business to competitive excellence.
- Optimize company assets.

5. Communities

In communities where we operate, we give people wings by acting as responsible corporate citizens. We:

- Promote sustainable products and operations as well as integrate sustainable development principles in our business behaviours.
- Provide an exciting and fulfilling source of employment and contribute to economic growth.
- Act as leaders in the communities where we operate.



Our Achieving Excellence System

Our Achieving Excellence System engages and empowers all employees in a continuous improvement roadmap. It integrates world-class best practices, including lean manufacturing, and certifies employees through five progressive levels of performance (Bronze to Diamond) in areas such as ethics, environment, health and safety, and customer and stakeholder engagement.

In 2009, we will expand our Achieving Excellence System by incorporating corporate responsibility expectations in the Gold to Diamond certification levels to further engage employees in adopting sustainable behaviour.



PEOPLE

valuing our employees + focusing on our customers

Bombardier Aerospace employs approximately 28,000 people worldwide. Everywhere we operate, we strive to provide a safe and rewarding workplace where talented people build long and satisfying careers. We respect our employees, welcome their ideas, support their development and celebrate their successes.

Creating a safe and rewarding workplace

A system of health protection and workplace safety helps us identify and control hazards and risks and leverage best practices across our manufacturing and service facilities.

Our Achieving Excellence System rallies our employees around our health and safety targets. Partnering with our unions and promoting best-practice sharing also help us reach these targets. Some 86% of our sites have health and safety committees who oversee, in

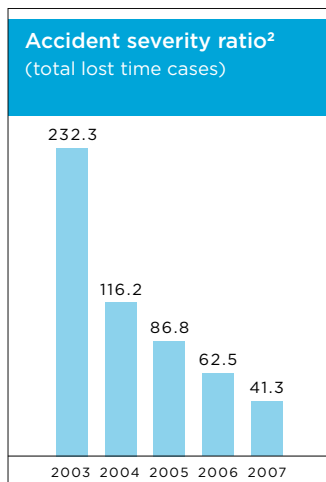
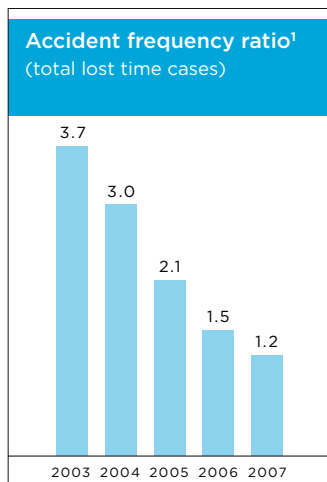
Rewarding our employees' commitment to health & safety

Every year, BA's President and Chief Operating Officer presents Health and Safety Awards to the best manufacturing site and service centre and highlights the sites that have improved the most year over year.

Our 2007-2008 H&S award recipients

Site(s)	Category	Performance
Service centres: Fort Lauderdale/Dallas	Lowest accident frequency ratio	0.00
Manufacturing and assembly site: Belfast	Lowest accident frequency ratio	0.41
Service centres: Fort Lauderdale/Dallas	Lowest accident severity ratio	0.00
Manufacturing and assembly sites: Querétaro	Lowest accident severity ratio	0.82
Service centres: Fort Lauderdale/Dallas	Greatest overall improvement	100.0%
Manufacturing and assembly sites: Belfast	Greatest overall improvement	63.6%

BA'S HEALTH & SAFETY PERFORMANCE



Note 1: Total number of accidents with 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.

Unfortunately, our Belfast manufacturing facility had one employee fatality in September 2008. We will continue working with our employees and suppliers to improve further our H&S performance and avoid such tragic events.

conjunction with unions, our health and safety activities and results. Our sites are also encouraged to implement wellness and work/life balance initiatives.

Between 2003 and 2007, we made significant progress in reducing our accident frequency ratio from 3.7 to 1.2, an improvement of 68%, and our accident severity ratio from 232.3 to 41.3, an improvement of 82%.

Fostering diversity and equal opportunity

Our employees represent over 40 nationalities and speak more than 15 languages. This diversity increases our ingenuity and ability to innovate. Recruiting and promoting the best people and providing equal employment opportunities for all, in accordance with the laws and regulations of each country where we do business, ensure access to a deep and varied talent pool. We are currently deploying recruitment campaigns in

South America, Asia and Europe, and are continuously improving and expanding our Global Graduate Program.

The aerospace industry historically employed few women. Today, women account for 17.3% of BA's total workforce, with 18.9% in management positions, up from 17.4% last year. We intend to use our Talent Acceleration Pool (TAP) and recruitment processes to increase the number of female managers to 25% over the next three years. Our TAP process accelerates the development of high-potential employees through stretch jobs/ assignments, special projects, feedback and coaching.

Developing, engaging and rewarding our employees

The Achieving Excellence System, Leadership in Action, TAP process and a formal performance management process empower our employees to take the lead in developing skills and

cultivating competencies to advance within our organization. Our Training and Development Funding Policy assists employees who are furthering their education in line with our business objectives. In 2004, we began delivering leadership engagement forum training sessions. To date, 97% of our managers and executives have completed these two-day sessions.

Through our Achieving Excellence System, 96% of our employees were certified Bronze and 6% were certified Silver as of January 31, 2008. Our objective is to ensure that 100% are certified Bronze and 90% qualify for Silver by the end of the current fiscal year.

Listening to our employees

Every year since 2004, we have conducted an independent employee survey to help us identify key drivers of employee engagement and focus our action plans to improve our performance. In 2008,



Thanking our employees

Our “Of Planes and People” program recognizes employees who make a difference and contribute significantly to our organization’s continuous improvement. The Annual Accomplishment Award celebrates remarkable cross-functional initiatives that focus on business priorities and leadership attributes and result in sustained improvements for our employees, customers and business. In 2007, this award program recognized the achievements of over 1,000 employees.

86% of our employees participated in the confidential survey, with the number of employees who feel satisfied and engaged in their work increasing by 4.8% compared to 2007. Key areas for improvement and action are the Achieving Excellence System deployment, workplace satisfaction and work climate.

Partnering with our unions

At BA, we consider the labour unions and work councils in our operations as key partners in fostering a safe and rewarding workplace. Some 57% of our employees are covered by collective agreements. For a second consecutive year, BA and union executives from Canada, the U.S., Mexico and Northern Ireland shared information and discussed global challenges and issues at our worldwide union-management forum in the fall of 2008.

OUR CUSTOMERS

Understanding our customers’ needs is a top priority. Our business aircraft customers consist primarily of corporations and high-net-worth individuals. Airlines and leasing companies purchase our commercial aircraft, while government and other public organizations buy our amphibious and specialized aircraft solutions. These customers are located in

more than 100 countries, with the U.S. representing 51% of our total revenues in fiscal year 2008.

Providing an Amazing Customer Experience

We aim to deliver an amazing customer experience through our behaviour and actions at all customer touch points. In 2007, we established an “Amazing Customer Experience” team and integrated customer care components into our Achieving Excellence System to fully engage all employees in this initiative. Customer advisory boards also help us assess customer needs and improve our performance.

In recent industry surveys, customers identified issues with our customer support, including our response time in aircraft-on-ground situations and the availability of replacement parts. Over the past two years, we have invested heavily to increase aircraft reliability, improve parts distribution and expand our maintenance capacity and technical support. We are implementing operational plans to generate further improvements. In 2008, a group of frontline employees developed a Customer Credo consisting of guiding principles that promote a customer-first mindset, which was distributed to all employees.



Promoting safety in air travel

Every three seconds, a Bombardier aircraft takes off or lands somewhere around the globe. With a worldwide fleet of more than 3,550 business aircraft, 2,350 regional jets and turboprops, and 140 amphibious aircraft, safety and reliability have always been top priorities at Bombardier. We continuously seek to improve our performance. We have undertaken a number of initiatives to ensure the highest product quality and safety, including the launch of a new Product Safety Policy as the first step toward implementing a comprehensive Safety Management System (SMS). All elements of our SMS are expected to be in place by early 2011. We hold frequent maintenance and operations conferences to support our business and commercial aircraft customers. We also participate in various forums focused on improving the safety of air transport.

Ensuring business ethics

In keeping with the UN Global Compact principles, we provide employees with

online ethics training. Before entering into an aircraft purchase agreement, we conduct research to assess a prospective customer's legitimacy and ethics. We also include termination clauses in our contracts to protect our reputation and business should a customer become embroiled in unethical activities.

Engaging our customers in sustainability

Becoming a truly sustainable organization requires the engagement of many partners, including customers. We work with airlines to reduce their operations' environmental impact by delivering aircraft with lower greenhouse gas (GHG) and noise emissions than the competition.

After deciding to offset the carbon emissions of our own demonstration fleet and *PartsExpress* aircraft, we became, in September 2007, the first Original Equipment Manufacturer (OEM) to offer business jet customers a fully managed carbon offset program. Our business aircraft customers now have the option

Annual Safety Standdown event in the U.S. and Europe

Held annually in the U.S. since 1996 and in Europe since 2007, our Safety Standdown is a unique pro bono safety program designed primarily for professionals in the aviation community. This initiative benefits operators worldwide, regardless of the manufacturer and the type of aircraft they fly, as they discover first-hand how to apply the latest safety intelligence and expertise to their operations.

As of November 2007, over 2,600 pilots, crew members, safety specialists and industry officials had graduated from our Safety Standdown seminars.



Leveraging our products to serve communities

Our *Bombardier 415* amphibious aircraft contains and suppresses forest fires around the world. It also plays a crucial role in humanitarian relief missions, such as during the aftermath of Sri Lanka's tsunami disaster in late 2004.

Our *Q-Series* aircraft are also used as a vital link in delivering humanitarian relief on United Nations' missions to war-torn regions in Africa, such as in Somalia, Sudan and the Democratic Republic of Congo.

to offset one year's worth of their new aircraft's average carbon emissions. The funds collected are invested in green energy projects through ClimateCare, one of the world's leading emission reduction companies. Jet Republic, which placed firm and conditional orders for up to 110 *Learjet 60 XR* aircraft in June 2008, already committed to our program. Since October 2008, we offer *Flexjet* owners the opportunity to offset carbon emissions each time they fly and we offset all non-owner flights, including flights for demonstration and maintenance purposes.



Find out more about our carbon offset program at www.bombardier.com under Aerospace/Products/Business Aircraft and about ClimateCare at www.climatecare.org.

OUR SUPPLIERS

Our suppliers are essential to our success. Our supply chain includes more than 3,000 companies that are monitored through our quality process. Sourcing decisions are based on a supplier's ability to provide high-quality, best-value products. We strive to build mutually rewarding supplier relationships based on trust and respect that allow our businesses to prosper.

Fostering supplier partnerships

Our annual supplier symposium allows us to engage over 260 suppliers in discussions about market issues, challenges and strategies. Launched in 2007, our Supplier Advisory Board brings together our top seven suppliers with our own executive leadership to foster face-to-face dialogue. At our 2008 supplier

winter event, 29 strategic suppliers signed our Customer Credo, underscoring their commitment to put our aircraft and customers first.

Engaging our suppliers in sustainability

We use a variety of forums to engage our suppliers in supporting our corporate responsibility commitment. Health, safety and environment (HSE) criteria are included in supplier contracts and we give preference to suppliers that are ISO (International Organization for Standardization) 14001 and OHSAS (Occupational Health and Safety Assessment Series) 18001 certified. We actively enforce HSE procedures and guidelines with our on-site suppliers and audit them to ensure compliance. New programs incorporate environmental considerations in the design and development of our future aircraft. Our top suppliers, representing 68% in procurement spend, committed to respecting the principles of our Supplier Code of Conduct, which covers labour and human rights as well as HSE and governance standards. We will present the Code to the rest of our supply base in the coming year.

OUR COMMUNITIES

Our social commitment stems from Bombardier's deep roots in the communities where it operates. This commitment takes many forms, reflecting both diverse local needs and employee initiatives. We have learned that community involvement fosters a sense of pride, loyalty and team spirit among our employees. Volunteering

and supporting charities and non-profit organizations help build thriving communities that, in turn, contribute to our success.

Supporting a better world

We encourage learning and innovation, and help develop future generations by promoting an understanding of science and technology. As part of our educational outreach program in Northern Ireland, our annual Flight Experience Challenge invites pupils from all over Northern Ireland to design and build a self-propelled model aircraft. The winners are flown to a world-renowned international air show.

In Wichita, U.S., we are a member of a multi-stakeholder partnership to create the new National Center for Aviation Training, scheduled to open in early 2010. We committed to provide \$300,000 in scholarships and state-of-the-art equipment over three years. Our employees contributed hundreds of hours to help develop the new centre's infrastructure and governance.

In Toronto, Canada, we are a key member of MOSAIC (Manufacturers of Sustainability—Aerospace Industry Catalyst) initiative, implemented through the Ontario Aerospace Council (OAC). MOSAIC will enable Ontario aerospace firms to achieve improved environmental performance while reducing their operating costs.

We also support and encourage our employees to participate in local initiatives such as United Way/Centraide and diverse employee-driven community funds. In Belfast, our Bombardier Northern Ireland charitable foundation

sponsors an Employers Forum, an aerospace adult apprenticeship program and an engineering skills program to address long-term unemployment in deprived areas of the city.

In Montréal, Canada, we have been a key sponsor of the Maison Jean Lapointe golf tournament for several years. Over the past three years, the tournament has raised more than \$1 million Cdn to develop substance abuse programs for youth in schools and fight alcoholism and pathological gambling among adults.

Contributing to industry associations

Through our growing participation in industry, trade and regulatory bodies, we play a leadership role in areas of strategic importance to the aerospace industry, including airworthiness and technical policy, flight operations, air safety and security, product liability and taxation, and the environment. We are also active members of not-for-profit and community-based organizations, as well as government agencies and academic institutions, as outlined on page 30.

Focusing our contributions

We are also producing a three-year strategic community relations plan to structure our approach to stakeholder dialogue, expand our support for education, and develop technologies and talent pools for our business. This plan will include a global community investment strategy and accountability structure, as well as guidelines to support our employees' volunteering activities.

Flights for families in need

In 2007, we introduced a special-edition *Flexjet* 25 jet card to support Angel Flight South Central, a non-profit organization in the U.S. that provides people in need with free air transportation for medical and humanitarian purposes. The program enabled us to donate, in 2007, a total of 42 hours of flight valued at \$325,000.



ENVIRONMENT

improving our
products +
increasing our
operational
efficiency

We seek to continuously enhance the environmental performance of our products and operations by embedding sustainable development principles in our business through a lifecycle management approach. This will allow us to fully assess the environmental impacts of our products from design to end-of-life.

Through industry partnerships such as ICAO (International Civil Aviation Organization) and ACARE (Advisory Council for Aeronautics Research in Europe), we will strive to reduce our new products' carbon dioxide (CO₂) emissions by 40%, nitrogen oxide (NO_x) emissions by 50%, fuel consumption by 25% and noise by 10 to 20 decibels (dB) by 2020.

Designing aircraft for the environment

In 2008, we strengthened our Design for Environment (DfE) program by developing and acquiring expertise within our R&D product

innovation engineering teams. We also exchange DfE and lifecycle analysis knowledge with our colleagues at Bombardier Transportation.

We are conducting a comprehensive environmental assessment of our *CSeries* aircraft program, which will allow us to publish an Environmental Product Declaration and Environmental Scorecard for the program. We intend to extend this assessment to all of our aircraft programs.




Creating DfE guidelines will help our engineers make informed decisions to improve our future aircraft's environmental performance throughout

Our environmentally focused aircraft

Our priority is to design the most fuel-efficient aircraft with the lowest noise and emissions in their category, reducing their environmental footprint and meeting our customers' requirements. Our *Bombardier 415* amphibious aircraft also play a key role in protecting the environment and communities around the world.






Q400 NextGen compared to similar capacity **older-generation** and/or 50-seat jet at a distance of 300 nautical miles

-  30-40% less CO₂ emissions
-  30-40% less fuel consumption
-  Over 15 EPNdB* margin below ICAO Stage IV noise standards






CRJ NextGen Series compared to similar capacity **older-generation** aircraft at a distance of 500 nautical miles

-  Up to 35% less CO₂ emissions
-  Up to 35% less fuel consumption
-  Up to 6 EPNdB* margin below ICAO Stage IV noise standards






C-Series compared to average **in-production** 110- to 130-seat aircraft at a distance of 500 nautical miles

-  20% less CO₂ emissions
-  20% less fuel consumption
-  20 EPNdB* margin below ICAO Stage IV noise standards



Bombardier 415

-  The *Bombardier 415* aircraft helps control forest fires, which represent a significant source of GHG emissions.
-  It helps protect resources, the environment and, most importantly, the communities.
-  This aircraft takes only 12 seconds to scoop its 6,137-litre (1,621-US-gallon) load while skimming at high speed over water.

*EPNdB: Effective Perceived Noise in decibels



Industry leadership

The aviation industry is currently working to make additional environmental improvements with guidance from self-regulating bodies such as the ICAO and the ATAG. Plans for a “carbon-neutral” and “carbon-free” future are under development, with manufacturers like BA fully engaged.

For more information, visit www.enviro.aero.

the entire lifecycle. These guidelines will also address air traffic management, optimum flying conditions and environmentally responsible maintenance processes. Ongoing research projects with our suppliers and partners enable us to understand the recyclability of our current aircraft and identify responsible end-of-life solutions for our existing and future aircraft.

Reducing our operational footprint

Our ISO 14001 program helps us identify and manage risks and continuously improve our environmental performance at our manufacturing and service sites.

- In Belfast, Northern Ireland, we operate a carbon reduction program under the European Union Greenhouse Gas Emission Trading Scheme. Since 2001, we have reduced the CO₂ emissions covered by this program by 69%. In 2007, we recycled or recovered 68% of non-hazardous waste. To date in 2008, we have recycled 73% of used materials.
- At our Saint-Laurent plant in Canada, a wall of solar panels generates annual energy savings of approximately \$200,000 Cdn. Through an energy-heating system, the panels maintain a constant temperature, reducing GHG emissions by approximately 3% annually.
- Energy-saving initiatives at our Mirabel plant in Canada resulted in a reduction of 6,000 tonnes of CO₂-equivalent (CO₂-eq.) in 2007 compared to 2005.

As shown in the graphs on the following page, we are on target to meet and in some cases exceed by the end of 2008, most of the company-wide environmental objectives set in 2003 (see page 11).

Collaborating with stakeholders

In addition to our membership in the ATAG, mentioned on page 20, we are actively addressing environmental challenges by participating in several associations and policy-setting working groups, including:

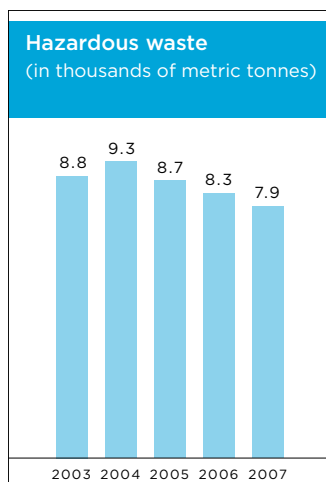
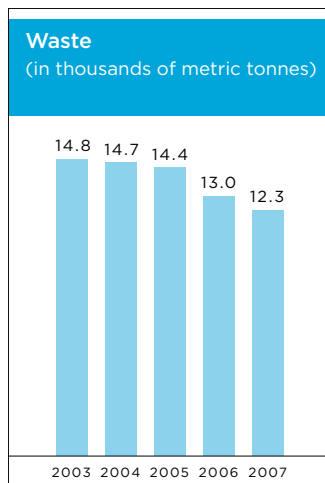
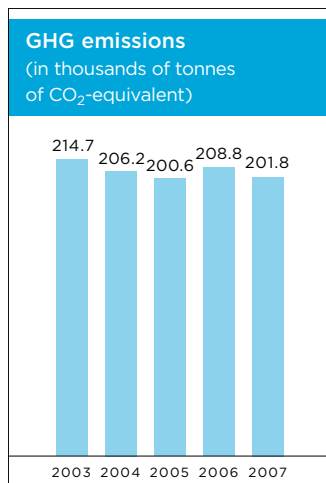
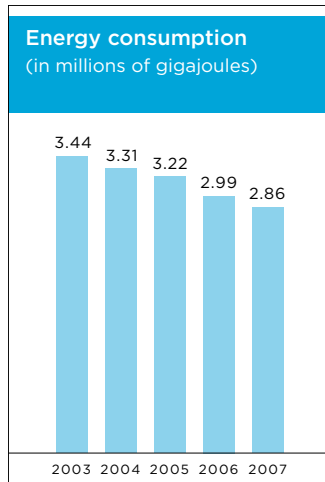
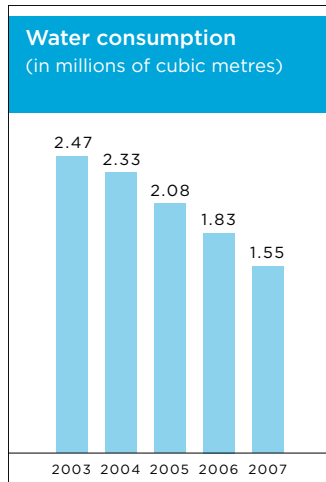
- General Aviation Manufacturers Association (GAMA), as chair of its environmental committee
- International Business Aviation Council (IBAC), as part of its environmental committee
- ICAO, as part of the Council’s Committee on Aviation Environmental Protection (CAEP) and the Emissions Working Group
- United Kingdom Civil Aviation Sustainability Strategy (CASS)

Did you know?

- Today’s aircraft are 50% more fuel efficient and 30 dB quieter than they were 40 years ago.
- They also fly three times farther on the same amount of fuel than 30 years ago.
- New aircraft designs usually target a 15% to 20% reduction in fuel burn and up to a 50% reduction in NO_x.

For more information on the aviation industry, visit www.enviro.aero.

BA'S ENVIRONMENTAL PERFORMANCE



Note: For definitions, see page 11.



ISO 14001 certification status and employee engagement

Today, 80% of our manufacturing and service sites with over 150 employees are certified to the ISO 14001 environmental management system. Our objective is to achieve 100% ISO 14001 certification by the end of 2009.

Our employees are engaged in protecting the environment through local campaigns such as the city-wide climate action campaign *Défi Climat* in Montréal, Canada, on-site recycling programs and carpooling initiatives.

TRANSPORTATION



sustainable mobility + stakeholder engagement

Rail is the most sustainable mode of mass transit available today. This climate-friendly transport solution reduces energy consumption, carbon emissions, noise, congestion, accidents, stress levels, and travel time. The economic development strategies of some of the world's fastest-growing countries focus on mass transit and rail infrastructure as the key to sustainable mobility.

Despite rail's inherent environmental advantages, the industry must tackle some major challenges. They include volatile oil and metal prices, increasingly stringent emission regulations, more sustainable land use, shorter cycles and more frequent reconfigurations for new uses, recycling strategies for older trains, responsible procurement, and stakeholder engagement.

As the global leader in rail technology, we are committed to addressing our industry's key sustainability challenges. As part of this commitment, we issued our first Sustainability Report at the end of 2006. We also launched "The Climate is Right for Trains" campaign in 2008 to raise awareness of rail's excellent environmental performance and drive further improvements in this eco-friendly means of transportation.




EXCELLENCE

a climate
for trains +
operational
excellence

Bombardier entered the mass transit market in 1974 with a contract linked to the expansion of Montréal’s metro system in Canada. Some 30 years later, we lead the world’s rail equipment manufacturing and servicing industry, largely due to our dedication to excellence.

Our advanced rail transportation solutions range from metros, trams and commuter trains, to passenger coaches, locomotives and high-speed trains. We provide high-performance bogies, propulsion and controls and rail control solutions, as well as fleet services such as maintenance, logistics and vehicle overhauls. We operate 45 production sites in 22 countries and more than 40 service centres worldwide.

 Find out more about our products and services at www.bombardier.com under Transportation/Products & Services.

Building on a sustainable tradition

We believe that sustainability drives excellence. It helps us shape the future of mobility by delivering products and services that combine energy-conserving technology with optimal safety, reliability and cost efficiency. In research and development (R&D), sustainability is about balancing long-term sustainable solutions with short-term financial performance. In emerging markets, it means avoiding the past mistakes of industrialized countries by connecting communities to industrial hubs without solely relying on roads and automobiles.

In 2003, we became the first rail vehicle manufacturer to meet the standards of acceptance of the International Association of Public Transport (UITP) Charter on Sustainable Development. By signing the Charter, we made several commitments, among them to reduce our greenhouse gas (GHG) emissions and report regularly on our sustainability performance. Between 2003 and 2007, we decreased our GHG emissions by 23%. In early 2007, we issued our first annual sustainability report, with a second one to be released in early 2009.

Committing to product and process excellence

In 2007, we launched the Bombardier Operations System (BOS), our new operational excellence tool and a key component of our TOPSIX business improvement program. This integrated lean operations system focuses on engaging employees to continuously improve site performance and deliver products on time, with no defects and to the full satisfaction of our customers.

With baseline BOS assessments completed at all major sites, we are currently implementing improvement plans to achieve best practices and ultimately reach world-class levels.

Our TOPSIX initiative also seeks to grow our market leadership, deliver a superior product portfolio, reduce procurement costs, optimize talent management and ensure project management excellence.

Our Integrated Business System (IBS) is accessible online to all employees through our electronic Bombardier Transportation Manual (eBTM) database. IBS helps us maintain our ISO/IRIS (International Organization for Standardization/International Railway Industry Standard) certifications and meet our environment, safety and quality commitments, on time and on cost.



For more information on our TOPSIX business improvement program, see our 2008 Annual Report at www.bombardier.com under Investor Relations/Financial Reports.



Innovation award for our hybrid AGC train

Our AGC (*Autorail Grande Capacité*) train received the Public Transport Innovation Award in the Energy/Environment category at the European Mobility Exhibition *Transports Publics 2008* in June. With its dual-mode, dual-voltage technology, the world's first hybrid train saves energy, reduces carbon dioxide (CO₂) emissions and cuts noise in stations.



©GO Transit

Awards for “The Climate is Right for Trains” Campaign

At the WorldMediaFestival 2008 in Hamburg, Germany, “The Climate is Right for Trains” film won an intermedia-globe Silver Award for “Successful Modern Media Communications Solutions” in the Public Relations category. The multimedia campaign received many other awards, including CUTA’s National Transit Corporate Recognition Award in the Innovation category.

Increasing rail ridership

Excellence in mobility means developing new technologies and concepts that encourage individuals to choose rail over cars and trucks. As rail ridership increases, so does the demand for new trains and environmentally friendly technologies. “The Climate is Right for Trains” campaign includes voluntarily setting goals to further reduce rail’s already low GHG-emission footprint. It captures our spirit of innovation and efforts to address resource scarcity and rising costs by developing hybrid and other advanced trains.

Did you know?

- One train track can transport up to 50,000 people per hour while it would take 25 lanes of cars to do the same.
- For every passenger-kilometre shifted from road to rail, 70% of the emitted CO₂ is avoided.
- The transportation sector generated an estimated 30% of total global CO₂ emissions, of which 84% came from road transportation and just 1% from rail.



Driving excellence through stakeholder partnerships

We strive to facilitate effective stakeholder dialogue around sustainable mobility issues. Our participation in several industry associations helps inform the public about rail's environmentally sound performance. We are involved internationally in the Association of the European Rail Industry (UNIFE), the UITP and the International Network for Environmental Management (INEM), and nationally in Germany's *Allianz pro Schiene* (Pro-Rail Alliance). We collaborate closely with operator-led organizations such as the International Union of Railways (UIC), the American Public Transportation Association (APTA) and the Canadian Urban Transit Association (CUTA). We lead the Environment and Transportation working group of UNIFE, which advises on European legislation and acts as a forum for exchanging with customers' environmental experts and developing industry-wide standards.

Locally, we work with our employees and external stakeholders to identify and implement best health, safety and environment (HSE) practices. We also collaborate with local organizations like Sustainable Pittsburgh's "Champions for Sustainability."

Partnerships with academic institutions such as the Technical University Karlsruhe in Germany and the Silesian Technical University in Poland help us recruit the best talent and advance R&D efforts in rail. We also work closely with research centres. At the German Aerospace Centre, we are participating in the Next Generation Train project to develop low-energy technology solutions for high-speed trains. Through the Forum for Corporate Sustainability Management (CSM) in Switzerland, we are exploring ways to build a sustainable business advantage for rail.

Strengthening communication on environmental impacts

We produced the rail industry's first Environmental Product Declaration (EPD), setting the stage for better communication of environmental impacts. Many of our EPDs are validated externally according to the European Union's EMAS (Eco Management and Audit Scheme) approach and comply with the ISO 14025:2006 standard.





PEOPLE

people-first
workplace +
boundary-less
organization

At Bombardier Transportation, the well-being of our 32,000 employees comes first. Investing in our employees' development and growth is the best way to ensure ours.

We focus on quality, strive to promote and protect diversity, and motivate our employees to do their best. Another key objective is eliminating boundaries that prevent the exchange of ideas, knowledge and talent across our organization.

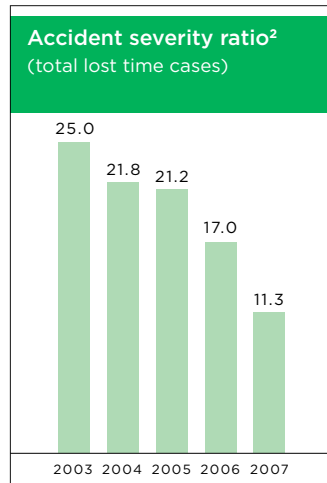
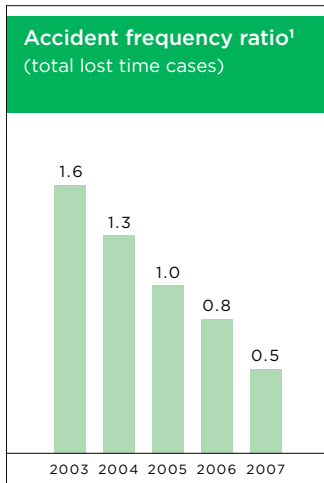
Proactively addressing health and safety

At the end of 2007, we set a long-term goal of zero injuries at all of our sites. To help us meet these targets, we began proactively treating near misses as if they were accidents. Every employee receives an average of three hours of formal HSE training per year. Managers' annual

performance assessments include HSE performance. Independent experts audit our sites to ensure compliance with all HSE requirements and evaluate our HSE training programs and annual progress, in addition to the audits performed for the certification of our management system.

Over the last five years, we reduced accident frequency by 69% and accident severity by 55%. We are hovering just above the world-class accident frequency ratio of 0.5. At many of our sites, health checks and wellness campaigns conducted during annual HSE weeks have lowered the frequency of employee illnesses.

BT'S HEALTH AND SAFETY PERFORMANCE



Note 1: Total number of accidents with 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.

Unfortunately, we lost one of our Swedish service technicians in a fatal accident that occurred at one of our joint ventures in China in February 2007. We will continue working with our employees and suppliers to improve further our H&S performance and avoid such tragic events.

Recruiting, developing and retaining the best talent

Our competitive advantage depends, in large part, on having the right people with the right skills fully engaged in the right positions. In 2008, we launched an 18-month Global Graduate Program to help recruit talented and passionate graduates. This fast-track program exposes graduates to different functions and countries across our divisions, creating a virtually boundary-less organization.



Find out more about our **Global Graduate Program** at www.bombardier.com under Transportation/Careers.

We retain our talent by investing in training and development programs that challenge our employees and create opportunities for professional growth. Over the past two years, we delivered 3,700 days of tailored training to more than 650 employees through our world-class leadership program. We are currently developing a data

OHSAS 18001 certification status

All 41 of our production sites with more than 150 employees are certified to OHSAS (Occupational Health and Safety Assessment Series) 18001, covering 85% of our employees. All health and safety performance indicators are tracked monthly and results are made available to all employees.



Proactive H&S commitment earns recognition in the U.K.

In June 2008, our Crewe plant in the U.K. received the Royal Society for the Prevention of Accidents (RoSPA) Award in Birmingham for its achievements and commitment to health and safety in the workplace. Since 2007, Crewe reduced its accident frequency rate by 50% and increased reporting on near misses and hazards.



Gender diversity at BT

Women fill 10% of our middle- and upper-management positions. They represent:

- 24% of our employees in South America
- 12% in North America
- 11% in Asia
- 10% in Europe (where most of our employees are)
- 6.5% in Australia

Initiatives such as our popular “Girls Day” at our bogies site in Siegen, Germany, help young women understand how they can build successful careers in engineering and other industrial professions.

management system to track each employee’s training and development. As part of this system, a Talent Management module will be up and running in January 2009. Employee performance and career development reviews are also conducted annually.

Promoting ethnic and gender diversity

Our employees represent 75 nationalities and speak 20 languages. Where possible, we strive to recruit local people for all functions and to provide management opportunities for women and indigenous populations. When a lack of qualified professionals makes it difficult to hire local talent, we actively support initiatives to raise their educational level.

In South Africa, we went beyond what was required when we created an education and training program. This future-oriented program empowers South Africans by training them to become engineers, while providing us with a pool of potential future employees. The project’s mission is to invest in people by building a network of innovation in sustainable transportation. Through this network of excellence, a new generation of South African students and learners will be able to deliver African solutions to African challenges.

Negotiating collective agreements

In Europe, 80% of our employees are represented by an independent trade

union or are covered by collective bargaining agreements. In North America, the figure is 40%. We negotiate our collective agreements on a country-by-country basis, ensuring that our employees are consulted and informed under these local agreements.

OUR CUSTOMERS

Our customers include national and regional railways, as well as municipal transit authorities. Private operators, particularly in regional passenger and freight transportation, are emerging as a result of deregulation. Some national railway companies and private operators are also active beyond their borders.

Our customers are located in some 60 countries, with Europe representing 74% of our total revenues in fiscal year 2008.

Identifying and responding to customer needs

Customer relationships are a strategic priority. Joint workshops and customer-led advisory committees help us solicit their feedback, assess their satisfaction and address key issues. An internal audit process throughout every project lifecycle monitors how well we are meeting our customers’ needs. We also gather information that helps us predict their future needs.

These engagement mechanisms guide our R&D efforts and drive targeted innovations. In Sweden, our *Gröna Tåget* (Green Train) research program

focuses on developing high-capacity, energy-efficient high-speed trains capable of coping with the country's nordic conditions. The feasibility tests on these high-speed trains will be completed in the spring of 2009. In fiscal year 2008, our C.L.E.A.N. (Catalyst-based Low Emission Application) diesel research project yielded environmentally friendly diesel trains that already conform with the European Union's emission guidelines for 2012.

Engaging our customers in sustainability

We partner with customers to improve the environmental performance of new rolling stock. Collaborative projects with customers recently resulted in standards for rail system design and a common environmental methodology.

We also spearheaded the creation of a Web-based solution for communicating environmental matters between different railway stakeholders. This formed the basis of CEMat, our online data collection and tracking tool that allows us to share environmental information across our supply chain.

OUR SUPPLIERS

We work with more than 3,000 suppliers in over 30 countries and spent approximately \$4 billion on procurement in fiscal year 2008. Suppliers' product and operational performance impact our own economic, social and environmental performance. Our procurement system helps us ensure that our supplier relationships add value to our supply chain. One way we do this is by giving preference to suppliers with a rigorous, externally audited HSE management system and a lifecycle approach to product development.

Engaging our suppliers in sustainability

Decreasing our global supply chain footprint and ensuring a sustainable procurement process are essential to our success. Starting in 2007, we encouraged suppliers to comply with our HSE Policy and our Prohibited and Restricted Substances list. As such, major suppliers must provide evidence of an environmental management system or the equivalent.

Customer Care Award for AirTrain JFK in the U.S.

We have operated and maintained the driverless Advanced Rapid Transit system, AirTrain JFK, since it opened to passenger service in late 2003. For the second consecutive year, we won the John F. Kennedy International Airport's 2007 Customer Care Award for best Port Authority contractor during quality assurance inspections.

Recognition for Rail Control System (RCS) team

In the U.K., RCS Plymouth's development team on the *BOMBARDIER EBI* Track 400 product received a monetary award from the newly implemented BT Patent Invention Reward System for building on Bombardier's jointless track circuit technology. The Patent Invention Reward System is designed to enhance employee creativity.



Solid business ethics from the U.S. to South Africa

BT's Gautrain project, an intercity rapid rail link system under construction in South Africa, received the prestigious "Best Global Project to Sign" award at the tenth annual Public Private Finance Awards in London for its unique engineering and socio-economic development requirements.

Our Systems division received the top Pittsburgh Business Ethics Award for its commitment to ethical practices in everyday operations, and also competed in the national American Business Ethics Awards.

Suppliers must adhere to our Code of Ethics and Business Conduct, as well as our new Supplier Code of Conduct. More than 100 suppliers have already signed the new Code. Our goal is to sign a further 200 suppliers from our master vendor list by the first quarter of 2009. Moving forward, we will incorporate social and environmental considerations into our Supplier Evaluation and Approval Process (SEAP), as well as audit suppliers' alignment with our BOS operational excellence program. Suppliers will also be encouraged to participate in a sustainability network.

Partnering with suppliers for a total lifecycle approach

We integrate key suppliers into our Joint Design Definition Process (JDDP) to ensure that we work together during the design phase to optimize lifecycle attributes at every step along the supply chain. Suppliers are also required to make

total lifecycle commitments regarding product reliability, lifecycle costs and emissions, and end-of-life recycling.

In our Cobra light rail vehicle project, we established agreements with several suppliers that require them to employ reusable packaging or to take back their packaging.

OUR COMMUNITIES

To make a net positive difference in our operating communities, we provide employment, support education and research, share our knowledge and expertise, minimize the environmental footprint of our production sites, and engage with our stakeholders.

Making a difference through dialogue

When a new rail system is proposed, residents' concerns can include noise pollution, health risks, environmental damage and the loss of indigenous

areas and culture. Working with our customers, the railway operators, we openly discuss these issues with stakeholders to uphold our social values and maintain rail's good reputation.

Our activities in India, where we have been present for more than 35 years, exemplify this approach. India's fast-growing economy fuels the country's need for trains and propulsion and rail control systems. Before establishing a new vehicle production facility in India to meet this need, we hired an external consultant to assess the social, environmental and legal implications and identify good practices for managing any issues.

Investing in our communities

Many of our sites become actively involved in local community initiatives, including the United Way/Centraide and other fundraising events, blood donation campaigns and substance abuse programs in schools. Our Plymouth site in the U.K. hosts annual teacher training days, while other plants offer student tours as well as internships. In India, employees and their spouses distributed food packages to children in need.

Employees in India also launched "Project 11 for 1" to compensate for trees they had planted 10 years ago, which subsequently had to be cut down to make space for a new building at our Propulsion

and Controls site in Vadodara. For every tree cut, employees are replanting 11 trees on nearby school and supplier premises, raising the environmental awareness of youth and adults alike.

Following the earthquake in China in May 2008, we joined forces with the China Youth Development Foundation (CYDF), a Chinese non-governmental organization devoted to the development of Chinese youth, to build two temporary primary schools in Guangyuan City in the Sichuan Province. CYDF is helping us look for a site in Sichuan to build a permanent school.



PlaNet Finance

In 2006, we entered into a three-year partnership with the non-government organization PlaNet Finance Deutschland, a microfinance platform that helps alleviate poverty and supports economic development. To date, we have contributed 80,000 euros to PlaNet Finance, which has provided technical support to three microfinance institutions in Africa and the Middle East, as well as supported "Microfinance Plus" programs in Burkina Faso and Nepal. Find out more about PlaNet Finance at www.planetfinance.org.



ENVIRONMENT

innovative
products +
responsible
ways of
working

At Bombardier Transportation, we place environmental sustainability firmly at the top of our agenda. Energy efficiency and end-of-life considerations are built into our products right from the design phase. We customize our management systems and operations to minimize our environmental impacts, setting challenging targets to drive continuous improvement.

Adhering to an environmentally friendly strategy

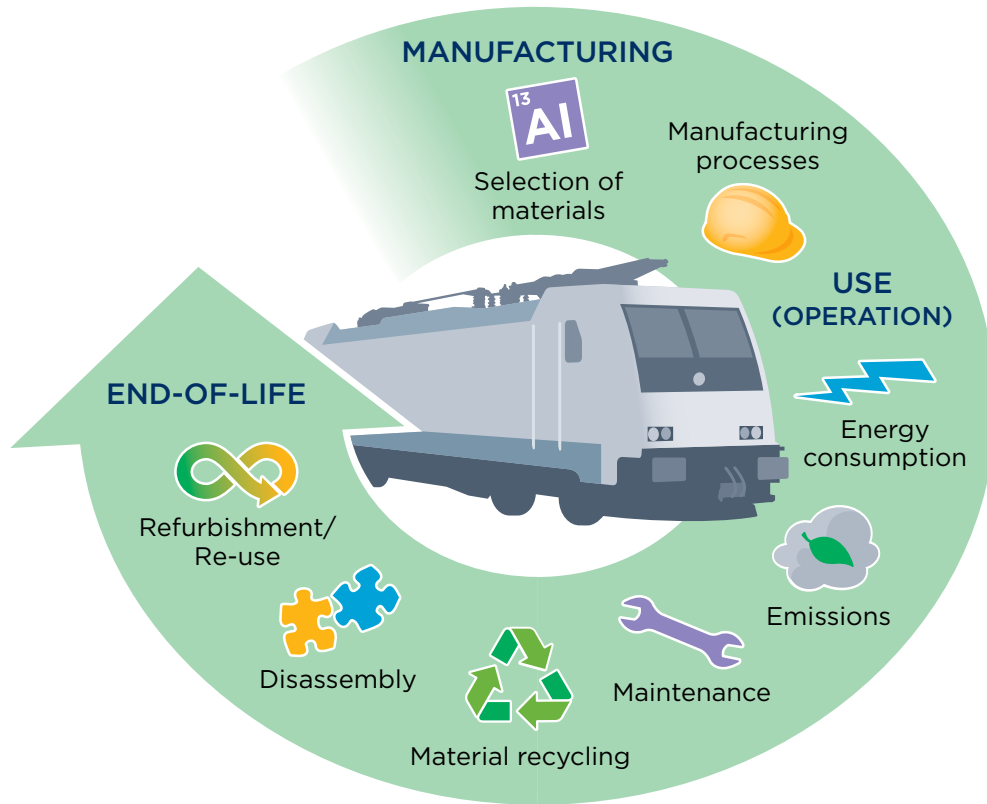
Our approach to environmental sustainability includes helping our customers increase rail ridership, shrinking rail's environmental footprint and providing sustainable mobility solutions in developing regions.

Launched in the early 1990s, our Design for Environment (DfE) program helps us design rail vehicles with improved energy efficiency and end-of-life recyclability. Our vehicles are generally in use for 30 to 40 years. Many of the materials used to make them, such as steel, have an infinite lifespan and are recyclable.

Our DfE approach also enables us to reduce the use of hazardous substances, conserve non-renewable resources and develop disassembly-friendly designs. This facilitates recycling, as well as easier repair and upgrading for continued use, which in turn reduces landfill and raw material costs.

Rail's use of land is dramatically lower than other modes of transportation. Nonetheless, we have a responsibility to engage with stakeholders and ensure effective planning to minimize the impact of new rail transportation systems. We support operators and planning departments by providing information and tools for this.

Product lifecycle



Developing sustainable products

Our product designers establish DfE action plans to address design challenges such as energy efficiency, lifetime expectancy and reduction of material diversity. To date, several hundred engineers and supply managers have received DfE training.

A recent project in Scandinavia measured several modern trains' energy consumption and showed that, for comparable operations, our new trains used 25% to 30% less energy per passenger-kilometre than the previous generation of trains. This achievement stemmed from improved aerodynamics,

regenerative braking, more efficient propulsion systems and increased capacity due to wider car bodies.

In the U.K., we are working on a "green train" concept for a vehicle that is 20% lighter, 20% more fuel efficient and more than 90% recyclable, which also emits 20% less CO₂.

To enhance the effectiveness of our DfE program, we will launch a software simulation tool, enabling designers to optimize the power system configuration and minimize the energy consumption of the overall transit system. In next year's report, we will also provide more details on our new comprehensive portfolio of *ECO4* technologies, which focus on

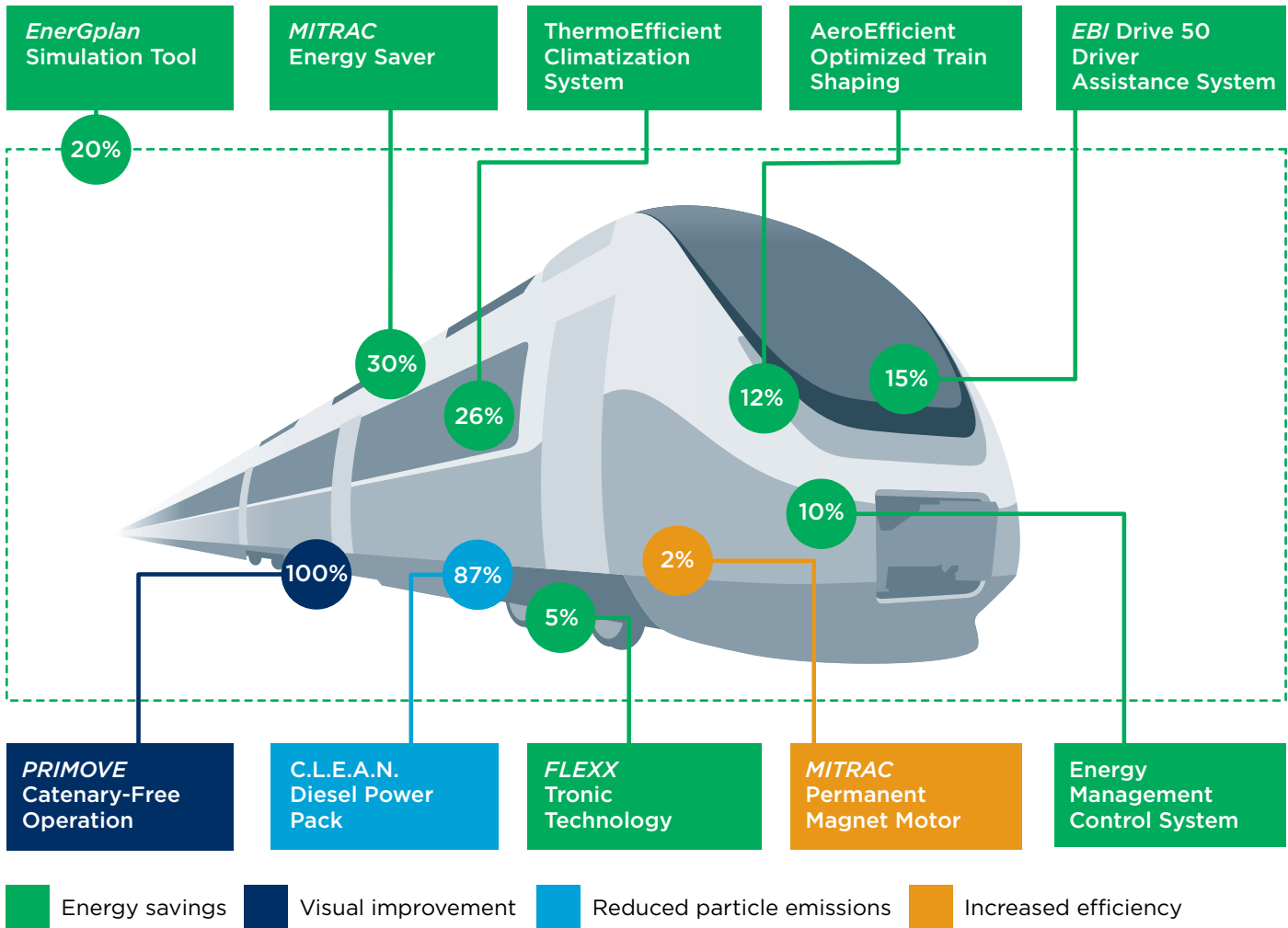
energy, efficiency, economy and ecology to deliver overall energy savings of up to 50% (see illustration on page 46).

Improving our operations

In 2002, we established five-year goals to enhance the environmental performance of our manufacturing sites. By the end of 2007, we had reduced our water consumption by 32%, our energy consumption by 25% and our GHG emissions by 23%. Total waste and hazardous waste increased due to the expansion of our service centres.

In 2008, we completed a two-year energy efficiency study of our major production sites, identifying

New *ECO4* technologies



energy consumption and key emission sources. Our next step will be to implement solutions at our significant energy-consuming sites and share energy-saving best practices across our organization. Nine sites are already implementing projects that should generate savings of 39,000 megawatt hours, the equivalent of the annual consumption of one of our medium-sized production facilities. We will also change our return on investment (ROI) requirements to include environmentally

friendly investments that reduce energy consumption and CO₂ emissions.

To further reduce CO₂ emissions, our ENEFA (Energy Efficiency of Facilities) initiative, led by HSE and Procurement teams, focuses on improving our sites' energy efficiency, increasing our use of renewable energy sources, and evaluating our engagement in CO₂ projects outside our organization.

In Canada, the La Pocatière production site recently became a member of Hydro-Québec's Ecoelectric

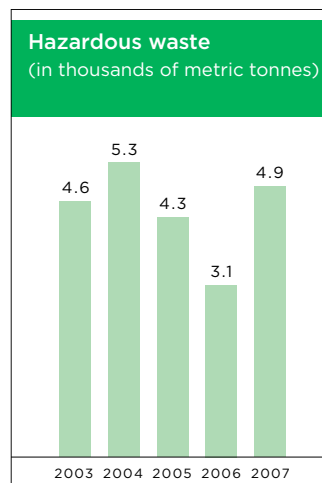
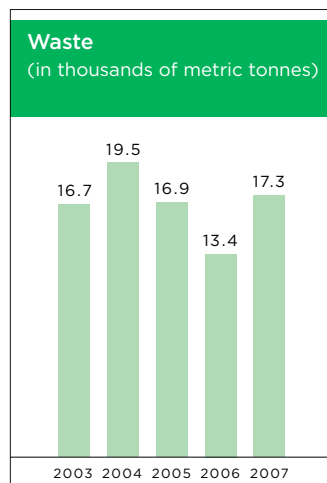
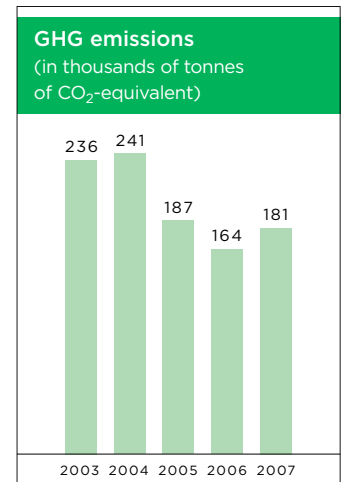
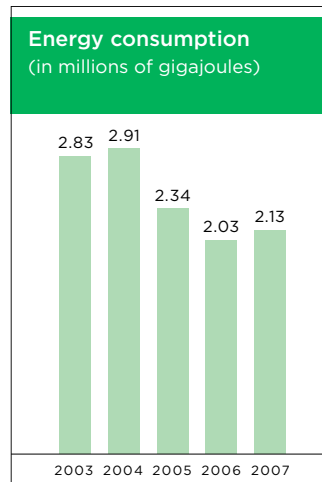
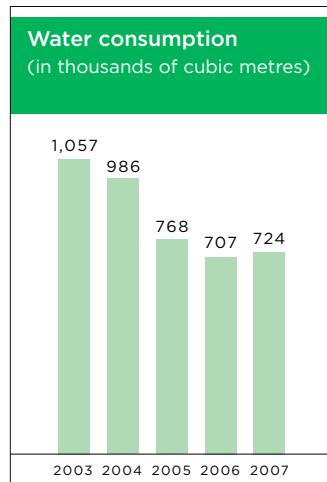
Network of companies. Reducing its energy consumption by 12% in 2007, La Pocatière is recognized as a leader by this Québec government energy generation and management company.

In the U.K., our Derby site implemented a standardized HSE management plan, which will now serve as a template for all projects. Under the plan, no prohibited or restricted substance can be used without first undergoing a risk assessment and approval process.

BT'S ENVIRONMENTAL PERFORMANCE

Environmental performance indicators

We track our environmental performance, in part, by ensuring that we publish at least one Environmental Product Declaration per new product platform and include energy efficiency and other environmental aspects in our product roadmaps.



Note: For definitions, see page 11.

Environmental achievements

Site-level environmental achievements include:

- In the U.S., our Pittsburgh site implemented a Paper Retriever program.
- In Belgium, our Bruges site installed a new Building Management System to lower heat and energy consumption.
- In Germany, our Hennigsdorf site reduced energy consumption for lighting and compressed air by 35%, saving 660 tonnes of CO₂-equivalent (CO₂-eq.) per year.
- Our Aachen site, also in Germany, modernized its heating system, reducing gas costs by 15% and saving 3,000 tonnes of CO₂-eq. per year.
- In France, our Crespin site is set to increase its energy efficiency by 20%, saving 1,600 tonnes of CO₂-eq. per year.

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Glossary

Advisory Council for Aeronautics Research in Europe (ACARE): ACARE's main focus is to establish and carry forward a Strategic Research Agenda (SRA) that will influence all European stakeholders in the planning of aeronautics research programs, particularly national and EU programs, in line with its founding goals.

Air Transport Action Group (ATAG): ATAG is an independent coalition of member organizations and companies throughout the global air transport industry. ATAG advocates the environmentally responsible development of aviation infrastructure, including en route capabilities, airport capacity and ground access in order to meet customers' demand in a timely way.

Carbon Disclosure Project (CDP): CDP is an independent not-for-profit organization which acts as an intermediary between shareholders and corporations on all climate change related issues, providing primary climate change data from the world's largest corporations, to the global marketplace.

Carbon neutral: Being carbon neutral means that, for a given activity, either no carbon emissions were produced or the organization purchased sufficient offset credits so that all emissions were counteracted by reductions elsewhere, creating net "carbon neutrality."

Carbon offset: Carbon offset credits allow a company or individual to "offset" carbon that they have emitted by purchasing "offset" credits from an offset provider. The provider is responsible for producing these credits either by taking action that reduced atmospheric greenhouse gas emissions through sequestration

(e.g.: reforestation) or by taking action that prevents the generation of emissions that would otherwise have been created (e.g.: subsidizing solar power as an alternative to coal power).

ClimateCare: ClimateCare is an organization (part of JPMorgan's Environmental Markets Group) which provides advice and support to companies and project developers in emerging markets to create emissions reduction credits from projects that successfully reduce greenhouse gas emissions. The credits are then sold to companies or individuals (primarily in Kyoto Protocol signatory nations) who want to offset their greenhouse gas emissions (see carbon offset above).

CO₂ emissions: Carbon dioxide is a gas naturally produced by animals during respiration and through decay of biomass, and used by plants during photosynthesis. Although it only constitutes 0.04% of the atmosphere, it is one of the most important greenhouse gases.

Disassembly-friendly design: A design concept that enables the product and its parts to be easily reused, re-manufactured or recycled at end-of-life.

Dow Jones Sustainability Indexes (DJSI): Launched in 1999, the DJSI are the first global indexes tracking the financial performance of the leading sustainability-driven companies worldwide.

Eco-Management and Audit Scheme (EMAS): EMAS is a management tool for companies and other organizations to evaluate, report, and improve their environmental performance.

End-of-life considerations: Design considerations related to the final decommissioning or disposal of a product.

Environmental Fact Sheets/Scorecards: Simplified fact sheets published with new Bombardier products, explaining the environmentally relevant design achievements related to that product.

Environmental Product Declarations (EPD): The overall goal of an EPD is to provide relevant, verified and comparable information on a given product to meet various customer and market needs.

Global Reporting Initiative (GRI): GRI's vision is that reporting on economic, environmental, and social performance by all organizations is as routine and comparable as financial reporting. The Sustainability Reporting Framework—of which the Sustainability Reporting Guidelines are the cornerstone—provides guidance for organizations to use as the basis for disclosure about their sustainability performance. It also provides stakeholders a universally applicable, comparable framework in which to understand disclosed information.

Greenhouse gas emissions (GHG): A gas, such as carbon dioxide or methane, which contributes to potential climate change.

International Air Transport Association (IATA): IATA is an international trade body, created some 60 years ago by a group of airlines. Today, IATA represents some 230 airlines comprising 93% of scheduled international air traffic. The organization also represents, leads, and serves the airline industry in general.

International Association of Public Transport (UITP): UITP is the international network for public transport authorities and operators, policy decision-makers, scientific institutes and the public transport supply and service industry.

International Civil Aviation Organization (ICAO): ICAO, a UN specialized agency, is the global forum for civil aviation. ICAO works to achieve its vision of safe, secure, and sustainable development of civil aviation through cooperation amongst its member States.

ISO 14001:2004 Standard (International Organization for Standardization): ISO 14001:2004 specifies requirements for an environmental management system to enable an organization to develop and implement a policy and objectives which take into account legal requirements and other requirements to which the organization subscribes, and information about significant environmental aspects. It applies to those environmental aspects that the organization identifies as those which it can control and those which it can influence. It does not itself state specific environmental performance criteria.

ISO 14025:2006 Standard: A voluntary international standard which establishes the principles and procedures for developing Type III environmental declarations and programs. Type III environmental declarations are based on product life cycle data with a focus on continuous improvement and generally require third party verification by accredited institutions.

Lifetime expectancy: The expected useful life of a product in its original form.

Material diversity: Refers to the diversity of materials used in the manufacture of a product.

OHSAS 18001 (Occupational Health and Safety Assessment Series): OHSAS 18001 is the internationally recognized assessment specification for Occupational Health & Safety Management Systems. It was developed by a selection of leading trade bodies, international standards and certification bodies to address a gap where no third party certifiable international standard exists.

Prohibited or restricted substance: Bombardier has developed a list of prohibited and restricted substances to make sure that harmful substances are not used in its products. This list is applied at engineering and design functions and for procurement of materials and parts used in the product. All suppliers are requested to comply with this list.

Sustainability: Within the context of the environment, sustainability “is a pattern of resource use that aims to meet human needs while preserving the environment so that these needs can be met not only in the present, but in the indefinite future.”

Total lifecycle approach: An approach which examines the total consecutive and interlinked stages of a product system, from raw material acquisition or generation of natural resources to the final disposal.

United Nations’ Conference on Trade and Development (UNCTAD): UNCTAD promotes the development-friendly integration of developing countries into the world economy.

United Nations Global Compact: The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

We welcome your comments on this report.

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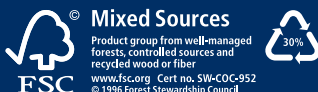
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