

# 2023 Modern Slavery Report

by Bombardier Inc.



## 1. Introduction

This Report is produced by Bombardier Inc. (“**Bombardier**” or the “**Corporation**” or “**our**” or “**we**”) for the financial year ending December 31, 2023 (the “**Reporting Period**”) and sets out the steps taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere or of goods imported into Canada by the Corporation.

This Report constitutes the first report prepared by the Corporation pursuant to Canada’s new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). Bombardier Services (UK) Limited, a subsidiary of the Corporation, is a reporting entity under the UK *Modern Slavery Act 2015*.

## 2. Steps to prevent and reduce risks of forced labour and child labour

We consider the respect of human rights to be a fundamental corporate responsibility and a value governing all our activities. We place the highest importance on respecting human rights while conducting our business activities everywhere we operate. We expect the same of our business partners. Bombardier has been a signatory to the United Nations Global Compact since 2007.

In general terms, we took the following steps during the Reporting Period to prevent and reduce the risk of forced labour or child labour in our business and supply chains:

- reviewed and updated our Supplier Code of Conduct in June 2023;
- conducted a preliminary initial internal assessment of the risks of forced labour and/or child labour in our supply chains to enhance our supplier Third-Party due diligence process; and
- tested our new supplier Third-Party due diligence process, which includes modern slavery risks, with selected suppliers with the objective of testing the process and improving it as necessary.

Details of the above actions are set out in this Report.

## 3. Structure, activities and supply chains

Bombardier is incorporated under the *Canada Business Corporation Act*. Our common and preferred shares are listed on the Toronto Stock Exchange.

Headquartered in Greater Montreal, Québec, Bombardier designs, develops, manufactures and markets two class-leading families of business jets, *Global* and *Challenger*, which consist of several large and mid-

size aircrafts and adapts various aircraft platforms for specialized use such as surveillance and reconnaissance, medical evacuations and dignitary transport.

Additionally, the Corporation's customer support network services the *Learjet*, *Challenger* and *Global*<sup>1</sup> families of aircraft, and includes facilities in strategic locations in the United States and Canada, as well as in the United Kingdom, Germany, France, Switzerland, Austria, the UAE, Singapore, China and Australia. There is a worldwide fleet of more than 5,000 Bombardier aircraft in service with a wide variety of multinational corporations, charter and fractional ownership providers, governments, and private individuals.

The Bombardier group is a global business, with 18,100 employees in 14 countries as of December 31, 2023. It strives to create a diverse and inclusive culture everywhere it operates.

Bombardier's products are manufactured in Canada (Montreal and Toronto), the United States (Wichita and Red Oak) and Mexico (Querétaro). Operations conducted in those facilities vary from manufacturing and assembly of aircraft components and parts to final assembly, interior finishing, painting and pre-flight activities. Aircraft ordered by customers are delivered by the Corporation or its subsidiaries. All marketing of the Corporation's products is provided through its head office in Greater Montreal, Québec. Sales of the Corporation's products (other than aircraft) are done through various offices of the Corporation or its subsidiaries. In the Americas, these include offices in Dorval, Dallas and Wichita. For Asia, Africa and the Middle East, these include offices in Dubai, Singapore and Hong Kong. Parts are available from two main parts distribution hubs in Chicago and in Frankfurt, which are complemented by regional depots in San Luis Obispo (California), Hong Kong, Singapore, and Dubai. Maintenance services are also available through service centres located in the United States, Europe and the Asia-Pacific, including a joint venture facility in China, as well as various line maintenance facilities and third-party authorized service facilities throughout the world.

Bombardier's global supply chain consists of product suppliers, providing notably engines, wings, avionics, fuselage parts, mechanical and electrical systems, and suppliers of non-product goods and services. The raw materials, components, items and systems required to manufacture aircraft and aerostructures and system components are procured from suppliers around the world and vary from product to product. Most of these materials, components and systems are provided by suppliers with which Bombardier has long-term contracts. Bombardier seeks long-term relationships with major direct and indirect suppliers for the delivery of materials, major systems and components to build and deliver aircraft and support customers with related services. Within its supply chain, Bombardier has built relationships with suppliers worldwide in production, indirect goods and services and aftermarket. Bombardier currently does business with approximately 2,000 product suppliers located in 30 countries and approximately 4,500 non-product suppliers worldwide. The list of our approved suppliers is available on our website: <https://bombardierquality.service-now.com/sp?id=vendors>.

#### **4. Policies, Governance and Due Diligence processes**

##### **4.1 United Nations Global Compact ("UNGC") and Environmental, Social and Governance Initiatives**

Bombardier is committed to embedding human rights considerations into its policies, governance framework and decision making. As such, Bombardier sees the management of Environmental, Social and Governance ("ESG") risks and opportunities as an inherent part of Bombardier's success as a business. Bombardier regularly tracks the potential sustainability-related risks that are shaping its operating environment and develops and implements strategies to progress its performance across sustainability areas. The Board of Directors has

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<sup>1</sup> *Bombardier*, *Learjet*, *Challenger* and *Global* are trademarks of Bombardier Inc. or its subsidiaries.

delegated to its Corporate Governance and Nominating Committee oversight of sustainability and corporate social responsibility, including monitoring of the Corporation's ESG plan, practices, related policies, and disclosure with respect to same, as well as monitoring and ensuring compliance with the Corporation's Code of Ethics. The Audit Committee and the Human Resources and Compensation Committee of the Board of Directors also oversee certain elements pertaining to ESG-related matters and disclosures.

Bombardier reports annually on its corporate social responsibility performance and its ESG practices in its Environmental, Social and Governance Report (ESG Report), which includes its ESG plan and goals for 2025, as well as the Corporation's yearly sustainability performance. The ESG Report can be found on its website at: <https://bombardier.com/en/sustainability>.

Bombardier is a signatory of the UNGC, the world's largest corporate citizenship and sustainability initiative. As such, we are committed to promoting, in our business activities, the 10 fundamental principles of the UNGC which address human rights, environmental protection, anti-corruption and labour rights, more specifically the elimination of all forms of forced labour and abolition of child labour.

#### **4.2 Human Rights Statement**

In furtherance of Bombardier's commitment to upholding human rights through the UNGC, our Human Rights Statement reiterates Bombardier's position to not use child or forced labour. In support of this commitment, we expect all employees at all levels, as well as our business partners, to act accordingly. Our Human Rights Statement can be found on our website at <https://bombardier.com/en/sustainability/governance/human-rights-statement>.

#### **4.3 Code of Ethics (the "Code")**

The Code applies to all members of the Bombardier community, including the Board of Directors, management and employees at every level, in every country and from every Bombardier legal entity (including joint ventures where Bombardier has a majority/controlling interest).

It addresses ethical conduct in our work environment, business practices and relationships with external stakeholders. The principles set out in the Code reflect Bombardier's belief that honesty and integrity foster a positive work environment that strengthens the confidence of all stakeholders. The Code details the standards of behaviour expected from everyone to whom it applies in their daily activities and in dealings with others. It also outlines the key responsibilities of Bombardier leaders who are to provide a model of high standards of ethical conduct and to create a work environment reflecting both the content and the spirit of the Code. Our Code requires us to uphold our core values, our standards of behaviour, and our commitment to the UNGC's 10 principles across all our global activities.

The Code applies at all times, without exception, to all members of the Board of Directors, all of management and all employees. The Code can be found here: <https://bombardier.com/en/who-we-are/our-code-ethics>.

#### **4.4 Supplier Code of Conduct (the "Supplier Code")**

In line with Bombardier's vision for its suppliers, Bombardier actively engages its supply chain by the adherence of its suppliers to its Supplier Code which has been developed with recognition of the 10 principles outlined in the UNGC. The Supplier Code, which was last updated in June 2023, details our expectations of suppliers in respect of human rights, labour, legal compliance, health and safety, the environment, anti-corruption, ethics,

and governance. The Supplier Code can be found here:

<https://bombardier.com/en/sustainability/governance/responsible-supply-chain/supplier-code-conduct>.

Our Supplier Code specifically includes provisions prohibiting child labour and forced labour, as follows:

#### **“3.1.2. Child labour**

*Bombardier will not engage in nor support the use of child labour and will not tolerate the use of child labour at any level in its supply chain. For the purpose of this Supplier Code, child labour covers all types of work carried out by employees under the age of 15 years old, excluding when such employment forms the basis of vocational training or takes the form of an educational program. However, for employment or work which by its nature or circumstances is not suitable for a person under the age of 18 years old, child labour shall mean employees under the age of 18 years old.*

#### **3.1.3. Forced labour / Modern slavery / Human trafficking**

*Bombardier will not engage in any form of human trafficking or use any type of forced labour or modern slavery, nor will it tolerate their use at any level in its supply chain. Suppliers must not demand any work or service from any person under the menace of any penalty. For example, Suppliers’ employees (regardless of their employment status) must be free to leave work or terminate their employment with reasonable notice, and they must not be required to surrender any government issued identification, passports or work permits as a condition of employment.”*

### **4.5 Third Party Due Diligence Policy**

While improving operational efficiency, we continue to strengthen our processes to reduce risks related to forced and child labour. In line with our Third-Party Due Diligence Policy, our supply chain organization applies a risk assessment procedure prior to engaging with new suppliers and conducts reviews based on their operational risk framework.

Bombardier has taken measures to strengthen the existing Third-Party Due Diligence process for supply chain by enhancing it with a comprehensive four-step risk-based approach that improves Bombardier’s ability to identify and mitigate risks associated with its supply chain. Modern slavery risks are encompassed in this process and in 2023, selected suppliers went through the process with the objective of testing it and improving it as necessary.

### **4.6 Reporting and Non-Retaliation Policy**

In accordance with our Reporting and Non-Retaliation Policy and our Supplier Code, should employees or suppliers have concerns regarding forced or child labour, they have a responsibility to report their suspicions. To that effect, Bombardier provides multiple channels for them to report any potential breach, on a confidential basis or not, such as reporting:

- to colleagues, including supervisors, human resources representatives, legal services representatives, internal audit representatives or next level of management;
- to Bombardier’s Ethics and Compliance Office, by email or phone, open to both employees and suppliers and to dedicated Ethics Ambassadors available at all major sites; or
- via [Ethics Line](#), our free and confidential hotline available to all employees and third parties 24 hours a day, seven days a week, anywhere in the world, accessed by phone or online.

## **5. Assessing and managing our risk**

Bombardier uses a risk-based approach to assess and manage its risk of forced labour and child labour. Our approach helps us prioritize our efforts and adjust our actions. Our methodology to identify risks in our supply chain through our Third-Party Due Diligence process combines notably country risk indicators, supplier's category and type of products/services offered by the supplier. The resulting risk score determines the level of additional due diligence to be performed, including with respect to forced and child labour, and the extent of ongoing monitoring and frequency of review required.

Our methodology to identify risks is notably based on 1) whether the supplier is headquartered or its manufacturing sites are located in countries that have a low score on the corruption perception index and/or that are at risk according to the global slavery index based on the products they supply to Bombardier, 2) whether the products/services come from or are delivered to one of the countries mentioned above, 3) whether Bombardier is supplied with certain indirect goods and services, and 4) if the products offered by the supplier to Bombardier include raw materials.

Bombardier also implemented a comprehensive monitoring solution that detects global events that could potentially have an impact on its supply chain. This real-time solution helps Bombardier to increase the visibility of its supply chain, to monitor activity around the world that may disrupt or affect operations, and to be more proactive when dealing with risks. Events monitored include notably natural disasters, labour disruptions, cyber-attacks, financial and geopolitical risks.

## **6. Remediation Measures**

Our Reporting and Non-Retaliation Policy, Code of Ethics and Supplier Code offer a reporting mechanism for our employees and suppliers to report ethical or legal violations, among other concerns. Our Supplier Code also includes information on the Ethics Line, which suppliers can use to raise concerns. In accordance with UNGC principles and our policies, if a situation of non-compliance is identified, Bombardier will work to develop and implement a corrective plan to improve and remedy the situation.

## **7. Training**

Bombardier's employees receive regular tailored training on ethical topics and our policies. All new office employees are assigned a mandatory onboarding training package which includes training on our Code of Ethics. On an annual basis, all office employees are required to certify their abidance by our Code of Ethics.

In 2024, Bombardier intends to provide training to targeted audiences that will include child and forced labour.

## **8. Assessing effectiveness**

Bombardier has in place a number of measures to prevent and reduce the risk that forced labour or child labour is used in our activities and supply chains. While we have not yet taken any actions to assess the effectiveness of those actions, Bombardier intends to assess its effectiveness in preventing and reducing risks of forced labour and child labour in its activities and supply chains at a later stage.

## 9. Approval and Attestation

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Bombardier Inc.

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, attest that I have reviewed the information contained in this report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind Bombardier Inc.



Per: \_\_\_\_\_

Full Name: Eric Martel  
Title: President and Chief Executive Officer  
Director of Bombardier Inc.  
Date: 8 February 2024