CORPORATE OFFICE 800 RENÉ-LÉVESQUE BLVD. WEST MONTRÉAL, QUÉBEC CANADA H3B 1Y8 TEL 514-861-9481 FAX 514-861-2746 www.bombardier.com

BOMBARDIER

Montreal, May 12, 2021

<u>To</u>: Beatriz Balbin Chief, Special Procedures Branch United Nations Human Rights Office of the High Commissioner registry@ohchr.org

Subject: Joint Communication from Special Procedures Ref.: AL OTH 65/2021

We refer to the joint communication dated 12 March 2021 from the Working Group on the issue of human rights and transnational corporations and other business enterprises; the Special Rapporteur in the field of cultural rights; the Special Rapporteur on minority issues; the Special Rapporteur on freedom of religion and belief; the Special Rapporteur on contemporary forms of slavery, including its causes and consequences; the Special Rapporteur on torture and other cruel, inhuman or degrading treatment or punishment; and the Special Rapporteur on trafficking in persons, especially women and children.

Bombardier Inc. ("Bombardier") notes the concerns expressed in the joint communication and provides the following information in response.

Bombardier believes that good ethics and a strong commitment to corporate responsibility and sustainable business practices are essential for managing the challenges and opportunities of a rapidly changing global environment. We encourage these values with our employees, our suppliers, customers and business partners.

Bombardier has a global compliance function made up of dedicated compliance professionals and a network of compliance ambassadors, spread across all of Bombardier's main locations around the world, that designs and oversees ethics and compliance programs, policies and procedures, and their implementation and application. Part of that compliance program provides that upon hiring and every two years, our employees are required to complete a training on our code of ethics and certify, on a yearly basis, that they have reviewed the code. We also encourage a speak up environment and have a comprehensive reporting and non-retaliation policy, outlining both the employees' duty to speak up and our commitment to investigate reports and protect those who come forward in good faith. Bombardier has a misconduct whistleblowing system, accessible to employees and external stakeholders, via an online platform or a 24/7 hotline that can be consulted here: <u>https://bombardier.com/en/who-we-are/our-code-ethics/who-contact</u>.

Our commitments to these values is also reflected by Bombardier's adherence to the United Nations Global Compact (UNGC), which we have been a signatory of since 2017. We actively promote the 10 UNGC fundamental principles addressing human rights, labour, the environment and anti-corruption, and actively engage our supply chain by requesting that our suppliers be bound by our Supplier Code of Conduct, which also articulates the 10 principles outlined in the UNGC.

The Supplier Code of Conduct categorically prohibits forced or enslaved labour of any kind and at any level of Bombardier's supply chain. Moreover, the Supplier Code of Conduct prescribes a number of affirmative standards and practices that suppliers must extend to their employees. Those standards and practices include, for example, treating employees (regardless of their employment status) fairly, ethically, respectfully and with dignity, providing that employees occupational health and safety be a priority throughout all aspects of its suppliers' activities and, that Suppliers' employees shall not have any requirement to surrender any government issued identification, passports or work permits as a condition of their employment and shall be free to leave work or terminate their employment with a reasonable notice. The Code applies to Bombardier's product and services suppliers, consultants, agents and representatives and can be consulted here: https://bombardier.com/en/who-we-are/supplier-code-conduct.

Bombardier's corporate policy and procedures also provide for due diligence to be performed on suppliers, clients and business partners prior to entering into a contractual relationship. Due diligence may be performed by Bombardier internally, but we also rely on reputable third parties whose expertise is to conduct due diligence of that nature. Where due diligence raises concerns that are not addressed, onboarding of a new supplier will ultimately be halted. As appropriate, ongoing monitoring may also be performed.

We also encourage our suppliers to implement policies, procedures, tools and indicators necessary to ensure compliance and to manage, monitor and develop their own supply chains in such a manner as to ensure our requirements under our Supplier Code of Conduct are met.

Regarding the specific allegations mentioned in the joint communication, Bombardier first learnt of the allegations against a supplier of its former Transportation business segment regarding their employment practices in connection with the rights of Uyghur minority workers from the Xinjiang Autonomous Region after being contacted by a journalist following the publication of a report by the Australian Strategic Policy Institute ("ASPI") on March 1, 2020, which report referred to more than 80 companies worldwide.

As soon as Bombardier and its former Transportation business division ("BT") were made aware of the allegations, BT immediately engaged with the supplier to investigate the allegations and verify its commitment and adherence to Bombardier's Supplier Code of Conduct. Following their request for clarification, BT publicly stated it was satisfied with the responses received from the supplier and considered that matter closed.

Bombardier cannot comment further on this matter since Bombardier sold that business division to Alstom S.A. on January 29, 2021.

Yours sincerely,

Alexander Von Reden Chief Compliance Officer