

Unofficial English Translation

To Norges Bank

Recommendation to discontinue observation of Bombardier Inc

Summary

In March 2022, Bombardier Inc (Bombardier) was placed under observation over a period of two years due to an unacceptable risk that the company contributes to or is itself responsible for gross corruption. The decision was based on the fact that Bombardier or its subsidiaries could be linked to allegations or suspicions of corruption in six countries over a period of more than ten years. In its assessment of future risk, the Council attached importance to multiple deficiencies in the company's follow-up of corruption risk. This included top management's lack of communication of zero tolerance for corruption, as well as inadequate third-party assessments and follow-up of when corruption was reported. In June 2024, it was decided to extend the observation. The reason for this was that the company, in the Council's view, did not share sufficient information about its compliance systems. Since then, the Council on Ethics has had no contact with the company, but has monitored whether allegations of new cases of corruption or other financial crime related to the company have emerged.

To the best of the Council's knowledge, the most recent serious allegation or suspicion of corruption or other financial crime related to Bombardier's operations is from 2016. This is now ten years ago. Although the company has, in the Council's view, not shared detailed information about its compliance systems, enough time has nevertheless passed since these circumstances for the Council to consider this to be an indication that the risk is no longer unacceptable. The Council on Ethics also emphasises that the majority of allegations and suspicions of corruption relate to a part of the company that was divested in 2021.

The Council therefore recommends that the observation of Bombardier be ended.

Content

1	Introduction	1
	1.1 What the Council has decided	1
2	Background	1
3	The Council on Ethics' work during the observation period	2
4	The Council on Ethics' assessment	3
5	Recommendation	4

1 Introduction

In March 2022, Norges Bank announced its decision to place Bombardier Inc¹ (Bombardier) under observation for a period of two years due to an unacceptable risk that the company contributes to or is itself responsible for gross corruption. This was in accordance with the Council on Ethics' recommendation of October 2021.²

Bombardier is one of the world's largest manufacturers of private jets. Since 2022, the company has also been producing aircraft for the defense sector. By the end of 2025, Bombardier had 18,000 permanent employees.³

At year-end 2025, the Government Pension Fund Global (GPF) owned one per cent of the company's shares, worth NOK 1.7 billion.⁴

1.1 What the Council has decided

Pursuant to Section 5 (5) of the Interim ethical guidelines for the Government Pension Fund Global, the Council on Ethics may, in light of new information, recommend that decisions on observation or exclusion be revoked.⁵

2 Background

The original recommendation to place Bombardier under observation was based on the fact that Bombardier or its subsidiaries could be linked to allegations or suspicions of corruption in six countries over a period of more than ten years. The cases related to bribery or suspicious transactions worth more than USD 100 million, undertaken via agents, intermediaries or business partners to win contracts for Bombardier's subsidiaries.

¹ Issuer ID: 108515.

² The Council on Ethics' original recommendation can be read on the website: <https://files.nettsteder.regjeringen.no/wpuploads01/sites/275/2022/03/Tilradning-Bombardier-Inc-observasjon.pdf>.

³ Bombardier Inc. Financial Report – Fiscal Year ended December 31, 2025.

⁴ Norges Bank, holdings at end-2025; <https://www.nbim.no/en/investments/all-investments/#/2025-12-31/0/3gktof0ulcfb>.

⁵ Interim ethical guidelines for the Government Pension Fund Global: <https://lovdata.no/dokument/INS/forskrift/2025-11-07-2231>

In its assessment of future risk, the Council attached importance to several shortcomings in the company's follow-up of corruption risk. This included top management's lack of communication of zero tolerance for corruption, as well as inadequate third-party assessments and follow-up when corruption was reported. The Council on Ethics also noted that there was a discrepancy between what the company disclosed and what emerged from other sources with regard to due diligence assessments and the processing of whistleblowing reports. As the company divested its transportation division in 2021, to which the majority of the allegations and suspicions related, the Council on Ethics recommended placing Bombardier under observation rather than be excluded from investment by the GPF.

Following Norges Bank's decision to place Bombardier under observation, the Council on Ethics has attempted to obtain information on how the company has worked with and developed its anti-corruption system, as well as information on the company's measures to prevent, detect and deal with money laundering in its operations. Furthermore, the Council has monitored whether allegations have emerged of new cases of corruption or other financial crime related to the company.

3 The Council on Ethics' work during the observation period

Following the publication of the observation in March 2022, the Council on Ethics contacted Bombardier repeatedly up to November 2023 with a view to obtaining further information on what the company is doing to prevent, detect and deal with corruption and other financial crime in its operations. This proved to be a demanding process. The company would not meet with the council, and the response the company gave did not come until November 2023 after the company had received a draft recommendation to exclude it.

With regard to the information that Bombardier ultimately shared with the Council on Ethics, the Council was of the view that it did not adequately show how their systems for preventing corruption and money laundering work *in practice*. This included, inter alia, due diligence assessments and follow-up of whistleblowing reports, which were highlighted in the original recommendation as key deficiencies.

The Council therefore considered that uncertainty related to Bombardier's efforts to prevent, detect and deal with corruption still existed, and advised in its recommendation of March 2024 that the observation be continued. In June 2024, Norges Bank announced its decision to continue the observation of Bombardier in accordance with the Council on Ethics' recommendation.

Since then, the Council on Ethics has had no contact with the company.

From June 2024 on, the council has only been monitoring whether allegations of new cases of corruption or other financial crime related to the company have emerged. As far as the Council has been able to observe, no new cases have surfaced as of March 2026. In the original recommendation, the most recent identified allegation or suspicion of corruption is from 2016.

4 The Council on Ethics' assessment

In October 2021, the Council on Ethics recommended placing Bombardier under observation because it believed that there were several deficiencies in the company's systems and procedures for preventing, detecting and dealing with corruption.

To the best of the Council's knowledge, the most recent serious allegation or suspicion of corruption or other financial crime related to Bombardier's operations is from 2016. This is now ten years ago. Although the company has, in the Council's view, not shared detailed information about its compliance systems, enough time has nevertheless passed since these circumstances for the Council to consider this to be an indication that the risk is no longer unacceptable. In its assessment, the Council on Ethics also attaches importance to the fact that the majority of allegations and suspicions of corruption relate to the part of the company that was disposed of in 2021.

However, should the Council become aware that Bombardier may be linked to new serious cases of corruption or other financial crime, there could always be grounds for initiating a new investigation of the company.

5 Recommendation

The Council on Ethics recommends that the observation of Bombardier Inc be terminated.

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