

CORPORATE SOCIAL RESPONSIBILITY

Fiscal Year 2018

Overview



**A WORD FROM
THE PRESIDENT
AND CEO**



DEAR READERS,

I am proud to present our sixth CSR Report and the first one to be completely interactive as we deploy our new online data-collection platform to provide timely and up-to-date CSR-related information.

This report reflects a major change following our internal consultation at the CSR Operations Committee level. Our Product Safety Pillar is now named Product Responsibility and encompasses everything that has to do with our products, from engineering initiatives to safety training and social acceptability.

BRP's three key strategic pillars – Growth, Agility and Lean enterprise – are now well established and our six CSR pillars complement them well. We are making progress on our 2020 goal to conduct stakeholder consultations at all of our manufacturing sites, as our Juárez plant joined this exercise in Fiscal Year 18 (FY18).

BRP maintained its focus on employee health and safety (H&S) as our Rovaniemi facility celebrated two years without any lost-time accidents and our Valcourt site was recognized for its H&S record. Daniel Martin, Director of Manufacturing, received the “H&S Leader” prize from the Quebec Occupational Health and Safety Commission, and BRP was awarded the Distinction Award from the Healthy Enterprises Group (Groupe entreprises en santé), the largest occupational health organization in Quebec, in the “Work Environment” category. Moreover, our Spruce Pine facility received its ninth State Safety Award for its H&S performance.

BRP was recognized for many additional sustainability initiatives. Our Sturtevant facility received “Green Master” recognition from the Wisconsin Sustainable Business Council for its sustainability performance in ten predefined sustainability categories in its first year of participation. Our company was also recognized for the quality of its CSR report by the Montreal-based Finance Sustainability Initiative (FSI) for the second year in a row.

It is also important to point out some initiatives that are not linked to any formal recognition but are carried forward by dedicated employees in order to improve our CSR program. Our Querétaro plant decided to optimize its waste diversion by creating its own Green Centre – a sorting area for all waste from operations and offices – while our Juárez facility decided to ban all disposable materials from its cafeteria.

Finally, I wish to thank all employees who integrate CSR into their daily functions, helping us to become the most sustainable innovation leader in the power-sports industry by 2020.

José Boisjoli, President and CEO



FY18 CSR HIGHLIGHTS



PRODUCT RESPONSIBILITY

Our Sturtevant Evinrude outboard engine facility is leading research on biobutanol, a second-generation advanced biofuel, in an effort to identify a renewable fuel with properties better aligned with recreational marine engines and boats.

EMPLOYEES

Our Spruce Pine facility is awarded its 9th State of North Carolina Safety Award in recognition of its exemplary DART rate (Days Away, Restrictions and Transfers).



ENVIRONMENT

Our Querétaro plant builds its own Green Centre in order to optimize its recycling process.

PRODUCT RESPONSIBILITY

The iDock technology ensures that boaters of all levels can dock their vessel with minimal effort, thus creating a safer docking experience.



ROLE IN THE COMMUNITY

Our Sturtevant and Stuart facilities donate two Evinrude E-TEC outboard engines to the Environmental Studies Center in Jensen Beach (Florida).

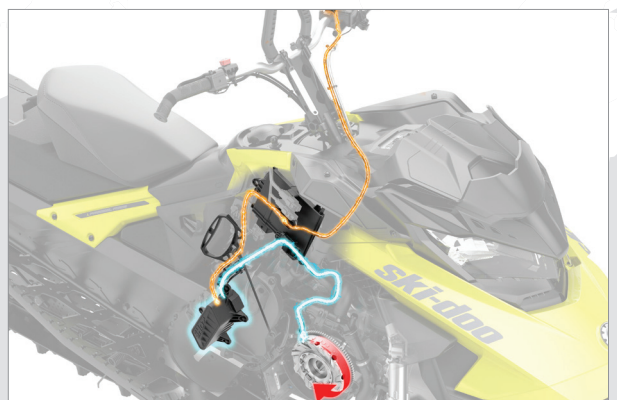


ROLE IN THE COMMUNITY

Our Spruce Pine facility becomes the largest donor for the local Toys for Tots program.

ENVIRONMENT

Our Sturtevant facility receives the Green Master title from the Wisconsin Sustainable Business Council in its first year of participation.



PRODUCT RESPONSIBILITY

The introduction of the E-TEC SHOT, a lightweight engine starter system for Ski-Doo snowmobiles, leads to a weight reduction of close to 8.6 kg (19 lb), improving their fuel efficiency.

EMPLOYEES

Several facilities achieve zero lost-time accidents in FY18: our production facility in Rovaniemi, our R&D activities in the U.S., our test centre in Stuart, our distribution centres in the U.S. (Beloit, Atlanta and Fort Lauderdale), Brazil and Australia, as well as regional offices and several departments worldwide.



PRODUCT RESPONSIBILITY

BRP deploys equipment and resource support to the areas affected by Hurricane Harvey.

SUPPLY CHAIN MANAGEMENT

Our Juárez 1 facility returns foam bags used to cover ATV seats for re-use to one of our suppliers located in Querétaro, expecting to reduce the total bags used annually by 80%.



EMPLOYEES

Our Valcourt site receives the Distinction Award from the Healthy Enterprises Group (Groupe entreprises en santé), the largest occupational health organization in Quebec, in the “Work Environment” category.

EMPLOYEES

Our Rovaniemi facility reaches 365 days without a single lost-time accident for the second year in a row!



ENVIRONMENT

Our Valcourt facility replaces its 16 dust extractor units with one variable unit, saving more than 175,000 m³ of natural gas and more than 900,000 kWh of electricity.



ROLE IN THE COMMUNITY

Our Mexican facilities receive the “Socially Responsible Company” Distinction from Cemefi (Mexican Center of Philanthropy).

ENVIRONMENT

ENERGY INTENSITY

| | FY16 | FY17 | FY18* |
|---------------------------------------------|-------------|-------------|-------------|
| Total energy consumption (GJ) | 914,501 | 1,014,763 | 1,029,807 |
| Total energy consumption (kWh) | 254,027,984 | 281,818,650 | 286,057,423 |
| Energy intensity (kWh/unit produced) | 919 | 917 | 922 |

*Data accurate as of May 2018 (date of print). For latest information, please refer to our CSR platform at brp.metro.net.

ENVIRONMENT

Our GunsKirchen facility works on several energy-saving initiatives totalling more than 500,000 kWh.

FY18 CSR HIGHLIGHTS

| | COMMITMENTS | 2020 GOALS | FY18 ACTIONS | HIGHLIGHTS |
|------------|----------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GOVERNANCE | Promote an ethics and compliance mindset | Continue to disclose our CSR performance through recognized standards. | ✓ Publish CSR Report in accordance with GRI G4 guidelines | We are transitioning towards a public platform that will allow us to communicate on CSR in a transparent way. A CSR pamphlet highlighting our achievements is available in BRP's five official languages. |
| | | | ✓ Submit CDP Report | We submit our CDP Report for a third year in a row and complete a supplier supplement at one of our clients' request. |
| | | | ✓ Successfully use our online CSR data collection platform to compile relevant information | Our online platform is accessible to all CSR collaborators and allows us to centralize all CSR data. |
| | Further advance our CSR program, including its structure | Conduct stakeholder consultations for all manufacturing sites. | ✓ Conduct stakeholder consultation in Juarez | Our stakeholder consultation brings together employees and members of the management team, who create a materiality matrix for their site. |
| | | | ✗ Hold information event with neighbours in Guns kirchen | The event will be held in FY19. |
| | | Increase management participation in strategic CSR events. | ✓ Ensure management participation in at least one high-impact CSR activity | Our management team participates in Earth Day celebrations, including the third CEO's Earth Day Award, but we had to postpone a CSR volunteering activity. |

✓ We did it!

✓ We are working on it!

✗ We had to postpone it.

EMPLOYEES WHO TRULY CARE

THIS YEAR, BRP'S DEDICATED AND GENEROUS EMPLOYEES...



... raised US\$2,100 (matched by BRP) for the Big Brothers Big Sisters' Bowl for Kids' Sake campaign in **Sturtevant**.

| | COMMITMENTS | 2020 GOALS | FY18 ACTIONS | HIGHLIGHTS |
|-------------|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ENVIRONMENT | Increase operational efficiency | Achieve zero waste to landfill where facilities exist. Evaluate the relevance of an ISO 14001 certification for our manufacturing sites. | ✓ Prioritize at least one waste reduction activity | Our Spruce Pine facility now recycles more than 300 tons of foam previously sent to landfill. |
| | | | ✓ Continue to increase recycling rates across sites | Our overall waste diversion and recycling rates decrease in comparison to FY17, however remaining above our FY11 results by 3%. |
| | | | ✓ Evaluate ISO 14001 certification relevance for at least one site | Our Sturtevant facility is implementing its own in-house environmental management system. |
| | | Reduce our energy consumption intensity and our GHG emissions intensity by 25% based on FY11 levels. | ✓ Continue monitoring and reducing GHG emissions | Overall GHG emissions for Scope 1 and 2 are at the same level as in FY17 despite an increase in production, remaining 15% below their FY11 level (base year). |
| | | | ✓ Conduct FY17 GHG inventory audit | Our inventory is audited by a third party which concludes that it is exempt of significant discrepancies. |
| | | | ✓ Implement at least one reduction initiative identified through energy audits | 175,000 Cubic meters of natural gas and more than 910,000 kWh of electricity are saved in Valcourt by the installation of a new dust extraction system for welding fumes. Our Guns kirchen facility reduces its energy consumption by 500,000 kWh through a series of initiatives. |
| EMPLOYEES | Improve H&S management | Achieve zero lost-time accidents. Evaluate OHSAS 18001 certification relevance for all sites. | ✓ Develop proposal for total recordable rate for BRP | Total recordable rate for BRP and temporary employees is monitored at all sites. A global objective will be defined for FY19. |
| | | | ✓ Continue to reduce lost-time accidents | Daniel Martin, Director of Manufacturing, receives the “H&S Leader” prize from Quebec’s Occupational Health and Safety Commission. |
| | | | ✓ Evaluate OHSAS certification relevance for each site | Our Valcourt site is working on a pilot project to implement a management system and tool. |
| | Implement well-being programs | Achieve a 90% satisfaction rate and ensure our programs are recognized as “best-in-class” when compared to global manufacturing companies. | ✓ Continue to monitor satisfaction rate and expand program offerings | Our Guns kirchen facility launches its “worktravel” program to encourage employees to carpool and bike to work. The EMEA region holds two Health Weeks, in order to encourage employees to be active while creating synergies between countries. |
| | | | ✓ Apply for one award or certificate of excellence | Our Valcourt site is awarded the Distinction Award from the Healthy Enterprises Group (Groupe entreprises en santé), the largest occupational health organization in Quebec, in the “Work Environment” category. |

EMPLOYEES WHO TRULY CARE

THIS YEAR, BRP’S DEDICATED AND GENEROUS EMPLOYEES...



... donated ink cartridges for recycling for the Mira foundation, allowing it to provide about thirty guide dogs for people with visual or physical disabilities or autistic children in **Montreal**.

| | COMMITMENTS | 2020 GOALS | FY18 ACTIONS | HIGHLIGHTS |
|------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EMPLOYEES | Increase focus on talent management | Implement the HR Reinvention project through the SuccessFactors platform. | ✓ Complete the Talent Review and Succession Planning | As part of our ongoing talent cycle, close to 35% of our total workforce use the SuccessFactors platform for their regular performance review discussions. |
| | | | ✓ Continue to monitor the employee satisfaction rate | Our employees' engagement level reaches 86%. |
| PRODUCT RESPONSIBILITY | Reduce products' environmental impacts | Increase the recyclability and the fuel efficiency of our vehicles. | ✓ Continue to innovate in the areas of recyclability and fuel efficiency across all product lines | The use of advanced high-strength steel on our Can-Am vehicles reduces their weight, thus increasing their fuel efficiency. We expand the use of our recyclable Polytec material on our Sea-Doo Wake 155 family, and the use of our new CM-TEC technology on our GTX and RXT platforms. |
| | Continue to innovate on safety features on all product lines | Continue to implement safety features on all product lines. | ✓ Develop at least one new safety feature for one of our products | The iDock technology ensures boaters of all levels can dock their vessel with minimal effort and risk. |
| | Promote a product safety mindset | Implement product safety recognition for employees. | ✓ Increase product safety awareness for all employees through training (including on-boarding programs) and communication tools | The Legal Department provides training sessions on product safety for more than 470 employees during the year. |
| | | | ✓ Recognize the achievements of those involved in product safety | Two Valcourt employees are recognized for their work with the Product Safety Department. |
| | | Continue to deploy dealer training on information to be shared during delivery and service. | ✓ Conduct avalanche training | We conduct 43 avalanche training sessions in Canada and the US. |
| | | | ✓ Integrate online training for the product safety in service module for dealer certification | Two training modules covering the repair process, warranties and safety recalls are now part of the Dealer Certification Program. |
| Promote the safe and responsible use of our products | Expand the geographical scope of BRP's Responsible Rider Program. | ✓ Engage with other brands to join efforts on this topic | BRP organizes two two-day training sessions with riders and boat instructors in Shenzhen, China, with the objective of educating them about the safe and responsible use of PWCs. | |

✓ We did it!

✓ We are working on it!

✗ We had to postpone it.

EMPLOYEES WHO TRULY CARE

THIS YEAR, BRP'S DEDICATED AND GENEROUS EMPLOYEES...



... raised US\$870.09 for the Relay for Life while dressing-up as their favourite superhero in **Spruce Pine**.



... collected Christmas gifts for 45 children and €2,200 in donations for the Hope Association and Lapland Central Hospital's Children Care Unit in **Rovaniemi**.

| | COMMITMENTS | 2020 GOALS | FY18 ACTIONS | HIGHLIGHTS |
|-------------------------|-----------------------------------------------|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| SUPPLY CHAIN MANAGEMENT | Build strong relationships with our suppliers | Ensure that our top 30 suppliers are part of our Supplier Relationship Management Program. | ✔ Continue to implement the Supplier Relationship Management Program | A governance structure and tools are implemented and a pilot project is planned for FY19. |
| | Build a resource-efficient supply chain | Receive 90% of our Canadian and Mexican suppliers' shipments in reusable containers. | ✔ Increase the introduction of returnable containers to expand suppliers' use in Québec | A logistics manual is now available to parts suppliers with best practices to minimize overpacking or the use of expensive packaging materials. |
| | | Achieve 85% cubic volume utilization in shipments. Reduce GHG emissions from transportation. | ✔ Follow up with our manufacturing sites on current status and reduction goals | Our Querétaro site optimizes its shipments to our Valcourt facilities, achieving 90% cubic volume utilization. |
| ROLE IN THE COMMUNITY | Coordinate the efforts on donation activities | Define the guidelines of an employee volunteering program. | ✔ Define a corporate volunteering strategy | A consultation with all local donation committees will take place in FY19 to lay the foundations of this project. |
| | | Ensure BRP's donations represent 1% of earnings before tax. | ✔ Conduct an annual donations inventory | FY18 donations reach CA\$ 1.163 million. |

✔ We did it!

✔ We are working on it!

✘ We had to postpone it.

EMPLOYEES WHO TRULY CARE

THIS YEAR, BRP'S DEDICATED AND GENEROUS EMPLOYEES...



... donated 500 blankets during the "Que Juárez no tenga frío" (May Juárez not get cold) campaign in Juárez.



... organized donut sales on behalf of "Vida Plena IAP", an institution that helps with the rehabilitation of child victims of sexual abuse and harassment in Querétaro.



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