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SUSTAINABLE DEVELOPMENT: CORPORATE SOCIAL RESPONSIBILITY

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The Content of the Annual Financial Report is identified in the summary table with the help of this pictogram.

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— Extra-Financial Performance Declaration

This section is part of Alstom's management report and presents the Company's sustainable development strategy, action plans and achievements as well as its environmental, social and societal information, as requested by the ordinance No. 2017-1180 of 19 July 2017 implementing the directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 on the publication of non-financial information, as well as by its implementing decree No. 2017-1265 of 9 August 2017 on the publication of non-financial information.

The elements presented for FY2021/22 cover activities within the whole Alstom perimeter while previous data are based on Alstom legacy perimeter unless otherwise stated. Details of methodology are presented page 315.

A PROACTIVE POLICY OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

Responding to strategic opportunities from global and local challenges

The world is facing persisting and large-scale challenges resulting from rapidly evolving demographic, environmental, and economic dynamic. These challenges can only be tackled through global action supported by involvement of all public, private and individual actors. Shorter term shocks like the Covid-19 pandemic and the conflict in Ukraine have highlighted further the fragility of interdependences in a highly globalised and connected world. Integrating these challenges in strategy through a long-term vision of Sustainability and Corporate Social Responsibility ensures a strong contribution to solving global challenges and guarantees the resilience and success of the Company.

More than ever, climate and environmental issues are pressing

- United Nations official population estimates and projections show continued rapid population growth, with the world population forecast to reach 9.7 billion in 2050, up from 7.7 billion in 2019⁽¹⁾ and the Covid-19 pandemic is unlikely to affect this forecast considerably. With a growing population and economic growth, mobility needs for passenger and freight transport will continue to increase.
- The Intergovernmental Panel on Climate Change (IPCC) completed its Sixth Assessment Report early 2022. It is now confirmed that human-induced climate change has already resulted in global temperatures increase by 1.1°C above pre-industrial levels⁽²⁾ in average. This warming is already contributing to more common and extreme weather events and bushfires, and other catastrophic events. Limiting warming to 1.5°C would require global greenhouse gas emissions to peak before 2025 and be reduced by 43% by 2030 compared to 2019 levels.

- The lead up to the United Nations Summit on Climate Change (COP 26) held in November 2021 in Glasgow, UK, saw a number of new Net Zero commitments including for Australia in 2050, Saudi Arabia in 2060 and India in 2070. However current commitments made by countries are leaving the world on a trajectory to exceed 2°C⁽³⁾ of warming by 2100. Indeed in 2021, global CO₂ emissions from energy combustion and industrial processes jumped 6% *versus* 2019 to reach their highest ever level⁽⁴⁾. Countries should reassess their Nationally Determined Contributions to increase the ambition of their proposed CO₂ emission cuts by the end of 2022, particularly for crucial 2030 targets.
- With transport representing 27%⁽⁵⁾ of total carbon emissions from energy use, decarbonisation of the sector remains critical to achieve Paris agreement target. Transport was given an unprecedented attention at COP 26. While the focus has been largely on electric cars, with new commitments made by many countries to end the future sale of combustion engine cars, voices raised to remind policy makers that facilitating a shift to low emissions modes like soft or shared modes and electric rail transport would deliver efficient immediate and long-term emission reductions. Rail is the only mode of transport that is already broadly electrified, as well as being among the most energy efficient of modes. The rail sectors well-to-wheel carbon emissions accounted for only 2% of total transport emissions, while carrying 8% of global passengers and 7% of global freight⁽⁶⁾. The transport decarbonization trajectory remains complex to implement. Decarbonization of passenger traffic through electrical transport powered by renewable energy appears as the most logical path. Hydrogen remains a credible long-term alternative for applications requiring high autonomy. There is less certainty around decarbonisation of heavy road freight. Focus on modal shift to rail freight is receiving increased attention and this should continue, given freight transport represents some 40%⁽⁷⁾ of transport CO₂ emissions.

(1) United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019: Highlights.

(2) Intergovernmental Panel on Climate Change (2021). Climate Change 2021: The Physical Science Basis.

(3) UN Environment Program: Addendum to the Emissions Gap Report 2021.

(4) IEA, Global Energy Review: CO₂ Emissions in 2021 – March 2022.

(5) IEA (2021) Greenhouse Emissions from Energy: Overview.

(6) IEA (2019) The Future of Rail: Opportunities for Energy and the Environment.

(7) ITF Transport Outlook 2019.

- Cities account for two-thirds of global energy consumption and 70% of CO₂ emissions⁽¹⁾ and can play a major role in decarbonization. Progressive local environmental transport policies such as congestion charges, low emission traffic zones, promoting shared mobility and switching public transport to renewable energy can thus have a large positive impact. With the support of global networks that are reinforcing collective action, leading cities like London, Paris, Copenhagen, Rio de Janeiro, Bogota or Milan are more and more putting these policies into action, as well as committing to net zero.
- In addition, the focus of public authorities on air quality and its potential health effects remains high, with the World Health Organisation estimating that more than 90% of people live in places where air pollution guidelines are not met⁽²⁾. Air emissions from road transport makes a large contribution to the poor air quality in cities, especially through fine particulates from fuel combustion. The pursuit of environmental objectives should therefore create additional incentives for the development of regulatory constraints in many countries such as the long-term stop of sales of combustion engine vehicles. This move accelerated in speed in 2021 with commitments to halt the sale of new combustion engine passenger vehicles in the UK (2030), the EU and Canada (2035) and the USA (2040).
- Finally as concerns rise for the availability of natural resources needed for the energy transition and infrastructure development, moving from linear resource use models to circular ones progressively appear as a key consideration. New legislation and public expectations are likely to exercise a growing influence on business models in the future, including in the mobility and rail sectors.
- National and European Covid recovery plans offer a major opportunity to accelerate environmental transitions in energy supply and transport. Accelerating efforts to establish hydrogen as a large scale industrial and transport fuel illustrate this, with the EU, Germany and France all having announced major plans and investments in this area.
- The Ukrainian conflict has focussed attention on the continuing high reliance of Europe on imported fossil fuels for heating and industrial usage in much of Europe, despite the ongoing energy transition. It is reinforcing the need to accelerate development of renewable electricity and green hydrogen and favor electrical transport. At the same time shortage of components and impacts on supply-chain in an already tense context provide an additional incentive for considering more circular supply options. The conflict is also causing large refugee flows into Europe, particularly to neighbouring countries generating expectations for companies to take their share of support giving.

Sustainability and Corporate Social Responsibility (CSR) practices increasingly important for clients and financial partners

Recent context generating uncertainties, new challenges and opportunities

- The health crisis caused by Covid-19 have continued throughout 2021/22 and affected mobility and transport demand. It is as yet unclear which shifts will be permanent, but it is likely that impacts will be felt well into the future. While trust in public transport sanitary conditions do not seem to have been largely affected, increased levels of home working and development of soft modes can be expected to maintain. This could have longer term implications for public transport demand management in cities, particularly in peak times as new investment in public transport are needed to support the longstanding efforts to effect a modal shift to sustainable transport in and between cities.
- Low level of air traffic continues to affect positively transport CO₂ emissions, return to high growth rates as anticipated by aviation actors might generate extra environmental pressure, considering the sectors' difficult decarbonisation pathway. Strong public policies to encourage switch to rail when trips duration allows remain highly needed.
- Railways operators like other business actors are progressively integrating Sustainability and CSR in their strategy. Many of them have begun switching the energy supply for their electrical fleets to renewable energy, further lowering rail emissions and progressively eliminating diesel fleet, whether by network electrification or fleet replacement with hydrogen or battery powered vehicles. In early 2022, 33 European rail operators and infrastructure managers signed a pledge committing themselves to reduce emissions by 30% in 2030 compared to 2015 and to reach climate neutrality by 2050 at the latest.
- As a result, sustainability performance continues to develop within tenders in the mobility sector. This is reflected in an uplift in the number of tenders where sustainability criteria are included, spreading to new countries or customers. As well as technical performance and economic competitiveness clients are now expecting the provision of more sustainable products delivered by companies with sustainable business practices. The extra-financial performance takes on full relevance for large transport projects which can generate long term environmental, social and economic impacts and benefits in territories. To meet the performance and sustainability expectations of clients and deliver mobility solutions that are attractive to passengers, transport system providers must develop and offer innovative, competitive and sustainable solutions. Providers must also demonstrate that they can make a substantial and meaningful contribution to clients' CSR and climate related goals and targets with transport systems that are inclusive and accessible and contribute to sustainable economic development.

(1) UN Habitat World Cities Report 2020: The Value of Sustainable Urbanization.

(2) World Health Organisation (2021): New WHO Global Air Quality Guidelines.

- The finance sector continues to increase its focus on sustainability and CSR performance. This holds the promise to direct investment and finance flows towards a large-scale economic transformation towards more sustainable systems and practices. The UN Principles for Responsible Investment have now been signed by more than 4,000 finance actors representing over \$120 trillion in assets under management. These commitments demonstrate a groundswell to better incorporate environmental, social and governance criteria in investment decisions. New standards and classifications are making it easier for finance actors to gauge the sustainability performance of companies. The European taxonomy for sustainable activities has now been enacted with companies, required this year to report their eligibility according to EU regulations and reporting their alignment next year. It is expected to generate significant opportunities for companies able to more clearly demonstrate their positive contribution to a low carbon economy and a sustainable development model.
- The finance sector's increasing sustainability focus should see growth in competitive financing for projects that can deliver sustainable outcomes. This should be overwhelmingly positive for companies that have proven they can translate CSR principles into real world projects. The European Green Deal and the EU taxonomy on sustainable activities should play an important role in increasing the mobilisation of public and private funding for sustainable investment in the next decade, with a significant proportion of this expected to be directed to transport.

Evolving social expectations

- Social deprivation is an ongoing challenge for significant sections of the population, both in urban and rural areas. These issues have only been exacerbated by a recent cost of living crisis, driven to a large extent by dramatic rises in the cost of energy and fuels. Mobility needs are showing long term trend growth: in France, the average distance travelled per day increased from less than 6 km in 1950 to 36 km in 2018⁽¹⁾, with about 20% of the working population having difficulty accessing transport⁽²⁾. In emerging countries this percentage can be higher than 80%⁽³⁾. Access to affordable and sustainable transport must be considered a fundamental right and a key part of socio-economic development strategies.
- Young people are expecting larger and quicker action being taken to fight climate change. Their attempts to pressure political and business leaders to speed up societal and economic transformations towards sustainability are more and more seen as legitimate contributions to public debate. In broader society concern around changing climate and negative environmental changes is continuing to grow. People are not

just increasing expectations of political leaders but also taking concrete steps in their day-to-day lives to reduce their personal environmental footprints. This is leading to changes in food and transport habits, at least in the developed world, and creating a space for growth for companies that cater for greener preferences. Such demonstrated change in personal lifestyle choices should reinforce broad support for climate action at a societal level.

- The world of work has evolved rapidly in recent years bringing new challenges for both workers and employers. Companies must act to provide a more supportive environment to employees in order to remain competitive in talent attraction and retention when many job markets are seeing extremely low unemployment. This is an important focus for Alstom, which is seeking to hire 7,500 new talents during 2022.
- Expectations on companies to act responsibly in their own operations and ensure the same in their supply chains are being legally codified in many jurisdictions. In France the Corporate Duty of Vigilance Law was adopted in 2017 and established a binding obligation for large companies to identify key extra-financial risks and prevent severe impacts especially related to human rights and the environment, both in their own operations and extending to contractors and suppliers. Similar due diligence laws come into force in Norway and Switzerland in 2022 and in Germany in 2023, with the EU currently working on enacting its own legislation. These laws establish statutory obligations for companies to ensure sustainability principles are practised not just directly but also in supply chains. Concerned citizens and NGOs are increasingly using legal mechanisms to push countries and companies to act in a socially and environmentally responsible manner with some recent successes.
- In 2015, United Nations Member States adopted the 2030 Agenda for Sustainable Development, including setting 17 Sustainable Development Goals (SDGs). These SDGs address the main societal, developmental and environmental challenges the world faces in guaranteeing a better and more sustainable future for all. Access to affordable and sustainable transport systems underpins several of the SDGs, given it contributes to economic development, to promoting employment and well-being and to reducing inequality and exclusion. With just eight years left before 2030 efforts from both the public and private sectors need to be dramatically stepped up towards achieving the SDGs. There is much room for companies to broaden their contributions to achieving progress.

Alstom's sustainable development strategy fully encompasses the implications of the trends and challenges detailed above, with more detail on the strategy provided in the following sections.

(1) *Repenser les villes dans la société post carbone*, Jacques Theys et Éric Vidalenc (dir.), Ministère de l'Écologie-ADEME, 2013 and *Observatoire des Territoires 2019* (distance outside Paris area).

(2) *Laboratoire de la mobilité inclusive*, 2017.

(3) FIT, *Highlights of the International Transport Forum 2011: Transport for Society*, OECD, 2011.

Alstom's mission: contribute to the transition towards sustainable transport systems

Given that it enables access to work, medical services, education, and cultural and leisure activities the availability of transport is essential for social progress and economic development. Alstom is long established in the field of sustainable mobility and has the considered mission of supporting the transition to sustainable transport systems that are safe, environmentally friendly, efficient, and inclusive.

Alstom's mobility solutions provide safe and attractive transport for passengers while being efficient to operate and maintain. Based on electric and shared mobility innovative and eco-friendly design considerations ensure they have reduced environmental impact through their entire lifecycle. Every day around the world more than 90 million passengers are transported by Alstom's trains and systems.

- Alstom's comfortable and reliable trains and light rail vehicles provide the high-capacity backbone of the public transport systems for cities and suburban areas. Commuting passengers can rely on regional trains to bring them quickly and safely to their destinations. Intercity and high-speed trains connect the very hearts of cities with speed, comfort, and efficiency. By providing transport links within and between cities and regional areas Alstom's rail solutions facilitate economic activity and growth.
- The demonstrable advantages of Alstom's core portfolio of rail solutions encompass air quality, efficient use of space, safety, energy efficiency and emissions. Rail's ability to provide a transport alternative that brings substantial emission savings is being further enhanced by innovations delivering improved efficiency for electrical solutions, which can further reduce emission when powered by renewable energy. Proven alternatives to diesel power in rail like hydrogen fuel cells and batteries also offer further scope to lower rail already low emissions.
- Urban public transport projects based around Alstom's solutions contribute to the sustainable growth of cities by alleviating the social and economic costs of congestion and pollution, and by providing broader access to mobility. If sympathetically designed and developed these projects often offer the opportunity to anchor the sympathetic regeneration of urban landscapes.
- Large multi-year transport projects also offer the opportunity to leverage investment to deliver local development through the establishment of new industrial facilities, and the support and development of local supply chains. This is also accompanied by training and upskilling to increase the capability of the local labour force. Alstom has successfully deployed this model in countries including among others India, South Africa, Australia, Kazakhstan and the USA. Alstom commissioned a third party to undertake a social impact analysis to quantify the scale of the socio-economic impacts of its investment and developments in India. This analysis showed that as well as its 7,634 direct employees in India the Company's investments supported 71,340 indirect and 27,770 induced jobs across the country.

Sustainability and Corporate Social Responsibility is fully integrated in Alstom's strategy

Our value creation model

All information related to the Company and its business model, the markets in which it operates and its positioning, and a description of its competitive and regulatory environment, are provided in chapter 1, which describes the Group's activities (pages 10-11). Additional elements concerning risk factors are provided in chapter 4 (page 155), "Corporate governance" in chapter 5 (page 181), and the Company's history and organisation chart in chapter 7 (page 343).

Alstom's Sustainability and Corporate Social Responsibility policy

Alstom's Sustainability Strategy reflects the Company's ambition to support the transition to more sustainable transport systems worldwide, while acting as a responsible and ethical corporate citizen. The Group is also convinced that anticipating environmental and social challenges and responding to the risks and opportunities they entail improves operational efficiency in the short-term and delivers growth in the long-term, while contributing to the development of its employees and society as a whole.

Alstom's Sustainability and CSR policy, which was last updated in March 2021, is the overarching Policy of the Company, linking the six other policies (Quality, Railway Safety, EHS, Ecodesign, Ethics & Compliance, Security). Sustainability is fully integrated in Company strategy and key processes.

Dialogue with stakeholders

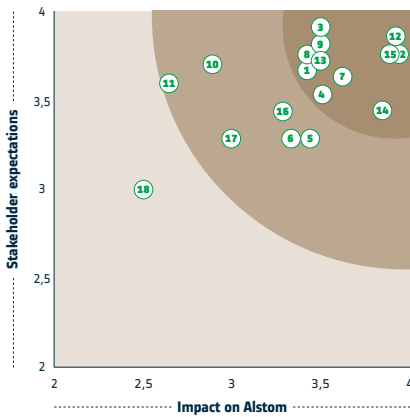
The efficiency and success of Alstom's sustainable development activity and actions depends on meeting the expectations of the Company's main stakeholders: including customers, employees, public authorities, shareholders and potential investors, and various actors within civil society.

To survey these expectations and allow their integration into the development of Alstom's Sustainability and CSR Strategy the Company launched a stakeholder dialogue campaign in the 2020, with the aim of updating its materiality matrix.

The evaluation of the scale and impact of different challenges classified in five groupings (Governance, People, Operations, Products and Services, and Society) was based on 40 qualitative interviews, both with internal and external stakeholders, and more than 60 other external online consultations, and was conducted with the support of a consultant. Additionally, feedback from Alstom's internal engagement survey completed by 24,300 employees, was included in the analysis.

This broad campaign allowed the identification of the priority issues for stakeholders, perception of Alstom performance on these issues and potential gaps. As part of the campaign, a stakeholder mapping tool and materiality assessment methodology have been developed to be rolled out at country level, for greater engagement at local and operational levels.

More details on Alstom's sustainable development materiality matrix are available on www.alstom.com.



GOVERNANCE

- 1 Responsible Governance
- 2 Business ethics

PEOPLE

- 3 Employees' and contractors' safety & security
- 4 Employees' health & well-being
- 5 Employee engagement
- 6 Employees' development & talent management
- 7 Diversity & equal opportunity

OPERATIONS

- 8 Sustainable supply-chain
- 9 Human Rights
- 10 Environmental footprint of manufacturing & construction sites
- 11 Resilience to climate change

PRODUCTS AND SERVICES

- 12 Contribution to low-carbon mobility
- 13 Environmental footprint of products and solutions

- 14 Customer relations & satisfaction
- 15 Product safety
- 16 Innovation for smart mobility & enhanced passenger experience

SOCIETY

- 17 Contribution to local socio-economic development
- 18 Community investment

The results of the materiality matrix exercise, along with the extra-financial risk mapping, fed into the development of the Sustainability and CSR strategy, which has been built around four pillars:

- enabling the decarbonisation of mobility;
- caring for people;
- creating a positive impact on society;
- acting as a responsible business partner.

Alstom's contribution to the United Nations Sustainable Development Goals

As a signatory member of the United Nations Global Compact, Alstom supports the Sustainable Development Goals (SDGs) that aim at ending extreme poverty, protecting the planet and ensuring prosperity for all. Alstom bases its value system and business approach on the 10 principles of the Global Compact and submits its Communication of progress (COP) each year⁽¹⁾.

Alstom's Sustainability and CSR policy ensures that Company's daily activities, core business and initiatives contribute to delivering on its core mission of supporting the transition to sustainable mobility systems. Alstom believes this transition has particular relevance for three SDGs:

- Industry, innovation and infrastructure (SDG 9);
- Sustainable cities and communities (SDG 11); and
- Climate action (SDG 13).

Most specifically Alstom makes a strong contribution to Target 11.2 to provide by 2030 access to safe, affordable, accessible and sustainable transport systems for all, notably by expanding public transport.

In addition, the Company's activities also contribute to nine further goals, illustrated hereafter.

















Sustainability and CSR strategy and main targets

Alstom's strategic plan "Alstom in Motion 2025" has the reinforced ambition to be the leading global innovative player for a sustainable and smart mobility. To meet this goal, the Company relies on an Agile, Inclusive and Responsible corporate culture that places the aims of Alstom's Sustainability and Corporate Social Responsibility policy at the heart of its strategic plan.

Alstom constantly monitors the evolving expectations on sustainability from stakeholders through ongoing dialogue and regular watch. To respond to evolving challenges, Alstom is expanding and enhancing its Sustainability strategy by establishing updated carbon targets and commitments, and increasing focus on Circular Economy, learning culture, partnering with suppliers and deploying CSR locally to improve sustainability performance.

The Objectives related to the Sustainability strategy have been issued and cascaded throughout Alstom's operations.

(1) More information on www.unglobalcompact.org.

Strategic pillar	Main targets	SDG
Enabling the decarbonisation of mobility	<ul style="list-style-type: none"> -25% energy consumption in solutions by 2025 <i>versus</i> 2014 100% newly-developed solutions ecodesigned by 2025 100% electricity from renewable sources by 2025 25% Recycled content in newly-developed rolling stock by 2025 Science-based CO₂ emission reduction targets in line with the Paris Agreement 	     
Caring for people	<ul style="list-style-type: none"> Total Recordable Injury Rate at 2.0 in 2025 Global Top Employer certification 28% of women in manager & professional roles by 2025 Learning culture 22 hours per employee per year 	  
Creating a positive impact on society	<ul style="list-style-type: none"> Deployment of localisation plans in the context of major orders 250,000 beneficiaries from Community Investment programs and Alstom Foundation activities in 2025 12 countries with CSR label by 2025 	  
Acting as a responsible business partner	<ul style="list-style-type: none"> ISO 37001 certification 100% of suppliers monitored or assessed on CSR and E&C as per their level of risk 500 suppliers trained in Sustainability and CSR by 2025 Monitoring of incident regarding child labour, forced labour or freedom of association through the alert procedure & social survey Audits on the living and working conditions of Alstom subcontractors 	   

Alstom Net Zero commitment and Carbon reduction targets

Alstom is committed to achieving Net Zero carbon in its value chain by 2050. This commitment reflects the role that Alstom can play in supporting the decarbonisation of mobility. As well as reducing its own direct and indirect emissions Alstom will work with suppliers and customers to make its solutions Net Zero through their entire life cycle.

In line with its Net Zero commitment Alstom is committed to strong interim carbon reduction targets that are in line with Paris Agreement goals. Alstom's targets for direct and indirect emissions (Scope 1 & 2) and use of sold rolling stock products for passenger and freight (Scope 3) previously validated as being aligned with the Paris Agreement requirements by the independent Science Based Targets initiative (SBTi) have been revised to account for the new Alstom perimeter following the acquisition of Bombardier Transportation. New targets below will be submitted for validation to the SBTi in 2022:

- Reduction of absolute direct GHG emissions (Scope 1) and indirect GHG emissions (Scope 2) from Alstom's sites by 40% by 2030 compared to FY2021/22. In line with the reductions required to limit global warming to 1.5°C, the most ambitious target of the Paris Agreement.

- Reduction of GHG emissions from the use of sold rolling stock products (Scope 3) by 35% per passenger-km and per tonne-km by 2030 compared to 2021/22. Meeting the SBTi criteria for ambitious value chain objectives and in line with current best practices.

Governance and implementation of Alstom's Sustainability and CSR policy

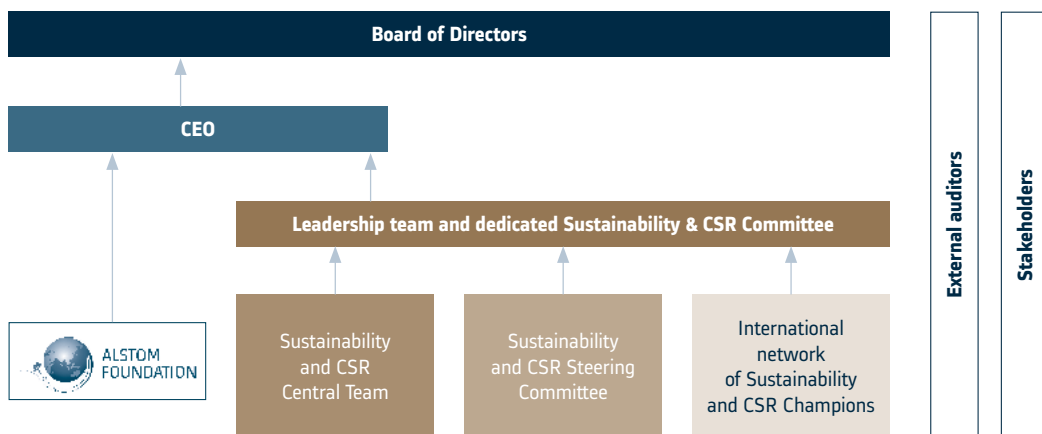
The implementation of Alstom's Sustainability and CSR policy is monitored by the Sustainability and CSR team. This Department is under the responsibility of the Chief Strategy and Innovation Officer, placing sustainable development at the heart of the organisation. Sustainable Procurement, Ecodesign, Social, Environment Health and Safety, and the Integrity programmes are deployed in the corresponding functions of the organisation and are consistent with the global sustainable development approach.

Progress on Alstom's Sustainability and CSR performance is discussed within the Board of Directors, as a minimum once a year.

Alstom has established a new Sustainability and CSR Committee at the Leadership Team level, comprised of the Chief Operating, Chief Financial, Chief Human Resources and Chief Strategy Officers and the Presidents of two Product Lines and two Regions. The Committee will provide a strong forum for strategic guidance and decision making on CSR strategy and plans.

The Sustainability and CSR Steering Committee, comprised of members from Human Resources, Procurement, Strategy, Sustainability & CSR, Engineering, Environment Health and Safety, Communications Ethics and Compliance Departments and Regions representatives meets on a quarterly basis to oversee and monitor progress on the initiatives, and coordinate the deployment of transverse activities.

Alstom’s sustainable development approach is implemented through a set of programmes that combine general and specific objectives, whilst leaving room for local initiatives. Implementation of the CSR policy in regions is deployed by the local network of Sustainability & CSR Champions. Indeed in all the Company’s main countries of operation, a CSR champion (38 in total) supports the Managing Director to implement Alstom policies and processes locally; manage certain local CSR initiatives; develop relations with local organisations and communities; develop and maintain the Country Community Action Plan; and contribute to report and communicate on CSR initiatives, good practices and the Foundation.



To raise employee awareness of sustainable development topics Alstom has since 2018 deployed a Sustainability and CSR e-learning in both English and French. This e-learning is mandatory for all new employees and recommended for specific teams: Engineering, CSR & Sustainability, EHS, Communication, Sales & Marketing and Procurement. 19,718 employees have completed the training to date.

Evaluation of the Company’s Sustainability & CSR performance by independent third parties

Alstom’s Corporate Social Responsibility performance is regularly evaluated by various rating agencies with different methods and criteria. These evaluations provide a useful benchmark and help to identify and analyse areas of potential improvement.

- In November 2021, Alstom was selected to be part of the Dow Jones Sustainability Indices (DJSI) World and Europe for the eleventh consecutive year. The rating agency awarded a score of 75 out of 100 to the Group’s sustainability performance, well above the average for the global Machinery and Electrical Equipment sector. Alstom maintained its ranking amongst more than 5,300 assessed companies, remaining among the Top 5% of best scored companies in its industry. Alstom saw significant improvement in the assessment of its Product Stewardship, Materiality, Human Capital Development and Talent Attraction & Retention.

- The sustainable development performance of Alstom was last assessed by EcoVadis in 2021. The Company obtained a score of 74, which corresponded to “Platinum” status, the highest level possible. Alstom is among the top 1% rated companies on the platform.
- In December 2021, Alstom attained the highest possible score of “A” in the 2021 annual assessment for transparency and leadership on climate issues, run by global environmental non-profit CDP. Out of a record total of more than 13,000 companies that were evaluated in 2021 Alstom was among only 200 that joined the CDP climate change A list. This is a clear demonstration of the value of Alstom’s commitment to sustainable mobility and strategic focus on developing solutions that contribute to reducing the negative impacts of climate change.
- In early 2022 Alstom was awarded places on the 2022 Global 100 Most Sustainable Corporations in the World and Clean200 lists by Corporate Knights. This recognition places Alstom among the world’s most significant publicly traded firms according to the amount revenue earned from products and services that provide solutions for the planet and define the clean energy future.
- Alstom received an AA grade in the MSCI ranking of March 2022 and obtained an ESG risk rating of 19 in its Sustainability assessment.
- In September 2021 Alstom attained a score of 67/100 on its sustainability performance from Vigeo Eiris. Based on this positive rating Alstom joined the Paris Stock exchange’s CAC 40 ESG index, comprised of the 40 companies within the CAC Large 60 index that have demonstrated the best environmental, social and governance practices.

- Alstom was also validated as an employer of choice by being certified Top Employer 2022 in Europe, Asia/Pacific and North America, with certifications in 14 individual countries: France, Spain, Poland, United Kingdom, Belgium, Italy, USA, Canada, Mexico, India, Australia, China, Hong Kong, Singapore.
- Through local programs on Sustainability and Corporate Social Responsibility including community activities, Alstom seeks to act and to be recognised locally as a responsible company. In recognition of its success in operating in a socially responsible way Alstom received the AFNOR CSR Commitment label for alignment with the ISO 26000 standard in Spain and India in fiscal year 2022, adding to four existing countries. Alstom aims to expand the number of countries covered by the label to 12 by 2025.

ALSTOM SUSTAINABILITY AND CSR RISK AND OPPORTUNITY MAPPING

As part of French legal and regulatory provisions related to the disclosure of extra-financial information (law No. 2017-1180 of 19 July 2017, called “Extra-financial Performance Declaration” and its application decree No. 2017-1265 of 9 August 2017), the following sections detail Alstom’s main Sustainability and CSR risks and how they are managed. Details of methodology are presented on page 315.

Updating Alstom’s Sustainability and CSR risk universe

To ensure that the sustainability and CSR risk mapping is kept up to date, the Sustainability and Corporate Social Responsibility Steering Committee reviewed the list of 26 risks previously established, taking into account emerging trends and stakeholder feedback collected during the 2020/21 fiscal year stakeholder dialogue campaign and update of the Group’s Materiality Matrix (described on page 254). This process reaffirmed the 26 risks and their associated definitions.

Risks are formulated as challenges and cover both the risks as such and the opportunities, with the inability to seize an identified opportunity is considered as a risk.

For the second year management of the Covid-19 pandemic has been integrated in the evaluation of various risks included in the Sustainability and CSR risk mapping, with a particular focus in the following sections: “Healthier Mobility” (page 314), Health and Safety (page 273) and Recruitment, Engagement and Retention (page 278).

Methodology and consistency with internal processes

During the Sustainability and CSR Risk Mapping exercise, focus was placed on ensuring global alignment between the different Company risk mapping exercises. This affirmed that the mapping remains fully aligned with the Group’s global risk management methodology and tool (see chapter 4, “Risk factors and risk management, Control Environment”).

The two criteria used to assess risk criticality remain unchanged:

- risk likelihood – four levels from “Improbable” to “Probable”;
- impacts – profit and loss, operational, human and environmental, image and reputation, health and safety impacts.

Risks and opportunities are assessed by the teams in charge of the management of each risk in the Sustainability and Corporate Social Responsibility Steering Committee: Sustainability and CSR, Procurement, Human Resources, Marketing, Environment Health and Safety, Ecodesign, Communication, Ethics and Compliance as well as by the Internal Audit and Risk Management Department. It is worth noting that the assessment of “Impact” considers the highest value for the different types of impacts rather than the average value.

Consolidated results are discussed during a specific workshop including all functions to ensure consistency of understanding and validate final results. The Enterprise Risk Management, Internal Audit and Internal Control Department is involved throughout the process to ensure alignment with the Group’s global risk management methodology.

Selecting main non-financial risks and opportunities

The non-financial risks and opportunities considered as material are those which come out with the highest criticality based on the Probability and Impact matrix.

14 main risks or opportunities have been identified as a result. These 14 risks are detailed in this chapter and arranged around the four pillars of Alstom’s Sustainability and CSR action plan: 1) Enabling the decarbonisation of mobility; 2) Caring for people; 3) Creating a positive impact on society; 4) Acting as a responsible business partner.

The following risks are also evaluated in the framework of the global Management of Group Risks: “People Development”, “Recruitment, Engagement & Retention”, “Sustainable Procurement”, “Ethics and Compliance”, “Health & Safety”, “Human Rights”, and “Railway Safety and Healthier Mobility™”, “Climate resilient assets”.

This indicates these risks are considered material to the Group’s business performance, and to its internal and external stakeholders. Particular care was taken to ensure consistency between the two risk universes, including definitions and assessments. Additionally, for environmental indicators, Alstom also ensures consistency with its ISO 14001 environmental risk mapping.

The main policies, action plans, results and performance indicators associated to these risks are presented in the following sections.

The risks identified in green are also integrated as “Major risks” in chapter 4: “Risk factors and risk management, Control environment”.

Extra-financial risk	Description of the extra-financial risks and opportunities	Main stakeholders concerned
Low carbon solutions	Energy consumption and indirect emissions from solutions contributing to climate change-opportunities for low carbon solutions answering market needs to mitigate climate change.	Customers, civil society, investors
Climate resilient assets	Operational impacts on installations, solutions and supply chain resulting from weather events in relation to climate change.	Customers, investors
Ecodesign and circular economy	Environmental footprint of solutions and chemicals management – opportunities for environmental-friendly solutions answering customer expectations and from circular economy.	Customers, local communities, suppliers
Energy and Greenhouse gas emissions performance of operations	Energy costs, contribution to climate change and reputational damage if environmental performance was not in line with target.	Customers, civil society, investors
Health and Safety	Health and Safety of employees, contractors and visitors and potentially associated litigation, reputational and operational risks.	Employees, contractors, investors, customers
Recruitment, Engagement and retention	Ability to attract, recruit and retain employees. Engagement and motivation of employees through rewarding policies, attractive value proposition and strong diversity and inclusion policies avoiding any form of discrimination. Risk of loss of productivity and attractiveness in increasingly competitive environment.	Employees, investors
People Development	Employees career development; supporting competitiveness through talent development; developing and matching skills with needs efficiently.	Employees
Encouraging local development	Contribution to local socio-economic development in territories – leveraging contribution for business development and positioning in public tenders with local content requirements.	Local communities, suppliers, contractors, civil society, customers
Relationships with local communities	Protection of social license to operate and development of good relationships with local communities through open and regular dialogue.	Local communities, civil society
Ethics and Compliance	Deployment of the highest standards of integrity to avoid potential criminal liability, heavy fines, exclusion from markets and damage to reputation.	Customers, civil society, NGOs, investors, employees
Sustainable Procurement	Health and Safety, Environment impacts and Human rights risks linked to suppliers or contractors, with potential reputational, operational and litigation risks associated.	Suppliers, Contractors, NGOs, customers
Respect of Human Rights	Human Rights risks for Alstom employees, supply chain and communities, and associated legal operational and reputational risk for Alstom.	Employees, supply chain, investors, NGOs, customers
Customer relationship	Securing customer satisfaction by integrating their expectations in the development of new products and services, and management of these relationships to support future business development.	Customers, Investors
Railway safety & healthier mobility	Dysfunction or misuse of any system that could result in an accident with impacts on health and safety and the Group's reputation, along with litigation risks.	Civil society, investors
Tax evasion	Unfair payment of taxes with reputational damage if the Group were suspected of participating in tax evasion schemes.	Civil society, customers

Tax Evasion risk is included in the Sustainability and CSR risk mapping in order to comply with French law requirements (*loi n° 2018-898 du 23 octobre 2018 relative à la lutte contre la fraude*) but does not stand out as one of the Company's material risks.

Information related to other risks

Alstom considers that the information regarding the fight against food waste and food insecurity, respect for animal welfare and responsible, fair and sustainable food, culture and sport promotion are not relevant

with regard to the main activities of the Company. Since the Company's food waste is only linked to meals taken in the canteens, it is part of non-hazardous waste and is not specifically monitored.

Information related to collective agreements is available page 331.

Information on fighting discrimination, the promotion of diversity and measures taken in favour of people with disabilities, is included in the section "Recruitment, Engagement, Retention", page 278.

Finally, additional information on other risks and issues of interest to stakeholders is presented on page 322.

EU TAXONOMY

The EU Taxonomy regulation (Regulation (EU) 2020/852) was introduced to propose a framework to facilitate sustainable investment as part of EU's efforts to implement the European Green Deal. It is a key axis of the European Commission's action plan to achieve EU's ambitious goal of carbon neutrality by 2050 by redirecting capital flows towards sustainable activities and help navigate transition to a low carbon economy. The taxonomy serves as a standard classification system for determining which economic activities are considered as environmentally sustainable.

The Taxonomy regulation aims to measure the contribution of a reporting company to six environmental objectives. An economic activity performed by a company is classified as sustainable if it makes a substantial contribution to at least one of the below six environmental objectives:

1. Climate change mitigation;
2. Adaptation to climate change;
3. Sustainable use and protection of aquatic and marine resources;
4. Transition to a circular economy;
5. Pollution prevention and control;
6. Protection and restoration of biodiversity and ecosystems.

The following disclosure has been established in line with the below documents describing the implementing rules under the EU taxonomy:

- Taxonomy regulation: Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.
- Climate Delegated Act: Commission delegated regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objective and its annexes on Climate mitigation and Climate adaptation.
- FAQs published (2 February 2022) by EU Commission to clarify the content of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation ("Disclosures Delegated Act") to aid its implementation.

An economic activity is considered as Taxonomy-eligible economic activity if it is described in Annex I or Annex II of the Climate Delegated Act irrespective of whether that economic activity meets the technical screening criteria specified in the Climate Delegated Act.

On 9 December 2021, the EU formally adopted the Climate Delegated Act that sets out the detailed requirements for the first two environmental objectives. In accordance with the published regulation, for the financial year ending 31 March 2022, the Group is required to disclose the proportion of its Turnover, Capital Expenditure and Operating Expenditure (KPI's) associated with its Taxonomy-eligible economic activities for the first two environmental objectives. From FY2022/23, the reporting requirements are expected to be on Taxonomy-aligned economic activities for the first two objectives related to climate. And from financial year 2023 – onwards, the reporting requirements are expected to be expanded to all of the six environmental objectives.

The Taxonomy-eligible KPIs have been based on the data from the Consolidated Financial Statements information for the financial year ending 31 March 2022, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union (see chapter 3).

Alstom's assessment of Taxonomy-eligible economic activities

It should be noted that this section has been reviewed by PricewaterhouseCoopers and confirmed in its limited assurance report (available on www.alstom.com). Alstom's economic activities consist of a complete range of equipment and services, from high-speed trains, regional trains, locomotives, metros, light rail vehicles to integrated systems, customised services, infrastructure, signalling and digital mobility solutions.

Based on description of economic activities included in Annex I and Annex II of the Climate Delegated Act of the EU Taxonomy, analysis of NACE codes and FAQ (Article 9) dated 2 February 2022, the Group performed an assessment of its economic activities consisting of the mapping of its full portfolio of products and services to identify economic activities that are Taxonomy-eligible with respect to climate change mitigation objective. The methodology used for determining the eligibility criteria has been documented in a reporting protocol.

The below table lists the economic activities of the Group identified as Taxonomy-eligible economic activities under Manufacturing and Transport sectors.

EU Taxonomy Sector	Eligible Economic Activity	Description	Corresponding Alstom activities
3. Manufacturing	3.3 Manufacture of low carbon technologies for transport	Manufacture, repair, maintenance, retrofitting, repurposing and upgrade of low carbon transport vehicles, rolling stock and vessels.	Rolling stock and Services excluding operation
6. Transport	6.3. Urban and suburban transport, road passenger transport	Purchase, financing, leasing, rental, and operation of urban and suburban transport vehicles for passengers and road passenger transport.	Operation (within Services)
6. Transport	6.14. Infrastructure for rail transport	Construction, modernization, operation and maintenance of railways and subways as well as bridges and tunnels, stations, terminals, rail service facilities, safety and traffic management systems including the provision of architectural services, engineering services, drafting services, building inspection services and surveying and mapping services and the like as well as the performance of physical, chemical, and other analytical testing of all types of materials and products.	Signaling and Systems for mainline and regional transport including Freight & Mining activities and Signaling & Infrastructure services
6. Transport	6.15. Infrastructure enabling low-carbon road transport & public transport	Construction, modernization, maintenance, and operation of infrastructure that is required for zero tailpipe CO ₂ operation of zero-emissions road transport, as well as infrastructure dedicated to transshipment, and infrastructure required for operating urban transport.	Signaling and Systems for urban transport including Signaling & Infrastructure services

Share of Taxonomy-eligible and Taxonomy non-eligible economic activities related to Climate change mitigation objective

	Total (in € billion) (as per Consolidated Financial Statements)	Share of Taxonomy- eligible economic activities	Share of Taxonomy non-eligible economic activities
Turnover	15.47	99%	1%
Capital Expenditure (CAPEX)	0.61	99%	1%
Operating Expenditure (OPEX)	0.64	99%	1%

Taxonomy-eligible Turnover

The Turnover for the Group amounts to €15.47 billion with an eligibility rate of 99%.

Considering EU taxonomy activities, this includes 77% under “3. Manufacturing” (covering rolling stock, components and services), 22% under “6. Transport” (covering mainly infrastructure, track-side signalling and systems) and 1% non-eligible.

The Taxonomy-eligible turnover rate has been calculated as that proportion of turnover related to the Group’s Taxonomy-eligible economic activities (numerator) over the total Turnover (denominator).

The Turnover (denominator) consists of the Groups consolidated turnover calculated in accordance with IAS 1.82 (a) and reported in the Consolidated Financial Statements in this report. The accounting policy applicable for revenue recognition can also be found as part of the Consolidated Financial Statements.

Taxonomy-eligible Capital Expenditure

The Capital Expenditure for the Group amounts to €0.61 billion with an eligibility rate of 99%.

The Taxonomy-eligible capital expenditure rate has been calculated as that proportion of the Capital Expenditure that is associated with the Group’s Taxonomy-eligible economic activities (numerator) over the Capital Expenditure (denominator).

The Capital Expenditure (denominator) consists of additions to tangible, intangible fixed assets and right of use assets during the financial year, before any depreciation, amortization, re-measurement, excluding any revaluation, impairment, and changes in fair value as reported in the Consolidated Financial Statements. This includes investments from business combinations during the fiscal year. Acquired goodwill is excluded from the calculations. The variation resulting from the Purchase Price Allocation (see note 1.1.1) has not been included. The Capital Expenditure made during the year has been considered at the closing exchange rate.

Taxonomy-eligible Operating Expenses

The Taxonomy qualified operating expenses for the Group amounts to €0.64 billion with an eligibility rate of 99%. The Taxonomy-eligible operating expenses mainly consists of non-capitalized portion of research and development costs associated with the Group's Taxonomy-eligible economic activities.

The Taxonomy-eligible operating expenses rate has been calculated as that proportion of the operating expenses that are associated with the Group's Taxonomy-eligible economic activities (numerator) over the Taxonomy qualified operating expenses (denominator).

It should be noted that the Taxonomy has its own definition of operating expenses, and the Taxonomy qualified operating expenses represent only a proportion of the total operating expenses of the Group as reported in the Consolidated Financial Statements.

The Taxonomy qualified operating expenses (denominator) consists of non-capitalized direct costs that relate to research and development, building renovation and repair, short-term lease contracts, staff costs, general maintenance and service costs relating to the day-to-day servicing of the property, plant, and equipment.

Way Forward

The high eligibility of the KPI's (99% for revenue, 99% for OPEX and 99% for CAPEX) for the FY2021/22 reflects the importance of the Group activities for sustainable mobility. The Group shall continue to move forward in this direction and bring significant positive impact on environmental topics. In the long term, the Group intends to use EU taxonomy regulation as a compass to conduct its actions and decisions as part of its overall CSR strategy.

However, it is worth mentioning that Taxonomy-eligibility should not be used as an indication of Taxonomy-alignment. The Group shall carry out a detailed and extensive analysis of Taxonomy-alignment using the technical environmental and social specific criteria laid out in the regulation and report it next fiscal year as requested under the EU Taxonomy legislation. It must also be noted that, considering the evolving character of the EU regulatory framework, the level of complexity around the legislation and the room available for interpretation, the Group expects the reporting to evolve over time. The Group will therefore review its methodology on a periodical basis based on guidance received from the European Commission.

1. ENABLING THE DECARBONISATION OF MOBILITY

To tackle the challenge of climate change, the decarbonisation of mobility is identified as a priority to mitigate the Greenhouse gases emissions and limit the raise of temperature by the end of the century. Alstom mission is to provide low carbon solutions that will support the transition towards sustainable mobility by ensuring energy efficiency and innovation throughout their entire life cycle.

This involves developing low carbon solutions (page 261); integrating ecodesign and concepts of circular economy (page 268); making sure operations are energy efficient (page 270); and that assets are climate resilient (page 266).

Elements described in the present chapter cover some essential aspects of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). For additional information on how Alstom discloses information in alignment with TCFD requirements, please refer to the comparison table on page 340. Additional information is disclosed through the CDP platform www.cdp.net.

Low Carbon Solutions

Greenhouse gases (GHG) are the main driver of climate change. The 2022 report from the IPCC on the "Physical Science Basis" established as a fact that on-going climate change results from the GHG emissions from human activities. Since several years, the public interest in the mitigation of climate change has arisen. In 2021, the COP 26 marked the five years of the Paris Agreement, where countries have committed

to limit global warming to below 2°C. A clear focus from policy makers is now into investing towards a low carbon future, with the European Green deal as a clear example of moving towards CO₂ reduction⁽¹⁾.

Alstom strongly believes that the low carbon transition in transport will be achieved through the transfer of significant flows to cleaner modes (electrical and shared transport), enhanced energy efficiency and optimised multimodality supported by smarter transport systems. The Group is a world leader in sustainable mobility solutions and is globally well prepared to benefit from new opportunities arising from the reinforcement of public policies around Climate Change. The reinforced need to decarbonise transport and to favour low carbon emission modes through public policies, regulations and increased financing capacities is an important market driver pushing the demand for electrical rail solutions. Therefore, the main risks and opportunities associated to demand for low carbon solutions would be:

- major business opportunities to provide customers with competitive sustainable and low-carbon solutions to mitigate and/or adapt to Climate Change (less GHG, extreme weather adaptability);
- reduced orders for diesel regional trains, as countries progressively phase-out diesel;
- high energy consumption and/or indirect CO₂ emissions from solutions impacting the good environmental performance of rail resulting from lack of energy efficiency or inability to decarbonise electricity mix and contributing to climate change.

(1) IPCC_AR6_WGI_Full_Report.pdf.

Global CO₂ emissions from energy combustion and industrial processes rebounded in 2021 to reach their highest ever annual level. A 6% increase from 2020 pushed emissions to more than 36 gigatonnes. The recovery of energy demand in 2021 was compounded by adverse weather and energy market conditions, which led to more coal being burnt despite renewable power generation registering its largest ever annual growth⁽¹⁾.

Specifically on transport, the sector has the highest reliance on fossil fuels of any sector and accounts for 27% of the global emissions. While it was one of the sectors most affected by the Covid-19 pandemic, emissions have started to rise again as demands increases and the uptake of alternative fuels remains limited⁽²⁾. Without sustained action, GHG emissions from transport will continue to rise in line with growth in GDP. However, a number of options for mitigating emissions exist through policy, infrastructure and technology advances⁽³⁾.

To drive transformation in transport, most international actors acknowledge that the “Avoid Shift Improve” approach, which defines the priorities for action, should be the way to decouple mobility needs from CO₂ emissions generated by transport. With an already largely electrified network and some of the lowest CO₂ emissions per passenger-kilometre generated by motorised transport, the rail sector is a key player in the fight to reduce greenhouse gas (GHG) emissions.

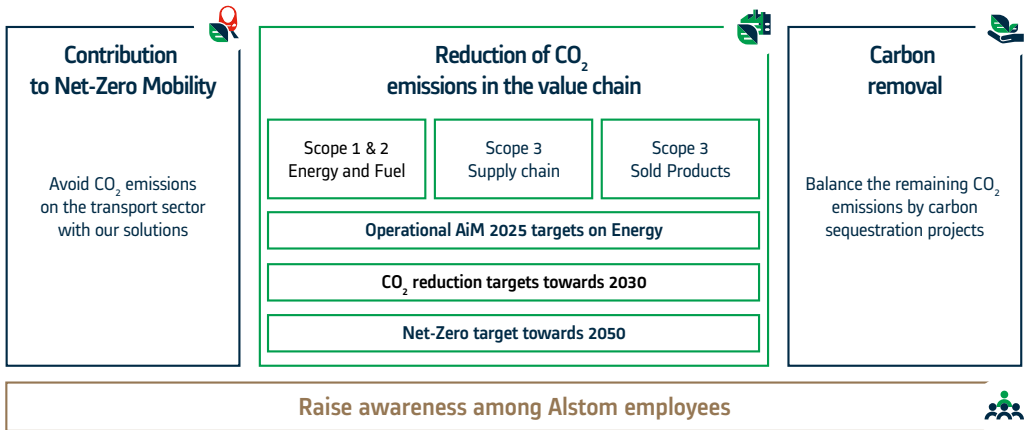
Strategy and policies

Net-Zero Ambition

Businesses around the world are taking responsibility and dialling up their efforts to tackle the climate emergency by committing towards an accelerated transition to a net-zero economy where economic growth is decoupled from carbon. Business have a responsibility to keep the world within a safe-operating space of 1.5°C: creating green jobs, delivering economic growth and building a more resilient society.

Alstom strongly believes in its role to support the transition towards a low carbon future. Its solutions help to decarbonise mobility and contribute to reaching the climate targets set by countries and cities. With the ambition to lead the way to greener and smarter mobility, Alstom is ready to commit towards a net-zero scenario that will drive the corporate climate action for the coming years. The Company is engaging to complete a deep decarbonisation of its activities over the value chain, while contributing to the mitigation efforts beyond the Company. The net-zero ambition means that climate targets will be gradually expanded to cover the whole value chain, by setting the right measure efforts and establishing the milestones towards absolute CO₂ reduction by 2050.

AMBITION : NET ZERO EMISSIONS IN OUR VALUE CHAIN BY 2050



- **Contribution to Net-Zero Mobility** – Alstom’s solutions contribute towards a low carbon future by avoiding CO₂ emissions from transport. The Company aims to account for its positive impact, by developing a robust methodology that will allow to establish an inventory of CO₂ emissions avoided by the solutions and be able to set a mid-term target on them.
- **Reduction of CO₂ emissions in the value chain** – For any CO₂ emission source, Alstom will account the emissions and continuously improve the accuracy and robustness of data through the on-going deployment of a new digital platform dedicated to carbon accounting, launch reduction actions towards net-zero and establish milestones and targets.

(1) CO₂ emissions – Global Energy Review 2021 – Analysis – IEA.
 (2) Transport – Topics – IEA.
 (3) Transport v14.indd (bsr.org).

Today, Alstom main CO₂ emissions are covered by operational targets towards 2025 and updated midterm CO₂ emissions reduction targets which have been designed based on science towards 2030.

- Alstom intends to reduce CO₂ emissions from Scope 1 & 2 through on-going programs to improve energy intensity in the operations, develop on-site green electricity production and supply all sites with electricity from renewable sources.
- Alstom also intends to address CO₂ emissions from the Use of Sold products through active R&D and innovations to reduce energy consumption from solutions and develop alternative solutions to diesel, progressive decarbonization of electricity mix in the countries and active customers engagement to promote renewable electricity.

Alstom will gradually expand the perimeter of action to other emission sources from Scope 3 like purchased goods, logistics, business travels and more, aiming to reach net-zero emissions by 2050 in all its value chain.

- Carbon removal – Alstom will ensure the balance of its residual CO₂ emissions through carbon sequestration project. Even if the immediate focus is on reducing the carbon footprint, pilot projects will be launched in coming years to start gaining experience on this field.
- Raise awareness among Alstom employees – Understanding the challenges of climate change and the role that Alstom employees play is key to contribute towards our net-zero target.

2025 operational objectives

The Alstom in Motion Strategy includes operational energy efficiency and transition ambitions:

- placing energy-efficient electrical rail solutions at the heart of its portfolio – Alstom has set a target to reduce the energy consumption of its portfolio of solutions by 25% by 2025 compared to 2014;
- enabling the energy transition for sustainable mobility solutions; in this context, Alstom intends to limit the development of diesel solutions and to focus on the development of alternative solutions to diesel;
- decarbonising its operations, with the goal of achieving 100% renewable energy in its operations by 2025 (see the section on Energy performance of operations, page 270).

Updated CO₂ reduction mid-term objectives

As part of the Bombardier Transportation integration programme, the CO₂ reduction targets were reviewed to take into account the new company perimeter. These targets will be submitted to the SBTi initiative for validation in the course of 2022.

- Alstom is committed to reduce absolute direct GHG emissions (scope 1) and indirect GHG emissions (scope 2) from Alstom sites by 40% by 2030 from 2021/22 baseline – aligned with the reductions required to keep global warming to 1.5°C scenario, the most ambitious goal of the Paris agreement.
- Alstom is committed to reduce GHG emissions (scope 3) from the use of sold products from its portfolio of rolling stock solutions by 35% per passenger-km and ton-km by 2030 from a 2021/22 baseline – meeting the SBTi’s criteria for ambitious value chain goals and on line with current best practice.

Alstom is currently working to establish the baseline of GHG emissions for its Scope 3 Purchased Goods and Services and will set a target to drive GHG emission reduction in the coming year. This source is the next higher contributor of emissions in Alstom’s carbon inventory after the Sold Products. Other emission categories like logistics or business travel will follow.

Processes and action plans

Alstom strives to deploy the best available technologies across its entire portfolio where relevant and innovation is a key driver for improving the energy efficiency of solutions.

The “Green mobility” pillar of Alstom’s new innovation strategy focuses on ecodesign and eco-manufacturing solutions, green traction and road electromobility.

Energy-efficient solutions at the heart of our portfolio

Alstom’s customers often rank amongst the top electricity consumers in their respective countries and therefore energy efficiency is a key market differentiator. This is the reason why Alstom’s design activities are strategically focused on delivering energy-efficient solutions that can be improved for even greater efficiency.

Alstom’s ecodesign approach integrates the energy efficiency of rail systems into its priorities (see “Ecodesign and circular economy section”, page 268). Standardised methods to determine energy consumption of solutions have been defined whilst the consolidated performance of the solutions portfolio is regularly assessed through a specific Key Performance Indicator. Robust simulations, tools and processes have been developed over the years in order to improve their accuracy and consider all drivers for energy efficiency. Thanks to its permanent focus on innovation, Alstom is pursuing its objectives to enhance efficiency through improved traction systems, weight reduction, improved aerodynamics and heating/air conditioning systems, ecodriving, braking energy recovery and storage, and optimisation at system level.

In terms of energy efficiency, innovation is managed under the Company’s R&D and Innovation processes and is positioned as a System approach in order to ensure the performance of the entire network instead of “only” one sub-system alone. This activity is structured around four axes:

- “Design, lifecycle and impacts”, looking to improve intrinsic behaviour, performance and impact of products and solutions. This includes mass reduction programmes using composite materials and re-designed parts; the optimisation of aerodynamics; improved efficiency of electric or diesel traction systems (permanent magnet motors, optimised engine block control systems, new traction chains, powerful traction auxiliaries); and low consumption auxiliary comfort equipment (lighting, heating, and air conditioning). This systematic and systemic approach to energy balance analysis in the design phase applies to all rolling stock in the portfolio;

- “Energy sources and renewables”, looking at the optimisation of sources, conversions, transformations and transport of energy. The objectives here include identification and selection of the most adequate energy sources; reduction of losses and wasted energy;
- “Operations, recovery and storage”, focusing on the efficiency at point of use and optimised operations. Here the focus is on operations’ optimisation, such as timetable synchronisation, running profile modifications, braking efforts, line receptivity that will generate energy savings while maintaining the performance of the network. Efforts are made to minimise energy losses and maximise its reuse through electric braking until full stop in order to capture the available energy locally (e.g. through photovoltaic panels) thus avoiding the need to transport it over substantial distances, which usually results in losses and lower efficiency. A key factor of optimum energy use is the maximisation of braking energy recovery and its use. Finally, storage, autonomy and hybridation subjects for rolling stock and the entire system will support specific missions and improve further energy efficiency;
- “Smart grid and smart charging” exploring benefits from mutualisation of several networks, looks at energy flows beyond a single network and optimises energy and power of multiple systems using the same energy resource.

The search for energy efficiency is also reflected in Alstom’s solutions and portfolio, for example:

- the Avelia Horizon™ addresses ambitious goals in terms of competitiveness of the rail sector and profitability: maintenance costs will be more than 30% lower and thanks to its aerodynamic design and a more efficient traction drive, Avelia Horizon™ will consume 20% less energy compared to the previous generation and achieve the lowest total cost of ownership per seat on the market for a train of its type through enhanced traction and aerodynamics, light weight and optimized capacity;
- in Montreal, Alstom supplies the Metropolitan Express Network with a complete automatic and driverless light metro system (trains, signaling, operation and maintenance) adapted to climate conditions and highly accessible. The Metropolis™ cars are eco designed and integrate innovations for energy efficiency such as mainly electrical braking, weight reduction by 7%, high efficiency traction, led lighting and air conditioning regulation, etc.;
- a prototype of an autonomous regional train in France being tested, with the objective to increase capacity, fluidity and regularity as well as improve the energy consumption of the train. Autonomous solutions are already used in the metro platform, like the automatic train operation system that will be delivered for several lines of Paris metro;
- Hesop™ is a reversible substation power converter which is installed between the public energy network and the train overhead line. When a line is equipped with Hesop™, more than 99% of the available braking energy can be captured and either re-used by another traction substation, to power station facilities, such as platform escalators, elevators, and lights, or ultimately be sold back to energy distributors. At the end of 2021, 123 Hesop™ units have been sold to 10 networks in nine countries worldwide: Australia, UK, Italy, Panama, United Emirates, Saudi Arabia, Germany, Greece, and France.

Emission-free train solutions to deliver railway decarbonisation

In the rail sector, about 55% of electricity consumption is dedicated to passenger services, and most of the diesel (85%) consumption is for freight services but diesel-powered passenger services still represent 25% of the worldwide total⁽¹⁾. More and more operators are taking measures to reduce the environmental impact of diesel operations by specifying stringent emission requirements for motors, favouring diesel-electric traction that provides more flexibility and efficiency, or by using hybrid solutions (such as diesel and batteries) and alternative fuels.

Considering the reinforced pressure on diesel for environmental and public health reasons, Alstom expects to see a progressive phasing out of diesel on the markets it is serving in this segment, mainly in Europe, in the medium term, and aims to accompany its customers to phase out diesel by 2035. Today electrical rail solutions and systems represent most of the Company’s orders. The supply of diesel rolling stock (locomotives or trains, including bimode) represented less than 5% of Alstom’s orders over the last three years. Ultimately, decarbonisation will involve electrical traction, which is the core of the Company’s expertise.

Over the last three years, we have received orders for both battery and hydrogen powered regional trains in Germany, Italy and France. Offering both hydrogen and battery is an important milestone for Alstom, as it further cements central role in the emission-free mobility market. Alstom would like to accompany its clients in their commitments of phasing out diesel powered rail, as many major companies have already pledged to become fully emission-free in this timeframe. Alstom is able to offer the complete range of green-traction solutions, Alstom is already ideally positioned to facilitate this shift with solutions like electrification, hybrid traction and fully autonomous zero-emissions trains.

- Electrification: electrified rail is one of the greenest forms of transport. Further electrification makes sense for many lines suiting higher speed routes with high capacity commuter and suburban routes and where there could and should be an intensification of the route and/or there is a significant freight operating requirement. Alstom has developed the knowledge and the expertise to deliver a full range of electrification services.
- Bi-mode/Hybrid: the Company is developing a large range of hybrid and bi-mode solutions and continues to expand its portfolio. Prima H3™ shunting locomotives exist in versions using different sources of energy: hybrid (combining the advantages of a battery and a diesel engine) for *manœuvre* on closed site or for light freight, dual-mode diesel (catenary power and diesel engine) for *manœuvre*, work trains or freight trains on lines with or without catenaries, and dual-battery mode incorporating the additional advantages of battery power. To date, Alstom delivered 42 hybrid Prima H3™ shunting locomotives in commercial service in Germany and Switzerland, representing the largest fleet of hybrid locomotives in service in the world. The French project of hybridisation of a Régiolis train had its first few months of testing. The tests are conclusive, the recovery of braking energy reduce the train’s energy consumption by up to 20% was confirmed. With a range of around 20 kilometres, the zero-emission mode allows the train to run without using combustion engines: this feature will be tested in commercial service to reduce pollution in certain urban areas. The hybrid Regional Train will have the same autonomy on non-electrified lines as the dual-mode diesel-electric version, up to 1,000 kilometres.

(1) Source: IEA, The future of Rail (2019).

- Catenary-free zero emissions solutions: to fully decarbonise operations on non-electrified lines and after being the first manufacturer in the world to offer regional trains powered by hydrogen fuel cells, Alstom has now developed a full range of solutions:
 - Battery solutions: Battery solutions are generally more suitable for short and medium-length non-electrified sections. The new battery technology that Alstom is currently developing can increase distances to over 120 km. The Battery Electric Multiple Unit (BEMU) has begun revenue service with passengers in Baden-Württemberg and in Bavaria early 2022. The trial operation provides new technical and operational knowledge in handling this innovative climate-friendly drive technology. The test operation will run until the beginning of May 2022;
 - Hydrogen solutions: Hydrogen-based solutions are preferable for long-range needs. Hydrogen trains offer a clean, reliable and cost efficient alternative for non electrified tracks. Since the launch of the Coradia iLint™, the world's first hydrogen train, Alstom has received follow-up orders in Italy and France, led a pilot project in the UK and ran successful test runs in Austria, the Netherlands and Germany. Late 2021, Alstom and Eversholt Rail sign an agreement for the UK's first ever brand-new hydrogen train fleet based on the latest evolution of the Alstom Aventura platform. Alstom continues to work on the technology and in 2021 with Plastic Omnium, a major player in hydrogen mobility, signed a Memorandum of Understanding (MoU) to collaborate on the development of high-end hydrogen storage systems for the railway sector.

Expanding the range of solutions for low carbon mobility

Beyond rail, Alstom, as a worldwide leader in electrical traction and complex transport systems, seeks to position itself as a global provider of sustainable mobility solutions in the following fields:

- Smart mobility – At the core of smart mobility are data: capturing them, interpreting them and acting on the insights they deliver. Leveraging the expertise of 200 experts in data architecture, data science and computer vision, Alstom's Mobility Data Innovation Unit is a key enabler of our smart solutions. Covering a range of end-to-end solutions in Operations, Maintenance, Security, City Flow and Digital Twinning, our Mobility Data Platform is a prime example of Alstom's innovation in action. This platform allows us to manage data flow across our installed base both onboard and on the wayside, and also enables integration into the broader mobility ecosystem. Data innovations like Mastria™ enable us to support our clients with passenger flow and multimodal orchestration, two issues with increasing importance in a post-pandemic world.
- Green e-mobility – In 2021 Alstom launched on a green e-mobility innovation centre in the Lake Mälaren region, in Sweden. The ongoing transition to electrified transportation creates the need for additional testing capacity. The core of the new centre's operations will be the opening of Alstom's lab in Västerås to external parties interested in testing and developing electrical drive systems. Doing so, Alstom will help to accelerate the transition to an emission-free future through cross-industry collaboration. The climate-smart mobility innovations of the future will result from cross-fertilizations between industry, universities, and start-ups. Alstom has invited external users into the testing lab and started collaborating with e-mobility start-ups. Today's ground-breaking on the new annex marks another important milestone, with the centre expected to be completed by 2023.

With the acquisition in April 2021 of Helion Hydrogen Power, an innovation-driven company specialised in high power fuel cells, Alstom extends its expertise in hydrogen technology over the entire value chain of fuel cells for heavy duty usages: design, development, manufacturing, engineering support and customer training. Helion covers the energy and transport markets, in France and abroad, including heavy-duty transport. Early April 2022, Helion Hydrogen Power announced it will supply its fuel cell to the shipbuilder PIRIOU to equip the future hybrid hydrogen dredger ship of the Occitanie Region, a world premiere. The ship will be used to maintain the depths of the three regional ports.

Joining the public debate and common initiatives

Alstom fully supports the deployment of the United Nations Paris Agreement on Climate Change (2015) and the strategy of the Global Climate Action Agenda on Transport. Therefore, the Company closely follows the United Nations Framework Convention on Climate Change (UNFCCC) negotiation process. Alstom has also participated in the UNFCCC's Conferences of the Parties (COPs) since 2015 in Paris (France) with the objective to be a key contributor in the fight against climate change and demonstrate that Alstom is a key actor in this market, continuously promoting green mobility and rail. For COP 26 in Glasgow, Alstom, in partnership with UIC and UITP, promoted the environmental advantages of rail and how its transformation can further develop the green mobility of tomorrow. Speakers from the Company also presented the topics of green mobility to different panels.

Moreover, since 2014, the Group has been a member of the Sustainable Low Carbon Transport Partnership (SLoCaT), which promotes the integration of sustainable transport in global policies on sustainable development and climate change. Since 2017, Alstom has also been active as a founding member of the Transport Decarbonisation Alliance (TDA) which gathers countries, cities, regions and companies into an eco-system of frontrunners to deploy roadmaps for the decarbonisation of transport.

The Company also continues to support sectorial initiatives such as the Low Carbon Rail Transport Challenge presented by the International Railway Union (IUC) which targets, *inter alia*, to reduce average CO₂ emissions from train operations by 50% by 2030 and by 75% by 2050, compared to 1990 as a baseline year. To date, specific CO₂ emissions from passenger rail traffic are showing a decrease of about 40% compared to 1990 levels.

After contributing to the Shift Project and AFEP (Private French Companies Association – "Association française des entreprises privées") evaluation and guidance on energy and climate scenarios⁽¹⁾, Alstom decided to join the "IRIS Initiative" aiming to support corporate strategic thinking on low-carbon transition, adaptation to climate change and resources issues, and so to better anticipate induced business transformations. The IRIS Initiative is a non-commercial partnership project initiated by Carbone 4, in association with leading research institutions (Paris University, HEC, Inland Norway University, Georgetown University, AFD – French Development Agency). It will involve a global network of experts to design systemic and sectorised framework scenarios that will explore different climatic, technological, and sociological pathways including their impact on the business environment taking into

(1) "Energy Climate Scenarios: Evaluation and Guidance": new report by The Shift Project with AFEP, November 2019.

account resource availability and planetary boundaries. An agreement was signed in February 2021 for a three-year collaborative project with several other non-competing major companies.

Main results and performance indicators

GHG emissions related to products and services sold (Indirect GHG emissions – scope 3)

In order to identify priorities for action, the Company conducts on a day to day basis assessments of its carbon footprint considering direct and indirect emissions. Alstom has established a method to assess CO₂ emissions from the use of its products and services, which represent the largest share of the Group's carbon footprint, as well as emissions related to the materials needed for their construction. These emissions are evaluated annually for all products and services sold during the year, over their whole lifetime, and taking into account normalised conditions of use (e.g. nominal capacity of transport, energy mix in the country of operation). A detailed analysis of the expected evolution of emission factors for electricity was also completed for countries where Alstom has developed projects, based on national commitments under the Paris Agreement (NDCs).

In the 2021/22 fiscal year, the carbon footprint of products and services sold by the Company was estimated at approximately 32 million tons of CO₂ over an average lifespan of 30 to 40 years. The total emissions from sold products has increased due to the acquisition of Bombardier Transportation as the new scope has been included in this year carbon inventory.

The geographic distribution of scope 3 emissions is the following:

- Asia/Pacific: 40%;
- Africa/Middle-East/Central Asia: 37%;
- Europe (France + Europe Region): 19%;
- Americas: 4%

A significant part of these emissions is related to the Locomotives activity which provides transport solutions for heavy freight. Moreover, Alstom provides electrical solutions all over the world, including in countries where energy mixes are still largely carbon-based (India, Kazakhstan or South Africa). In this context, Alstom's first priority is to reduce these emissions by continuing its efforts to improve the energy performance of its solutions. Opening the dialogue with its clients concerning the options for supplying trains with electricity from renewable energy sources is another potential area of development.

Regarding passenger transport solutions, emissions amount to an average of 4.6 gCO₂/passenger-km. This confirms that Alstom's solutions rank amongst the most efficient in the transport sector for low-carbon mobility.

Emissions from freight solutions amount to an average of 9.2 gCO₂/t.km.

Percentage energy consumption reduction

Alstom has set a key performance indicator to monitor its solutions' energy efficiency. The indicator consolidates the global energy reduction of its portfolio based on an average of the percentages of consumption reduction from free for tenders trains, systems and signalling solutions compared with a baseline of 2014 to the exclusion of "legacy products" only subject to repeat and option orders.

Today, Alstom is able to offer to its clients electrical rail solutions that are 22% more energy efficient on average than in 2014 in line with its target for 2025.

	2019/20	2020/21	2021/22
CO ₂ emissions of Alstom passenger transport solutions sold during the fiscal year (gCO ₂ /pass.km) ^(*)	5.3	4.6	4.6
CO ₂ emissions of Alstom freight transport solutions sold during the fiscal year (gCO ₂ /ton.km) ^(**)	-	9.3	9.2
% reduction of energy consumption in Alstom solutions	20%	21.7%	22.0%

(*) Calculation based on yearly IEA emissions factors. Transport solutions include light rail, metro and suburban, mainlines and e-bus solutions.

(**) Calculation based on yearly IEA emissions factors.

Climate resilient assets

As impacts of climate change have become apparent around the world, adaptation challenges are attracting increasing attention. Resulting from climate change that is already unavoidable due to past emissions, frequencies of extreme weather events such as floods, droughts and heat waves are expected to continue to increase in the future. Adaptation means that the risk of impacts must be assessed, and mitigation measure need to be applied to achieve resilience⁽¹⁾.

The main risks to Alstom's business resulting from climate change include:

- the risk of destruction of installations and supply chain and/or the inability to perform if Alstom's assets are not adapted to new weather conditions;
- the risk for our employees of being exposed to severe weather events like heat or cold waves in our sites;
- the risk of product damage on site during the execution of contracts in the context of exceptional events;
- liability risks in projects if solutions are unable to withstand future evolving weather conditions.

(1) Adaptation Planning and Implementation (ipcc.ch).

Strategy and policies

Protection of assets from natural disasters is part of the Sustainability & CSR policy and is under the responsibility of the Environment Health and Safety Department for prevention measures and the Legal Department for insurance.

The objective is to anticipate risks by taking prevention measures in order to avoid severe impacts generating damages and operating losses from such extreme natural events natural disasters.

Prevention and protection measures are integrated in the environmental management system which is certified ISO 14001.

Adaptation of the solutions to specific climate conditions is integrated in their design. Alstom ensures solutions delivered to customers are able to meet specifications as per requirements in compliance with the Alstom Quality and Railway Safety policies.

Processes and action plans

Alstom manages the adaptation of assets and the adaptation of solutions to Climate Change separately.

Ensuring the resilience of operations

A Group annual risk assessment review is performed as part of the annual budgeting and three-year plan process to identify, analyse, and anticipate significant internal and external risks to the Company. Over the past several years, this risk mapping has specifically integrated a review of Climate Change risks. The risk is assessed by taking into account the potential impact of extreme weather conditions – such as tropical cyclones, extra-tropical cyclones, hailstorms, storm surges, flash floods and tsunamis – on the manufacturing activities, sites and buildings of the Company and its suppliers.

In the context of the acquisition of Bombardier Transportation activities, a reassessment of risks related to natural hazards on the full perimeter has been launched in 2021/22 fiscal year in order to develop and implement a full prevention programme for climate change risks for Alstom's new perimeter of activities. Alstom mandated AXA XL and AXA Climate to start and conduct a new exhaustive climate change related exposure analysis of more than 900 sites, operated by Alstom as well as a few from suppliers and partners. The analysis aims at highlighting and quantifying key risks related to climate in line with EU Taxonomy definitions with focus both on acute and chronic impact and identify the most exposed business-related facilities. Acute climate risks are event-driven hazards with destructive consequences such as floods or cyclones, and on the other hand, chronic climate risks are long-term changes in the mean and variability of climate patterns such as rainfall and temperature impacting both physical assets and working conditions.

The analysis also aimed at identifying countries and sites with the highest potential exposure to natural disasters, in the current climate conditions and future ones. All climate projections are computed for time horizons

in 2030 (relevant for climate prevention and climate adaptation strategies to be implemented as soon as possible) and 2050 (relevant time horizon when strategic decisions need to be taken such as expansion, acquisition, prevention or closure). The climate projections are also computed under two global warming scenarios⁽¹⁾ RCP4.5 (also called optimistic scenario, end of century warming to reach 2.1 to 3.5°C) and RCP8.5 (also called pessimistic scenario or "business-as-usual", end of century warming to reach 3.3 to 5.7°C). Depending on the result, and analysis with the internal stakeholders, improvement actions will be deployed as necessary.

Alstom's processes for managing Climate Change related risks include an annual prevention programme, validated by Alstom's insurance company and based on the best available standards. The objective is to ensure that appropriate prevention and protection measures are in place. Ten to 20 sites are visited every year, according to identified potential risks. Depending on the result, improvement actions are deployed as necessary. This year, a program of 30 visits was validated jointly with our lead insurers, HDI and Allianz, and several actions plans were deployed. Prevention programmes are also set up during the development of new projects.

Developing resilient solutions

Climatic changes to potentially affect transport systems include both gradual ones, such as sea level rise, and intensification of extreme events. The latter are more disruptive for transport systems but also the ones the effects of which are more difficult to assess. Changes of the current climate conditions that can affect transport include sea level rise, increase of the intensity and frequency of storms and winds, increase of temperature, changes in the intensity and frequency of extreme precipitation events, floods and droughts. Potentially vulnerable to these changes are both transport infrastructure and operation, while the impacts can be either permanent, e.g. loss of infrastructure, or temporary, e.g. disruption of services⁽²⁾.

Alstom has years of experience in demanding projects on many sites exposed to exceptional weather conditions, for example delivering material that operates in extreme cold conditions in the steppes of Kazakhstan to the high temperatures of the desert in Qatar. This expertise includes, *inter alia*, enhanced heating/ventilation/air conditioning functions, power supply sub-stations resilient to high temperatures and equipment designed to resist important volumes of snow, rain and corrosion from saline atmospheres. In 2022, Alstom signed a contract with Norske Tog to deliver regional trains. The new trains will be equipped with the latest ETCS⁽³⁾ signalling system. The system will feature a world-first advanced odometry solution designed for the harshest winter conditions. Another example is the Lusail tramway project in Qatar, with 50 degrees Celsius outside, the temperature on board the trains must be 23-25 degrees, which has given special attention to the air conditioning systems (HVAC).

(1) According to International Panel on Climate Change.

(2) Impacts of climate change on transport – JRC publications EU.

(3) European Train Control System.

Alstom decided last year to reinforce existing practices in this field by drafting a new instruction on "Environment & Climatic Adaptation" which was finalised this year. Written by a group of experts in environmental and climatic design, this instruction is based on requirements from the European norm EN 50125, which covers environmental conditions for rolling stock and on-board equipment including high temperatures, humidity, air movement, rain, snow and hail, ice, solar radiation. The document integrates additional requirements to better cover environmental and climatic considerations and goes beyond European requirements for certain criteria such as corrosion from

saline atmospheres. The requirements is now systematically deployed for every new project. In 2021/22, convergence works with BT has been conducted.

In parallel, Alstom is in charge of coordinating the revision of European norm 50125, in agreement with the European Committee for Electrotechnical Standardisation (Cenelec) and the French Office for Railway Standardisation (BNF). The objective is to ensure the applicability of the requirements to railway applications and to better consider the effects of climate change for all parameters.

Main results and performance indicators

The main Key Performance Indicator followed is the number of natural catastrophes generating more than €2 million in product damage and business interruption.

In 2021/22 fiscal year, no event was recorded.

	2019/20	2020/21	2021/22
Number of natural disasters generating damages and operating losses of more than €2 million	1	0	0

Ecodesign & Circular Economy

Alstom consistently applies a life-cycle approach to its products and services in order to maximise the environmental and economic benefits over time. This approach allows the Company to limit the ecodesign and circular economy risks and to benefit from new opportunities, such as:

- the risk related to the non-compliance of products and solutions, especially relating to REACH⁽¹⁾, F-Gases⁽²⁾ and similar existing provisions (TSCA⁽³⁾ in the United States or China REACH in China⁽⁴⁾;
- the commercial opportunities relating to Alstom’s capability to provide its customers with ecodesigned and low environmental footprint solutions to secure their expectations are met;
- the commercial opportunities linked to the reuse, remanufacturing of components, and recovery of materials through products and services integrating circular economy processes.

This approach is particularly relevant in the context of rising client expectations in terms of ecodesign and the acceleration of associated regulation such as the European Green Deal.

Strategy and policies

In terms of products and services, Alstom favours a life cycle approach to select the main levers of environmental performance and ensure an effective way to control and reduce the footprint of its solutions. The different aspects of the solutions are covered, including environmental aspects related to circular economy principles, i.e. those related to resources and their efficient management.

Alstom’s ecodesign approach is based on life-cycle thinking, consideration of customer and stakeholder expectations, and continuous improvement.

The priorities set in Alstom’s ecodesign policy focus on the:

- energy efficiency of rail transport systems;
- use of greener, recyclable, and natural materials;
- reduction of noise and vibrations;
- reduction of air emissions;
- circular economy and end of life management with objective of 25% recycled content in newly-developed rolling stock by 2025.

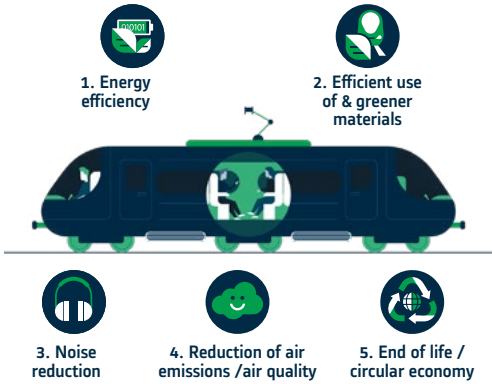
This policy, applicable to the whole Group, is embedded in its design activities as well as in its environmental management system (ISO 14001). It is promoted by the Chief Technology Officer (Chief Technology Officer), and is deployed according to the ecodesign referential, supported by a network of more than 100 experts (ecodesigners, acoustics experts, materials experts and energy engineers).

Based on environmental assessments including life cycle analysis, Alstom identified environmental priorities and selected two key performance indicators (Kpis) to follow the deployment of ecodesign and circular economy activities of its panel of solutions:

- reduction of energy consumption of solutions: -25% in 2025 compared to 2014;
- coverage of solutions integrated in eco-designed and circular-economy process: 100% of newly designed solutions eco-designed in 2025.

(1) Regulation (EC) No. 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals.
 (2) Regulation (EU) No. 517/2014 of the European Parliament and of the Council of 16 April 2014 on fluorinated greenhouse gases.
 (3) Toxic Substances Control Act, codified as 15 U.S.C. 2601-2671.
 (4) China MEP Order 7 – Measures for Environmental Administration of New Chemical Substances issued in January 2010 by the Chinese Ministry of Environmental Protection, known as China REACH.

FIVE ECODESIGN PRIORITIES



Processes and action plans

In order to deploy its policy, Alstom has set up and maintains:

- a three-year work plan which is updated every six months and approved by the top management;
- a referential defining the ecodesign process along with instructions, standards, and competency assessment.

Ecodesign work plan

The Alstom ecodesign work plan is based on the principle of continuous improvement. Updated regularly, it addresses eight strategic axes:

- the 2025 energy consumption reduction trajectory;
- the coverage of the solutions portfolio and 2025 trajectory. This year, Alstom covered its new signalling solution; new components for rolling stocks such as bogie for new metros, its regional battery trains (BEMU) and very high speed trains Zefiro™ Express, X'trapolis™ Suburban trains, Ebi™ Track 2000 and metro Axonis™ solutions;
- the circular economy scheme development and performance improvement of associated solutions. This year, Alstom has implemented numerous revitalizations of parts and components in order to propose them on the second-hand market. A dedicated roadmap on circular economy has been set up covering: design and production; maintenance and modernization; waste management and recycling. This is rolled out gradually;
- the operational performance. Over 2021/22 fiscal year, the IT tool developed to capitalise on and fluidify environmental data management, such as recyclability, material composition and emissivity while ensuring consistency with other tools such as PLM (Product Life Management), was deployed on all new Alstom perimeter;
- the environmental assessment. To this end, a dedicated roadmap for life-cycle assessment and life cycle thinking is maintained and implemented;

- the environmental risks and opportunities linked to solutions and products with a focus this year on nano materials and green IT. In addition, a mapping of the use of critical materials was established that will allow for the implementation of mitigation steps;
- the standards and regulations. Alstom is a member of the UNIFE⁽¹⁾ "Chemical Risks" group and has prepared upcoming challenges linked to lead as a candidate substance (REACH); Alstom has set up a vigilance plan on 56 substances and as of today 93% of substances have been phased out; a dedicated action plan about SCIP was also implemented;
- the human resources and competencies. Ecodesign engineers and experts are assessed according to the ecodesign competencies assessment grid. In 2022, ecodesign assessment grids have been harmonized on the whole Alstom new perimeter.

Each Alstom site with development and design activities is required to define its yearly ecodesign objectives. At solutions level, specific and relevant objectives are captured in the ecodesign dashboard.

Processes and way of working

Alstom's ecodesign process is based on a set of management practices. It is gradually being deployed to all solutions for which the approach is relevant and includes:

- enrolling ecodesign and the circular economy in the Company's culture. General trainings "Ecodesign for All" are progressively deployed. New ecodesigners have been trained on modules such as "Recyclability and End of life", "Life Cycle Assessment", "Regulations on dangerous substances" and "Emissions and air quality";
- integrating the environmental dimension in the development of solutions and delivering products that meet customer expectations and requirements. For all new developments, performance and market expectations are assessed to determine how best to implement the ecodesign concept. In 2021/22, the convergence plan for this process had been set up and started. The deployment will continue in 2022/23;
- ensuring compliance with standards and regulations;
- promoting responsible solutions and communicating on environmental performance along the life cycle through Environmental Product Declarations (EPD), such as Movia™ Metro solution.

Within this framework, Alstom is continuously improving its competencies, practices and performance in respect of:

- energy efficiency of rail transport systems: With its new regional train, Coradia Stream™, Alstom has reached an energy reduction of almost 35% thanks to efficient traction and auxiliaries, electrical braking and enhanced HVAC;
- use of greener, recyclable, and natural materials:
 - control and limitation of hazardous substances (in particular the so-called Substances of Very High Concern "SVHC" according to the REACH Regulation). This pro-active approach has allowed for a lot of components containing candidate substances to be detected and secured. By this means, 100% of the cases concerned by Annex XIV are substituted before legal deadlines,

(1) The Union of European Railway Industries.

- Alstom has defined criteria to qualify low impact materials and components and developed a catalogue proposing solutions by components/parts category, including ecolabels. For example, Alstom uses for its regional trains Coradia Stream™, a floor covering with ecolabel GUT, manufactured with recycled components (100%);
- reduction of noise and vibrations for new and for modernised rolling stocks. For example 10 DBA noise reduction in acceleration phase on the new RATP metros with optimized motors monitoring;
- reduction of air emissions and air quality: Optimised electrical braking allows several tons of emissions per year and per fleet to be avoided;
- the circular economy, lifetime, end-of-life management, and recyclability of systems and subsystems:
 - with a complete portfolio of renovation and modernisation solutions, Alstom offers customers the ability to extend the lifetime of their systems whilst allowing for an upgrade of comfort and services. Alstom also delivers end of life manuals geared to optimised and safe recycling. For example, the battery train (BEMU) performs

a high recyclability rate of 94% while new regional train Coradia Stream are 96% recyclable. In total, 92% of products sold last year can be reused or recycled. In addition, recyclability rate of new trams was improved thanks to use of recyclable interior parts,

- Life-cycle and environmental assessment (LCA). Two years ago, an internal verification panel was set up in order to improve accuracy and standardise Group practices.

Main results and performance indicators

Based on environmental assessments including life cycle assessments, Alstom identified its environmental priorities and decided to follow the deployment of its ecodesign activities on its solutions using two key performance indicators:

- the energy consumption reduction of its solutions (refer to the section on Low Carbon Solutions, page 261);
- the ecodesign coverage of its solutions, including circular economy aspects:

	2019/20	2020/21	2021/22	2025 objective
% of newly developed solutions with ecodesign	25%	36%	51%	100%

Newly developed solutions are classified as “ecodesigned” when environmental footprint reduction targets have been submitted, and a follow up of environmental performance is in place.

These are solutions that demonstrate environmental improvement/savings on key aspects without generating significant pollution transfers. The eligible newly developed solutions include recent solutions (<four years) and solutions benefiting from development and R&D programs (>€1 million). This year Zefiro™ Express, X'trapolis Aluminium and Axonis™ were covered.

Energy and greenhouse gas emissions (GHG) performance of operations

The Company can be exposed to different environmental risks, including air and water pollution or the loss of environmental certifications and operating permits. However, Alstom considers that one of its main challenges is related to the consumption of energy for its contribution to CO₂ emissions and climate change. Furthermore, an important increase in energy costs may represent a risk depending on the evolution of electricity/gas prices and energy performance, whereas there are opportunities for cost reduction through energy saving programmes.

Other environmental impacts, which are not material are covered in appendix.

Strategy and policies

Environmental commitments are made at the highest level of the Company and are implemented in an Environment, Health and Safety (EHS) policy signed by the Vice-President EHS. The scope of application of this policy is described in an internal standard that also defines the applicability criteria. It includes all the product line’ activities (rolling stock

and components, services, digital, infrastructure and systems projects), solutions, logistics and Merger & Acquisitions operations. Consequently, Alstom has made a commitment to:

- cause zero environmental damage;
- prevent pollution;
- continuously reduce the environmental impact of its activities especially with its Energy Saving Plan and waste management strategy;
- drive continuous improvement of environmental performance through measurable objectives and targets;
- maintain a valuable environmental management system;
- strengthen the environmental culture of its employees and subcontractors;
- ensure environmental competencies and offer training at every level of the organisation.

The policy is reviewed on a regular basis displayed on every Alstom site and published on the Company’s website.

Environmental management, including energy, is based on an environmental programme, which encompasses the Energy Plan covering:

- consideration given to environmental issues at all levels of the Company;
- definition of environmental objectives in the organisation and periodical results reviews at the same frequency and in the same internal Governance Committees as for financial results reviews;
- implementation of an environmental programme: development and deployment of internal standards, assessment tools, targeted training actions that involve employees, communication and awareness-raising actions;
- an EHS (“Environment, Health & Safety”) organisation managed in the Regions and Product lines and coordinated centrally.

The Alstom Management System includes the requirements of ISO 14001, which contribute to the process of environmental improvement of the sites.

As part of Alstom AiM (Alstom in Motion) strategy and following the acquisition of Bombardier Transportation in 2021 a new energy plan for 2025 was launched in 2020 and new GHG targets set in 2021. 2021, the first year of reporting of the new full perimeter is set as the new baseline.

Processes and action plans

On the basis of its environmental risk mapping, Alstom has set two main goals related to energy, namely:

- reduce greenhouse gas emissions (scope 1 and 2) by 40% compared to the baseline year 2021 by 2030 (yearly reduction of 4.4%);
- use 100% of electricity from renewable energy sources by 2025.

Energy intensity

Alstom monitors its energy efficiency through the energy intensity, defined by the quantity of energy consumed related to Alstom's activity. Activity is measured in hours worked (Alstom employees and contractors). The quantity of energy consumed is recalculated in order to integrate the climate factor. Consequently, the share of energy used for heating is retreated to take into account the impact of winter temperatures on heating energy consumption. This retreatment is made on a monthly basis using the "Unified Degree Day" factor that estimates on a daily basis the difference (by geographical zone) between a baseline temperature and the average of the measured temperatures.

The Group's gross energy consumption has more than doubled compared to the previous year due to the increase in the perimeter covered by the reporting.

Alstom is continuing to deploy its energy-saving plan which has already delivered good results. This plan is targeting the 40 largest consumers, representing 85% of Alstom energy consumption. The deployment and monitoring of action plans are overseen by a three-level governance structure (central, regional, site). This initiative has generated a strong dynamic to make progress and to share best practices. For instance, the LED lighting deployment initiative continues at Group level. In 2021, eight sites were fully equipped with LED (Katowice, La Rochelle, Savigliano, Santa Perpetua, Nola, Le Creusot, Tarbes, Charleroi) and 13 other sites partially.

Main results and performance indicators

DETAILS OF ENERGY CONSUMPTION

<i>(in GWh – raw values)</i>	Alstom		
	2019	2020	2021
Natural gas	243	221	465
Butane or propane and other gases	8	6	15
Domestic fuel	6	9	8
Steam/heating network	42	42	116
Electricity	192	191	393
Coal, heavy fuels and other fuels	0	0	0.5
TOTAL ENERGY CONSUMPTION	491	469	998

Source: Alstom Teranga.

Alstom has commissioned an external consultant to enhance monitoring of Alstom's energy efficiency for next fiscal year.

Greenhouse gas emissions related to operations (scopes 1 and 2)

Greenhouse gases produced by energy consumption make up the vast majority of Scopes 1 and 2 GHG. Therefore, the Group measures them separately from fugitive emissions of hydrofluorocarbons (HFCs).

At the end of 2021, the GHG emissions from energy consumption have doubled compared to 2020. The share of green electricity in energy supply still contributes significantly to the reduction of CO₂ emissions.

Use of renewable energies

The Group has made an ambitious commitment to use 100% of electricity from renewable energy sources by 2025 including 10% of on-site production self-consumed, as part of its global initiative for the environment.

At the end of 2021, Alstom was supplied with 42% of green electricity, including 0.9% produced directly on site.

The Company is signing contracts for the supply of electricity from renewable energy sources where it is economically viable. The initiative engaged a few years ago on the legacy Alstom perimeter is now being extended to the new perimeter. Thus, Alstom's electricity supplies come totally from green sources in Belgium, the Netherlands, Brazil, and Sweden and partially in the United Kingdom, Germany, Spain, Italy and Poland through contracts with its electricity suppliers. In France, the share of electricity from renewable energy sources in 2021 has risen from 70 to 80%, (excluding the Belfort and Crespins sites). Finally, the Hornell and Rochester sites in the United States are supplied with green electricity through the purchase of green certificates.

Besides, initiatives to install solar PV panels to self-consume green electricity have been launched in India (power purchase agreement finalised in 2021 to install 300 KWp on the Coimbatore site), Spain (Trapaga site: 36 KWp installed) and Switzerland (Villeneuve site: 790 KWp installed), bringing to 10 the number of sites equipped with solar PV panels.

Next step is also to find solutions to switch to biogas. Solutions that are being studied are: biomass, geothermal, solar and heat pumps.

The increase in the consumptions reflects the integration of the new sites in the reporting perimeter in 2021, especially for natural gas: sites in France (Crespin), Poland (Wroclaw), Canada (Thunder Bay), UK (Derby) and Czech Republic (Ceska Lipa) totalize more than one quarter of the natural gas consumed (major part being for heating use). The volume of steam consumed for heating has also largely increased due to the integration of sites especially in Germany where urban heating is quite common. As for natural gas, the quantity of electricity consumed increased due to new sites as Crespin, Wroclaw, Ceska Lipa, Derby and La Pocatière (in Canada).

The energy intensity established at 7.7 kWh/hours worked for the year 2021.

Due to methodology, last year figure (7.0 kWh/HW) normalized to 2014 weather conditions cannot be considered fully comparable. The progressive deployment of well-established energy management practices on the new perimeter is expected to bring further energy efficiency overtime.

	2019	2020	2021	Objective
Share of electricity from renewable sources	36%	60%	42%	100% by 2025

In total, in 2021, 42% of electricity supply came from renewable sources on the full perimeter, which is showing a reduction *versus* 2020. The strategy of green electricity purchase must be extended to legacy Bombardier Transportation sites.

The share of green electricity produced on site remains low (less than 1%). Numerous solar PV panel projects are being studied in various countries especially in France, Spain, Morocco and South Africa. These initiatives

will be completed by a program built following a study performed by an external consultant, to deploy the solar PV panels on our sites. This will be launched in 2022.

GREENHOUSE GASES EMISSIONS (in kgCO₂ equivalent)

2030 Goal: Reduce GHG emissions from energy consumption and other direct emissions (scopes 1 and 2) by 40% compared to 2021 as a baseline year.

GREENHOUSE GASES EMISSIONS DETAILS (SCOPES 1 AND 2)

(in kilotonnes CO ₂ equivalent)	Alstom		
	2019	2020	2021
Direct CO ₂ emissions related to the consumptions of natural gas butane, propane, coal and oil ⁽¹⁾ – Scope 1	52	49	100
CO ₂ emissions from company cars (using gasoline or diesel oil) – Scope 1	5	4	6
Other direct CO ₂ emissions related to HFC fugitive emissions – Scope 1	1	1	2
Total CO₂ emissions – Scope 1	58	54	108
Indirect CO ₂ emissions related to the consumption of steam, heat network and electricity ⁽²⁾ – Scope 2 market based	66	45	122
TOTAL CO₂ EMISSIONS RELATED TO ENERGY CONSUMPTION AND OTHER DIRECT EMISSIONS – SCOPES 1 AND 2	124	99	230

Source: Alstom Teranga.

(1) As regards natural gas, butane and propane, CO₂ emission factors come from "IPCC Guidelines for National Greenhouse Gas Inventories (2006)".

(2) The scope 2 emissions are reported on market-based. Emission factors for electricity come from AIB (2020 data base) or, if not available IEA (2019 data base).

The CO₂ emissions reflect the increase in the energy consumptions due to the increase of the number of sites in the new perimeter in 2021, which of them being major energy consumers. Especially for the scope 2 emissions, the volume of steam consumed has largely increased with the integration of the new sites (42 GWh to 116 GWh).

2. CARING FOR PEOPLE

Wherever it operates around the world, Health and Safety (page 273) remains an utmost priority for the entire Company, its employees, and its contractors. Alstom deploys ambitious programmes to reach a clear target: prevent injuries and eliminate all severe accidents.

Caring for people also means providing employees with the best working environment and employee experience. Making sure the Company attracts, engages, and retains the right people (page 278) is key to ensuring the Company's success.

The value Alstom adds to its customers strongly relies on the skills and competencies of its workforce and its ability to develop them (page 287).

Employees and contractors health and safety^{VP}

Alstom operates in various working environments:

- in its own production and testing facilities;
- in customer premises where Alstom teams are working on maintenance, commissioning or testing activities;
- in train operations;
- on project/construction sites with strong interactions with clients and partners.

Due to the nature of Alstom activities, its employees and subcontractors are exposed to health and safety risks: anything that can cause harm to a worker in the working environment, such as mechanical, electrical, or chemical hazards, inappropriate employee behaviour, or other factors, is regarded as a risk factor.

The level of risk is impacted by several parameters such as:

- geographical footprint – the Environment, Health and Safety (EHS) knowledge and culture are not at the same level across all countries of the world;
- the level of Health and Safety culture and knowledge of the Company's Partners (consortia & JVs);
- customer EHS policies – as some Alstom activities take place on its customers' sites, the Group is impacted by the way they address the EHS topic;
- the performance of contractors – Alstom sub-contracts certain activities; as a consequence, the EHS performance of its contractors directly impacts the Company itself.

Health and Safety are considered to be a critical success factor for the performance of projects.

Fiscal year 2021/22 was focused on the integration of Bombardier Transportation legacy sites and activities. An onboarding program was implemented for the new comers involving virtual trainings and mentoring programs.

Strategy and policy

The Alstom's EHS policy was updated in May 2021 in order to consider good practices of new entities. This policy highlights its strong leadership and commitment in these areas. It covers all Alstom entities and applies to all employees, temporary workers and contractors. As expressed in the policy, the Group aims to be recognised as the best EHS player in the Railway sector.

By implementing its "Alstom Zero Deviation Plan" (AZDP), Alstom aims to create a safer environment by controlling its High-Risk Activities. The Company's *Agile, Inclusive and Responsible* corporate values help to meet the collective EHS challenges and to leverage the EHS culture throughout the organisation.

The Health and Safety ambitions are:

- to strive for Zero accidents and incidents with focus on preventive actions; and especially with our Alstom Zero Deviation Plan;

- to Care of our employee and contractors' Health and Wellbeing; we focus on improving ergonomic conditions and promoting protective social, mental and health factors.

In the context of the Alstom in Motion strategic plan, Alstom ensure the follow 'up of the following Kpis:

- the Total Recordable Injury Rate (TRIR): it includes Lost-Time Injury and other work-related recordable events such as injury resulting in restricted work or transfer to light duty tasks. The target for the TRIR is 2 by 2025. By expanding the coverage of its KPI, Alstom will consolidate and further develop its prevention program on a larger basis of cases and align with industry best practices and Sustainability Accounting Standards Board (SASB) standards;
- the injury Frequency Rate (IFR1): it includes Lost-Time Injury. The IFR1's target is to be below or equal to 1 by 2025.

Both of these KPIs covers employees, temporary workers and contractors.

The Health and Safety strategy supports a pro-active approach based on:

- visible and active EHS Leadership under the responsibility of the EHS operational management;
- driving continuous improvement of EHS performance through measurable objectives;
- an EHS Management System which uses internal processes to ensure compliance with applicable standards and regulations. The EHS Management System is based on ISO 45001. During the FY2021/22, more than 50% of the workforce was covered by an official certificate provided by registered third parties;
- the assessment of EHS risks and taking proactive measures for the prevention of incidents and occupational diseases as well as for continuous improvement through return of experience;
- workforce engagement (a reinforced EHS culture for both employees and contractors);
- a network of competent and shared EHS professionals acting locally and supported by regions and activities expertise which ensures a high level of EHS competency and training at all levels of the organisation.

The EHS community is animated at different levels: country, cluster (several countries in a same area), Region and Central and a governance defined with the Product lines.

At least, one EHS representative is present in each site. Today, more than 500 EHS professionals are in charge across the Group to implement the Health & Safety strategy. A quarterly virtual live event has been put in place this year by the central team and Regions to share with the EHS network the highlights, the progresses and key points related to EHS.

In addition, an EHS monthly Steering Committee was implemented this year with the sponsorship of the Chief Operations Officer and the Chief Human Resources Officer. The three Product Line Presidents, two Country managers attend the meeting lead by the Alstom EHS Vice President. Region EHS Directors present return of Experiences, share a good practice, etc.

Process and action plans

Main Identified risks^{VP}

High-risk activities

Based on the analysis of main safety risks, Alstom has identified the high-risk activities related to the broad spectrum of work that it performs. These activities are defined in the "Alstom Zero Deviation Plan" (AZDP), whether executed directly by Alstom or indirectly by a subcontractor. A dedicated communication campaign was launched this year including talk tool kits to allow the managers to explain the requirements to their teams.

The high-risk activities are as follows:

- works for which Lockout Tagout must be performed;
- works involving a risk of interference from moving vehicles, whether on site or on rail;
- working at height;
- lifting operations;
- working in an explosive atmosphere;
- work exposed to electrical risks;
- working in a confined space;
- excavation works;
- work with exposure to chemicals;
- installing, servicing and operating machines;
- management of contractors.

Exposition to hazardous chemical substances and asbestos

Concerning hazardous chemical substances, one of the main risks for health is linked with carcinogenic, mutagenic, or reproductive effects on persons who are, or have been, exposed (so called "CMR"). Asbestos has been identified as the substance which presents the highest risk of serious and irreversible consequences on the health of Alstom's employees and subcontractors.

The objective of Alstom is to protect workers against risks to their health, arising or likely to arise from exposure to asbestos at work. It has been Alstom's policy for many years to abandon definitively the use of products containing asbestos in all operating units worldwide. This principle also applies to all of Alstom' suppliers, including those in countries where the use of asbestos is permitted. Alstom addresses all activities with potential risk of asbestos such as:

- during merging and acquisition processes, Alstom assesses the Environmental, Health & Safety risks including historical soil contamination. The EHS risks assessment is based on due diligence reports, environmental assessments or any other appropriate records. Asbestos risks are assessed for all buildings and equipment, as well as potential occupational diseases;
- during Projects & Services activities, Alstom Employees should not perform asbestos removal work or be potentially exposed to asbestos airborne fibres. However, Alstom can execute contracts requiring work on Asbestos Containing Material under strict conditions. Alstom anticipates at an early stage of Tenders and then Projects any potential

issues related to the presence of asbestos in the product and/or in the working environment. Alstom takes the appropriate actions to protect workers' health from risks arising from asbestos in the course of their work. Asbestos clauses are systematically integrated in offers made to the customer and in contracts, even for tenders considered as "at no asbestos risk". When asbestos risks are identified, an adequate control plan is defined and then implemented to ensure that the risk is fully controlled as per Alstom EHS rules. The Alstom Design For Quality process contains specific criteria to ensure that asbestos risks are properly managed all along the project execution phase. Alstom employees never work with ACM and Alstom only subcontracts to companies recognised by an authorised third party as being qualified and competent at performing one or several asbestos activities;

- during the sourcing process, Alstom ensures asbestos is prohibited in any new equipment supplied to Alstom;
- during operations, Alstom monitors potential asbestos presence on the sites it is operating, in order to launch appropriate abatement plans and limit future risks. Sites where asbestos has been identified in buildings and/or equipment have an up to date and financially assessed asbestos management plan, which is taken into account during budget and three-year plan preparation.

To enforce the management of hazardous substances, since April 2020, a focus has been introduced in the global referential of Health and Safety. A directive for hazardous substances has been defined and is audited within the Alstom Zero Deviation Plan.

Assessment, mitigation and prevention measures, follow-up and monitoring system^{VP}

AZDP plan – Alstom Zero Deviation Plan

The AZDP plan is applied to all Alstom employees and subcontractors. This program was extended to the new sites and projects. This plan includes a risk assessment and the application of mitigation and prevention measures to all high-risk activities. It is based on 12 directives which describe mandatory requirements to be applied to the whole scope of Alstom. These requirements are related to activities defined as high risk and help to mitigate and prevent serious and irreversible occurrences. This strong program identified 54 critical requirements for audit and 237 requirements for those the entities have to perform a self-assessment and implement an action plan accordingly to manage continuous improvements. It was deployed during the year to the new entities and 22 of them were included on a formal yearly schedule planning. The arrival of newcomers lead to organize new AZDP trainings. Altogether more than 80% of the EHS community network was trained since July 2021.

To support the plan, Alstom has implemented a "zero deviation tolerance" policy.

An annual centrally-managed audit program is deployed in the Group, both on large industrial sites and on smaller locations such as depots and construction sites. The target for the year was to perform 80 audits. Despite of Covid-19 travel restrictions, Alstom maintained as much as possible physical audits. In some cases, virtual audits with the support of powerful technology and associated platforms were done. 77 formal audits were performed in FY2021/22.

APSYS – Alstom Performance System

Alstom developed a program called APSYS to measure the progress on different operations topics. Safety and ergonomics are included in this program. APSYS considers also near miss events management and appropriate actions deployed locally.

Each year Alstom industrial teams conduct audits assessments in accordance with the APSYS referential in production sites to measure the progress made in respect of Alstom's operational requirements. In 2021/22 fiscal year, Alstom conducted 13 assessments. The ergonomics of workstations is one of the assessed criteria. Safety requirements are included on the shop floor part. This year, three dedicated hours for EHS topics were included on the assessment to review risk assessment, management of contractors and perform a Safety Observation visit.

Safety Trainings

In addition to the training required by various regulations, Alstom designs and deploys safety training modules to meet its specific needs and continuously adapts its internal training offer. During the year, the materials of five training modules was updated and translated in 13 languages to support countries to implement them.

There are seven training programs delivered by Alstom University, including the High-Risk Activities e-learning program.

Notification system and Return on Experience

All Alstom managers have access to an EHS app to immediately report hazardous situations or deviations. Through geolocalisation, the system automatically pushes the report to the local EHS contact to prompt action.

An immediate (24 hour) notification process is in place when a lost time accident or a severe or potentially severe accident, occurs in the Company. Each severe or potentially severe accident is analysed to identify the root causes of its occurrence and to take preventive and corrective measures. For severe events, a review of the events is done with the Chief Operations Officer, Chief Human Resources Officer, EHS VP, Region EHS Directors and the local team within 48 hours after the event.

Lessons learned are shared within the EHS Community through return of experience sessions. 122 return of experience sessions, following severe or potentially severe accidents, were recorded during the year.

Occupational Health

In 2021, the focus remained high on Covid-19 management. Alstom maintained its clear procedures and guidelines to protect the health of employees and contractors everywhere Alstom operates, including:

- provide masks and request to wear mask for all: employee, contractor, visitors according to the risk assessment;
- replace face-to-face meetings by virtual communications and implement remote work wherever possible;
- establish alternating days or extra shifts that reduce the total number of employees in a facility at a given time allowing them to maintain distance from one another while maintaining a full onsite work week. Reinforce cleaning and sanitisation between the shifts;
- implement Hand Hygiene routines during the shifts;
- develop welcome and re-induction for the employees, temporary workers and contractors for any site re-start after a period of shutdown/suspension. Explain the Covid-19 crisis and all measures

to be taken and provide a reminder of the existing risks and associated prevention and protection in place according to Alstom safety management;

- develop Covid-19 communication plans including information at the workplace, and a forum for answering workers' concerns and internet-based communications, if feasible;
- define a training plan and provide workers with up-to-date education and training on Covid-19 risk factors and protective behaviours;
- define regional return of experiences to share experiences and to develop good practices.

In addition to all sanitary measures, a strict policy for travel was maintained. While importance to maintain business continuity and keep serving and supporting our customers was considered, all international travel were limited to essential business; requiring additional approval by management prior to departure; and securing respect of safety and security rules.

Alstom also aims to ensure healthy working conditions. On top of preventive or protective measures resulting from workplace risk assessments, Alstom seeks to take full account of ergonomics in the design of workstations.

An ergonomic network was set up to improve working conditions by analyzing the workplace and activity involving the multiple stakeholders actively involved in Engineering and Industrialization of Alstom products. Its mission is to design the workplace to accommodate the global anthropometry, without the risk of ergonomic injuries at present and in future (post retirement) to our Alstom employees. This year, the ergonomist teams focused on:

- Mobilize: define and anchor an ergonomic culture to all employees from the moment they arrive at Alstom to make them active in prevention;
- Act: co-construct and deploy standard processes and tools accessible to all employees to integrate ergonomics in our projects;
- Share: help each other within the ergonomics community and between sites;
- Innovate: create simple, reliable and objective ergonomics analysis and measurement tools and accompany the deployment of new assistance technologies.

The team is managed by two central ergonomist experts:

- with presence of 36 Industrial Ergonomic Referents from sites;
- and 39 Industrial Ergonomic referents in process of integration by end of 2022 to achieve the goal of one Ergo referent on each site;
- 108 active members in Ergonomic network from Industrialization and EHS domains.

This year, the team defined a roadmap for the two coming years including creation of standards, check list, skills matrix, trainings, virtual reality, etc.

Ergonomic working groups were set up mobilizing cross functional teams on Ergonomic enhancement and innovation at Alstom. Around 30 Virtual Reality systems are deployed on 22 Alstom sites, to facilitate collaborative design review and ergonomic validations.

A process to share good practices was implemented. Some good practices were shared through the network, such as integration of lifting assistance tool to eliminate heavy load lifting for shipping at Tarbes site in France; integration of Interactive looming board to reduce the risk of Musculoskeletal disorder at Charleroi site in Belgium; or the E-Block Pump Integration Jig which eliminated manual handling of pump (40 kg) at Coimbatore site in India.

96 ergonomist referents were trained on Ergonomics in 2021/22.

A reporting of occupational illnesses is in place. This monitoring is carried out at the local level and takes into account the legislation of each country. Alstom's activities require manual and precision operations, the main occupational illnesses are linked to certain work postures affecting the upper limbs in particular. Improvement actions are set up each year.

Most of the occupational disease reported are related to musculoskeletal disorders due to operational activities.

With the support of the six EHS Region Directors, a Health roadmap was defined this year for the three coming years. Three main topics were identified: mental health, physical health and healthy working conditions. Working groups were set up in January 2022 to define concrete actions for coming years. These working groups gathered multicultural people and multiple competences such as Human Resources people, Health specialist, EHS and ergonomists. This roadmap is included in the global Health & wellbeing roadmap. Its deployment will start in 2022/23. Nevertheless, in some countries some dedicated programs have been implemented such as:

- trainings, website and health ambassadors in Australia;
- Kaido Challenge in UK which is an app-based system where participants set their own goals for health improvement. Stress, sleep, rest, physical movement, meditation, reflection and relaxation are examples of themes people may choose.

Such initiatives will be continued and extended next year.

Main results

AZDP plan

	2019/20	2020/21	2021/22
Number of formal AZDP audits conducted during the fiscal year	48	59	77

Source: Alstom (EHS Library).

Safety training on High Risk Activities

	2019/20	2020/21	2021/22
% of Alstom employees trained using the e-learning module on High Risk Activities ^(*)	77%	81.5%	76.1%

Source: Alstom HRIS.

(*) Alstom deploys an e-learning programme about high-risk activities targeting all employees. The table gives the percentage of employees present in the Group who have followed the training course as at the end of the calendar year.

Health and occupational diseases

	2019	2020	2021
Number of recognised occupational diseases during the calendar year	45	35	49

Source: Alstom Teranga.

KEY PERFORMANCE INDICATORS^{VP}

	2019/20	2020/21	2021/22
Number of fatalities at work (Alstom employees) ⁽¹⁾	0	0	1
Number of fatalities at work (contractors) ⁽¹⁾	0	0	0
Fatality Rate (Alstom employees)	/	0	0.007
Fatality Rate (contractors)	/	0	0
Number of travel fatalities (Alstom employees) ⁽²⁾	1	0	0
Number of occupational severe accidents ⁽³⁾	6	0	5
Total recordable injury rate (Alstom employees) – TRIR ⁽⁵⁾	/	2.4	2.5
2025 objective: TRIR=2			
Total recordable injury rate (contractors) – TRIR ⁽⁵⁾	/	1.8	1.8
Total recordable injury rate (employees and contractors) TRIR ⁽⁵⁾	/	2.2	2.3
Lost time injury frequency rate (Alstom employees) – IFR1 ⁽⁴⁾			
2025 objective: IFR1≤1			
Lost time injury frequency rate (contractors) – IFR1 ⁽⁴⁾	1.2	0.9	1.1
Lost time injury frequency rate (employees and contractors) – IFR1 ⁽⁴⁾	0.6	1.1	0.9
Lost time injury frequency rate (employees and contractors) – IFR1 ⁽⁴⁾	1.0	0.9	1.1

Source: Alstom Teranga.

(1) Includes all accidental fatalities at the workplace and on the way between two workplaces.

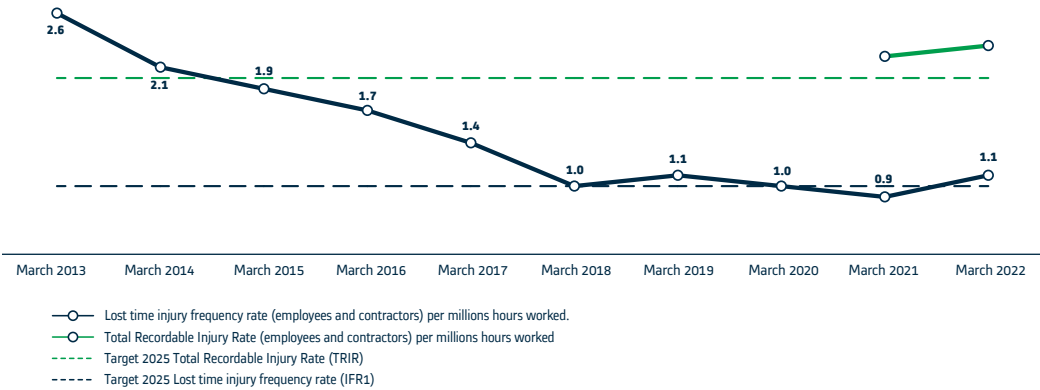
(2) Includes all accidental fatalities on the way from home to work or work to home.

(3) Occupational severe accident: fatal accident and any accident resulting in permanent consequences (either in permanent disfigurement, or permanent disability such as amputation of any digit or part of a digit) whatever the length of the medical leave.

(4) IFR1: Number of work-related injuries, which prevents the injured person from carrying out work for a period of at least one full day, per million of hours worked. Accidents on the way from home to work or from work to home are excluded from the calculation of the indicator.

(5) TRIR: The number of occupational fatalities and injuries (with lost time and other recordable), excluding first aid, per million hours worked.

The Injury Frequency Rate and Total Recordable Injury Rate are on-track *versus* target. However Alstom regrets one fatal accident for an Employee recorded during the year. A fatality occurred on a project in Egypt on September with the employee being hit by a train during technical support activities to client. Following analysis reinforced risk assessment and training were put in place.



Recruitment, engagement and retention

“Recruitment, engagement and retention” relates to the section “Employee development and management” in chapter 4 identified as a major risk for Alstom. This risk can lead to a lack of workforce to execute contracts and projects, lack of attractiveness of external talent, difficulties to retain internal talent pipeline, lack of internal resources with the right capabilities due to a loss of knowledge & expertise (significant training costs and very long periods of acquisition of skills).

Alstom’s Human Resources (HR) strategy aims to provide a unique Employee Experience and to ensure that the Group Values (*Agile, Inclusive and Responsible*) are embedded in the Group’s Strategy. Recruiting, engaging, developing and retaining talented people are key elements to maintain the Group’s leadership in global markets and to grow its business in the future. Indeed the value Alstom adds to its customers strongly relies on the skills and competencies of its workforce, through aligning the needs and priorities of the business with the workforce to meet the organisation’s objectives, both at the engineering and execution phases of projects.

Therefore, the attraction, engagement and retention of the right people are essential to ensure the Company’s success. Alstom acts to guarantee:

- an Employer of choice image, with a diverse and inclusive environment;
- an attractive workplace and working conditions;
- a competitive compensation, benefits and reward programme;
- a reasonable resignation rate to avoid a degradation of key competencies, an increase in cost of employment (including cost to hire), and ultimately a diminished ability to serve customers (quality and on-time delivery).

In the specific context of the Covid-19 crisis, Alstom put in place a number of programs to maintain the engagement of employees:

- access to a free employee assistance program for the employees;
- e-learning on remote work for managers and employees;
- flexibility at work;
- moving from classroom training to e-learning;
- leadership program maintained by virtual training.

Strategy and policies

To properly support the Company on its strategic success, the HR organisation is built around two central teams, namely Talent Management and Total Reward & HR Operations, which are working closely with Regional HR teams.

The Talent Management team aims at enabling Alstom to attract, develop and grow diverse and inclusive leaders and a sustainable talent pool for now and the future. The team facilitates the acquisition and the management of talent pipelines, the anticipation of successions, the management of performance, the development competencies and leadership.

Total Reward & HR Operations aims to design and implement compliant, fair, motivating and efficient HR policies, processes, tools and practices, and provide powerful HR data to support the development of Alstom business and teams.

HR teams in Regions are in charge of supporting business operations by:

- ensuring workforce planning and adequate staffing, project mobilisation and demobilisation activities;
- driving the people management cycle;
- ensuring people development and career management initiatives;
- supporting organisation design and change management.

Talent Acquisition & Employer Branding

With more than 74,000 employees at end of 2021/22 fiscal year; effective Talent Management is at the heart of Alstom’s identity. Alstom identified the need to better know and develop its people to fill vacancies internally, motivate, engage and retain talent. The global Talent Acquisition Strategy is deployed through a Talent acquisition workstream and supported by Employer Brand, Diversity & Inclusion and Talent development. The development of internal talent pools to support ongoing and future business requirements enables Alstom to effectively execute projects.

In the global context of skills shortage and restricted talent pools, leading to stiff competition for these talents and skills, Alstom acknowledges the challenges and needs of providing the best candidate and employee experience, as well as the necessity to differentiate itself from other actors on the talent market.

In this perspective, the mission of Alstom Talent Acquisition and Employer Branding teams is to enable business success using efficient processes, effective tools, robust governance, and a solid Employer Value Proposition. Alstom intends to:

- reinforce Alstom’s employer value proposition and employer brand;
- develop and foster strategic collaborations with universities through innovation and education programs;
- find and cultivate the right talent through strong internal and external talent pipeline strategies;
- secure global Top Employer certification to accelerate Alstom’s Human Resources strategy by benchmarking it with proven HR best practices around the world and to strengthen Alstom’s employer brand globally.

A global Employer Branding strategy and an associated roadmap have been successfully put in place. Focusing on attraction, engagement, and retention, key strategic initiatives include the global Top Employers Institute Certification, a robust university relations strategy, as well as a holistic approach towards the measurement of employee engagement.

The new Alstom Employer Value Proposition (EVP) and employer branding campaign has been rolled out globally in May 2021, leading to very positive social media engagement and awareness results. One of the key priorities of Alstom's Employer Branding strategy is to reinforce its presence on social media channels, with a strong focus on digital storytelling while sharing real employee stories, experiences, and career achievements, as well as showcasing Alstom's culture and values.

The Top Employers Certification has been successfully maintained this year for all 14 participating countries. One of the key objectives for the 2022 cycle was to integrate new Bombardier Transportation sites in the certification, which resulted in even higher scores than initially anticipated. The Top Employers Certification provides a market benchmarking opportunity and represents an external recognition of Alstom's efforts and commitment as a top employer to continuously improve the holistic employee experience.

The People Management Cycle, through its "People review" process, as well as internal mobility management, supports Alstom in collectively managing and sharing talent across Units, Businesses and Functions to have the right person in the right place at the right time. Since 2020, it does include the Company Values, *Agile, Inclusive and Responsible* against which all employees can now also be assessed

Diversity and inclusion

Diversity and inclusion is part of our Alstom in Motion 2025 strategy. The strategic vision is clearly stated in our Company value "inclusive": *We design inclusive mobility solutions in a work environment and culture where all differences are embraced, respected and leveraged without any bias. Everyone has the opportunity to contribute to and achieve success in Alstom*".

We want to implement a holistic approach, integrating inclusion and diversity into talent attraction, hiring, assessment, development, promotion, and retention. Every part of our organization can participate in our inclusion and diversity efforts as described in our Employee Inclusion Journey.

To establish a culture of inclusion through the organization, we have embedded the Inclusive Leadership Pillar inside our Alstom Leadership Model describing what is expected to be demonstrated by everyone who play a leading role in the organization.

Alstom's Diversity Charter is available on the Company's website: <https://www.alstom.com/commitments/diversity-and-inclusion>.

Compensation and benefits

Alstom has designed Group Compensation & Pension and Benefit policies to ensure a consistent approach is used across the whole Group.

Consequently, the remuneration structure and the related schemes aim at encouraging and rewarding individual performance and engagement of employees in Alstom, in a fair and equitable manner, across regions, trades and levels of responsibilities. They are designed to meet business needs, taking into consideration market prevalence, while complying with local regulations.

They are based on the following principles:

- respect fairness of treatment and avoid discriminations;
- ensure competitiveness of compensation;
- keep a long-term view;
- share the success of the Company;
- allow individual differentiation, based on performance and potential;
- base reward decisions on a structured position-grading approach;
- acknowledge Alstom's Corporate Social Responsibility commitments and objectives.

Regarding employee benefits, Alstom policies state that the related programs are expected to be competitive in each specific market, enabling the Group to attract, retain and offer the right level of social protection to its employees. Benefit programs are designed considering the total remuneration package. Alstom acknowledges that the lifestyle of its employees is continuously evolving and fosters its countries to implement adaptable and flexible programs, after consideration of any potential increase or significant evolution of their costs over the long-term. Alstom has enforced a strict monitoring of its Defined Benefits obligation, closely controls any evolution of existing Defined Benefit plans and in particular the Group's Net Liabilities, and regularly considers further de-risking opportunities.

Following the acquisition of Bombardier Transportation, Alstom has undertaken a comprehensive and time-bound program of harmonisation of the policies, processes and programs relating to compensation and benefits, both at Group and local levels. Group processes (such as salary review, short- and long-term incentive programs and grading structure) have already been extended to the entire scope of the new Group while local harmonisation initiatives (especially regarding employee benefit programs) have been initiated and will continue, as per local convergence roadmaps.

Individual Performance Recognition

Alstom values the performance of each individual. To attract people to work on the realization of the Company's goals and strategic targets, recognition of exceptional performance is closely followed. It can take form of a communication within the team and department as well an individual financial component. Over FY2021/22, Alstom has formally recognized the performance of 29.2% of our employees.

Career management for seniors

Over the past 12 months of integration a specific focus has been made on diversity and inclusion especially for senior employees. The operating model was implemented in November 2021. From 1 December 2021 to 31 March 2022, 10.5% of the senior employees (older than 50 years) have increased their position grade.

Engagement

Employee Engagement is the key to the success of Alstom and Enhancing Employee Engagement is one pillar of Alstom in Motion 2025 People Strategy. In 2021, Alstom has identified six key pillars (Meaningful work, Culture & Mission, Leadership & Communications, Reward & Recognition, Health & Well-being and Professional Development) having important impact on employee engagement and designed the Alstom Employee Engagement Framework accordingly to structure the engagement strategy and roadmap.

As a measurement for continuous improvement, Alstom conducts Employee Engagement Survey every year to measure employee engagement and identify areas for future improvement. In October 2021, Alstom launched the annual Employee Engagement Survey addressing to all permanent employees in 16 languages. More than 46,000 employees expressed their voices by answering the survey reaching a high participation rate at 68%. In the survey results, a Global

Engagement Index of 67% shows the Employee Engagement in new Alstom is at good level (including 80% of employees say feel proud of working for Alstom and 75% would recommend Alstom as a good place to work). These are very positive results after only 8 months of integration. To reinforce Employee Engagement in a continuous way, actions plans have been defined at different level of the organization.



Process and action plans

Talent Acquisition & Employer Branding

Global Talent Acquisition Procedure

The Alstom recruitment and selection process shall comply with all laws and regulations forbidding any discrimination with respect to age, race, gender, ethnic origin, nationality, religion, health, disability, marital status, sexual orientation, political or philosophical opinions, trade union membership or other legal provisions.

Alstom’s talent attraction strategy has constantly evolved to adapt to business needs. With the increasing impact and influence of social media, several social media trainings and a social media guidelines handbook are made available and accessible to all Alstom employees worldwide, with the objective to leverage their professional networks and share positions in order to increase the talent pipeline and to boost the Employer Brand. To showcase its employer value proposition, Alstom continues its focus on real employee stories, reflecting its culture and values, through employee testimonials across various communication channels. Alstom has a put in place an improved employee referral incentive program to attract talent referrals coming via its employees. This continues to be a valuable and rich sourcing channel to identify and fill positions, whilst reinforcing Alstom’s Employer Brand.

In addition, Alstom has enhanced its website and improved its social media messages for talent attraction, launching several social media campaigns worldwide, highlighting its corporate social responsibility initiatives.

At the same time, the Company has invested in the improvement of the candidate relationship management system, including the ability to integrate job advertisements on various channels both globally and in local-specific markets, and video interviewing tools. Alstom has increased its followership on LinkedIn by 15% to 923,640 followers, and achieved substantial followership on Facebook, Twitter and other social media channels.

Developing active relationships with universities and a young talent value proposition

Alstom’s strategy aims for a more diverse workforce, representative of its organisation, values, territorial demographics, societal views and customer base. As the diverse workforce must also include young talents, this is being accomplished globally through several initiatives, such as:

- In India, the Young Engineering Graduate (YEG) Program was implemented in 2015 to hire graduate engineering trainees from engineering colleges across the country. YEGs benefit from a detailed introduction to the Organisation, its activities and functions to help them better understand the Company and successfully transition from campus to business life. In addition, YEGs have the opportunity to interact with the senior management of the Company. The program ends with the participation of YEGs in an innovation workshop and a presentation to the senior leadership team on the last day. In 2021, in India, 168 Engineering graduates joined the program and it is planned to have 324 engineering graduates (out of which 57% women) joining the program in 2022.

- In France, Alstom also continues to focus on early career talent. Each year, Alstom France offers more than 400 internship and apprenticeship programs and more than 70 French young graduates go on missions abroad (VIE Program). 21 Engineering schools have been identified and close relationships have been developed: participation in R&D programs, targeted presentations to the students, priority access to trainee positions at Alstom, railway programs delivered by Alstom experts. A specific partnership has been signed this year with ISAE-SUPAERO. The goal is to make SUPAERO students discover the railway sector and to know more about our opportunities and jobs. This year, Alstom also took part in 19 Job Fairs and several HR coaching sessions. Alstom France has now a dedicated Career page on Jobteaser, a European leader for career guidance and recruitment of young talent.
- In Italy, Alstom launched a graduate program that involved 24 months of job rotations in three different jobs, businesses, functions, sites, in order to give a broader understanding of the Company. During their first year they started a dedicated Mentoring Program, paired with Alstom Managers. In their second year they supported the Innovation team bringing some new ideas in projects and actively participating in the annual INoveYou contest. In addition, several partnerships with Universities are ongoing: Master Train4Me (*Politecnico di Torino*); Advanced Professional School in *ingegneria dei sistemi per la mobilità integrata* (*Università di Bologna*, Engineering Faculty); Master in *ingegneria delle infrastrutture e dei sistemi ferroviari* (*Università La Sapienza Roma* – Engineering Faculty); “Mobility Infrastructure and Services” degree course with *Politecnico di Milano*. Partnerships with local vocational schools were launched in Bari, Maddaloni, Sesto San Giovanni and ELIS/Roma for the railway post diploma master. Alstom Italia also signed an agreement with the University in Castellanza (LIUC) for internships to be dedicated to students with a disability on such topics as Business Intelligence, Repairs Components Traceability. Various initiatives dedicated to raising awareness of youth, and particularly young girls, to STEM disciplines and to erode gender stereotypes were also launched: “Inspiring Girls” and “STEM by Women” (Alstom women STEM role models speaking at intermediate and high schools); webinars dedicated to parents together with children by ValoreD; Alstom digital Tech Camps organised during Summer for Employees’ children; Inspiring your Kids: an interaction for Alstom employees’ children with a STEM role model from a different company, #Code4KidsAlstomItalia a Christmas coding event with employee volunteer tutors dedicated to coding with parents and children about the world of trains. A new partnership has recently been established with the Bologna Business School – master in Sustainability Transition Management where colleagues deliver speeches on our commitment on sustainable solutions. Vocational trainings are also delivered to members of the local community funded by public funds; these people receive job offers after obtaining their specialisation in aluminium welding and painting. In addition, new graduates have been selected throughout Italy for testing technician positions and have received specialised technician training before being hired by Alstom.
- In North America, all businesses have incorporated the LEAD (Leadership Excellence and Development) program, and the Finance Graduate Program for new university graduates. There are 12 LEAD positions and two Finance Graduate positions in the USA and Canada. Additionally, Talent Management has been reaching out to universities to provide information sessions about Alstom and the rail industry, as well as interviewing skills and resume writing workshops. Lastly, the region has also incorporated virtual recruitment and online interviews targeted at young talents and universities, in order to reach a broader candidate pool.

Integrating new employees

Welcoming and the integration of, new employees within Alstom is a key priority for the Group’s talent strategy. Its goal is to encourage new employees to develop a sense of belonging to the Company’s organisation and culture, and to provide them with the tools and training they need to succeed. Onboarding and induction processes are in place across all Alstom sites, and include a globally consistent framework that can then be complemented locally by business and site-specific elements. A solid Buddy Program is in place for all new employees as well as the introduction of new Function specific programs. The global framework includes orientation (facilities, tools, team, business strategy and goals), Health and Safety, Ethics and Compliance, details of Alstom’s organisation, solutions, culture and values, a clear outline of the job requirements and performance expectations, and awareness of critical site, or regulatory policies and requirements. Global training requirements for new professionals include amongst others’ Ethics and Compliance with the Alstom Alert Procedure, Conflicts of Interest, High Risk Activities, Railway Safety and AIR Values (*Agile, Inclusive, Responsible*).

On top of this regular integration activity, the creation of the new Alstom Group with acquisition of Bombardier Transportation brought an additional challenge to welcome, onboard and give marks to all employees of the new Alstom. The concept of Discovery Challenge was developed as part of the new employee Journey & onboarding plan. The aim of this initiative was to leverage digital capabilities thanks to a digital learning platform to foster mutual discovery of Employees within the new Alstom Group – to support the integration phase, and develop ONE Learning culture Company in the frame of the new Alstom. All employee had access to the Learning Platform. To generate the interest of all employees, it took the format of an internal competition in which all countries were invited to participate and to perform various kind of learning modules. Participation was then recognized by giving points to employee and points were consolidated at country level to identify the most engaged countries. After the competition, all points were converted into euros to fund partners NGO.

The Discovery Challenge portal was articulated around three main pillars which proposed different kind of contents: Mutual discovery (content from Alstom and Content From Bombardier), Functional Basics (Mandatory Trainings), Functional curriculum where they could find out specific contents of the each function.

The initiative generated great momentum as in a six months time, 1 million connections were reached as well as 500,000 hours of learning performed resulting in donation of €50,000 to NGOs.

Internal mobility

At Alstom, employees are encouraged to take ownership of their development and to manage their career in collaboration with their managers and Human Resources. Employees are treated equally on the basis of their skills, especially with regard to employment, recruitment, talent identification, mobility, training, remuneration, health and safety, through the implementation of consistent processes and common policies across Alstom. Alstom updated and reintroduced its Internal Mobility Charter in 2021, this reinforces its commitment to encourage internal mobility and development.

To enhance internal mobility and stimulate employee applications, Alstom provides a platform where employees can view vacant internal positions and apply for them. In addition, Alstom has a periodical Global Talent Forum as well as other various local and central forums through its talent network, to match available competencies with business needs and to facilitate cross-functional and cross-regional moves.

We consider for the internal mobility the timeframe of the last four month (1 December to 31 March). During this period, 2.5% (1,867) of our employees have taken a role outside their functional domain.

Over the last calendar year 2021, Alstom put a strong focus on integrating the new company structure after the merger with Bombardier Transportation. We have filled 31% of the open positions with internal resources of which 56% were promotions.

A step forward in terms of internal mobility has been achieved with the introduction of MyGalaxy. It provides Alstom employees with a clear global picture of positions in their “galaxy”. Use it to learn about the various jobs in a specific function (and the skills they demand). Thanks to MyGalaxy, employees will be able to preview and build their future career steps as well as their global journey at Alstom.

The newly implemented performance indicator for New Hire Attrition Rate (Tenure < 180 days) shall enable better monitoring and optimization of the hiring process to reduce the cost out of losing hired employees right after integration to avoid the disturbance in the team setup and operation by doing the hiring twice. The 180 day time frame is identified as the critical period for the most of the early leavers in one year. Indicator is monitored globally and locally.

Most of the departures result from employee decision (12%) *versus* (2%) for Alstom decision.

NEW HIRE ATTRITION RATE (TENURE < 180 DAYS)

Region	2021/22		
	Managers, Engineers and Professionals	Other employees	Total
Alstom	15%	13%	14%

Source: Alstom HRIS.

Diversity and inclusion

After the acquisition of Bombardier Transportation, Diversity & Inclusion was leveraged to foster the integration of the employees coming from the two companies in the following way:

Global Approach to Diversity & Inclusion

Our approach to Diversity & Inclusion is a mix of global and local initiatives to take in account the specific business and socio-cultural context of each country. Alstom has established a robust structure at Group level as well as within the regional entities around the world to reach D&I objectives. In June 2021, we have reshaped our D&I Governance with the appointment of:

- a new D&I Global Leader;
- new D&I Steering Committee members from legacy BT;
- a new D&I Global Champions Network with representatives from Regions/PL/SF from legacy AT and legacy BT.

Inclusion and four D&I Pillars

In 2021, the D&I Strategy was reviewed for the next three years. This strategy translates to globally focus on four D&I Pillars sustained by the continuous development of a culture of inclusion across the whole organization. The four Pillars are: Gender Balance, Disability Inclusion, Multiple Culture, LGBTQ At Work. For each of the four D&I pillars, detailed commitments have been taken and described.

Alstom D&I Vision shared internally & externally

The Alstom D&I Vision and Strategy has been communicated to all employees with the launch of a D&I Intranet and externally with a Social Media campaign in October 2021.

Equal opportunity

Country-specific diversity action plans are being implemented, integrating nationality or gender and others such as: age/generations, educational background, social status and ability/disability.

The global initiatives to promote a more diverse and inclusive workplace in 2021/22 have been:

- the newly appointed D&I Champions coming from the two legacy companies have been trained on D&I awareness through dedicated workshops delivered by a sounded D&I Expert;
- the membership with the no-profit organization Catalyst, supporting companies on achieving gender balance and building a more inclusive workplace, has been renewed worldwide. This membership is great opportunity to support training activities on overcoming unconscious bias, developing inclusive behaviours, managing remote work teams. These trainings are available and accessible to all Alstom employees;
- consolidation of a global approach to flexibility at work, through the definition of global guidelines on how to promote flexibility at work in the countries and through a training tool to support managers and employees to successfully perform in a remote work environment;
- more than 950 Managers have been involved in a Conference about the challenges of the Future of Work and the importance of Empathy and Trust in the workplace.

Supporting initiatives dedicated to the promotion of women

The Global AWE – Alstom Women of Excellence Network was established consolidating several Regional and Country AWE networks: AWE North America, AWE Brazil, AWE India, AWE DACH, AWE Australia, Together in Motion in Saint-Ouen, France, Valore D Community in Italy, “Women in Rail” in the UK. Belonging to these networks provides training opportunities around women leadership skills development, work effectiveness, personal branding.

Alstom for the fourth year has launched the mentoring program called “WILL” (Women In Leadership Levels). The Executive Committee members become, for six months, mentors of a selected number of women with the potential to grow in senior leadership roles in the future. The same kind of program is implemented in APAC (WILL APAC).

Some women working for Alstom are involved in initiatives concerning STEM (Science, Technology, Engineering, Mathematics) studies for girls. Many countries organise visits in schools (in Italy and in the UK initiatives called “Inspiring Girls”) or visits for girl students in Alstom factories and participate in external dedicated events (for example, with the association Elles Bougent) or welcome young girl students for a training period (as in Australia the “Lucy Mentoring Program”). This year we have celebrated the International Day of Women in Engineering – 23 June – with dedicated roundtable and events.

Some countries such as France and the UK have implemented leadership development programs addressed to women while for the global leadership program, the selection of the participants requires that 30% of the seats are allocated to women.

Gender Pay Gap analysis have been conducted and actions have been taken at country level but with a global standard approach.

In France, where gender equality has been a focus for the Group, Alstom has reached 89 points (out of 100) in 2021 for its largest legal entity (Alstom Transport SA) and 88 for its second largest entity (Alstom Crespin).

Promoting cultural diversity

Alstom is fully aware of the strength resulting from the large number of nationalities, cultures and approaches that its employees represent. Specific action plans have been developed at local level to take advantage of this asset. But the year 2021 has been particularly dedicated to “get to know each other” in the context of the integration legacy Alstom and legacy Bombardier Transportation.

A specific roadmap was defined and implemented to make the two Companies start a journey to know each other and build a common culture:

- interviews, focus groups and online discussion to understand both legacy Alstom and ex-BT’s cultures independently. Interviews: 110 participants; online discussion approx. 270 participants; Focus Groups: 160 participants;
- communications about the Culture program, the challenge it presents and what it means to employees;
- collectively formulate the top areas to focus on in order to make the integration a success. Ideation Workshops approx. 500 participants. Online discussion approx. 400 participants; Pen & Paper Activities with non-connected employees: approx. 400 participants; On boarding Culture Boosters.

Employment and inclusion of disabled people

Regarding disability, Alstom focuses on five complementary areas: job access, maintaining employment, raising awareness, accessibility to premises and information, and partnership with the sheltered work sector. Each entity is encouraged to integrate them into its process. Each year, Alstom organises internal training sessions to help Human Resources team members better understand the various situations relating to disability and to help prepare job interviews and the integration of people with disabilities.

Three new Employees Resources Groups have been formed in 2021: Voices of Disability Group in UK, Australia Disable Group and France Handicap Ambassadors.

Alstom in the UK leads the way with a very active Voices of Disability Group which has achieved “Disability confident employer” status, under a government scheme to encourage employers to recruit and retain disabled people and people with health conditions and thus find new talents. With the aim of improving conditions for all Alstom UK employees, the ERG “Voices of Disabilities (UK)” is committed to achieving “Disability confident leader” status by enabling all current and future employees to achieve their full potential at work, regardless of disability or career responsibilities. The UK’s ERG offers support to unlock potential and raise awareness.

Regulations regarding the employment of disabled people are very different from one country to another. Action plans to promote the integration of people with disabilities in the Company are therefore conducted at local level.

Several initiatives of partnership with the shelter work sector can be mentioned. In Italy: Time Care Corner: a contract with a cooperative employing people with a disability; they deliver such services as laundry, shoe repair, bill payment, infopoint and so on for employees of the Sesto San Giovanni site. In Switzerland: the company Polyval that employ disabled people is providing C-Parts Kitting to the production lines in Villeneuve site. Similar initiative in place in Villeurbanne, France.

In France impactful actions are also taken as in Le Creusot site to encourage employees with disabilities to formally declare their status.

The Company has directly employed more than 6% of people with disabilities for several years (6.19% in 2019, 6.23 in 2020 and 6.09% in 2021)⁽¹⁾.

Compensation and benefits

Remuneration schemes

Remuneration evolution

Due to Alstom’s presence in numerous countries, the influence of local inflation or other economic factors, no comprehensive indicator can be developed. Alstom’s policy is to review the employees’ base salaries every year, with a specific attention given to gender equity, and to have open negotiations with employee representatives where they exist. In each country in which Alstom operates, remuneration surveys are conducted through dedicated external providers in order to ensure that remuneration evolves according to local market practices.

(1) See DOETH – French mandatory declaration of disabled workers. Figures for 2018 and 2019 have been revised following a change in methodology.

In 2021/22, three global considerations have particularly driven the remuneration policies and practices of Alstom:

- alignment of compensation processes and policies of the two legacy organisations, as a consequence of the acquisition of Bombardier Transportation, including the implementation of a unique salary review campaign for the entire Group, the roll-out of the short term and long-term incentive policies of Alstom and the design and deployment of a common internal Grading system for the whole population of Managers, Engineers and Professionals;
- definition and implementation of specific retention schemes (collective or individual) to face the higher attrition rates on some key populations and geographies and secure the correct execution of the operations of the Group;
- close monitoring of consumer price evolution and execution of *ad hoc* measures in the countries especially impacted by significantly increasing inflation rates.

In 2021/22, the Company has carried out a comprehensive analysis of its compensation practices to identify the pay gaps that may exist between its female and male employees, using its internal grading system in support. This analysis is reviewing the salary gaps by grades considering also performance and potential information of each employee assessed during the Performance Management Cycle.

- This study will be run every year to measure improvements, with regular follow-ups at every level of the organization. Currently, for all Managers, Engineers and Professionals, the actual gap between male salaries and female salaries is measured at 5.3% as of 31 March 2022.
- This study has flagged some specific and urgent cases that are being corrected as priorities.
- Guidelines will be communicated to prepare the Annual Salary Review to address this topic by Managers and Human Resource Business Partners.

Experts and Inventors' remuneration

The Company uses a worldwide Inventors' Remuneration policy which was renewed in 2018 based on a structured recognitions process, under the leadership of a dedicated Intellectual Property Committee. It aims at encouraging employees, especially from Engineering Departments, to propose innovation for patents and recognise each step of the patenting process.

Regarding Experts, recognised in Engineering and Manufacturing by a solid governance process, a specific monitoring of their remuneration is put in place, both on base pay and long-term incentive.

Performance linked to remuneration schemes

Short-term incentive scheme

Alstom's annual short-term incentive scheme is based on two performance factors: collective performance (60% of the incentive target) and individual performance (40% of the incentive target). The target incentive is the incentive payment that is received when 100% of the financial goals and individual objectives are met. If the financial results and/or the employee performance exceed the goals, the incentive paid out may exceed the target incentive.

Eligibility and incentive target rates are linked to the job grading and influenced by local market practice in each country. More than 19,350 employees were eligible for this remuneration scheme on 31 December 2021.

Several indicators based on Corporate Social Responsibility were used in this Short-Term Incentive program based on the Group performance in line with the Alstom strategy:

- Safety at work – the Total Recordable Injury Rate is considered as one of the top collective performance indicators of the Company and is part of the collective targets of the Short-Term Incentive;
- Ethics & Compliance – in 2021/22, a collective objective was based on the attendance of Managers and Professionals to the Code of Ethics learning module;
- Dow Jones Sustainability Index – in 2021/22, the objective relating to the Alstom score in the DJSI World Index has been renewed.

Profit-sharing

Alstom's policy aims to recognise collective performance. Profit-sharing schemes are in place in various countries (such as France, Brazil, Egypt, Germany, Mexico, Chile, South Africa and Italy) covering more than 19,350 members of the Group headcount.

The profit-sharing schemes are often calculated on agreed criteria, including the injury frequency rate reduction or other safety-related indicators. These schemes may also include business-related indicators such as the reduction of waste or quality-related points.

Employee shareholding and long-term incentive scheme

The Extraordinary General Meeting periodically renews the principle of allocations dedicated to employees, including dedicated shares to democratic free share distribution plans.

Subsequent to this authorisation, the Board of Directors approves every year new performance share plans. Accordingly, between 2018 and 2020 1,016,025; 1,080,150 and 1,145,625 performance shares have been granted to around 800 employees around the world, with a vesting period of three years and based on internal and external performance conditions, thereby allowing the alignment of shareholders' and employee's interests.

As a consequence of the acquisition of Bombardier Transportation, the 4 July 2021, 1,867,325 performance shares have been granted by the Board of Directors to 1,375 beneficiaries.

Furthermore, in order to associate its employees with the success of the new company, Alstom launched the We Are Alstom 2021 plan, with the grant of 15 free Alstom shares, at the same date, to around 70,000 Alstom employees worldwide, or the equivalent in cash in countries where grant of shares was not possible for tax or legal reasons.

On 31 March 2022, current and former employees held 1.43% of the Alstom share capital, either directly or through the Alstom employee shareholding scheme (FCPE).

For additional information on Employee Shareholding & long-term incentive schemes, see chapter 5 on corporate governance.

Health and life insurance

According to the Group’s Benefit and Corporate Social Responsibility policies and guidelines of the Company, a minimum level of benefits shall be provided to all employees in terms of:

- life insurance coverage, particularly for accidents at work;
- health coverage.

In particular, the aim is that all employees should be covered by a life insurance in case of accidental death amounting to at least two years of salary including amounts paid by the state subject to an absolute minimum of one years’ salary.

In some countries, employer contributions to insurance policies are considered as a taxable benefit, leading some employees to decline this offer.

Alstom’s Group Pensions & Benefit policy states that, in countries where the statutory health coverage does not provide adequate benefits or where there are long waiting-lists for treatment, a supplementary healthcare plan can be implemented, or at least a Group plan is negotiated with a local provider as an option for employees to join on a voluntary basis. Preventive care should be encouraged. In countries where inadequate statutory health benefits are provided, then all employees must be covered by a supplementary scheme.

Turnover rate for employees on permanent contracts

	2019/20	2020/21	2021/22
Total turnover rate	10.4%	9.2%	11.7%
Voluntary attrition rate	4.7%	4.0%	6.6%
Focus on the High Potential population	1.5%	1.7%	0.8%
Involuntary attrition rate	3.1%	2.8%	1.6%

Source: Alstom HRIS.

Absenteeism

The absenteeism indicator allows the monitoring of Alstom’s ability to provide an appropriate working environment for its employees, as part of its well-being policy.

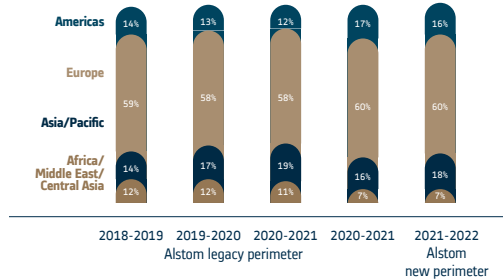
Absenteeism rate

Region	2019	2020	2021
Europe	3.4%	3.8%	3.7%
Africa/Middle East/Central Asia	2.5%	2.8%	3.0%
Asia/Pacific	2.0%	1.8%	2.5%
Americas	1.9%	2.4%	3.3%
ALSTOM	2.8%	3.1%	3.3%

Source: 2021 Social survey conducted in 35 countries representing 97.6% of Alstom’s total headcount. 2020, 2019 and 2018 surveys conducted in 28 countries representing respectively 97.1%, 97.1% and 96.3% of Alstom’s total headcount.

Main results

Total headcount: Workforce breakdown by region (employees)



Source: Alstom HRIS.

Retention Indicators

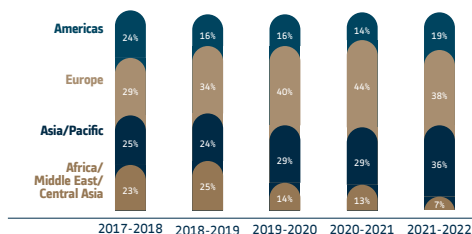
Voluntary Attrition rate

The voluntary attrition rate, which also reflects the general employment situation in each geographical area where the Company operates, is one of the criteria used to determine the level of satisfaction of the Group’s employees. The rates are closely monitored at both global and regional levels.

The Group put in place action plans to retain at risk employees. Retention schemes are selectively put in place in volatile countries or in specific projects to ensure the retention of key and critical staff.

Talent acquisition indicators

Recruitment by region in 2021/22 (permanent contracts)



Source: Alstom HRIS.

Diversity indicators

Indicators related to women by category

	2019/20	2020/21	2021/22
Percentage of women in the workforce	18.8%	19.2%	18.8%
Percentage of women: Managers & Professionals	21.4%	22.3%	23.2%
Percentage of women: executives & senior managers	16.1%	16.5%	18.3%
Percentage of women in STEM related positions ⁽¹⁾	15.0%	16.1%	16.1%
Percentage of women trained in training sessions ⁽²⁾	19.3%	20.6%	19.9%

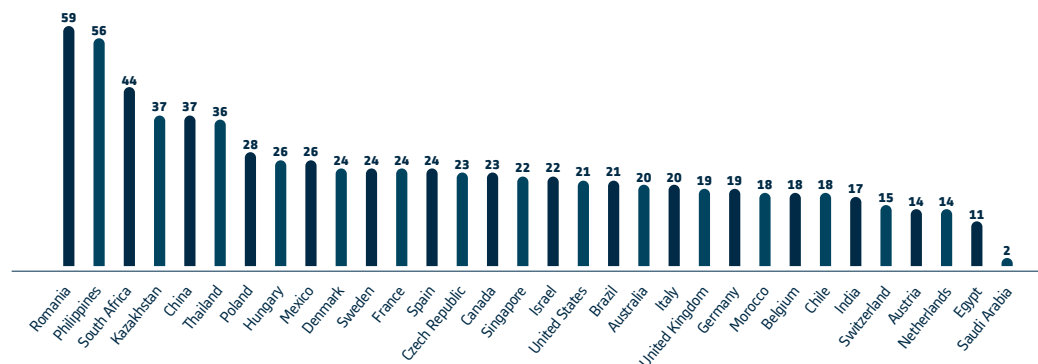
Sources: Alstom HRIS. As of 31 March 2022.

(1) STEM defined with job functions: Engineering, Industrial, Digital Transformation, IS&T, Project & BID management

(2) 2021 Social survey conducted in 35 countries representing 97.6% of Alstom's total headcount.

2020, 2019 and 2018 surveys conducted in 28 countries representing respectively 97.1%, 97.1% and 96.3% of Alstom's total headcount.

PERCENTAGE OF WOMEN MANAGERS, ENGINEERS AND PROFESSIONALS, IN PERMANENT POSITIONS PER COUNTRY (AS OF 31 MARCH 2022)



Source: Alstom HRIS.

Percentage of employees with disabilities

The global rate has been impacted by the integration which is leading to inclusion in scope of new countries with low percentage (such as Czech Republic, Hungary, Denmark, Philippines, or Thailand). Other countries like France and Germany where headcount is large are showing slight decrease while UK is showing a step increase (+2.9%). D&I programs and initiative will continue to be promoted everywhere in Alstom.

Percentage of employees with disabilities	2019	2020	2021
Alstom	2.5%	2.5%	2.3%

2021 Social survey conducted in 35 countries representing 97.6% of Alstom's total headcount.

2020, 2019 and 2018 surveys conducted in 28 countries representing respectively 97.1%, 97.1% and 96.3% of Alstom's total headcount.

Compensation and benefits indicator

Health and life insurance coverage indicators

	2019	2020	2021
Ratio of employees covered by a life insurance in case of accidental death or total and permanent disability during calendar year	97.3%	97.6%	91.0%

Source: 2021 Social survey conducted in 35 countries representing 97.6% of Alstom's total headcount.

2020, 2019 and 2018 surveys conducted in 28 countries representing respectively 97.1%, 97.1% and 96.3% of Alstom's total headcount.

Key performance indicator

	Top Employer 2019	Top Employer 2020	Top Employer 2021	Top Employer 2022 ^(*)	Objective 2025
Top Employer Certification	1 country (Spain)	6 countries (France, Spain, Poland, the United Kingdom, Belgium and Italy)	14 countries (France, Spain, Poland, the United Kingdom, Belgium, Italy, USA, Canada, Mexico, India, Australia, China, Hong Kong, Singapore)	14 countries (France, Spain, Poland, the United Kingdom, Belgium, Italy, USA, Canada, Mexico, India, Australia, China, Hong Kong, Singapore)	Global Top Employer certification

(*) 2022 certification cycle was marked by the integration of legacy Bombardier Transportation sites, which resulted in successful re-certification of all 14 countries participants.

People development

"People development" relates to the section "Employee development and management" in chapter 4. This area represent a major risk for Alstom and are grouped under the theme "Workforce Management & Development". This risk can lead to a lack of workforce to execute contracts and projects, lack of attractiveness of external talent, difficulties to retain internal talent pipeline, lack of internal resources with the right capabilities due to a loss of knowledge & expertise (significant training costs and very long periods of acquisition of skills).

The Alstom Human resources Strategy has been renewed and reinforced and readapted to face the new challenges of Alstom following its integration with Bombardier. The Alstom in Motion (AiM) 2025 Strategy is centered around three axes: Growth, Deliver and Innovate and the AiM People Strategy continues to leverage the three core values of the Company, representing as such the foundation of the strategic frame: "One Alstom Team: Agile, Inclusive and Responsible".

As an inclusive and responsible Employer, Alstom aims to attract and develop diverse people and to grow talents and leaders across the organization. Fuelling the talent pipeline for a new company of more than 70,000 employees in a context of a business growth and in a very dynamic environment with the recruitment of more than 7,500 people to ensure business execution, represents a key challenge that requires the most advanced solutions to attract, retain, develop and engage the workforce.

Strategy and policies

The People development culture is focused on three pillars:

- enhanced leadership development with the proper implementation of the Alstom values (Agile, Inclusive and Responsible) within a clear defined leadership model. Ensuring with a clear varieties of development tools like leadership program across the Board to nurture and develop our leaders of tomorrow on soft skills (Executive development program for top executive partnering with Insteade, Women executive mentoring by Member of the Executive Committee, Alstom Leadership program for Young top managers, and regional and local development program for local leaders and managers);

- learning culture and solutions – in Alstom, we recognize that is both interest for the Company and the employees to develop their competencies to reinforce their skills and develop new competencies for the future. As such employees through a number of digital tools can projects themselves in career direction (Galaxy tool) and also look at their competency portfolio built across the years and to be enriched either through structured learning path per Métier or through self-learning to develop the competencies they wish to grow;
- Performance and Talent Management – the People Management Cycle in Alstom aims at aligning individual contribution to the organisation's goals by setting reliable objectives and reviewing on a continuous basis their achievement progress.

Alstom measures each year the results of its people management policy through 2 key performance indicators:

- average number of training hours per employee with a target of 22 hours by 2025;
- Net Promoter Score: Propension of participants to recommend the training received with a target of 42 for FY2021/22.

Processes and action plans

Performance and talent management

Career path management relies on the combination of three processes articulated in the People Management Cycle, launched each year.

The big achievement of the year has been to extend the Alstom People Management process to the new colleagues coming from Bombardier Transportation.

A dedicated action plan was put in place to ensure that the new fiscal year 2021/22 objectives could be set in the HRIS system for all the 30,000 employees (all managers, engineers and professionals) covered by the People Management Cycle. Main actions have included dedicated sessions to train the HR teams to deliver local training sessions to managers & employees and the implementation of an e-learning explaining all the phases of the PMC in all languages.

End of August 2021, 86% of the eligible employees had their objectives set for the fiscal year 2021/22 in the system, a significant achievement six months after acquisition.

The People Management Cycle in Alstom consists in the following phase:

- objective setting and annual performance evaluation – all employees participate in an annual objective setting meeting and performance evaluation with their managers. Specific individual objectives are agreed at the beginning of each fiscal year. At the end of the fiscal year, during the annual performance evaluation, the manager and the employee review the achievement of these objectives;
- people review and succession planning – this is a key management engagement event, conducted on a yearly basis by both HR and managers. It aims to build a collective and shared vision on the potential of employees and their evolution within the Organization as well as to prepare the next steps of their careers taking into account their career aspirations and the needs of the Company. This staff review allows management to handle employees on the basis of performance, potential for change and the wishes expressed by employees as well as to develop succession plans for key positions. Decisions taken during the People Reviews are communicated by the manager to his/her direct reports during an individual meeting, called the People Review Feedback, which is part of the People Management Cycle. People reviews are carried out at site, Region, function and Group level;
- assessment and evaluation of competencies – each year, the employee carries out a self-assessment while the manager evaluates the employee. During a meeting, both assessments are discussed and they decide, if needed, on development actions (training or other). A competency matrix frame exist for each function. This matrix is reviewed on a yearly basis to be in line with business needs and to take into consideration feedback from the previous campaign assessment.

These assessments allow for a better allocation of resources, a better identification of training needs and the implementation of more relevant individual development programs. This also provides key inputs for collective development programs.

Learning Solutions – Alstom University

Learning is the cornerstone of Alstom's people development strategy. The corporate University – Alstom University – proposes relevant and customised programmes. Carefully chosen expert partners – universities, external consultants, companies, as well as internal specialists – collaborate on these programmes. In addition, a wide range of training methods is used (including classroom-based learning, workshops, virtual classrooms, e-learning, blended learning, virtual reality modules). Today, the global catalogue proposes more than 700 different courses (face to face and virtual classrooms) and online content comprised of more than 4,000 in-house and 17,000 off-the-shelf learning elements (e-learning, tutorials, testimonials, MOOCs) in many languages in order to support self-development. All of the core business topics are addressed through Academies of: Security, Environment, Health and Safety, Cybersecurity, Manufacturing, Engineering, Railway Security, Innovation, Industrial, Project Management, Signalling, IS&T, Supply Chain, Procurement, Finance, Legal, HR, Communication, Leadership and Management, Ethics & Compliance, Sustainability and CSR.

The main missions of the Alstom University team include:

- to define and share annual learning orientations in line with business strategy;
- to design, build and manage a central and global learning offer and deploy it worldwide;
- to benchmark and detect innovative training methods and tools;
- to animate and facilitate the sharing of best practices and networking within the Learning community;
- to identify, train and reward internal trainers across the organisation.

The core component of the Digital Learning ecosystem is the i-Learn portal: a web platform available from any device (computer, tablet, smartphone) that offers highly interactive digital learning, within and outside of Alstom's universe. People can explore a broad range of topics, find relevant content and learn at their own pace. They are also able to create and share content in their area of expertise in a variety of formats. This award-winning corporate university has been granted with the 2021 Brandon Hall Gold award for the Best Blended Learning Program (for an advanced Negotiation Course mixing e-learning, virtual classes and immersive experiences through Virtual Reality), two silver awards for the implementation of CK Connect (a generalized TeamWork improvement system providing personalized training paths and fostering mutual understanding across teams worldwide) and also the 2021 International HR Gold Award from VLCH (*Victoires des Leaders du Capital Humain*) for the best International HR programme supporting a change transformation Business Strategy with the "Discovery Challenge" onboarding programme.

It provides a learning offering that enables Alstom's people development and thus reduces risks related to the need for re-skilling and upskilling at scale.

The global learning orientations established for the 2021/22 fiscal year and shared with all the regions focused on:

- fostering the adoption of Digitalisation for a better employee performance;
- making learning easy for all;
- organizing up-skilling, re-skilling and developing employability.

The percentage of employees trained is 91.3% and the average number of training hours per employee is 18 hours on average.

During this first year of integration, a strong focus was made on aligning Learning & Development processes and tools. Moreover, order to cope with distancing rules and lockdown sequences, Alstom has kept on creating all new trainings into short duration remote courses, digital learning and virtual reality applications. During the 2021/22 fiscal year, Alstom University focused on:

- the creation of all new training programmes under digital and remote form in order to ensure continuity of training activities and business growth (main development regions – Asia/Pacific, Europe and Americas). Alstom University has enabled the Academies and Trainers (through training and by providing leading-edge digital learning tools) to create interactive Virtual Classes and engaging e-learning modules by themselves preserving very high-quality standards (Overall learning solutions Net Promoter Score: 45);

- the deployment and completion of a large integration program fostering the induction of all employees (legacy Bombardier and Alstom) in the new Alstom called the “Discovery Challenge”. It has generated more than 432,000 hours of learning by leveraging the Digital Learning Ecosystem put in place. It combined a challenge by countries and donations to NGOs based on the learning of employees: the more they learn the better off their country is and the more they can donate to charitable cause. It combined videos of people from the Leadership Team, e-learning in regard to the new Organisational Model, Legacy Products-Processes-Tools descriptions enabling mutual discovery, and Virtual Reality visits of production site of Alstom all over the world, available to all employees.

Knowledge management and transfer

Alstom believes that there is a positive and significant relationship between motivation and performance, and that having opportunities to learn is part of this motivation. Developing all employees is part of the Company’s “People Management Cycle”, which guides managers in empowering their teams. For each employee a training plan is designed annually together with his/her manager and the Human Resources partner and put into action during the year. In addition to the training planned, Alstom employees have access to an increased learning offer thanks to free access to a range of Digital Learning content in the frame of the “I-Learn” portal. The digital portal also has the virtue of connecting experts and learners. Moreover, Alstom University supports local experts, Knowledge Centres as well as Technical Training Centres within the Company by bringing educational methods and tools to them.

Alstom University supports and animates the identification and training of internal trainers. Indeed, Alstom believes that being able to design and deliver training is a real managerial competency that needs to be valued but also that internal training helps develop and keep the expertise within the Company (being taught by colleagues facilitates knowledge transfer).

In 2021/22, more than 800 internal trainers have been running training courses of the Alstom University Catalogue and more than 85% of the training sessions have been delivered by internal trainers. An internal training policy is followed in order to respond to the constant increase in training volume. This policy explains how Alstom recruits new trainers but also how they are rewarded in order to keep them engaged in this role. This network of internal trainers is animated on a regular basis by Alstom University.

Finally, Alstom focuses on mentorship based on individual development needs. This kind of engagement is implemented globally and regionally to address people development areas and to support the sharing of knowledge and learning from each other.

In order to manage the Company’s core competencies, Human Resources have developed different programmes to address the management of key competencies across functions, such as: technical experts, project managers, and employees with management and leadership roles (people management).

Technical experts’ development programmes

Alstom manages the development of technical experts through programmes adapted to their specific needs and environment. In particular, the World Class Engineering and World Class manufacturing programmes are important yearly processes meant to identify all technical experts, and to provide them with appropriate personal development opportunities ensuring that technical expertise supports the evolution of the market and Alstom’s strategy. Today, Alstom benefits from a global network of around 751 Senior Experts and 81 Master Experts. Their main missions are:

- to use their technical expertise to support the teams in charge of the operational performance of bids and projects, both through design reviews and the resolution of problems arising during commercial service;
- to develop Alstom’s knowledge in their field and to transmit their knowhow internally, thereby acting as trainers;
- to develop their influence in their area of competence and get recognition, not only within their entity or within the Company, but also outside the Company (in particular for Master Experts).

Specific skills-transfer programs are implemented for Senior & Master Experts in order to develop technical expertise in the organisation.

Project Management development programmes

Since 2016, Alstom has run a certification program for its project manager community aimed at bringing a recognised external vision to the assessment and development of the Company’s project management skills. This certification is provided by the International Project Management Association (IPMA), an independent certification body. Over 210 employees have been certified as Project Managers (PM) or Bid Managers (BM) since 2018.

Management development programs

Management development programs are mainly intended to develop management and leadership skills:

- The “Accelerated Leadership Program” (ALP) is one of the signature global development programs which has been enriched and fine-tuned over years based on return of experience. It is a Learning Journey on Personal Leadership Development organised in three modules and held in various international locations. It aims to develop mid-level managerial executives, with diverse backgrounds, with the potential to grow towards roles with more responsibility and more complexity. The career progression of the participants is centrally monitored. This year the program has been reviewed to enroll an increased number of participants (from 24 to 36) taking into account the double size of the Company.
- To enrich the development offer and to target senior levels, is currently under deployment the first batch of Alstom Executive Program with INSEAD Business School. The program will involve 24 future executives and will be primarily focus on strategy definition and execution, leadership development, innovation and business excellence.
- A new initiative has been launched with the name GREAT – Grow and Expands Alstom Talents: this is a fully digital development center that through some online tests can provide the individual an overview on the areas of strengths and the areas of development. 150 senior managers have been involved and the individual development plans are currently being defined.

- Another program managed at central level is “Leading with Expertise” that involves every year around 20 Senior or Master Experts. This program, organized in three modules, aims to develop the leadership skills of our experts and provide tools to better manage their knowledge transfer capabilities and to better build and develop expert networks.
- Another development initiative called “Talent Groups” have been implemented, which enroll every year around 40 participants from all over the world to be part of several workgroups on selected business topics. The main objective of the program is to expose, recognize and develop Talents in real life situations.
- To support the development of our employees we have implemented a Global Mentoring: a new e-learning for Mentors and for Mentees available for all employees, Global Guidelines and standard template, the possibility to manage inside our HRIS system the mentoring program.
- Alstom also provides 360° feedback as a development tool to help managers at different levels to improve their leadership and managerial skills in agreement with their Human resources and their manager.
- At Regional or at Country level, other management development programs are organized to address local needs. Some of the programs currently running are: “M3 program” in the Africa/Middle East/Central Asia Region designed with HEC business school (Paris); and for Asia/Pacific the “FMP – Future Managers Program” designed with Nanyang business school (Singapore). Spain is every year organizing the program “Manager in Action”, Poland has designed and implemented “First Time Managers” to support new appointed people managers. Since 2019, the France Region has developed a France Leadership Program with HEC business school. In UK for Senior Managers a program called “Headway” has been recently launched. India is also delivering many kind of managerial development programs as Maestro, Lead, Step Up addressing different level of the organization and Super Skipper for manufacturing population.

Main results and performance indicators

Training indicator

	2019	2020	2021	Target 2025
Percentage of employees who have had training	90.2%	92.3%	91.3%	N/A
Average number of training hours/employee	20.1	16.6	18.0	22
Total number of training hours	724,240	621,306	1,198,536	N/A

Source: 2021 Social survey conducted in 35 countries representing 97.6% of Alstom’s total headcount. 2020, 2019 and 2018 surveys conducted in 28 countries representing respectively 97.1%, 97.1% and 96.3% of Alstom’s total headcount.

Training assessment

	2019/20	2020/21	2021/22	Target
Net Promoter Score = Willingness of trainees to recommend the training they have received	43	44	45	42

Source: HRIS.

“Net Promoter score” is a ratio ranging from -100 to 100 that measures the willingness of interviewees to recommend a service to others.

It is calculated as “Number of people who say they strongly agree on recommending the content to their colleagues” divided by the “number of people who either Strongly or Mostly Disagree to recommend”.

3. CREATING A POSITIVE IMPACT ON SOCIETY

As a global Group operating in 70 countries, Alstom plays a key role in the local footprint development of the countries, through business placed with local supply chains and the different social & economic initiatives taken to develop local ecosystems (page 290). Alstom also continues to commit to local communities near its sites, through continuous dialogue and contribution in a long-term engagement (page 300).

Encouraging local development

By providing mobility solutions everywhere in the world, the Group anchors its projects in local economies worldwide. Alstom is able to respond to local content requirements especially from public procurement policies, to comply with demanding regulations, to meet localisation prerequisites from institutions/States/Cities financing the projects, as well as to meet growing expectations from its customers and stakeholders to develop local ecosystems. Its contribution to economic and social

development includes a wide range of initiatives, such as: employment, trainings, investments at the local level, or collaboration with small, medium and large local companies, start-ups, innovation clusters, associations, universities, inclusive actions, as well as more broadly the development of relations with local economic stakeholders.

Strategy and policies

The development of local ecosystems is part of Alstom’s local development policy. The Group’s main objectives consist in:

- supporting innovative local institutions and suppliers;
- participating in local supply chain growth;
- and contributing directly or indirectly to the development of the regions where it operates (see “Sustainable procurement policy”, page 303).

Wherever Alstom extends its industrial footprint, new businesses emerge and grow, especially thanks to its collaboration with many companies. Indeed, in every country where it intervenes, Alstom relies on a network of local suppliers and accompany it to meet contractual requirements or regulations and to support the implementation of its projects. For instance, the construction of Alstom's plants in India, South Africa, or Canada as well as the settlement of plants close to companies benefiting from this long-term presence are the best illustrations of its capacity to build sustainable local ecosystems.

Furthermore, as part of its open innovation policy, Alstom contributes to local development by participating in R&D programmes and promoting the most promising technologies through cooperation with innovation clusters.

Alstom follows the impact of its local development policy by monitoring the alignment of the number of employees *versus* sales by destination, number of jobs supported (direct, indirect and induced) and the number of suppliers' employees trained by the supplier quality teams at region level.

Procedures and action plans

Alstom's main contributions to social and economic local development are made of customized solutions to respond to specificities and challenges of each customer and country. Indeed, Alstom develops its local supply chain footprint to comply with global and national regulations, customers', and stakeholders' expectations or with financing parties. Thus, Alstom's international expert teams apply their knowledge of local ecosystems in each region of the world and offer tailor-made solutions that respond specifically to local development projects.

Alstom's teams first contact economic organisations, local and international companies already present in the project country. Second, they coordinate the implementation of complementary structures (e.g. offices, maintenance depots, industrial sites) when necessary, according to the terms of the contract provided by the customer.

Alstom's teams are also committed to identifying, qualifying, and developing local suppliers and sub-contractors, and in particular both small and medium-sized enterprises (SMEs) or start-ups. They can deploy robust supplier development programs, with a focus on product development, compliance with international standards, capacity ramp-up and technology transfer, or implement skills development programs and partnerships with training organizations. A specific focus is done on strengthening suppliers' skills and capabilities, as well as addressing the prerequisites to become an Alstom supplier, especially in terms of quality standards, working practices, ethics and compliance, or human rights. In particular, the Supplier Maturity Program launched mid 2021 aims to increase the know-how needed to improve processes and solve business problems, in order to increase overall supplier performance. The goal is to develop our suppliers in the same way, deploy and homogenize good practices, empower them and secure Alstom Production with a genuine understanding of capability, capacity, processes & culture. This program is today under construction with a deployment target for beginning of 2023.

Some sponsorships or collaborations with associations or institutions can also be led, as well as inclusive actions with the sheltered sector or other specific categories of suppliers (employing minorities, seniors, women...).

Moreover, Alstom supports local start-ups through a dedicated process of scouting to promote innovation, or with the provision of venture capital.

Therefore, the Group's panel of local suppliers and contractors based in 88 countries is one of the key pillars of its procurement policy and its international expansion.

Main results

Alstom's current international presence in 70 countries illustrates its ability to adapt its organisation to reinforce its international presence. This guarantees close proximity to its customers, which is key to establish privileged relationships. On top, the very large geographical coverage of Alstom's suppliers and contractors, which are themselves established in 88 countries, is representative of the Group's impact on local footprint worldwide.

The Group's recent actions demonstrate the concrete implementation of its local development policy at the global level: Below are some examples:

Americas

- In the United States, Alstom has established strong partnership within New York State and stakeholders with the US government, through its active participation and leadership in industry events, including various APTA (American Public Transportation Association) sub-committees and the NYS MWBE (New York State Minority/Women Owned Business Enterprises) forum.

Alstom continues to meet its commitment to Buy America and Supplier Diversity externally through its projects' execution, and internally with team education. The North America Supplier Diversity team have trained multiple internal stakeholders from all Alstom business units and from numerous functions.

Alstom seeks to maximize the usage of local suppliers in response to customer bid requests when potential suppliers are available and qualified to perform the identified work scopes. For instance, Alstom uses multiple methods to identify new potential local suppliers such as: the North American Industry Clarification System (NAICS) codes, the State websites, the Small & Disadvantaged Business Enterprise (SBE/DBE) directories. Alstom works with suppliers who are classified as DBE (Disadvantaged Business Enterprises), M/WBE (Minority/Women Owned Business Enterprises), and SBE (Small Business Enterprises). During the 2021 calendar year, 13.6% of Alstom's supplier spend in the US was allocated to those businesses classified as DBE/MWBE/SBE.

Besides, Alstom formed a supplier partnership with local supplier for Bogie supplies to support the Metra commuter cars project in Chicago, Illinois; this partnership is expected to bring jobs to the area where the passenger vehicles will be built and used. Alstom also builds the next generation of High-Speed trainsets for the Northeast Corridor of the US (Amtrak project) Alstom will continue to utilize many local suppliers developed for the Amtrak HST and other projects, to boost local US content. For Phoenix Airport Stage 2 project, Alstom has achieved around 14% of DBE at Pittsburgh site; the team has implemented the «Best practice – The B2GNow database» to identify registered DBE, WBE, and MBE subcontractors which will be used across this and other region projects.

- In Canada, Alstom is the only railway manufacturer with production capacity in Canada, including a strong local supply chain. It has deep roots in the communities across the country from coast to coast. Since the Company has manufacturing sites in regions, outside of urbanized communities, Alstom pays attention to source supplies in these surrounding areas of La Pocatière and Thunder Bay, for instance. Committed to social and economic development, the Company is actively promoting sustainable procurement from British Columbia to Ontario, Québec, all the way to Nova Scotia. Alstom has a supplier panel spanning across eight of the ten provinces and includes on an annual basis over 1,000 suppliers. It actively supports many business associations and partners from other industries and, in particular, the "Association des Manufacturiers Exportateurs du Québec".

- In Latin America, Alstom has played a strategic role in the rail industry, with a forecast of production around 1,000 cars for next five years in LAM countries. Product offerings include Subsystems, Interiors, B Class and C Class materials, which are increasing in demand in countries such as Mexico and Brazil, all with levels of localization above 50%. This impacts local employment positively through the generation of thousands of jobs in Latin America countries. Alstom Procurement organized two major “Supplier Day” Events in 2021, involving more than 100 suppliers, at two sites, one in Mexico (Sahagun) and the other in Brazil (São Paulo).

Asia/Pacific

- In India, Alstom is actively implementing the national Make-in-India policy through development of its local supply chain. It’s Rolling Stock factories in SriCity (Andhra Pradesh) and Savli (Gujarat) are manufacturing hubs for both domestic and international projects. Alstom India is the second-largest contributor to patent registrations in the Alstom Group, accounting for 8% (in 2020).

Alstom in India buys goods & services worth approximately €600 million, 75% of which are from Indian suppliers. The Group collaborates with close to 1,500 Indian suppliers, of which 40% are small & medium enterprises (SMEs). The Company has sponsored supplier development programmes for over 26 suppliers with the objective to improve their maturity. Indian suppliers currently export over €37 million worth of goods & services to majorly Germany, France, Australia, and America. Till date, Alstom has trained over 700 supplier employees and over 10,000 customer employees on various technical programs. In addition, the firm has conducted 21 technology transfers across Alstom locations, to suppliers and other partners. Recently, in February 2022 Alstom participated in EEPC (Engineering Export Council Promotion) at the Indian Railways Sourcing Week 2.0.

- Alstom supports the localization of subcontracting activities in Vietnam and the Philippines through a diverse and reliable network of local suppliers. Indeed, in Vietnam, more than 150 local jobs were created in signalling, power supply, and depot equipment installation through the Hanoi Metro Line 3 project. At the same time, in the Philippines, Alstom is upgrading and extending the Light Rail Transit Line 1 of Manila metro, with the close collaboration of local suppliers. The Group has created more than 200 local jobs in trackwork, OCS, signalling, and power supply installation through this project.
- In Australia, Alstom has signed a contract with the Public Transport Authority of Western Australia (PTA) to manufacture and maintain the next generation of C-series trains for Perth’s growing rail network. The project sees the transfer of the latest railway technologies and manufacturing processes to Western Australia. This establishes the most technologically advanced train manufacturing and maintenance sites in Australia. Alstom provides fast-tracked training and skills development programs through dedicated partnerships with local Technical and Further Education “TAFE” as well as training organizations, creating a new generation of skilled railway manufacturing professionals.

Africa/Middle East/Central Asia

- In South Africa: Gibela builds passenger trains for the national railway agency PRASA, and Alstom UbuNyne produces train components primarily for Gibela. Alstom’s industrial footprint comprises two manufacturing sites near Johannesburg. The 78-hectare Gibela Durnottar plant is a world-class hub for train manufacturing excellence in the African continent while the Alstom UbuNyne site has been fully modernised since its acquisition. Both JVs are well established South African companies, with a workforce of 1885 employees. With a high local content contractual commitment, Gibela is strongly invested in developing local supply-chains and sourcing components from local companies. Indeed, it has actively sought to increase its use of local suppliers, thereby supporting local businesses. In this sense, Gibela has continuously increased the number of Black Women Owned (BWO), Qualifying Small Enterprise (QSE)/Exempt Micro Enterprise (EME), and Broad-Based Black Economic Empowerment (B-BBEE) businesses that it supports. The Company currently relies on 64 South-African suppliers to supply critical components for its trains such as cables, sub-systems or interiors. It also hosts “Supplier Days” to showcase procurement requirements to local businesses and has adjusted its sourcing processes to enable entry into its supply chain. As part of efforts to develop a strong, sustainable South African supplier base, Gibela has also deployed a robust supplier development programme, which now hosts 12 companies and focuses on technology transfer, capacity ramp-up and compliance with international standards. Alstom is committed to boosting the economy and industry by creating jobs and developing skills. This also includes bringing international suppliers to South Africa to build local capacity. Finally Gibela has partnered with the Small Enterprise Development Agency (SEDA) to establish a business incubator in Nigel, that currently supports 10 suppliers from the community in various industries. Gibela has also set up an Enterprise Development Fund that invests in SMEs, helping them to grow and succeed (2 suppliers benefited from this funding during the year).

- In June 2021, Alstom signed a Memorandum of Understanding and Cooperation with the Ministry of Trade and Integration of the Republic of Kazakhstan to work on growing local capabilities related to the manufacturing of high-tech parts and components, as well as to create a sustainable mobility infrastructure in the country. In this sense, EKZ has started a localization plan on main commodities since 2022 for its locomotive projects KZ4 and KZ8. Alstom in Kazakhstan employs over 950 people and has three depots, two plants and a repair center. One plant is EKZ in Nur-Sultan for electric locomotives manufacturing and maintenance and production of on-board transformers, and the second KEP in Almaty to produce point machines.

Europe

- In Spain, Alstom is going to supply 152 high-capacity commuter trains for Renfe and manufacture 42 new-generation metro trains for TMB. In this major railway contract awarded in March 2021, Alstom Spain commits to local industrial development, the creation of stable and quality local employment, as well as the consolidation of an important railway hub in Spain.
- In UK, Hitachi Rail and Alstom won order in December 2021 to design, build and maintain the next generation of very high-speed trains (High Speed Two (HS2)) in Britain. This represents a major boost to grow and rebalance the economy, as this joint-venture Hitachi-Alstom High-Speed (50/50) will manufacture the 54 trains at newly enhanced facilities in County Durham, Derby and Crewe. The awards to the British-based firms will protect and create thousands of green jobs. All-electric fleet will be the fastest train in Europe.

- Alstom has deep roots in the communities across Germany, Austria, and Switzerland. Since the Company has 17 sites in the regions, partially also in economic weaker areas, e.g. Eastern Germany, Alstom pays attention to source supplies also in those areas. The Company is actively promoting sustainable procurement across the whole region, with around 4,000 suppliers located in the three countries, supplying to Alstom sites worldwide. Besides Alstom continues its strong partnership with all customers in the region, public and private ones, as well by many Institutions, Universities and Associations where Alstom is represented by employees from different functions, including procurement. Alstom participates in more than 30 Associations, related to Business, Economic Development, Engineering, Logistics, Quality, Human Resources and more.
- In France, Alstom has an important territorial footprint and has taken part in the development of several projects and initiatives specifically dedicated to SMEs on innovation, management training, industrial performance, diversification, export and international expansion:
 - For the Toulouse 3rd metro line, a responsible purchasing policy is implemented, for example through Alstom active participation in several initiatives taken in Occitanie French region. Days of meetings with local suppliers/contractors have already been and will be regularly organized on Alstom sites in Toulouse and Tarbes. Alstom also plans to continue the actions already underway in favour of integration and local employment, whether by supporting initiatives of private associations, or directly by hiring necessary resources for the project execution. Alstom considers a minimum of 80,400 integration hours in Toulouse, including 25,600 hours for the construction phase and the remaining for maintenance activities. The cumulative hiring forecast in Toulouse is 250 people, engineers and managers, technicians or workers, whether in the form of Alstom contracts or temporary workers.
 - For the Grand Paris Express project, Alstom Tarbes has partnerships with *Cap Emploi*, *Pôle Emploi*, *Conseil départemental* and companies from the sheltered sector mainly specialized in the industrial subcontracting sector. In particular the site has hired people with disabilities to answer to a contractual integration clause (13,000 working hours were achieved in Tarbes, versus 11,500 required by "Société du Grand Paris").
 - Alstom regularly supports the sheltered sector working with "Entreprises Adaptées" (EA) and "Établissements ou Services d'Aide par le travail" (ESAT). In particular, Alstom regularly applies to «Woman in EA or ESAT» Handiréseau trophy, which aims to highlight the career of professionals with disabilities. This year, an employee from Villeurbanne site won the award; this successful collaboration with ANRH association has contributed to insert many people with disabilities on other Alstom sites in France.
- The Group is an active member of the "Compétitivité, Accompagnement, Rail, Emploi" CARE Programme (Competitiveness, Support, Rail, Employment). This programme aims to improve the industrial performance of SMEs in the French railway sector through an industrial maturity diagnosis carried out by an independent expert and regular follow-up. In partnership with the Federation of Railway Industries (FIF) and BPI France, Alstom plans to extend this project throughout France. In September 2021 at Crespin site, were celebrated both the successful end of deployment of the first regional group of SMEs and the launching of a new group of six local SMEs for the region Hauts de France.
- Alstom has been a member of the Pacte PME since its creation in 2010. This is a joint association bringing together large companies and SMEs around a shared conviction: to grow French SMEs and promote the emergence of new leaders in the French economy, companies of all sizes must cooperate better together. It stimulates all forms of cooperation in purchasing, open innovation, export, skills development, etc. Indeed, within this association, Alstom supports SMEs through dedicated actions in three main areas: innovation, mutualisation, and international development. Alstom participated to the "Destination ETI Express" (Destination MSC, Mid-Size Companies) session in July 2021 and to "Destination RSE" (Destination CSR) session in November 2021, explaining to targeted SMEs its policy and actions on Sustainable Procurement.
- Alstom Villeurbanne is a member of the Alliance et Territoires association, that aims to accelerate the integration into the labour market in the Rhône-Alpes region by creating a positive dynamic in terms of employment and skills development: Alstom contributes by promoting intrapreneurship through local start up's, by participating to working groups on the theme of diversity (especially disability). Besides the site participates to the regional Programme Boost'Innov to help a small & medium-sized company to build its strategy.

Regarding Alstom's involvement with start-ups, a global and transverse programme on collaborative innovation is led by Open Innovation Department. The Group has implemented a partnership with a specialized company since April 2021, that sources start-ups all over the world and makes the link with the local ecosystems and clusters to identify start-ups with which Alstom could collaborate on different topics (for example on inclusive mobility). As a consequence, several start-ups have been invited to exchange with Alstom experts, in order to identify use cases for further collaboration. Besides, Alstom has several agreements with incubators in France since 2020, who accompany start-ups and corporate intrapreneurial projects.

Key Performance indicators and results

NUMBER OF EMPLOYEES BY REGION VERSUS SALES BY DESTINATION IN 2021/22

	% of employees	% of Sales by destination
Europe	60%	62%
Africa/Middle East/Central Asia	6%	7%
Asia/Pacific	18%	14%
Americas	16%	17%

NUMBER OF SUPPLIERS' EMPLOYEES TRAINED BY ALSTOM'S SUPPLIER QUALITY TEAMS

	2019/20	2020/21	2021/22
Europe	23%	9%	27%
Africa/Middle East/Central Asia	27%	1%	1%
Asia/Pacific	38%	88%	66%
Americas	12%	2%	6%
TOTAL (*)	500	780	1,200

(*) Estimation inferior or equal to the value using a conservative approach.

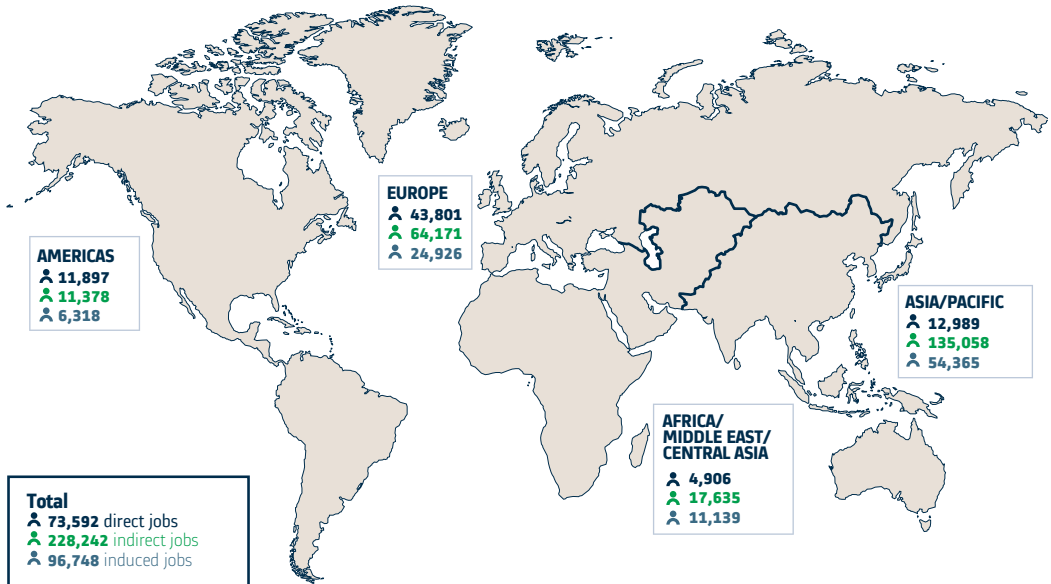
Additional trainings are provided to suppliers on sustainable procurement topics, see the chapter "Sustainable Procurement", page 303.

Social Impact Assessment

Alstom has defined a methodology to evaluate the Company's contribution to the development of territories in its various countries of operations. This is translated into the social and economic value of Alstom's activities created locally, looking at the value of the entities as suppliers of products and services, as drivers of local supply chains, as well as major employers and skills developers through the number of jobs supported (direct, indirect and induced). It also looks at their ecological footprint, their role as corporate citizens and their overall participation to national development.

Up to now three impact assessments have been conducted over recent years highlighting Alstom's contribution in the United Kingdom, on the activity of the Gibela joint venture in South Africa, as well as more recently in India through an impact report issued in September 2021 and positively perceived locally. Alstom keeps on deploying this methodology to other countries where it has a major presence, and new impact reports are expected to be released in Summer 2022 for Morocco, South Africa (full country – not only Gibela), Kazakhstan, UK & Ireland, and Israel.

NUMBER OF JOBS SUPPORTED (DIRECT, INDIRECT, INDUCED)



Indirect jobs are the jobs supported in Alstom's supply chain due to its procurement among its subcontractors and suppliers. Induced jobs are the jobs supported in the economy at large by the spending in the economy of Alstom direct employees' wages and part of Alstom suppliers' wages, corrected for income tax, employee social contribution and savings.

Source: Alstom Social Impact Assessment Survey 2021.

Relationship with local communities

The legitimacy of a company like Alstom, which is operating in many countries around the globe, stands not just on its ability to satisfy its customers, partners, investors and employees, but also on the acceptance of its presence by the communities amongst which it is located. The lack of open and regular engagement with these local communities could impact a company's reputation thereby challenging this legitimacy – its "Licence to operate" – potentially giving rise to dispute with its neighbours.

Establishing itself locally and demonstrating positive impact are essential to the preservation of a company's ability to perform its day to day business. Through dialogue with these communities and contribution to local initiatives, Alstom strives to be a good corporate citizen, the success of which is good for the broader community.

Strategy and policies

Alstom recognises that, whilst it is a global player, it also has the obligation to act as a local player wherever it is operating. This requires engagement with communities local to its sites and offices in order to nurture good relationships, ensure an acceptance of its presence and demonstrate its long-term commitment to those locations. The Company's various stakeholders – its customers; investors; employees; local authorities; and the local communities themselves – increasingly expect such engagement to lead to measurable material benefit for the communities; indeed, in some countries (e.g. India and South Africa) there is a legal requirement for companies to undertake such activities.

This strategy is fully integrated in the Company's Sustainability and CSR policy. The Sustainability & CSR function coordinates the transversal deployment of the related Community Investment and Volunteering policies through a network of Sustainability & CSR Champions located in all countries or clusters in which Alstom has a significant presence. A key measure of the effectiveness of these policies, addressed under the Alstom In Motion strategy – commitment to society, is the number of beneficiaries each year from the various activities undertaken. Accordingly, the objective set is to reach a total of 250,000 beneficiaries by 2025.

Community investment

Alstom first defined its global Community Investment Policy in 2013. Since then it has consistently applied this policy, engaging with local stakeholders in order to develop and implement local action plans (the Country Community Action Plans or CCAPs) which address their expectations and needs. The Policy has been reviewed in 2021/22 to add a fourth priority to the three existing ones:

- responding to local social needs;
- supporting development through education;
- encouraging the development of local enterprises (see the section on Local Development, page 290);
- protecting the environment.

Responding to local social needs

Alstom seeks to make a positive impact on disadvantaged local communities, improving their living conditions and their socio-economic standing through pragmatic dialogue, by encouraging employee awareness and employee involvement in various volunteering and charitable activities, and by allowing the use of company property or by giving employees the time to participate

Most usually Alstom's employees get involved in fund-raising events such as charity runs, walks or sale of products (fruits, chocolates, etc.). This is the case for Australia, UK, Canada, USA, Italy, Czech Republic, Hong Kong, Panama or Denmark. Engaging in collecting or donating clothes, toys, books or food is also greatly practiced in the UK, Italy, France, USA, Spain, Panama, Dominican Republic or Thailand, often geared to a specific calendar event such as Christmas time, Ramadan or Chinese New Year.

Overall, Alstom addresses social needs through its support to charities and through community project support.

Examples of charitable support include:

- donations of cash, blood, products (food, toys, clothes, furniture, etc.), services or equipment to local, national and international charitable appeals;
- membership of, and subscriptions to, charitable organisations that help to deliver the community engagement strategy;
- company-matching of employee donations and fundraising;
- employee volunteering during working hours.

Examples of community support include:

- the provision of expertise in such areas as the environment; diversity; human rights; STEM (Science, Technology, Engineering, Mathematics);
- general manpower and financial support to disadvantaged communities;
- grants, donations (cash, product, services or equipment) to community partner organisations;
- support to individuals of the community who are struggling, by such actions as mentoring jobseekers and targeted recruitment of local people from disadvantaged backgrounds or without qualifications.

Supporting development through education

Alstom promotes education among young people through four primary activities: the development of individual skills and employability, the raising of awareness on key topics linked to Alstom values (e.g. the environment, diversity, health and safety, human rights, STEM), support to schools and partnerships with colleges and universities. The Company has created a core group of STEM Ambassadors with the expertise, experience, training and will to collaborate with educational establishments to promote STEM topics and to mentor individual students.

Alstom's sites around the world often have strong links to local schools, supporting them by organising familiarisation visits to its sites, by participating in Governing or Examining Boards, by deploying its STEM Ambassadors to encourage the children to contemplate careers in these areas, by facilitating internships and by fulfilling other needs such as equipment provision or the renovation of school infrastructure.

Alstom has a broad array of technical partnerships in place with Universities/Higher Education establishments in Europe and beyond. The objective of these is to enhance the Company’s Research and Development (R&D) capability by using local talent. A list of these partners by country can be found on the Alstom website.

Further examples of education-related activities, often encouraging students into the railway industry, include:

- developing employability – encouraging individuals e.g. in-house training, internships and placements of local people and mentoring of apprentices;
- support to schools e.g. organisation of Alstom site visits (including virtual ones); General manpower and financial support;
- partnerships with and support to Colleges and Universities:
 - providing lecturers on engineering-related topics,
 - establishment of Alstom Scholarships/Chairs,
 - sponsoring engineering fairs, innovation competitions and hackathons.

Volunteering

To support its Community Investment Policy, Alstom has developed a Volunteering Policy which encourages volunteering amongst its workforce. It is estimated that close to 8,000 persons of the Alstom workforce engages in some sort of philanthropic activity, giving freely of their time, money, and expertise. Alstom seeks to leverage this, adding value where it can, consistently with its Community Investment Policy. Local management teams are authorised to allow Alstom employees to spend one paid day per year to undertake a volunteering activity. Whilst activities can be undertaken at individual level, it has been found that team activities give the best results for the beneficiaries whilst promoting team-building amongst Alstom colleagues.

Processes and action plans

Under the banner of “Alstom in the Community” there are two arms to the Company’s local community activities. One arm is the Alstom Foundation which is a centrally managed entity, with its own unique budget and branding, which selects, finances and monitors the progress of community-related projects around the world on a once-a-year cycle. These projects are generally of a duration of between six months and three years. The second arm involves the management teams, in all countries in which Alstom has a significant employee headcount, in the development of their own annual Country Community Action Plans (CCAPs). 44 countries established CCAPs during the year, encompassing 556 separate activities. This compares with 37 countries and 469 activities during the previous fiscal year. These plans are developed, funded, managed and implemented locally in line with the Company’s Community Investment Policy. The actions under each plan are decided based upon a local perspective of how the Company can have maximum impact in addressing local needs, whilst taking account of local culture and sensitivities. Such actions are normally performed in the name of the local Alstom entity.

The Alstom Foundation

The Alstom Foundation was created in 2007 to share Alstom’s success with disadvantaged communities situated in countries where Alstom is active, thereby enhancing the relationships with such communities whilst encouraging the citizenship and engagement of Alstom’s employees. Working with international and local partners, the Foundation seeks to improve the living conditions of local communities by providing finance

for a variety of concrete initiatives which support socio-economic development and sustainability. With its new budget of €2.2 million per year, reflecting the new size of Alstom after the acquisition of Bombardier, the Foundation has supported 275 projects to date, including the 38 projects selected in 2021/22. The Alstom Foundation also makes donations on a selective basis to expert Non-Governmental Organisations in the aftermath of natural or humanitarian disasters. During this fiscal year, it acted just after the massive floods in Germany in July 2021 and in Malaysia in December 2021. It supported the population in Vietnam strongly impacted by Covid through the distribution of masks & equipment in October 2021, as well as in the Philippines in the aftermath of the typhoon Odette in December 2021. Donations were also made in South Africa to help rebuild a school after the social unrests of the Summer which impacted many infrastructures, and in Ukraine in March 2022 to provide medical equipment, first aid products, and support to children & their families in the context of war.

Whilst its focus remain predominantly developing economies, the Foundation also supports worthy community projects located in developed countries, which recognises the fact that Alstom has a major presence in several developed countries and that disadvantaged communities also exist in these countries.

The projects of the Foundation generally address one or more of the following four challenges:



The Foundation’s Board of Directors includes eight members, five of whom are internal to Alstom and three of whom are external experts. All eight members are volunteers. The Board is supported by a Secretariat which undertakes the day-to-day running of the Foundation and implements the Board’s decisions. The Secretariat oversees the implementation of the agreements with the selected partners and the progress of the projects that the Foundation is supporting.

20 ongoing projects were active as of end of March 2022 and 38 new ones were added in October 2021. Several of these projects (for instance in Spain, India, Turkey, Italy, UK, Romania, or South Africa) were the subject of focused volunteering activity by teams of Alstom employees who gave freely of their time and expertise to give on the ground support to local NGO partners. To be noted that the implementation of several projects has been delayed due to the Covid-19 impact, particularly lockdowns.

Country Community Action Plans

In all the countries in which Alstom has a substantial headcount (typically greater than 200 employees) a Sustainability & CSR Champion has been appointed to lead the local implementation of the Company's Community Investment Policy. CSR Champions have also been appointed at Region level to coordinate such activities across countries in a Region and to facilitate approvals where required. The Sustainability & CSR Champions are not full time in this role but act as main point of contact on top of their standard role. It is estimated that they spent in average 15% of their time. Global coordination at headquarters is undertaken by the Director, Community Investment, who ensures the overall consistency of activities and the transfer of best practice from one Region to another.

Alstom has put in place a philanthropy and community engagement strategy spanning all the countries in which it has a major presence, consistent with the Community Investment Policy, and its priorities are aligned with Alstom's business drivers. Such alignment allows the Company to leverage its strengths, its brand and its employees to have the maximum impact on the beneficiaries. The strategy is underpinned by a process, drawn up in 2018 and lodged formally in the Alstom Management System, which sets out the rules and methodology for the production and implementation of Country Community Action Plans.

The Sustainability & CSR Champions use the CCAP Template to support this process, allowing the actions to be planned, monitored, recorded and assessed. It also facilitates consolidation to give an overall global picture of the Company's community actions during the year.

CCAP initiatives must be aligned with the Community Investment Policy with its four axes: meeting social needs; supporting education; cultivating local enterprises; protecting environment.

A global cash budget of €1 million per year has been established to support the implementation of CCAP activities, this money being used as leverage to achieve benefits of greater value to the supported communities. The non-cash costs of such activities (person-days value), amounting to a cash equivalent of €1.2 million, are borne by country or project budgets. In addition, Alstom's Joint Venture in South Africa – Gibela – spent during the year over €6 million on Broad-Based Black Economic Empowerment-related skills development and local enterprise development.

Main results and performance indicators

Alstom follows the impact of its community investment policy by monitoring the number of people who benefit from Alstom Foundation projects and local country actions every year.

NUMBER OF BENEFICIARIES FROM SOCIAL PROGRAMMES (*1,000)

	2019/20	2020/21	2021/22	Target 2021/22 (*)
Alstom Foundation	41	45	60	50
Actions in support to communities from Country Community Action Plans (CCAPs)	88	158	185	135
TOTAL	129	203	245 (**)	185

(*) Target 2024/25: 250,000 beneficiaries.

(**) Data corresponds to an estimation inferior or equal to the value, defined according to internal rules and based on a conservative approach.

The Alstom Foundation





In October 2021 the Board of Directors selected 38 projects for support from the 2021/22 budget. Examples of these projects are included below, according to the four axes on the Foundation.

The nature of the projects supported by the Alstom Foundation is such that it is sometimes quite difficult to assess the number of direct beneficiaries of a project. For certain projects the benefits are felt during the implementation phase, whereas for others the benefits can only be realised after the project has been completed. The Foundation has decided to place a special focus on this issue with the goal of positively impacting through its projects at least 60,000 direct beneficiaries per year by 2025.

An analysis of the 85 projects that were active during the fiscal year 2021/22 across 32 countries indicates that around 53,000 individuals have benefitted directly from them, plus 7,000 additional ones have benefitted from the Emergency Fund donations of the Foundation mentioned earlier in six countries, reaching a total of 60,000 beneficiaries.

More information about the Alstom Foundation and its projects can be found on the Foundation's website: www.foundation.alstom.com.

ALSTOM FOUNDATION PROJECTS SELECTED DURING 2021 BOARD – EXAMPLES

Axe	Country	Project title	Partner
	India	Water for Life III – Integrated Water Management Program encompassing the rehabilitation of infrastructure to allow the local population access to water for agriculture and sanitation purposes	Objectif France Inde
	Senegal	Participatory reforestation and green enterprises supporting community resilience in the Tocc-Tocc reserve	BirdLife International
	Panama	Soft and Technical Skills Training for Women in social vulnerability (CAPTA) Phase 2	Fundacion Calicanto
	Germany	Digital learning opportunities and skills training for refugees – Vocational apprenticeship in electrical engineering & mechatronics, combined with soft skills & language courses	Kiron Open Higher Education

Country Community Action Plans (CCAPs)

At the end of the fiscal year, 44 Country Community Action Plans had been implemented.

A special focus is placed on assessing the number of direct beneficiaries of these various actions and on understanding how they benefit – as the ways in which they benefit can vary enormously. Guidelines for assessing the number of direct beneficiaries have been established. Overall, it is estimated that around 185,000 people have benefitted in some way from Alstom's CCAP activities during the year (in addition to the beneficiaries of the Alstom Foundation activities mentioned above), including 13,000 from Covid-related actions.

The following paragraphs highlight the inputs and outcomes of a selection of activities from the list of 556 undertaken during the fiscal year. Overall, around 3,840 person-days of Alstom time were committed to these activities.

Responding to local social needs
Community project support

- In Belgium, the «Social restaurant» initiative supporting unemployed people to reintegrate the labour market is regularly practiced. Staff is encouraged to have regular lunch in this restaurant, or use the «traiteur service» for meetings with visitors. In Italy, a collaboration with NGO «Casa do menor» promotes the collection of plastic caps whose amount coming from its sale helps children living in streets in Brazil. In Austria, a sponsorship is in place with the FIVERS handball club in Vienna which works with young people (migrants mostly) to encourage performance at school & integration through sport. Sometimes organised by the Company, sometimes by national or even global movements, the Company often provides the time, the transportation and the equipment for such engagement in the interest of the environment.

Supporting disadvantaged individuals

- In several countries (e.g. Australia, China, Hong Kong, Israel, Morocco, Qatar, Belgium & France) Alstom encourages its employees to give blood by arranging for the blood transfusion services to come to Alstom premises and by allowing employees to donate during working time. In the case of Spain, Alstom staff fitted out a tram with the necessary equipment and facilities for it to be used as a travelling blood donation facility.
- In France, the Company is also in partnership at a national level with NGO «Nos Quartiers ont du Talent» (NQT) in order to help youth with a high degree level, but from disadvantaged backgrounds, to find a job.

Support to charities

- In most countries Alstom engages in activities to raise money and/or to gather items (e.g. food, toys, clothes, furniture) for donation to charities, often incentivising employee involvement through a matching policy. Usually, money raising is focused around sporting events. Poland for instance encourages active mobility amongst Alstom employees: kilometres walked, run, cycled during a period and measured using a specially designed application were converted into cash for donation to local charities. In Spain, through the 5th Virtual Corporate Race in favour of La Palma (Food Bank), Alstom employees ran 5, 10 or 20 km and the total length was converted into euros for food given to Banco de Alimentos. Overall €204,000 were spent in money and time on such activities during the year (not counting the financial contributions from individual Alstom staff).
- Every year laptop computers used by Alstom staff that are being replaced but still usable are cleaned up and then made available to suitable charities, NGOs and schools in disadvantaged areas. During the fiscal year several hundred computers were handed over (e.g. Algeria, Brazil, Germany, Hong Kong, Kazakhstan, Morocco, Poland, Italy, or South Africa).

Supporting development through education

Developing individual skills and employability

- Alstom has apprentice and internship programs in place in several countries which are often (as is the case in Australia, Belgium, Brazil, Egypt, France, Italy, Romania, Singapore, Sweden) focused on young people from disadvantaged backgrounds or not. In France, Ornans (and other sites) has integrated a person in the frame of a commercial contract with SNCF based on "Insertion par l'activité économique" (IAE or Integration through Economic Activity). In Qatar an event was also held with INJAZ focusing on CV writing, interviewing and internships.
- Mentorship is also a common practice. In Canada for instance, a collaboration with Connexion CA links companies with local NPOs that need experienced people to sit on their Board of Directors, participate in a working committee or to be a mentor and share knowledge for a few hours.
- These actions frequently involve partnerships with local institutions, the training of internal mentors, and the development of a training plan. The aim is for apprentices to learn a trade as leverage for future employment – whether in Alstom or elsewhere. Training can be full or part time and of different durations.

Raising awareness on key topics

- The development of women in business is on-going with several actions implemented. In Australia, a Women in Engineering mentoring program is conducted with the University of Technology in Sydney (UTS) fostering female graduate engineers. Alstom acts in partnership with the association "Elles Bougent" in France or "Mujeres AVENIR Association" in Spain to develop mindsets on diversity and promote engineering as a career for women. In Italy, the Company supports the Donna STEM association promoting female professionals in the industry and encouraging cultural transformation.
- In many countries (e.g. Italy, France, Belgium, Netherlands, Turkey, UAE) Alstom supports people with disabilities. This can take several forms including the creation of meaningful employment; support to supplier organisations that employ a predominantly disabled workforce; and involving disabled people in the design of its products and services to ensure that their needs are taken into account. In Spain, the Company has a frame agreement in place since 2019 with *Fundación ONCE* (an association for the blind) aimed at improving accessibility for disabled and to promote their employment in Alstom.

Supporting local schools

- Due to Covid-19 pandemic, usual open days or visits to Alstom factories and work sites could not always materialise as such, but virtual sessions were organised so that school children may gain a perception of life in industry in general, and in the transport sector in particular. In the UK, the Alstom Discovery Day for students took place, and a Virtual Work Experience was delivered to local schools. The country also supported 14 primary schools local to Manchester & Stockport by funding teacher training & materials, plus providing engineering support to the classrooms. India also imparted trainings for teachers and students at the ITI Madhepura Technical School to upskill and improve facilities. Finally, in France a design hackathon was held to boost collective creativity between three regional colleges participating and working on how to attract residents & tourists to rail transport.

- The Company is often involved in STEM topics. There was for instance a three-year learning development program for mathematics and science lectures supported by the Gibela site in South Africa, and which ended in December 2021.

Supporting Colleges and Universities

- Support to Universities can take many forms, ranging from the sponsorship of particular courses (such as the two-year Master in Railways Mobility industry in Savigliano, Italy) and individual students, to the funding of an electrical design laboratory in Saudi Arabia, to the provision of computers and other material; the provision of lecturers or experts on specialist topics like in Sweden for instance, the participation in careers fairs (Belgium, Germany, Poland, Australia, etc.). In France, as part of the Together in Motion initiative supporting underprivileged girls in Saint-Ouen, Alstom women employees participated in several actions ranging from interventions in college classrooms, welcoming college girls at Alstom Headquarter to share concrete experience (tram driving simulation for example) as well as interns, to the organization of a "Girls, Maths & IT" Day to encourage scientific and technical careers.
- Alstom has relationships with 102 universities in 21 countries, primarily in Europe and the Americas, for Research and Development purposes. The list of these, and those of other research establishments with which the Company is working, can be found on the Alstom website www.alstom.com.

Encouraging the development of local enterprises

Please see the section on Encouraging Local Development (page 290).

Protecting the environment

Site cleaning

- Several countries organized volunteer days in order to clean places. In Malaysia for instance, a mangrove clean-up took place at the Kuala Selangor forest, while in Australia and in the Netherlands some hours were dedicated to clean beaches.

Protecting nature

- In Kazakhstan, Azerbaijan or Brazil, employees planted trees as a contribution to enlarge greener spaces and reduce CO₂ emissions. France, through its €55,000 agreement over three years with ONF, has pursued with planting another additional 4,000 trees in Hauts-de-France forests.
- Some countries put in place initiatives to favour recycling and circular economy. In Italy and Singapore for instance, employees were invited to collect old running shoes and give them to companies that transform them into material to be used for the construction of children's playgrounds, athletic tracks, fitness corners or gym pads.
- Finally biodiversity topics have been tackled by a few countries, for instance in France, where employees in La Rochelle participated in the safeguard of bees by hosting & sponsoring beekeepers.

The “Challenge Accepted” program

In 2021, Alstom University launched “Challenge Accepted”, a program hosted for five months on the Alstom i-Learn portal, in which any Alstom employee that attended a learning module could collect points to be given at the end of each month to a non-profit organisation working in the social and economic development field. Every employee from every site in every country was encouraged to participate. A ceremony was held at

the end of the period, and points were converted into money donated to the selected organisations. This program enabled the donation of a total of €46,000 to eight organisations. In China for instance, WorldVision was given €8,000 to strengthen protection skills of local NGOs and support locally various quality designed activities with targeted most vulnerable children and families.

4. ACTING AS A RESPONSIBLE BUSINESS PARTNER

Alstom aims to be a responsible business partner in every aspect of its activity. This involves:

- Ethics and Compliance (page 300);
- Sustainable Procurement (page 303);
- Respect of human rights (page 307);
- Customer Relationship (page 309);
- Railway Safety (page 312);
- Tax Evasion (page 314).

- for export control and sanctions regimes, Alstom’s activities are governed by European Union sanction and dual use regimes, OFAC⁽¹⁾ sanctions lists and BIS⁽²⁾ export regimes in the United States as well as United Nations sanctions lists and other such lists in multiple jurisdictions. The fact that many of these regulations carry an extraterritorial impact make compliance activities even more challenging;
- for data privacy, the main non-compliance risks for Alstom are (i) an unauthorised disclosure of a person’s personal data (“data breach”), (ii) an unjustified collection or usage of personal data, and (iii) the inability of Alstom to comply with the rights under law of data subjects (right to be forgotten, right of access, right to object, right of correction, right of transfer).

Ethics and Compliance^{VP}

“Ethics and Compliance” relates to the section “Ethics and Compliance” in chapter 4.

The respect of the highest standards of integrity is essential for Alstom. Alstom’s reputation can only be built through the continuous strengthening of its ethical rules and procedures, as well as the adhesion of all managers and employees, who must know and rigorously apply the principles of Alstom’s Code of Ethics and its Ethics & Compliance instructions.

The Alstom Ethics & Compliance (E&C) programme covers the areas of anti-corruption efforts, anti-trust compliance, human rights, export controls and trade sanctions, and data privacy. The risks that many of these areas address are potential criminal liability which can result in important criminal penalties and imprisonment for Alstom managers and other employees, exclusion from national or international markets in the framework of debarments by public or private authorities, civil lawsuits and damage to Alstom’s reputation in the eyes of its stakeholders in all aspects of its activities (employees, business partners, shareholders, among others).

The regulatory environment in which Alstom operates is becoming more and more complex. This is especially the case in the areas of competition laws and legislation relating to the fight against corruption and money laundering. Another area where this complexity is evidenced is in the field of export control regulations, embargoes, economic sanctions or other trade restrictions imposed by the United States, Canada, the European Union, Russia or other countries or organisations.

More specifically:

- the anti-corruption risk is present due to the nature of Alstom’s business activities involving high value public works projects with public administrations and governmental bodies financed by taxes and other government funding;
- the risk of anti-competitive practices such as collusion or price fixing is present due to the structure of Alstom’s markets which involve a small number of competitors;

Strategy and policies

The Alstom Ethics & Compliance Policy, signed by the Chief Compliance Officer, sets forth the values and E&C commitments of the Group. It is fully integrated into the Alstom Group Sustainability and Corporate Social Responsibility policy, which is endorsed by the CEO.

The fundamental rules are included in the Alstom Code of Ethics which prescribes essential principles of conduct: respect of laws and regulations, respect of all Alstom rules and policies, prevention of corruption and bribery, compliance with competition laws and the importance for everyone to play his/her role in internal control and the non-disclosure of confidential information.

Published for the first time in 2001, this document applies to every Alstom manager and employee and is regularly updated. A new version of the Alstom Code of Ethics was published in 2020 in French and English and considerable efforts are being deployed to meet the objective of having a local language version of the new Alstom Code of Ethics available to all employees. Currently, the updated Code of Ethics is available in over 20 language versions. The E&C Central team continuously works with local teams to understand the needs of employees and provide further local language versions as required.

The Code of Ethics presents the Alstom Integrity Programme and gives specific instructions and requirements on the level of ethical behaviour expected from each Alstom employee or manager. It also provides contact points so that everyone can raise any question or concern.

The Code of Ethics and related internal rules and instructions cover the way Alstom manages its relations with Customers, Suppliers and Contractors, Sales Partners and Government Procurement in respect of Compliance with Laws and Regulations, Prevention of Corruption and Bribery, Compliance with Competition Laws, the Export Controls and Trade Sanctions, Anti-money Laundering, Conflicts of Interests, Gifts and Hospitality, Environmental Protection, Community Relations, Political Contributions and Activity, Charitable Contributions, Sponsorship, Respect of Human Rights, Relationships with Employees, Career Management for employees, Equal Opportunity Inclusiveness and Non-Discrimination, Health and Safety, Security of Employees, Data Privacy, Respect

(1) Office of Foreign Assets Control.

(2) Bureau of Industry and Security.

for Confidential Information, Intellectual Property, Insider Dealing, Communication with Analysts and Investors, Communication with the Media and Use of Social Networks.

The E&C Instructions specify the principles expressed in the Code of Ethics, in particular, regarding the prevention of Corruption and Bribery with Suppliers and Contractors and in joint ventures and consortia, Gifts and Hospitality, Political Contributions, Charitable Contributions, Sponsorship, dealing with Sales Partners or Consulting Companies, Conflicts of Interest, and Facilitation Payments. The E&C Instructions are regularly updated based on the experience of employees, external reviews (lawyers, companies specialised in the questions of ethics and compliance, etc.) and recommendations emanating from the World Bank and the other public entities.

The E&C activities are the responsibility of all Alstom employees and are implemented at all management levels of the organisation. The culture must permeate the whole organisation, the “tone from the top” being relayed by each level of the management to each and every employee.

Within the Board of Directors, the Ethics, Compliance and Sustainability (ECS) Committee, created in 2010, became the Ethics & Compliance (EC) Committee in 2020. It reviews the Ethics & Compliance policy of the Company and the processes in place and monitors their implementation by providing its advice to the Board of Directors.

The Chief Compliance Officer leads a dedicated team and reports to the General Counsel of Alstom who is a member of the Alstom Leadership Team (ALT) (formerly known as the Executive Committee), as well as to the Chairman and Chief Executive Officer and to the Board of Directors. To avoid any conflict of interests, the Chief Compliance Officer has autonomy and independence to define and implement rules and adequate processes.

The Ethics and Compliance (E&C) Department, managed by the Chief Compliance Officer, includes a central team and a regional network. This team is composed of compliance experts who ensure the implementation of, and the harmonised approach to, the compliance rules of Alstom and its processes. It provides support for the application of the policies and the current rules.

The regional network is composed of seven regional compliance officers, each reporting hierarchically to the VP Legal & Compliance of the region, and functionally to the Chief Compliance Officer. The regional compliance officers work as closely as possible to the management to provide the support necessary for the operational activities of their region.

To increase the awareness of managers and employees, the E&C Department relies on a community of 460 E&C ambassadors, all volunteers, who come from all the functions. These ambassadors agree to devote part of their time to ethics and compliance matters and have no specific responsibility for the implementation of Alstom Integrity Programme. Their main role is to promote the culture of integrity through E&C awareness sessions and participation in any action of communication organised in their region and to be a contact point for questions about ethics and compliance.

Alstom’s E&C strategy is memorialized in its Strategic Vision 2025 translated into yearly objectives that address Alstom’s key priorities, which may include E&C audits, E&C Ambassadors & E&C training.

Certification

Alstom ensures that its efforts systematically reflect best practices in terms of compliance and ethical standards and regularly reviews and audits its Integrity Programme. Since 2009, Alstom has been engaged in a process of certification of its anti-corruption policy.

Alstom obtained, in June 2017, the ISO 37001 certification for its anti-bribery management system on a European scale. Awarded by AFNOR Certification, this certification confirmed Alstom’s commitment to fight corruption and marked the start of the Alstom certification campaign that has been followed by further audits in other regions in which the Group operates. The international standard ISO 37001, introduced in October 2016, advocates a series of measures to help organisations of all types, both private and public, to prevent, detect and tackle bribery through the implementation of an anti-bribery management system. The audits focused on the adequacy of Alstom’s anti-bribery system according to the standard ISO 37001, in particular its Ethics & Compliance policy, the Code of Ethics, and the various instructions relating to existing anti-corruption procedures and numerous associated training tools.

Alstom is since 2019 certified ISO 37001 for countries and operational sites in all its regions. Indeed, a renewal audit campaign took place in 2021 and Alstom is now certified ISO 37001 to 14 June 2023.

Processes and action plans

Risk-based approach

Alstom deploys its E&C programme to address the risks of its activities and the requirements of its employees and business partners. The E&C Department conducts an annual risk assessment and develops an action plan to mitigate the identified risks. This risk assessment is then conducted on various levels of the organisation to adapt the evaluation of risks locally according to the operational activities and the geographical zone and to adapt corrective actions to every type of risk.

In addition, a compliance assessment is made on each project during the pre-tender preparation phase prior to bidding on the project. Approximately 300 projects were evaluated during the fiscal year. In larger, more complex projects involving consortium partners and joint ventures, specific risk assessments are conducted on the project partners. A mitigation plan is elaborated according to the importance of the project and the risks identified before any answer to a tender, which is then transferred to the Project teams to ensure its execution.

In all projects and activities, the use of commercial agents is also subject to a specific risk review exercise as part of the due diligence and “on-boarding” process of the commercial agent.

Finally, at the discretion of the compliance team, specific risk assessments have been implemented for long-term projects which involve a significant investment in the country of activity.

Training and communication^{VP}

Communication, awareness and training of the managers and employees are essential to explain Alstom's Ethics & Compliance policy. These actions are available on multiple media: on-line modules, class-room sessions and specialist interventions on the questions of ethics and compliance.

The 2020 e-Ethics module related to the Code of Ethics targets managers, engineers and professionals for whom it is compulsory upon joining Alstom. This module was completed by 20,538 employees, which represented 98.2% of the targeted population that year.

Two targeted three-hour classroom "E&C" and "Competition Law" classes go deeper on the subjects of the fight against corruption and competition law, the legal environment in which Alstom operates and the Company's rules on these subjects. A two-year learning campaign was launched in 2017 with the definition of a new target population, considered as more exposed to the risks of corruption and anti-trust, according to the function and the grading. 80% of the target audience has been trained (5,000 employees trained). A new two-year learning campaign is launched in 2020 to renew the learning campaign for the target population considered as more exposed to risks of corruption and anti-trust depending on function and grading.

Finally, as part of Alstom's continuous improvement approach, Alstom is deploying an annual micro-learning. After Alstom Alert Procedure (2018), Conflicts of Interest (2019), Updated Code of Ethics (2020), 2021's e-Ethics module was focused on Working with External Third Parties and completed by over 35,174 employees (96% of target audience) with the same target population as previously meaning all managers, engineers and professionals. In addition to making these e-learning a Group objective for the Company, the Alstom Leadership Team (ALT) (formerly known as the Executive Committee) made the completion of these E&C micro-learning part of the bonus scheme.

For a targeted population of ~10,000 Alstom employees, considered to have a higher E&C risk exposure, a dedicated E&C three-hour classroom training is also provided. This training began with the updated E&C package – anti-corruption, Trade Sanctions & Export Control, Data Protection, some Competition law compliance – in May 2021. The target is to train 90% of this population by March 2023. As of 31 March 2022, 74% of this population has been trained.

A number of communication tools were adopted as part of a detailed communication plan in order to increase the visibility of the compliance activities:

- promotion of the updated 2020 Code of Ethics simplified with concrete examples to enhance E&C guidance for employees.
- regular news on Alstom's internal communication tools (direct email, Alstom TV, intranet, E&C SharePoint, TEAMS magazine);
- E&C Tone at the Top messages by the CEO during quarterly team talks, by each Region's President and by middle management;
- the "E&C Days", an all-day or half-day compliance event which can be deployed remotely on each Alstom site to raise awareness and adherence to the Alstom Integrity Programme. These sessions are organised to introduce local teams to the E&C team, to highlight the importance of compliance activities in the Region and also to help fully integrate the E&C ambassadors into the program and raise their visibility. The E&C days are an interactive and informal way to reinforce the Company's expectations and promote an ethical culture, demonstrating that everyone is concerned through various role-playing

scenarios where the participant is placed in practical situations. E&C Days were organised around the world during this fiscal year in person, until Covid-19 required an adjustment;

- the upkeep of Alstom's E&C SharePoint, available to all employees, consolidating the Company's mission, policies, Code of Ethics, Alert Procedure, and supporting instructions with short explanations on topics, tools and contracts, following the 2020 refreshed Code of Ethics example;
- the celebration of the International Anti-Corruption Day in December with various actions among which were numerous site events.

The E&C team works continuously with the E&C ambassador community to fully integrate them into the Integrity Programme. All training sessions reference the names and contact information of the local ambassadors. Also, the Regions circulate regular communication messages showcasing the ambassadors in order to publicise them as a point of contact for E&C issues. Their contact information is available in a directory on Alstom's E&C SharePoint.

A dedicated training course was implemented to strengthen their knowledge of the ethics and compliance subjects and various tools available to the employees of the Company such as the Alstom Alert Procedure. E&C ambassadors have been trained since the pilot session in February 2017.

Alert Procedure^{VP}

The Alstom Alert Procedure allows any employee or any third party in relationship with Alstom to report, according to the applicable legislation, a violation of the Code of Ethics or Alstom rules and policies.

The Alert Procedure offers several means of reporting:

- a secure website (www.alstom.ethicspoint.com);
- an icon for a direct access on every Company computer;
- a toll-free hotline,

all reachable 24 hours a day, seven days a week.

The scope of the Alstom Alert Procedure covers all the values and principles of the Alstom Code of Ethics, according to the applicable legislation in each country including: accounting banking & cash; anti-competitive practices corruption & bribery; conflicts of interest; discrimination & harassment; employee relations; environmental, health, safety; fraud & misuse of company assets; human rights; insider dealing; IT fraud; supplier & customer relations; workplace security and theft; other violations of Alstom rules, policies and internal controls.

A dedicated training on the alert procedure has been mandatory for all managers since 2018. A new online training package was launched in January 2018 with a focus on the Alert Procedure (see section above).

Alstom ensures that every measure is taken to respect reporter confidentiality and make the commitment that no employee will suffer from retaliation, such as a change of status, harassment or any other form of discrimination as a result of using the Alert Procedure or disclosing information in good faith. Alstom also allows for the anonymity of the reporter in the respect of applicable legislation.

All cases reported through the Alert Procedure were investigated, measures were taken and sanctions imposed by the Disciplinary Committee in all substantiated cases when judged necessary (oral warning, reminder letter, dismissal).

Disciplinary Committee

Alstom has implemented a Disciplinary Committee as the management body with authority to review cases of non-compliance with the Code of Ethics and Alstom rules and decide on appropriate and uniform disciplinary actions throughout the Company. In order to reinforce the importance of this Committee and the Alstom commitment to discipline, the Committee is made up of the Chief Executive Officer, the General Counsel, the Chief Human Resources Officer and the Chief Compliance Officer.

This Committee adopted a Charter which governs its activities and holds reports of meetings and a register of all the disciplinary decisions taken to assure uniformity and equity. If the accused person is an employee, he/she has the right to be heard and any disciplinary action is presented to the employee by the Chief Compliance Officer or by the Human Resources Department and, in certain cases, directly by the General Management to assure a complete understanding of the measures taken and their justification.

Furthermore, the E&C Central team deploys an annual communication plan to increase awareness regarding the disciplinary measures taken within the Group and regularly publishes anonymous examples of concrete cases.

Continuous improvement

The Company remains committed to the highest level of integrity in its activities and will continue the development of its compliance program.

To control the relevance, the adequacy and the efficiency of the Alstom Integrity Programme, an internal audit plan dedicated to the E&C processes is established every year and a resource of the Internal Audit Department is dedicated to these audits.

To monitor the performance of the Alstom Integrity Programme, the E&C Department launched in 2012, the Yearly Integrity Review to gather feedback on the performance of the Alstom Integrity Programme during the year. The tenth exercise was launched in November 2021 in order to collect the feedback. The managers requested to complete

the questionnaires were identified by Human Resources and the list is reviewed with the Chief Compliance Officer (approximately 2,000 managers this year). The managers have also signed a representation letter confirming the commitment to the Alstom Integrity Programme.

Based on the responses, the E&C Department provides to the Chief Executive Officer and the Ethics & Compliance Committee members a summary of feedback and statistics on the responses to the online survey. Then, the E&C Department prepares an action plan to address perceived points of attention.

Regulation of lobbying activity

In December 2016, France modified its legal framework to reinforce its anti-corruption initiatives and promote transparency in public affairs. In this framework, since 1 July 2017, interest representatives have been required to register in a digital directory with the High Authority for Transparency in Public Life ("Haute Autorité pour la transparence de la vie publique"), in which they must provide information on their organization, their lobbying actions and the resources devoted to them. In accordance with this legislation, Alstom Transport SA has registered on this directory and declares annually its actions of representation of interests to the French authorities.

Bombardier Transportation integration

On 29 January 2021, Alstom acquired Bombardier Transportation (BT) and began integrating BT into Alstom's E&C program. Alstom's integration action plan is composed of two main categories: onboarding all of ex-BT employees into Alstom's E&C Program, and post-close compliance due diligence on ex-BT's businesses. This process is expected to last 12-18 months and includes E&C integration activities such as expanding the E&C Department, deployment of Alstom's E&C mission, policy, Code of Ethics, E&C instructions, alert procedure, training, rebranding of sites, and onboarding of new E&C ambassadors. Post-close compliance due diligence activities include analyses of projects, business partners and third parties. This integration action plan continues to be implemented.

Main results and performance indicators^{VP}

The E&C Department uses various indicators to monitor the performance of the Alstom Integrity Program.

	2019/20	2020/21	2021/22	Target
Number of E&C Ambassadors	323	370	460	>400 by March 2022
ISO 37001 certification	All regions certified	All regions certified	All regions certified	Maintain certification for the Alstom Group
% of people trained in E&C class (vs. targeted population)	80%	80%	74%	90% by March 2023

Sustainable procurement^{VP}

With more than 250 sites located in 70 countries, Alstom is an international mobility actor and has a significant local footprint. As procurement activities account for nearly 60% of sales, the Group relies on a wide panel of suppliers that are the keystone for the performance of its business. In this perspective, the quality of the relationships with its suppliers and contractors is paramount.

In this context, procurement represents a source of both opportunities and risks. Indeed, on the one hand, procurement is a major contributor to the Alstom's global performance. On the other hand, the prevention and the monitoring of ethical, environmental, health & safety, social & human rights issues all along the procurement process is key, as it involves the Group's reputation and the sustainability of its activities. Therefore, a dedicated Sustainable Procurement Department is fully integrated into the Procurement organisation.

Strategy and policies

Sustainable Procurement mission is the integration of Sustainable Development principles into the procurement strategy. It is defined in the **Sustainable Procurement Policy of Alstom**, signed by the Chief Procurement Officer (CPO), and publicly promoted on its website at www.alstom.com, which is based on the following mutual commitments with its suppliers:

- ensure that the Suppliers and Contractors commit to the “Ethics and Sustainable Development Charter for Alstom’s Suppliers and Contractors” ;
- assess, develop, and support Suppliers and Contractors on their Corporate Social Responsibility performance;
- source eco-designed, environmentally friendly, and socially responsible products and services provided in the frame of safe working conditions;
- develop tight and balanced relationships with start-ups, small, medium, large companies and companies employing differently abled people, in the context of both global and local footprints;
- work in a continuous improvement approach with appropriate indicators.

The objective of **Sustainable Procurement Department** is to ensure the deployment of this policy into the Procurement community. Indeed, Alstom’s Procurement organisation is structured by Domain (Procurement families) and by Region covering the global scope. Procurement Managers are responsible for a defined panel of global strategic product families based on a key account management mode, while local Procurement is led by Procurement teams depending on Alstom’s sites location.

As part of the Group’s strategy Alstom In Motion (AIM) 2025, in order to act as a responsible business partner, the Sustainable Procurement objective is to monitor or evaluate 100% of the suppliers on CSR and Ethics & Compliance standards as per their level of risk, by April 2025.

In addition, the main performance indicators monitored are:

- the part of the purchase amount covered by key suppliers⁽¹⁾ who have signed the Ethics and Sustainable Development Charter;
- the part of the total purchase volume covered by screenings, online assessments, and/or on-site audits as per level of risks;
- the number of the procurement community members, as well as the number of suppliers, that Alstom has trained in sustainable procurement (the objective is to train 500 suppliers by 2025).

Procedures and action plans

Risk mapping^{VP}

The suppliers (including contractors) risk mapping is updated every year. Given their number, geographic footprint and diversity, Alstom assesses in priority suppliers and contractors that represent the highest levels of CSR risks. The priority list is built based on three criteria:

- the product family;
- the supplier’s country;
- the amount of purchases made from the supplier.

For both the product family and the supplier’s country, Alstom defines a level of risk. For the product family, the level of risk is determined according to the energy consumption, pollution risks, health and safety aspects. For the supplier’s country, the level of risk takes into account corruption, political instability, respect for human rights, and consideration of environmental stakes.

Supplier CSR commitment^{VP}

Procurement teams require their suppliers to comply with Alstom Sustainable Development values and principles detailed in the “Ethics & Sustainable Development Charter for Alstom’s Suppliers and Contractors”. This is a pre-requisite to enter into Alstom’s panel. Compliance with this Charter is also part of Alstom’s general procurement terms and conditions.

By signing this Charter, the suppliers are committed to respecting applicable laws and regulations, as well as international conventions related but not limited to labour standards, human rights, environment and ethics, respect health and safety requirements of Alstom and implement environmental friendly initiatives. They undertake to be compliant at least with the United Nations’ Universal Declaration of Human Rights, the fundamental conventions of the International Labour Organisation (ILO), the OECD Guiding Principles, the rules of conduct of the International Chamber of Commerce (ICC), and the values defined by Alstom’s Code of Ethics. Following the application of the European Union General Data Protection Regulation (EU GDPR) since 25 May 2018, data confidentiality is also integrated in this Charter.

In accordance with the ISO 37001 standard on anti-corruption management systems, the Alstom Charter includes Alstom’s alert procedure. Suppliers. Sub-contractors can use this procedure 24/7 to report possible violations of the Code, Alstom rules and policies, or the laws, on a nominative or anonymous basis.

As of 31 March 2022, 96% of purchase amount were covered by the key suppliers⁽²⁾ having signed the Ethics and Sustainable Development Charter.

Assessments and audits of suppliers, action plan and improvement monitoring^{VP}

Alstom’s suppliers are evaluated according to CSR criteria, using five main methods:

- online screenings, provided by an external solution provider;
- online documentary assessments, carried out by an external company;
- onsite evaluations, called “Quick Industrial Assessments” run by Alstom’s procurement teams;
- onsite audits, called “Supplier Process Audits” conducted by Alstom’s supplier quality teams;
- onsite CSR audits, carried out by external specialized companies.

Depending on the level and type of risk they represent, suppliers are assessed using one or more of these methods, cumulatively in some cases.

When the results of these assessments or evaluations do not comply with Alstom’s requirements, suppliers and contractors are required to establish and implement a corrective action plan. They can benefit from the support of Alstom’s teams who are trained to help them in their improvement process.

(1) Suppliers with whom Alstom has a spending exceeding €100,000, excluding the Charter included in the general conditions of purchase.

(2) Suppliers with whom Alstom has a spending exceeding €100,000, excluding the Charter included in the general conditions of purchase.

First, to comply with its Ethics & Compliance policy and the French "Sapin II" law addressing lack of transparency and corruption risks, Alstom has set up "Due Diligence" procedures to verify the situation of its commercial agents, consortium partners, Joint Venture partners, as well as its suppliers and contractors. In this sense, the Group has been using since September 2019 a screening tool to check the companies against sanction lists both before and during the business relationship with Alstom through a continuous monitoring system, and to communicate the risks identified or the related remediation measures. When needed, some companies get an additional enhanced screening on CSR risks (fraud, corruption, bribery, money laundering, anti-trust, human rights, conflict minerals, environmental and modern slavery) based on enlarged sanctions and enforcement lists, politically exposed persons lists and adverse medias quotes.

In addition, suppliers identified throughout the risk mapping are also assessed by EcoVadis. The online assessments conducted by EcoVadis are documentation-based. EcoVadis CSR experts analyse suppliers' answers to sustainability questionnaires and their supporting attached evidence. The assessment system is compliant with the UN Global Compact guidelines, ISO 26000, and the Global Reporting Initiative (GRI). Not compliant suppliers are reassessed by EcoVadis, once the corrective action plans have been implemented, to check their effectiveness.

909 EcoVadis assessments were carried out for 2021/22. The average score of suppliers assessed by Alstom improved by 4 points compared to the previous fiscal year.

For all new Alstom's suppliers, preliminary evaluations called "Quick Industrial Assessments" are carried out onsite by Alstom's procurement teams. They integrate questions related to suppliers' CSR activities. If the results are satisfactory, more extensive audits, called "Supplier Process Audits" are conducted by Alstom's supplier quality teams. These audits include questions aimed on CSR risks: compliance with a minimum level of social practices, as well as more specific questions related to child labour, working conditions, hazardous substances and waste management, recycling processes.

During the 2021/22 fiscal year, 439 Supplier Process Audits and Remote Quality Evaluations were led by Alstom's supplier quality teams. Because of the Covid-19 pandemic, the quality team proceeded with Remote Quality Evaluations when site access was not possible for Supplier Process Audits.

Finally, Alstom has selected external companies to conduct onsite CSR audits of suppliers and contractors. The Group will continue to reinforce the implementation of onsite audits based on the risk mapping, the results of the screenings, assessments and audits performed and the possible alerts received. Since September 2021, the position of Performance Manager has been created within the sustainable procurement team, to manage the CSR maturity of the suppliers and coordinate on-site audits.

In this frame, for fiscal year 2021/22, screenings, online assessments and onsite audits cover 62% of the total purchase volume.

Since March 2018, the quarterly Sustainable Procurement Leadership Committee gathering Procurement managers and Directors with Alstom top management is the central governance to address cases of CSR non-compliance. Depending on the criticality of the situation, the Committee can decide to launch an onsite CSR audit, suspend or terminate the business relationship with the supplier.

Besides, every month, each Alstom Site and every Domain must update the Supplier Risk Assessment template for the suppliers used. Suppliers are rated on different criteria (among which the CSR risks) and after

alignment Regions/Domains, they are classified into one of the three levels of risks/priorities. As a minimum, the riskiest suppliers must be covered by mitigation plans shared by Procurement teams; their progress and the potential blocking points must be carefully monitored. There are three levels of governance (with different frequency & members): Site level, Domain level, and Central Risk Committee level. The (Central) Risk Review Committee is led by Supplier Risk Management Department. Consequently, the riskiest suppliers (on CSR topics) of this Committee are possible inputs for the Sustainable Procurement Leadership Committee mentioned above.

Supply chain carbon footprint management

A significant part of Alstom's overall carbon footprint (see page 261 «Low carbon solutions») is generated by the products and services purchased. It is therefore essential to work closely with suppliers and support them in reducing their carbon footprint by transitioning towards renewable energies, implementing energy efficient solutions, or lowering the pressure on raw materials by increasing the use of recycled materials.

The digital tool currently under development to assess and report Group carbon footprint will host a supplier portal that will allow to collect primary data from selected suppliers (i.e. specific emission factors, life-cycle analysis) to calculate and monitor the CO₂ emissions of purchased goods and services, and ensure the transition to low-carbon purchases. Alstom plans to deploy this tool over the year 2022/23.

Conflict Minerals due diligence

In order to comply with Conflict Minerals regulations, every financial year, a specific survey on conflict minerals is launched in order to track the origin of minerals contained in the goods purchased by Alstom and verify that suppliers have internal policies to mitigate related risks in their supply chain. The survey is based on the Conflict Minerals Reporting Template (CMRT), the Cobalt Reporting Template (CRT), and the Mica Reporting Template (MRT) of the Responsible Minerals Initiative (RMI). Corrective action plans should be implemented if needed, for non compliant suppliers.

Alstom's suppliers are also encouraged to use recycled minerals or get certifications attesting that minerals are conflict-free or to be part of an international initiative for the responsible sourcing of conflict minerals (e.g. the RMI, the International Tin Supply Chain Initiative (ITSCI), the Responsible Cobalt Initiative (RCI)).

Sustainable Procurement training programme

To foster the strong involvement on CSR topics, Alstom has developed a sustainable procurement training programme for both Procurement Community and Suppliers.

Three different kinds of trainings have been provided during the 2021/22 period:

- an introduction to sustainable procurement (as part of the induction e-learning) for Alstom procurement newcomers;
- a mandatory complete Sustainable Procurement training webinar for all Procurement population;
- thematic webinars have been organized by Sustainable Procurement, such as Conflict Minerals due diligences, Human Rights awareness, EcoVadis (general presentation and improvement actions sessions), induction to Circular Economy, towards both Procurement Community and Suppliers.

During the fiscal year 2021/22, 583 people of the procurement community have been trained to the complete Sustainable Procurement training. More than 100 suppliers on dedicated CSR webinars and 473 people from procurement have been trained to these CSR thematic webinars.

Procurement Internal Audit

In addition, each year, part of Alstom's Procurement teams must respond to a demanding internal audit (APSYS), that aims to measure the maturity of the Procurement function on three axes: the strict application of processes and tools, people collaboration and trainings, and results achieved. During this audit, a dedicated item on Sustainable Procurement topics is evaluated, with a focus on the CSR management of suppliers and contractors and on Sustainable Procurement complete training.

Premium partnership and relationships with local ecosystems for sustainable products and services

- Alstom has a premium partnership programme called "Alliance" with its strategic suppliers. It aims to develop a collaborative approach with them in three main areas: business development, industrial excellence, and products & innovation. As of end of March 2022, 24 suppliers have signed the Charter defining concrete objectives: supplier differentiation is a key factor in achieving "strategic" status. The governance of the programme evaluates annually the mutual interest, achievements and common benefits, as well as every quarter the possible entry of new companies. As a result of this assessment, the renewal or termination of the participation to the programme can be considered.
- Procurement teams regularly lead inclusion actions to promote diversity and support Small and Medium Sized Enterprises or start-ups (cf. "Encouraging local development", page 290) through dedicated actions (trainings, supplier development, sponsoring and partnerships).
- To commit to Alstom technical requirements, suppliers are increasingly challenged to propose green innovative solutions in order to improve the environmental performance of Alstom solutions.
 - A flooring supplier has also distinguished itself thanks to its certified carbon neutral products and its remarkable commitment to the circular economy. In this frame, it received the sustainability award during the "Supplier Day" organized on 10 March 2022.
 - Moreover, Alstom co-developed with Filtration Controls Ltd an anti-viral filter PEPA-F™ for heating, ventilation and air conditioning systems, that improves the quality of air on board, capturing airborne particles which may contain pathogens and viruses such as SARS-CoV-2.

- Finally Procurement uses a catalog of "Low Impact Materials" (cf. page 270), such as new seats fabrics made of 81% renewable materials.

Sector initiative: Railponsible^{VP}

In March 2015, Alstom, SNCF, Nederlandse Spoorwegen (NS), Deutsche Bahn and Knorr-Bremse founded "Railponsible", a collaborative sector initiative on Sustainable Procurement. This initiative now has 15 members and aims to drive sustainability in the railway industry supply chain through a common approach, field collaboration, and the sharing of best tools, practices and processes.

Within this framework, members try to mutualise efforts towards common goals and decided to use the same online evaluation platform – EcoVadis – to measure the CSR performance of their suppliers. This initiative has many benefits, for both suppliers and members. Once the evaluation is carried out, the score becomes available for the rest of the members of the initiative. By having access to supplier assessments that are not necessarily derived from the risk mapping, Alstom benefits from a better overview of the CSR performance of its supplier panel, while saving time and efficiency. Additional information is available on Railponsible webpage: www.railponsible.org.

In January 2017, "Railponsible" joined the Sustainable Public Procurement Programme of the United Nations Environment Programme (UNEP) and its network of private and public players whose actions are part of the global movement dedicated to achieving the Sustainable Development Objectives set by the United Nations. In order to align with a common path forward, the Railponsible Committee published a position paper on climate change in April 2018.

The 2025 strategy of the "Railponsible" Committee is structured around three main objectives:

- Climate Action (CO₂ efficiency of products/services; Low carbon procurement; Circular economy);
- Responsible procurement (Skills development; Business process and transparency; Supplier development);
- Social Responsibility (Human rights).

On 31 March 2022, 2,579 suppliers, representing all rail industry professions, have been evaluated on this common platform EcoVadis as part of the "Railponsible" initiative.

Main results and performance indicators^{VP}

	2019/20	2020/21	2021/22
Part of purchase amount covered by the key suppliers having signed the Ethics and Sustainable Development Charter ^(*)	99%	99%	96%
Part of total purchase volume covered by screenings, online assessments and/or on-site audits as per level of risks	60%	64%	62%
Number of procurement community members trained in Sustainable Procurement	253	332	583
Number of suppliers enrolled in Alstom Sustainable Procurement training programme	N/A	N/A	100 ^(**)

(*) Suppliers with whom Alstom has a spending exceeding €100,000, excluding the Charters included in the general conditions of purchase.

(**) Estimation inferior or equal to the value using a conservative approach.

During the 2021/22 financial year, the actions taken to integrate the teams and suppliers of the new organization made it possible to maintain a stable level of performance.

In addition, Alstom Group is regularly assessed by EcoVadis, last in 2021 and the section on Sustainable Procurement was rated at 80/100, which positions the Group on the top companies on this axis.

Respect of human rights^{VP}

The respect for, and adherence to, human rights is at the heart of Alstom's social responsibility. The consideration of fundamental human rights concerns the entire value chain.

As a global company, Alstom is expected to adhere to and promote high levels of ethical and labour standards across its sphere of influence. Any low performance in this field would affect the Group's reputation and ability to meet client, investor and other stakeholder expectations. In the context of global and complex value chains, Alstom is also exposed to a reputational risk through its value chain, the sourcing of some materials or potential low ethical standards from its commercial partners.

From an operational perspective, third parties may oppose some of Alstom's projects or activities because of their immediate environmental or social impact which could lead to delays in projects or their suspension.

As per the French Law on the Corporate Duty of Vigilance (2017), large French-listed companies are expected to be transparent on the way they manage the risks their activity and supply chain can pose in terms of Human Rights. Similar legislations are developing across Europe and worldwide. In June 2021, Germany approved the Supply Chain Due Diligence Act to enforce the protection of human rights and environmental standards along global supply chains which should come into effect in 2023. Human rights and environmental due diligence legislation at the EU level is expected for 2022. In addition, growing concerns over specific Human Rights abuse, such as those linked to conflict minerals, have led to measures in dedicated texts (for example a new EU regulation around four conflict minerals – gold, tungsten, tin and tantalum – came into effect in January 2021), or as part of broader regulation such as the upcoming EU Battery Directive. As a result of this reinforced legislative framework, litigation and reputational risks are likely to increase over the next couple of years.

In this context of increased pressure from civil society, investors and legislators, Alstom's ability to take human rights into account in its strategy and operations, to control associated risks and report transparently may affect its stakeholders, its operational effectiveness and its reputation.

This chapter illustrates Alstom's global approach to the identification and mitigation of human right risks resulting from the Group's activity. The "Sustainable Procurement" strategy from the Procurement Department, described on page 304 completes this approach.

Alstom's Vigilance Plan is published on pages 322-325 of this Universal Registration Document.

Strategy and policies

Alstom's human rights policy is part of the Sustainability and CSR policy and is defined in the Group's Code of Ethics. This Code of Ethics was updated in 2020, and now integrates a series of case studies to make it more accessible for employees.

Alstom's human rights policy aims to comply with the Guiding Principles on Business and Human Rights set out by the United Nations Human Rights Council and to respect internationally recognised human rights in all countries where Alstom operates. Alstom is particularly respectful of the laws governing, inter alia, human rights and labour, health and safety standards, and the protection of the environment. Alstom's policy is to comply fully with the fundamental conventions of the International Labour Organisation (ILO). Alstom supports the elimination of all forms of illegal, forced or compulsory labour, including child labour. Illegal, forced or compulsory labour is strictly prohibited for Alstom's suppliers and subcontractors. Alstom also complies with the Guidelines for multinational enterprises of the OECD and the United Nations Universal Declaration of Human Rights.

Alstom is a member of the United Nations Global Compact (UNGC), promoting the respect of human rights within its sphere of influence. In March 2022, the Group's Chairman and Chief Executive Officer renewed his commitment to the 10 principles of the United Nations Global Compact (see Alstom's website www.alstom.com).

Alstom's objective is to identify risks and prevent serious violations of human rights and fundamental freedom in its activities and supply chain which is done through the deployment of audits in the supply-chain and the follow-up of potential alerts.

Respect for human rights is managed transversely according to the topics addressed. The Human Resources function, Sustainable Procurement, Health and Safety, Sustainable Development and CSR, Ethics and Compliance and the Legal Department are all involved in Human Rights processes. Following an in-depth review of Alstom's Human Rights' risk mapping and subsequent action plan in Q1 2022, Alstom is aiming to publish a global instruction on Human Rights management within the Group in 2022/23.

Process and action plans

Risk mapping^{VP}

The analysis and prioritisation of human rights related risks are established at different levels:

- a global risk mapping for human rights was done to determine and prioritise human rights that were most likely to be affected by Alstom's activity. The methodology for this risk mapping exercise is detailed below;
- a risk mapping per country was established on the basis of different indexes by international organisations and NGOs such as the United Nations, the International Labour Organisation (ILO), the European Union, the World Bank, International Trade Union Confederation and Transparency International;
- a risk mapping of our suppliers (see chapter "Sustainable Procurement", page 303).

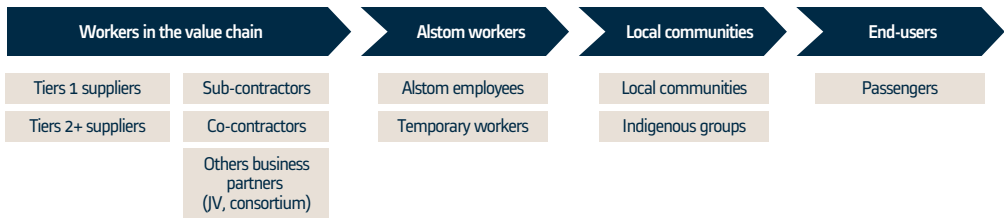
The global risk mapping for human rights is based on the list of Human Rights as presented in Annex A of the UN Guiding Principles Reporting Framework: "Table: Internationally Recognised Human Rights and Examples Of How Business Might Impact Them". An assessment conducted by the transverse working group and based on the likelihood and impact of the risks posed to Human Rights by each of Alstom's functions and macro-processes allowed for the prioritisation of these risks.

In 2022, following the acquisition of Bombardier Transport, the methodology and results of this risk mapping exercise and overall Vigilance plan (detailed page 322) were updated, with the support of an external consulting firm to cover the new Alstom perimeter, both in terms of geography and activity. This exercise involved the extensive consultation of corporate as well as operational functions, to identify emerging risks and assess and prioritise all Human Rights risks, in relation to Alstom's activities and supply chain.

This assessment led to the identification and prioritization of the Human Rights risks for Alstom and its business partners in projects where Alstom is involved.

The risk mapping covers Alstom's activity, supply chain and partnerships and the following stakeholders were considered during the analysis.

POTENTIALLY AFFECTED RIGHT-HOLDERS



Taking into account the remediability, namely the ability to restore the damages potentially caused, the most salient Human Rights risks that have been identified include:

- inadequate H&S conditions in the production sites of Alstom or throughout the supply chain;
- harassment or discrimination in the workplace;
- non-responsible sourcing of raw materials (conflict minerals, mica & cobalt);
- bounded / forced labour in the supply chain;
- child labour in the supply chain;
- human trafficking by logistical subcontractors;
- indirect contribution or link to controversial projects.

Assessment, mitigation and prevention measures, follow-up and monitoring system^{VP}

Following the completion of the Human Rights risk mapping and regular monitoring of evolving context, the mitigation measures in place were assessed and additional actions will be launched to drive continuous improvement.

Reinforcing social audits on Alstom construction activities and high-risk suppliers

Because of the nature of on-site activities and the scale of these projects, Living conditions, Working conditions and Labour and Recruitment practices on construction sites have been identified as priorities and the following actions are now in place:

- Assessment of living conditions on construction sites where workers are provided with accommodation is integrated in AZDP audits (see the section "Employees Health and Safety, page 273) in identified

high-stakes projects. A specific instruction has been developed for its implementation jointly by the Sustainability and CSR, Sustainable Procurement and EHS teams. The questionnaire used in the assessment covers such issues as the general level of comfort and cleanliness of the facilities and the existence of communication means and medical care facilities. It can be adapted in the countries to take into account local standards for example in terms of worker welfare. Non-compliance leads to the implementation of an appropriate action plan by the subcontractor and potentially a reassessment depending on the results. Unsatisfactory results are reported to the internal Sustainable Procurement Leadership Committee, which is responsible for taking appropriate measures, up to and including the ending of a business relationship. In total nine sites were audited over 2021/22.

- Pluriannual external audit programme. Since 2020, Alstom has partnered with external specialists to conduct an audit programme with the aim of rolling out additional assessments, benefiting from a global network of local social audit experts and targeting high-risk contractors and suppliers. For the second year of the programme, 21 audits took place on sites in India, Thailand, China, Brazil, Poland and South Africa. Themes covered include: Forced labour, Child labour, Health & Safety, Freedom of association, Working hours and Remuneration. All audits were followed by a closing meeting on site which involved the signature of a corrective action plan if required. If critical or major non-compliances are identified, Alstom can organize a follow-up audit. In 2021, a Sustainable Procurement Performance Manager was appointed to manage the programme and monitor the effective implementation of corrective action plans.

These two actions come in addition to the assessments mentioned in the "Sustainable Procurement" section (page 303).

Strengthening the integration of Human Rights risks in the tender process

Railway infrastructure projects can negatively impact their immediate environment and local communities' means of subsistence. As a result, Alstom seeks to identify, and mitigate any adverse social, environmental, and economic impacts of the projects the Group is involved in, and reinforce the positive socioeconomic impact of its activity (for more information on Alstom's contribution to local development, refer to page 290). To strengthen the Group's capacity to address these risks, a human rights risk scorecard for new tenders and projects has been developed taking into account country risk mapping, type of activity and project structure amongst others. The objective is to identify potential risks related to projects and define mitigation measures ahead of bid submissions, including the undertaking of specific Human Rights due diligence assessments when relevant. To this end, the human rights scorecard has been integrated in the Ethics and Compliance assessment process. In FY2021/22, a specific monitoring was set up on projects identified as high-risk during the tender process, involving operational teams as well as central functions and process is under deployment on the new perimeter.

Employee awareness and alert procedure

The efficient deployment of Alstom's Human Rights programme also relies on raising employee awareness on this issue. An e-learning module was launched in November 2020 for all staff, but particularly targeted at the Tender, Project Management, and Sustainability & CSR teams, and aims to introduce key concepts around human rights. End of March 2022, more than 1,000 employees had completed the module. In addition, specific awareness sessions on the Alstom Human Rights Programme were rolled out to site teams in the context of the launch of the external audit programme (see above). Countries with specific requirements

have also rolled out dedicated training sessions. For example, a training session on 'Modern Slavery' was delivered early 2022 to more than 300 employees from the United Kingdom and Ireland.

Every year, Alstom conducts a social survey to ensure the absence of any incident regarding child labour, forced labour or freedom of association and monitors human rights alerts reported through its alert procedure. Alerts are recorded and investigated as per alert procedure rules (see page 302).

If potential issues related to the working or living conditions of suppliers or contractors are brought to Alstom attention through other sources (like NGO contacts, screening, etc.), they are properly investigated through supplier inquiries and site visits.

In the day-to-day management of its activities Alstom strives to strictly comply with its commitments through its policies on Health and Safety (see section on "Employees and contractors health and safety", page 273), product safety (see section on "Railway Safety and Healthier Mobility", page 312), prevention of discrimination and harassment (see section on "Ethics and Compliance", page 300), social dialogue and protection of labour laws (see section on "Recruitment, engagement and retention", page 278), supply chain management (see section on "Sustainable procurement", page 303) and data protection for its employees and passengers (see section on Data privacy, page 335).

Reinforcing due diligence on Conflict Minerals

Ahead of the European Directive on Batteries, and following the new EU regulation around conflict minerals, Alstom has proceeded to establish whether its supply chain was exposed to conflict minerals. To raise awareness on the topic, dedicated training sessions on "Conflict Minerals in the Supply Chain" were organised in 2022 by the Sustainable Procurement team. In total, more than 300 buyers worldwide participated in these sessions.

Main results and performance indicators^{VP}

	2019/20	2020/21	2021/22
Number of internal on-site social audits of subcontractors	9	4	9
Number of external on-site social audits of subcontractors and suppliers	/	8	21
Number of alerts in the area of non-respect of human-rights, child exploitation, forced labour, freedom of association from alert procedure and social survey leading to internal investigation ^(*)	0	1	3

(*) Events covered by several notifications are only counted once.

The three alerts reported through the alert procedure have been investigated and found to be unsubstantiated. For more information on the cases reported via the Alert Procedure, please refer to page 324 of the Vigilance Plan.

Main results and performance indicators linked to sustainable Procurement are detailed in the "Sustainable Procurement" section - page 303.

Customer relationship

Alstom provides mobility solutions all around the world to public and private transportation services owners and operators. The Company offers its customers a wide range of products, systems, and services, adapted, configured and integrated by Alstom into its customer environment. The potential risk Alstom could face is not being able to establish a relationship of trust with its customers and not being aligned with their expectations, whether they are new customers or historic ones. This could lead Alstom to lose calls for tenders or not to satisfy its ongoing projects, ultimately leading to a decrease in orders.

Strategy and policies

The first pillar of the strategy Alstom in Motion 2025 is dedicated to its customers: Growth by offering greater value to customers. To be closer to mobility actors, Alstom has a regionalised organisation. This local geographical presence allows for a permanent contact with its customers and to capture their needs locally. These field teams benefit from the know-how of central functions which bring a more transversal vision while offering their technical experience.

Furthermore, Alstom continues to deploy its proven ability in operational excellence and project management with the objective to reach by 2025 a Net Promoter Score of 8.3.

Alstom is in a market which experiences a great, long-term commercial momentum: the demand for clean, sustainable, and smart transportation has never been so high. And with the merger with Bombardier Transportation, Alstom benefits from an unmatched global footprint and the most comprehensive portfolio which gives it an unrivalled commercial advantage. Alstom has everything in hands to respond to tenders around the world while answering the growing demand for localisation.

In a fast-evolving legal and technological context, the mobility market reflects society evolutions and must be updated permanently. Alstom is structured to match these evolutions.

For example, the Passenger Experience Department, which analyses traveller expectations of today and tomorrow, participates in solution research with the purpose of improving journeys whatever the need of passengers in their local context. The Covid-19 crisis has notably accelerated their concern about healthy environments.

A team dedicated to Healthier Mobility was set up alongside a crisis cell to address clients' concerns. To support customers in the enforcement of necessary sanitary measures, Alstom's experts have brought together their key expertise and resources across all technical domains. Based on micro-organism propagation mechanisms and in-depth scientific know-how, they have built a dedicated Healthier Mobility™ portfolio of preventive innovative hygiene, health, and safety solutions. At the same time, the Company has engaged partnerships with internationally recognised actors, such as Bureau Veritas.

The main role of Alstom's Central Commercial Organization (CCO), created in 2020, is to ensure the Customers are at the centre of its strategy and business decisions, and it is for this reason that it was decided in 2021 to reinforce this Department by transferring the Tender and Project Office, in charge of tender controlling and project processes under its umbrella; One of the objectives of this organization is to anticipate and mitigate risks at tender stage to prevent potential risks at project stage.

Processes and action plans

Integrate customers into innovation processes

Since 2013, Alstom has been running an annual process – called the Product Portfolio Plan – which aims at adapting solutions to customer needs. Customer needs are collected from regional sales and marketing teams and are consolidated per product line. Then, each product line analyses demands and decides whether to integrate them into its three-year plan, or not. Requirements potentially leading to the development

of a new product range are subject to a more detailed analysis with a group of representative customers. Customer needs reported between two Product Portfolio Plans are analysed on a case-by-case basis.

Innovation also comes from Alstom's engineering teams. These internal innovation ideas are tested with customers through proof of concepts before deciding to include them in Alstom's product plans. Examples include the "Coradia™ Lint™" regional hydrogen train. This is the first passenger train worldwide powered by a hydrogen fuel cell, which produces electrical power for traction. This zero-emission train is silent and only emits steam and condensed water. This train operates in commercial service in Germany. The Coradia iLint™, commissioned by Landesnahverkehrsgesellschaft Niedersachsen (LNVG), was honoured with 2021's European Railway Award organised by UNIFE, the European Association of Railway Suppliers, and CER, the Community of European Railway and Infrastructure Companies, to honour outstanding achievements in the development of economically and ecologically sustainable rail transport. This success has allowed Alstom to be awarded firm contracts in Germany, France and Italy for 59 trains and to multiply other partnerships with other countries in Europe. Alstom continues to innovate with its customers and partners on the Smart Mobility field as it aims to have fully autonomous trains prototypes for freight and passengers ready by 2023 for SNCF in France.

Alstom invests 3.6% of its annual turnover in its Research & Development (R&D) Department. Innovation is at the heart of Alstom's entrepreneurial culture and has led to more than 9,500 patents and the establishment of many key partnerships. In the cybersecurity field, Airbus and Alstom signed a strategic cooperation agreement. To face cyberattack risks, the two transport specialists develop together new vulnerability analysis systems and protection and reaction technologies. In 2021, Alstom finalised a deal to invest US\$7 million in Cylus, an Israel-based cybersecurity specialist, thus acquiring a minority stake in the Company. The investment will give Alstom one seat on the Board of Cylus. The deal also includes a strategic cooperation agreement to build a commercial partnership allowing the companies to combine their respective strengths and provide best-in-class cybersecurity solutions for the rail market. Finally, in 2021, Alstom became a shareholder of Cyber Campus, a massive French state project on digital security. This centre brings many businesses into one common space in Paris, specifically tailored for collaboration on cybersecurity. For Alstom, this is a unique opportunity to take its rail system protection know-how to the next level.

Measure customer satisfaction

To support customer satisfaction, Alstom has set up a certified management system in accordance with applicable standards (ISO 9001 – IRIS ISO/TS 22163 and CMMI for Quality, ISO 14001 for Environment, ISO 37001 for Anti-Corruption). Early 2022, Alstom had received the AFNOR CSR Commitment label for alignment with the ISO 26000 standard in two new countries Spain and India on top of existing ones in France, Italy, United Kingdom, Australia, in recognition of Alstom's commitment to operating in a socially responsible way. This recognition should be progressively extended to other countries of the Group over the next few years. At the same time, risk management is deployed throughout the Company, in accordance with ISO 31000 recommendations.

Since 2013, Alstom has run periodic customer satisfaction surveys (CSS) to measure customer satisfaction on the way projects are executed.

The targeted projects are defined according to contract value and criticality for Alstom and selected each year by regional commercial teams. CSS is under the responsibility of Quality both at Region and Central levels. It is also supported by the Alstom Customer Directors who sit within the teams of each Region.

Answers are analysed in respect to ongoing projects. Actions and appropriate actors are assigned to handle any issue and to inform customer of corrective actions. Some projects are subject to several surveys, performed at different project phases, and in some cases, after the implementation of corrective actions consequent to a previous survey.

This process is an effective element of Alstom continuous improvement. Survey answers are integrated in the customer relationship management tool to record and track action plans.

The principal measure of a customer’s satisfaction is the Net Promoter Score (NPS), i.e. their propensity to recommend Alstom as a supplier. The Group’s objective is to achieve an annual average NPS of eight out of 10. This year, the CSS was rolled-out with the same process and the same tool as the previous years covering the perimeter of the new Alstom. Trainings on processes and tools were delivered to the Quality and Sales Teams new-comers from Bombardier Transportation. By the end of the fiscal year, more than 270 projects were surveyed, with an average NPS of 8.1. This overall result is above the objective, however it shows a slight decrease compared to last year. In the frame of this survey new customers and new projects were interviewed for the first time in 2021. It was key for Alstom to listen to them, to gather their feedback, especially for critical projects. For each project surveyed, Alstom has a good understanding of the customer perception, both on the overall satisfaction and specific aspects managed during the project.

This year, a specific section related to Bombardier Transportation integration (with four questions Alstom has set up a certified management system in accordance with applicable standards (ISO 9001 – IRIS ISO/TS 22163 and CMMI for Quality, ISO 14001 for Environment, ISO 37001 for Anti-Corruption and one optional area for comments) was added to assess how Customers perceive the new Alstom and its ability to answer current and future needs of the market. The questions dealt with the communication done prior to the merge, the perception of business continuity and the impact of the integration on the project execution, the perspective of future business relationships and finally the perception of the new portfolio of products. More than 90% of our surveyed customers continue to be very positive about the integration and upside potential for their business.

An NPS inferior to four (over a scale of 10) triggers an alert to the Regional Manager, to the Quality Direction and to the Alstom General Direction. This alert generates an action plan to regain customer satisfaction.

Technical complaints impacting performance or safety are consolidated and analysed by the Alstom Quality Department. The Top 10 resolutions are monitored on a monthly basis by Alstom’s general direction.

Staying close to customers

Alstom relies on digital services to provide its customers with support and expertise wherever and whenever needed, even when the contractual relationship has ended.

The customer portal dedicated to services strengthens Alstom’s proximity with its customers simplifying daily exchanges. This unique digital platform serves as a privileged entry point. This online portal (<http://services.transport.alstom.com/>) and its different applications such as Parts Folio (<https://www.partsfolio.transport.alstom.com/PartsOnline/jsp/login.jsp>) and e-catalogue (<https://ecatalogue.services.alstom.com/eshop/app>) save customer time. User-friendly, the portal offers online technical assistance, instant experience share, and components, parts, or repair services procurement. Alstom also proposes trainings and customised services linked to the life cycle of products. For example, for fleet management, Alstom offers its customers online documentation, constantly updated and available on mobiles and tablets. In addition, 100 illustrated catalogues provide workshops with the latest information on parts and components while significantly reducing data access costs. Maintenance companies can also benefit from valuable assistance in monitoring and managing obsolescence through a notification system.

Alstom also provides a digital learning ecosystem “i-Learn” which offers technical (hard skills) and behavioural (soft skills) trainings to improve the competitiveness of partner organisations as well as customers. Operational staff, management and/or any designated organisation member can be trained through a variety of teaching methods (face to face sessions, e-learning, on-the-job coaching, augmented reality, virtual reality, driving simulators, etc.). Technical staff who are trained, can learn and improve their knowledge in various scientific different domains covering all rolling stock and railway system topics, driving, maintenance, signalling and train control, infrastructure and depot management. Alstom can deploy over 750 subject matter experts, including experienced training consultants, on customer sites and on its transport training centre networks located in Europe, Asia, Middle East, Africa, North and South America.

MAIN RESULTS AND PERFORMANCE INDICATORS

	2019/20	2020/21	2021/22	Objective
Average Net Promoter Score (NPS)	8.2	8.4	8.1	8 for FY2021/22 8.3 on 2025

Railway Safety and Healthier Mobility™ VP

Introduction

Railway is the first public mode of transportation in terms of number of transported passengers (considering trains, metro, and tramway users). It is important to put the passengers at the heart of our preoccupation in term of health and railway Safety.

Railway safety aiming at preventing accidents can be defined as the ability of the Railway System to operate without leading to injuries or human casualties. This ability is defined as the absence of unacceptable risk⁽¹⁾.

In addition to the impact on human beings (passengers and third parties), the resulting risks for Alstom's activities could be the following:

- worldwide recall of products that are suspected to be unsafe and retrofit of fixes on all products that could be defective;
- the need to stop all or part of operations in the event that a safety issue has occurred or is suspected on a product, system or service provided to a customer by Alstom, with a further risk of penalties or a legal suit from this customer against the Company;
- liquidated damages related to the consequences of an accident on a railway network;
- legal impact with suits under Civil and/or Criminal law against the Company and/or its Employees;
- image damage, impacting the whole Company and its relationships with stakeholders and customers.

The risks related to external threats to the health of passengers have increased in the context of the Covid-19 Pandemic.

In order to propose good sanitary conditions such as anti-viral solutions, Alstom has set up an initiative called Healthier Mobility™. It aims at avoiding the pact of the pollution or contamination of passengers using the public transport system. This ability is defined by the capacity to adapt, strengthen and to robustify the design of products and solutions considering the new threats that can appear, such as the Covid-19. During the FY, Alstom has extended its Healthier Mobility™ Portfolio.

In addition to the direct impact on the protection of passenger health, promoting healthier mobility aims at restoring or maintaining the confidence that passengers have in public transportation, limiting the possible reduction of traffic in case of pandemic, hence contributing to the satisfaction of our customers that operate railway systems. In addition, as railway is considered as sustainable and green⁽²⁾, it aims at maintaining and reinforcing Company's contribution to green mobility.

The evolution of Alstom activities in new mobilities with no regulations or standards in place for some mobilities such as autonomous vehicles, results in an increase of the risks.

In addition, in 2021 the merge between Legacy Alstom and legacy BT after the BT acquisition, resulting in doubling the size of the Company. It had the following impact:

- increase of the mediatic and financial exposure;

- integration of a new business for Alstom being the trains operation;
- introducing a risk in project execution during the transitory period until organization and processes are aligned and deployed.

Strategy and policies

Railway / Product safety is a real concern for the railway industry and a major driver for Alstom's business.

In the context of the new Alstom, the Quality & Railway Safety policy has been split in two dedicated policies, giving more importance and visibility to the Alstom Railway Safety policy, issued in May 2021. It highlights the strong commitment of Alstom in this area. Indeed, Alstom is committed to develop and deliver, for its clients and their customers, a range of products & services with a high safety level:

- based on railway safety regulations, and internal processes compliant with standards and codes of practices;
- formally demonstrated and assessed with impartiality;
- maintained and continuously improved through return of experience.

The implication of the top management has led to the implementation of a Safety Management System, which is defined in a Railway Safety Manual. This one updated in May 2021 reinforces the railway safety governance within the organization.

Applicable requirements for Quality and Railway Safety are also included in our Management System. It is regularly audited and certified following ISO 9001 and ISO/TS22163 (IRIS) standards.

Among the performance indicators used within Alstom to monitor Railway safety, two typical ones are given in the part "Main results and performance indicators":

- "% of safety reviews OK". It measures the capacity to anticipate safety concerns in projects execution, considering results of safety reviews done at the different milestones of projects execution. The target was 75% by end of 2021;
- "% of the Managers, Engineers and Professionals population trained to railway Safety": It allows to ensure that the global white-collar population is aware in term of Railway Safety. The target for end of FY2021/22 was maintained at 90%.

Regarding Healthier Mobility™, the Alstom strategy is based on four solution domains strengthened by a referential domain:

- Air Treatment: air conditioning, ambient air; air purification;
- Contact Surfaces: treatment on passenger and driver area;
- Cleaning & Disinfection: chemicals, physicals; processes;
- Contactless & Passenger Flow: passenger behaviors and flow optimization; distancing devices;
- Alstom verified referential: partnerships, efficiency and qualification of our solutions & processing application.

(1) IEC62278 or EN50126-1: Railway applications – Specification and demonstration of reliability, availability, maintainability and safety (RAMS).

(2) The European Green Deal (COM (2019) 640 final) – New growth strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use.

Management and action plans^{VP}

Railway Safety Processes and actions plan

The Railway Safety policy is deployed, through:

- the processes and way of working set in place at Alstom level and in the different businesses and deployed in the Regions;
- dedicated annual action plans to enable the continuous improvement of Railway safety.

In addition, Alstom's products, core framework, sub-systems and systems all integrate cybersecurity arrangements and related good practices (see chapter 4 "Risk factors and risk management, Control Environment").

Dedicated railway safety processes at Alstom level exist and where updated and aligned in 2021. They cover several needs:

- to ensure that safety is implemented and demonstrated in the systems/products delivered to customers, a systematic process (including safety risk analysis and safety demonstration) is applied. This process is in line with the European Regulation EU402/2013⁽¹⁾ and the Railway standards such as EN 50126⁽²⁾. On certain projects, specific adaptations can be put in place to meet specific local requirements;
- to maintain safety during the operation and maintenance phase with adequate safety management of maintenance activities (Alstom is certified as the Entity in Charge of Maintenance of a project as per regulation⁽³⁾ when applicable); and trains operation activities (Alstom complies with authorization scheme⁽⁴⁾ when applicable) when performed by Alstom;
- to report and manage any potential safety issues occurring or having the potential to have an impact on Safety in revenue service, through a specific methodology and company tool.

These processes are deployed and followed per activity in all Regions. The safety resources are managed with the appropriate level of independence and are allocated to projects either centrally or in the Regions.

Alstom is constantly improving the efficiency of the management of safety aspects by anticipating the inclusion of safety requirements as early as possible in the project management processes. It is followed through Safety reviews all along the project with an indicator "% of safety reviews OK".

An annual action plan is defined and managed on a monthly base by a dedicated Railway Safety Core team. This action plan has four axes:

- Committed to Railway Safety and ready for growth:

It refers to the completion of the Integration activities, the deployment, and the monitoring of the Safety Management System through an updated reinforced governance.

For example: the new governance at site level is implemented according to a roadmap including three phases being pilot (one site done in November 2021), sampling (25 sites expected to be done end of March 2022 and full-scale deployment in 2022/23).

- Drive Efficient / Robust Risk Management:

It covers the different actions to improve the efficiency of the Railway safety processes (including safety review follow up as presented in "Main results and performance indicators"), the management of safety issues and the global improvement following return of experience.

For example: the process and tool to manage the Safety issues and possible precursors that could ultimately results in Railway Safety events was generalized to the global scope of new Alstom and is now applied worldwide.

- Contributor to Innovating solutions:

It covers the lobbying in Standards and Regulations to secure compliance, the evolution of the SMS considering new technologies and impact on processes/methods and tools and the activities in R&D and in new mobilities.

For example, Alstom development of Hydrogen train.

- Skilled people promoting a positive Railway Safety culture:

It aims at maintaining and growing the engagement of employees, at achieving sustainable competent resources and at implementing a positive railway safety culture.

For example, the Alstom Railway Safety training offer covering all employees was confirmed and the training materials where updated according to updated organization, governance and processes. The deployment is ongoing see "Main results and performance indicators".

Healthier Mobility™ actions plan

Alstom has accelerated its momentum into Healthy Mobility™ setting up a working group which brings together the key internal expertise and resources on the technical domains concerned by the pandemic. The activities of the Healthier Mobility™ working group are to:

- build a catalogue of solutions for New build and existing fleets with a short, medium- and long-term perspective;
- engage partnerships with internationally recognized actors such as partnership with Bureau Veritas, Lille Pasteur Institute: virology and health labs, and operators;
- capitalize on worldwide knowledge thanks to enlarged network: operations, maintenance...;
- provide accurate and verified solutions.

The action plan seeks to cover short, medium- and long-term perspective:

- short term actions to protect: Recommend available solutions for immediate support during and after lock-down periods;
- medium term actions to restore confidence: Validate complementary solutions;
- long term actions to promote healthier mobility: Develop innovative and sustainable solutions to improve sanitary conditions in rail transportation.

(1) Regulation (EU) No. 402/2013 of 30 April 2013 on the common safety method for risk evaluation and assessment.

(2) EN50126: Railway applications – Specification and demonstration of reliability, availability, maintainability and safety (RAMS).

(3) Regulation (EU) 2019/779 of 16 May 2019 laying down detailed provisions on a system of certification of entities in charge of maintenance of vehicles pursuant to Directive (EU) 2016/798 of the European Parliament and of the Council and repealing Commission Regulation (EU) No. 445/2011.

(4) European Regulation requiring a Safety Management System or American regulation requiring a System Safety Program Plan.

Main results and performance indicators^{VP}

The Railway Safety is monitored through different indicators among which:

	2019	2020	2021	Target
% of Safety review OK ^(*)	61.7%	78.9%	77.0%	75% by end of 2021

(*) Calculated over 12 months. During calendar year 2021, the number of safety reviews performed and registered is 509.

Since two years, despite some fluctuations, the target of 75% is achieved. This figure does not include the legacy Bombardier Transportation projects, as check lists used for safety reviews were not consistent. In 2022/23, the new projects starting with the converged processes will be progressively included.

	2019/20	2020/21	2021/22	Target
% of participation in Alstom Railway Safety E-training	77%	93%	90%	90% by 2021/22

The target by end of 2021/22 was revised, when the % fell at 45% after March 2021, following the integration. The target end of March is achieved showing the strong implication in Railway Safety.

Healthier Mobility™

This year following solutions were developed and proposed to our customers:

- cleaning and disinfection solutions were tested. Two efficient and safe disinfection protocols with their work instructions tested on Tram fleets are proposed and commercialized, for example on Station 1;
- antibacterial paints for hand bars;
- enhanced mechanical air filtration and air treatment within HVAC, ensuring maximum inside air renewal;
- active and passive Air treatment. New antiviral filters (PEPA Filter) have been installed everywhere in the world;
- contactless solutions: Personal Anchoring devices, for example with the "ookit", consisting of personal handles equipped with robust clips to be fixed on bars, Passenger Access Door Centralized Opening limiting contact of passengers with door button; Interior doors infra-red sensors opening;
- passenger flow and density analytics were adapted to support distancing provisions thanks to passenger flow optimization. Real time occupancy of vehicles supports distancing while maintaining minimum capacity. For example, Alstom Mastria, a solution from the Alstom Healthier Mobility™ portfolio, has been tried and tested in the Panama metro, with its technology used to ensure that train occupancy never exceeds 40% of maximum capacity, as recommended by the country's health authorities.

Tax evasion

Tax evasion risk can be defined through three aspects:

- a financial risk: risk of tax re-assessment by tax authorities, based on a matter related to tax avoidance, artificial tax scheme or lack of substance. For instance, the risk would materialise if Alstom was in breach of an anti-avoidance rule or tax transparency rule;

- a business risk: for example, an aggressive tax behaviour would jeopardise the Company's ability to win new projects, since a significant percentage of Alstom revenue is from direct or indirect government and public sector entities;
- a reputation risk: risk of deterioration of the public image of Alstom if it was suspected of participating in tax evasion.

Based on this analysis, it is estimated that Alstom's risk regarding tax evasion is low.

Strategy and policies

Alstom Tax Department goal is to make sure that no illegal steps are taken to avoid paying taxes.

Alstom is committed to comply with tax laws in a responsible and ethical manner and to have collaborative and transparent relationships with tax authorities. Tax obligations, and therefore tax contribution, are aligned with the commercial and economic activity of Alstom's operations.

Alstom Group has invested in an internal tax team that is located both centrally and regionally to manage the Group's tax affairs. The internal tax team is headed by the Chief Tax Officer who reports directly to the Chief Financial Officer of the Group. The Chief Tax Officer is responsible for ensuring that policies and procedures are in place, maintained and used consistently around the world, and that the global tax team has the skills and experience to implement them.

Alstom's tax policy is closely monitored to ensure a consistent application across all territories and is updated on an annual basis or when required.

Processes and action plans

Each country where Alstom has got a footprint is under the responsibility of a Regional Tax Director who have the day-to-day responsibility for tax of the countries in their scope. Ongoing tax risk monitoring is maintained at a local level and monthly risk reviews are undertaken between the central and local teams.

External service providers are used on a selective basis, for example when the Company needs additional resource or expertise.

The Internal Audit team independently monitors and tests Alstom's key financial controls, including those for tax, and reports on their effectiveness to the Audit Committee.

Alstom is highly engaged in determining the correct tax treatment across all its business transactions, to ensure it pays the right amount of tax at the right time, in accordance with the tax laws of the territories in which the Group operates. Concerning the uncertainty related to the application of tax law, Alstom engages in discussion with the relevant tax authority to achieve certainty for Alstom and the tax authority concerned.

Alstom has a low-risk approach to tax and does not engage in artificial tax arrangements.

The Group seeks to conduct transactions between Alstom companies in accordance with the OECD principles and EU Directive.

Each year, Alstom files with the French tax Authorities the Country By Country Report, which confirms that the Company does not engage in any artificial tax driven scheme. This document is available to foreign tax Authorities upon request to the French Tax Authorities.

Planned transactions are analyzed according to DAC 6 principles.

Further to the acquisition of Bombardier Transportation, a new Tax Team organization has been implemented with an alignment on the ex-AT tax organization model with Regional tax Director that covers all countries where Alstom has got a footprint and a central Tax Team for transverse topics.

Central Tax Team has been extended with dedicated resources for compliance, policy harmonization and tax risks monitoring. It provides a framework for the management of tax risk in Alstom and ensures a consistent approach to the assessment, documentation and approval of all matters relating to tax risk.

In respect of tax management, the approach outlined in previous Alstom strategy continue to apply to the ex-Bombardier affiliates. A group reorganisation takes place that aims to rationalise the Group, simplify board management and governance of legal entities and reduce the numbers of layers of companies within the Group.

METHODOLOGY

Introduction

The content of this chapter dedicated to Alstom's Sustainable Development and Corporate Social Responsibility (CSR) has been prepared by the Sustainable Development and CSR central team of Alstom with the collaboration of many support functions such as Procurement, Human Resources, Risk Control, Ethics & Compliance, Environment Health & Safety (EHS), Ecodesign, Innovation, country representatives and Product platforms. The collection and consolidation of all information was the subject of a dedicated process between January and April 2022. The whole chapter has been reviewed by PricewaterhouseCoopers as an independent third party in respect of the order of 19 July 2017 (order No. 2017-1180) and of the Decree No. 2017-1265 of 9 August 2017.

The elements presented cover the activities within Alstom scope.

Main results and performance indicators

Over the last years and in the course of tax audits that were performed worldwide, no tax authority have reported any instances of tax evasion.

Following the acquisition of Bombardier Transportation, the Alstom Group has an increased presence in countries that qualify as non-cooperative either in accordance with the Article 238-0 A 2 of the French Tax Code or in accordance with the EU list of non-cooperative country published the 3 March 2022.

Panama is a country where Alstom operates, and which has been included in the blacklist of non-cooperative countries because does not exchange information. In this country, Alstom is the leader of the consortium which has been granted with the Panama City metro construction project. For this consistent project, Alstom has set up a business subsidiary in Panama, which employs 181 people.

So far, The United Arab Emirates is a low-tax country where Alstom operates. However, CIT (Corporate Income Tax) will be introduced in 2024.

In this country, Alstom is leading the consortium that has been granted the "Route 2020" Dubai Metro project: the extension of a metro line as well as the delivery of rolling stock for the "2020 Exhibition", one of the Company's most important projects.

In addition, further to BT acquisition, Alstom has:

- a branch named BTH USA Dubai branch that is in charge of the APM O/M services contract *i.e.*, automated people mover;
- a legal entity named BT Gulf that is hosting nine employees to render services in the region.

Bombardier Transportation had two entities in Mauritius that Alstom has inherited. That country was delisted from the EU list of tax havens since EU and OECD test requirements are met. Dividends received by those entities are taxed according to the local rules that apply in addition to the taxation suffered in China.

Effective Tax Rate of the Group is 27% (before purchase price allocation (PPA)). See chapter 3, page 70 note 8.

Reporting principles

All the data reported (indicators) come from different Alstom internal reporting systems, detailed in the respective sub-sections. Indicators considered relevant are defined with reference to the Global Reporting Initiative (GRI). However, some indicators or have been considered irrelevant for Alstom reporting. In such cases, they are not mentioned or are limited in scope, which is then specified. A synthesis of indicators/key figures is available in a dedicated section at the end of this chapter. It includes information as per the Order of 19 July 2017 (Order No. 2017-1180) transposing Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 on the publication of non-financial information.

Cross-reference tables for the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) reporting guideline have been included (pages 340 - 341).

Environmental performance and health and safety results

Data covering these topics are gathered within the reporting and consolidation system "Teranga", which is also used for financial reporting purposes.

On the reporting scope, Health and Safety results cover almost 100% of Alstom employees and contractors working for Alstom. As regards the environmental performance, all production sites, all depots operated and managed by Alstom in the case of a contract of five years or more, all permanent offices occupied and managed by Alstom and all permanent sites of more than 200 persons are consolidated in the environmental reporting. St Bruno site is not consolidated in 2021. Moreover, the Swedish sites, Cluj offices, Bangkok head office and Crespin have not reported their car consumptions (gasoline and diesel oil) as they were not able to collect this data. Environmental performance for activities conducted in sites of less than 200 persons on which the utilities are not managed by Alstom is not recorded. According to those reporting rules, environmental results cover 78% of Alstom employees.

Newly acquired activities start to report after a full calendar month of presence in the Group for safety results and after a full calendar quarter of presence for environmental results. The environmental results of newly acquired sites are consolidated after a full calendar year of reporting. For the specific case of legacy bombardier Transportation sites acquired 1 February 2021, the data of January 2021 have also been integrated. Generally, data for the baseline year are recalculated to take into account the new sites and allow the performance to be measured on a constant scope. 2021/22 is established as the new year of reference.

Concerning health and safety reporting, this is done on a monthly basis from around 328 elementary reporting units with 12 basic indicators. On environment, the reporting is done on a quarterly basis from around 124 reporting units with 30 basic indicators. Intensities (energy and water) are calculated based on the hours worked (Alstom employees and contractors) of the units that report on environment. Monthly and quarterly reporting are completed by a yearly reporting campaign with 18 additional indicators.

The definition of indicators is described in a Group document – the EHS reporting manual, which is completed by a reporting procedure. The process is under the responsibility of the EHS Vice President.

Except when specified differently, health and safety data are presented over a fiscal year, *i.e.* from April 2021 to March 2022, while environmental data are consolidated in a calendar year, *i.e.* from January to December 2021.

Social report and actions on local communities

The sources for social reporting indicators are:

- the Alstom Human Resources Information System (HRIS), which is based on the Success Factor software and covers all Alstom facilities;
- a social survey, conducted in 35 countries, on the figures of calendar year 2021 – Algeria, Australia, Austria, Belgium, Brazil, Canada, Chile, China, Czech Republic, Denmark, Egypt, France, Germany, Hungary, India, Israel, Italy, Kazakhstan, Mexico, Morocco, Netherlands, Panama, Philippines, Poland, Romania (excluding Cluj-Napoca), Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Thailand, United Arab Emirates (UAE), United Kingdom (UK) and United States of America (USA) – representing 97.6% of Alstom's workforce.

HRIS data is presented over the fiscal year, *i.e.* from April 2021 to March 2022, while data from the Social Survey is consolidated over the calendar year, *i.e.* from January to December 2021.

In addition, and in order to illustrate the different sections with examples of initiatives, the following actions are conducted by the Sustainability and CSR central team:

- a collection and summarisation of the local community activities conducted in 37 countries, with the support of the network of CSR Champions and local management teams;
- a collection of all news related to Sustainability and CSR, published internally through internal communication tools and externally through press releases.

— Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial information statement

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

(Year ended on the 31st of March 2022)

In our capacity as Statutory Auditor of ALSTOM SA (hereinafter the "entity"), appointed as an independent third party and accredited by Cofrac (Cofrac Inspection Accreditation n°3-1060, whose scope is available at www.cofrac.fr), we conducted our work in order to provide a report expressing a limited assurance conclusion on the historical information (observed and extrapolated) of the consolidated non-financial information statement (hereinafter respectively the "Information" and the "Statement"), prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), for year ended on the 31st of March 2022, included in the management report pursuant to the legal and regulatory provisions of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

CONCLUSION

Based on the procedures performed, as described in the "Nature and scope of our work" section, and the elements that we have collected, nothing has come to our attention that causes us to believe that the consolidated non-financial information statement is not compliant with the applicable regulatory provisions and that the Information, taken as a whole, are not presented fairly in accordance with the Guidelines.

PREPARATION OF THE NON-FINANCIAL PERFORMANCE STATEMENT

The absence of a generally accepted and commonly used framework or established practices on which to evaluate and measure the Information permits the use of different, but acceptable, measurement techniques that may affect comparability between entities and through time.

Consequently, the Information needs to be read and understood with reference to the Guidelines, significant elements of which are available upon request from the entity's headquarters.

INHERENT LIMITATIONS IN PREPARING THE INFORMATION

The Information may be subject to inherent uncertainty because of incomplete scientific and economic knowledge and due to the quality of the external data used. Certain Information are sensitive to the methodological choices, assumptions and/or estimates used to prepare the Information presented in the Statement.

THE ENTITY'S RESPONSIBILITY

The Board of Directors is responsible for:

- selecting or establishing suitable criteria for preparing the Information;
- the preparation of the Statement in accordance with the legal and regulatory provisions, including a presentation of the business model, a description of the principal non financial risks, a presentation of the policies implemented considering those risks and the outcomes of those policies, including key performance indicators and if applicable the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- designing, implementing and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared in accordance with the entity's Guidelines as mentioned above.

RESPONSIBILITY OF THE STATUTORY AUDITOR, APPOINTED AS AN INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225 105 I, 3 and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions (in particular the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the French duty of care law and anti-corruption and tax evasion legislation);
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with the applicable regulations.

REGULATORY PROVISIONS AND PROFESSIONAL STANDARDS APPLICABLE

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code and with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, as well as with ISAE 3000 (Revised) – *Assurance Engagements other than Audits or Reviews of Historical Financial Information*.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of statutory auditors. In addition, we have implemented a system of quality control including documented policies and procedures to ensure the compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

MEANS AND RESOURCES

Our work was carried out by a team of 6 people between October 2021 and May 2022 and took a total of 14 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted over a hundred interviews with people responsible for preparing the Statement, representing among others the Sustainable Development and CSR, Eco-design, Compliance, Quality, Human Resources, Health and Safety, Environment and Purchasing departments.

NATURE AND SCOPE OF OUR WORK

We planned and performed our work considering the risk of material misstatement of the Information.

We consider that the procedures we performed were based on our professional judgment and allowed us to provide a limited level of assurance conclusion:

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated with their activities;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III, as well as information regarding compliance with human rights and anti-corruption and tax evasion legislation;
- we verified that the Statement presents information set out in article L. 225-105-1 II where relevant to the principal risks and includes an explanation for the absence of the information required under article L. 225-102-1 III, 2;
- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes, including key performance indicators related to the principal risks;

- we referred to documentary sources and conducted interviews to:
 - assessed the process used to identify and confirm the principal risks and the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented, and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the appendix. For certain risks (Low-carbon solutions, Climate resilient assets, Ecodesign and circular economy, Encouraging local development, Relationships with local communities, Ethics and compliance, Respect for Human Rights, Customer relationship, Railway safety and healthier mobility, and Tax evasion), our work was performed at the consolidation entity level; for other risks, work was performed at the consolidation entity level and in a selection of entities, namely Vienna in Austria, Bruges, and Charleroi in Belgium, La Pocatière, Kingston, Thunder Bay, and Toronto Brampton in Canada, Vagonka Ceska Lipa A.S. in the Czech Republic, Crespin, Ornans, Le Creusot, and Petit Quévilly in France, Bautzen, Kassel, HQ Berlin, Siegen, Mannheim DIS, Mannheim RSC, PPC Henningsdorf, and Salzgitter in Germany, Nola, Vado Ligure and Savigliano in Italy, Sahagún, Valle de Mexico, Xalapa Veracruz in Mexico, Katowice RSC, Katowice DIS, and Wroclaw in Poland, Stockholm - AMF Pension, Vaesteras - Services, Vaesteras Ringvågen, and Vaesteras Wijkmansgatan in Sweden, Manchester and Derby Litchurch Lane in the UK, and Pittsburgh PPC and Pittsburgh LCS in the US;
- we verified that the Statement covers the scope of consolidation, i.e., all the companies included in the scope of consolidation in accordance with article L. 233-16, within the limitations set out in the Statement;
- we asked what internal control and risk management procedures the entity has put in place and assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in the appendix, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - substantive tests, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out with a selection of contributing entities, namely Vienna in Austria, Bruges, and Charleroi in Belgium, La Pocatière, Kingston, Thunder Bay, and Toronto Brampton in Canada, Vagonka Ceska Lipa A.S. in the Czech Republic, Crespin, Ornans, Le Creusot, and Petit Quévilly in France, Bautzen, Kassel, HQ Berlin, Siegen, Mannheim DIS, Mannheim RSC, PPC Henningsdorf, and Salzgitter in Germany, Nola, Vado Ligure and Savigliano in Italy, Sahagún, Valle de Mexico, Xalapa Veracruz in Mexico, Katowice RSC, Katowice DIS, and Wroclaw in Poland, Stockholm - AMF Pension, Vaesteras - Services, Vaesteras Ringvågen, and Vaesteras Wijkmansgatan in Sweden, Manchester and Derby Litchurch Lane in the UK, and Pittsburgh PPC and Pittsburgh LCS in the US, and covers between 30% and 100% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed in a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional guidance of the French Institute of Statutory Auditors ("CNCC"); a higher level of assurance would have required us to carry out more extensive procedures.

Neuilly-sur-Seine, the 13th of May of 2022

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Edouard Cartier
Partner

Pascal Baranger
Sustainable Development Director

APPENDIX: LIST OF THE INFORMATION WE CONSIDERED MOST IMPORTANT**Key performance indicators and other quantitative results:**

- CO₂ emissions of Alstom passenger transport solutions sold during the fiscal year, geographic distribution of scope 3 emissions, geographic distribution of scope 3 emissions, reduction of energy consumption in Alstom solutions;
- Number of natural disasters generating damages and operating losses of more than €2 million;
- Share of newly developed solutions with ecodesign, share of products sold last year can be reused or recycled;
- Group's energy intensity, share of electricity from renewable sources, energy consumptions, scope 1 and 2 emissions;
- Total recordable injury rate, lost time injury frequency rate, number of formal AZDP audits conducted, share of Alstom employees trained using the e-learning module on High Risk Activities, Number of recognised occupational diseases during the calendar year, number of occupational severe accidents, number of fatalities at work;
- Number of countries covered by a Top Employer certification, gender equality score for Alstom Transport SA and Alstom Crespin, workforce breakdown by region, percentage of women in the workforce, absenteeism rate, turnover rate for employees on permanent contracts, recruitment by region ;
- Average number of training hours/employee, percentage of employees who have had training, total number of training hours, Net Promoter Score for trainings, share of the eligible employees having their objectives set for the fiscal year at the end of August;
- Number of supplier's employees trained and their breakdown by region, number of direct, indirect and induced jobs supported;
- Number of beneficiaries from social programmes, number of Country Community Action Plans implemented;
- Number of E&C Ambassadors, maintenance of ISO 37001 Certification, share of people trained in E&C class, share of people trained on Working with External Third Parties module;
- Part of total purchase volume covered by screenings, online assessments and/or on-site audits as per level of risks, number of suppliers enrolled in Alstom Sustainable Procurement training programme, number of EcoVadis assessments were carried out for 2021-22, part of purchase amount covered by the key suppliers having signed the Ethics and Sustainable Development Charter, number of procurement community members trained in Sustainable Procurement;
- Number of internal on-site social audits of subcontractors, number of external on-site social audits of subcontractors and suppliers, Number of alerts in the areas of child exploitation, forced labour, freedom of association from alert procedure and social survey leading to internal investigation;
- Number of projects surveyed and Average Net Promoter Score;
- Part of Safety review OK, number of safety reviews performed and registered, participation in Alstom Railway Safety E-training;
- No instance of tax evasion reported tax authority, effective Tax Rate of the group.

Qualitative information (actions and results):

- Signature of the Memorandum of Understanding (MoU) with Plastic Omnium, Intervention of Alstom during the COP 26, information on Hesop™ solutions, BEMU (Battery Electric Multiple Unit), launch on a green e-mobility innovation centre in Sweden;
- Signature of a contract with Norske Tog, launch of a new exhaustive climate change related exposure analysis;
- Alstom ecodesign work plan and mapping of the use of critical materials, Alstom's ecodesign process based on a set of management practices and its convergence plan;
- monitoring of Alstom's energy efficiency for next fiscal year by an external consultant, Hornell and Rochester sites in the United States are supplied with green electricity;
- Information related to Alstom Zero Deviation Plan (AZDP), update of 5 safety training modules, definition of roadmaps;
- Mode of deployment of the global talent acquisition strategy, launch of the We Are Alstom 2021 plan; information related to Alstom's Engagement Survey, new partnership established with the Bologna Business School;
- HR training related to the people management cycle, launch of the GREAT initiative, information related to the "Alstom Discovery Challenge";
- Supplier Maturity Program launched mid-2021, partnership with a specialized company since April 2021 that sources start-ups with which Alstom could collaborate, actions in Kazakhstan and Poland related to local development policy, impact assessment for India and started for Morocco ;
- Information related to Country Community Action Plans, Alstom Foundation projects in Senegal and in Panama, the Challenge Accepted program;
- Yearly Integrity Review, Annual E&C risk assessment, Compliance assessment made on each project during the pre-tender preparation phase, renewal of ISO 37001 certification;
- Suppliers risk mapping update, conflict minerals survey, sustainability award during the "Supplier Day" ;
- Update of the methodology and results of this human risk mapping exercise, appointment of a Sustainable Procurement Performance Manager, assessment of living conditions on construction sites integrated in AZDP audits, dedicated training sessions on "Conflict Minerals in the Supply Chain" ;
- Shareholder of Cyber Campus, firm contracts in Germany, France and Italy for hydrogen trains and multiplication of partnerships with other European countries following the European Railway Award received in 2021, AFNOR CSR Commitment label for alignment with the ISO 26000 standard in France, Italy, United Kingdom, Australia, Spain and India ;
- Annual railway safety action plan, set up of a Healthy Mobility working group, reinforcement the railway safety governance Healthier Mobility solutions developed and proposed to customers ;
- Implementation of a new Tax Team organization, annual Country By Country Report.

— Additional information for stakeholders

VIGILANCE PLAN^{VP}

In compliance with the French law on the corporate duty of vigilance for parent and instructing companies of 27 March 2017 (Law No. 2017-399 published in the Official Journal on 28 March 2018, referred to in this document as the “duty of vigilance law”), the Company established its first vigilance plan (the “Vigilance Plan”) during the 2017/18 fiscal year. It is updated every year to report on the measures implemented and assess the efficiency of the Group’s actions regarding human rights, health, safety and environmental issues.

The Vigilance Plan covers the activities of Alstom SA and its fully consolidated subsidiaries. It also covers the activities of suppliers of goods and services with which Alstom Group has an established commercial relationship.

The Vigilance Plan targets risks that could have severe adverse impacts. As defined in the United Nations Guiding Principles on Business and Human rights, the severity of adverse impacts is judged by their scale, scope, and irremediable character.

Alstom is particularly respectful of the laws governing, inter alia, human rights and labour, health and safety standards, as well as the protection of the environment. Alstom’s policy is to comply fully with the fundamental

conventions of the International Labour Organisation (ILO) as specified in the Code of Ethics of the Company. Alstom also complies with the Guidelines for multinational enterprises of the OECD and the United Nations Universal Declaration of Human Rights.

Alstom is a member of the United Nations Global Compact (UNGC), promoting the respect of human rights within its sphere of influence. In March 2022, the Alstom Chairman and CEO renewed the Company’s commitment to the 10 principles of the UNGC (see Alstom website).

Governance and management of Vigilance Plan

The Vigilance Plan was established by a transverse working group composed of members of the following Departments: Human Resources, Environment Health and Safety, Ethics and Compliance, Procurement, Internal Audit and Risk Management, Governance and Sustainability and CSR.

The deployment of the Vigilance plan is under supervision of the Sustainability and CSR Steering Committee. The Vigilance Plan is reviewed on an annual basis and necessary updates are made.

	Social & Human Rights	Health & Safety	Environment	Ethics and Compliance
Alstom commitment	Code of Ethics Sustainable Procurement Policy UN Global Compact Commitment Letter Sustainability and CSR policy			
	Diversity & Inclusion Charter Position paper on conflict minerals	EHS Policy		Instructions on the Alert Procedure
Supply chain commitment	Ethics and Sustainable Development Charter			
		EHS Critical Contractors Requirements	Hazardous Substances Regulation Commitment Form	
Governance	Sustainable Procurement Leadership Committee Sustainability and CSR Steering Committee Sustainability and CSR Committee of Alstom Leadership team			
Continuous improvement	Action plans & improvement programs Trainings and information campaigns			

Risk mapping process for the Vigilance Plan

At Alstom, a general risk mapping procedure is implemented by the Internal Audit and Risk Management Department, as described in chapter 4 of this document (see page 155). Every year, the risks related to Alstom’s activities, and risks relating to its contractors’ and its suppliers’ are reassessed by the Internal Audit & Risk Management Department.

The Sustainability and Corporate Social Responsibility (CSR) Department is responsible for the analysis of the Group’s extra-financial risks. This risk mapping is reviewed every year by the Sustainability and CSR Steering Committee.

In addition to these transversal and consolidated risk mapping exercises, the Group’s risk management structure includes sector-specific risk analyses, which aim to facilitate the management of risk programmes:

- the Sustainability and CSR Department proceeds with the mapping and ranking of risks related to Human Rights. This risk mapping exercise has been renewed in 2021/22 fiscal year following the acquisition of Bombardier Transportation;

- the Procurement Department is responsible for the risk mapping and management processes specific to the value chain and which apply to suppliers and subcontractors. This exercise is renewed on an annual basis;
- the Environment, Health and Safety (EHS) team identifies major risks in terms of Safety at work and the Environment. An environmental risk mapping is established for each site and in the context of ISO 14001 certifications.

Risk management covering the activities of Alstom and its supply-chain

Risk mappings, assessment, mitigation, and prevention procedures and monitoring of measures taken are detailed in the chapters on the Extra-Financial Performance Declaration and in the Information published for stakeholders. This information is identified in the chapter by a ^{VP} logo and is summarised in the table below.

The global risk management procedure is described on page 157.

Risk category	Human Rights (p. 307)	Health and Safety (p. 273)	Environment (p. 322)	Risk management covering Alstom’s supply chain (p. 303)
Potential risks	H&S conditions in production sites or the supply chain Harassment or discrimination in the workplace Sourcing of raw materials (conflict minerals, mica & cobalt)	High risk activities Exposure to hazardous chemical substances and asbestos	Release of substances to the water Release of substances in the air Historical soil pollution Potential specific environmental risks identified during site analysis	H&S conditions in the supply chain Working conditions in the supply-chain: Bounded / Forced labour or Child labour Human trafficking through the supply chain
Monitoring indicators	Number of alerts through the whistleblowing channels	Accident rates (TRIR and IFR) % of Alstom employees benefiting from safety training Number of formal AZDP audits conducted during the fiscal year	% of Alstom sites with the obligation to monitor the quantity or the quality of waterborne discharges % of Alstom’s sites with the obligation to monitor the quantity or the quality of their air emissions Number of sites under Alstom’s management plan for historical pollution	Number of anomalies detected during assessments and audits of contractors and suppliers Number of audits and assessments
Risk identification and prioritization processes	Risk mapping Prioritisation of issues Country-based risk mapping	Identification of high-risk activities whether executed directly by Alstom or indirectly by a subcontractor Analysis of hazardous chemical substances	Risk mapping established on every site	Annual supplier risk mapping according to four criteria: <ul style="list-style-type: none"> product family; supplier’s country; volume of purchases by Alstom.
Regular assessment of the situation	Annual review by the Sustainability and CSR Steering Committee	Self-assessment for projects with specific risks and continuous improvement plans Central EHS team for the management of transversal programs	Local management measures Specific follow-up at central level in three areas: 1) Waterborne discharge; 2) Airborne emissions; 3) Historical pollution control EHS organisation managed in the Regions and coordinated centrally	Annual review of risk mapping Quarterly meetings of the Sustainable Procurement Leadership committee

Risk category	Human Rights (p. 307)	Health and Safety (p. 273)	Environment (p. 322)	Risk management covering Alstom's supply chain (p. 303)
Alert procedure and whistleblowing system	Alert procedure open to any Alstom employee or third party	Dedicated app with notification system Alert procedure open to any Alstom employee or third party	Alert procedure open to any Alstom employee or third party	Alert procedure open to any Alstom employee or third party
Mitigation and prevention measures	Code of Ethics defining how to handle specific situations Scorecard established for bid submissions defining mitigation measures Human Rights e-learning module targeting specific communities and available to all Alstom employees	Alstom Zero Deviation Plan (AZDP) and its 12 directives Dedicated training course for employees on construction sites Seven training programs including one e-learning program (High-Risk Activities)	Deployment of internal standards integrated in Alstom Management System and compliant with ISO 14001 Training, communication and awareness-raising activities for employees	"Sustainable Procurement Policy" "Ethics and Sustainable Development Charter for Alstom's Suppliers and Contractors" "Sustainable Procurement Instruction" integrated in Alstom management system Compulsory training programme for buyers
Monitoring system, deployment and impact assessment	Assessment of the living conditions of contractors integrated in the AZDP audit programme (see "Health and Safety", page 273) Independent audit program of selected suppliers and contractors	Audits on production sites in accordance with APSYS ("Alstom Production SYStem") referential Three-year centrally-managed audit program	ISO 14001 audit and certification Assessment tools Environmental objectives and periodical result reviews	On-line assessments undertaken by external company, EcoVadis On-site audits: "Quick Industrial Assessment" done by the buyers and "Generic Process Audits" done by quality teams Internal Audit (SMART) of a selected number of procurement managers every year, which includes the CSR management of suppliers' and contractors Screening and monitoring of suppliers and contractors with Alstom's Third Party Due Diligence tool Independent social audit program of selected suppliers and subcontractors Conflict minerals enquiries

Alert Procedure

Details on the Alstom Alert Procedure is available on page 302.

2021/22 Vigilance Plan Implementation Report

In accordance with Article L. 225-102-4 of the French Commercial Code, the report on the effective implementation of the Vigilance Plan is presented in relevant sections of the Extra-financial performance Declaration as well as highlights below.

The main focus of the year was the enlargement of the risk mapping processes and vigilance plan to the full new scope of Alstom following the acquisition of Bombardier Transportation.

Strengthening Alstom's Human Rights programme

Several actions were deployed in the 2021/22 fiscal to continue to strengthen Alstom's actions in terms of Human Rights:

- The human rights risk mapping was updated to cover the full new scope of activities, following the acquisition of Bombardier Transportation.

- The external social audit programme was enhanced, targeting high-risk contractors and suppliers.
- The e-learning module launched in December 2020 for all employees with the aim of raising awareness around the topic of human rights and Alstom's actions was followed by 1,000 workers and specifically presented to project teams where on-site audits were happening.
- An internal communication programme around Human Rights started in 2020 and is continued in 2021 with several presentations to the HR community, E&C ambassadors and project teams.
- Following the development of a Human Rights scorecard at bid stage, mitigation plans are being established if a risk is identified. The aim is to strengthen the operational approach to human rights management, identify and manage identified human rights risks in our bids and projects, develop awareness of project teams and local partnerships if relevant. Two projects are currently under specific monitoring.

In 2022/23 fiscal year, Alstom plans to consolidate and enhance its existing processes on the management of human rights at Alstom through a global instruction.

Risk management covering Alstom's supply chain

- In the 2021/22 fiscal year, a new on-line platform was developed allowing precise and reliable insights on global risks Alstom is facing, particularly in terms of Human Rights, climate change and corruption, by cross-referencing local and regional data published by institutional sources (e.g. United Nations, Transparency International, International Labor Organization) with Alstom data about its supplier database (e.g. spend, audits status).
- Specific efforts were also put on training targeting the community of buyers as well as the procurement community at large and suppliers themselves. More than 100 suppliers were trained on Sustainability and CSR practices.
- A new digital platform is under development to assess CO₂ Scope 3 emissions from purchased goods and services and track reduction in the future.
- Regulation is increasingly stringent on conflict minerals which mainly refer to tin, tantalum, tungsten, gold, cobalt and mica. As a downstream user, Alstom commits with its suppliers and sub-contractors to progressively source metal parts and electronic components from recognized responsible supply chains. To this end, on the one side, a position paper was issued on conflict minerals; on the other side, Alstom Procurement teams are conducting specific surveys to identify suppliers practices potentially at risk, to develop due diligence process to ensure traceability and compliance with legislation and to implement corrective action plans if needed.

ENVIRONMENTAL DATA^{VP}

Data presented in this section are based on the same methodology as the Extra-Financial Performance Declaration. Selected environmental data were reviewed by PricewaterhouseCoopers and the report is available on www.alstom.com.

Alstom's environmental management is based on:

- consideration given to environmental issues at all levels of the Company;
- the definition of environmental objectives in the organisation and periodical results reviews at the same frequency and in the same internal Governance Committees as for financial results reviews;
- the implementation of an environmental programme: development and deployment of internal standards, assessment tools, targeted training actions that involve employees, communication and awareness-raising actions;
- an EHS ("Environment, Health & Safety") organisation managed in the Regions and Product Lines and coordinated centrally.

The Company has set environmental targets for 2025 (compared to 2021 as a baseline year) and defined the scope of its consolidated environmental results as described in the methodology.

The main environmental indicators for monitoring Alstom's progress in achieving its objectives are the following:

- energy consumption related to its activity (intensity) and greenhouse gas emissions (GHG) (see page 272);

Follow-up of alerts raised by stakeholders

One human rights issue was raised via the Alert Procedure over the 2020/21 fiscal year following the publication of a report by the Australian Strategic Policy Institute (ASPI). This report focused on the potential forced enrolment of Uyghurs in the supply chains of major international companies and one of Alstom's suppliers was mentioned in this report.

Following the publication of the ASPI report, Alstom undertook an in-depth review of potential forced labour issues in the supplier referenced, including internal interviews, document reviews and third-party audits. In February 2022, an extended follow-up audit dedicated to work conditions on the site supplying Alstom was completed by a third party. Based on the scope and methodology of the review, the documentation and information received from the Supplier and external audits organised, no human rights incidents were identified on the plant that supplies Alstom. Alstom will continue to monitor this specific case and assess potential human rights issues in its supply-chains generally.

In addition three new alerts were raised through the Alstom procedure in FY2021/22. They were all investigated and found to be unsubstantiated.

In addition, one human rights and environmental issue has been raised by a third party in the 2021/22 fiscal year in relation to one of Alstom's projects. In response, Alstom has initiated enhanced due diligence to assess the project's human rights and environmental impacts and is monitoring the project.

- share of recycled and recovered waste;
- water consumption related to its activity (intensity).

In this section, environmental results are presented on a calendar year basis, while ISO 14001 certification results are presented on a fiscal year basis.

Risk mapping^{VP}

In terms of environmental risks, Alstom opts for an environmental management based on continuous improvement as described in the Environmental Management System Manual. The procedures it contains address the management of all the sites, and are also applied to the new sites, lease agreements, or service contracts (or on every existing site when such an assessment has never been done before).

An environmental risk mapping is established for each site. Globally, for all sites, lease agreements or service contracts, the local teams are assessing:

- potential environmental impacts related to the activities such as: release of substances onto/into the ground; release of substances to the water; release of substances to the air; waste resulting from an activity, product or service; waste disposal; and use of resources;
- likelihood of severe damages to the environment.

Assessment, mitigation and prevention measures, follow-up and monitoring system^{VP}

Certification of units

All the sites have maintained their ISO 14001 certification this year, which guarantees the implementation of appropriate control measures for the risks identified on each site. 80% of Alstom employees work on certified sites or projects, the 2025 target being to have 100% of Alstom employees on certified sites.

Moreover, the requirements of the ISO 14001 standard are integrated in the Alstom Management System and contribute to the environmental performance improvement process of our sites.

Site specific procedures

Within the framework of ISO 14001, control measures of the environmental risk are being implemented at each site level. These measures are established on the results of the risk mapping on each site. An evaluation team is in charge of determining appropriate control measures and identifying the persons responsible for their implementation.

Mitigation and prevention measures

In addition to local management measures, Alstom performs a specific follow-up at central level in three areas likely to generate potentially severe impacts at the Group level.

Waterborne discharge

In 2021, 47% of sites had the obligation to monitor the quantity and the quality of waterborne discharges. The diversity of obligations in terms of nature and limits of the discharges do not allow the consolidation of those figures at Alstom level. Nevertheless, Alstom ensures, through

an indicator measuring the regulatory compliance of the waterborne discharges, that regulatory monitoring is done and the authorised thresholds are respected.

Airborne emissions

In 2021, 42% of Alstom's sites had the obligation to monitor the quantity or the quality of their air emissions. The diversity of obligations in terms of nature and limits of the emissions do not allow those figures to be consolidated at Alstom level. Nevertheless, Alstom ensures, through an indicator measuring the regulatory compliance of the air emissions, that regulatory monitoring is done and the authorised thresholds respected.

Historical pollution control

Alstom's current and standard activities do not generate soil releases. Nevertheless, some accidental leakage prevention devices are deployed on each site.

On old sites potentially contaminated as a result of past activities, Alstom implements a monitoring and management program and ensures compliance with local regulations. In 2021, 125 sites are under this management plan.

This five-year plan must be applied on each site. On this basis, the sites conduct surveys to assess the environmental and health risks due to contamination in soils and groundwater. They also have an action plan according to the priority level defined for the site (from 1 – immediate risk to 4 – absence of risk). The progress of the plan is monitored centrally as well as the provisions for environmental risks that are decided according to the risks identified (Cf. chapter 4). Besides the scope of the duty of vigilance and severe environmental risks, Alstom has also committed to reduce the environmental footprint of its sites as part of its AiM strategy (see the section on Energy performance of operations and greenhouse gas emissions and data mentioned below).

CO₂ emissions related to business travels – Scope 3

<i>(in kilotonnes CO₂ eq.)</i>	Alstom		
	2019	2020	2021
CO ₂ emissions from air travels ^(*) (scope 3)	25	5	5.4
CO ₂ emissions from train travels ^(*) (scope 3)	1	0.2	0.3

(*) Source: Air travels data are coming from CWT (for Alstom legacy) and GBT (for Bombardier Transportation legacy) and are based on DEFRA emission factors. Train travels data only cover Alstom legacy perimeter and come from CWT.

In 2021, business travel was still slowed down considerably due to the Covid-19 crisis. As for other categories on GHG emissions, 2021 was marked as the integration of Bombardier Transportation, including the data from business travel. Data are coming from two suppliers that are following the information from booked trips in their respective platform. This information is then organised to be compatible with DEFRA emission factors, for example the tracking of air travel is done by type of distance (short, medium, long haul). During 2021, the CO₂ emissions related to business travel were kept at the same levels as previous year. This is related to the travel restrictions that the Company has enforced due to the Covid-19 crisis.

CO₂ emissions related to logistics – Scope 3

Alstom measures the carbon footprint of upstream and downstream transports under its control, such as: a part of deliveries from suppliers of goods, intercompany flows between production sites, and the distribution of finished products towards customers. As part of the Supply Chain Department mission, worldwide CO₂ emissions are closely monitored based on the collection of data from transportation suppliers/providers.

In 2020, following Covid crisis, Alstom was forced to increase the air freight to rapidly recover the lost time due to delays in operations. A significant increase in CO₂ emissions was observed during this period. In 2021, efforts to increase sea freights were intensified, helped by a return to a relative normality in production activities, which brought a significant reduction in CO₂ emissions, even with the integration of Bombardier Transportation. The total reported emissions in metric tons of CO₂ equivalent related to transports have decreased by 18% mainly due to the high use of sea freight by using logistics platforms to consolidate the shipments. This is part of targeted action plans to reduce CO₂ emissions from the supply chain activities of all production sites worldwide. Comparing the CO₂ emissions to the context previous to the Covid period, in 2021 Alstom increased its carbon footprint related to transport by around 50% for standard transportation mainly due to the integration of Bombardier Transportation.

Currently, Alstom is still facing difficulties due to the Covid-19 crisis that changed completely the scenario of transportation activities worldwide. In this sense, several impacts could be emphasized, such as: port congestion, lack of vessel and increase in the transport time, which continue to force the Group to use transportation solutions less CO₂-friendly.

Nevertheless, the Group is continuously reinforcing its global strategy to reduce CO₂ emissions from logistics flows especially by developing a dedicated platform to easily monitor and report the CO₂ emissions of each transport provider and by focusing on the consolidation of containers and the reduction of the shipped volume. Critical flows are currently reviewed quarterly by the procurement and supply chain teams. This has contributed positively to the reduction of CO₂ emissions of the Group. The progressive deployment of the logistics flow optimizations and suppliers' engagement on the new perimeter should bring consistent reduction of CO₂ emissions in the coming years.

CO ₂ emissions related to logistics (in kilotonnes CO ₂ eq.)	2019	2020	2021
Standard Transport (SMC)	18	33	27 (*)
Exceptional Transport	11	7	6 (*)

Source: Alstom/Logistics Department.

(*) It should be noted that the Bombardier Transportation legacy activities are progressively integrated in the scope and figures only reflect partially the full perimeter activities.

Summary Alstom Carbon footprint

Green House Gases Emissions (in kilotonnes CO ₂ eq.)	2019/20	2020/21	2021/22
Scope 1 Direct CO ₂ emissions related to the consumptions of natural gas butane, propane, coal and oil ⁽¹⁾	52	49	100
Scope 1 CO ₂ emissions from company cars (using gasoline or diesel oil)	5	4	6
Scope 1 Other direct CO ₂ emissions related to HFC fugitive emissions – Scope 1	1	1	2
Scope 2 Indirect CO ₂ emissions related to the consumption of steam, heat network and electricity ⁽²⁾ – Scope 2 market based	66	45	122
Total CO₂ emissions related to energy consumption and other direct emissions – Scopes 1 and 2	124	99	230
Scope 3 CO ₂ emissions related Use of Sold Products	25,000 (*)	21,000	32,000
Scope 3 CO ₂ emissions related to business travel	26	5	6
Scope 3 CO ₂ emissions related to logistics	29	40	33

Source: Alstom Teranga.

(1) As regards natural gas, butane and propane, CO₂ emission factors come from "IPCC Guidelines for National Greenhouse Gas Inventories (2006)".

(2) The Scope 2 emissions are reported on market-based. Emission factors for electricity come from AIB (2020 data base) or, if not available IEA (2019 data base).

(*) Methodology evolved between 2019/20 and 2020/21 so data reported are not be fully comparable.

Water consumption

This indicator is monitored because of the sensitivity of the water resource, particularly in water-stressed regions, and more generally in emerging countries where Alstom is developing its business.

Results: Since 2017, Alstom decided to monitor water intensity on top of water gross consumption. This monitoring is more relevant, as it is defined by the volume of water consumed related to its activity, which is measured in hours worked (Alstom employees and contractors). At the end of 2021 water intensity is 10 l/HW to be compared with 11.5 l/HW before integration.

DETAILS OF WATER CONSUMPTION

(in thousands of cubic meter)	2019	2020	2021
Public network	654	647	1,142
Ground water (*)	142	126	170
Surface water	0	0	1
TOTAL WATER CONSUMPTION	796	773	1,313

(*) This figure doesn't include the geothermal usage as the water pumped is reinjected into the groundwater without any impact.

The figures reflect the integration of Bombardier Transportation leading to a significant increase (+69%). However most of the consumption remains for domestic use.

Waste management

2025 Goal: Recovery rate for all waste produced above 90% and recycling rate above 80%.

The Company is pursuing its target of waste recovering, particularly in countries where waste recovery is not developed, and has established a new objective from 2020: the recycling rate which focuses on materials recovery and re-use. The target has been set at 70% for 2021.

Results: At the end of 2021, the recovery rate is at 88% in line with the trajectory for 2025.

The recycling rate target has not been achieved since it reached 67% at the end of 2021.

WASTE PRODUCTION

(in metric tons)	2019	2020	2021
Hazardous waste	3,009	2,771	5,904
of which recovered	1,758	1,726	4,315
Non-hazardous waste	31,450	34,077	58,516
of which recovered	28,207	30,235	52,416
TOTAL WASTE PRODUCTION	34,459 (*)	36,848 (*)	64,420

(*) Waste from ISO14001 projects which were not consolidated in the reporting, were counted in 2019 and 2020 (not in 2021).

In 2020/21 fiscal year, Alstom headquarters signed a three-year partnership with Zero Waste France to better manage waste in all its sites and implement actions towards circular economy. This partnership continues to be deployed in France on the offices and industrial sites.

A new guideline to improve waste recycling on site has been issued to support the sites in their actions.

Food waste

The Company's food waste is only related to meals taken in the canteens. Being part of non-hazardous waste, it is not specifically monitored.

Air emissions of non-methane volatile organic compounds (VOC)

VOC are the main air pollutants emitted by Alstom operations. Painting operations are the main source of VOC. By implementing paint substitution initiatives (e.g. replacement of solvent-containing paints by aqueous paints), Alstom has significantly reduced its VOC emissions between 2010 and 2020.

DETAIL OF NON-METHANE VOC EMISSIONS

(in tons)	2019	2020	2021
VOC emissions	131	138	521

The VOC emitted raised between 2020 and 2021 due to the main contributors to VOC emissions that are the new sites Wroclaw, Gorlitz, Crespin, Vagonka and Bruges which have high painting activities.

The Company is deploying the strategy initiated in 2020 to reduce VOC emissions through new paint booth specifications (in order to favour booths equipped with carbon activated filters), a greater emphasis on solvent-free paints and high solid content paints and investigation of other application systems such as electrostatic robots and guns under nitrogen. Particular attention is paid to the new sites that joined Alstom in 2021 to embed them in this strategy.

Biodiversity

This topic is emerging, and Alstom wishes to address it in 2022 by defining a global strategy to measure and monitor its global impact on the biodiversity around its sites.

Some pilot projects have been launched since 2020. For examples in France, Alstom Tarbes has carried out a diagnosis fauna/flora/water quality over one year. It allowed to set up a protection policy for specific local animal species and will be the departure point of a global monitoring of the site impact on biodiversity. In North of France, Alstom is participating to local forests reconstruction around its sites of Crespin and Valenciennes Petite-Forêt to fight against ash tree forest decimation by chalarosis. This reconstruction plan is done in partnership with ONF foundation "Agir pour le Forêt" and will allow local biodiversity natural recovery.

Employee awareness and recognition for best practices

The Group carries out communication and awareness-raising activities for its employees on best environmental practices, in particular as part of its ISO 14001 certification program. These actions are supplemented by mobilisation programs often coupled with those for health and safety. In 2021/22, the following aspects related to employee awareness and the recognition for best practices should be highlighted:

- events around the European week for waste reduction were organised in the Headquarters and eight countries in Europe (Greece, Romania, Poland, Spain, Italy, Belgium, UK, and France) with webinars, games and physical stands;

- the UK has run a “Kaido Challenge”. It is an app-based system where participants set their own goals for health improvement. Stress, sleep, rest, physical movement, meditation, reflection, and relaxation are examples of themes people may choose. 456 UK team members in 107 teams in our factory, depots, offices, and sites completed over 900,000 minutes of activity. The challenge found 47% of participants felt more motivated. 38% less stressed and improved mood. Over 95% would recommend their friends to join the next challenge. This has been a great way of not only improving wellbeing but also building team spirit across our growing business this year.

SOCIAL DATA

Data for this section are based on the same methodology as the Extra-Financial Performance Declaration. Selected social indicators were reviewed by PricewaterhouseCoopers. Their report is available on www.alstom.com.

Group Headcount

All data is based on the whole Alstom perimeter except otherwise stated.

BREAKDOWN BY REGION

	At 31 March 2021					At 31 March 2022				
	Africa/ Middle East/Central Asia	Asia/ Pacific	Europe	Americas	Total	Africa/ Middle East/ Central Asia	Asia/ Pacific	Europe	Americas	Total
Employees	4,878	11,460	43,121	12,233	71,692	4,849	12,981	44,361	11,904	74,095
% of employees	6.8%	16.0%	60.1%	17.1%	100.0%	6.5%	17.5%	59.9%	16.1%	100.0%
Out of which long-term absentees (LTA)	51	13	1,004	562	1,630	67	10	1,223	610	1,910

Source: Alstom HRIS.

BREAKDOWN BY TYPE OF CONTRACT

	At 31 March 2021				At 31 March 2022			
	Permanent contracts	Fixed-Term contracts	Interns	Total employees	Permanent contracts	Fixed-term contracts	Interns	Total employees
	67,191	3,404	1,097	71,692	69,317	3,579	1,199	74,095

Source: Alstom HRIS.

BREAKDOWN BY CATEGORY

	At 31 March 2021				At 31 March 2022			
	Managers and professionals		Other employees		Managers and professionals		Other employees	
	Total	% of total employees	Total	% of total employees	Total	% of total employees	Total	% of total employees
	35,786	49.9%	35,906	50.1%	39,011	52.6%	35,084	47.4%

Source: Alstom HRIS.

WORKFORCE CHANGES DURING FISCAL YEAR

At 31 March 2021 ^(*)						At 31 March 2022 ^(**)					
Hiring on permanent contracts	Hiring on fixed-term contracts	Resignations ⁽¹⁾	Redundancies ⁽¹⁾	Dismissals ⁽¹⁾	Other departures ⁽²⁾	Hiring on permanent contracts	Hiring on fixed-term contracts	Resignations ⁽¹⁾	Redundancies ⁽¹⁾	Dismissals ⁽¹⁾	Other departures ⁽²⁾
4,802	1,315	1,434	317	359	1,844	9,703	2,327	4,500	373	604	2,741

Source: Alstom HRIS. ^(*) Alstom's legacy perimeter; ^(**) Based on Alstom's new perimeter). Not including acquisitions and disposals.

(1) Calculated on permanent headcount only.

(2) Including retirement and end of Fixed Term Contract (FTC).

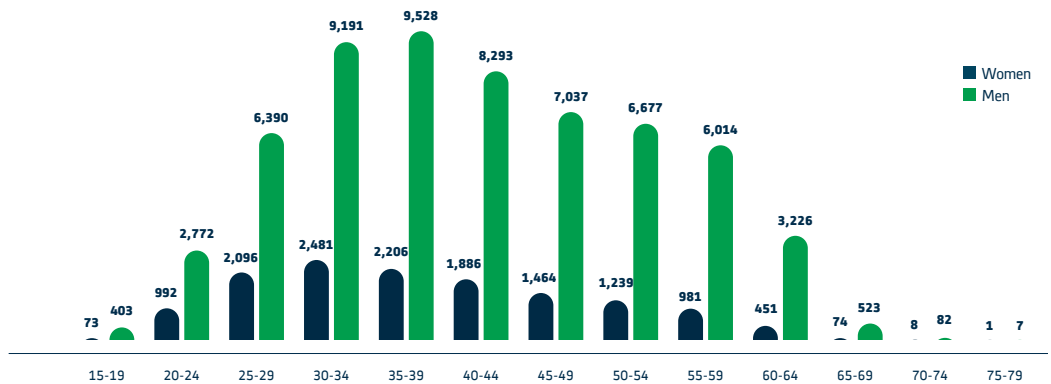
Diversity indicators

BREAKDOWN BY GENDER

At 31 March 2021				At 31 March 2022			
Men		Women		Men		Women	
Total	% of total employees	Total	% of total employees	Total	% of total employees	Total	% of total employees
58,275	81.3%	13,417	18.7%	60,141	81.2%	13,951	18.8%

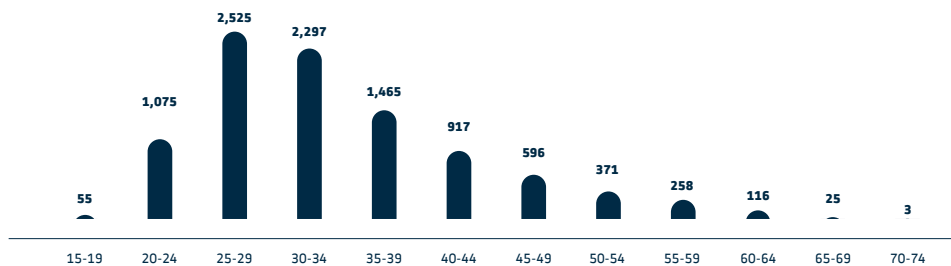
Source: Alstom HRIS.

AGE PYRAMID BY GENDER AS OF 31 MARCH 2022



Source: Alstom HRIS.

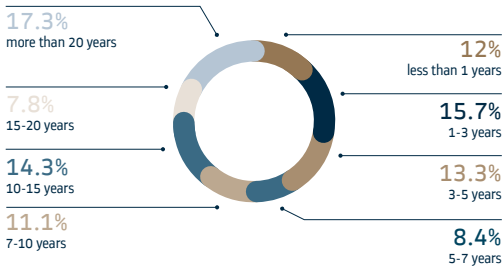
AGE PYRAMID OF NEW HIRES 2021/22 – PERMANENT CONTRACTS



Source: Alstom HRIS.

LENGTH OF SERVICE

Seniority Employees Permanent based on "Adjusted Seniority" as of 31 March 2022.



Source: Alstom HRIS.

Well-being

Employee's health & well-being in Alstom is considered as an essential part of Employee Experience which lead to the success of the Company. The Alstom health & well-being framework has been defined including 4 domains:

- physical health & working conditions (Environment, health & safety);
- sense of belonging & working atmosphere;
- mental health;
- work-life balance and flexible policies.

At global level, many actions such as well-being trainings for managers and employees, best practices handbook, health & well-being webinars have been launched to improve employee well-being at work within the Company. In 2021, many employees had to continue to work from home due to the Covid-19 pandemic, various measures have been provided to support employees to adapt to the new ways of working (Remote Working Policy, Remote working tips for managers and employees, virtual coffee with colleagues). 2021 was also a year where Alstom integrated more than 35,000 employees from Bombardier Transportation, special Employee Assistance Program for all employees worldwide and Buddy Programs in several functions were launched to support employees during the integration phase.

Local initiatives launched in 2021 in the countries include:

- APAC region: Australia, India, Singapore, Hong Kong, etc., organize regularly mental wellness sessions and virtual physical exercises to take care of employees well-being and reinforce team spirit and sense of belonging;
- in France, a holistic project on psychosocial risks was launched on several sites like Le Creusot, Belfort and Villeurbanne, including assessing the risks, analysing of root causes, and defining action plan;
- Latin Americas: initiatives like lectures on psychosocial topics, strengthen on EAP support and home office / flexibility policies revisited took place in 2021. Moreover a new program called "Moove: wellbeing & beyond" was launched in the region (Mexico, Brazil, Chile, Panama, Argentina, etc.) focusing on three pillars (Health, Life and World);

- UK: Health and Wellbeing Strategy is in place. Initiatives like "Unmind (application), Kaido (Health & wellbeing Challenge) have been launched. Trained health & wellbeing champions and Mental Health first aiders are present across all sites.

Employee relations

Over and above the social and health context disrupted by the Covid-19 crisis, the year 2021 has been marked by the successful completion of the Bombardier Transportation acquisition process and the beginning of the transformation towards a new Alstom.

In order to accompany and enhance the integration process and despite travel restrictions, many virtual meetings have been put in place to allow frequent exchanges between management and social partners ensuring a constant dialogue.

The representatives of the management and employees of the two companies, Alstom and Bombardier Transportation Legacy, have worked in close collaboration, with a shared desire to converge towards the same business model and to develop a common culture. The integration process led to the establishment of a common representation body, the New Alstom EWF, characterized by the following key phases:

- simultaneous plenary meetings at Alstom and Bombardier Transportation Legacy since the signature of the Memorandum of Understanding, early 2020, till the closing of the deal;
- a new EWF, established and operational at the closing date of the transaction with an agreement signed in February 2021 which also disciplined a transition period ending on 4 May 2021 to facilitate the integration of Bombardier's employee representatives ensuring a continuous social dialogue at European level;
- a phase of nomination and election process ensuring the new employee base of the European countries was represented according to the nomination criteria defined in the new agreement.

The new appointments were therefore made with the following objectives in mind

- respect of the thresholds and rules of composition;
- completion as soon as possible after the closing of the acquisition;
- to ensure a coherent representation with regards to the distribution of the workforce between Bombardier Transportation and Alstom Legacy;
- aim for a balanced representation of men and women within the forum.

Since summer 2021, in addition to the local bodies set up in the countries, the employees in the 24 European countries are now represented within the European Works Forum (EWF), which has 29 members from ex-Bombardier and ex-Alstom.

The integration of Bombardier Transportation implied many activities in the frame of the social dialogue and has demonstrated the existence of a structured and robust process for supporting the transformations, notably at Group and EWF level but also locally, where the integration process will continue during the years to come.

A constructive dialogue has been established on several important projects, many of them linked to the integration of the two legacy companies.

In particular, with the EWF, three Plenary and four Select committees meetings as per the new agreement of February 2021 has been held covering the regular agenda topics such as Strategic overview – Market trends and competitiveness – Capacity and workload of the Alstom's sites, the Company's financial situation, evolution of investment plans and R&D, and professional development and Risk Prevention. With the integration, a recurring topic has been the New Alstom in Motion 2025 strategy and the roadmap of the strategic business pillars "growth", "innovate" and "deliver". As an integral part of the strategy, the One Alstom team topics such as the convergence towards a new Alstom culture centered on the Company values "Agile", "Inclusive" and "Responsible" and the Employee engagement survey outcomes, have been covered as well.

In terms of convergence of the two legacy companies set up, the SIMPLE project has been launched. The SIMPLE project seeks to simplify and optimize the legal structure of the Company through the reduction of number of legal entities. From a local perspective this integration process of legal entities will see the involvement of the social partners in the years to come, to handle any implication with regards to the collective bargaining agreements.

Another important social relation topic in relation to the Bombardier Transportation acquisition has been the remedies, agreed with the European commission and leading to the divestment of the Zefiro™ platform and the Coradia™ and Talent™ 3 platforms, including the transfer to the buyer of the Reischoffen site. Five dedicated sessions with the EWF have been held, including two expertises and a continuous local dialogue in the countries concerned has been ongoing in parallel.

Beyond the remedies, the Company's activity and strategy were also discussed through a deep analysis of the workload in Europe, which resulted in a need of a workforce adjustment plan involving the DACH region. At EWF level a deep expertise has been conducted on the German sites and on the Swiss Villeneuve site since December 2021, in the frame of an articulated information/consultations process. The Company, through the deployment of the EWF "Agreement on the anticipation of change" and fostering a constructive dialogue with the social partners, will act to mitigate the social implications of the adjustment plan. Where possible (depending on local regulations and best practices), country-specific solutions will be considered and proposed through the local negotiations with local unions/employee representatives, such as:

- development of internal mobility to leverage internal opportunities;
- redeployment;
- temporary appointments to other Alstom sites/other functions;
- training/requalification;
- support to external repositioning;
- support to personal career projects.

Besides regular and constructive exchanges with the various committees on business and employee topics, Alstom also aims to put in place collective agreements and practices (in countries not covered by collective bargaining mechanisms) that address social issues and ensures employees' expectations are channelled.

To this purpose, the annual internal survey (social survey) has included this year new dimensions characterizing the relationship between employees and their work environment in the broader sense, to better identify the points of improvement and the challenges linked to the working conditions of the Alstom employee. Topics related to professional

development, reward and recognition, and health and well-being are more and more on the agenda in the dialogue with the social partners or through other mechanisms put in place.

The social survey conducted in 35 countries representing 97.6% of Alstom's total workforce, revealed that 59.9% of employees were covered by a national or company collective agreement. The percentage of employees covered is stable compared to the previous year (60.4%) and has not changed although Alstom has doubled its size with the acquisition of Bombardier Transportation Legacy. In 2021, 212 collective agreements were signed in the surveyed countries. These agreements were concluded at site, country or legal entity level.

Also, out of the 212 collective agreements signed, most of them were covering one or more of the following aspects:

- Career development;
- Work time flexibility;
- Employability/life long learning;
- Stress management;
- Equal opportunities;
- Environment;
- Health, and Safety;
- Restructuring & reorganization implying redundancies;
- Mitigation with reference to Restructuring & reorganization implying redundancies;
- Non-discriminatory, Anti-harassment.

Among these, particularly positive agreements for employees were signed in various countries with regards to flexible/work schemes/homeworking (to mention France covering more than 10,000 employee). In Germany, the convergence toward a unique performance management process led to new general works agreements covering the all-new Alstom employee base. Each agreement signed within the Company is the result of a mature and constructive social dialogue with the common intent to continue to frame an environment where the social aspects and employees' expectations are considered and channelled.

The social survey also highlights the existence of other channels that complement or replace the collective bargaining or union representation mechanisms, ensuring similarly the expression and consideration of employees' interests. Alstom ensures everywhere an open dialogue to enhance a positive impact on working conditions and work-Environment. As an example, in India and China mechanisms are put in place such as the employee engagement monitoring committee, structured grievance redress mechanism and committee, or bodies working on supplementary benefit scheme (outside of collective agreements). Similarly in South America the "Moove" initiative was launched in 2021, which is another example of a concrete process allowing actions having a positive impact on the working environment and answering to the employee request to improve the balance between personal and professional life.

Finally, the Employee Engagement Survey (see "Recruitment, engagement and retention" section), is a global process deployed in all countries which represents an important practice to track the employee opinion, ensuring regular follow up to improve the engagement through global, country and site action plans. The survey outcomes and related actions are regularly part of the dialogue with managers, employees directly, as well as through the relationship with the social partners or other representative bodies.

RELATIONS WITH GOVERNMENTS, INTERNATIONAL ORGANISATIONS AND THINK TANKS

Contribution to the public debate on sustainable development policies

Alstom contributes to the public debate around sustainable mobility and rail transport, engaging with governments, international organisations and think tanks, in the development of policies.

The Group is actively involved in the dialogue with governments and international organisations, exchanges regularly with relevant stakeholders, and participates in some initiatives of which it shares the vision.

In addition, and in line with its valued strong customer proximity, Alstom's geographical presence, industrial footprint and commitment to the territories are major assets to contribute to the public debate.

The messages through which Alstom contributes to the policy debate focus on:

- the role of open markets and of fair competition to support sustainable growth, across:
 - fair competition, level-playing field and reciprocity in access to public procurement,
 - consistent application of high international standards for transparency and ethics & compliance,
 - protection of intellectual property rights (IPR) as a major driver of innovation and of investment in Research and Development (R&D),
 - evaluation of requests for proposals for transport systems based on the most economically advantageous tender criteria, taking into account the duration of these investments,
 - uniform implementation and mutual recognition of standards and norms between different jurisdictions (certification and approval), in order to reduce cost;
- the need for continued investment in sustainable technologies in the public and private sectors, particularly through:
 - public support and collaboration to accelerate R&D and the piloting and demonstration of sustainable technologies and services,
 - implementation of mid- to long-term financial mechanisms to spread on a large scale the solutions of sustainable mobility, including in the Covid recovery context,
 - promoting policies aiming to internalise external costs, particularly with regards to a consistent CO₂ pricing,
 - the contribution of international financial institutions to support large infrastructure projects in developing countries,
 - the use of innovative financial mechanisms by financial institutions to mobilise private investments, particularly by sharing risks, as well as through governments which support and facilitate their actions,
 - the promulgation of initiatives on sustainable finance also covering the European taxonomy (see "EU Taxonomy" section, page 259);
- the importance of long-term, transparent and stable policy frameworks to support sustainable investments, particularly through:
 - the promotion of sustainable transport and zero carbon emission strategies, based on shared, electric mobility and hydrogen, rather than on individual transport and the use of fossil fuels,
 - the definition of a network of pan-European infrastructures enabling the deployment of rail transportation and zero-emission mobility solutions for all citizens and companies,
 - the digitalisation of the rail network with technologies including cyber security, automation, and traffic management,
 - the definition and the effective implementation of balanced regulations to support a wide portfolio of low carbon and highly efficient solutions, as well as the need for a stable and predictable regulatory environment,
 - the increased resilience of transport infrastructure, to address the impacts of climate change.

Participation in organisations and high-level initiatives

Convinced that Sustainable Development goals will only be reached if all relevant stakeholders are actively involved, Alstom participates in several leading organisations.

At international level

- Since 2008, Alstom adheres to the United Nations Global Compact Initiative, which seeks to encourage companies to commit to a set of values such as human rights, the respect for labour conditions, the protection of the environment, and ethics in business. Alstom is actively involved in this initiative and promotes the ten principles that summarise its key values.
- Besides, the Group continues to support UNFCCC forums (United Nations Framework Convention on Climate Change) to show how its technologies support the transition towards a low carbon emissions society and participated to the COP 26 in Glasgow.
- Alstom is a member of the "Sustainable Low Carbon Transport Partnership" (SLoCaT) initiative that brings together international players committed to sustainable mobility.
- Alstom is a founding member of the Transport Decarbonisation Alliance, which gathers States, local authorities, and industrialists eager to accelerate the transformation of the transport sector into a sector with zero net CO₂ emissions by 2050.
- As a member of the International Union of Public Transport (UITP), Alstom participates in various working groups.
- Alstom is a founding member of the Hydrogen Council, which gathers 134 companies sharing the same vision on hydrogen as a key driver of the energy transition.
- Finally, Alstom is a member of the Corporate Partnership Board of the International Transport Forum (ITF), an intergovernmental organisation of the OECD, which gathers Ministers of Transport at global level.

At regional/local level

- Alstom is a member of the Union of the European Railway Industries (UNIFE) which represents the sector at the European level. UNIFE supports in particular the creation of a single European rail area through the achievement of rail interoperability. It also promotes the role of rail in reaching the EU climate ambition and its contribution to the EU Smart & Sustainable Mobility Strategy. Alstom Chairman and CEO, Henri Poupart-Lafarge, is Chair of the UNIFE Presiding Board since June 2020 for a three-year mandate.
- The EU 2021 year of rail was the occasion for Alstom to be involved in several rail-related events such as the organisation of a webinar on the Hydrogen Train *iLint*, and the participation in various UNIFE events. The French presidency of the EU Council in early 2022 allows for the organisation of events supporting sustainable mobility in which Alstom is involved.
- The Company contributes to the Platform for Electro-Mobility, a voluntary group of 47 companies, NGO and European sectorial associations, which encourages a wider use of electric vehicles in order to reduce emissions from the transport sector.
- Alstom is also a founding member of “Europe’s Rail”, the successor of “Shift2Rail”, the European Union joint undertaking for railway research. “Europe’s Rail” aims to respond to the evolving transport needs of the European Union, through research and innovation, in order to develop advanced and innovative technologies.
- Alstom is a member of “Hydrogen Europe”, the industry association of the “Clean Hydrogen Joint Undertaking”. Hydrogen Europe represents more than 325 companies, national associations and regions promoting hydrogen and fuel cells as efficient and clean technologies, while the Clean Hydrogen JU supports research in the field of hydrogen and fuel cells.
- In 2020, Alstom joined the newly launched European Clean Hydrogen Alliance, which brings together under the umbrella of the European Commission companies, national and local public authorities and members of the civil society aiming at an ambitious deployment of hydrogen technologies by 2030. Alstom is one of the three co-chairs of its Mobility Roundtable.
- Alstom is a member of several expert groups of the European Commission such as the Competitiveness of the European Rail Supply Industry and the Multimodal Passenger Mobility Forum.
- The Group also contributes to many local initiatives.
 - In France, Alstom participates in activities of many industrial associations, such as CS2F (*Comité stratégique de la filière ferroviaire*), MEDEF (*Mouvement des entreprises de France*), France Industrie, AFEP (*Association française des entreprises privées*), Fer de France, FIF (*Fédération des industries ferroviaires*), UTP (*Union des Transports Publics*), AFRA (*Association Française du Rail*), France Hydrogène, Conseil national de l’hydrogène, CMDIT (*Conseil ministériel pour le développement et l’innovation dans les transports*) or local authorities associations such as Régions de France, GART (*Groupe des autorités responsables de transport*). This active participation allows the Group to better include the demands of public authorities, strengthen its proposals and anticipate the evolution of regulations. Alstom is also members of associations on sustainability such as Orée and think tanks such as TDIE (*Transport Développement Intermodalité Environnement*) and The Shift Project.
 - In Germany, Alstom is a member of several rail associations such as the VDB (*Verband der deutschen Bahnindustrie*), and the DVF (*Deutsches Verkehrsforum*). In addition, Alstom is a member of many other German associations, such as VDV (*Verein Deutscher Verkehrsunternehmen*), Allianz pro Schiene (*Alliance pro rail*), the DWV (German Hydrogen and Fuel Cell Association) and Mofair (Association of private operators). In Austria, Alstom is a member of the ARI (Austrian Rail Industry) and the ÖVG (*Österreichische Verkehrswissenschaftliche Gesellschaft*) and in Switzerland, the Group participates in two rail related associations: Swissmem (Employer Association for Machinery – Electro – and Metal-Industries in Switzerland) and Swissrail Industry (Association of the Swiss Railway Industry).
 - In the US, Alstom is engaging with green technology stakeholders, including passenger and freight railroad customers, elected officials, the US Department of Energy and industry trade associations, to leverage public funding, such as the \$1.2 billion Infrastructure Investment and Jobs Act (IIJA), to advance battery and hydrogen demonstration projects that meet our customers’ objectives of reducing carbon emissions. Alstom is also engaging with regional stakeholders to advance development of zero emissions hydrogen traction systems.
 - Alstom is also actively engaged with elected officials in Canada at the federal, provincial, and municipal level in promoting sustainable solutions to transit. Most government entities in Canada support strong environmental ambitions for which Alstom positions itself as a trusted partner to reach these goals specifically to the transport sector, one of Canada’s most carbon intensive industries. In Canada, Alstom is partnering and has relationships with several local and national Chambers of Commerce and Boards of Trade, different railway clubs, and notably the Canadian Hydrogen and Fuel Cell Association, the Canadian Urban Transportation Association, CUTRIC, Propulsion Québec and so on.

DATA PRIVACY

Alstom respects the privacy of all individual stakeholders with whom it interacts. Alstom's Code of Ethics and the Alstom Data Privacy Charter provide the fundamental rules of the Company in this regard as well as protection to all employees, business partners and other third parties whose personal data Alstom processes. In addition, Alstom has implemented a data privacy compliance program centred around the three fundamental principles of its approach: Transparency, Proportionality and Necessity. The Alstom website provides an overview of the data privacy compliance program, copies of the corporate policies including the Data Privacy Charter and various data privacy notices covering the categories of individuals whose personal data is processed.

Alstom is fully transparent on all types of personal data collected, why it collects the data and the type of processing it undertakes on it. The Group collects only personal data that requires for its business purposes, primarily legal obligations and legitimate interests, and does not allow any additional further processing of the data. Alstom has a dedicated email address, which is available to all Alstom employees and any third party who have queries about the nature of personal data collected, the type of processing it undertakes and the exercise of their rights under applicable legislation. Employees who breach data privacy rules and internal policies are subject to disciplinary measures in the framework of Alstom's disciplinary policies and the Alstom Disciplinary Committee.

Synthesis of indicators/Key figures 2021/22

Indicators	2019/20 ^(*)	2020/21 ^(*)	2021/22 ^(*)	GRI 2016 reference	Page
ENVIRONMENTAL INDICATORS					
Energy and CO₂					
Energy consumption from natural gas ⁽¹⁾ (in GWh)	243	221	465	302.1	271
Energy consumption from butane/propane and other gases ⁽¹⁾ (in GWh)	8	6	15	302.1	271
Energy consumption from domestic fuel ⁽¹⁾ (in GWh)	6	9	8	302.1	271
Energy consumption from steam/heat ⁽¹⁾ (in GWh)	42	42	116	302.1	271
Energy consumption from electricity ⁽¹⁾ (in GWh)	192	191	383	302.1	271
Energy consumption from coal, heavy fuels and other fuels ⁽¹⁾ (in GWh)	0	0	0.5	302.1	271
Total in energy consumption ⁽¹⁾ (in GWh)	491	469	998	302.1	271
Energy intensity ⁽¹⁾ (in kWh/hours worked)	7.3 ⁽²⁾	7.0	7.7	302.3	272
Share of electricity from renewable sources ⁽¹⁾ (in %)	36	60	42		272
Direct CO ₂ emissions from natural gas, butane, propane, coal and oil consumption ⁽¹⁾ (in kilotonnes CO ₂ eq.) – Scope 1	52	49	100	305.1	272
Indirect CO ₂ emissions from steam, heat and electricity consumption ⁽¹⁾ (in kilotonnes CO ₂ eq.)	66 ⁽²⁾	45	122	305.2	272
Total CO ₂ emissions related to energy consumption ⁽¹⁾ (in kilotonnes CO ₂ eq.)	118 ⁽²⁾	94	222		272
Other direct CO ₂ emissions from HFC ⁽¹⁾ (in kilotonnes CO ₂ eq.)	1	1	2	305.3	272
Company cars CO ₂ emissions from gasoline or diesel oil (in kilotonnes CO ₂ eq.) – Scope 1 ⁽¹⁾	5	4	6	305.1	272
Total CO ₂ emissions from energy consumption and other direct emissions ⁽¹⁾ (in kilotonnes CO ₂ eq.) – Scopes 1 and 2	124 ⁽²⁾	99	230	305.1/2/3	272
CO ₂ emissions from air travels ⁽¹⁾ (in kilotonnes CO ₂ eq.)	25	5	5.4	305.3	326
CO ₂ emissions from train travels ⁽¹⁾ (in kilotonnes CO ₂ eq.)	1	0.2	0.3	305.3	326
CO ₂ emissions from standard transport of goods ⁽¹⁾ (in kilotonnes CO ₂ eq.)	18	33	27	305.3	327
CO ₂ emissions from exceptional transport of goods ⁽¹⁾ (in kilotonnes CO ₂ eq.)	11	7	6	305.3	327
CO ₂ emissions of Alstom passenger transport solutions sold during the fiscal year (gCO ₂ /pass.km)	5.3	4.6	4.6	305.3	266
CO ₂ emissions of Alstom freight transport solutions sold during the fiscal year (gCO ₂ /ton.km)	-	9.3	9.2		266
Reduction of solutions energy consumption (in %)	20	21.7	22.0		266
Share of newly developed solutions covered by an ecodesigned process (in %)	25	36	51%		270
Natural disasters generating more than €2 million in damages for products and operating losses (in numbers)	1	0	0		268
Water and releases					
Water consumption from public network ⁽¹⁾ (in thousands of m ³)	654	647	1,142	303.1	328
Water consumption pumped from groundwater ⁽¹⁾ (in thousands of m ³)	142	126	170	303.1	328
Water consumption pumped from surface water ⁽¹⁾ (in thousands of m ³)	0	0	1	303.1	328
Total water consumption ⁽¹⁾ (in thousands of m ³)	796	773	1,313	303.1	328
Water intensity (in l/hour worked)	11.8 ⁽²⁾	11.5	10		328

Indicators	2019/20 ^(*)	2020/21 ^(*)	2021/22 ^(*)	GRI 2016 reference	Page
Airborne emissions					
Non-methane volatile organic compounds (VOCs) emissions ⁽¹⁾ (in tonnes)	131	138	521	305.7	328
Waste management					
Hazardous waste ⁽¹⁾ (in tonnes)	3,009	2,771	5,904	306.2	328
Recovered hazardous waste ⁽¹⁾ (in tonnes)	1,758	1,726	4,315	306.2	328
Non-hazardous waste ⁽¹⁾ (in tonnes)	31,450	34,077	58,516	306.2	328
Recovered non-hazardous waste ⁽¹⁾ (in tonnes)	28,207	30,235	52,416	306.2	328
Total waste production ⁽¹⁾ (in tonnes)	34,459	36,848	64,420	306.2	328
Percentage of recovered waste ⁽¹⁾ (in %)	88	88	88	306.2	328
Percentage of recycled waste (in %)	N/A	71	67	306.2	328
Management system					
Proportion of employees working in sites or projects certified ISO 14001 (in %)	90	90	80%	103	324
SOCIAL INDICATORS					
Occupational Health and Safety					
Number of fatalities at work (Alstom employees and contractors) (in numbers)	0	0	1	403.9	277
Number of travel fatalities (Alstom employees) (in numbers)	1	0	0	403.9	277
Number of occupational severe accidents (incl. fatal accidents) (in numbers)	6	0	5	403.9	277
Lost time injury frequency rate (employees and contractors) – IFR1	1.0	0.9	1.1	403.9	277
Total recordable injury rate for employees and contractors TRIR	/	2.2	2.3		
Number of Alstom Zero Deviation Plan audits conducted in a fiscal year (in numbers)	48	59	77		276
Proportion of Alstom employees trained to e-learning module on High Risk Activities ⁽¹⁾ (in %)	77	81.5	76.1	403.5	276
Number of recognised occupational diseases for the entire Alstom scope ⁽¹⁾	45	35	49	403.10	276
Ratio of employees covered by a life insurance in case of accidental death or total and permanent disability ⁽¹⁾ (in %)	97.3	97.6	91	401.2	287
Workforce and organisation					
Number of countries covered by a Top Employer Certification	6	14	14		287
Distribution of employees by type of contract (in numbers)					
Permanent contracts (CDI)	35,317	37,000	69,317	102.8	329
Fixed-term contracts (CDD)	2,778	2,732	3,579		329
Interns	784	746	1,199		329
Total employees	38,879	40,478	74,095	102.7	329
Distribution of employees by region (in %)					
Africa/Middle East/Central Asia	11.9	10.8	6.5		329
Asia/Pacific	17.4	19.1	17.5		329
Europe	57.9	57.9	59.9		329
Americas	12.8	12.2	16.1		329
Distribution of employees by category					
Managers and professionals (in %)	53.5	54.8	52.6		329
Other employees (in %)	46.5	45.2	47.2		329
Employees' movements in a fiscal year					
Hires on permanent contracts (in numbers)	5,703	4,802	9,703	401.1	330
Hires on fixed-term contract (in numbers)	1,990	1,315	2,327		330
Resignations (in numbers)	1,594	1,434	4,500		330
Share of resignations (in %)	4.7	4.0	6.6		230
Economic redundancies (in numbers)	140	317	373		330

Indicators	2019/20 ^(*)	2020/21 ^(*)	2021/22 ^(*)	GRI 2016 reference	Page
Non-economic redundancies (permanent staff)	632	359	604		330
Other (incl. retirements, excluding disposals and acquisitions) <i>(in numbers)</i>	2,353	1,844	2,741		330
New hire Attrition rate (180 days period) (in %)					282
Total (in %)			14		282
Employee Initiative (in %)			12		282
Employer Initiative (in %)			2		282
Managers, Engineers and Professionals (in %)			15%		282
Other employees (in %)			13%		282
Turnover rate for employees on permanent contracts					285
Total turnover rate (in %)	10.4%	9.2%	11.7		285
Voluntary attrition rate (in %)	4.7%	4.0%	6.6		285
Focus on the High Potential population (in %)	1.5%	1.7%	0.8		285
Involuntary attrition rate (in %)	3.1%	2.8%	1.6		285
Recruitments per Region (permanent contracts) (in %)				401.1	286
Africa/Middle East/Central Asia	14	13	7		286
Asia/Pacific	29	29	36		286
Europe	40	44	38		286
Americas	16	14	19		286
Absenteeism rate⁽³⁾ (in %)	2.8	3.1	3.3		285
Africa/Middle East/Central Asia	2.5	2.8	3.0		285
Asia/Pacific	2.0	1.8	2.5		285
Europe	3.4	3.8	3.7		285
Americas	1.9	2.4	3.3		285
Competencies and careers					290
Proportion of trained employees ⁽³⁾ (in %)	90.2	92.3	91.3		290
Average training hours per employee ⁽³⁾ (in hours/employee)	20.1	16.6	18.0	404.1	290
Total number of training hours ⁽³⁾ (in hours)	724,240	621,306	1,198,536	404.1	290
Diversity and equal opportunity (in %)					286
Proportion of women in the workforce	18.8	19.2	18.8	405.1	286
Proportion of female managers or professionals	21.4	22.3	23.2	405.1	286
Proportion of women as senior managers and executives	16.1	16.5	18.3	405.1	286
Proportion of women in STEM related positions	15	16.1	16.1	405.1	286
Proportion of women trained ⁽³⁾	19.3	20.6	19.9	405.1	286
Proportion of employees with disabilities ⁽³⁾ – Alstom	2.5	2.5	2.3	405.1	286
Social dialogue					332
Share of employees covered by a national collective agreement or a company agreement ⁽³⁾ (in %)	60.2	60.4	59.9		332
INDICATORS RELATED TO ETHICS AND COMPLIANCE					
Ethics and Compliance ambassadors (in numbers)	323	370	460		303
Certification ISO 37001 (in % of regions included)	100	100	100		303
Employees having received an “E&C class” training (in %)	80	80	74		303
INDICATORS RELATED TO HUMAN RIGHTS					
Number of internal on-site social audits of subcontractors	9	4	9		309
Number of external on-site social audits of subcontractors and suppliers	/	8	21		309
Number of alerts in the area of non-respect of human rights, of child exploitation, forced labour, freedom of association from alert procedure and social survey leading to internal review	0	1	3		309

Indicators	2019/20 ^(*)	2020/21 ^(*)	2021/22 ⁽²⁾	GRI 2016 reference	Page
SOCIETAL INDICATORS					
Product safety					
Safety review OK (measure the ability to anticipate safety issues in project execution) ⁽¹⁾ (in %)	61.7	78.9	77.0		314
Ratio of participations to online trainings (in %)	77	93	90		314
Relationships with customers					
Net Promoter Score (out of 10)	8.2	8.4	8.1		311
Relationships with local communities					
Country Community Action Plans implemented (in numbers)	29	37	44		298
Number of beneficiaries from social programmes (in thousands of people)	129	203	245		297
RESPONSIBLE SOURCING					
Part of the purchase amount covered by the key suppliers having signed the Ethics and Sustainable Development Charter (in %)	99	99	96		306
Part of total purchase volume covered by online assessments, or/and on-site audits or/and screening (in %)	60	64	62	414.2	306
Number of procurement community members trained in Sustainable Procurement (in number)	253	332	583		306
Number of suppliers enrolled in Alstom Sustainable Procurement training programme	/	/	>100		306

(1) Indicators reported on the calendar years 2019, 2020 and 2021.

(2) Modified scope or methodology.

(*) Figures in green font represent key performance indicators for the Company.

TCFD CROSS-REFERENCE TABLE

The Task Force on Climate-Related Financial Disclosures (TCFD) was created in 2015 to develop consistent climate-related financial risk disclosure. The TCFD published in June 2017 its recommendations on information regarding climate change to be published by companies. Alstom endorsed the TCFD and its recommendations in December 2020.

The cross-reference table below references Alstom's disclosure in response to these recommendations. In addition to information published in the Universal Registration Document, this table also refers to the Group's response to the CDP "Climate Change" questionnaire, accessible on www.cdp.net.

Theme		Recommendations of the TCFD	Alstom disclosure
Governance	Disclose the organisation's governance around climate related risks and opportunities.	a/ Describe the Board's oversight of climate-related risks and opportunities.	CDP: C1 Chapter 4 (p. 173) Chapter 5 (p. 205 and p. 207-208)
		b/ Describe management's role in assessing and managing climate-related risks and opportunities.	CDP: C2 Chapter 6, "Governance and implementation of Alstom's Sustainability and CSR policy" (p. 255) Chapter 5, "Compensation of the Leadership Team" (p. 237) and "Award of performance shares" (p. 230-231)
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	a/ Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	CDP: C2, C3 Chapter 6, "Enabling the decarbonisation of mobility" (p. 261-272) Chapter 6, "Sustainability and CSR strategy and main targets" (p. 254-255)
		b/ Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	CDP: C2 Chapter 6, "Enabling the decarbonisation of mobility" (p. 261-272) Chapter 1, "Sustainable Development" (p. 4)
		c/ Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	CDP: C2, C3 Chapter 6, "Low carbon solutions" (p. 261-265) Chapter 6, "Climate-resilient assets" (p. 266)
Risk Management	Disclose how the organisation identifies, assesses and manages climate-related risks.	a/ Describe the organizations processes for identifying and assessing climate-related risks.	CDP: C2 Chapter 4, "Risk factors, internal control and risk management" (p. 175-180) Chapter 6, "Alstom Sustainability and CSR Risk Mapping" (p. 257-258)
		b/ Describe the organization's processes for managing climate-related risks.	CDP: C2 Chapter 6 "Climate resilient assets" (p. 266-267)
		c/ Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	CDP: C2 Chapter 6, "Climate resilient assets" (p. 266-267) Chapter 4, "Risk factors, Internal Control and Risk Management" (p. 157-177) Chapter 6, "Alstom Sustainability and CSR Risk Mapping" (p. 257-258)
Metrics and targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a/ Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	CDP: C4 Chapter 6, "Enabling the decarbonisation of mobility" (p. 266, p. 268, p. 270, p. 271-272)
		b/ Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks.	CDP: C6, C7 Chapter 6, "Enabling the decarbonisation of mobility" (p. 266 and p. 272) and "Environmental data" (p. 326-327)
		c/ Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	CDP: C4 Chapter 5, "Compensation of the Leadership Team" (p. 237) and "Award of performance shares" (p. 230-231) Chapter 6, "Enabling the decarbonisation of mobility" (p. 261-272) Chapter 6, "reference to Science-Based Targets" (p. 263) Chapter 6, "a proactive policy of corporate social responsibility (CSR) (p. 254)

SASB REFERENCE TABLE

The Sustainability Accounting Standards Board (SASB) is an independent standards-setting organisation that promotes disclosure of material sustainability information to meet investor needs. This table references the Standard for Industrial Machinery & Goods as defined by SASB's Sustainable Industry Classification System™ (SICS™) and identifies how Alstom addresses each topic.

Topic	SASB code	Metric	Unit of measure	Response/Comment
Accounting Metrics	RT-IG-000.A	Number of units produced by product category	Number	Data on sales is provided in Alstom's Annual Report to shareholders on page 33
	RT-IG-000.B	Number of Employees	Number	74,095
Energy Management	RT-IG-130a.1	(1) total energy consumed	Gigawatthour ^(*)	998
		(2) percentage grid electricity	%	Electricity consumed on sites represent 39% of total energy consumption
		(3) percentage renewable	%	42% of electricity from renewable sources
Employee Health and Safety	RT-IG-320a.1	(1) total recordable incident rate (TRIR)	Rate	2.3 TRIR
		(2) fatality rate	Number	0.007
		(3) near miss frequency rate (NMFR)	Rate	Alstom emphasizes the importance of reviewing all work-related environmental, health and safety incidents, including near misses. Near misses are managed at site level
Fuel Economy & Emissions in Use-Phase	RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Gallons per 1,000 ton-miles	Not applicable
	RT-IG-410a.2	Sales-weighted fuel efficiency for non-road equipment	l/km ^(*)	2.1 l/km on a weighted average basis for hybrid and bi-mode locomotives and diesel and bi-mode regional trains
	RT-IG-410a.3	Sales-weighted fuel efficiency for stationary generators	Watts per hour	Not applicable
	RT-IG-410a.4	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines	Grams per kilowatt-hour	(1) 1.75 g/kwh for nitrogen oxides (NOx) (2) 0.02 g/kwh for particulate matter (PM) N.B. Only (b) locomotive diesel engines and (d) other non-road diesel engines are produced. These indicators cover hybrid and bi-mode locomotives and diesel and bi-mode regional trains
Materials Sourcing	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	N/A	See section on "Ecodesign and Circular Economy", p. 268
Remanufacturing Design & Services	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	Reporting currency	Annual revenues from remanufacturing can significantly vary depending on number and status of on-going projects. They are included in "Services revenues", see p. 27

(*) Different unit of measure to SASB standard.