

ALSTOM SA

Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial information statement

(Year ended on the 31st of March 2022)



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.

Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial information statement

(Year ended on the 31st of March 2022)

ALSTOM SA

48 rue Albert Dhalenne
93400 Saint Ouen

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

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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 Ringvägen, 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 Ringvägen, 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:

- CO 2 emissions of Alstom 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.