



SHAREHOLDERS' MEETING OF 12 JULY 2022

ANSWERS FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER¹ TO THE WRITTEN QUESTIONS RECEIVED FROM FORUM POUR L'INVESTISSEMENT RESPONSABLE (SUSTAINABLE INVESTMENT FORUM)²

ENVIRONMENT

1. Are you explicitly committed to aligning your revenues and investment (CAPEX/OPEX/R&D/mergers-acquisitions, etc.) with the target of the Paris Agreement to limit global warming to 1.5°C? How will you ensure that these revenues and investment comply with this target (please describe the methodologies used)? What are the main action plans and, if applicable, the related amounts of investment put in place to achieve this target on a short, medium and long-term basis?

As part of the integration of Bombardier Transport, the CO2 reduction targets were revised to reflect the company's new scope. These targets will be submitted to the SBTi initiative for validation in 2022. The new commitments are:

- Alstom undertakes to reduce direct greenhouse gas (GHG) emissions (scope 1) and GHG emissions linked to energy consumption (scope 2) on Alstom sites by 40% by 2030 compared to 2021/2022 - in accordance with the reductions required to limit global warming to 1.5°C - the most ambitious target in the Paris Agreement.

Alstom intends to reduce CO2 emissions in scopes 1 and 2 thanks to its ongoing programmes to improve the energy intensity of its operations, develop green electricity generation on site and supply electricity from renewable sources to all its sites.

- Alstom undertakes to reduce GHG emissions (scope 3) generated by the use of products sold from the portfolio of rolling stock by 35% per passenger km by 2030 compared to 2021/2022 levels - meeting the SBTi criteria for the ambitious value chain targets in step with current best practices.

Alstom intends to treat CO2 emissions generated by the use of products sold through active R&D and innovations to reduce the energy consumption of our solutions and develop alternatives to diesel, in addition to the gradual decarbonisation of the electricity mix in countries and active engagement with our customers to promote renewable energy.

- Alstom is currently working to establish a benchmark for GHG emissions in Scope 3 for the goods it purchases to set a target for reducing GHG emissions over the coming year. Goods purchased are the second largest contributor to emissions in Alstom's carbon inventory after products sold. Other categories of GHG emissions such as logistics and business trips will follow.

¹ Acting on the authority of the Board of Directors on 10 May 2022, in accordance with Article L. 225 208 of the French Commercial Code

² Questions received on 20 June 2022



For more information about our commitment and our methodologies to reduce CO2 emissions, please read the paragraph CONTRIBUTION TO DECARBONISING MOBILITY from page 261 of our 2021/2022 universal registration document.

2. What percentage of your activities (expressed in turnover, net banking income, etc.) is directly dependent on biodiversity? How much are you spending to protect biodiversity?

This is an emerging topic and Alstom would like to deal with it in 2022 by defining a comprehensive strategy to measure and track its global impact on the biodiversity surrounding its sites. Pilot projects have been rolled out since 2020. To give some examples in France, Alstom Tarbes carried out a flora/fauna/water quality study over a year. This has made it possible to implement a protection policy for specific local species of animal, and will be the starting point for a comprehensive overview of the impact of the site on biodiversity. In the North of France, Alstom is taking part in the replanting of local forests around its Crespin and Valenciennes Petite-Forêt. sites to combat the decimation of ash forests through ash dieback. This reforestation plan is being conducted in partnership with the "Act for the Forest" (Agir pour la Forêt) scheme from the ONF foundation and will promote natural recovery of the local biodiversity.

3. List the strategic natural resources required to carry out your business activity and/or that of your customers (water, energy, materials, etc.)? How do you evaluate yourself and calculate the impact of the depletion of these resources on your economic models? What actions are you implementing to combat supply difficulties and make the most of opportunities to develop "circular business models"? What are your targets on this topic?

The use of critical materials has been mapped out by the eco-design teams, which will, in the future, enable us to define and implement mitigation measures. This year, Alstom drew up its Circular Economy Roadmap, with a focus on three areas:

- The roll out of a systematic eco-design programme covering, in particular, the energy efficiency of rail systems, the use of more green, recyclable and natural raw materials, the circular economy and end-of-life management with a target of
 - o 25% of recycled content in newly developed rolling stock by 2025 (new target published in June 2022)
 - o 100% of eco-design solutions for 2024/2025. 51% of newly designed solutions in 2021/2022 were covered by an eco-design process.
- The development of the Services business based on the circular economy integrating the development of repair and reuse for maintenance and renovation activities;
- The development of recycling and material recovery for waste management on our sites, with the aim of recovering 90% of waste and at least 80% in the form of material recovery by 2025.

Energy is also a major issue for our customers, who are sometimes among the main consumers in their countries. Energy efficiency is an integral part of our eco-design programmes and we have set a specific energy consumption reduction target of 25% for our solutions by 2025, compared to 2014 levels. Today, the solutions in our portfolio have reduced their energy consumption by 22 % on average.

SOCIAL

4. What proportion of your corporate officers and your employees (broken down type) are concerned by the integration of environmental and social (E&S) criteria in determining their variable compensation (bonus, long-term compensation, profit sharing, etc.)? What governing bodies are responsible for the choice and validation of these E&S criteria? How do they ensure that these criteria are both relevant, sufficiently inciting and in line with the targets to be achieved to drive the group's environmental and social strategy? (Please specify the extra-financial criteria selected for corporate officers and employees).

The compensation of corporate officers, and more generally, the Group's employees, reflects the Group's E&S commitments, through two variable compensation components in place:

- The annual variable compensation (bonus), which covers over 20,000 Group employees, including the management team, as well as the executive director, is based on individual and collective targets. The collective targets (which account for 60% of the mix) are the same for all beneficiaries, and include both financial and non-financial targets (ESG). The latter, for the 2022/2023 financial year, cover 16 points out of 60 (an increased weighting compared to the previous financial year) and are based on indicators relating to workplace safety, the representation of women in management, ethics and compliance programmes, and the reduction of greenhouse gas emissions within the Group's operations.
- The long-term compensation (performance action plans) covers 1,474 beneficiaries, including the executive director (for the "PSP 2022" plan, and was launched in May 2022). This plan makes the definitive acquisition of all the shares allocated to all the beneficiaries (2,481,612 shares, i.e. 0.66% of the capital as at 10 May 2022) conditional on the fulfilment of five performance conditions, including two E&S conditions:
 - the 2024/25 objective of reducing the energy consumption of the solutions offered to customers (with reduction defined as the average of the reduction percentages) set by the Board and assessed at the end of 2024/25 fiscal year as compared to those offered before March 2014. This indicator represents 15% of the total performance conditions.
 - the 2024 target for the engagement score of Alstom employees, as measured through the annual internal engagement survey. This indicator represents 15% of the total performance conditions;

In both cases (short- and long-term variable compensation), all targets (including E&S targets) are defined by the Board of Directors on the recommendation of the Nominations and Remuneration Committee. The Board of Directors wanted to maintain and strengthen the conditions under which it is possible to ascertain the Company's performance in terms of environmental, social and governance commitments on both these compensation components, taking care to associate targets that are strictly aligned to the Group's strategic targets.

5. What lessons can be taken from the new ways of organising work that have emerged due to the Covid-19 pandemic (remote working, digitisation of means of communication, greater flexibility, etc.), implemented in your company in terms of the impact of working conditions? How does your Human Resources strategy currently integrate these new means of organisation? What social dialogue has been undertaken on this topic (agreements, shared vision of the future of working, etc.), in all roles and areas in which you operate?

Since the start of the Covid-19 epidemic, Alstom has taken various steps to help employees adapt to new working methods (remote working policy, remote working advice for managers and employees, virtual café with colleagues), reinforced its Employee Assistance Programme (EAP) in many countries, applied flexible measures for working parents and distributed a manual of best practices. In terms of health and well-being, Alstom has launched various initiatives throughout the world, including training on well-being for managers and employees, a best practice guide, webinars on health and well-being, with the aim of improving its employees' well-being at work.

Several local initiatives were launched in 2021, such as:

- Asia-Pacific region: Australia, India, Singapore, Hong Kong, etc. regularly organise mental well-being sessions and virtual physical exercise sessions to take care of employees' well-being and strengthen team spirit and the sense of belonging;
- in France, a holistic project on psycho-social risks was launched on several sites such as Le Creusot, Belfort and Villeurbanne, including a risk assessment, an analysis of deep-rooted problems and the drawing up of an action plan;
- Latin America: initiatives such as conferences on psycho-social topics, strengthened support of the PAE and the revision of flexibility and home working policies took place in 2021. Moreover, a new programme called "Moove: wellbeing & beyond" was launched in the region (Mexico, Brazil, Chile, Panama, Argentina, etc.) focussing on three key areas (health, life and the world);
- United Kingdom: the health and well-being strategy is already in place. Initiatives such as Unmind (application) and Kaido (health and well-being challenge) were launched. Trained specialists in health and well-being as well as mental health professionals are present on all sites.

The Group has also implemented and adjusted its training programmes and tools to deal with this situation. Notably by strengthening remote management (specific training on the subject, using remote solutions to ensure training continuity, training employees to help them adjust to lockdown and homeworking conditions, and change management training), and implementing a large-scale programme (Discovery Challenge) as part of the integration of Bombardier Transportation, aimed at creating a shared sense of belonging among all Group employees

In indicated on Page 332 of the URD, collective agreements negotiated with social partners, focus, in particular, on working time flexibility. Agreements that are particularly interesting for employees have been signed in different countries regarding the organisation and flexible working and home working policies (for example, covering 10,000 employees in France).

6. In order to assess changes from one year to the next, we would like to repeat the question asked in 2021, the answers to which were not deemed satisfactory. Do you have a definition of "living wage" that goes beyond the local statutory minimum wage? If so, what is it? How does your company ensure that its employees and those of its suppliers earn a respectable wage?

In all countries where it does business, the Group has drawn up pay grids in line with median practices in the local wage markets, which go beyond the minimum regulatory requirements. This approach is complemented by a benefits management policy (including health, life and disability insurance) which also aims to ensure that the schemes made available to employees are in line with local median practices and Group standards. As far as our suppliers are concerned, we adjust our approach to the local context. For example, in Qatar we are very careful not to pay employees/workers according to their nationality, although this is common practice in the country. We share minimum wage grids with our subcontractors for the respective professions. We have also developed a responsible purchasing programme for the group. This includes evaluating suppliers and subcontractors on the basis of environmental and social criteria through online assessments and on-site audits carried out by Alstom teams and, as of this year, by specialised external auditors.

7. France: apart from investments in your company's shares, what proportion of the employee savings fund offered to your employees is labelled as responsible (ISR, Greenfin, CIES or Finasol labels)? How do you explain maintaining non-responsible funds when there is no difference in profitability and given that the Paris Market is the leader in this area? In the other countries in which you operate, do your employee savings plans (pension or other) also integrate ESG criteria? How does the Board of Directors or supervisory board encourage investment in these types of employee savings funds? "

In broad terms, the Group's savings and retirement plans are inclusive, aimed at reflecting cultural and societal changes, and integrating an increasingly diverse workforce. As national schemes come under pressure from an ageing population, longer life expectancy and lower birth rates, the Group has recognised that the focus of social protection is increasingly shifting to individuals and their employers. Whenever possible locally, the Group aims to obtain "quality indicators" and deploy environmental labels for its programmes. In those cases where the Group is responsible for investing and managing assets in connection with these schemes, it works with consulting and actuarial firms to obtain CSR ratings (score of 1 to 4) in order to select the necessary fund managers. In France, during 2021, the PERCO and the Company Retirement Savings Plan (Article 83), which have been available for several years in the group's six main French subsidiaries, were transformed in accordance with the PACTE law and merged into a Single Retirement Savings Plan (PERU) offering a new range of funds alongside that offered in the Group Savings Plan. The range includes three dedicated funds which all have an ESG slant (ALSTOM MODERATE SOCIAL RESPONSIBLE, ALSTOM EQUILIBRE SOLIDAIRE BAS CARBONE, ALSTOM ACTIONS CAP FUTUR). The assets invested by savers (employees and former employees) in these three funds represent 80% of the assets in the Group's Savings and Retirement plans in France.

GOVERNANCE

8. Do you publish a charter outlining your commitments in terms of fiscal responsibility? If so, how does this fiscal responsibility fit in to your broader social responsibility programme? Does the board review and approve this charter? Do you report annually on the application of this charter's principles via a fiscal responsibility charter? Does this report outline the taxes paid in each company?

Our commitments in terms of fiscal responsibility are available in Section 6 of our 2021/2022 URD, page 315, as part of our Extra-Financial Performance Declaration, and as such, the Board of Directors is aware of it.

Alstom is highly committed to determining the correct tax processing of all its business transactions to ensure that it pays the correct amount of tax at the right time, in accordance with the tax laws in the countries in which the Group operates. Regarding the uncertainties surrounding the application of tax legislation, Alstom engages in discussions with the relevant tax authorities to ensure clarity for both Alstom and the tax authority in question. Alstom's approach to tax is low-risk and it does not take part in artificial tax arrangements. The Group aims to conduct its transactions between Alstom companies in accordance with OECD principles and European directives. Each year, Alstom submits a "country by country reporting" to the French tax authority, which proves that the company is not involved in an artificial tax optimisation scheme. This document can be provided to foreign tax authorities by the French tax authorities on request. The transactions covered are analysed in accordance with the DAC 6 principles.

Following the acquisition of Bombardier Transport, the tax team was reorganised to bring it into alignment with Alstom's fiscal organisation model, with a Regional Tax Director, who covers all countries in which the Group is present and a central tax team for cross-functional topics. The central tax team was strengthened with resources dedicated to compliance, standardisation of policies and the monitoring of tax risks. It provides a framework for Alstom to manage the tax risk and ensures a consistent assessment, documentation and approval approach for all questions relating to the tax risk. With regard to fiscal management, the approach outlined in Alstom's previous strategy continues to apply to the former subsidiaries of Bombardier. The Group is being reorganised, which aims to rationalise and simplify the management and governance of legal entities and to reduce the number of layers of companies within the Group.

The effective tax rate of the Group is 27% (before the Purchase Price Allocation).

The group does not draw up a fiscal responsibility report.

9. Do you publish a responsible lobbying charter? Are you a member of professional associations whose positions are controversial in the eyes of the public? If so, what actions are you implementing to change the direction of these associations' positions? What consolidated resources (human and financial, i.e. for your entire geographical area) are you allocating to represent your interests?

The Group publishes a responsible lobbying charter: https://www.alstom.com/sites/alstom.com/files/2021/07/08/Policy_Influence_Transparency_Document_July_2021_VF_EN.pdf

As a world leader evolving in a complex environment, Alstom has always placed integrity, reliability and responsibility at the heart of its actions and values. This commitment is backed up and strengthened by a strong culture of ethics and compliance and the resulting initiatives. Our lobbying policy is clearly based on these values.

Alstom supports professional associations and activities that are aligned with its strategy and business values. Alstom's main priorities are access to sustainable transport and the industrial development of our solutions. As a global player and world leader in mobility, Alstom is involved in professional associations bringing together private companies from all sectors; which aim to (i) Promote the role of industry in economic and social development (ii) Share best practices (iii) Raise awareness of sustainable development.

Therefore, Alstom is not a member of professional associations whose positions are controversial in the eyes of the public.

Moreover, Alstom does not make any political contributions. According to our Ethics Code, "Alstom remains attentive to political questions and changes that may have an impact on our activities, but we do not make any political contributions". This is also affirmed in our ethics and compliance policy (March 2021).

On a European Union level, Alstom joined the European Union's transparency register in 2009. It enables public scrutiny, giving citizens and other interest groups the possibility of monitoring the activities of registrants, bound by a common code of conduct. For more information:

[Register of interest representatives \(europa.eu\)](https://ec.europa.eu/ei/interest-representatives/)

Alstom France is also fully transparent in its relations with public establishments and each year, it declares to the French High Authority for Transparency in Public Life (HATVP), the details of its relations with public authorities, which comply fully with French legislation.

Alstom submits public declarations every quarter to the American Congress, the Joint Commission of the State of New York on Public Ethics and the Ethics Department of LA Metro, outlining all lobbying activities. Alstom also regularly reports on its lobbying activities, in accordance with the applicable laws in the various Canadian jurisdictions.

Alstom complies strictly with the following principles in all its advocacy activities: 1. All laws and regulations that apply to lobbying must be complied with fully; 2. All lobbying must advance sound public policy and consider the impact on all interested stakeholders; 3. Alstom employees who carry out lobbying on behalf of Alstom must ensure, at all times, that they comply with all the requirements of applicable laws and regulations and Alstom's internal policies; 4. Gifts, entertainment or invitations from public agents must be made in strict compliance with applicable anti-bribery laws and regulations, Alstom policies and other regulations and codes (for example, the internal policies of the decision-maker); and 5. External lobbyists are strictly limited, subject to strict approval and thorough due diligence by the Ethics and Compliance Committee and contractually bound to a defined scope;



The group's main contributions to sector organisations are published in Policy Influence 2021.

Lastly, since 2019, Alstom has been certified ISO 37001 for all countries and operational sites in its regions. Indeed, a renewal audit campaign took place in 2020, and Alstom is now ISO 37001 certified until 14 June 2023.

10. The law on due diligence requires the drafting of a diligence plan in partnership with the company's stakeholders, in particular its social partners. Moreover, one of the measures outlined in this plan is the implementation of a mechanism for alerting and collecting reports on the existence or occurrence of risks, drawn up in cooperation with the representative trade unions. Trade union organisations have knowledge of the field and the ability to alert the company and provide precious information when exercising due diligence. How does your Group integrate its social partners - on a local and global level - in the different stages of drafting, developing and implementing its due diligence plan? What resources does it provide to accomplish this mission? How are its social partners involved in reporting on the effective implementation of this due diligence plan?

Alstom has developed a Due Diligence Plan, outlined in the FY2021/2022 URD, on Page 322. Alstom has an Alert Procedure which enables any employee or third party connected with Alstom to report a violation of the Code of Ethics or Alstom rules and policies, in accordance with applicable legislation. The extension of the Alert Procedure to situations covering the Environment, Safety and Human Rights was discussed with social partners in different countries depending on local legislation.

Questions surrounding performance and programmes relating to the environment, safety and the management of human rights, especially in the supply chain are integrated into the agenda of the European Work Forum, the main representative body for employees in Europe.

Moreover, monitoring indicators for certain risks regarding human rights and the environment exist and are presented to local authorities depending on the country.

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