UNIVERSAL REGISTRATION DOCUMENT 2021/22

including the annual financial report

ALSTOM

• mobility by nature •

CONTENTS

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

UNIVERSAL REGISTRATION DOCUMENT 2021/22

INCLUDING THE ANNUAL FINANCIAL REPORT

Société anonyme with share capital €2,616,486,292.

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This Universal Registration Document has been filed on 9 June, 2022 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation. The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.
The English language version of this document is a free translation of the original, which was prepared in French. In all matters of interpretation, views or opinions expressed in the original language version of the document in French take precedence over the translation. It is available on the website of Alstom.


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DESCRIPTION OF GROUP ACTIVITIES

AFR

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ALSTOM, CREATING MOBILITY SOLUTIONS THAT PEOPLE ENJOY RIDING, AND LEAD SOCIETIES TO A LOW CARBON FUTURE

Mobility is at the heart of everything we do – it's in our DNA. Our global footprint, spanning more than 70 countries, paired with a strong local presence allows us to be where mobility needs us most. Over 74,000 employees strive to optimise transport in a way that is efficient, sustainable, and connected.

As a leader in rail technology, Alstom offers the broadest product portfolio in the industry – from high-speed trains, metros, monorails and trams, to integrated systems, customised services, infrastructure, signalling, and digital mobility solutions.

Over 150,000 vehicles in commercial service worldwide attest our strengths in project management and innovation, design and technology. For decades we have enabled millions of people every day to reach their destinations.

Our "Alstom in Motion 2025" strategy focuses on sustained growth, green and digital innovation, and operational efficiency, in an agile, inclusive, and responsible corporate culture – as One Alstom Team.

Industry characteristics

MARKET DRIVERS

The rail transportation market is supported by solid long-term drivers. World strong demographical growth, soaring urbanisation, and growing environmental concerns create a growing investment in sustainable transport, notably rolling stock and associated services as well as related infrastructure.

Demography and Urbanisation

The world's population is expected to increase by 2 billion persons in the next 30 years, from 7.7 billion currently to 9.7 billion in 2050 and could peak at nearly 11 billion around 2100[(1)]. This dramatic growth will have implications for generations to come, among which increasing urbanisation and accelerating migration.

Demographic growth and changes in lifestyles will push demand for rail transport. In industrialised countries and dense urbanised metropolitan regions, rail transit will play a strong role, preventing traffic congestion and space occupancy in cities and urban areas, while offering mass transit solutions, safe, reliable and clean. This is and will continue to be supported by active promotion of public transportation by most countries.

While the long-term impact of the sanitary crisis on urbanisation remains to be assessed, many people responsible for urban planning and development consider that sustainable urbanisation and infrastructure are critical to create economic, social and environmental value improving the quality of life of all.

In this context, efficient, green, inclusive and intermodal urban transportation systems as rail transportation offers ideal mobility solutions in term of capacity, punctuality, security, and reduction of noise, pollution and energy consumption.

Sustainable development

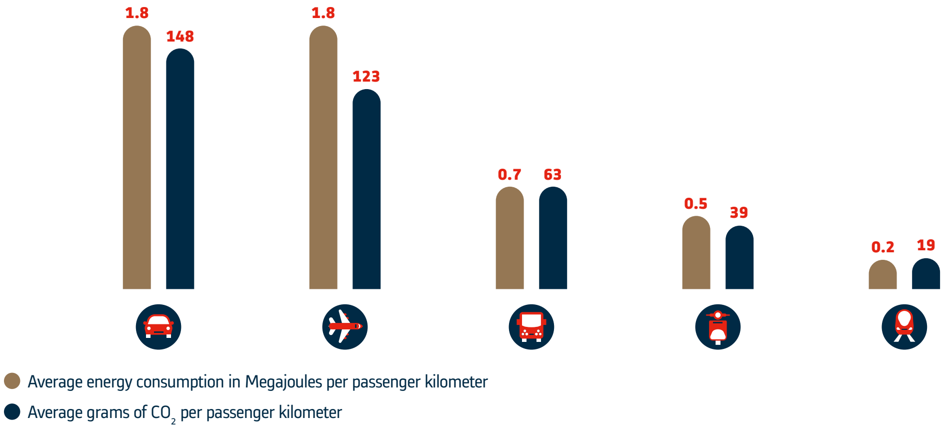
Today more than 90% of the world population lives in areas where air pollution exceeds the threshold recommended by the World Health Organisation[(2)] while CO_2 emissions from transport continue to grow. Transportation, which represents approximately 24%[(3)] of greenhouse gas emissions from energy combustion (for standard pre-Covid-19 levels), is clearly recognised overall as a sector which contributes significantly to worldwide emissions whilst offering a great potential to curb them. The increased visibility of climate change consequences and the threat that air pollution poses on public health drives the actions of governments, cities and regulation bodies but also of transport operators and citizens to limit the magnitude of impacts by reducing greenhouse gas and airborne emissions. For instance:

- The European Commission presented in December 2020 its "Sustainable and Smart Mobility Strategy" which lays the foundation for how the EU transport system can achieve its green and digital transformation and become more resilient to future crises. As outlined in the European Green Deal, the result will be a 90% cut in emissions by 2050, delivered by a smart, competitive, safe, accessible and affordable transport system. A set of law propositions has been adopted in July 2021 to enable European Union to decrease its emissions by at least 55% by 2030, compared to 1990 level, as a first step to carbon neutrality[(4)].
- More than twenty countries already announced a halt to sales of new cars equipped with combustion[(5)] engines *e.g.* Norway (2025), Sweden (2030), Germany (2030), Denmark (2030), France (2040), United Kingdom (2040) or Spain (2040) in Europe, but also other countries like India (2030), China (2030), Japan (2030), Singapore (2040) or Egypt (2040). Cities and provinces are also taking up the challenge and planning a ban of diesel or fossil-fuel vehicles at local level: some European cities such as Hamburg, Berlin, Roma and Bristol are banning diesel cars from their city centres while Madrid, Mexico, Auckland, Los Angeles and Hainan plan a ban in the next decade.

(1) Source: United Nations – Department of Economic and Social Affairs. https://www.un.org/development/desa/en/news/population/world-population-prospects-2019.html
(2) World Health Organisation, Ambient Air Pollution: A Global Assessment of Exposure and Burden of Disease, September 2016.
(3) IEA Tracking Transport analysis May 2020.
(4) https://ec.europa.eu/commission/presscorner/detail/fr/IP_21_3541; https://ec.europa.eu/commission/presscorner/detail/en/fs_21_3665.
(5) Microsoft Word – Survey on Global Activities to Phase Out ICE Vehicles – update 3.18.20.docx (theclimatecenter.org).

Rail transportation offers higher performance levels than other transportation modes, which should have a positive impact on the evolution of the rail transportation market. Indeed, rail is one of the most energy-efficient transport modes. "Rail accounts for 8% of global passenger travel and about 9% of freight activity, but only 3% of transport energy use. On average, rail requires 12 times less energy and emits 7-11 times less GHGs per passenger-km travelled than private vehicles and airplanes, making it the most efficient mode of motorised passenger transport. Aside from shipping, freight rail is the most energy-efficient and least carbon-intensive way to transport goods." states the latest International Energy Agency report[1].

COMPARISON OF ENERGY CONSUMPTION[1] AND GHG EMISSIONS[2] BY MOTORISED MODE OF PASSENGER TRANSPORT, WORLD AVERAGE



Source:
(1) Energy intensity of passenger transport modes, 2018 – Charts – Data & Statistics – IEA.
(2) Well-to-wheel (wake/wing) GHG intensity of motorised passenger transport modes – Charts – Data & Statistics – IEA.

Rail is clearly positioned today among motorised transport as emitting the least carbon by transported passenger. In a context where alignment with the Net Zero Emissions Scenario pathway will require a faster shift from carbon-intensive modes such as private cars, trucks and airplanes to rail, the environmental efficiency of rail has been recognised by multiple governments' recent schemes favoring directly rail (cf. Governmental funding paragraph) or indirectly with encouragement to modal shift. For instance, in July 2021, the French members of parliament suppressed domestic flights for which a rail alternative below 2h30 exists[2]. In France, the ambition of the Railcoop cooperative is to develop an innovative rail transport offer adapted to the needs of the territories. Railcoop inaugurated a freight train line in November 2021. It had gathered more than 12,000 members as of June 2022.

Those initiatives are completed by commitments from close to fifteen railway operators to phase out diesel trains: while SJ (Sweden) and Ruter (Norway) have already stopped in 2020 to buy new diesel trains, SBB and CFF (Switzerland) plan to stop diesel trains purchase in 2030 and SNCF (France) in 2035. Longer term, DB (Germany), Trenitalia (Italy), CP (Portugal), ONCF (Morocco), NS (Netherlands), Renfe and FGC (Spain), DSB (Denmark), ÖBB (Austria) and SNCB (Belgium) are planning a diesel ban by 2050.

Since 46% of the European rail network[3] is still served by diesel and electrification is not always economically viable, it is estimated that 6,000 diesel trains will be replaced or refurbished by 2035. Hence, these commitments open further opportunities for zero-emissions trains, powered either by battery or by fuel-cell, or for green retractioning.

(1) Source: IEA 2021, https://www.iea.org/reports/rail.
(2) "Loi portant lutte contre le dérèglement climatique et renforcement de la résilience face à ses effets".
(3) European Union Hydrogen strategy – https://ec.europa.eu/energy/sites/ener/files/hydrogen_strategy.pdf.

Economic growth

Economic growth is a driver of Alstom's business as the volume of passenger and good transportation, the purchasing power of passengers, and governmental funding for rail are in some measure linked to Gross Domestic Product (GDP) expansion.

Over the 2009-2019 decade, rail both urban and mainline worldwide passenger traffic have grown steadily at a respectively 5.3% and 3.3% CAGR average. Freight rail traffic, although more volatile, grew at 2.3% in average. Since 2020, the economic impact of the Covid-19 crisis and its sanitary dimension strongly affected the ridership and it is not expected to recover before several months. Also, according to International Monetary Fund[(1)], global growth is expected to moderate from 5.9% in 2021 to 4.4% in 2022 and to 3.8% in 2023.

Nonetheless, as a mitigating factor, the purchasing power of passengers is expected to increase as a result of the enlargement of world middle class, both in relative and absolute numbers. The middle class of 3.5 billion people on earth in 2020 would increase to 4.8 billion in 2030[(2)]. Additionally, governmental funding is expected to continuously support rail (see below).

Governmental funding

Until beginning of 2020, governments in mature and emerging countries aimed to develop the economy of their country through investment in infrastructure and efficient, sustainable transport solution. In a context of growing environmental concern and energy prices volatility, rail, which requires 12 times less energy per passenger-km travelled than private vehicles and airplanes, is considered as strategic. Sustainable transport is at the top of political agenda everywhere in the world and the last months were characterised by a confirmation despite Covid-19 and even an acceleration of major investment plans both in mainline and urban segments:

- In the United-Kingdom, the Government announced in November 2021 its "Integrated Rail Plan"; a pledge to spend £96 billion on enhancing the high-speed rail network in the Midlands and the North of the country including High-Speed 2. This is in addition to Network rail's existing plans to deliver a "digital railway" involving the roll-out of ETCS signalling across main lines, potentially enabling more trains to run.
- In Germany, an €86 billion investment plan was announced and is meant for infrastructure and trackside equipment upgrade and replacement.
- In France, 200 km of new metro lines and 68 metro stations will be opened by 2030 for a global investment of €35 billion for Grand Paris. This is the most important project in Europe regarding automatic metro.
- The European Parliament endorsed in February 2021 the Regulation of the Recovery & Resilience Facility (RRF) which will make available a total of €672.5 billion to Member States, combining grants and loans, to contribute to their national recovery plans. Estimates provided by the Commission and complemented by UNIFE's own research show that the amount allocated to sustainable mobility projects in the 26 National Recovery Plans amount to €72.2 billion – out of which, there is between €55 and €58 billion in identified rail investments[(3)]. This represents around 11.5% of the total funding requested under the RRF.
- In the United-States, Congress passed the Infrastructure Investment and Jobs Act (IIJA) in November 2021 and it is now law. The IIJA provides a historic level of infrastructure investment over five years with rail spending at $66 billion – Amtrak budget multiplied by eight *vs* regular budget – and $108 billion to modernise transit.
- In February 2021, Canada announces $14.9 billion of funding for public transport over next eight years, on the top of already ambitious project such as Greater Toronto area electrification project with 680 km electrification and investment into rolling stock for a total value up to CAD 17 billion.
- In February 2022, Indian Finance Minister announced a new record sum of Rs 2.45 lakh cr for the Railways for budget 2022/23 (*i.e.* approx $32 billion), another increase compared to the previous record of Rs 2.15 lakh cr for budget 2021/22. Key announcements are related to 100% mainline network electrification by December 2023, confirming Indian Railways' plans to achieve net-zero carbon emission by 2030 and the future Dedicated Freight Corridors projects with the target to increase the modal share of railways in freight to 40-45% from the present level of 26-27%.
- In Australia, numerous railway projects across the country, notably in New South Wales, Victoria & Queensland, are flowering thanks to sustained State & Federal governments funding. For instance, the Queensland Train Manufacturing Program (QTMP) covering the supply of 65 new six-car passenger trains and two maintenance depots is established to meet the increasing demand for rail transport in South East Queensland over the next 10 years. It will support South East Queensland's population and economic growth, as well as Cross River Rail and the Brisbane 2032 Olympic and Paralympic Games.
- In Saudi Arabia, Neom was launched by Saudi Arabia's Public Investment Fund (PIF) as part of the kingdom's Vision 2030 to redefine urban living, with the objective to be the mobility model for the next century, overcoming dependence on the car and eliminating the need for roads. Budget for creating sustainable transport infrastructure in this new city could reach tens of billion euros.

(1) World Economic Outlook Update, January 2022: Rising Caseloads, A Disrupted Recovery, and Higher Inflation (imf.org)
(2) Visualizing the World's Growing Middle Class (2020–2030) (visualcapitalist.com)
(3) The UNIFE Handbook on National Recovery Plans – what's in for Rail? – December 2021.

Additionally, the OEM market should benefit directly or indirectly of investments in public transports and hydrogen infrastructure. For instance:

- France is planning to spend €7 billion in hydrogen by 2030[(1)], with the objective to develop green hydrogen production capabilities (with an objective of 6.5 GW electrolysers installed by 2030) and heavy mobility use cases such as railway.
- In Germany, €9 billion is to be spent on hydrogen, with €7 billion to boost domestic hydrogen production capabilities (5 GW by 2030, with a further 5 GW to be installed by 2040 at the latest) and further €2 billion to be spent on forging partnerships with countries where hydrogen can be efficiently produced[(2)].
- Spain foresees a mobilisation of nearly €9 billion during the period 2020-2030 in industrial, mobility and electricity sectors, reaching by 2030 an installed capacity of 4 GW electrolysers. In mobility, the Hydrogen Roadmap requests two railway lines by 2030, and the main national operator has announced the cancellation of diesel trains acquisition to switch to hydrogen.

DIGITAL TRANSFORMATION

Digital transformation is a core enabler for sustainable mobility as it allows to increase capacity on green transportation systems, operate them more efficiently and make them more attractive for passengers. It will also lead to the implementation of new business models and new way of workings. The mobility of tomorrow will be:

- Connected and seamless: real-time data collection and transmission can be used on trains condition as a lever to improve fleet and infrastructure maintenance services through smart sensors, connected trains and the deployment of the internet of things. For passengers, multi modal is the only solution answering all criteria (cost, time, sustainability). They also need connectivity solutions through their entire journey.
- Collective: even if low-carbon alternatives such as electric or hybrid vehicles are available, private vehicle use is not compatible with reducing traffic congestion and greenhouse gas emissions. Rail is and will remain the backbone of mobility in a sustainable world, supplemented by lighter transportation modes, such as public or private vehicles, for first-and-last-mile journeys.
- Autonomous: in order for rail to be the most attractive option for urban, regional and international travel, trains need to provide the highest levels of quality, reliability and efficiency. This is where autonomous train operation comes into play. Digitalising certain train operations, compiling data and employing the advanced processing capacities of artificial intelligence can ensure a shift towards sustainable rail transportation by making journeys faster, more comfortable and more punctual.
- Systemic: For a seamless travel, from origin to destination, transportation requires centralised control centres, at the urban or even national level, that can orchestrate fleet and mobility and respond to disruptions throughout the entire system.

(1) https://www.economie.gouv.fr/presentation-strategie-nationale-developpement-hydrogene-decarbone-france.

(2) https://www.reuters.com/article/us-health-coronavirus-germany-stimulus-idUSKBN23B10L.

MARKET PERSPECTIVE

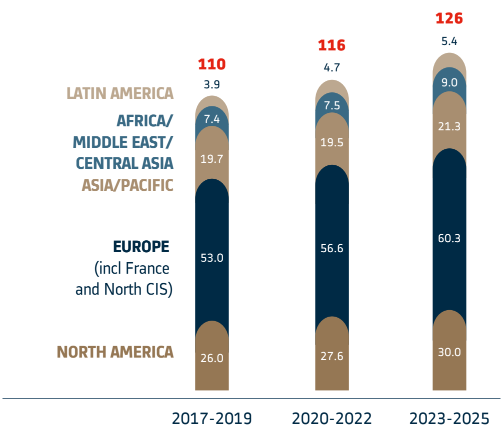
Market evolution

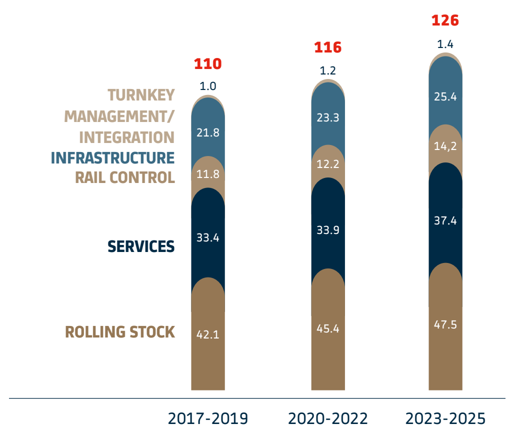
According to the most recent UNIFE market study[1], published on 1 October 2020, despite the effects of the lockdown on the trajectory of growth in 2020, the annual worldwide accessible market for the 2020-2022 period is estimated at €116 billion. Under the central (V) scenario, it would reach €126 billion over the 2023-2025 period, for an average annual growth rate of 2.3% as compared with the 2017-2019 period (source: UNIFE World Rail Market Study, 1 October 2020).

This annual growth forecast from the 2017-2019 period to the 2023-2025 period is identical, on average, to the growth rate forecast in a scenario that excludes the health crisis. The size of the average market in 2023-2025 is also identical. However, the study forecasted an annual contraction in the annual worldwide accessible railway market in 2020, followed by a rebound in 2021. This contraction followed by a rebound has been effective in 2020 and 2021 as can be seen from the global levels of order intakes obtained by main railway industry companies.

UNIFE ACCESSIBLE MARKET

(average in € billion/year)





It includes the known effects of Covid-19, such as decreased volumes in the services market due to the decline in passenger traffic and freight kilometres. It also includes volume adjustments resulting from the postponement of projects. However, the rapid recovery of the rail market thanks to planned implementation of governmental support and recovery programmes for the rail industry has been really observed: governmental support has been implemented in most countries to help rail operators mitigating the negative impact of Covid-19 and massive investments in rail have been decided and start to turn into orders (see Governmental funding).

The European market is driven by growth in its largest country market, Germany as well as Italy. The German Rolling stock market will grow driven by the procurement of new high-speed trains.

The Africa, Middle-East and Central Asia region is expected to have a dynamic growth, carried for example by the Turkish market with an order for new trains for the 533 km high speed line from Ankara to Istanbul, as well as e-locomotives and coaches. Evolution of the oil price since 2021 could positively impact the growth rate in this region.

In Asia-Pacific, China keeps growing, even on the accessible part of its market, thanks to significant investments planned in the high-speed and urban segments. The Indian market is forecasted to grow strongly due to investments in urban rolling stock, electrical multiple units (EMUs) and coaches.

In Americas, Latin America rolling stock market is expected to grow both in urban and interurban segments. In North America, the market is growing in the United States[2] with considerable investments in the very high-speed segment. In Canada large urban tenders are expected.

(1) The study was released in October 2020, and therefore does not account precisely for the recent sanitary crisis developments and size of stimulus plans recently announced.

(2) The UNIFE study, released in October 2020, does not take into account the potential positive effect of the American Rescue Jobs unveiled in April 2021.

Competitive position

The acquisition by Alstom of Bombardier Transportation, which was among the main global competitors of Alstom, has been completed on 29 January 2021. This acquisition strengthens Alstom's leadership in the growing sustainable mobility market by reaching a critical size in all geographies and integrating further solutions and assets to better serve its customers worldwide. Alstom is among the leaders in all the major segments of the railway industry: urban and mainline rolling stock, signalling, services and integrated solutions.

Alstom has various competitors in the railway industry acting globally or locally and covering to some extent Alstom's portfolio.

Siemens is its main global competitor in the rail transportation market, focusing its expansion on automation and signalling. Furthermore, Hitachi affirms itself as a global actor following the acquisition of Ansaldo Breda in 2015 and completion of acquisition of Ansaldo STS at the beginning of 2019. Its position will still grow with the on-going purchase of Signalling division of Thales.

The Chinese train manufacturer CRRC, even if leader in terms of global revenues, is mainly active on its domestic protected market. However, the company has also expressed important international ambitions with several contracts won in 2020 in Latin America. In 2020, CRRC finalised the acquisition of Vossloh locomotives factory in Kiel (Germany), giving this group a foot in Europe.

Stadler Rail, a Swiss train manufacturing company, has recently strongly increased its order book with a level of yearly orders around €4 billion during the last five years which even exceeded €5 billion in 2021 and a start of diversification in signalling, The Spanish train manufacturer CAF has also decided to diversify its activity in signalling and in integrated solutions.

Some manufacturers with a less diversified portfolio of products and industrial sites that are more geographically concentrated (Pesa, Rotem, Skoda, Talgo, etc.) compete with Alstom in specific market segments, such as trains or signalling.

Today, with the acquisition of Bombardier Transportation, Alstom considers to be ranked first[1] in the addressable market of passenger rail industry in all the continents[2].

(1) Alstom view based on orders intake published by competitors in their financial publications, UNIFE data and press releases.
(2) Excluding China for Asia.

Value creation model

OUR RESOURCES

FINANCIAL CAPITAL

- **€81bn** backlog
- Equity of **€9bn**

INDUSTRIAL CAPITAL

- **250** sites in **70** countries
- Industrial CAPEX: **€303m**

INTELLECTUAL CAPITAL

- **9,400 patents**
- **3.4%** of sales dedicated to R&D
- **19,700** engineers
- **91.3%** of trained people

NATURAL CAPITAL

- **42%** of electricity of renewable origin
- **88%** waste recovery
- **92%** of products sold last year can be reused or recycled

HUMAN CAPITAL

- **74,100** employees from **166** nationalities
- Top Employer Europe, Asia Pacific and North America

BRAND CAPITAL

- **1,000** customers among which **300** cities

SOCIETAL CAPITAL

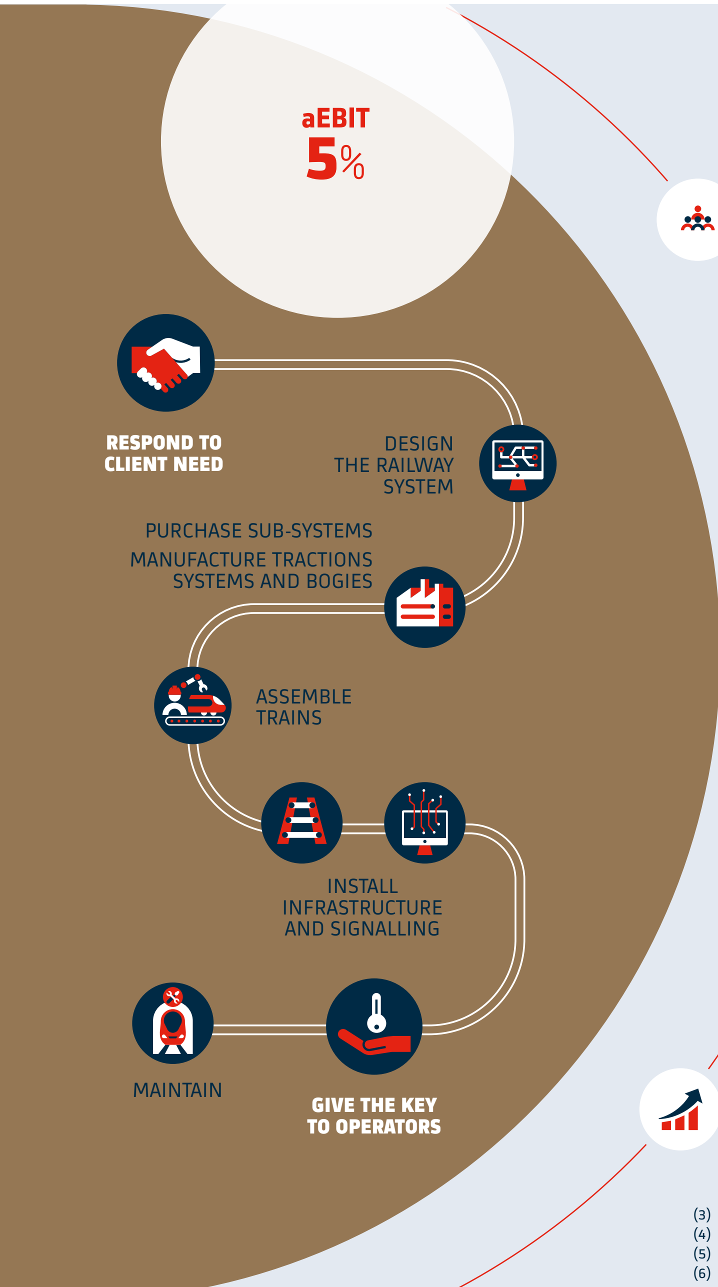
- **ISO 37001**(1) antibribery certification
- **62%** of total purchase volume covered by screenings, online assessments and/or on-site audits(2)
- **€2.2m** foundation budget

SALES
€15.5bn

17% AMERICAS
62% EUROPE
7% AMECA
14% ASIA/PACIFIC

Signalling 15%
Rolling stock 56%
Services 22%
Systems 7%

(1) For countries and operational sites in all its regions.
(2) As per level of risks.



VALUE CREATED FOR STAKEHOLDERS

EMPLOYEES

- Total Recordable Injury Rate for employees and contractors at **2.3**
- **80%** of employees are proud to work for Alstom[3]

CUSTOMERS

- Customer satisfaction at **8.1**[4]
- Energy consumption of solutions reduced by **22%** vs 2014

PASSENGERS

- Nearly **90** million people daily transported by Alstom trains

ENVIRONMENT

- **4.6 g CO_2**/pass.km
- **51%** eco-designed solutions

SUPPLIERS

- **60%** of Alstom products costs purchased
- Founding member of "Railsponsible"

SOCIETY

- **27%** effective tax rate[5]
- **> 245,000** beneficiaries from social programme

SHAREHOLDERS

- **35%** pay-out ratio[6]

(3) Employee engagement survey 2021.
(4) Net Promoter Score.
(5) Before PPA.
(6) Proposed at July 2022 Shareholders' meeting.

Strategy

The expanded strategy Alstom in Motion 2025 (AiM 2025), unveiled in July 2021, focus on capturing the strong market growth opportunities and reinforcing further the innovation leadership of Alstom as well as driving efficiency throughout the new organisation and ensuring the successful integration of Bombardier Transportation. It builds on well-established strategic pillars.

1. GROWTH BY OFFERING GREATER VALUE TO CUSTOMERS

The Group expects to outgrow the market significantly with a sales growth over 5% CAGR and expand its global market share by 5 percentage points. This reflects the positive commercial dynamics along with the unique position of Alstom to fully capture market opportunities.

Regarding market presence, more than 70% share of the Group sales are in North America and Europe, two regions that will benefit from strong stimulus packages. Alstom has in particular a very natural leadership position in Western and Southern Europe. With the Bombardier Transportation acquisition, it also strengthened significantly its industrial and commercial assets in Germany, North America, United Kingdom and Nordics, and plans to further develop in these geographies.

The Group is the only industry player which such a presence in emerging markets, with 13 JVs in China, major manufacturing and engineering sites in India. It also demonstrated strong track record in executing complex projects in emerging markets and is uniquely placed to capture growth in Asia, Middle East and Africa stemming from economic growth and urbanisation.

Alstom can also now build on its ability to offer the best value proposition for its customers based on the most complete and a high performing portfolio in the industry, with Rolling Stock ranging from light rail to very high-speed train, parts, maintenance and operations services, and a complete portfolio in Signalling.

Signalling and Services will continue to have the fastest growth potential. Alstom aims to grow at high single digit path in Signalling and be market leader by 2025 benefiting from its technological leadership in ETCS(1), a presence in each strategic market and strong engineering hubs in mature and emerging markets. In Services, Alstom targets to grow at solid mid-single digit, leveraging on the widest installed base of the industry with 150,000 vehicles, the most extensive depots network and 15,000 highly skilled service employees. In Rolling Stock, Alstom comprehensive and best-in-class portfolio, continuously fuelled with innovation, is positioning the Group ahead of the game, and Alstom will focus most particularly on increasing competitiveness and profitability while growing above market rate.

2. SMARTER, GREENER, INCLUSIVE AND HEALTHIER MOBILITY FOR ALL

Alstom has significantly reinforced his Research and Development (R&D) resources and intends to expand its leadership in rail innovation. With the new scale and combined expertise, the Group now has 9,400 patents and a unique scale and talent base in the industry. R&D investments will be significantly reinforced – expected at €550-600 million per year in 2024/25 at around 3% of annual sales – to further advance innovation in the key areas of smart, green, inclusive and healthier mobility.

The Group is the only rail player that today offers the entire scope of green traction solutions and in-house fuel cell technology. Hydrogen trains have been running in Germany since 2018 and the Group has been awarded firm contracts in Germany, France and Italy for 59 trains and has multiplied other partnerships with other countries in Europe. For Smart Mobility, the Group aims to have fully autonomous trains prototypes for freight and passengers ready by 2023. Alstom will also be able to leverage data from the 35,000 vehicles currently maintained and can count on its 7,500 software engineers and systems architects working on digital mobility solutions to further advance its offering to enable fully connected metros, trams as well regional trains.

3. EFFICIENCY AT SCALE, POWERED BY DIGITAL

The continued transformation and efficiency gains combined with the successful integration of Bombardier Transportation will be a key focus to deliver on the Group's ambitious profitable growth targets. The Group will continue to deploy its proven ability in operational excellence and project management, leverage its balanced global footprint, drive the digitalisation of its value chain to optimise sites and projects and transfer its expertise throughout the new organisation.

This will be achieved on a basis of clear strategic initiatives supported by a set of dedicated targets by 2025:

- The Group will drive the transformation by deploying its digital suite to reach 100% Group wide, leverage its scale to invest and accelerate and increase digitalisation of its processes by 20%.

(1) European Train Control System.

- The Group will drive continued project management excellence in order to achieve a Net Promoter Score of 8.3, implement systematic cash focus in projects, and extend best practices to lower hard inventories by 20%.
- The Group will grow its sites in Best Costs Countries, leverage its combined locations to optimise its industrial strategy and optimise its supply chain to increase global manufacturing work by 20% in Best Costs Countries and increase manufacturing productivity by 10%.

4. ONE ALSTOM TEAM AGILE, INCLUSIVE AND RESPONSIBLE

The Group reiterates its Corporate Social Responsibility convictions to aim for carbon neutrality in transport and increase social equity and inclusion by increasing the availability and efficiency of public transport. These convictions are driven by one Alstom team with one set of values: Agile, Inclusive and Responsible.

The Group enhanced and expanded its ESG 2025 targets to deliver a strong response to increased expectations on sustainability performance from stakeholders. Its priorities are: Enabling decarbonisation of mobility, Caring for our people, Creating a positive impact on society and Acting as a responsible business partner. The newly added targets are highlighted in bold in the table below.

	2022 baseline	2025 targets
Enabling decarbonisation of mobility	• 22% • 51% • 42%	• **25%** energy reduction in solutions(1) • **100%** main solutions covered by ecodesign approach • **100%** electricity from renewable sources(2) • **25%** recycled content in newly-developed Rolling Stock • Science-based CO_2 emission reduction targets in line with the Paris Agreement
Caring for our people	• 2.3 • 23.2% • 3 regions certified • 18	• Total recordable injury rate at **2** • **28%** of women in manager & professional roles • Global **Top Employer** certification • Learning culture **22 hours** per employee per year
Creating a positive impact on society	• > 245,000 • 6 countries	• **250,000** beneficiaries per year from local actions and Alstom foundation • **12 countries** with CSR label
Acting as a responsible business partner	• 62%	• **100%** of total purchase volume covered by screenings, online assessments and/or on-site audits as per level of risks • **500 suppliers** trained in sustainability and CSR
2030 carbon targets	• Reduction of absolute direct GHG emissions (Scope 1) and indirect GHG emissions (Scope 2) from Alstom's sites by 40% by 2030 compared to 2021/22 • 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	
2050 carbon targets	• Net zero carbon in Alstom value chain	

(1) Compared to 2014.
(2) End of 2025.

Integration of Bombardier Transportation

As of May 2022, the integration of Bombardier Transportation is fully on track. Our employee engagement survey performed 10 months after closing shows that 80% of employees are proud to work for Alstom. In addition, 86% of our surveyed employees are aware of the new Alstom values in the frame of our cultural integration programme.

The integration activities have been delivered in line with the integration roadmap and timeline:

- Alstom organisation in place and moving as One team, supported by new Alstom values and long-term culture and change roadmap.
- 80% of key processes converged and encompassing all functions and product lines, including project and tendering processes, quality processes and supply chain processes. Convergence activities will continue to be deployed to reach one operating model with best-in-class processes and product portfolio in 3 years.
- Start of deployment of Alstom IT Core model to converge solutions and tools, with a strong focus on rolling out Alstom Digital suite.
- 100% product and components convergence validated, with clear strategy and product roadmap to meet customer needs.

As announced, 2021/22 was a year dedicated to the stabilisation of challenging Bombardier Transportation legacy projects based on Alstom's proven expertise and execution track record, with a positive impact on operational KPIs and customer satisfaction with Net Promoter Score at 8.1 as of March 2022.

Integration is planned to be completed within three years. Synergies are confirmed and expected to deliver €400 million in 2024/25 and €475-500 million annually from 2025/26 onwards.

Mid-term financial trajectory and objectives

THE OUTLOOK GIVEN IN CONNECTION WITH ALSTOM IN MOTION 2025 IS CONFIRMED, AND SYNERGIES TARGETS RAISED

- **Market share:** By 2024/25, Alstom is aiming to grow its market share by 5 percentage points(1) by leveraging its unique strategic positioning, supported by its enlarged group momentum and its competitive offering.
- **Sales:** Between 2020/21 (proforma sales of €14 billion) – and 2024/25, Alstom is aiming at sales Compound Annual Growth Rate over 5% supported by strong market momentum and unparalleled €81 billion backlog as of 31 March 2022, securing sales of ca. €35 to 37 billion over the next three years. Rolling stock should grow above market rate, Services at solid mid-single digit path and Signalling at high single digit path.
- **Profitability:** The adjusted EBIT margin should reach between 8% and 10% from 2024/25 onwards, benefiting from operational excellence initiatives, the completion of the challenging projects in backlog while synergies are expected to deliver €400 million run rate in 2024/25 and €475 - 500 million annually from 2025/26 onwards.
- **Free Cash Flow:** from 2024/25 onwards, the conversion from adjusted net profit(2) to Free Cash Flow should be over 80%(3) driven by mid-term stability of working capital, stabilisation of CAPEX to around 2% of sales and cash focus initiatives while benefiting from volume and synergies take up.
- Alstom will maintain its disciplined capital allocation focusing on maintaining its investment grade profile while keeping flexibility and ability to pursue growth opportunities through focused bolt-on M&A.
- Alstom is committed to delivering sustained shareholder returns with a dividend pay-out ratio(4) of between 25% and 35%(5). At the Annual General Meeting on July 12, 2022, the Board of Directors will propose the distribution of a dividend of €0.25 per share(6). This level corresponds to a payout ratio of 35% of adjusted net profit before TMH non-cash impairment charge.

Other strategic acquisitions and partnerships

Over the last decades, both Alstom legacy and Bombardier Transportation legacy pursued targeted acquisitions which enables Alstom today to have an unparallel commercial reach and strategic industrial capacities with competitive industrial footprint.

In 2021/22, as part of its commitments to the European Commission in relation to the acquisition of Bombardier Transportation, the Group announced in November 2021 the sale of the Coradia™ Polyvalent platform, the Reichshoffen site and the Talent™ 3 platform to CAF and the transfer of Bombardier Transportation's contribution to the V300 Zefiro™ very high-speed train to Hitachi Rail. Closing of the CAF transaction is expected in H1 2022/23, while the Hitachi transaction could be closed in the first semester of 2022 calendar year.

Also in 2021/22, Alstom reinforced its share in Cylus' equity, an innovative company by participating in Cylus' Series B capital increase. CylusOne is a rail-specific, multi-layered, threat detection and monitoring solution powered by advanced Artificial Intelligence and Machine Learning technology which is integrated in Alstom Communication-Based Train Control in Tel Aviv.

Finally, Alstom took over the remaining minority stakes in EKZ (Kazakhstan) and Ubunye (South Africa), now owned 100% by Alstom in both cases.

(1) In comparison to Alstom's market share in 2020/21.
(2) Adjusted net profit.
(3) Subject to short term volatility.
(4) The pay-out ratio is calculated by dividing the amount of the overall dividend with the "Adjusted net profit from continuing operations attributable to equity holders of the parent, Group share" as presented in the management report in the consolidated financial statements.
(5) Of adjusted net profit.
(6) With the option to receive payment in cash or in new shares, details of which will be provided in a future press release.

Industrial footprint

Alstom designs solutions that are very diverse and adapted to the cities, regions and countries they serve. Its organisational structure covers the entire world and relies on a network of offices, engineering centres and manufacturing sites, warehouses and maintenance centres, which guarantees the smooth and uninterrupted supply of these various solutions.

With the acquisition of Bombardier Transportation in January 2021, the Group has access to further strategic industrial capacities with competitive industrial footprint across both mature markets, such as Western Europe, North America, Australia, and growing markets, including Eastern Europe, Mexico and India. Bombardier Transportation brings hubs of expertise for locomotives and bogies in Germany, monorail and people movers in Canada, suburban and regional trains in France and the United-Kingdom, traction in Sweden, along with engineering centres in best cost countries in Thailand and in India. For example, specialised components skillset at Vadodara site, formerly part of Bombardier Transportation, complements and accentuates rolling stock capabilities already present at Bangalore site. It brings also seven well-established joint-ventures in China.

With those immediate strategic additions to Alstom's already diversified footprint, the enlarged Group has access to deeper industrial expertise and is closer to its customers. Its commercial and industrial proximity allows for the precise monitoring of changes in customer needs and the ability to respond quickly.

MAIN ENGINEERING AND MANUFACTURING LOCATIONS

* Engineering locations only.

During the fiscal year 2021/22, Alstom has further invested into a world class high performing manufacturing environment with a standardised global digital backbone, smart tooling, further steps in process automation, robotisation and automated testing. These investments reduce our ergonomic risks, make our processes fully repeatable and reliable, boost significantly our productivity, accelerate our time to market and strengthen our overall quality. For instance:

- bogie welding robots installed in Le Creusot where the welding process is now 80% robotised *vs* 30% back in 2015;
- robotised watertightness test facility for traction convertors in Tarbes with 30% process time reduction and 250 m³ water savings per year.

On engineering competencies, our "World-class Engineering" campaign asserts our technical bandwidth with the presence of Master Experts and Senior Experts across all technical domains. In a context where Alstom is committed to reduce by 25% energy consumption of its solutions(1) and to have 100% of newly developed solutions eco-designed by 2025, we are developing engineering training academies with a focus on filling competency gaps and developing engineers with an innovative and sustainable approach. We are also committed to expanding our Asia Pacific region, especially Bangalore and Hyderabad sites with a mindset of optimising our talent pool in anticipation of our growing backlog – our plan is to hire 500 engineers annually for the next three years at these two sites alone.

(1) Compared to 2014.

Our key investments in the digital space have paved the way for a more integrated and efficient engineering organisation. For example:

- PLM4A (Product lifecycle management for Alstom) is an enterprise-wide programme to enable ONE product lifecycle management for all the Alstom product lines;
- virtual reality platforms are being used for aesthetic design and mechanical design validations;
- robotics and chatbots are being used for reducing any manual work such as weight calculations, KPI calculations and visualisation.

These initiatives are accelerating our time to market and strengthening our overall quality and productivity, while process convergence and projects stabilisation remain our main areas of focus.

We are now a 74,100 people company (to be compared with 71,700 in fiscal year 2020/21) with 166 nationalities, located in 250 sites.

EMPLOYEES AT 31 MARCH 2022

Africa/Middle East/ Central Asia	Asia-Pacific	Europe	Americas	Total
4,850	13,000	44,350	11,900	74,100

With an order book worth €81 billion, the Group is looking to recruit 7,500 talents worldwide in 2022. This includes around 6,000 engineers and managers, mostly in Europe and Asia-Pacific, and around 1,500 workers and technicians, primarily in Europe, North America and Latin America. These hires are for projects relating to rolling stock, signalling and services. Globally, engineering accounts for half of the permanent position openings.

In China, the presence of the Group is strengthened by 8,700 people working in non-consolidated joint-ventures such as Casco and Bombardier Sifang (Qingdao) Transportation Ltd.

Offering

With respect to the transportation of passengers by rail throughout the world, Alstom's range of products covers all market segments, from light rail vehicles to very high-speed trains and offers mobility operators and network providers products and solutions throughout the entire rail value chain. Integrating Bombardier Transportation, Alstom has now the most complete rail portfolio. Alstom portfolio includes rolling stock, signalling solutions, integrated systems (including infrastructure) and services.

ROLLING STOCK AND COMPONENTS

Light Rail Vehicles

Alstom's Citadis™ and Flexity™ combined product range complements and sets the standard in the market, with over 30-year track record and around 8,000 vehicles ordered or already in successful revenue service, in more than 100 cities around the world.

Our light rail portfolio features latest technology and innovations such as the first homologated obstacle detection assistance system or the latest catenary-free options. They were homologated in various market applications, both for legacy networks as well as for greenfield projects, for the benefit of drivers, passengers, and other traffic participants.

On a day-to-day basis, Alstom's Citadis™ and Flexity™ light rail vehicles provide urban & suburban transit customers and operators with best-in-class reliability and high availability.

The latest Alstom projects under delivery to accompany transportation stakeholders in meeting tomorrow's mobility challenges were mainly in Europe (Athens, Brussels, Cologne, Dresden, Manchester, Nice, Paris, Strasbourg, Vienna, and Zurich), but also in other worldwide cities such as in Lusail (Qatar) & Rabat (Morocco).

The light rail orders recently won by Alstom will complement and contribute to further improving sustainable development and environmental friendliness thanks especially to latest fleet renewals (Gothenburg, Magdeburg, Nantes, Paris & Toronto).

Urban

With its wide range of solutions for urban transport needs, Alstom supports its customers in providing safe, reliable, and economic passenger transport. Its Metropolis™ metro cars as well as the Innovia™ automated people mover and monorail vehicles are the backbone of urban passenger transport in many countries around the globe. With a capacity range from 5,000 to more than 70,000 people per hour per direction (pphpd), Alstom can offer optimised and tailored solutions for the individual needs of its customers for new or existing networks. With a special focus on passenger experience, low noise and energy consumption, optimised lifecycle costs as well as a minimised environmental impact, Alstom's Metropolis™ and Innovia™ products are helping cities and urban areas to grow and to serve todays and tomorrows transport needs. Alstom has delivered urban mobility solutions for a few major networks in cities such as Paris (France), New York (United States), London (United Kingdom) or Sydney (Australia). Additional cities will see soon running an Alstom Metropolis™ or Innovia™ product in their urban network: Agra-Kanpur (India), Cairo (Egypt), Sao Paulo (Brazil), Athens (Greece), Santiago (Chile) and Torino (Italy), just to name a few.

Commuter

Alstom is one of the market leaders in the commuter mobility segment, with a worldwide presence – such as in France, South Africa, the United-Kingdom, Germany, Australia, or the United States.

Alstom has a larger product portfolio and can cover any client need in the commuter segment: from single deck trains such as X'trapolis™ or Aventra™, to double-decks such as the product developed for Metra network (USA). As an illustration of its leadership, Alstom has recently received an order from Irish Rail for up to 750 new X'trapolis commuter rail cars for Dublin Area Rapid Transit network. The order includes the delivery of 13 battery EMU trains (BEMUs) which will enlarge Alstom`s commuter portfolio by a zero-emission solution for non-electrified lines.

Our commuter solutions are thought to minimise operating costs of our customers, while ensuring the highest level in terms of safety and availability. Offering eco-designed products and designing trains with an improved experience for all passengers, are among our highest priorities. Inclusivity belongs to our core values and as such we focus on inclusive rolling stock solutions, the above mentioned Metra bilevel product will meet all Americans with Disabilities Act (ADA) and accessibility requirements, including the addition of wheelchair lifts on each side of the vehicles.

Regional trains

With more thousands of regional trains sold around the world, thereof more than 3300 Coradia™ trains, Alstom has set the standard in the market.

The range offers specific technical configuration adapted to the needs of each operator: Coradia™ Nordic is designed to run in wintry conditions and withstand extremely cold temperatures; Coradia™ Lint™ is in operation since many years in Europe and since 2015 in Ottawa, Canada. New deliveries will be environmentally friendly with stage V gas emission standard diesel engines; Coradia™ Continental is a state-of-the-art modular electric multiple unit.

The new Coradia Stream™ is a success, with the supply of more than 440 single deck trains to clients in Italy (Regional version), to the Netherlands national railway operator and to Danish State Railways (both Intercity version). This range enlarges with high capacity double-deck trains with orders by the Luxemburg's national operator, and by German public transit authorities LNVG, DB Regio AG and RENFE, Spain totalling more than 230 trains.

On top of Coradia Stream™ high capacity, Alstom offers further double deck solutions, such as Omneo™, a family of extra-wide double deck trains that combine capacity, comfort, and accessibility. The different versions make it possible to provide commuter, regional and intercity services. French national operator SNCF has already bought more than 500 trains.

With Twindexx™ Vario double deck coaches, Alstom offers a modular and variable train concept, which can easily be adapted to peak and off-peak travel times. They can be used in push-pull operations using locomotives.

Moreover, Alstom is ideally positioned to accompany its clients in phasing out diesel by 2035 as it is the sole railway player to offer the whole range of green-traction solutions.

Alstom launched, in 2016, Coradia iLint™, an emission-free train for non-electrified lines, powered by hydrogen fuel cells. It can run at 140 km/h, with an autonomy up to 1,000 km/tankful, and accommodate up to 300 passengers. The first pre-serial trains entered in passenger service in Lower Saxony (Germany), in September 2018, and were tested in Austria in autumn 2020 as well. Alstom has signed two contracts to supply serial trains in Germany, now: in 2022, 14 Coradia iLint™ will be delivered to LNVG and 27 trains of the same type to RMV. Additionally, with Coradia Stream™ Fuel cell Multiple Units (FCMUs), Alstom will deliver hydrogen trains to Italian operator FNM.

Alstom is the first manufacturer providing a homologated battery train (won the Berlin-Brandenburg Innovation Award in 2018) for regular passenger service, based on service proven Coradia™ EMU train family. This technology will be applied on other products for example on the Coradia Continental™. In 2020, Alstom signed a contract for regional BEMUs with VMS, the first of this kind in Germany.

Mainline

Alstom™ offers the largest range of high-speed trains in the market, from articulated and non-articulated trainsets to tilting technology, single or double-decker architectures, concentrated or distributed traction. Four current flagship products represent the culmination of 40 years of expertise and more than 2,900 high-speed trains sold with Alstom™ technology in 25 countries.

Avelia™ Pendolino™ high-speed trains ensure excellent flexibility and seamless cross-border service. With its Tiltronix™ anticipatory tilting technology (as an option), Avelia™ Pendolino™ can travel more rapidly through curves on conventional lines.

Zefiro™ Express solution was designed for peak performance through all seasons and has undergone extensive testing in winter conditions. The train is capable of comfortably seating up to 800 passengers. In 2018, Västtrafik (Sweden) signed an agreement for the supply of Zefiro™ Express train fleet consisting of 45 three-car trains.

Avelia Horizon™ brings its predecessor (Avelia™ Euroduplex™) benefits to a further level, offering 20% more capacity together with high comfort and minimising total cost of ownership, thanks to new articulated double deck coaches. Energy consumption and maintenance costs are reduced respectively by 20% and 30%. In July 2018, the Board of Directors of SNCF Mobilités approved a firm order for 100 next generation Avelia Horizon™ very high-speed trains, to be in commercial service by 2024.

Combining proven technologies, Avelia Liberty™ offers flexibility and comfort with accessibility and reduced operating costs. In 2016, Amtrak ordered 28 Avelia Liberty™ trainsets from Alstom, which will run on the Northeast Corridor between Boston and Washington D.C.

In addition to its proprietary product range, Alstom provides its high speed and very high-speed technology and experience as member of a consortium or as a supplier to other manufacturers. As an example, Alstom is playing a major role, providing car body shells, bogies and final assembly of specific cars to the ICE 4 programme in Germany for Deutsche Bahn, also in a consortium Alstom recently won the order to build and maintain 54 High Speed Two trains in Britain.

Locomotives

The manufacturing of locomotives for the purpose of passenger or freight transportation is at the heart of Alstom historical business activities and expertise. With over 5,600 locomotives sold throughout the world since the year 2000, Alstom locomotives have provided a response well adapted to operators' demands.

The latest generation Traxx™ 3 locomotive platform (BoBo) is one of the most innovative locomotives to enter mainly the European freight and passenger transportation market. The Traxx™ 3 platform offers a flexible and modular design for a wide range of applications and many configurations required for individual operation. Product derivations or building blocks of the Traxx™ platform are used for customised solutions for specific regions. Examples of such applications are the Traxx™ AC3 locomotives for Israel, the ALP passenger locomotives for North America, the E464 locomotive for Italy's passenger traffic and the IORE locomotives for heavy freight transport in Sweden.

Alstom locomotives can cross borders and operate on many freight corridors in Europe, being able to run on any of four main power supply voltages (15 / 25 kV AC, 1.5 / 3 kV DC) and under the many conventional signalling systems as well as with the European Rail Traffic Management System (ERTMS). Reliable and redundant systems together with broad service network and excellent technicians ensure highest locomotive availability.

Both alone and with its partners, Alstom also has developed Prima T8™ locomotives (double BoBo type, up to 25 tons/axle) for heavy freight operations in India, Kazakhstan and Azerbaijan, guaranteeing low maintenance costs and high operational performances also under extreme conditions. The Prima M4™ locomotives (BoBo, up to 25 tons/axle) also operate in Kazakhstan and Azerbaijan at speeds up to 200 km/h and under the same adverse conditions.

Finally, Alstom has two types of environmental-friendly shunting locomotives in its portfolio. The Alstom Prima H3™ hybrid shunting locomotive (3-axle) combines the autonomy of diesel power with the benefits of a traction battery, which allows to significantly reduce noise emissions and save up to 60% fuel. The Alstom Prima H4™ is a BoBo type locomotive which can be used for shunting, track works and also for mainline freight services thanks to its shunting functionalities combined with the high power range for a shunting locomotive.

Components

With the widest components portfolio in the industry, decades of experience, and a worldwide presence, Alstom offers the best solution available to original equipment manufacturers (OEMs) and operators. Using the Alstom range of state-of-the-art and proven systems, products and services guarantees your success for all types of railway vehicles. As the worldwide leader in green and sustainable mobility, Alstom provides unrivalled expertise and support. Our components portfolio includes: bogies, traction motors, gearboxes, hydraulic dampers, traction systems with auxiliary converters, switchgears, transformers, brake friction pair (disc and pads), Train Control & Information Systems and in addition interior solutions.

Alstom is continuing its strategy of excellence in the development of its interiors for the rolling stock. Alstom strengthens further its capacity to innovate and to develop interior solutions for all rolling stock applications which are modulable, reducing operator total cost of ownership and are environmentally friendly through an even higher level of recyclability, while offering to passengers an enhanced level of experience and inclusivity. A very innovative example is our dynamic lighting system called "Smart Lighting".Battery based green traction solutions have been developed and proven in our BEMU prototype, put in commercial service after successful homologation in Germany. This standard solution will now be deployed for other rolling stocks in the coming months and years.

In 2021, the Group also invested a further €6 million in a fuel cell production unit in its recently acquired Helion Hydrogen Power subsidiary in France. Alstom, a pioneer in green mobility, is now developing its own hydrogen fuel cell solutions portfolio that will improve the overall associated traction systems.

Within the last year, we heavily worked on a streamlined Components portfolio, which united our Bogies, Drives, Motor and damper unit "Dispen" under one roof, deepening our value chain. Bogies references have decreased by 42% and traction products references have been decreased by 47%. This enabled us to streamlined product management, strengthen our cost position while offering the best to our customers.

The industrial footprint is a significant advantage in winning contracts with challenging local content requirements, which, we observe, are increasingly requested by our customers. It enables us to offer components to OEMs when additional local content and quality components are required.

Our independently accredited test center features installations such as, but not limited to bogie roller test bench, damper type test stand and bogie frame fatigue test facilities to de-risk our developments and provide safe solutions.

In order to maintain our leadership position, our innovations are supported by a strong R&D programme, based on four main pillars: energy efficiency, weight reduction, compactness and low noise.

Alstom`s train control and information system portfolio has been extended and enhanced to further support customers with state-of-the-art solutions. The new managed application platform provide capability to host innovative application services such as for passenger counting, luggage survey, identification of people remaining on-board at last station.

We continue to capitalise on our IBRE (disc supply, acquired in July 2020) and Flertex (pad supply, acquired in April 2021) expertise and portfolio to extend our offer, both for new built and for maintenance spare parts setting the path of a long term more profitable after-sales market. In parallel to this business development, several R&D programmes have been launched to improve our product offer around topics as green impact with particle emission reduction and as performances improvements (energy, digital).

EMISSION-FREE TRAINS

In a context where close to fifteen operators are already committed to phase out diesel trains operations between by 2050 at the latest, Alstom is ideally positioned to accompany its clients to achieve their zero emission targets. Alstom is the sole railway player in the market that has put in service a whole range of green traction solutions. Hydrogen and battery trains are expected to represent over 80% of the global catenary free operation demand in Europe by 2035.

We have been the first to put a hydrogen powered train into passenger operation back in 2018. Since then the Coradia iLint™ has been performing more than 220,000 km in passenger service in many European countries, granting us a clear edge on competition. Alstom is also pursuing its strategy of sustainable development and innovation with the acquisition of Helion Hydrogen Power in 2020. With this acquisition, Alstom extends its portfolio of innovative and competitive solutions. Helion covers the entire value chain of high-power fuel cells.

While hydrogen solutions are best suited to serve the needs of long autonomy, Alstom has also developed the battery powered traction solution to cover shorter autonomy needs. This BEMU has started commercial service in 2022 in Baden Württemberg, Germany. This portfolio of technologies covers the full bandwidth of market needs and will in future be deployed to other Alstom platforms.

Various contracts for emission-free trains have been signed since 2018: Coradia iLint™ for LNVG and RMV in Germany, Coradia Stream™ hydrogen powered for FNM in Italy, Coradia™ Continental BEMU for VMS, X'Trapolis™ BEMU for DART.

This technology offers a very interesting potential for the hydrogen train market, which is expected to boom by 2025-2030 with the replacement of many ageing and polluting diesel trains and the diesel ban in some countries.

Healthier Mobility™

At Alstom, nothing is more important than safety. We remain focused on supporting the worldwide full resumption of safe and reliable rail service. Alstom's Healthier Mobility™ portfolio of solutions has been specifically developed to destroy viruses, including Covid-19, while limiting their impact on the environment and on passenger health and guaranteeing the reliability and durability of rail material.

These solutions have been divided into five domains, in connection with the mode of transmission of the virus:

- cleaning and disinfection;
- contact surfaces;
- air treatment and ventilation;
- contactless solutions and passenger flow;
- referential.

We have built a catalogue of solutions for new rolling stock as well as for the installed vehicle base. We are engaging in partnerships with internationally recognised actors and capitalise on our worldwide railway knowledge to provide a customer-dedicated portfolio of solutions that covers all sanitary measures.

INFRASTRUCTURE

Alongside its expertise in the execution of track, electrification and electromechanical equipment projects, Alstom develops innovative infrastructure solutions to achieve reduced costs, faster delivery and improved energy efficiency of urban transport projects. As track works play a significant role in the duration of a project, Alstom designed Appitrack™, an automated track-laying solution, for slab track and plinth, enabling to install urban and mainline tracks up to four times faster than with traditional methods.

Alstom also co-developed HAS™, a metro track solution composed of concrete sleepers on resilient pads placed in a rigid boot, attenuating ground-borne noise and vibrations. HAS™ has been implemented on Crossrail project (United Kingdom) with more than 5,000 sleepers being installed in sensitive sections of the line. HAS™ has been also selected for the Grand Paris Metro L15 (SE) and L16.1 with more than 15,000 sleepers.

To achieve significant energy efficiency for urban and suburban rail transport networks, Alstom has created Hesop™, a reversible substation for traction and recovery in one single converter. Hesop™ enables the reduction of heat dispersion and therefore the associated ventilation requirements in underground operations. Hesop™ recovers 99% of the available braking energy during the full project life. This energy optimisation enables to reduce the number of substations by 20% in new built projects or increase the traffic up to 40% on existing lines. Hesop™ converters have been ordered for projects such as the Riyadh metro (Saudi Arabia), the Dubai metro (UAE), the Sydney tramway (Australia), Hannover tramway (Germany), Tel-Aviv light rail (Israel), Toulouse metro (France) and Athens metro (Greece). 123 Hesop™ converters are now ordered or delivered.

Alstom also pioneered in the field of catenary-free tramway solutions, with APS™, a technology powering trams at ground level *via* a segmented third rail. To complete its catenary-free solutions, Alstom launched SRS™, a new ground-based static charging system for trams and electric buses equipped with on-board energy storage.

Malaga hosts the world premiere of Alstom SRS ground charging for e-buses. In the Spanish city, Alstom has installed for the first time its new SRS™ System dedicated to e-buses within the PALOMA project co-financed by the European Union. In Malaga, SRS is equipped with a 200 kW charger and associated with twelve-metre electric bus manufactured by Finnish company Linkker. In France, Île-de-France Mobilités, have chosen Alstom SRS™ to equip 2 lines, T Zen 4 and T Zen 5, high service bus lines in the south of Paris. This solution will be a world premiere, compose of 24-metre long, bi-articulated Van Hool electric buses, powered by Kiepe Electric's high-power fast-charging batteries which will be charged by Alstom's conductive ground-based static charging system.

SYSTEMS

Alstom capitalised on its multidisciplinary knowledge and experience to offer integrated systems able to manage every aspect of a railway system: trains, signalling, infrastructure and maintenance. Alstom offers these solutions both in the urban transportation market and the mainline transportation market.

With numerous urban lines under construction underway around the world, Alstom continues to cement its position as a global leader for integrated urban systems projects. This is an area in which Alstom has an excellent track record with contracts such as Torino (Italy), Paris (France), Montreal (Canada), Riyadh (Saudi Arabia), Toulouse (France), Taipei (Taiwan) or Cairo (Egypt).

Alstom provides a global approach for metro systems that was applied to projects such as Dubai metro. Dubai metro is one of the most iconic Alstom projects, in commercial service since February 2021. It started with the anticipation of Dubai 2020 World Expo, half of its expected 25 million visitors shall use public transport. Its mission was two-fold: upgrading the existing system's performance and adding a new interoperable extension of 15 km long, without impact on the operation of the existing line.

To meet the needs of cities experiencing rapid growth and high population density, Alstom has developed Axonis™, a light metro system, that capitalises on the use of industry-standard subsystems such as Metropolis™, Urbalis™, Hesop™ and Appitrack™, along with performance optimisation and pre-defined interfaces, to reduce the acquisition cost and the total cost of ownership.

Alstom is also pioneer in monorail solution with its sleek vehicles running on slender guidebeams, seamlessly integrated into urban environments with commercial success such as Bangkok (Thailand) or Cairo (Egypt). Alstom driverless monorail turnkey system based on Innovia™ monorail 300 rolling stock offers comfortable mass-transit capacity with iconic aesthetics.

Alstom complements its turnkey urban system offering with its tramway integrated systems such as Attractis™, its pre-engineered integrated tramway system solution for fast-growing cities, that include rolling stocks, road works, related infrastructure along with control systems and maintenance depots, with significant contracts such as Sydney.

Alstom is at the forefront of developments in automated people mover (APM) technology. Miami Metromover System overhaul is among our latest contracts. Alstom integrated APM system offering capitalises on our latest generation vehicle: Innovia™ APM 300 that has evolved from years of service backed with extensive testing on our own test tracks.

SIGNALLING

Alstom provides operators and infrastructure managers the means to ensure the safe and smooth transportation of passengers or merchandise, thereby optimising the efficiency of urban or main line networks. It supplies railway operators and infrastructure managers with control and information systems as well as onboard and on-track equipment that guarantee the effectiveness and safety of the use of products, on the one hand, as well as ensure that passengers are informed and comfortable, on the other hand.

Alstom's offer is focused on two separate segments of the market: main line networks and urban networks – for which Alstom offers complete and integrated solutions, which are customisable, based on the needs of its customers. In addition, it also offers passenger security solutions, and control centres for network management.

The development of signalling activity enables Alstom to meet the growing demand for integration expressed by its customers. At the same time, it makes every effort to reduce costs associated with this business by relying increasingly on outsourcing its electronic systems production and by establishing engineering centres in new regions, such as in Bangalore (India). In order to optimise its development efforts, Alstom's signalling products and solutions rely on shared processes.

Mainline Train Control

Operators must face challenges of an increased demand at lower cost. They are looking for better quality of services, reduced trip time and better punctuality without modifying the existing infrastructure. Alstom signalling solutions optimise traffic, ensuring efficiency and gradually automating operations with a competitive total cost of ownership. Our mainline signalling solutions are ranging from freight traffic to regional and commuter, intercity and high-speed lines.

European Train Control System solution

The new ETCS/ERTMS standard (European Train Control System/ European Rail Traffic Management System) for railway network interoperability is intended to impose a single signalling system shared by all the countries in the European Union. The ETCS/ERTMS standard has now been adopted by rail operators for different types of rail operations from suburban to very high-speed rail and by operators from many countries outside Europe. Having played a key role in defining these ETCS/ERTMS standards and thanks to its strong position in all strategic markets due to Alstom's and Bombardier Transportation's complementarities, Alstom's answer to these challenges can be found in Atlas™ and Interflo™ offerings, complete solutions integrating all of the network's data in order to automatically adapt the speed and distance between trains, including whenever the train crosses borders. Alstom is world leader in ETCS onboard deployment while having an ETCS trackside homologated in more EU countries than any other competitor. Its success accounts for over 120 ETCS projects worldwide, 19,200 onboard units and 13,300 km of lines equipped. By supplying railway networks with ETCS including Automatic Train Operation (ATO) and Future Railway Mobile Communication System (FRMCS), Alstom is pioneering the field of rail digitalisation.

In 2021, Alstom has signed a contract with Germany's Baden-Wuerttemberg State Institute for Rail Vehicles (SFBW) to retrofit 118 regional trains. The trains come from several different suppliers and will be upgraded with the European Train Control System (ETCS) Level 2 and 3 as well as Automatic Train Operation (ATO) level 2 (GoA2) technology. The initial upgrade project will be completed by 2024 and the subsequent upgrade, according to the European Technical Specifications for Interoperability 2022, will be completed by 2027.

Freight train control solutions

ElectroLogIXS™ Freight train control solutions offer a CENELEC and AREMA compliant, wayside interface that provides vital control of wayside signalling applications. Ideally suited for small to medium interlocking, signalling and level crossing applications, ElectroLogIXS™ provides a variety of functions available a single platform. ElectroLogIXS™ provides interlocking control for small to medium-size interlocking with integrated control of lamps, vital input/output and track circuit intermediate signalling applications. It also provides an integrated level crossing controller solution including constant warning/prediction capability and control of level crossing gates, lamps and bells. Alstom Freight solutions are widely deployed with an excellent safety and reliability record. ElectroLogIXS™ has over 19 years of safe and reliable operation and over 25,000 units in revenue service.

Incremental Train Control System (ITCS) is a GPS-based train control system well suited for remote territories, remote sections of tracks, low to medium frequency trains, challenging power and communication supplies, and simple interlocking needs. Acting in remote areas as a vital virtual signalling system, ITCS wirelessly communicates train movement authority as though the territory were operating under centralised traffic control. This principle leads to the lowest possible trackside equipment for a signalling system allowing optimised lifecycle costs and higher availability. This solution is scalable and can be adapted without changing the infrastructure. Safety is ensured through full situational awareness and continuous speed enforcement in the cab and wireless control of all trains from central office. ITCS offers proven performance in daily revenue service since 2001 having been deployed on freight, mining and mixed traffic lines in USA, China, Australia and Colombia.

Urban Train Control

Network congestion, security, environmental pollution, and the lack of adequate mobility solutions are the main challenges that urban transportation must face. One of the keys to solving these issues is increasing urban transportation capacity by improving signalling systems. For over 70 years, Alstom has been addressing such urban challenges, which is why it constantly upgrades its Urban signalling solutions, enhancing transport capacity and providing maximum operational flexibility.

As part of its range of products for urban networks, Alstom offers both onboard and on-track products (interlocking and trackside equipment) and solutions (automated control system, control center).

Communications Based Train Control (CBTC) solutions

Alstom's Urbalis™ and Cityflo™ family of CBTC solutions have equipped more than 180 lines over the world.

In 2021 and 2022 contracts for the deployment of Cityflo™ 650 have been awarded to Alstom for Miami DPM (USA), Tampa A+C APM (USA) and Goztepe (Turkey).

For the deployment of Urbalis™ 400 Alstom has signed contracts for Santiago L7 (Chile) and Taipei Circle Line (Taiwan).

To further improve urban transport capacity, Alstom developed Urbalis™ Fluence, the next generation CBTC with its world-first implementation for Métropole Européenne de Lille. It is the first urban signalling solution with more on-board intelligence and direct train-to-train communication. The solution offers operators greater transport capacity, reducing headways to 60 seconds while ensuring the highest operational availability and improved total cost of ownership through a 20% reduction in the amount of equipment, energy savings of up to 30% and adds up to 20% in line capacity. Highest operational flexibility is achieved by enhanced on-board intelligence and autonomous train-centric decision making in case of incidents.

In December 2021, Urbalis™ Fluence was put into service in China, Shenzhen line 20. Alstom has been awarded further contracts for Grand Paris L18 (France), Shanghai L3/4 (China) and Torino L1 (Italy).

Conventional Train Control solutions

Our Cityflo™ solutions assists and controls the driver in some crucial functions, such as speed control and calculation, emergency stop signals, vigilance system. From trams to light rail vehicles to metros, our solutions deliver the highest levels of safety while meeting operator demand for flexible, high-performance and cost-effective solutions.

Interlocking

Compatible with the main signalling standards in existence today, Smartlock™ and Ebi™ Lock are considered high-quality solutions recognised for their versatility.

Based on the overall level of network traffic, Alstom interlocking systems will allow – or not – a train to continue its journey when it crosses a given point machine by following a safe itinerary that avoids all risks of conflict with other trains' itineraries, whether on urban, freight, or main line networks. They are interfaced with onboard control systems and control centres.

In 2021 Alstom signed a contract with Turkey's General Directorate of Infrastructure Investments. Among other the scope includes the deployment of the entire interlocking system for the Bandirma-Bursa-Yenisehir-Osmaneli high standard railway project which is nearly 201 km-long.

Track Products

Alstom offers a complete range of track products and solutions that include vital train detection (track circuits, axle counters and eurobalises), switch point machines and level crossing solutions.

Providing state of the art features and sustainable technology, our adaptive portfolio can serve all type of railway applications: urban, mainline, freight and depot.

Thanks to high connectivity they are interfaced with control systems and designed to be integrated in diagnostic network.

Supervisory system

As the need for more efficient rail network operation increases as a result of an effort to optimise the use of assets, operators need a system that is able to provide a fully integrated monitoring and control system for all operational (train movement control, incident management, resource allocation) and functional (static in-station or onboard functions) elements of the network. This system must be easily customisable to rapidly take into account the operator's structure and operation procedures.

Alstom's solutions focus on passenger safety and the management of information intended for them. With over 70 control centres located throughout the world, Alstom is one of the few market players that benefits from a sufficient amount of credibility and experience to lead projects that involve the management of several lines, for Urban, Mainline and Freight.

Traffic Management

Iconis™ and Ebi™ screen control centre solutions oversee and control all aspects of the traffic management.

Alstom automated control system guarantees train adherence to schedules and automatic optimisation of routes with respect of the operational tasks needed by the several actors involved in the Traffic Management to obtain a real and feasible conflict-free resource utilisation. It provides network operators with a general view of the status of network traffic and enables them to interact directly with the system at that level. It also provides a prediction of the effects of incidents supporting the users in all the actions and analysis needed for an optimal, rapid and proactive solution. Our solutions can take various forms: from a simple autonomous post for an independent station to several hundreds of interconnected servers and operator workstations, able to manage an entire country network.

Security/Closed Circuit TeleVision (CCTV)

Protecting passengers and their belongings from any potential security threats is a central focus for Alstom. Relying on its technical know-how, which enables it to evaluate precisely the risks faced in all the segments of the rail industry, Alstom offers a state-of-the-art advanced security system that is modular, easy to integrate and operate around the clock, and that handles all functions intended to guarantee the safety and security of passengers.

Alstom's range of products extends from simple stand-alone security components to full integration within a control centre with assisted incident management capabilities. It offers a customisable security system structure that can be tailored to any type of train, station, control centre, or warehouse.

Infrastructure and Signalling services

Infrastructure and signalling systems designed and delivered by Alstom ensure safe and optimised operation of the railway throughout its lifetime. Maintaining systems over such a timeframe requires a modern approach to services, especially considering rapid technological advancements and growing demands for capacity. Alstom addresses this by combining digital technologies with significant experience in developing, upgrading and maintaining signalling and infrastructure systems to create a comprehensive portfolio of services. From traditional support such as provision of help desk, spare parts and repairs, to more advanced services including remote condition monitoring and lifecycle management, Alstom delivers the relevant product expertise, technology and processes for optimal performance of the railway system. With services provided to over 70 customers on all continents, Alstom is the long-term partner to railway operators and infrastructure owners around the world.

Smart Mobility

Mobility Orchestration

Our mobility orchestration solution, Mastria™, is designed to meet the current and future needs of "smart cities" and coordinate all types of public transport, from rail to road. It generates high quality information accessible through open data platforms for on-demand services such as car-sharing, self-service bicycle, parking services. All the information is provided in real-time from all transport modes.

It monitors, integrates, regulates and optimises Mobility Offer over the whole public transport network (trip plan, capacity adjustment) and uses advanced data analytics and algorithms to predict and anticipate impact on traffic in order to optimise Mobility Demand.

Connectivity

Today rail operators have to satisfy the ever-growing expectations from passengers to enhance their journey experience while also improving the operational efficiency and maintenance of the fleet. Modern means of connectivity and on-board systems contribute to meeting this need by making real-time information, and passenger entertainment available, as well as key data insights for operators to simplify fleet operation and maintenance.

Our cutting-edge, future-proofed technology offers a comprehensive portfolio of passenger and fleet management solutions to the transport industry by improving connectivity for trains, metros, trams and buses on the move globally. Nomad Digital™'s solutions include passenger WiFi, innovative Passenger Information Systems, on-board passenger portals and entertainment platforms, in addition to operational monitoring and maintenance services.

Nomad Digital™'s solution performance is recognised throughout the year with the supply of connectivity solutions and associated services with major contracts won in both the new build and refurbishment market and the award of a significant French framework agreement.

Data-driven rail mobility

As the digitalisation of public transportation is growing, the need for combining all the data is rising, from train, track, signalling, passenger, ticketing, city event and road traffic. As the age of seamless data environment started, the requirement for digital technology compliant and connected with railways solutions is getting stronger.

Through our Data-driven rail mobility, Alstom combines all the mobility data & its expertise to answer mobility challenges on four pillars: assets availability (condition monitoring, predictive maintenance), operations (traffic management, performance simulation), energy (consumption, simulation and optimisation) and people flow (passenger demand and people flow prediction).

Cybersecurity

In a digital world driven by software and connectivity, having assurance that data and networked systems are protected is a basic requirement to ensure continuous operations. The rail transport sector is facing cybersecurity threats. Operators shall also respect new cybersecurity regulations and standards.

Cybersecurity in Alstom is addressed as a core element to ensure the cyber-resilience of Alstom solutions. Cybersecurity functions and services are offered on solutions of Alstom's portfolio, on rolling stock, systems, services and signalling for both wayside and trackside.

Alstom addresses the entire Cyber Security Lifecycle. It can help rail asset owners and operators analyse their risks, understand where their vulnerabilities lie and act appropriately. To answer to cyber threats that are constantly evolving, Alstom has developed a market-leading cybersecurity capability that matches proven IT and OT security expertise with deep product knowledge and deployment experience. We propose state of the art services and solutions covering risk analysis, security by design, vulnerability management, system/product evaluation (scanning, pentesting).

From building a new line to launching a new type of train, and upgrading or operating their transportation systems, the Alstom works with trusted partners to set best practices and benchmark standards for the rail industry, throughout the entire value chain.

- In 2017, Alstom has signed a partnership with Airbus as they have been dealing with automation and critical onboard electronic devices for many years now. This partnership has been extended in 2021.
- In 2020 and 2021, Alstom invested in Cylus, a company based in Tel Aviv and specialised in cybersecurity for rail. The technology was first rolled-out in the Tel Aviv metropolitan light rail system with a capacity of 200,000 passengers a day.
- In 2021, Alstom became a shareholder of Cyber Campus, a massive French state project on digital security.
- To go beyond, Alstom is also building the new ecosystem for Railway Cybersecurity with new partnerships and by shaping the norms and standards framework.
- In October 2021, Alstom has achieved the certification of its Digital & Electronic development processes against the IEC 62443, an international cybersecurity standard for Industrial Controls Systems.
- In July 2021, a large workgroup, led by Alstom and Deutsche Bahn, completed the effort, started in 2016, to define the first rail cybersecurity Technical Specifications (TS) for signalling, rolling stock and fixed installations – the new CENELEC TS 50701.

SERVICES

Alstom leverages its designer, manufacturer, maintainer and operator expertise in a complete portfolio of best-in-class services designed for all types of trains and railway systems. Answering to different customer needs, our Services solutions are fully customised and scalable, evolve with the increasing complexity of products and systems, and provide the highest levels of availability by minimising fleet downtime. Driven by customer and passenger satisfaction and committed to sustainable mobility, Alstom continuously strives to optimise fleet performance by reducing costs, energy consumption and environmental footprint. As a trusted partner, with close to 300 new contracts signed in 2021, Alstom Services solutions are delivered by local teams, close to our customers and benefiting from a global network of experts located in 250 sites and 40 countries.

Alstom is maintaining over 35,000 vehicles and with 150,000 vehicles installed base fleet – the largest worldwide – has a unique springboard to further expand its leadership in Services.

Rolling Stock Maintenance

With more than 40 years' experience and state-of-the-art capabilities, Alstom delivers rolling stock maintenance solutions, on both Alstom and non-Alstom rolling stock assets, 50 of ongoing contracts lasting 20 years or more.

Long term partner to our customers, Alstom maintains and optimises the lifecycle costs of 35,000 vehicles worldwide, covering the full range fleets (LRV, APM, metro, regional, mainline, high & very-high-speed trains, as well as locomotives and freight wagons). Our scalable services from technical support with spares, to fully outsourced maintenance schemes, are adjusted to customer needs and operational requirements. Leader in Green Mobility, we continuously innovate and adapt to the needs of our customer fleets, hence able for instance to maintain green vehicles (Hydrogen-powered, Battery, or Hybrid).

Enhanced through innovative digital solutions, our rolling stock maintenance activities such as advanced maintenance analytics, condition-based and predictive maintenance and remote expert, continuously maximise asset availability, performance and reliability.

Latest references: Metro Bucharest Extension (Romania), DSB (Denmark), HS2 (United Kingdom), Cairo L1 (Egypt), Vlocity DMU contract extension (Australia), Irish Rail (Ireland), Transdev: Marseille-Toulon-Nice regional TER line (France), SNCF: OuiGo Barcelona-Madrid High-Speed Line (Spain), Trenitalia: Paris-Lyon-Milan Frecciarossa High-Speed Line (Italy)

Digital Solutions

To keep pace in the fast-changing world of technology and legal requirements, railway undertakings need to constantly maintain their level of expertise to continue to deliver world-class services to their passengers. Alstom's Digital Solutions are key enablers for this challenge, covering end-to-end optimisation of asset availability and reliability, whilst increasing efficiency.

Our extensive expertise in maintenance and train operations is currently applied to over 300 fleets worldwide. Our broad spectrum of know-how, ranging from signalling, infrastructure to rolling stock maintenance, helps our customers stay ahead of the game with cutting edge technology fully compliant with day-to-day requirements.

Our digital solutions offering includes:

- Fleet Support Centres, relying on HealthHub™ and using experience across different fleets, allow the deployment of condition-based and predictive maintenance strategies. Trains' health indicators and analytics-based service orders are complementing the regular activities to bring fleet availability and reliability to highest levels.
- Dynamic Maintenance Planning (DMP), a suite of integrated planning and decision support tools that enables a more responsive, flexible, and fluid maintenance execution, seamlessly delivering value along the maintenance process.
- Cutting edge simulators spanning over complete transport systems provide a holistic training environment covering roles, activities, and duties for both, train operation and maintenance staff.
- Our Customer Portal offering tailored support to customers (online fleet status, technical support, obsolescence, safety alerts, etc.) and communication with our internal network of technical experts, provides easy access to all digital services.

Recent Digital Solution projects:

- HealthHub™: REM Montreal (Canada), Tren Maya (Mexico), Santiago L7 (Chile), Toulouse L3 (France), Sydney Metro (Australia), Perth (Australia), Taipei Metro (Taiwan), RRTS (India), Tel Aviv Green Line (Israel), LNVG (Germany), DSB (Denmark), Irish Rail (Republic of Ireland).
- Simulators: Lusail LRT (Qatar), Panama Metro, Barcelona Metro (Spain), Montreal Metro (Canada), Lucknow Metro (India), E-Locos (India), Multifleet Ciffco (France).
- Customer Portal: SMRT (Singapore), SBB (Switzerland), GVB & RET (Netherlands).

Train Operations & System Maintenance

As train manufacturer, operator and maintainer, Alstom offers efficient integrated solutions where performance optimisation is key. Our train operations & system maintenance offering covers the full spectrum of customer needs.

We operate all types of fleets, including Alstom and non-Alstom rolling stock and system assets, manually driven as well as fully automatic, provide maintenance for trains, rail systems and infrastructure, as well as turnkey and Private Public Partnership (PPP) solutions.

With over 50 cumulative years of experience providing reliable operations and maintenance services, we ensure that our customers gain the maximum value from their assets and enable system availability up to over 99%. Our efficient interface management provides seamless coordination between partners, third-party maintainers and operators, regulatory agencies and more.

Currently the largest private train operator in North America based on ridership, we proudly observe 90% contract renewal rate world-wide.

Latest references for train operation: Phoenix Airport extension (USA), Houston Airport APM (USA), Dallas APM (USA), Sunrail (USA), Jeddah APM contract extension (Saudi Arabia)

Latest references for turnkey system with operation: Tren Maya (Mexico), MARC Maryland (USA), NJT Riverline (USA), JFK AirTrain (USA), Dubai Airport APM (UAE) and Munich APM (Germany).

DUBAI TRAM MAINTENANCE: IMPROVING PASSENGER SERVICE PERFORMANCE WITH ALSTOM SERVICES DIGITAL SOLUTIONS

In 2014, Alstom designed and delivered Dubai's first ever 11-km light-rail network. This high-capacity tramway connects Dubai and its environs and is the longest in the world to operate without any overhead catenaries, equipped with Alstom's APS technology. To ensure its serviceability, Alstom was awarded a 13+5-year maintenance contract.

In 2020, Alstom's HealthHub™ tool for predictive maintenance was introduced to the project to enhance asset monitoring on point machines, tramways, and infrastructure. An engineering control room was set up in Dubai featuring 10 screens to monitor all vital systems of the 11 tramways and 19 km of track and using advanced data analytics to anticipate maintenance activities.

Thanks to those digital services solutions, the service performance has improved by 40% within one year of implementation and lifecycle costs are significantly decreasing.

Asset Life Management

Alstom offers solutions allowing enhanced train performance, improved passenger experience, extended lifetime by up to 20 years, reduced energy consumption by up to 35% and minimised environmental impact with green modernisation.

Our asset life management solutions are scalable and adjusted to the requirements of our customers: from performing modernisation engineering studies, validating the solution, obtaining the regulatory certifications, and delivering the associated kits so that customers can complete their projects internally, to leading the entire project up to industrialisation, testing and train recommissioning.

Alstom also offers a full range of obsolescence services, from monitoring of systems and equipment, issuing alerts to mitigate the consequences of obsolescence up to full obsolescence management and treatment solutions to ensure that the expected lifecycle is achieved. It leverages, for instance, 3D printing used for rapid prototyping and obsolescence solutions.

References: Metrolinx Bi-Level OVH (Canada), QNRG ETCS L2 implementation (Australia), Class 72 Mid-life refurbishment (Norway), S-Bahn Stuttgart Comfort refit ET 423/430 (Germany).

Parts and Component Overhauls

Component overhaul and repairs are the basis for reliability, availability, lifecycle costs and the value of the vehicle.

Alstom offers a single-entry point into the largest supplier panel, ensuring the right part at the right time and capitalising on technical expertise as designer and manufacturer of rolling stock. It offers anticipation for parts supply and technical support through Technical Support and Spares Supply Agreement (TSSSA) contracts.

Alstom also proposes various parts commercial offerings from on demand requests and parts catalogues (+2,000,000 train parts referenced) to Vendor Managed Inventory (VMI) allowing to reach enhanced fleet availability and shortest lead time thanks to forecasting, sourcing, purchasing and stocking solutions.

Our worldwide network of repair centres and dedicated Components Services Centres for key subsystems (bogies, brakes, traction, TCMS, etc.) deliver overhauls or specific repairs. To further enhance customer experience, digital tools such as PartsFolio™ (supply chain e-business) and Customer Portal ensure better customer support. StationOne™ is the first specialised B2B marketplace dedicated to the railway industry. It is the only digital solution for procurement across the railway ecosystem, offering parts and services for all type of train fleets and infrastructure in European countries for now.

Latest references: Amtrak very high-speed trains (United-States), Nice light rail vehicles (France), PRASA suburban trains (South Africa), Class 180 regional trains (United-Kingdom), Berlin BVG Trams (Germany), Mumbai MRVC WAP7/WAP9 locomotives (India).

Green modernisation

Alstom offers a range of green modernisation products & solutions to answer all market needs and lower the environmental footprint of rolling stock, including:

- specialised simulation tool to define the most efficient solution;
- auxiliary systems enhancement, *e.g.* use of LED lighting, CO_2-regulated air conditioning system;
- green re-tractioning.

Green re-tractioning aims to provide alternatives to diesel traction, to comply with low-emission zone or zero-emission zone regulations. Hybrid systems (batteries + diesel), batteries or hydrogen re-tractioning based on iLint™ know-how (world's first hydrogen train) can offer:

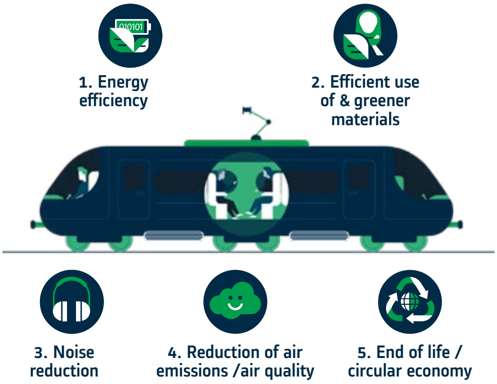
- reduction of energy consumption;
- reduction of Green House Gas emissions;
- reduction of noise;
- autonomy for non-electrified lines, from a few last miles with diesel-hybrid solution, 80 to 100 km with battery solution, 600 km for bi-mode hydrogen/catenary trains and up to 1,000 km for hydrogen solution without catenary.

Latest reference in green modernisation: Contract with SNCF for five Regions to develop a solution to replace the diesel engines of an AGC train with zero-emission batteries, a contract which is currently in its design finalisation phase. The solution implemented on the AGC BEMU has the target to reduce the energy consumption by 15% compared to the initial AGC configuration.

Research and development

As a major actor of transport and mobility, Alstom invests continuously in research and development to increase the attractiveness and competitiveness of its offer for its customers and the passengers. Its net R&D/sales ratio has been sustained at ca. 3.5% over the last exercises. Alstom is recognised for the development of new-generation trains, components and cutting-edge signalling products and solutions, as well as for innovative services and systems activities. All the R&D efforts are focused to address the expectations of the customers and passengers as well as taking into account the environmental and sustainability impact of its offers. Alstom aims at proposing attractive solutions with high capacity and an optimised lifecycle cost to its customers. Alstom is also committed to have 100% of its main solutions covered by ecodesign approach by 2025.

ECODESIGN FIVE PRIORITIES



DEVELOPMENT OF THE RANGE

Rolling stock and Components

Product convergence between the portfolios of the two former companies enabled to accelerate the improvement of all product ranges. It concerns not only the complete rolling stock, but also components and sub-components and it includes the adaptation of the interfaces to provide an optimised result.

Green Traction

Building blocks are being developed and validated to populate a catalogue that is serving the various rolling stock where traction autonomy is needed. It includes all specific components needed for battery trains and fuel cell trains, for new built trains and to the modernisation of existing fleet.

Through the acquisition of Helion, a company specialised in fuel cell packs development, Alstom is increasing its expertise in the field of fuel cell for railway applications. The development of a new generation of fuel cell stack is ongoing, targeting improved performances and further lifetime increase.

Development of the Avelia™ range

The development of Avelia™ range continues. Two pre-serial trainsets of Avelia Horizon™ will be under dynamic test in the second semester of 2022 first in Velim test center and later on the French network. Development of international configurations of the train is ongoing. It will enable to reach the time-to-market requested.

Locomotives

A new version of the Traxx™ MS3 locomotive has been launched enabling to reach 200 kph, aiming to address the passenger market. As a result of the product convergence, Traxx™ MS3 platform will be fitted with ATLAS signaling system, to comply with the new standards for European train control.

Regional Trains

Coradia Stream™ family has been further extended to better address the market needs with a new 15 kV traction chain and longer single deck cars. It will allow to optimise the passenger capacity according to the customer needs.

Infrastructure

Extension of reversible sub-stations range Hesop™

Hesop™ reversible sub-stations enable energy supply optimisation of the railway system and energy consumption reduction. Beyond the existing product 750 V/2 MW already in service, the range has been extended to 1,500 V; 4 MW and 60 Hz, to cover customer needs all over the world.

SRS™ for Tram & Bus – ground based, automatic & interoperable charging solution by contact

SRS™ Solution is a ground-based charging solution by contact derived from Alstom's APS proven solution. Main benefits are to be autonomous, interoperable and compact for an easy integration into city or depot environment. Tram version is in operation in Nice. First fast city charging solution has been implemented in Spain in Malaga and operated with two different buses & battery types. Automatic depot charging solution range is under final development phase.

Electrical Road – APS for Road Vehicles (ground based dynamic charging)

APS for Road is a solution derived from Alstom's proven APS for tram solution. Proof of concept and integration test has been successfully completed with a Volvo truck. Side components development granted a good adherence and compatibility of the feeding track with motorcycles and in winter conditions. Test track project are under preparation to further test & integrate the full solution in different type of vehicle.

Turnkey

Autonomous tramway in depot and autonomous shuttle

Having done with RATP a first demonstration of autonomous driving of a tramway in a depot, Alstom is currently pursuing the project with the development of the solution including new functionalities and strengthened features.

Alstom is also developing intelligent connected infrastructures and safety process, in order to allow efficient and unattended shuttles operation with is Easymile partner.

Signalling

Alstom pursues its signalling developments around three pillars: digitalisation, from hardware to software; automation for more fluidity; cyber-security for a safe and secure mobility.

Our R&D programmes address a wide range of needs:

- mainline with ERTMS train control solutions ATLAS™ and INTERFLO™, and interlocking Smartlock™ and EBI Lock™;
- this includes development of Automatic Train Operation (ATO) for open systems;
- urban CBTC solutions for metros and tramways: Fluence™, Urbalis™, Cityflo™;
- Fluence™, is the world's and only train-to-train CBTC system that reduces the need for trackside equipment
- operational Control Centers ICONIS™ and EBI Screen™, maximising traffic fluidity and orchestrating operations from distance;
- operational and maintenance services HealthHub™ Signalling and EBI Sense™, capturing maintenance data and elaborating diagnostics and prognostics for the operators.

The development of world-class cutting-edge core frameworks, transversal to the whole portfolio, enables Alstom to maximise synergies and technicality: powerful multicore on-board and wayside computers and networks and telecommunication systems compatible of latest standards to ease solutions roll-outs.

Developments are well served by an engineering organisation capable to maximise our R&D investments and assets throughout Alstom technological centers.

Smart Mobility

Data-driven rail mobility

Facing mobility evolutions, transport operators are more and more looking for digital solutions to improve their financial and operational performance. Aware of this trend, Alstom has enriched its portfolio with more advanced decision support solutions, based on data or video analytics, advanced signaling simulators and artificial intelligence.

In compliance with the new Alstom In Motion plan, a new strategy and offering have been defined about data monetization in the field of mobility analytics for maintenance, operations, energy and city flow.

Data analytics

The Data Analytics programme delivers advanced data science algorithms as software components to Alstom's products and platforms. Our state-of-the-art machine learning methods help

1. to improve sub-system performance by analysing radio communication problems in both urban and mainline systems with the Radioscopy solution;
2. to detect and classify odometry anomalies;
3. to increase infrastructure availability by diagnosing track circuit issues due to equipment failures or environmental changes; and
4. to improve operations by speeding up root cause analysis of emergency brakes.

Our solutions have been incorporated in our data-driven flagship products, including HealthHub Signaling, WSDMM analytics edge solution, and TrainTracer.

Digital ecosystem

More and more customers requested from Alstom new kind of digital solution oriented as base requirements in their tenders. Aware of this trend, Alstom is developing a new digital ecosystem to transform our digital offering for our customers. This enables Alstom to move mostly toward Software as Services solutions and provide new capabilities to streamline the access to the data generated by our assets, to simplify the deployment of legacy applications and to accelerate the development of new data driven services leveraging artificial intelligence analytics.

AUTONOMOUS MOBILITY

In order for rail to be the most attractive option, trains need to provide the highest levels of quality, reliability and efficiency. This is where autonomous train operation comes into play. Digitalising certain train operations, compiling data and employing the advanced processing capacities of artificial intelligence can ensure a shift towards sustainable rail transportation by making journeys faster, more comfortable and more punctual.

With a strong expertise in integrated transport system, proven records in connected and intelligent infrastructure position and more than 70 driverless references, Alstom is well positioned to answer to tomorrow's autonomous mobility challenges.

Alstom is working on several technologies on Autonomous mobility around three pillars:

- Railway: gradually and tailored approach from a driver assistance system, autonomous preparation of train and until a complex solution for environment perception 1 km ahead of train;
- Urban mobility: to assist the driver and increasing safety in tramway and metro operation with technologies on obstacle analysis and a solution for avoiding collision;
- Road and Support mobility: propose some solutions with highest level of safety from infrastructure to vehicle (traffic light, road crossing analysis, blind spot) as enabler of the road market.

On Autonomous Freight, Alstom had a successful GoA2 (Grade of Automation 2) test with SNCF under real mainline operating conditions. Alstom has also successfully performed ATO over ETCS L2, GoA2 tests with a heavy freight train In January 2022, Alstom successfully tested, with a real freight locomotive, a first set of perception features able to "see" lateral red-light signals which is a first necessary step towards GoA3.

On unattended shuttles operation, Alstom is working with is Easymile partner on developing intelligent connected infrastructures and safety process.

Another step towards full autonomy is the integration of advanced assistant systems: on this topic, Alstom is working on a red-light detection system and had a successful test with ÖBB. Alstom is also working on vehicle detections system for yards applications, enabling a vehicle to be guided by its environment sensing system only.

Services

Research & development in Services is focused on addressing green, sustainable and more efficient operation concepts. Green re-tractioning initiatives include for example the retrofit with hydrogen-fuelled internal combustion engines for locomotives or providing the autonomy for non-electrified lines *via* so-called "Last-mile" functionality. It is now possible, for short distances with diesel-hybrid solution, up to 100 km with battery solution, 600 km for bi-mode hydrogen/catenary trains and up to 1,000 km for hydrogen solution without catenary.

Our Digital solutions portfolio benefits from research and development, adressing, among others, the enhancement of predictive and condition-based maintenance as well as improvement of operational efficiency and cyber-security.

INNOVATION

Bringing together more than 19,500 talents in Engineering, Alstom is accelerating towards its ambition be the global innovative player for a sustainable and smart mobility.

While Alstom has started a process of optimising its rich legacy of intellectual property with a portfolio of 9,400 patents, the Group belongs to the Top 100 Global Innovators™ released by Clarivate in 2022.

Innovation strategy

The second pillar of the Alstom in Motion strategy is to lead societies to a low carbon future, make mobility simple to operate and ride and create mobility solutions that all people can enjoy riding. Green, smart and inclusive mobility, encouraged by customers' and passengers' expectations, is leading to a transformation of the market. Already recognised as an industrial reference in this domain, with for example the first hydrogen train and products like Hesop™ which recovers the energy generated by trains in braking mode, Alstom has set six priority areas to confirm its leadership:

- green traction and energy performance;
- road electromobility;
- eco-design and manufacturing;
- autonomous train;
- data driven rail mobility for more connected products and services;
- multimodality and Flow management.

The innovation governance is fully integrated within a wider process relying on three enablers: "foresight and technology intelligence", "open, agile & collaborative innovation", and a "mobility Data Innovation Unit".

A worldwide network of innovation champions is in place on Alstom sites in order to deploy locally the innovation process and strategy and boost the idea creation, both internally and through external ecosystems.

Europe's Rail Joint Undertaking

Europe's Rail will build on the success of Shift2Rail which delivered key innovations in many areas, such as energy efficiency, automated train operation and digital maintenance systems. As set in the Commission's Smart and Sustainable Mobility Strategy, the most environmentally friendly transport mode shall become the backbone of the mobility. By bringing together 25 European rail leaders, Europe's Rail Joint Undertaking will boost the development of rail transport and deliver new solutions that will make rail more attractive, more reliable, more energy efficient, more performing and more cost efficient for both passenger and freight trains.

In December 2021, Alstom has committed to become a Founding Member and invest roughly €35 million in the next eight years in Europe's Rail Joint Undertaking to further develop:

- autonomous trains relying on new signalling systems to increase the capacity of the railways without building new lines and enable the reduction of energy consumption;
- digitalisation of railways that will be key for increasing capacity and energy efficiency such as asset management due to predictive maintenance and data collection/analysis to prevent failures and optimise the maintenance activities;
- new traction systems, alternatives to diesel, new sub systems and energy management to make rail even greener ensuring the transition towards a more climate friendly mobility;
- intelligent freight trains and Digital Automatic Coupling to increase freight rail traffic and move from road to rail;
- digital twin to enable more efficient prediction and control of the performance of assets through visualisation and simulation.

I Nove You™: Unleashing innovation from within

I Nove You™ is a yearly company-wide programme designed to reward Alstom people's creativity in all its forms. All employees across the company can submit their innovative initiatives through nine categories. In addition, a special category of the year, Health & Well-being, has been introduced due to the global context.

Alstom can only be as innovative as its people: it is the ingenuity of employees that fuels the company's drive to revolutionise mobility. For almost 15 years now, I Nove You™ programme plays the central role in this quest: finding Alstom teams with projects, showcasing them to the whole company and then building on their foundation.

This year's edition has been special: for the first time since the integration, all employees of the new Alstom got the chance to participate. And it has been a roaring success involving 100 Alstom sites into 34 countries

This programme already recognised solutions that are now successfully available to our customers. That is the case for Coradia iLint™, the world's first hydrogen train, StationOne™, the online platform for spare parts, as well as HealthHub™, Alstom's digital maintenance suite, Hesop™, a reversible substation that can reinject up to 99% of braking energy into the network or Healthier Mobility solutions like PEPA™ filter, an antiviral HVAC filter that catches and kills viruses, including the coronavirus.


Ferrara
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Club

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MANAGEMENT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS, AS OF 31 MARCH 2022

AFR

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

Main events of year ended 31 March 2022

THE ACQUISITION OF BOMBARDIER TRANSPORTATION

On 29 January 2021, Alstom announced the completion of the acquisition of Bombardier Transportation. Leveraging on its clear Alstom in Motion strategy and its strong operational fundamentals and financial trajectory, Alstom, integrating Bombardier Transportation, strengthens its leadership in the growing sustainable mobility market by reaching a critical size in all geographies and integrating further solutions and assets to better serve its customers worldwide.

Next steps

Alstom is about to finalize sales of certain assets of the combined Group in line with the commitments described in the European Commission's press release on 31 July 2020 and classified as Assets Held for Sale (see Note 9):

- a transfer of Bombardier Transportation's contribution to the V300 Zefiro™ very high-speed train and an offer of IP license for the train co-developed by Hitachi and Bombardier Transportation for use in future very high-speed tenders in the UK has been agreed on the 1 December 2021 with Hitachi Rail. Closing of the transaction is expected in the first quarter 2022/23. Alstom will continue to honour its obligations under the existing orders for Rolling Stock from Trenitalia and ILSA to ensure a seamless transition;
- the divestment of its Coradia™ Polyvalent platform, its Reichshoffen production site in France, as well as its Talent™ 3 platform has been agreed on the 24 November 2021 with CAF. Closing of the transaction is expected during the first semester 2022/23.

Concerning the divestment of the Bombardier Talent™ 3 Platform, the scope of remedies has been adjusted on the first semester 2021/22 to exclude current Talent™ 3 commercial contracts as well as the related production facility located within the Hennigsdorf site in Germany. The remaining Assets Held for Sale on the Talent™ 3 platform are related mainly to Intellectual property rights and workforce (subject to conditions).

The commitments concerning Bombardier Transportation's Signalling On-Board Units and Train Control Management Systems (TCMS) has been put in place.

The divestitures both complied already with all applicable social processes and consultations with employee representatives' bodies. Regulatory approvals have been granted for one divestment, the other one being still pending.

SHAREHOLDING AND GOVERNANCE

On 2 June 2021, Bouygues SA sold 11,000,000 Alstom SA shares, representing 2.96% of Alstom's share capital.

At the end of this transaction, Bouygues retained 0.16% of the share capital of Alstom.

CONSEQUENCES OF THE CONFLICT BETWEEN UKRAINE AND RUSSIA

The Group is closely monitoring the dramatic situation currently happening in Ukraine.

In that respect, The Group is complying with all applicable sanctions and laws. It has decided to suspend all deliveries towards Russia and confirmed as well suspending all future business investments in Russia.

So far, there is very limited direct exposure on operational activities performed by Alstom in Ukraine and Russia. Alstom was developing a partnership project with UZ, Ukraine rail operator including locomotive supplies and associated services. Nevertheless, current discussions on this project have been suspended due to the current context.

Main exposure on Alstom balance sheet relies on the fact that the Group owns as a capital investment a 20% stake in Transmashholding (TMH), the Russian locomotives and rail equipment provider primarily serving the local market. There was no material business nor operational link between Alstom and TMH. TMH is consolidated through equity method in the Alstom's consolidated Financial Statements. As at March 31, 2022, and before re-assessment, the carrying value of Alstom's interest in TMH amounted to €441 million, with a currency translation adjustment at €(202) million, and TMH's contribution to Alstom's 2021/22 net income was slightly negative at €(10) million.

Considering the current environment, and in particular the adoption of trade and financial sanctions, Alstom is assessing all the available options regarding this investment. In this context, a non-cash impairment charge of €(441) million corresponding to the carrying value of the equity investment has been recorded as at 31 March 2022, in the line "Share in net income of equity-accounted investments" of the Consolidated Income Statement.

ONE ALSTOM TEAM AGILE, INCLUSIVE AND RESPONSIBLE

In 2021/22, the Group confirmed its ESG 2025 targets enlarged to the whole new perimeter to deliver a strong response to increased expectations on sustainability performance from stakeholders. Its priorities remain: Enabling decarbonisation of mobility, Caring for our people, Creating a positive impact on society and Acting as a responsible business partner.

Alstom has expanded its Sustainability strategy and is committed to achieving Net Zero carbon in its value chain by 2050. It reflects the commitment of Alstom in the decarbonisation of mobility. Alstom will not only reduce its own direct and indirect emissions (scopes 1 and 2) but also will work with suppliers and customers (scope 3) to make its solutions Net Zero through their entire life cycle. Those new commitments are in line with Paris Agreement goals and will be submitted to validation to the independent Science Based Targets initiative (SBTi) in 2022.

In addition, Alstom publishes for the first year information about European Taxonomy, with the three KPIs Sales, Capex and Opex reaching a best-in-class 99% eligibility to EU taxonomy, confirming the importance of the sector in which Alstom operates in achieving the EU's ambition goal of carbon neutrality by 2050. The EU Taxonomy purpose is to redirect capital flows towards sustainable activities and help navigate transition to a low carbon economy.

KEY FIGURES FOR ALSTOM IN THE FISCAL YEAR 2021/22

Group's key performance indicators for the fiscal year 2021/22:

(in € million)	Year ended 31 March 2022	Year ended 31 March 2021	% variation March 2022/March 2021 Actual
Orders received[(1)]	19,262	9,100	112%
Orders backlog	81,013	74,537	9%
Sales	15,471	8,785	76%
Adjusted gross margin before PPA[(1)]	2,148	1,536	40%
aEBIT[(1)]	767	645	19%
aEBIT %[(1)]	*5.0%*	*7.3%*	
EBIT before PPA[(1)]	275	384	
EBIT[(4)]	(169)	300	
Adjusted net profit[(1)(2)]	(173)	301	
Net profit – Group share[(3)]	(581)	247	
Free Cash Flow[(1)]	(992)	(703)	
Capital employed[(1)]	12,102	11,229	
Net cash/ (debt)[(1)]	(2,085)	(899)	
Equity	9,024	9,117	

(1) Non-GAAP. See definition page 41.
(2) Based on Net profit from continuing operations, excluding amortisation expenses of the purchase price allocation, net of corresponding tax.
(3) Including net profit from discontinued operations and excl. non-controlling interests.
(4) Including PPA from Chinese joint ventures counted as share in net income of equity investees in the Notes for €(13) million.

PRO-FORMA GROWTH

The below table shows the "pro forma like-for-like New Alstom" variations, orders and sales corresponding to the like-for-like variation of Alstom after the acquisition of Bombardier Transportation integrating Bombardier Transportation during the fiscal years prior to their acquisition.

	Year ended 31 March 2022	Year ended 31 March 2021		March 2022/March 2021	
(in € million)	Actual figures	Actual figures	Pro forma	% variation Actuals	% variation Pro forma[1]
Orders received	19,262	9,100	14,491	112%	33%
Sales	15,471	8,785	13,976	76%	11%

(1) Any reference in this document to variations "Pro forma like-for-like New Alstom", orders and sales, correspond to non-audited financial performance indicators used by the Group that are not defined by accounting standards setters and defined in page 41.

ACQUISITIONS AND PARTNERSHIPS

SpeedInnov

Through its affiliate SpeedInnov, a joint venture created in 2015 with ADEME, Alstom focused on its 'Very high-speed train of the future' project, aiming to promote a new generation of very high-speed trainset which will reduce acquisition and operating costs by at least 20%, optimize the environmental footprint and develop the commercial offer to improve passenger experience. In this context, Alstom subscribed to a capital increase in this joint venture in an amount of €15 million in September 2021 increasing its stake from 74.0% to 75.4% with no change in the consolidation method (Joint control).

Other acquisitions

On 1 April 2021, Alstom acquired the totality of Helion Hydrogen Power shares, a company based in France and renamed "Alstom Hydrogène". This promising, innovation-driven company, previously a 100% subsidiary of AREVA Énergies Renouvelables, is specialized in high power fuel cells, thus complementing Alstom's expertise in hydrogen technology.

On 2 April 2021, Alstom fully acquired Flertex a group based in France, specialized in the design and manufacture of brake linings (pads and shoes) for braking systems, particularly for the rail industry but also for other industrial applications.

Final Goodwill amounts to €14 million for other acquisitions. Their contributions to the sales of the Group are not material.

Commercial performance

During the fiscal year 2021/22, the Group witnessed significant commercial success across multiple geographies and product lines. The order intake stood at €19.3 billion, representing a growth of 33% on a "Pro forma like-for-like New Alstom" comparable basis. For the same period last year, under an adverse market environment impacted by Covid-19, Alstom reported an order intake of €9.1 billion, of which €0.7 billion contributed from the Bombardier Transportation acquisition in the two-month period of February and March 2021.

Geographic breakdown					% variation March 2022/March 2021
Actual figures *(in € million)*	Year ended 31 March 2022	% of contrib.	Year ended 31 March 2021	% of contrib.	Actual
Europe	12,745	66%	6,027	66%	111%
Americas	3,970	21%	1,050	11%	278%
Asia/Pacific	2,289	12%	1,059	12%	116%
Africa/Middle East/Central Asia	258	1%	964	11%	-73%
ORDERS BY DESTINATION	**19,262**	**100%**	**9,100**	**100%**	**112%**

Product breakdown					% variation March 2022/March 2021
Actual figures *(in € million)*	**Year ended 31 March 2022**	**% of contrib.**	**Year ended 31 March 2021**	**% of contrib.**	**Actual**
Rolling stock	9,801	51%	4,484	49%	119%
Services	4,168	21%	2,045	23%	104%
Systems	2,654	14%	930	10%	185%
Signalling	2,639	14%	1,641	18%	61%
ORDERS BY DESTINATION	**19,262**	**100%**	**9,100**	**100%**	**112%**

In **Europe,** Alstom recorded €12.7 billion order intake during the fiscal year 2021/22, as compared to €6.0 billion over the same period last year.

The Group continued its success in the French market, by receiving the contract for approximately €1.1 billion to provide suburban trains for the Paris area, and the contract for the 100% automatic metro system for Line 18 of the "Grand Paris Express" network. Alstom has also signed a contract for the delivery of 16 eight-car trains for the Marseille-Toulon-Nice line including maintenance support for a 10-year period. The acquisition of Bombardier Transportation further strengthened our performance in Germany, where the Group secured several major Rolling Stock contracts, including the delivery of an additional 64 Class 490 S-Bahn trains to S-Bahn Hamburg GmbH worth approximately €500 million, the supply of 29 Coradia Stream™ High-Capacity electric double-deck multiple units to DB Regio for RE50 and RB51 lines in Hesse region, the delivery of 17 modern high-capacity Coradia Stream™ electric multiple units to DB Regio for the Main-Weser network, and the delivery of 32 Coradia™ Continental regional trains to Hessische Landesbahn. Alstom also signed a contract with Germany's Baden-Wuerttemberg State Institute for Rail Vehicles (SFBW) to retrofit 118 regional trains with the European Train Control System (ETCS) Automatic Train Operation (ATO) digital signalling technology.

In addition, Alstom won the largest railway contract in Denmark's history as part of a landmark framework agreement with Danish State Railways (DSB) valued at a total of €2.6 billion, including the first firm order of 100 Coradia Stream™ regional trains as well as a 15-year full-service maintenance agreement valued at €1.4 billion. In Norway, the Group has signed the most significant rail procurement in the country's history. Under the framework contract with Norske Tog (NT) for the provision of up to 200 Coradia™ Nordic regional trains valued at over €1.8 billion, the first firm order of 30 trains is worth €380 million. And in Ireland, Alstom signed a ten-year framework agreement with Iarnród Éireann/Irish Rail (IE) for up to 750 new X'trapolis™ commuter rail cars for Ireland's DART (Dublin Area Rapid Transit) network, with a firm initial order for 19 five-car trains, valued at €270 million, including a 15-year support services contract.

In the United Kingdom, the Hitachi-Alstom High Speed (HAH-S) 50/50 joint venture has signed contracts with High Speed Two (HS2) to design, build, and maintain the next generation of very high speed trains for HS2 Phase 1 as part of the £1.97 billion contract, including an initial 12-year train maintenance contract.

In Italy, Alstom was awarded a framework contract to supply Trenitalia with 150 Coradia Stream™ regional trains for a total value of around €910 million. In Romania, Alstom will provide preventive and corrective maintenance services as well as overhauls for a total fleet of 82 trains over 15 years to Bucharest's metro network operator Metrorex, valued at €500 million. And it will supply 20 Coradia Stream™ inter-regional trains and associated 15-year maintenance services to the Romanian Railway Reform Authority (RRA). In Belgium, the Group has been awarded contracts to supply a further 98 double-deck M7 multifunction train cars to the Société Nationale des Chemins de Fer Belges (SNCB) under a framework contract signed in 2015, and it signed a framework agreement to deliver up to 50 third-generation electric Traxx™ locomotives to SNCB for use on its passenger services with a first firm order for 24 locomotives. In Greece, Alstom, as part of a consortium with Avax and Ghella, will provide rolling stock, signalling and infrastructure solutions for the first section of Athens Metro Line 4.

Last year's stand-alone commercial performance in Europe was driven by a significant contract to provide 152 high-capacity trains including maintenance services and spare parts to Renfe in Spain; the supply of 34 Coradia Stream™ High Capacity double-decker EMU trains including maintenance services to LNVG and 64 low-floor trams in consortium with Kiepe Electric to KVB in Germany; a large systems contract for Toulouse Métropole's third metro line, an order to supply 49 tramways for Nantes, an additional order for 11 Citadis™ Dualis™ trains under the conditions of the SNCF framework contract TTNG, and a Signalling contract of the ARGOS partnership with SNCF to develop the new generation interlocking solution in France; and a contract for 30 Metropolis™ trains for Bucharest metro in Romania.

In **Americas,** Alstom reported €4.0 billion order intake, as compared to €1.1 billion over the same period last year, notably led by the exceptional performance in Latin America where the Group secured the Tren Maya railway project in Mexico, worth €1.0 billion. For this project, Alstom-Bombardier led consortium will supply 42 X'trapolis™ trains, the full signalling system as well as maintenance. In Brazil, the Group will deliver 36 eight-car trains for the 8-Diamante and 9-Esmeralda lines in São Paulo. In Chile, the Group will provide its Urbalis™ CBTC signalling system and 37 Metropolis™ trains for Metro de Santiago's new Line 7. In North America, Alstom signed a contract to supply 60 new Flexity™ streetcars for the City of Toronto, a contract to provide operations and maintenance services for the automated people mover (APM) system at Dallas Fort Worth International Airport (DFW) for the next 10 years, and a contract to supply its state-of-the-art Cityflo™ 650 Communications-Based Train Control (CBTC) solution for the Miami-Dade Metromover system.

The performance in Americas last year was mainly driven by the initial order from Metra for 200 push-pull commuter rail cars in the United States.

In **Asia/Pacific,** the order intake stood at €2.3 billion, as compared to €1.1 billion over the same period last year. The Alstom-led consortium with Taiwanese engineering and contracting services company CTCI won a contract to provide its state-of-the-art integrated metro system for Taipei Circular Line Phase Two, with Alstom's share valued at over €430 million. In addition, Alstom signed a €300 million contract with Victoria's Department of Transport (DoT) to locally supply 25 six-car X'trapolis™ trains for Melbourne's suburban rail network.

Last year's performance in Asia/Pacific was driven by the contract to supply metro cars for Mumbai Line 4 and a major signalling and telecommunications system contract for rapid rail line between Delhi and Meerut in India, as well as the extension project of Taipei Metro Line 7 in Taiwan.

In **Africa/Middle East/Central Asia,** the Group reported €0.3 billion order intake, as compared to €1.0 billion over the same period last year, mainly driven by the contract to provide Casa Transports with 66 Citadis™ X05 trams and an option for 22 additional trams for Lines 3 and 4 expected to open by end of 2023. The performance last year was mainly driven by the securing of rolling stock and maintenance follow-on orders of currently active projects.

Alstom received the following major orders during the fiscal year 2021/22:

Country	Product	Description
Australia	Rolling stock	Supply of 25 six-car X'trapolis™ trains for Melbourne's suburban rail network
Belgium	Rolling stock	Supply of 98 additional double-deck multifunction M7 train cars to SNCB
Brazil	Rolling stock	Supply of 36 Metropolis™ trains for São Paulo Metropolitan Train System Lines 8 and 9
Canada	Rolling stock	Supply of 60 new Flexity™ streetcars for the City of Toronto
Chile	Rolling Stock/Signalling	Supply of Urbalis™ CBTC signalling system and 37 Metropolis™ trains for Metro de Santiago's new Line 7
Denmark	Rolling stock/Services	Supply of first firm order of 100 Coradia Stream™ regional trains as well as 15-year full-service maintenance for DSB
France	Rolling stock	Supply of 146 suburban trains for the Paris area
France	Rolling stock/Services	Supply of 16 eight-car trains for the Marseille-Toulon-Nice line, operated by Transdev, and maintenance support for a 10-year period
Germany	Rolling stock	Supply of an additional 64 Class 490 S-Bahn trains for S-Bahn Hamburg GmbH
Germany	Rolling stock	Supply of 29 Coradia Stream™ High-Capacity electric double-deck multiple units to DB Regio for RE50 and RB51 lines in Hesse region
Greece	Systems	Supply of rolling stock, signalling and infrastructure solutions for Athens Metro Line 4
Ireland	Rolling stock/Services	Supply of 19 five-car X'trapolis™ commuter trains (first batch) including a 15-year support services contract under a framework contract with Iarnród Éireann/Irish Rail
Mexico	Systems/Services	Supply of Tren Maya railway project, including 42 X'trapolis™ trains, the full signalling system as well as maintenance
Norway	Rolling stock	Supply of 30 Coradia™ Nordic regional trains (first batch) under a framework contract with Norske Tog
Romania	Rolling stock/Services	Supply of 20 Coradia Stream™ inter-regional trains and associated 15-year maintenance services
Romania	Services	15-years full maintenance services for Bucharest metro fleet, operated by Metrorex
Taiwan	Systems	Supply of the integrated metro system for Taipei Circular Line phase two
UK	Rolling stock/Services	Supply of next generation of very high speed trains for HS2 Phase 1, including an initial 12-year train maintenance contract in joint venture with Hitachi

Orders backlog

As of 31 March 2022, the orders backlog stood at €81.0 billion, driven by strong commercial performance while providing the Group with strong visibility over future sales. This represents a 9% increase on an actual basis as compared to 31 March 2021 mainly driven by orders received exceeding combined sales.

Geographic breakdown

Actual figures *(in € million)*	Year ended 31 March 2022	% of contrib.	Year ended 31 March 2021	% of contrib.
Europe	44,202	55%	40,804	55%
Americas	13,116	16%	10,491	14%
Asia/Pacific	11,622	14%	11,209	15%
Africa/Middle East/Central Asia	12,073	15%	12,033	16%
BACKLOG BY DESTINATION	**81,013**	**100%**	**74,537**	**100%**

Product breakdown

Actual figures *(in € million)*	Year ended 31 March 2022	% of contrib.	Year ended 31 March 2021	% of contrib.
Rolling stock	40,832	50%	39,052	53%
Services	26,789	33%	24,737	33%
Systems	6,282	8%	4,692	6%
Signalling	7,110	9%	6,056	8%
BACKLOG BY DESTINATION	**81,013**	**100%**	**74,537**	**100%**

During budget exercises, Alstom re-assesses how the Company backlog evolution impacts the future sales cycles. Budget processes are designed to estimate, based on the latest contract costs and planning assumptions, how the contract sales from backlog can develop over time. The March 2022 backlog contribution to the next three fiscal years revenue is expected to reach a €35 billion-€37 billion range.

Income statement

SALES

Alstom's combined sales amounted to €15.5 billion for the fiscal year 2021/22, representing a growth of 11% on a "Pro forma like-for-like New Alstom" comparable basis. Sales related to non-performing backlog, representing sales on projects with a negative margin at completion, as identified at 30 September 2021, amounted to €2.6 billion during the fiscal year. Total sales over the fiscal year 2021/22 have increased by 76% on an actual basis as compared to Alstom sales last year.

Geographic breakdown

Actual figures *(in € million)*	Year ended 31 March 2022	% of contrib.	Year ended 31 March 2021	% of contrib.	% variation March 2022/March 2021 Actual
Europe	9,584	62%	5,316	61%	80%
Americas	2,563	17%	1,351	15%	90%
Asia/Pacific	2,172	14%	1,093	12%	99%
Africa/Middle East/Central Asia	1,152	7%	1,025	12%	12%
SALES BY DESTINATION	**15,471**	**100%**	**8,785**	**100%**	**76%**

Product breakdown					% variation March 2022/March 2021
Actual figures *(in € million)*	**Year ended 31 March 2022**	**% of contrib.**	**Year ended 31 March 2021**	**% of contrib.**	**Actual**
Rolling stock	8,647	56%	4,530	51%	91%
Services	3,406	22%	1,745	20%	95%
Systems	1,155	7%	947	11%	22%
Signalling	2,263	15%	1,563	18%	45%
SALES BY DESTINATION	**15,471**	**100%**	**8,785**	**100%**	**76%**

In **Europe,** combined sales reached €9.6 billion, accounting for 62% of the Group's total sales and representing an increase of 80% on an actual basis. It was mainly driven by the continued execution of large rolling stock contracts, including the Coradia Stream™ trains in Italy and the Netherlands, the Regio 2N regional trains and the Francilien suburban trains for SNCF in France, the Twindexx™ double-deck trains for SBB in Switzerland, the ICE 4 trains for Deutsche Bahn in Germany, the Aventra trains in the United Kingdom and the double-deck M7-type multifunctional coaches for SNCB in Belgium.

In **Americas,** combined sales stood at €2.6 billion for the fiscal year 2021/22, accounting for 17% of the Group's sales and representing an increase of 90% compared to last year on an actual basis. The projects of Amtrak high-speed trains in the United States and the light metro system for REM in Canada remain top sales contributors within the region, together with the Flexity™ light rail vehicles for Metrolinx and TTC in Toronto, the metro cars for BART fleet of the future in San Francisco and the ALP-45DP locomotives for New Jersey Transit.

In **Asia/Pacific,** sales amounted to €2.2 billion, accounting for 14% of the Group's sales. These sales were driven by the continuous ramp-up of the production of electric locomotives in India and Metropolis™ trains for Sydney metro extension in Australia and the continued execution of the systems contract for the Bangkok monorail in Thailand and the IGBT 3-phase propulsion sets for Indian Railways.

In **Africa/Middle East/Central Asia,** sales stood at €1.2 billion, contributing 7% to the Group's total sales. The systems contracts for the Cairo monorail trains in Egypt and the rolling stock contract for the X'Trapolis™ Mega commuter trains in South Africa are the main sales contributors within the region, as well as the KZ8A freight locomotives for Kazakh Railways and Azerbaijan Railways.

RESEARCH AND DEVELOPMENT

During the fiscal year 2021/22, research and development gross costs amounted to €667 million, *i.e.* 4.3% of sales, reflecting the Group's continuous investments in innovation to develop smarter and greener mobility solutions, supporting Alstom In Motion strategy which is based on three pillars: Green Mobility, Smart Mobility and Inclusive and Healthier Mobility. Net R&D amounts to €530 million before PPA amortisation.

(in € million)	**Year ended 31 March 2022**	**Year ended 31 March 2021**
R&D Gross costs	(667)	(443)
R&D Gross costs (in % of Sales)	*4.3%*	*5.0%*
Funding received	82	91
Net R&D spending	**(585)**	**(352)**
Development costs capitalised during the period	124	106
Amortisation expense of capitalised development costs(*)	(69)(*)	(63)
R&D EXPENSES (IN P&L)(*)	**(530)**	**(309)**
R&D expenses (in % of Sales)	*3.4%*	*3.5%*

(*) For the financial year ended 31 March 2022, €(74) million of amortisation expenses of the purchase price allocation of Bombardier Transportation.

Alstom continued the development of the very high-speed trains **Avelia Horizon™**, fully funded by SpeedInnov, with two pre-series trains already performing static tests, that will be followed by dynamic tests in Velim test centre and subsequently on the French tracks. Moreover, Alstom together with Ademe have decided to extend, through SpeedInnov, the Avelia Horizon™ range to configurations required to address European markets.

The other Rolling stock developments were focused on Alstom **Coradia Stream™** range which has been further extended with longer cars and 15 kV traction chain (DACH), Alstom **Traxx™ Multi-system 3 – locomotives,** with the development of the passenger version at 200 kph and Alstom **Green traction** (battery and hydrogen) program. Hydrogen expertise was reinforced by the acquisition of Helion (new generation of stacks to improve performances and lifetime).

Services product line is focused on addressing green, sustainable and more efficient operation concepts. **Green re-tractioning initiatives** include for example the retrofit with hydrogen-fuelled internal combustion engines for locomotives and the ability to provide autonomy for non-electrified lines *via* so-called "Last-mile" functionality. This is now applicable for short distances with diesel-hybrid solution, up to 100 km with battery solution, 600 km for bi-mode hydrogen/catenary trains and up to 1,000 km for hydrogen solution without catenary.

Signalling product line worked on **Atlas ETCS** convergence, **ERTMS** level 2 on-board solution, to equip the entire Norwegian railway fleet with ATLAS™ on-board train control solution. Alstom kept on developing **CBTC solutions Urbalis Fluence**™ and **Urbalis 400**™ (Taipei CL2, Santiago L7) for metros and tramways, delivering Shenzhen L20 (Fluence) and the **ICONIS Suite** for Operational Control Centres, maximizing traffic fluidity and orchestrating operations from distance.

Alstom Innovations cluster continued to develop autonomous freight, where it had a successful GoA2 (Grade of Automation 2) test with SNCF under real mainline operating conditions. In January 2022, Alstom successfully tested, with a real freight locomotive, a first set of perception features able to "see" lateral red-light signals which is a first necessary step towards GoA3.

OPERATIONAL PERFORMANCE

In the fiscal year 2021/22, Alstom's combined adjusted EBIT reached €767 million, equivalent to a 5.0% operational margin, as compared to €645 million or 7.3% during same period last year. Synergies plans post Bombardier Transportation merger are on track, with a €102 million adjusted EBIT impact for the fiscal year 2021/22.

The operational margin percentage was negatively impacted by the €2.6 billion sales traded at zero gross margin, mostly related to legacy Bombardier Transportation projects. Alstom invested significantly in these projects during the fiscal year 2021/22, making strong progress on projects stabilisation, therefore confirming the Group ambition to progressively improve its backlog profitability. This stabilisation was also reflected through a progressive ramp up of production, allowing an increase of Sales and associated margin in the second semester.

Selling and Administrative costs as a percentage of sales represented 6.4% for the combined group as compared to 7.2% on an actual basis last year, confirming the Group ability to deliver significant cost synergies in the coming years.

Over the period, the contribution resulting from the inclusion of the share in net income of the equity-accounted investments whose activity are considered as part of the operating activities of the Group amounted to €145 million, increasing from the €50 million reported last year. The contribution from CASCO Signal Limited joint-ventures amounted to €50 million, whereas former Bombardier Transportation joint-ventures contributed €95 million.

FROM ADJUSTED EBIT TO ADJUSTED NET PROFIT

During the fiscal year 2021/22, Alstom recorded restructuring and rationalisation charges of €(138) million consisting mainly of expenses related to a transformation plan in Germany and Switzerland for €(105) million, the closure of Aptis for €(16) million and €(17) million linked mainly to various initiatives in France, Europe, and in the United States.

Integration costs, impairment & others amounted to €(209) million, consisting of costs related to the integration of Bombardier Transportation for an amount of €(94) million, €(46) million exceptional impact from Aptis activities following Alstom's announced and planned discontinuance of activities, remedies and assets held for sales impairment for €(28) million, legal proceedings for €(8) million, and other exceptional expenses for €(33) million.

Taking into consideration restructuring and rationalisation charges, integration costs, impairment & others, Alstom's combined EBIT before amortisation of assets exclusively valued when determining the purchase price allocation ("PPA") stood at €275 million. This compares to €384 million in the same period last fiscal year.

Net financial expenses of the period amounted to €(25) million, as compared to €(68) million in the same period last fiscal year. This is mainly due to the financial FX effect related to the inefficient part of the acquisition of Bombardier Transportation hedging having impacted the previous fiscal year, as well as a more favourable commercial Forward Points due to this exercise's portfolio mix, especially Cairo Monorail.

The Group recorded an income tax charge of €(27) million in the fiscal year 2021/22, corresponding to an effective tax rate before PPA of 27%, compared to €(63) million for the same period last fiscal year and an effective tax rate of 27%.

The share in net income from equity investments amounted to €(334) million, excluding the amortisation of the purchase price allocation ("PPA") from Chinese joint ventures of €(13) million. It is impacted by the impairment of Transmashholding (TMH) of €(441) million, offsetting the strong performance of CASCO joint-venture as well as Alstom Sifang (Qingdao) Transportation Ltd (formerly Bombardier Sifang) and Bombardier NUG Propulsion System Co. Ltd.

Net profit attributable to non-controlling interest totalled €21 million, compared to €12 million in the same period last fiscal year.

Adjusted net profit, representing the Group's combined share of net profit from continued operations excluding PPA net of tax, amounts to €(173) million for the fiscal year 2021/22. This compares to an adjusted net profit of €301 million in the same period last fiscal.

FROM ADJUSTED NET PROFIT TO NET PROFIT

During the fiscal year 2021/22, amortisation of assets exclusively valued when determining the purchase price allocation ("PPA") in the context of business combination amounted to €(444) million before tax. Positive tax effect associated with the PPA amounts to €41 million, compared to €23 million last year.

The Group's share of net profit from continued operations (Group share), including net effect from PPA after tax for €(403) million, stood at €(576) million, compared to €240 million in the same period last fiscal year.

The net profit from discontinued operations stood at €(5) million. As a result, the Group's combined Net profit (Group share) stood at €(581) million for the fiscal year 2021/22, compared to €247 million in the same period last fiscal year.

Free Cash Flow

(in € million)	Year ended 31 March 2022	Year ended 31 March 2021
EBIT before PPA	**275**	**384**
Depreciation and amortisation	445	307
Restructuring variation	100	(16)
Capital expenditure	(303)	(158)
R&D capitalisation	(125)	(106)
Change in working capital(*)	(1,383)	(1,001)
Financial cash-out	9	(79)
Tax cash-out	(141)	(94)
Other	131	60
FREE CASH FLOW	**(992)**	**(703)**

(*) Change in working capital for €1,383 million corresponds to the €1,349 million changes in working capital resulting from operating activities disclosed in the condensed interim consolidated financial statements from which €100 million variations of restructuring provisions and €(66) million of corporate tax and other tax have been excluded.

The Group's Free Cash Flow stands at €(992) million for the fiscal year 2021/22 as compared to €(703) million during the comparable period last year.

As expected, the cash generation was notably impacted by an unfavourable €(1,383) million change in working capital compared to €(1,001) million last year; owing to continued projects stabilisation efforts related to Bombardier Transportation legacy projects, project working capital phasing and industrial ramp-up.

Depreciation and amortisation excluding PPA amounted to €445 million (€876 million including PPA), compared to €391 million last year (€307 million including PPA). Right-of-use assets amortisation amounted to €139 million compared to €99 million for the fiscal year 2020/21, increase mainly attributable to the Bombardier Transportation contribution in the combined group.

Financial net cash improved up to €9 million, compared to €(79) million cash-out last year, mainly attributable to interest generated by excess cash deposited by Alstom subsidiaries on deposit accounts and the remuneration of our Negotiable European Commercial Paper programme issuance.

For the fiscal year 2021/22, Alstom spent €303 million in capital expenditures. Apart from investments required to maintain assets in operational state across our industrial footprint, major investments include the developments to support readiness of manufacturing activities in France (Crespin and La Rochelle) or in America (Hornell and Sahagun) as well as the necessary investment to achieve our production rates in Africa/Middle East/Central Asia (South Africa), France (Valenciennes), Asia/Pacific (Sri City) and Europe (Ceska Lipa and Wroclaw).

"Other" Free Cash Flow items as listed above reached €131 million this fiscal year and included mainly dividends from Casco Signal Limited and Bombardier Transportation Chinese joint ventures.

Net Cash/ (debt)

At 31 March 2022, the Group recorded a net debt position of €(2,085) million, compared to the €(899) million net cash balance that the Group reported on 31 March 2021. This €(1,186) million decrease is mainly driven by Free Cash Flow consumption.

In addition to its available cash and cash equivalents, amounting to €810 million at 31 March 2022, the Group benefits from strong liquidity with:

- €1,750 million Revolving Credit Facility maturing in January 2025, and two 1-year extension options at the lenders' discretion. This facility is undrawn at March closing;
- €2,500 million Revolving Credit Facility maturing in January 2027, and two 1-year extension options at the lenders' discretion. This facility is also undrawn at March closing.

With these RCF's lines, the Group benefits from €5,060 million of liquidity available, backing up the Negotiable European Commercial Paper programme increased at €2,500 million in July 2021.

Equity

The Group Equity on 31 March 2022 amounted to €9,024 million (including non-controlling interests), from €9,117 million on 31 March 2021, mostly impacted by:

- net profit/ (loss) of €(581) million (Group share);
- actuarial hypothesis variation on pensions (recorded in equity) of €326 million net of tax;
- currency translation adjustment of €161 million.

Subsequent events

On 25 April, 2022, Alstom signed the Share Purchase Agreement with CAF (Construcciones y Auxiliar de Ferrocarriles) for the divestment of its Coradia™ Polyvalent platform, its Reichshoffen production site in France and its Talent™ 3 platform.

Non-GAAP financial indicators definitions

This section presents financial indicators used by the Group that are not defined by accounting standard setters.

ORDERS RECEIVED

A new order is recognised as an order received only when the contract creates enforceable obligations between the Group and its customer.

When this condition is met, the order is recognised at the contract value.

If the contract is denominated in a currency other than the functional currency of the reporting unit, the Group requires the immediate elimination of currency exposure using forward currency sales. Orders are then measured using the spot rate at inception of hedging instruments.

BOOK-TO-BILL

The book-to-bill ratio is the ratio of orders received to the amount of sales traded for a specific period.

ADJUSTED GROSS MARGIN BEFORE PPA

Adjusted Gross Margin before PPA is a Key Performance Indicator to present the level of recurring operational performance. It represents the sales minus the cost of sales, adjusted to exclude the impact of amortisation of assets exclusively valued when determining the purchase price allocations ("PPA") in the context of business combination as well as non-recurring "one off" items that are not supposed to occur again in following years and are significant.

ADJUSTED EBIT AND EBIT BEFORE PPA

Adjusted EBIT

Adjusted EBIT ("aEBIT") is the Key Performance Indicator to present the level of recurring operational performance. This indicator is also aligned with market practice and comparable to direct competitors.

Starting September 2019, Alstom has opted for the inclusion of the share in net income of the equity-accounted investments into the aEBIT when these are considered to be part of the operating activities of the Group (because there are significant operational flows and/or common project execution with these entities). This mainly includes Chinese joint-ventures, namely CASCO joint-venture for Alstom as well as, following the integration of Bombardier Transportation, Alstom Sifang (Qingdao) Transportation Ltd (formerly Bombardier Sifang) and Bombardier NUG Propulsion System Co. Ltd.

aEBIT corresponds to Earning Before Interests and Tax adjusted for the following elements:

- net restructuring expenses (including rationalisation costs);
- tangibles and intangibles impairment;
- capital gains or loss/revaluation on investments disposals or controls changes of an entity;
- any other non-recurring items, such as some costs incurred to realise business combinations and amortisation of an asset exclusively valued in the context of business combination, as well as litigation costs that have arisen outside the ordinary course of business;
- and including the share in net income of the operational equity-accounted investments.

A non-recurring item is a "one-off" exceptional item that is not supposed to occur again in following years and that is significant.

Adjusted EBIT margin corresponds to Adjusted EBIT expressed as a percentage of sales.

EBIT before PPA

Following the Bombardier Transportation acquisition and with effect from the fiscal year 2021/22 condensed consolidated financial statements, Alstom decided to introduce the "EBIT before PPA" indicator aimed at restating its Earnings Before Interest and Taxes ("EBIT") to exclude the impact of amortisation of assets exclusively valued when determining the purchase price allocations ("PPA") in the context of business combination. This indicator is also aligned with market practice.

The non-GAAP measure adjusted EBIT (aEBIT hereafter) and EBIT before PPA indicators reconcile with the GAAP measure EBIT as follows:

(in € million)	Year ended 31 March 2022	Year ended 31 March 2021
Sales	**15,471**	**8,785**
Adjusted Earnings Before Interest and Taxes (aEBIT)	**767**	**645**
aEBIT (in % of Sales)	*5.0%*	*7.3%*
Restructuring and rationalisation costs	(138)	(14)
Integration costs, impairment & others	(209)	(197)
Reversal of net interest in equity investees pick-up	(145)	(50)
EARNINGS BEFORE INTEREST AND TAXES (EBIT) BEFORE PPA	**275**	**384**
PPA amortisation(*)	(444)	(84)
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	**(169)**	**300**

(*) Gross amount before tax.

ADJUSTED NET PROFIT

The adjusted net profit" indicator aims at restating the Alstom's net profit from continued operations (Group share) to exclude the impact of amortisation of assets exclusively valued when determining the purchase price allocations ("PPA") in the context of business combination, net of the corresponding tax effect.

This non-GAAP measure adjusted net profit indicator reconciles with the GAAP measure Net profit from continued operations attributable to equity holders (Net profit from continued operations – Group share) as follows:

(in € million)	Year ended 31 March 2022	Year ended 31 March 2021
Adjusted net profit	**(173)**	**301**
Amortization of assets valued when determining the purchase price allocation	(403)	(61)
NET PROFIT FROM CONTINUED OPERATIONS (GROUP SHARE)	**(576)**	**240**

FREE CASH FLOW

Free Cash Flow is defined as net cash provided by operating activities less capital expenditures including capitalised development costs, net of proceeds from disposals of tangible and intangible assets. Free Cash Flow does not include any proceeds from disposals of activity.

The most directly comparable financial measure to Free Cash Flow calculated and presented in accordance with IFRS is net cash provided by operating activities.

A reconciliation of Free Cash Flow and net cash provided by operating activities is presented below:

(in € million)	Year ended 31 March 2022	Year ended 31 March 2021
Net cash provided by/ (used in) operating activities	**(577)**	**(457)**
Of which operating flows provided/ (used) by discontinued operations		
Capital expenditure (including capitalised R&D costs)	(428)	(263)
Proceeds from disposals of tangible and intangible assets	13	17
FREE CASH FLOW	**(992)**	**(703)**

Alstom uses the Free Cash Flow both for internal analysis purposes as well as for external communication as the Group believes it provides accurate insight into the actual amount of cash generated or used by operations.

During the fiscal year 2021/22, the Group Free Cash Flow was at €(992) million compared to €(703) million last fiscal year.

CAPITAL EMPLOYED

Capital employed corresponds to hereafter-defined assets minus liabilities.

- Assets: sum of goodwill, intangible assets, property, plant and equipment, equity-accounted investments and other investments, other non-current assets (other than those related to financial debt and to employee defined benefit plans), inventories, costs to fulfil a contract, contract assets, trade receivables and other operating assets;
- Liabilities: sum of non-current and current provisions, contract liabilities, trade payables and other operating liabilities.

At the end of the fiscal year 2021/22, capital employed stood at €12,102 million, compared to €11,228 million at the end of March 2021.

(in € million)	Year ended 31 March 2022	Year ended 31 March 2021
Non-current assets	17,273	17,069
less deferred tax assets	(452)	(541)
less non-current assets directly associated to financial debt	(141)	(174)
less prepaid pension benefits	-	-
Capital employed – non-current assets (A)	**16,680**	**16,354**
Current assets	13,068	11,167
less cash & cash equivalents	(810)	(1,249)
less other current financial assets	(81)	(28)
Capital employed – current assets (B)	**12,177**	**9,889**
Current liabilities	16,209	14,828
less current financial debt	(313)	(526)
plus non-current lease obligations	566	590
less other obligations associated to financial debt	(143)	(172)
plus non-current provisions	437	295
Capital employed – liabilities (C)	**16,756**	**15,016**
CAPITAL EMPLOYED (A)+(B)- (C)	**12,102**	**11,228**

NET CASH/ (DEBT)

The net cash/ (debt) is defined as cash and cash equivalents, marketable securities and other current financial asset, less borrowings. On 31 March 2022, the Group recorded a net cash level of €(2,085) million, as compared to the net cash position of €(899) million on 31 March 2021 on a stand-alone basis.

(in € million)	Year ended 31 March 2022	Year ended 31 March 2021
Cash and cash equivalents	810	1,250
Other current financial assets	54	28
Other non-current assets	27	-
less:		
Current financial debt	313	526
Non-current financial debt	2,663	1,651
NET CASH/ (DEBT) AT THE END OF THE PERIOD	**(2,085)**	**(899)**

PRO FORMA LIKE-FOR-LIKE NEW ALSTOM

The "pro forma like-for-like New Alstom" variations, orders and sales, correspond to the like-for-like variation of Alstom after the acquisition of Bombardier Transportation integrating Bombardier Transportation over the comparable periods preceding the acquisition. The pre-acquisition financial data used to calculate the "pro forma like-for-like New Alstom" variations, sales, are extracted from the historical accounts of Alstom and Bombardier Transportation respectively. In order to ensure the comparability of the results, the pro forma restatements as presented in Chapter 3 of the URD "Unaudited pro forma Condensed Financial Information as of 31 March 2021" have been applied. Data related to the commercial performance correspond to orders intake recorded by Alstom and Bombardier Transportation integrating Bombardier Transportation over the comparable periods preceding the acquisition. These indicators are not presented on an organic basis and, therefore, are not restated in order to eliminate the impact of changes in scope of consolidation and changes resulting from the translation of the accounts into euro following the variation of foreign currencies against the euro.

Sales Q1, Q2 and Q3 2020/21 of Bombardier Transportation were converted at the average quarterly foreign exchange rate EUR/USD of 1/1.1004 for Q1 as communicated in Bombardier Inc. Q2 2020 financial report; 1/1.1648 for Q2 as communicated in Bombardier Inc Q3 2020 financial report; 1/1.1910 for Q3 as communicated in Bombardier Inc Q4 2020 financial report.

Sales Q4 corresponds to like-for-like variation for Alstom and Bombardier Transportation combined, considering the activity of Bombardier Transportation as a whole until the closing date as of 29 January 2021 and the Q4 2020/21 of New Alstom which included Alstom legacy Q4 2020/21 and Bombardier Transportation contribution for two months (February and March 2021). Bombardier Transportation monthly financial data of January 2021 (unaudited) are extracted from the Bombardier Transportation management account in euros. Financial data post acquisition date is extracted from the historical statements of Alstom and Bombardier Transportation combined, prepared in euros under IFRS.

Orders received Q1, Q2 and Q3 2020/21 of Bombardier Transportation were converted at the quarterly closing foreign exchange rate EUR/USD of 1/1.1284 for Q1 as communicated in Bombardier Inc Q2 2020 financial report; 1/1.1702 for Q2 as communicated in Bombardier Inc Q3 2020 financial report; 1/1.2271 for Q3 as communicated in Bombardier Inc Q4 2020 financial report. Bombardier Transportation orders for January 2021 were extracted from the Bombardier Transportation management account in euros.

ADJUSTED INCOME STATEMENT, EBIT AND ADJUSTED NET PROFIT

This section presents the reconciliation between the consolidated income statement and the MD&A management view.

(in € million)	Total consolidated financial statements (GAAP)	Adjustments (1)	(2)	(3)	(4)	Total consolidated financial statements (MD&A view)
31 MARCH 2022						
Sales	**15,471**					**15,471**
Cost of sales	(13,746)	357	46	20		(13,323)
Adjusted gross margin before PPA(*)	**1,725**	**357**	**46**	**20**	**-**	**2,148**
R&D expenses	(604)	74				(530)
Selling expenses	(354)					(354)
Administrative expenses	(642)					(642)
Equity pick-up	-				145	145
Adjusted EBIT(*)	**125**	**431**	**46**	**20**	**145**	**767**
Other income/ (expenses)	(281)		(46)	(20)		(347)
Equity pick-up (reversal)	-				(145)	(145)
EBIT/EBIT before PPA(*)	**(156)**	**431**	**-**	**-**	**-**	**275**
Financial income (expenses)	(25)					(25)
Pre-tax income	**(181)**	**431**	**-**	**-**	**-**	**250**
Income tax charge	(27)	(41)				(68)
Share in net income of equity-accounted investments	(347)	13				(334)
Net profit (loss) from continued operations	**(555)**	**403**	**-**	**-**	**-**	**(152)**
Net profit (loss) attributable to non-controlling interests (-)	(21)					(21)
Net profit (loss) from continued operations (Group share)/adjusted net profit (loss)(*)	**(576)**	**403**	**-**	**-**	**-**	**(173)**
Purchase price allocation (PPA) net of corresponding tax effect	-	(403)				(403)
Net profit (loss) from discontinued operations	(5)					(5)
NET PROFIT (GROUP SHARE)	**(581)**	**-**	**-**	**-**	**-**	**(581)**

(*) Non-GAAP indicator, see definition in page 41.
Adjustments 31 March 2022:
(1) Impact of business combinations: amortisation of assets exclusively valued when determining the purchase price allocation (PPA), including corresponding tax effect.
(2) Impact of Aptis closure: reclassification of operational results as non-recurring items following Alstom's announced and planned discontinuance of Aptis activities.
(3) Reclassification of other operational costs to non-recurring items.
(4) Reclassification of share in net income of the equity-accounted investments when these are considered to be part of operating activities of the Group.

(in € million)	Total consolidated financial statements (GAAP)	Adjustments (1)	(2)	(3)	(4)	Total consolidated financial statements (MD&A view)
31 MARCH 2021						
Sales	**8,785**					**8,785**
Cost of sales	(7,400)	62	21	68	-	(7,249)
Adjusted gross margin before PPA(*)	**1,385**	**62**	**21**	**68**	**-**	**1,536**
R&D expenses	(318)	9				(308)
Selling expenses	(230)					(230)
Administrative expenses	(403)					(403)
Equity pick-up	-				50	50
Adjusted EBIT(*)	**434**	**71**	**21**	**68**	**50**	**645**
Other income/ (expenses)	(134)	13	(21)	(68)		(211)
Equity pick-up (reversal)	-				(50)	(50)
EBIT/EBIT before PPA(*)	**300**	**84**	**-**	**-**	**-**	**384**
Financial income (expenses)	(68)					(68)
Pre-tax income	**232**	**84**	**-**	**-**	**-**	**316**
Income tax charge	(63)	(23)				(86)
Share in net income of equity-accounted investments	83					83
Net profit (loss) from continued operations	**252**	**61**	**-**	**-**	**-**	**313**
Net profit (loss) attributable to non-controlling interests (-)	(12)					(12)
Net profit (loss) from continued operations (Group share)/adjusted net profit (loss)(*)	**240**	**61**	**-**	**-**	**-**	**301**
Purchase price allocation (PPA) net of corresponding tax effect	-	(61)				(61)
Net profit (loss) from discontinued operations	7					7
NET PROFIT (GROUP SHARE)	**247**	**-**	**-**	**-**	**-**	**247**

(*) Non-GAAP indicator, see definition in page 41.
Adjustments 31 March 2021:
(1) Impact of business combinations: amortisation of assets exclusively valued when determining the purchase price allocation (PPA), including corresponding tax effect.
(2) Impact of Aptis closure: reclassification of operational results as non-recurring items following Alstom's announced and planned discontinuance of Aptis activities.
(3) Reclassification of other operational costs to non-recurring items.
(4) Reclassification of share in net income of the equity-accounted investments when these are considered to be part of operating activities of the Group.

FROM ENTERPRISE VALUE TO EQUITY VALUE

(in € million)		Year ended 31 March 2022
Total gross debt, including lease obligations	(1)	**3,539**
Pensions liabilities net of prepaid and deferred tax asset related to pensions	(2)	803
Non-controlling interest	(3)	113
Cash and cash equivalents	(4)	(810)
Other current financial assets	(4)	(54)
Other non-current financial assets	(5)	(48)
Net deferred tax liability/ (asset)	(6)	(276)
Investments in associates & JVs, excluding Chinese JVs	(7)	(118)
Non-consolidated investments	(8)	(79)
BRIDGE		**3,070**

(1) Long-term and short-term debt and Leases (Note 27), excluding the lease to a London metro operator for €146 million due to matching financial asset (Notes 15 and 27).
(2) As per Note 29 restated from Accruals for employees benefit costs not yet deductible as per Note 8.2.
(3) As per balance sheet.
(4) As per balance sheet.
(5) Other non-current assets: Loans to non-consolidated Investments for €(21) million and deposit on a US loan for €(27) million (Notes 15 and 27).
(6) Deferred Tax Assets and Liabilities – as per balance sheet, restated from Accruals for employee benefit costs not yet deductible as per Note 8.2.
(7) JVs – to the extent they are not included in the share in net income of the equity-accounted investments whose activity are considered as part of the operating activities of the Group/FCF, *i.e.* excluding Chinese JVs.
(8) Non-consolidated investments as per Note 14.

BOMBARDIER TRANSPORTATION PPA AMORTISATION PLAN

This section presents the amortisation plan of the Purchase Price Allocation of Bombardier Transportation.

(in € million)	Year ended 31 March 2022
AMORTISATION PLAN, AS PER P&L BOOKING(*)	
2021	(71)
2022	(428)
2023	(398)
2024	(372)
2025	(376)
2026	(267)
2027	(215)
2028	(205)
2029	(167)
2030	(140)
2031	(108)
2032	(97)
Beyond	(290)

(*) Excludes PPA other than related to the purchase of Bombardier Transportation.


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FINANCIAL STATEMENTS

AFR

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

CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

Consolidated income statement

(in € million)	Note	Year ended At 31 March 2022	At 31 March 2021
Sales	**(3)**	**15,471**	**8,785**
Cost of sales		(13,746)	(7,400)
Research and development expenses	(4)	(604)	(318)
Selling expenses	(5)	(354)	(230)
Administrative expenses	(5)	(642)	(403)
Other income/(expense)	(6)	(281)	(134)
Earnings Before Interests and Taxes		**(156)**	**300**
Financial income	(7)	21	4
Financial expense	(7)	(46)	(72)
Pre-tax income		**(181)**	**232**
Income Tax Charge	(8)	(27)	(63)
Share in net income of equity-accounted investments	(13)	(347)	83
Net profit (loss) from continuing operations		**(555)**	**252**
Net profit (loss) from discontinued operations	(9)	(5)	7
NET PROFIT (LOSS)		**(560)**	**259**
Net profit (loss) attributable to equity holders of the parent		(581)	247
Net profit (loss) attributable to non controlling interests		21	12
Net profit (loss) from continuing operations attributable to:			
• Equity holders of the parent		(576)	240
• Non controlling interests		21	12
Net profit (loss) from discontinued operations attributable to:			
• Equity holders of the parent		(5)	7
• Non controlling interests		-	-
EARNINGS (LOSSES) PER SHARE *(in €)*			
• Basic earnings (losses) per share	(10)	(1.56)	0.94
• Diluted earnings (losses) per share	(10)	(1.55)	0.94

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income

		Year ended	
(in € million)	Note	At 31 March 2022	At 31 March 2021
Net profit (loss) recognised in income statement		**(560)**	**259**
Remeasurement of post-employment benefits obligations	(29)	341	108
Equity investments at FVOCI	(13)/(14)	(1)	3
Income tax relating to items that will not be reclassified to profit or loss	(8)	(15)	(7)
Items that will not be reclassified to profit or loss		**325**	**104**
of which from equity-accounted investments		-	-
Fair value adjustments on cash flow hedge derivatives		-	4
Costs of hedging reserve		(10)	(7)
Currency translation adjustments(*)	(23)	177	14
Income tax relating to items that may be reclassified to profit or loss	(8)	-	(1)
Items that may be reclassified to profit or loss		**167**	**10**
of which from equity-accounted investments	*(13)*	*77*	*2*
TOTAL COMPREHENSIVE INCOME		**(68)**	**373**
Attributable to:			
• Equity holders of the parent		(96)	360
• Non controlling interests		28	13
Total comprehensive income attributable to equity shareholders arises from:			
• Continuing operations		(91)	353
• Discontinued operations		(5)	7
Total comprehensive income attributable to non controlling interests arises from:			
• Continuing operations		28	13
• Discontinued operations		-	-

(*) Includes currency translation adjustments on actuarial gains and losses for €8 million as of 31 March 2022 (€0 million as of 31 March 2021).

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated balance sheet

Assets

(in € million)	Note	At 31 March 2022	At 31 March 2021
Goodwill	(11)	9,368	9,200
Intangible assets	(11)	3,002	2,800
Property, plant and equipment	(12)	2,550	2,550
Investments in joint-venture and associates	(13)	1,179	1,466
Non consolidated investments	(14)	79	77
Other non-current assets	(15)	644	435
Deferred Tax	(8)	452	541
Total non-current assets		**17,274**	**17,069**
Inventories	(17)	3,274	2,962
Contract assets	(18)	3,846	2,715
Trade receivables	(19)	2,747	2,299
Other current operating assets	(20)	2,337	1,913
Other current financial assets	(25)	54	28
Cash and cash equivalents	(26)	810	1,250
Total current assets		**13,068**	**11,167**
Assets held for sale	(9)	173	330
TOTAL ASSETS		**30,515**	**28,566**

Equity and Liabilities

(in € million)	Note	At 31 March 2022	At 31 March 2021
Equity attributable to the equity holders of the parent	(23)	8,911	9,039
Non controlling interests		113	78
Total equity		**9,024**	**9,117**
Non current provisions	(22)	437	295
Accrued pensions and other employee benefits	(29)	1,203	1,359
Non-current borrowings	(27)	2,663	1,651
Non-current lease obligations	(27)	566	590
Deferred Tax	(8)	127	108
Total non-current liabilities		**4,996**	**4,003**
Current provisions	(22)	1,966	2,014
Current borrowings	(27)	313	526
Current lease obligations	(27)	143	161
Contract liabilities	(18)	6,155	5,457
Trade payables	(16)	3,323	3,207
Other current liabilities	(21)	4,309	3,464
Total current liabilities		**16,209**	**14,829**
Liabilities related to assets held for sale	(9)	286	617
TOTAL EQUITY AND LIABILITIES		**30,515**	**28,566**

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of cash flows

		Year ended	
(in € million)	Note	At 31 March 2022	At 31 March 2021
Net profit (loss)		**(560)**	**259**
Depreciation, amortisation and impairment	(11)/(12)	876	391
Expense arising from share-based payments	(30)	42	10
Cost of net financial debt and costs of foreign exchange hedging, net of interest paid and received[(a)] , and other change in provisions		12	(28)
Post-employment and other long-term defined employee benefits		6	6
Net (gains)/losses on disposal of assets		(1)	(11)
Share of net income (loss) of equity-accounted investments (net of dividends received)	(13)	446	(27)
Deferred taxes charged to income statement	(8)	(49)	(70)
Net cash provided by operating activities – before changes in working capital		**772**	**530**
Changes in working capital resulting from operating activities[(b)]	**(16)**	**(1,349)**	**(985)**
Net cash provided by/(used in) operating activities		**(577)**	**(455)**
Of which operating flows provided/(used) by discontinued operations		-	-
Proceeds from disposals of tangible and intangible assets		13	17
Capital expenditure (including capitalised R&D costs)		(428)	(265)
Increase/(decrease) in other non-current assets	(15)	39	12
Acquisitions of businesses, net of cash acquired		(63)	(1,699)
Disposals of businesses, net of cash sold		(4)	(8)
Net cash provided by/(used in) investing activities		**(443)**	**(1,943)**
Of which investing flows provided/(used) by discontinued operations	*(9)*	*(8)*	*(8)*
Capital increase/(decrease) including non controlling interests		2	1,967
Dividends paid including payments to non controlling interests		(52)	(6)
Issuances of bonds & notes	(27)	1,200	750
Changes in current and non-current borrowings	(27)	(419)	(1,089)
Changes in lease obligations	(27)	(148)	(110)
Changes in other current financial assets and liabilities	(27)	(25)	(55)
Net cash provided by/(used in) financing activities		**558**	**1,457**
Of which financing flows provided/(used) by discontinued operations		-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(462)**	**(941)**
Cash and cash equivalents at the beginning of the period		1,250	2,175
Net effect of exchange rate variations		19	21
Transfer to assets held for sale		3	(5)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**(26)**	**810**	**1,250**
(a) Net of interests paid and received		*(13)*	*(28)*
(b) Income tax paid		*(141)*	*(94)*

(in € million)	Year ended At 31 March 2022	At 31 March 2021
Net cash/(debt) variation analysis		
Changes in cash and cash equivalents	(462)	(941)
Changes in other current financial assets and liabilities	25	55
Changes in bonds and notes	(1,200)	(750)
Changes in current and non-current borrowings	419	1,089
Net debt of acquired/disposed entities at acquisition/disposal date and other variations	32	(1,530)
Decrease/(increase) in net debt	(1,186)	(2,077)
Net cash (debt) at the begining of the period	**(899)**	**1,178**
NET CASH/(DEBT) AT THE END OF THE PERIOD	**(2,085)**	**(899)**

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

(in € million, except for number of shares)	Number of outstanding shares	Capital	Additional paid-in capital	Retained earnings	Actuarial gains and losses	Cash-flow hedge	Currency translation adjustment	Equity attributable to the equity holders of the parent	Non controlling interests	Total equity
At 31 March 2020	**225,973,782**	**1,581**	**980**	**1,610**	**(275)**	**(3)**	**(622)**	**3,271**	**57**	**3,328**
Movements in other comprehensive income		-	-	(6)	102	6	11	113	1	114
Net income for the period		-	-	247	-	-	-	247	12	259
Total comprehensive income		**-**	**-**	**241**	**102**	**6**	**11**	**360**	**13**	**373**
Change in controlling interests and others		-	-	(1)	-	-	-	(1)	14	13
Dividends		-	-	-	-	-	-	-	(6)	(6)
Capital increase by issuance of new shares	144,262,351	1,011	4,046	52	-	-	-	5,109	-	5,109
Fair value adjustment of consideration transferred		-	287	-	-	-	-	287	-	287
Issue of ordinary shares under long term incentive plans	862,298	5	-	(5)	-	-	-	-	-	-
Recognition of equity settled share-based payments	103,362	1	2	10	-	-	-	13	-	13
At 31 March 2021	**371,201,793**	**2,598**	**5,315**	**1,907**	**(173)**	**3**	**(611)**	**9,039**	**78**	**9,117**
Movements in other comprehensive income		-	-	(6)	333	(6)	164	485	7	492
Net income for the period		-	-	(581)	-	-	-	(581)	21	(560)
Total comprehensive income		**-**	**-**	**(587)**	**333**	**(6)**	**164**	**(96)**	**28**	**(68)**
Change in controlling interests and others		-	-	(39)	-	-	(3)	(42)	14	(28)
Dividends convertible into shares		-	-	(48)	-	-	-	(48)	-	(48)
Dividends paid in cash		-	-	(45)	-	-	-	(45)	(7)	(52)
Capital increase by issuance of new shares	1,401,876	10	38	-	-	-	-	48	-	48
Effect of the change of method relating to employee benefits(*)		-	-	11	-	-	-	11	-	11
Issue of ordinary shares under long term incentive plans	699,487	5	-	(5)	-	-	-	-	-	-
Recognition of equity settled share-based payments	88,590	1	1	42	-	-	-	44	-	44
AT 31 MARCH 2022	**373,391,746**	**2,614**	**5,354**	**1,236**	**160**	**(3)**	**(450)**	**8,911**	**113**	**9,024**

(*) Impact of the IFRIC Committee decision on May 2021 (see Note 2).

The accompanying notes are an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

DETAILED SUMMARY OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Alstom is a leading player in the world rail transport industry. As such, the Company offers a complete range of solutions, including rolling stock, systems, services as well as signalling for passenger and freight railway transportation. It benefits from a growing market with solid fundamentals. The key market drivers are urbanisation, environmental concerns, economic growth, governmental spending and digital transformation.

In this context, Alstom has been able to develop both a local and global presence that sets it apart from many of its competitors, while offering proximity to customers and great industrial flexibility. Its range of solutions, one of the most complete and integrated on the market, and its position as a technological leader, place Alstom in a unique situation to benefit from the worldwide growth in the rail transport market. Lastly, in order to generate profitable growth, Alstom focuses on operational excellence and its product mix evolution.

The consolidated financial statements are presented in euro and have been authorised for issue by the Board of Directors held on 10 May 2022. In accordance with French legislation, they will be final once approved by the shareholders of Alstom at the Annual General Meeting convened for 12 July 2022.

A. MAJOR EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION

NOTE 1. MAJOR EVENTS AND MAJOR CHANGES IN SCOPE OF CONSOLIDATION

1.1. Major events

1.1.1. The acquisition of Bombardier Transportation

On 29 January 2021, Alstom announced the completion of the acquisition of Bombardier Transportation. Leveraging on its clear Alstom in Motion strategy and its strong operational fundamentals and financial trajectory, Alstom, integrating Bombardier Transportation, strengthens its leadership in the growing sustainable mobility market by reaching a critical size in all geographies and integrating further solutions and assets to better serve its customers worldwide.

Purchase price accounting

From an accounting perspective, the consideration transferred amounted to €5.4 billion. It corresponds to the sum of the fair values, at closing date, of the shares and the cash transferred by Alstom. The number of Alstom's shares has been determined based on the contractual purchase price. Accordingly, as required under IFRS 3, the subscription by way of set off has been measured based on the fair value of Alstom's shares issued at the Completion Date, which is represented by the market price of Alstom's shares at 29 January 2021.

Number of shares allocated to CDPQ and Bombardier Inc. (based on the share prices agreed in the Acquisition Agreement)	*76,184,296*
Alstom's closing share price as of 29 January 2021 (in €)	*44.86*
Fair value of the consideration subscribed in Alstom shares by way of set off *(in € million)*	3,418
Consideration paid in cash *(in € million)*	1,964
FAIR VALUE OF THE CONSIDERATION TRANSFERRED *(in € million)*	**5,382**

Moreover, Bombardier Transportation's identifiable assets and liabilities were measured at their fair value on the date on which Alstom acquired control of the company. The final allocation of Bombardier Transportation purchase price to the assets acquired and liabilities assumed is as follows:

(in € million)	Note	Preliminary allocation 31 March 2021	Variation	Final allocation 31 March 2022
Intangible assets	(11)	2,365	469	2,834
Property, plant and equipment	(12)	1,197	(22)	1,175
Investments in joint-venture and associates	(13)	713	73	786
Inventories	(17)	1,157	(8)	1,149
Net contract assets/(liabilities)	(18)	(2,676)	(162)	(2,838)
Other net assets/(liabilities)(*)		(3,094)	(364)	(3,458)
Accrued pensions and other employee benefits	(29)	(934)	26	(908)
Net financial debt	(27)	(1,133)	1	(1,132)
Net deferred taxes assets/(liabilities)	(8)	152	(139)	13
Non controlling interests		(13)	4	(9)
FAIR VALUE OF ASSETS/(LIABILITIES) ATTRIBUTABLE TO THE SHAREHOLDERS OF THE GROUP		**(2,266)**	**(122)**	**(2,388)**
Consideration transferred		**5,382**		**5,382**
Goodwill		**7,648**	**122**	**7,770**

(*) Including €1,533 million of provisions to compare with €1,509 million disclosed in the preliminary allocation of March 2021 (thereof €1,089 million on risk on contracts to compare with €1,083 million disclosed in the preliminary allocation of March 2021) and including IFRS 5 impact as well (see Note 9.2).

As part of the final review of the purchase price allocation, the table above includes mainly the following adjustments to the preliminary allocation disclosed at 31 March 2021:

- the detailed review of the intangible assets of Bombardier Transportation led to the recognition of additional fair value for Customer-Related intangible assets (particularly backlog and customer relationships) as well as technology acquired for respectively €454 and €15 million;
- the reassessment at fair value of the Investments in Joint Ventures and associates led to the recognition of additional fair value for €73 million (mainly allocated to backlog and customer relationships);
- the Group adjusted definitely working capital aggregates and performed some additional restatements:
  - to align the accounting policies, mainly through a proper cost allocation between Cost of sales (as per hourly rate computation), Research and Development expenses, Selling and Administrative expenses,
  - but also, on few contracts almost completed based on additional information received about facts and circumstances existing as of acquisition date as well as refined Business Plans;
- the Net deferred taxes assets/(liabilities) linked to the price purchase allocation adjustments have been reallocated to Legal Entities and countries based on additional information impacting tax rate as well as Deferred tax recognition. Changes to final fair values of intangible assets have also been taken in consideration.

The following methods were used to measure the fair value of the intangible assets, Property, plant and equipment and Investments in joint-venture and associates acquired:

Assets acquired	Description of the valuation approach
Customer-related intangible assets: Backlog/ Customer relationships/Options/Bids	Multi-Period Excess Earning Method (MPEEM). The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer contracts or relationships, after remuneration of the contributory assets necessary to the execution of contracts.
Technology-related Intangible assets	Relief from Royalty method/Cost approach. The relief-from-royalty method considers the discounted royalty payments that are expected to be avoided as a result of the technology being owned. The cost approach reflects the fair value of an asset based of costs (to be) incurred to develop similar asset, after consideration of its obsolescence.
Property, plant and equipment	Market comparison technique and cost technique. The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate.
Investments in Joint Ventures and associates	Discounted Cash Flows Method.

At the acquisition date, the adjusted final fair value of the Customer-Related intangible assets amounts to €2,347 million and €481 million for the technology acquired.

According to IFRS 3, Alstom recognized and measured the deferred tax assets and liabilities arising from the assets acquired and liabilities assumed in this business combination in accordance with IAS 12 Income Taxes, considering the applicable tax rate of the entities to which the assets and liabilities belong.

The adjusted final goodwill recognized on the transaction amounts to €7.8 billion and has been fully rationalized at acquisition date. It is mainly attributable to the Bombardier Transportation's workforce, its portfolio of products and solutions, the synergies expected to be achieved from the integration of Bombardier Transportation within Alstom (including improvement of profitability) and the potential of new businesses based on current market dynamics.

Other acquisition related topics

The Group incurred over the fiscal year €(94) million for mainly integration costs attributable to the Bombardier Transportation's acquisition. Those costs are recognized as expenses in the periods in which they were incurred, and the services were received (see Note 6).

In addition, the amortisation of the whole Purchase Price Allocations is accounted by nature for an amount of €(444) million in the Profit and Loss statement, of which €(357) million in Cost of sales, €(74) million in R&D costs and €(13) million Share in Net Income of Equity Investees. The amortisation of the Purchase Price Allocation related to Bombardier Transportation acquisition represents an amount of €(428) million.

Customer related intangible assets related to Bombardier Transportation are, except backlog, amortised on a straight-line basis over their estimated useful live (good proxy of the expected pattern of consumption of the expected future economic benefits embodied in the underlying assets).

Useful lives can extend up to sixteen years due to the long-term nature of the underlying contracts and activities (namely for options and Customer relationships). Technology related intangible assets are amortized on straight line basis consistently with the internally capitalized development costs.

The update of the Purchase Price Allocation has no significant impact on the 2 months period starting at the acquisition date to March 2021 closing date.

Next steps

Alstom is about to finalize sales of certain assets of the combined Group in line with the commitments described in the European Commission's press release on 31 July 2020 and classified as Assets Held for Sale (see Note 9):

- a transfer of Bombardier Transportation's contribution to the V300 Zefiro™ very high-speed train and an offer of IP license for the train co-developed by Hitachi and Bombardier Transportation for use in future very high-speed tenders in the UK has been agreed on the 1 December 2021 with Hitachi Rail. Closing of the transaction is expected in the first quarter 2022/23. Alstom will continue to honor its obligations under the existing orders for Rolling Stock from Trenitalia and ILSA to ensure a seamless transition;
- the divestment of its Coradia™ Polyvalent platform, its Reichshoffen production site in France, as well as its Talent™ 3 platform has been agreed on the 24 November 2021 with CAF. Closing of the transaction is expected during the first semester 2022/23.

Concerning the divestment of the Bombardier Talent™ 3 Platform, the scope of remedies has been adjusted on the first semester 2021/22 to exclude current Talent™ 3 commercial contracts as well as the related production facility located within the Hennigsdorf site in Germany. The remaining Assets Held for Sale on the Talent™ 3 platform are related mainly to Intellectual property rights and workforce (subject to conditions).

The commitments concerning Bombardier Transportation's Signalling On-Board Units and Train Control Management Systems (TCMS) has been put in place.

The divestitures both complied already with all applicable social processes and consultations with employee representatives' bodies. Regulatory approvals have been granted for one divestment, the other one being still pending.

Shareholding and governance

On 2 June 2021, Bouygues S.A. sold 11,000,000 Alstom S.A. shares, representing 2.96% of Alstom's share capital.

At the end of this transaction, Bouygues retained 0.16% of the share capital of Alstom.

1.1.2. Consequences of the Ukraine/Russia conflict

The Group is closely monitoring the dramatic situation currently happening in Ukraine.

In that respect, the Group is complying with all applicable sanctions and laws. It has decided to suspend all deliveries towards Russia and confirmed as well suspending all future business investments in Russia.

So far, there is very limited direct exposure on operational activities performed by Alstom in Ukraine and Russia. Alstom was developing a partnership project with UZ, Ukraine rail operator including locomotive supplies and associated services. Nevertheless, current discussions on this project have been suspended due to the current context.

Main exposure on Alstom balance sheet relies on the fact that the Group owns as a capital investment a 20% stake in Transmashholding (TMH), the Russian locomotives and rail equipment provider primarily serving the local market. There was no business nor operational link between Alstom and TMH. TMH is consolidated through equity method in the Alstom's consolidated Financial Statements. As at 31 March 2022, and before re-assessment, the carrying value of Alstom's interest in TMH amounted to €441 million, with a currency translation adjustment at €(202) million, and TMH's contribution to Alstom's 21/22 net income was slightly negative at €(10) million.

Considering the current environment, and in particular the adoption of trade and financial sanctions, Alstom is assessing all the available options regarding this investment. In this context, a non-cash impairment charge of €(441) million corresponding to the carrying value of the equity investment has been recorded as at 31 March 2022, in the line "Share in net income of equity-accounted investments" of the Consolidated Income Statement.

1.1.3. Uncertainties linked to the current economic and political context

The current economic and political context creates uncertainties on business activities (namely inflation, increase of the price of certain commodities, energy, supply chain disruptions or electronic components shortage…). Nevertheless, the Group carefully follows and monitors the potential increase in its cost structures (raw materials prices, supply chain and wages inflation), being quite well protected (65% of the backlog being covered by price escalation clauses on commodities and labour indexes).

Impairment tests have been performed on certain assets: goodwill (see Note 11), technology as well as deferred taxes (see Note 8) with no impairment risks identified as of end of March 2022. The Group took into consideration the potential impacts due to this specific context in the key assumptions as well as in the business plan used for, based on its best reasonable estimates and the visibility available for its operations at 31 March 2022. Some enlarged sensitivity analyses were performed with regards to the key assumptions that would not lead to an impairment loss of goodwill as the recoverable amount still exceeds its carrying value.

1.2. Scope of consolidation

1.2.1. Changes of the year

SpeedInnov

Through its affiliate SpeedInnov, a joint venture created in 2015 with ADEME, Alstom focused on its 'Very high-speed train of the future' project, aiming to promote a new generation of very high-speed trainset which will reduce acquisition and operating costs by at least 20%, optimize the environmental footprint and develop the commercial offer to improve passenger experience. In this context, Alstom subscribed to a capital increase in this joint venture in an amount of €15 million in September 2021 increasing its stake from 74.0% to 75.4% with no change in the consolidation method (Joint control).

Other acquisitions

On 1 April 2021, Alstom acquired the totality of Helion Hydrogen Power shares, a company based in France and renamed "Alstom Hydrogène". This promising, innovation-driven company, previously a 100% subsidiary of AREVA Energies Renouvelables, is specialized in high power fuel cells, thus complementing Alstom's expertise in hydrogen technology.

On 2 April 2021, Alstom fully acquired Flertex a group based in France, specialized in the design and manufacture of brake linings (pads and shoes) for braking systems, particularly for the rail industry but also for other industrial applications.

The table below presents the aggregated impact of the other acquisitions as per IFRS 3 recommendation:

	Other acquisitions
Total non-current assets	21
Total current assets	7
Total assets	**28**
Total non-current liabilities	15
Total current liabilities	8
Total liabilities	**23**
FAIR VALUE OF ASSETS/(LIABILITIES) ATTRIBUTABLE TO THE SHAREHOLDERS OF THE GROUP	**5**
Consideration price	**19**
Goodwill	**14**

Final Goodwill amounts to €14 million for other acquisitions. Their contributions to the sales of the Group are not material.

1.2.2. Updated acquisitions

Bombardier Transportation Acquisition

According to the application of IFRS 3-R, the preliminary PPA determined at March 2021 has become final (see Note 1.1.1).

Others

On 30 June 2020, Alstom acquired the totality of IBRE (International Braking & Railway Equipment) shares, a company based in France and renamed "Alstom IBRE". This company is specialized in the development, the manufacturing, and the supply of railway brake discs. Their reliable high-quality products are recognized by the most important European railway administrations.

On 1 March 2021, Alstom fully acquired B&C Transit's shares. This transit engineering design and construction firm is specialised in the passenger rail sector and operates in the United States and Canada.

On 31 March 2021, Alstom fully acquired RSB BV's shares. This Rotterdam-based company provides services in maintenance of rolling stock for freight and passenger transport in the Netherlands.

All three entities mentioned above are fully consolidated in the Group's accounts. The price allocation is now fully completed for all of them and generates a final goodwill amounting to €35 million. Their contribution to the sales of the Group is not material.

Acquisition of Minority Shares

The Alstom Ubunye company is located in South Africa and is a key component contributor for the supply of X'Trapolis Mega commuter trains to the national rail company PRASA (Passenger Rail Agency of South Africa). As at 28 February 2022, Alstom acquired the remaining 49% share of Ubunye to the minority shareholders, moving from 51% to 100% ownership.

The EKZ company is specialized in the manufacturing and the maintenance of electric locomotives especially for the Eurasian Economic Union and CIS markets and is located in Kazakhstan.

As at 2 March 2022, Alstom acquired the remaining 25% share of EKZ to the minority shareholder, moving from 75% to 100% ownership.

These entities were already consolidated through the full consolidation method, therefore these transactions have been both considered as a transaction against minority shareholder booked directly into the Equity Statement, which generated €(32) million Group Equity impact.

B. ACCOUNTING POLICIES AND USE OF ESTIMATES

NOTE 2. ACCOUNTING POLICIES

2.1. Basis of preparation of the consolidated financial statements

Alstom consolidated financial statements, for the year ended 31 March 2022, are presented in millions of Euros and have been prepared:

- in accordance with the International Financial Reporting Standards (IFRS) and interpretations published by the International Accounting Standards Board (IASB) and endorsed by the European Union and whose application was mandatory as at 31 March 2022;
- using the same accounting policies and measurement methods as at 31 March 2021, with the exceptions of changes required by the enforcement of new standards and interpretations presented here after.

The full set of standards endorsed by the European Union can be consulted at: http://www.efrag.org/Endorsement.

2.2. New standards and interpretations mandatorily applicable for financial periods beginning on 1 April 2021

Two amendments are applicable at 1 April 2021 and endorsed by European Union:

- amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform” – Phase 2;
- amendments to IFRS 16 “Leases Covid 19-Related Rent Concessions beyond 30 June 2021”.

The last two amendments effective at 1 April 2021 for Alstom have no material impact on the Group’s consolidated financial statements.

Moreover, IFRIC Committee’s decision of May 2021 regarding IAS 19 modifies the valuation of commitments relating to the retirement indemnities plans of the Group’s French entities, whose entitlement scale is either capped in terms of total seniority, or composed of vesting stages, or both, by specifying the period and rate of recognition of the corresponding expenses and the rate at which the corresponding expenses are recognized. Considering the non-materiality impact of this change on the overall Alstom Group Financial Statements, it was decided to apply by simplification a prospective correction instead of a full retrospective restatement. Its implementation resulted, as of 1 April 2021, in a decrease in the present value of the gross obligation of €15 million, recorded against an increase in reserves for an amount net of tax of €11 million.

Regarding the interpretation issued by IFRIC in April 2021 on recognition of configuration and customization costs in a Software as a Service (SaaS) arrangement, no significant impact on disclosed financial statements has been identified.

2.3. New standards and interpretations not yet mandatorily applicable

New standards and interpretations endorsed by the European Union not yet mandatorily applicable

- Amendments to IFRS 3 “Business Combinations”, IAS 16 “Property, Plant and Equipment”, IAS 37 “Provisions, Contingent Liabilities and Contingent Assets and Annual Improvements 2018-2020” will be applicable for annual periods beginning after 1 January 2022.
- Amendments to IAS 1 “Presentation of Financial Statements” and IFRS “Practice Statement 2: Disclosure of Accounting policies” and to IAS 8 “Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates” will be applicable for annual periods beginning after 1 January 2023.

New standards and interpretations not yet approved by the European Union

- Amendments to IAS 1 “Presentation of Financial Statements: Classification of Liabilities as Current or Non-current”. The amendments will be applicable for annual periods beginning after 1 January 2023.
- Amendments to IAS 12 “Income Taxes: Deferred Tax related to Assets and Liabilities” arising from a Single Transaction. The amendments will be applicable for annual periods beginning after 1 January 2023.

The potential impacts of all those new pronouncements are currently being analysed.

2.4. Use of estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make various estimates and to use assumptions regarded as realistic and reasonable. These estimates or assumptions could affect the value of the Group’s assets, liabilities, equity, net income and contingent assets and liabilities at the closing date. Management reviews estimates on an on-going basis using information currently available. Actual results may differ from those estimates, due to changes in facts and circumstances.

The accounting policies most affected by the use of estimates are the following:

Revenue and margin recognition on construction and long-term service contracts and related provisions

The Group recognises revenue and gross margin on most construction and long-term service contracts fulfilling the requirements for revenue recognition over time, using the percentage of completion method based on cost to cost: revenue is in that case recognized based on the percentage of costs incurred to date divided by the total costs at completion. Moreover, when a project review indicates a negative gross margin, the estimated loss at completion is immediately recognised.

Recognised revenue and margin are based on estimates of total expected contract revenue and cost, which are subject to revisions as the contract progresses. Total expected revenue and cost on a contract reflect management's current best estimate of the probable future benefits and obligations associated with the contract.

Assumptions to calculate present and future obligations take into account current technology as well as the commercial and contractual positions, assessed on a contract-by-contract basis (one performance obligation corresponding in most cases to one contract). The introduction of technologically-advanced products exposes the Group to risks of product failure significantly beyond the terms of standard contractual warranties applicable to suppliers of equipment only.

Obligations on contracts may result in penalties due to late completion of contractual milestones, or unanticipated costs due to project modifications, suppliers or subcontractors' failure to perform or delays caused by unexpected conditions or events. Warranty obligations are affected by product failure rates, material usage and service delivery costs incurred in correcting failures.

Although the Group makes individual assessments on contracts on a regular basis, there is a risk that actual costs related to those obligations may exceed initial estimates. Estimates of contract costs and revenues at completion in case of contracts in progress and estimates of provisions in case of completed contracts may then have to be re-assessed.

Estimate of provisions relating to litigations

The Group identifies and analyses on a regular basis current litigations and measures, when necessary, provisions on the basis of its best estimate of the expenditure required to settle the obligation at the balance sheet date. These estimates take into account information available and different possible outcomes.

Valuation of deferred tax assets

Management judgment is required to determine the extent to which deferred tax assets can be recognised. Future sources of taxable income and the effects of the Group global income tax strategies are taken into account in making this determination. This assessment is conducted through a detailed review of deferred tax assets by jurisdiction and takes into account past, current and future performance deriving from the existing contracts in the order book, the budget and the three-year plan, and the length of carry back, carry forwards and expiry periods of net operating losses.

Measurement of post-employment and other long-term defined employee benefits

The measurement of obligations and assets related to defined benefit plans makes it necessary to use several statistical and other factors that attempt to anticipate future events. These factors include assumptions about the discount rate, the rate of future compensation increases as well as withdrawal and mortality rates. If actuarial assumptions materially differ from actual results, it could result in a significant change in the employee benefit expense recognised in the income statement, actuarial gains and losses recognised in other comprehensive income and prepaid and accrued benefits.

Valuation of assets

The discounted cash flow model used to determine the recoverable value of the group of cash generating unit to which goodwill is allocated includes a number of inputs including estimates of future cash flows, discount rates and other variables, and then requires significant judgment.

Impairment tests performed on intangible and tangible assets, as well as Right-of-Use related to leased assets are also based on assumptions. Future adverse changes in market conditions or poor operating results from underlying assets could result in an inability to recover their current carrying value.

Inventories

Inventories, including work in progress, are measured at the lower of cost and net realisable value. Write-down of inventories are calculated based on an analysis of foreseeable changes in demand, technology or market conditions in order to determine obsolete or excess inventories. If actual market conditions are less favourable than those projected, additional inventory write-downs may be required.

2.5. Significant accounting policies

2.5.1. Consolidation methods

Subsidiaries

Subsidiaries are entities over which the Group exercises control.

The Group controls an entity when (i) it has power over this entity, (ii) is exposed to or has rights to variable returns from its involvement with that entity, and (iii) has the ability to use its power over that entity to affect the amount of those returns.

Subsidiaries are fully consolidated in the consolidated financial statements from the date on which control is transferred to the Group and deconsolidated from the date that control ceases.

Inter-company balances and transactions are eliminated.

Non-controlling interests in the net assets of consolidated subsidiaries are identified in a specific line of the equity named "Non-controlling interests". Non-controlling interests consist of the amount of those interests at the date of the original business combination and their share of changes in equity since the date of the combination. In the absence of explicit agreements to the contrary, subsidiaries' losses are systematically allocated between equity holders of the parent and non-controlling interests based on their respective ownership interests even if this results in the non-controlling interests having a deficit balance.

Transactions with non-controlling interests that do not result in loss of control are considered as transactions between shareholders and accounted for in equity.

Joint arrangements

Joint arrangements are the entities over which the Group has joint control.

The Group jointly controls an entity when decisions relating to the relevant activities of that entity require unanimous consent of the Group and the other parties who share control.

A joint arrangement is classified either as a joint operation or as a joint venture. The classification is based on the rights and obligations of the parties to the arrangement, taking into consideration the structure and legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances (see also Note 13):

Joint operations

Joint operations are entities in which the Group has rights to the assets and obligations for the liabilities.

The Group recognises the assets, liabilities, revenues and expenses related to its interests in the joint operation. A joint operation may be conducted under a separate vehicle or not.

Joint ventures

Joint ventures are entities in which the Group only has rights to the net assets.

Interests in joint ventures are consolidated under the equity method as described in the paragraph below.

Investments in associates

Associates are entities over which the Group has significant influence. In other words, the Group has the possibility to participate in decisions related to these entities' financial and operating policies without having control (exclusive or joint).

Generally, the existence of significant influence is consistent with a level of voting right held by the Group between 20% and 50%.

If need be, accounting policies of associates will be standardized with the Group accounting policies.

Interests in associates are consolidated under the equity method in the consolidated financial statements as described in the paragraph below.

Equity method

The Group accounts for its interests in associates and joint ventures under the equity method. Wherever necessary, accounting policies of associates and joint ventures have been changed to ensure consistency with the IFRS framework.

Under the equity method, investments in associates are carried in the consolidated balance sheet at cost, including any goodwill arising and transaction costs. Earn-outs are initially recorded at fair value and adjustments recorded through cost of investment when their payments are probable and can be measured with sufficient reliability.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate or joint venture recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. In case of an associate or joint venture purchased by stage, the Group uses the cost method to account for changes from non-consolidated investments category to "Investments in joint ventures and associates".

Associates and joint ventures are presented in the specific line "Investments in joint ventures and associates" of the balance sheet, and the Group's share of its associates' profits or losses is recognized in the line "Share of net income of equity-accounted investments" of the income statement whereas its share of post-acquisition movements in reserves is recognized in reserves.

Losses of an associate or joint venture in excess of the Group's interest in that associate or joint venture are not recognized, except if the Group has a legal or implicit obligation.

The impairment expense of investments in associates and joint ventures is recorded in the line "Share of net income of equity-accounted investments" of the income statement.

According to IAS 28, if the financial statements of an associate used in applying the equity method are prepared as of a different date from that of the investor, adjustments shall be made for the effects of significant transactions or events that occur between that date and the date of the investor's financial statements. In any case, the difference between the end of the reporting period of the associate and that of the investor shall be no more than three months.

2.5.2. Assets held for sale

Non-current assets held for sale are presented on a separate line of the balance sheet when (i) the Group has made a decision to sell the asset (s) concerned and (ii) the sale is considered to be highly probable. These assets are measured at the lower of net carrying amount and fair value less costs to sell.

When the Group is committed to a sale process leading to the loss of control of a subsidiary, all assets and liabilities of that subsidiary are reclassified as held for sale, irrespective of whether the Group retains a residual interest in the entity after sale.

2.5.3. Cash flow hedge

When cash flow hedge applies, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income.

If a hedge of a forecast transaction subsequently resulting in the recognition of a non-financial asset qualifies for cash flow hedge, then the entity shall reclassify the associated gains and losses that were recognized in other comprehensive income to profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss.

2.5.4. Translation of financial statements denominated in currencies other than euro

Functional currency is the currency of the primary economic environment in which a reporting entity operates, which in most cases, corresponds to the local currency. However, some reporting entities may have a functional currency different from local currency when that other currency is used for the entity's main transactions and faithfully reflects its economic environment.

Assets and liabilities of entities whose functional currency is other than the euro are translated into euro at closing exchange rate at the end of each reporting period while their income and cash flow statements are translated at the average exchange rate for the period.

The currency translation adjustments resulting from the use of different currency rates for opening balance sheet positions, transactions of the period and closing balance sheet positions are recorded in other comprehensive income. Translation adjustments are transferred to the consolidated income statement at the time of the disposal of the related entity.

Goodwill and fair value adjustments arising from the acquisition of entities whose functional currency is not euro are designated as assets and liabilities of those entities and therefore denominated in their functional currencies and translated at the closing rate at the end of each reporting period.

2.5.5. Business combinations

Business combinations completed between the 1 January 2004 and the 31 March 2010 have been recognised applying the provisions of the previous version of IFRS 3.

Business combinations completed from the 1 April 2010 onwards are recognised in accordance with IFRS 3R.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the sum of fair values of the assets transferred and the liabilities incurred by the acquirer at the acquisition date and the equity-interest issued by the acquirer. The consideration transferred includes contingent consideration, measured and recognized at fair value at the acquisition date.

For each business combination, any non-controlling interest in the acquiree may be measured:

- either at the acquisition-date fair value, leading to the recognition of the non-controlling interest’s share of goodwill (full goodwill method); or
- either at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets, resulting in recognition of only the share of goodwill attributable to equity holders of the parent (partial goodwill method).

Acquisition-related costs are recorded as an expense as incurred.

Goodwill arising from a business combination is measured as the difference between:

- the fair value of the consideration transferred for an acquiree plus the amount of any non-controlling interests of the acquiree; and
- the net fair value of the identifiable assets acquired and liabilities assumed at the acquisition date.

Initial estimates of consideration transferred and fair values of assets acquired and liabilities assumed are finalised within twelve months after the date of acquisition and any adjustments are accounted for as retroactive adjustments to goodwill. Beyond this twelve-month period, any adjustment is directly recognised in the income statement.

Earn-outs are initially recorded at fair value and adjustments made beyond the twelve-month measurement period following the acquisition are systematically recognised through profit or loss.

In case of a step-acquisition that leads to the Group acquiring control of the acquiree, the equity interest previously held by the Group is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss.

2.5.6. Sales and costs generated by operating activities

Measurement of sales and costs

The amount of revenue arising from a transaction is usually determined by the contractual agreement with the customer. IFRS 15 provides restrictive guidance on the transaction price estimates and especially on variable consideration and contract modifications.

The estimation of the transaction price should include variable amounts and/or contract modifications to the extent that it is highly probable that no significant reversal in the amount of cumulative revenues recognized will occur when the uncertainty associated with these elements is subsequently resolved. The introduction of this constraint on the price escalation estimate on the one hand, as well as the incorporation of amendments under negotiation on the other hand, leads to recognize these effects on contract value at a later point in time, when they become enforceable.

In the case of “construction contracts” claims are considered in the determination of contract revenue only when it is highly probable that the claim will result in additional revenue and the amount can be reliably estimated.

Penalties are first taken into account as an increase of contract costs and in a second step as a reduction of contract revenue as soon as they are accepted.

Finally, a significant financial component should be introduced positively or negatively on revenue, when timing of cash receipts and revenue recognition under cost to cost method differ substantially.

Production costs include direct costs (such as material, labour and warranty costs) and indirect costs. Warranty costs are estimated on the basis of contractual agreement, available statistical data and weighting of all possible outcomes against their associated probabilities. Warranty periods may extend up to five years. Selling and administrative expenses are excluded from production costs.

Recognition of sales and costs

Revenue on sale of manufactured products is recognised according to IFRS 15 at a point in time, *i.e.* essentially when the significant risks and rewards of ownership are transferred to the customer, which generally occurs on delivery. Revenue on short-term service contracts is also accounted for at a point in time and recognised on performance of the related service. All production costs incurred or to be incurred in respect of the sale are charged to cost of sales at the date of recognition of sales.

Revenue on most of “construction contracts” and long-term service agreements is recognised according to IFRS 15 based on the percentage of completion method as they fulfill the requirements for revenue recognition over time: the stage of completion is assessed on the cost to cost method. Revenue is recognised for each performance obligation based on the percentage of costs incurred to date divided by the total costs expected at completion. Consequently, the revenue for the period is the excess of revenue measured according to the percentage of completion over the revenue recognised in prior periods.

Cost of sales on "construction contracts" and long-term service agreements is computed on the same basis. The cost of sales for the period is the excess of cost measured according to the percentage of completion over the cost of sales recognised in prior periods. As a consequence, adjustments to contract estimates resulting from work conditions and performance are recognised in cost of sales as soon as they occur, prorated to the stage of completion.

When the outcome of a contract cannot be estimated reliably, but the Group expects to recover the costs incurred in satisfying the contract, revenue is recognised only to the extent of the costs incurred until such time that the outcome of the contract can be reasonably measured.

Costs incurred that are attributable to significant inefficiencies in the Group's performance and that were not reflected in the price of the contract when the contract was negotiated with the customer should not be included in the percentage of completion formula and expensed when incurred.

When it is probable that contract costs at completion will exceed total contract revenue, the expected loss at completion is recognised immediately as an expense. Bid costs are recorded as selling expenses when incurred.

2.5.7. Impairment of goodwill, tangible and intangible assets as well as Right-of-Use related to leased assets

Assets that have an indefinite useful life – mainly goodwill and intangible assets not yet ready to use – are not amortised but tested for impairment at least annually or when there are indicators that they may be impaired. Other intangible and tangible assets as well as Right-of-Use related to leased assets subject to amortisation are tested for impairment only if there are indicators of impairment.

The impairment test methodology is based on a comparison between the recoverable amount of an asset and its net carrying value. If the recoverable amount of an asset or a cash-generating unit (CGU) is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount and the impairment loss is recognised immediately in the income statement. In the case of goodwill allocated to a group of CGUs, the impairment loss is allocated first to reduce the carrying amount of goodwill and then to the other assets on a pro-rata basis of the carrying amount of each asset.

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets. If an asset does not generate cash inflows that are largely independent of other assets or groups of assets, the recoverable amount is determined for a cash-generating unit.

The recoverable amount is the higher of fair value less costs to sell and value in use. The value in use is elected as representative of the recoverable value. The valuation performed is based upon the Group's internal three-year business plan. Cash flows beyond this period are estimated using a perpetual long-term growth rate for the subsequent years. The recoverable amount is the sum of the discounted cash flows and the discounted terminal residual value. Discount rates are determined using the weighted-average cost of capital.

Impairment losses recognised in respect of goodwill cannot be reversed.

The impairment losses recognized in respect of other assets than goodwill may be reversed in a later period and recognized immediately in the income statement. The carrying amount is increased to the revised estimate of recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized in prior years.

2.6. Climate change consequences

When preparing the Consolidated Financial Statements, the Group analyzed the potential impacts of climate change. Thanks to the activities managed, the Group is actively engaged in the climate transition which generates new opportunities of business development for the Group. Therefore, to the best of the Group knowledge, and based on the analysis performed to prepare the Consolidated Financial Statements at 31 March 2022, Alstom does not foresee significant environmental risks that might negatively impact in the coming years the useful lives and/or residual values of non-financial assets such as goodwill, intangible, tangible fixed assets, as well as rights of use.

C. SEGMENT INFORMATION

NOTE 3. SEGMENT INFORMATION

The Group organization, customer focused and also influenced by an increasing number of integrated services, leading to complete and turnkey solutions, leads to present financial information issued through various axes of analysis (regions, sites, contracts, functions and products). None of these axes allow for a comprehensive operating profit and loss measure nor segment assets and liabilities.

The segment information issued to the Alstom Executive Committee, identified as the Group's Chief Operating Decisions Maker (CODM) presents Key Performance Indicators at Group level. Strategic decisions and resource allocation are driven based on this reporting. The segment information has been adapted according to a similar method as those used to prepare the consolidated financial statements.

The reassessment of segment information performed after Bombardier Transportation's acquisition did not change the analysis that strategic decisions and resource allocation are still driven based on a reporting presenting Key Performance Indicators at Group level.

3.1. Sales by product

	Year ended	
(in € million)	**At 31 March 2022**	**At 31 March 2021**
Rolling stock	8,647	4,530
Services	3,406	1,745
Systems	1,155	947
Signalling	2,263	1,563
TOTAL GROUP	**15,471**	**8,785**

3.2. Key indicators by geographic area

Sales by country of destination

	Year ended	
(in € million)	**At 31 March 2022**	**At 31 March 2021**
Europe	9,584	5,316
of which France	*2,633*	*1,679*
Americas	2,563	1,351
Asia/Pacific	2,172	1,093
Africa/Middle East/Central Asia	1,152	1,025
TOTAL GROUP	**15,471**	**8,785**

Non-current assets by country of origin

Non-current assets by country of origin are defined as non-current assets other than those related to financial debt, to employee defined benefit plans and deferred tax assets (see section E).

(in € million)	At 31 March 2022	At 31 March 2021
Europe	4,111	4,370
of which France	*1,629*	*1,109*
Americas	852	790
Asia/Pacific	1,641	1,519
Africa/Middle East/Central Asia	351	349
Total excluding goodwill	**6,955**	**7,028**
Goodwill	**9,368**	**9,200**
TOTAL GROUP	**16,323**	**16,228**

3.3. Orders backlog

Product breakdown

(in € million)	At 31 March 2022	At 31 March 2021
Rolling stock	40,832	39,052
Services	26,789	24,737
Systems	6,282	4,692
Signalling	7,110	6,056
TOTAL GROUP	**81,013**	**74,537**

Geographic breakdown

(in € million)	At 31 March 2022	At 31 March 2021
Europe	44,202	40,804
of which France	*12,947*	*12,226*
Americas	13,116	10,491
Asia/Pacific	11,622	11,209
Africa/Middle East/Central Asia	12,073	12,033
TOTAL GROUP	**81,013**	**74,537**

During budget exercises, Alstom re-assesses how the company backlog evolution impacts the future sales cycles. Budget processes are designed to estimate, based on the latest contract costs and planning assumptions, how the contract sales from backlog can develop over time. The March 2022 backlog contribution to the next three fiscal years revenue is expected to reach €35 billion to €37 billion range.

3.4. Information about major customers

No external customer represents individually 10% or more of the Group's consolidated sales.

D. OTHER INCOME STATEMENT

NOTE 4. RESEARCH AND DEVELOPMENT EXPENDITURE

Research expenditure is expensed as incurred. Development costs are expensed as incurred unless the project they relate to meets the criteria for capitalisation (see Note 11). Research and Development costs also cover product sustainability costs booked when incurred.

	Year ended	
(in € million)	**At 31 March 2022**	**At 31 March 2021**
Research and development gross cost	(667)	(443)
Funding received	82	91
Research and development spending, net	**(585)**	**(352)**
Development costs capitalised during the period	124	106
Amortisation expenses(*)	(143)	(72)
RESEARCH AND DEVELOPMENT EXPENSES	**(604)**	**(318)**

(*) Including €(74) million of amortisation expenses related to the Purchase Price Allocation (mainly Bombardier Transportation).

As of end of March 2022, Alstom Group invested €667 million in Research and Development, notably to develop:

- its very high-speed trains Avelia Horizon™;
- its Coradia Stream™ range;
- its Traxx™ Multi-system 3 locomotives;
- its Green traction (battery and hydrogen) program;
- its ERTMS level 2 on-board solution;
- its CBTC solutions Urbalis Fluence™ and Urbalis 400™;
- its ICONIS™ suite for Operational Control Centers;
- its Autonomous Freight, where Alstom had a successful GoA2 (Grade of Automation 2) test with SNCF under real mainline operating conditions.

NOTE 5. SELLING AND ADMINISTRATIVE EXPENSES

Selling Costs are expenses incurred in the marketing and selling of a product or a service. Selling Costs typically include expenditure in the following Departments: Market & Strategy, Sales & Business Development and Communication as well as the direct labour costs of operational population such as engineering working on the tendering phase.

Administrative Costs are structure and operational support costs. Administrative Costs include mostly expenditure of Headquarter and site functions having a transverse role, in particular Finance, Human Resources, Legal and Information Systems Departments.

Selling and administrative expenses are recognized in charges as incurred.

NOTE 6. OTHER INCOME AND OTHER EXPENSES

Other income and expenses are representative of items which are inherently difficult to predict due to their unusual, irregular or non-recurring nature.

Other income may include capital gains on disposal of investments or activities and capital gains on disposal of tangible and intangible assets arising from activities disposed or facing restructuring plans, any income associated to past disposals as well as a portion of post-employment and other long-term defined employee benefits (plan amendments, impact of curtailments and settlements and actuarial gains on long-term benefits other than post-employment benefits).

Other expenses include capital losses on disposal of investments or activities and capital losses on disposal of tangible and intangible assets relating to activities facing restructuring plans as well as any costs associated to past disposals, restructuring costs, rationalisation costs, significant impairment losses on assets, costs incurred to realize business combinations and amortisation expense of assets exclusively acquired in the context of former business combinations (technology, customer relationship, margin in backlog, margin on inventory), litigation costs that have arisen outside the ordinary course of business and a portion of post-employment and other long-term defined benefit expense.

	Year ended	
(in € million)	At 31 March 2022	At 31 March 2021
Capital gains/(losses) on disposal of business	-	(2)
Restructuring and rationalisation costs	(138)	(14)
Integration costs, impairment loss and other	(143)	(118)
OTHER INCOME/(EXPENSES)	**(281)**	**(134)**

As of 31 March 2022, restructuring and rationalization costs are mainly related to the adaptation of the means of production especially in Germany, Switzerland and France (APTIS activities).

Over the period ended at 31 March 2022, Integration costs, impairment loss and other represent mainly:

- €(94) million of acquisition and integration costs related to Bombardier Transportation's transaction (mainly integration costs, see Note 1.1.1);
- €(15) million asset held for sales impairment (see Note 9.2);
- €(13) million of cost to sell the remedies (see Note 9.2);
- €(8) related to some legal proceedings (see Note 33) and other risks occurring outside the ordinary course of business.

Amortisation expense of assets exclusively acquired in the context of business combinations previous to Bombardier Transportation (booked until March 2021 in other expense) is prospectively recognized in costs of sales for backlog, product and project as well as customer relationships, and in R&D costs for acquired technology. The amortisation of the previous PPA amounting to €(12) million at March 2022 and €(13) million at March 2021 is not material at Group level.

NOTE 7. FINANCIAL INCOME (EXPENSES)

Financial income and expenses include:

- interest income representing the remuneration of the cash position;
- interest expenses related to the financial debt (financial debt consists of bonds, other borrowings, and lease obligations);
- other expenses paid to financial institutions for financing operations;
- cost of commercial and financial foreign exchange hedging (forward points);
- the financial component of the employee defined benefits expense (net interest income (expenses) and administration costs);
- the significant financing component under IFRS 15.

	Year ended	
(in € million)	**At 31 March 2022**	**At 31 March 2021**
Interest income	20	4
Interest expense on borrowings and on lease obligations	(37)	(32)
NET FINANCIAL INCOME/(EXPENSES) ON DEBT	**(17)**	**(28)**
Net cost of foreign exchange hedging	40	(3)
Net financial expense from employee defined benefit plans	(22)	(17)
Financial component on contracts	10	11
Other financial income/(expenses)	(36)	(31)
NET FINANCIAL INCOME/(EXPENSES)	**(25)**	**(68)**

Net financial income/(expenses) on debt is the cost of borrowings net of income from cash and cash equivalents.

As of 31 March 2022, interest income amounts to €20 million, representing mainly the remuneration of the Group's cash position over the period, while interest expenses amount to €(37) million including €(10) million of interest expenses on lease obligations.

The net cost of foreign exchange hedging of €40 million includes primarily the amortized cost of carry (forward points) of foreign exchange hedging implemented to hedge the exposures in foreign currency arising from commercial contracts and from hedging of intercompany financial positions.

The net financial expense from employee defined benefit plans of €(22) million represents the interest costs on obligations net of interest income from fund assets calculated using the same discount rate.

The financial component of €10 million the recognition of financial revenue under IFRS 15 for a specific project.

Other net financial income/expenses of €(36) million include mainly bank and other fees of which a large part relates to commitment fees paid on guarantee facilities, revolving facilities and fees paid on bonds.

NOTE 8. TAXATION

The Group computes taxes in accordance with prevailing tax legislation in the countries where income is taxable.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Temporary differences arising between the carrying amount and the tax base of assets and liabilities, unused tax losses and unused tax credits are identified for each taxable entity (or each tax group when applicable). Corresponding deferred taxes are calculated at the enacted or substantively enacted tax rates that are expected to apply in the period when the asset is realised or the liability settled.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available in the future against which the deductible differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences, with the exception of certain taxable temporary differences between the Group's share in the net assets in subsidiaries, joint arrangements and associates and their tax bases. The most common situation when such exception applies relates to undistributed profits of subsidiaries where distribution to the shareholders would trigger a tax liability: when the Group has determined that profits retained by the subsidiary will not be distributed in the foreseeable future, no deferred tax liability is recognised. Nevertheless, the exception is no more applicable to investments/subsidiaries being disposed since it becomes probable that the temporary difference will reverse in the foreseeable future with the sale of the subsidiaries. Therefore, in this specific case, deferred tax liabilities are recognised.

Deferred tax assets and liabilities are offset when both of the following conditions are met:

- the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

Deferred tax is charged or credited to net income, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is classified in other comprehensive income.

8.1. Analysis of income tax charge

The following table summarises the components of income tax charge:

	Year ended	
(in € million)	**At 31 March 2022**	**At 31 March 2021**
Current income tax charge	(74)	(135)
Deferred income tax charge	47	72
INCOME TAX CHARGE	**(27)**	**(63)**

The following table provides reconciliation from the income tax charge valued at the French statutory rate to the actual income tax charge, free of the temporary additional contributions:

	Year ended	
(in € million)	**At 31 March 2022**	**At 31 March 2021**
Pre-tax income	**(181)**	**232**
Statutory income tax rate of the parent company	28.41%	32.02%
Expected tax charge	**51**	**(74)**
Impact of:		
• difference between normal tax rate applicable in France and normal tax rate in force in jurisdictions outside France	(27)	6
• changes in unrecognised deferred tax assets	(67)	(3)
• changes in tax rates	4	(1)
• additional tax expenses (withholding tax, CVAE in France and IRAP in Italy)	(23)	(30)
• permanent differences and other	35	39
INCOME TAX CHARGE	**(27)**	**(63)**
Effective tax rate(*)	**n.m.**	**27%**

(*) Due to negative pre-tax income, effective tax rate of the period is not meaningful: excluding the €431 million amortisation of Purchase Price Allocation related to tangibles and intangibles assets (see Note 1.1.1), effective tax rate is 27%, flat as compared to 31 March 2021.

Deferred taxes in the United Kingdom were valued taking into consideration the enacted change in Corporate tax rate from 19% to 25%. This resulted in a positive impact on the gross value of deferred taxes estimated around €74 million, with limited effect on the income tax charge as most deferred taxes are not recognised in the United Kingdom.

8.2. Deferred tax assets and liabilities

	Year ended	
(in € million)	**At 31 March 2022**	**At 31 March 2021**
Deferred tax assets	452	541
Deferred tax liabilities	(127)	(108)
DEFERRED TAX ASSETS, NET	**325**	**433**

The following table summarises the significant components of the Group's net deferred tax assets:

(in € million)	At 31 March 2021	At 31 March Adjusted(*)	Change in P&L	Change in equity	Translation adjustments and other changes	At 31 March 2022
Differences between carrying amount and tax basis of tangible and intangible assets	(236)	(256)	26	-	(10)	(240)
Accruals for employee benefit costs not yet deductible	57	52	26	(34)	5	49
Provisions and other accruals not yet deductible	252	134	8	-	4	146
Differences in recognition of margin on "construction contracts"	106	106	(39)	-	1	68
Tax loss carry forwards	202	187	44	-	1	232
Other	52	71	(18)	20	(3)	70
NET DEFERRED TAXES ASSET/(LIABILITY)	**433**	**294**	**47**	**(14)**	**(2)**	**325**

(*) March 2021 adjusted figures include the impact of the final Bombardier Transportation's Purchase Price Allocation (see Note 1.1.1).

(in € million)	At 31 March 2020	Change in P&L	Change in equity	Scope Variation(*)	Translation adjustments and other changes	At 31 March 2021
Differences between carrying amount and tax basis of tangible and intangible assets	28	(2)	-	(262)	-	(236)
Accruals for employee benefit costs not yet deductible	19	-	(7)	44	1	57
Provisions and other accruals not yet deductible	64	(19)	-	213	(6)	252
Differences in recognition of margin on "construction contracts"	14	16	-	73	3	106
Tax loss carry forwards	95	52	-	56	(1)	202
Other	(3)	25	(1)	28	3	52
NET DEFERRED TAXES ASSET/(LIABILITY)	**217**	**72**	**(8)**	**152**	**-**	**433**

(*) Scope variation is mainly due to Bombardier Transportation's acquisition (see Note 1.1.1).

The review of the extrapolation of the latest three-year business plan leads to a reasonable assurance on the utilization of net deferred tax assets within a maximum period of five years in accordance with the Group's strategy, for an amount of €325 million at the end of March 2022, mainly in France and the United States for an amount of €118 million.

At 31 March 2022, based on the best estimate of operating and taxable results, the net deferred tax assets relating to tax loss carry forwards and deductible temporary differences recognised in the balance sheet in France amount to €48 million out of a total of €658 million including €543 million on tax losses. Tax losses can be carried forward indefinitely in France on 50% of taxable income of the year.

In the United States, the deferred tax assets relating to tax loss carry forwards are recognised for a total amount of €70 million out of a total of €232 million deferred tax assets relating to tax loss carry forwards. From 2018 onwards, the tax losses generated can be carried forward indefinitely.

Unrecognised deferred tax assets amount to €2,493 million at 31 March 2022 (€2,211 million at 31 March 2021).

Most of these unrecognised deferred taxes are originated from tax losses carried forward (€2,145 million at 31 March 2022 and €1,388 million at 31 March 2021), out of which €1,268 million are not subject to expiry at 31 March 2022 (€957 million at 31 March 2021).

NOTE 9. FINANCIAL STATEMENTS OF DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

The results and cash flows of discontinued operations are presented on a separate line in the consolidated income statement and statement of cash flows for each period. The Group decides whether a discontinued operation represents a major line of business or geographical area of operations based on both qualitative criteria (technology, market, products, geographic region) and quantitative criteria (revenue, earnings, cash flows, assets). If the assets held by a discontinued operation are classified as held for sale they are measured at the lower of their carrying amount and fair value less costs to sell.

In compliance with IFRS 5, the Group applies the following specific measurements which impact the consolidated financial statements:

- discontinued operations (including non-current assets, current assets and the related liabilities classified as held for sale), as a whole, are measured at the lower of their carrying amount and fair value less costs to sell;
- consequently, goodwill, tangible and intangible assets are no longer reviewed for impairment;
- the exception of IAS 12 consisting in not recognising mechanical deferred taxes resulting from the difference between tax and consolidated values of the investments/subsidiaries being disposed is no more applicable since it becomes probable that the temporary difference will reverse in the foreseeable future with the sale of the subsidiaries. Thus, deferred tax liabilities are recognised with an income statement impact presented within the "Net profit from discontinued operations";
- amortisation on non-current assets classified as "assets held for sale" ceases at the date of IFRS 5 application;
- costs specifically incurred in the context of the deal are presented in the P&L within the "Net profit from discontinued operations";
- all intercompany balance-sheet and income statement positions are eliminated.

9.1. Discontinued Operations

The line "Net profit from discontinued operations", recognized in the Consolidated Income Statement, includes the reassessment of liabilities related to the disposal of previous activities. Over the fiscal year ended 31 March 2022, Alstom recognized a loss for €(5) million.

Alstom's Consolidated Statement of Cash Flows takes into account the cash flows of staggered and delayed transferred assets, and costs directly related to the sale of Energy activities. Cash flows arising from discontinued operations for the fiscal year amount to €(8) million.

In the context of the General Electric transaction, the release of some conditional and unconditional parent company guarantees formerly issued, mainly by Alstom Holdings SA, to cover obligations of the former Energy affiliates amount of €5.8 billion. The Group benefits from a general indemnification from General Electric in these matters.

9.2. Assets held for sale

As mentioned in Note 1.1.1, Alstom considers that the conditions for the application of IFRS5 are met with respect to the remedies in connection with Bombardier Transportation's acquisition at 31 March 2022.

Therefore, the following assets and liabilities presented in Assets and Liabilities held for sale correspond to the divestment of:

- Alstom's mainline Coradia™ Polyvalent platform, its related production facility located in Reichshoffen in France, as well as the former Bombardier Transportation's mainline Talent™ 3 platform. Closing of the transaction is expected in the first semester 2022;
- former Bombardier Transportation's assets currently contributing to its joint very high-speed platform with Hitachi, the "Zefiro™ V300". Closing of the transaction is expected in the first quarter 2022.

Compared to March 2021, the scope has been adjusted on the first semester 2021/22 to exclude current Talent™ 3 commercial contracts as well as the related production facility located within the Hennigsdorf site in Germany. The remaining Assets Held for Sale on the Talent™ 3 platform are related mainly to Intellectual property rights and workforce (subject to conditions). Would have the data at end of March 2021 been adjusted, Assets held for sale and Liabilities held for sale would have amounted to respectively €204 million and €279 million (*versus* €330 million and €617 million disclosed).

Additionally, the group of assets held for sale considered for each above transaction is measured at the lower of its carrying amount and estimated fair value less costs to sell. This induced for one of the transaction an impairment loss of €15 million (see Note 6).

A non-current asset, while part of disposal classified as held for sale, is neither depreciated nor amortised.

The overall impact of the assets/liabilities held for sale is presented in the table below:

(in € million)	At 31 March 2022
Goodwill & Intangible assets(*)	47
Property, plant and equipment	42
Total non-current assets	**89**
Inventories & Contract assets	70
Trade receivables & other current assets	29
Total current assets	**99**
Assets held for sale impair.	**(15)**
TOTAL ASSETS HELD FOR SALE	**173**

(*) Of which €27 million of goodwill.

(in € million)	At 31 March 2022
Total non-current liabilities	**10**
Current provisions & contract liabilities	219
Trade payables & Other current liabilities	57
Total current liabilities	**276**
TOTAL LIABILITIES HELD FOR SALE	**286**

As this disposal group does not meet the definition of discontinued operations, Profit and Loss is presented within the current activities of the Group. The costs to sell this disposal group amount to €13 million at 31 March 2022.

NOTE 10. EARNINGS PER SHARE

Basic earnings per share are computed by dividing the period net profit (loss) before the financial cost (net of tax) of bonds reimbursable with shares, by the weighted average number of outstanding shares during the period increased by the weighted average number of shares to be issued on reimbursement of bonds reimbursable with shares ("ORA").

Diluted earnings per share are computed by dividing the period net profit (loss) before the financial cost (net of tax) of bonds redeemable into shares, by the weighted average number of outstanding shares during the period adjusted in order to take into consideration all dilutive instruments (ORA, stock options, free shares).

10.1. Earnings

	Year ended	
(in € million)	At 31 March 2022	At 31 March 2021
Net Profit (Loss) attributable to equity holders of the parent:		
• From continuing operations	(576)	240
• From discontinued operations	(5)	7
EARNINGS (LOSSES) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**(581)**	**247**

10.2. Number of shares

(number of shares)	Year ended At 31 March 2022	At 31 March 2021
Weighted average number of ordinary shares used to calculate basic earnings per share	**372,724,670**	**262,142,375**
Effect of dilutive instruments other than bonds reimbursable with shares:		
• Stock options and performance shares (LTI plan)	1,681,595	1,455,955
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES USED TO CALCULATE DILUTED EARNINGS PER SHARES	**374,406,265**	**263,598,330**

10.3. Earnings per share

(in €)	Year ended At 31 March 2022	At 31 March 2021
Basic earnings (losses) per share	(1.56)	0.94
Diluted earnings (losses) per share	(1.55)	0.94
Basic earnings (losses) per share from continuing operations	(1.55)	0.92
Diluted earnings (losses) per share from continuing operations	(1.54)	0.91
Basic earnings (losses) per share from discontinued operations	(0.01)	0.02
Diluted earnings (losses) per share from discontinued operations	(0.01)	0.03

E. NON-CURRENT ASSETS

NOTE 11. GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets with indefinite useful lives are reviewed for impairment at least annually and whenever events or circumstances indicate that they might be impaired. Such events or circumstances are related to significant, unfavourable changes that are of a lasting nature and affect either the economic environment or the assumptions or the targets adopted as of the acquisition date. An impairment loss is recognised when the recoverable value of the assets tested becomes lower than their carrying value.

In the Group, goodwill cannot be allocated on a non-arbitrary basis to individual cash-generating units, but only to groups of cash-generating units. As a result, the lowest level within the entity at which the goodwill is monitored for internal management purposes comprises a number of cash-generating units to which the goodwill relates, but to which it cannot be allocated.

Due to the organization and the increasing number of integrated services leading to complete and global turnkey solutions, financial information issued is presented through various axes of analysis (regions, sites, contracts, functions, products). Free Cash Flow, basis of the impairment tests of goodwill is only relevant at Group level.

Therefore, goodwill acquired in case of business combinations is only monitored and ultimately tested at Group level.

11.1. Goodwill

(in € million)	At 31 March 2021	At 31 March 2021 Adjusted(*)	Adjustments on other preliminary goodwill	Other changes including translation adjustments	At 31 March 2022
GOODWILL	**9,200**	**9,322**	**8**	**38**	**9,368**
Of which:					
Gross value	9,200	9,322	8	38	9,368
Impairment	-	-	-	-	-

(*) Adjusted figures includes the update of the final Purchase Price Allocation of Bombardier Transportation (see Note 1.1.1).

Movements between 31 March 2021 adjusted and 31 March 2022 include mainly the acquisition of Alstom Hydrogène and Flertex (see Note 2).

Goodwill impairment test

As of 31 March 2022, Alstom tested the value of goodwill applying valuation methods consistent with previous years. Alstom ensured that the recoverable amount exceeded its carrying value (including goodwill).

Based on additional information received about facts and circumstances existing as of acquisition date as well as refined Business Plans, Bombardier Transportation's definitive goodwill was slightly adjusted and fully rationalized at acquisition date (see Note 1.1.1). The reassessment of level for impairment test for goodwill performed after Bombardier Transportation's acquisition did not change the analysis that goodwill can only be monitored and ultimately tested at Group level, based on the fact that the new organization leads to still display financial information through various axes of analysis, but Free Cash Flow remains relevant only at Group level.

Presentation of key assumptions used for the determination of recoverable amounts

The value in use is determined as the discounted value of future cash flows by using cash flow projections for the next three years consistent with the Group's internal business plan, the extrapolation of the two following years and the most recent forecasts prepared by the Group.

The value in use is mainly driven by the terminal value which is particularly sensitive to changes in the assumptions on the discount rate after tax, the long-term growth rate and the terminal value Adjusted EBIT margin (corresponding to the ratio "aEBIT" over Sales).

Alstom has opted for the inclusion of the share in net income of the equity-accounted investments into the aEBIT when these are considered to be part of the operating activities of the Group (because there are significant operational flows and/or common project execution with these entities). This mainly includes Chinese joint-ventures, namely CASCO joint-venture for Alstom as well as, following the integration of Bombardier Transportation, Alstom Sifang (Qingdao) Transportation Ltd. (former Bombardier Sifang), Bombardier NUG Propulsion System Co. Ltd. and Changchun Changke Alstom Railway Vehicles Company Ltd (former Changchun Bombardier).

The indicator "aEBIT" corresponds to Earning Before Interests and Tax adjusted with the following elements:

- net restructuring expenses (including rationalization costs);
- tangibles and intangibles impairment;
- capital gains or loss/revaluation on investments disposals or controls changes of an entity;
- any other non-recurring items, such as some costs incurred to realize business combinations and amortisation of an asset exclusively valued in the context of business combination, as well as litigation costs that have arisen outside the ordinary course of business;
- and including the share in net income of the operational equity-accounted investments.

A non-recurring item is a "one-off" exceptional item that is not supposed to occur again in following years and that is significant.

The main assumptions used to assess the recoverable amounts of goodwill are as follows:

Net carrying amount of goodwill at 31 March 2022 *(in € million)*	9,368
Value elected as representative of the recoverable value	Value in use
Number of years over which cash flow estimates are available	3 years
Extrapolation period of cash flow estimates	2 years
Long-term growth rate at 31 March 2022	**2.5%**
Long-term growth rate at 31 March 2021	2.5%
After tax discount rate at 31 March 2022(*)	**8.5%**
After tax discount rate at 31 March 2021(*)	8.5%

(*) The application of pre-tax discount rates to pre-tax cash flows leads to the same valuation of Group Generating Units.

Discount rate is based on weighted average cost of capital (WACC) which is calculated for the Group based on a risk-free rate and a market risk premium. The current market assessment of the risks specific to Group activity is reflected by taking into account specific peer group information on industry *beta*, leverage and cost of debt. The parameters for calculating the discount rate are based on external sources of information.

Sensitivity of the values in use to key assumptions can be presented as follows:

(in € million)		
aEBIT Margin	-25 bp	+25 bp
	(424)	424
After tax discount rate	-25 bp	+25 bp
	865	(795)
Long-term growth rate	-10 bp	+10 bp
	(270)	279

The current economic and political context creates uncertainties on business activities (namely inflation, increase of the price of certain commodities, energy, supply chain disruptions or electronic components shortage…). This led the Group to take those into consideration in the key assumptions as well as in the business plan used for the impairment test performed in the frame of the preparation of the Group's consolidated financial statements, based on its best reasonable estimates and the visibility available for its operations at 31 March 2022.

The impairment tests confirmed that the recoverable amount comfortably exceeds its carrying value at 31 March 2022. Some enlarged sensitivity analyses were performed with regards to key assumptions, that would not change the conclusions of the impairment test. Namely, a (100) basis point change in the long-term growth rate or in the Adjusted EBIT margin (*versus* the usual sensitivities disclosed in table above) would lead to a recoverable amount still exceeding its carrying value at 31 March 2022.

11.2. Intangible assets

Intangible assets include acquired intangible assets (such as technology and licensing agreements) and internally generated intangible assets (mainly development costs).

Acquired intangible assets

Acquired intangible assets are initially measured at cost and amortised on a straight-line basis over their estimated useful lives. Useful lives can extend to twenty years due to the long-term nature of the underlying contracts and activities. The amortisation expense of assets acquired through ordinary transactions is recorded in cost of sales, research and development expenditure, selling or administrative expenses, based on the function of the underlying assets. The amortisation expense of assets exclusively acquired in the context of a business combination is recognized in costs of sales for backlog, product and project as well as customer relationships and in R&D for acquired technology (formerly in other expenses).

Internally generated intangible assets

Development costs are capitalised if and only if the project they relate to meet the following criteria:

- the project is clearly defined and its related costs are separately identified and reliably measured;
- the technical feasibility of the project is demonstrated;
- the intention exists to complete the project and to use or sell it;
- adequate technical and financial resources are available to complete the project;
- it is probable that the future economic benefits attributable to the project will flow to the Group.

Capitalised development costs are costs incurred directly attributable to the project (materials, services, fees…), including an appropriate portion of relevant overheads.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life of the asset. The amortisation charge is reported in research and development expenses.

(in € million)	At 31 March 2021	At 31 March 2021 Adjusted(*)	Additions/ disposals/ amortisation/ impairment	Other changes including translation adjustments	At 31 March 2022
Development costs	1,411	1,411	124	17	1,552
Other intangible assets	3,040	3,509	33	106	3,648
Gross value	**4,451**	**4,920**	**157**	**123**	**5,200**
Development costs	(1,089)	(1,089)	(67)	(14)	(1,170)
Other intangible assets	(562)	(562)	(436)	(30)	(1,028)
Amortisation and impairment	**(1,651)**	**(1,651)**	**(503)**	**(44)**	**(2,198)**
Development costs	322	322	57	3	382
Other intangible assets	2,478	2,947	(403)	76	2,620
NET VALUE	**2,800**	**3,269**	**(346)**	**79**	**3,002**

(*) Adjusted figures includes the update of the final Purchase Price Allocation of Bombardier Transportation (see Note 1.1.1).

(in € million)	At 31 March 2020	Additions/ disposals/ amortisation/ impairment	Scope Variation(*)	Other changes including translation adjustements	At 31 March 2021
Development costs	1,361	106	-	(56)	1,411
Other intangible assets	460	4	2,540	36	3,040
Gross value	**1,821**	**110**	**2,540**	**(20)**	**4,451**
Development costs	(1,054)	(92)	-	57	(1,089)
Other intangible assets	(297)	(74)	(175)	(16)	(562)
Amortisation and impairment	**(1,351)**	**(166)**	**(175)**	**41**	**(1,651)**
Development costs	307	14	-	1	322
Other intangible assets	163	(70)	2,365	20	2,478
NET VALUE	**470**	**(56)**	**2,365**	**21**	**2,800**

(*) Scope variation is mainly due to Bombardier Transportation's acquisition.

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss. When an item of property, plant and equipment is made up of components with different useful lives, the total cost is allocated between the various components. Components are then separately depreciated.

Depreciation is computed using the straight-line method over the estimated useful lives of each component. The useful lives most commonly used are the following:

	Estimated useful life *(in years)*
Buildings	7-40
Machinery and equipment	3-25
Tools, furniture, fixtures and others	1-10

Useful lives are reviewed on a regular basis and changes in estimates, when relevant, are accounted for on a prospective basis. The depreciation expense is recorded in cost of sales, selling expenses or administrative expenses, based on the function of the underlying assets.

Borrowing costs that are attributable to an asset whose construction period exceeds one year are capitalised as part of the costs of the asset until the asset is substantially ready for use or sale.

When the Group is the lessee, leases (except short-term leases and leases of low-value assets below €5,000 when new, for which rentals payable are charged to profit or loss on a straight-line basis over the term of the relevant lease) are recognized as a Right-of-Use asset in Property, plant and equipment at the date at which the leased asset is available for use. The corresponding liability to the lessor is included in the balance sheet as a financing obligation. Lease payments are apportioned between finance charges and repayment of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

The cost of Right-of-Use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received as well as any restoration costs if an obligation is identified. Generally, Right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Nevertheless, when the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Right-of-Use assets may be subject to impairment.

When the Group is the lessor, assets under operating leases, are also included in Property plant and equipment. Lease income from operating leases is recognized on a straight-line basis over the term of the lease.

(in € million)	At 31 March 2021	Additions/ amortisation/ impairment	Disposals	Other changes including translation adjustements	At 31 March 2022
Land	276	2	-	1	279
Buildings	2,594	116	(27)	61	2,744
Machinery and equipment	1,914	81	(57)	64	2,002
Constructions in progress	153	137	(1)	(88)	201
Tools, furniture, fixtures and other	330	28	(11)	22	369
Gross value	**5,267**	**364**	**(96)**	**60**	**5,595**
Land	(14)	-	-	-	(14)
Buildings	(1,143)	(197)	26	(14)	(1,328)
Machinery and equipment	(1,316)	(135)	48	(20)	(1,423)
Constructions in progress	(3)	1	-	-	(2)
Tools, furniture, fixtures and other	(241)	(33)	11	(15)	(278)
Amortisation and impairment	**(2,717)**	**(364)**	**85**	**(49)**	**(3,045)**
Land	262	2	-	1	265
Buildings	1,451	(81)	(1)	47	1,416
Machinery and equipment	598	(54)	(9)	44	579
Constructions in progress	150	138	(1)	(88)	199
Tools, furniture, fixtures and other	89	(5)	-	7	91
NET VALUE	**2,550**	**-**	**(11)**	**11**	**2,550**

The commitments of fixed assets amount to €40 million at 31 March 2022 (respectively €43 million at 31 March 2021), of which €4 million are related to leased assets (respectively €22 million 31 March 2021).

(in € million)	At 31 March 2020	Additions/ amortisation/ impairment	Disposals	Scope variation(*)	Other changes including translation adjustements	At 31 March 2021
Land	95	-	(1)	183	(1)	276
Buildings	1,445	80	(8)	1,113	(36)	2,594
Machinery and equipment	907	49	(42)	985	15	1,914
Constructions in progress	135	76	(1)	49	(106)	153
Tools, furniture, fixtures and other	225	15	(10)	91	9	330
Gross value	**2,807**	**220**	**(62)**	**2,421**	**(119)**	**5,267**
Land	(6)	-	-	(8)	-	(14)
Buildings	(600)	(107)	6	(489)	47	(1,143)
Machinery and equipment	(664)	(72)	41	(645)	24	(1,316)
Constructions in progress	(3)	-	-	-	-	(3)
Tools, furniture, fixtures and other	(163)	(36)	9	(65)	14	(241)
Amortisation and impairment	**(1,436)**	**(215)**	**56**	**(1,207)**	**85**	**(2,717)**
Land	89	-	(1)	175	(1)	262
Buildings	845	(27)	(2)	624	11	1,451
Machinery and equipment	243	(23)	(1)	340	39	598
Constructions in progress	132	76	(1)	49	(106)	150
Tools, furniture, fixtures and other	62	(21)	(1)	26	23	89
NET VALUE	**1,371**	**5**	**(6)**	**1,214**	**(34)**	**2,550**

(*) Scope variation is mainly due to Bombardier Transportation's acquisition (see Note 1.1.1).

Property, Plant and Equipment balances include Right-of-Use related to Leased Assets for the following amounts:

(in € million)	At 31 March 2021	Additions/ amortisation/ impairment	Disposals	Other changes of which translation adjustments	At 31 March 2022
Land	9	-	-	-	9
Buildings	680	80	(35)	11	736
Machinery and equipment	25	9	(4)	(3)	27
Tools, furniture, fixtures and other	44	18	(11)	1	52
Gross value	**758**	**107**	**(50)**	**9**	**824**
Buildings	(164)	(117)	30	(2)	(253)
Machinery and equipment	(10)	(6)	3	3	(10)
Tools, furniture, fixtures and other	(19)	(16)	10	-	(25)
Amortisation and impairment	**(193)**	**(139)**	**43**	**1**	**(288)**
Land	9	-	-	-	9
Buildings	516	(37)	(5)	9	483
Machinery and equipment	15	3	(1)	-	17
Tools, furniture, fixtures and other	25	2	(1)	1	27
NET VALUE	**565**	**(32)**	**(7)**	**10**	**536**

(in € million)	At 31 March 2020	Additions/ amortisation/ impairment	Disposals	Scope Variation(*)	Other changes of which translation adjustments	At 31 March 2021
Land	6	-	-	3	-	9
Buildings	463	59	(21)	180	(1)	680
Machinery and equipment	20	5	(2)	2	-	25
Tools, furniture, fixtures and other	33	11	(7)	8	(1)	44
Gross value	**522**	**75**	**(30)**	**193**	**(2)**	**758**
Buildings	(98)	(81)	16	-	(1)	(164)
Machinery and equipment	(8)	(5)	2	-	1	(10)
Tools, furniture, fixtures and other	(12)	(13)	7	-	(1)	(19)
Amortisation and impairment	**(118)**	**(99)**	**25**	**-**	**(1)**	**(193)**
Land	6	-	-	3	-	9
Buildings	365	(22)	(5)	180	(2)	516
Machinery and equipment	12	-	-	2	1	15
Tools, furniture, fixtures and other	21	(2)	-	8	(2)	25
NET VALUE	**404**	**(24)**	**(5)**	**193**	**(3)**	**565**

(*) Scope variation is mainly due to Bombardier Transportation's acquisition (see Note 1.1.1).

NOTE 13. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

FINANCIAL INFORMATION

	Share in equity		Share of net income	
(in € million)	At 31 March 2022	At 31 March 2021	Year ended at 31 March 2022	Year ended at 31 March 2021
TMH Limited	-	480	(451)	44
Alstom Sifang (Qingdao) Transportation Ltd	447	400	39	2
Other Associates	335	248	56	43
Associates	**782**	**1,128**	**(356)**	**89**
Bombardier NUG Propulsion System Co. Ltd.	205	148	21	2
SpeedInnov JV	90	101	(24)	(9)
Other Joint ventures	102	89	12	1
Joint ventures	**397**	**338**	**9**	**(6)**
TOTAL	**1,179**	**1,466**	**(347)**	**83**

MOVEMENTS DURING THE PERIOD

(in € million)	At 31 March 2022	At 31 March 2021
Opening balance	**1,466**	**693**
Share in net income of equity-accounted investments after impairment	(347)	83
Dividends	(99)	(55)
Acquisitions(*)	21	27
Scope Variations(**)	73	713
Translation adjustments and other	65	5
CLOSING BALANCE	**1,179**	**1,466**

(*) Mainly related to capital increase in SpeedInnov joint-venture in September 2021 (see Note 1.2).
(**) Scope variations consist in updated fair value of acquired Bombardier Transportation's Associates and Joint Ventures (see Note 1.1.1).

13.1. TMH Limited

For practical reason, to be able to get timely and accurate information, data as of 31 December 2021 and 31 December 2020 are retained and booked within Alstom's 31 March 2022 and 31 March 2021 accounts. The length of the reporting periods and any difference between the ends of the reporting periods remain the same from period to period to allow comparability and consistency. The summarized financial information (at 100%) presented below are the figures disclosed in the financial statements of TMH Limited at 31 December 2021 and 31 December 2020 and are established in accordance with IFRS. These financial statements, established in Rubles, were converted to euros based on the rates used by the Group at 31 March 2022 and 31 March 2021.

The Currency Translation Adjustment (CTA) recognized directly in equity since the acquisition of TMH Ltd amounts to €(202) million at 31 March 2022.

BALANCE SHEET

(in € million)	TMH Limited At 31 December 2021	TMH Limited At 31 December 2020
Non-current assets	3,312	3,433
Current assets	3,186	2,452
TOTAL ASSETS	**6,498**	**5,885**
Equity-attributable to the owners of the parent company	2,403	2,591
Equity-attributable to non-controlling interests	271	258
Non current liabilities	1,103	1,189
Current liabilities	2,721	1,847
TOTAL EQUITY AND LIABILITIES	**6,498**	**5,885**
Equity interest held by the Group	20%	20%
NET ASSET	**481**	**518**
Goodwill	36	37
Impairment of share in net asset of equity investments(*)	(470)	(30)
Other(**)	(47)	(52)
CARRYING VALUE OF THE GROUP'S INTERESTS	**-**	**473**

(*) Including €(441) million impairment of net asset at 31 March 2022 (see Note 1.1.2).
(**) Corresponds to the restatements to TMH historical value before the combined operation, as at 30 June 2018.

INCOME STATEMENT

(in € million)	TMH Limited year ended 31 December 2021	TMH Limited year ended 31 December 2020
Sales	4,460	4,569
Net income from continuing operations	(60)	221
Share of non-controlling interests	(11)	(10)
Net income attributable to the owners of the parent company	**(71)**	**211**
Equity interest held by the Group	20%	20%
Share in the net income	**(14)**	**42**
Impairment of share in net asset of equity investments(*)	(441)	-
Other items(**)	4	2
GROUP'S SHARE IN THE NET INCOME	**(451)**	**44**

(*) Including €(441) million impairment of net asset at 31 March 2022 (see Note 1.1.2).
(**) Correspond to the fair value restatements calculated at the time of acquisition.

13.2. Alstom Sifang (Qingdao) Transportation Ltd (former Bombardier Sifang)

The table below presents the management summarized financial information (at 100%) of Alstom Sifang (Qingdao) Transportation Ltd at 31 March 2022:

BALANCE SHEET

(in € million)	AST Ltd At 31 March 2022	AST Ltd At 31 March 2021
Non-current assets	296	296
Current assets	1,154	1,173
TOTAL ASSETS	**1,450**	**1,469**
Equity-attributable to the owners of the parent company	785	675
Current liabilities	665	793
TOTAL EQUITY AND LIABILITIES	**1,450**	**1,468**
Equity interest held by the Group	50%	50%
NET ASSET	**393**	**338**
Prelimiary goodwill	-	62
Goodwill	39	-
Other(*)	15	-
CARRYING VALUE OF THE GROUP'S INTERESTS	**447**	**400**

(*) Correspond to the fair value of acquired assets calculated at the time of the Bombardier Transportation's acquisition (see Note 1.1.1).

INCOME STATEMENT

(in € million)	AST Ltd At 31 March 2022	AST Ltd From 29 January 2021 to 31 March 2021
Sales	615	36
Net income from continuing operations	80	4
Net income attributable to the owners of the parent company	**80**	**4**
Equity interest held by the Group	50%	50%
Share in the net income	**40**	**2**
Other items(*)	(1)	-
GROUP'S SHARE IN THE NET INCOME	**39**	**2**

(*) Correspond to the amortisation of the fair value of acquired assets calculated at the time of the Bombardier Transportation's acquisition.

13.3. Other Joint Ventures and Associates

The Group's investment in other associates comprises investment in Casco, held by the Group at 49%, for €169 million (of which €50 million of net profit) as well as other associates which are not significant on an individual basis. On aggregate, the net carrying value of Alstom's Investment represents €335 million as of 31 March 2022 (€248 million as of 31 March 2021).

NOTE 14. NON-CONSOLIDATED INVESTMENTS

Entities over which the Group has no significant influence or when the value is not material are not consolidated. The Group has expressed intention and ability to hold these Investments on a long term perspective and therefore these investments are considered as non-trading investments. The Group has elected for the portfolio of non-consolidated investments to record the change in fair value on these investments through Other Comprehensive Income with no subsequent recycling in income statement. They are initially measured at their fair value, plus directly attributable transaction costs and subsequently re-measured at fair value.

The fair value of listed securities is the market value at the closing date. A valuation model is used in case of unlisted securities. Changes in fair value are then directly recognised in other comprehensive income with no subsequent recycling in income statement. When the fair value cannot be determined reliably, investments in non-consolidated companies are measured at cost.

Besides, the Group has expressed intention and ability to hold all debt securities to maturity to collect the corresponding contractual cash flows. They are in that purpose measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect amounts expected not to be recoverable. An impairment loss is recognised in profit or loss when there is objective evidence that the asset should be impaired and is measured as the difference between the investment's carrying value and the present value of the estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses may be reversed through profit and loss in subsequent periods.

Finally, marketable securities are assets held for trading which cannot be considered as cash and cash equivalents. They are designated as financial assets at fair value through profit or loss. Changes in fair value are reported as financial income or expense.

MOVEMENTS DURING THE PERIOD

(in € million)	At 31 March 2022	At 31 March 2021
Opening balance	**77**	**60**
Change in fair value	(1)	3
Acquisitions/disposals	3	14
CLOSING BALANCE	**79**	**77**

The Group's equity investment in other investments is not significant on an individual basis and notably comprises investments in companies that hold PPPs (public-private partnerships) agreements or have entered into concession agreements, typically for an ownership lower than 20%.

NOTE 15. OTHER NON-CURRENT ASSETS

Loans are initially measured at their fair value, plus directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method. Deposits are reported as other non-current assets when their initial maturity is more than three months and as cash and cash equivalents in case of demand deposits or when the initial maturity is less than three months.

If there is any indication that those assets may be impaired, they are reviewed for impairment. Any difference between the carrying value and the impaired value (net realisable value) is recorded as a financial expense. The impairment loss can be reversed if the value is recovered in the future. In that case, the reversal of the impairment loss is reported as a financial income.

Certain long-term contract receivables corresponding to incentive payments are classified as FV through P&L. Subsequent changes in the fair value of such financial instruments are recorded in financial expense (income).

Assets subject to finance leases, are initially recognized at an amount equal to the net investment in the lease and are included in financial non-current assets associated to financial debt. Interest income is recognized over the term of the applicable leases based on the effective interest rate method.

(in € million)	At 31 March 2022	At 31 March 2021
Financial non-current assets associated to financial debt(*)	146	165
Long-term loans, deposits and other(**)	498	270
OTHER NON-CURRENT ASSETS	**644**	**435**

(*) These non-current assets relate to a long-term rental of trains and associated equipment to a London metro operator (see Note 27).
(**) Including NMTC programs implementation (see Note 27) and the pre-paid assets on pension amounting to €351 million at March 2022 vs €135 million at 31 March 2021 (see Note 29).

F. WORKING CAPITAL

NOTE 16. WORKING CAPITAL ANALYSIS

(in € million)	At 31 March 2022	At 31 March 2021	At 31 March 2021 Adjusted(*)	Variation (vs March 2021 Adjusted)
Inventories	3,274	2,962	2,954	320
Contract assets	3,846	2,715	3,337	509
Trade receivables	2,747	2,299	2,305	442
Other current operating assets/(liabilities)	(1,972)	(1,551)	(2,076)	104
Contract liabilities	(6,155)	(5,457)	(6,241)	86
Provisions	(2,403)	(2,309)	(2,333)	(70)
Trade payables	(3,323)	(3,207)	(3,254)	(69)
WORKING CAPITAL	**(3,986)**	**(4,548)**	**(5,308)**	**1,322**

(*) March 2021 adjusted figures include two adjustments: (i) following detailed analysis performed during full year 2021/22 and for the sake of accurate presentation, contracts assets and liabilities have been both adjusted by €622 million to reflect the appropriate allocation per contract compared to preliminary one disclosed at end of March 2021, (ii) and the impact of the final Bombardier Transportation's Purchase Price Allocation (see Note 1.1.1).

(in € million)	For the year ended at 31 March 2022
Working capital at the beginning of the period(*)	**(5,308)**
Changes in working capital resulting from operating activities	1,349
Changes in working capital resulting from investing activities	(11)
Translation adjustments and other changes	(16)
Total changes in working capital	**1,322**
WORKING CAPITAL AT THE END OF THE PERIOD	**(3,986)**

(*) Working capital at the beginning of the period has been adjusted including the impact of the final Bombardier Transportation's Purchase Price Allocation (see Note 1.1.1).

NOTE 17. INVENTORIES

Raw materials and supplies, work in progress and finished products are stated at the lower of cost, using the weighted average cost method, or net realisable value.

Inventory cost includes direct material and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their existing location and condition.

Work in progress refers to costs incurred on product contracts or short term service contracts whose execution will be finalised during a next period. It refers also to costs incurred on "construction contracts" not yet allocated to projects at end of the closing period but transferred to project costs in subsequent periods when the asset becomes sufficiently customized and cannot be readily directed for another use.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(in € million)	At 31 March 2022	At 31 March 2021	At 31 March 2021 Adjusted(*)
Raw materials and supplies	2,348	1,887	1,927
Work in progress	1,268	1,153	1,349
Finished products	141	142	142
Inventories, gross	**3,757**	**3,182**	**3,418**
Raw materials and supplies	(303)	(211)	(313)
Work in progress	(178)	(4)	(146)
Finished products	(2)	(5)	(5)
Write-down	**(483)**	**(220)**	**(464)**
INVENTORIES, NET	**3,274**	**2,962**	**2,954**

(*) March 2021 adjusted figures include the impact of the final Bombardier Transportation's Purchase Price Allocation (see Note 1.1.1).

NOTE 18. NET CONTRACT ASSETS/LIABILITIES

Aggregates called "contract assets" and "contract liabilities" are disclosed for "construction contracts" and long term service agreements in progress and are determined on a contract-by-contract basis. The aggregate "contract assets" corresponds to the unbilled part of revenues recognized to date net of the advance payments received from customers. Unbilled part of revenue corresponds to revenue recognized to date in excess of progress billings.

On the contrary, when progress billings are in excess of revenue recognized to date, the net amount is accounted for as deferred income and aggregated with the related advance payments received from customers under the caption "contract liabilities".

Some costs incurred in fulfilling a contract that are not falling under the scope of the standards dealing with intangible and tangible assets as well as inventories, should be accounted for under a new caption called "costs to fulfil a contract" when eligible to capitalization.

IFRS 9 acknowledges the recognition of the credit risk related to financial assets and especially trade receivables, based on the expected loss approach. The recognition model retained for contract assets is the general model that allows to estimate the risk within one year, as long as there is no sign of significant degradation of customer credit risk.

(in € million)	At 31 March 2022	At 31 March 2021	At 31 March 2021 Adjusted(*)	Variation (vs March 2021 Adjusted)
Cost to fulfil a contract	28	26	26	2
Contract assets	3,818	2,689	3,311	507
Total contract assets	**3,846**	**2,715**	**3,337**	**509**
Contract liabilities	(6,155)	(5,457)	(6,241)	86
NET CONTRACT ASSETS/(LIABILITIES)	**(2,309)**	**(2,742)**	**(2,904)**	**595**

(*) March 2021 adjusted figures include two adjustments: (i) following detailed analysis performed during full year 2021/22 and for the sake of accurate presentation, contracts assets and liabilities have been both adjusted by €622 million to reflect the appropriate allocation per contract compared to preliminary one disclosed at end of March 2021, (ii) and the impact of the final Bombardier Transportation's Purchase Price Allocation (see Note 1.1.1).

Net contract Assets/(Liabilities) include down payments as well as, in some specific cases, progress payments received in exchange of irrevocable and unconditional payment undertakings issued by the customer. This transaction is analyzed as an advance payment received on behalf of the customer under the supply contract.

Total down payments represent an amount of €2,394 million at 31 March 2022[(1)] (€2,242 million at 31 March 2021[(1)]), of which €471 million on specific advance payments (as described above).

NOTE 19. TRADE RECEIVABLES

A receivable is an entity's right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. Receivables are initially recognised at fair value, which in most cases approximates the nominal value. If there is any subsequent indication that those assets may be impaired, they are reviewed for impairment. Any difference between the carrying value and the impaired value (net realisable value) is recorded within Earnings Before Interests and Taxes. The impairment loss can be reversed if the value is recovered in the future. In that case, the reversal of the impairment loss is also reported within Earnings Before Interests and Taxes.

IFRS 9 acknowledges the recognition of the credit risk related to financial assets and especially trade receivables, based on the expected loss approach. The recognition model retained for trade receivables is the Simplified Approach "Lifetime Expected Credit Losses", as long as there is no sign of significant degradation of customer credit risk.

Indeed, due to the type of business operated by the Group, past due receivables are frequently representative of outstanding amounts confirmed by customers but whose payment is subject to clearance of items raised during inspection of works. Such receivables do remain fully recoverable; costs to be incurred for the clearance of pending items are included in the determination of the margin at completion of the related contracts.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the contractual rights in a transaction under which substantially all the risks and rewards of the financial assets are transferred.

			No past due on the closing date		
(in € million)	Total	Past due on the closing date	Less than 60 days	Between 60 and 180 days	More than 180 days
AT 31 MARCH 2022	**2,747**	**2,033**	**151**	**63**	**500**
o/w gross	2,817	2,044	151	63	559
o/w impairment	(70)	(11)	-	-	(59)
AT 31 MARCH 2021	**2,299**	**1,632**	**164**	**82**	**421**
o/w gross	2,381	1,655	164	82	480
o/w impairment	(82)	(23)	-	-	(59)
AT 31 MARCH 2021 ADJUSTED(*)	**2,305**	**1,638**	**164**	**82**	**421**
o/w gross	2,387	1,661	164	82	480
o/w impairment	(82)	(23)	-	-	(59)

(*) March 2021 adjusted figures include the impact of the final Bombardier Transportation's Purchase Price Allocation (see Note 1.1.1).

(1) Former Bombardier Transportation figures are not available.

NOTE 20. OTHER CURRENT OPERATING ASSETS

(in € million)	At 31 March 2022	At 31 March 2021	At 31 March 2021 Adjusted(*)
Down payments made to suppliers	193	237	235
Corporate income tax	109	64	64
Other taxes	483	488	488
Prepaid expenses	110	113	103
Other receivables	409	335	355
Derivatives relating to operating activities	448	280	280
Remeasurement of hedged firm commitments in foreign currency	585	396	396
OTHER CURRENT OPERATING ASSETS	**2,337**	**1,913**	**1,921**

(*) March 2021 adjusted figures include the impact of the final Bombardier Transportation's Purchase Price Allocation (see Note 1.1.1).

Over the period ended 31 March 2022, the Group entered into an agreement of assignment of receivables that leads to the derecognition of tax receivables for an amount of €62 million in accordance with IFRS 9 criteria. The total disposed amount outstanding at 31 March 2022 is €167 million.

NOTE 21. OTHER CURRENT OPERATING LIABILITIES

(in € million)	At 31 March 2022	At 31 March 2021	At 31 March 2021 Adjusted(*)
Staff and associated liabilities	908	794	779
Corporate income tax	275	310	303
Other taxes	345	245	240
Deferred income	3	9	9
Trade payables with extended payment terms	324	408	408
Other payables	1,503	1,092	1,652
Derivatives relating to operating activities	528	400	400
Remeasurement of hedged firm commitments in foreign currency	423	206	206
OTHER CURRENT OPERATING LIABILITIES	**4,309**	**3,464**	**3,997**

(*) March 2021 adjusted figures include the impact of the final Bombardier Transportation's Purchase Price Allocation (see Note 1.1.1).

Former Bombardier Transportation negotiated extended payment terms of 210 to 240 days after delivery with certain of its suppliers, that have the possibility to early finance their receivables through a supply chain financing program supported by third parties. Those third parties are not committed, and suppliers have the right to return to original payment terms for future payables upon providing a minimum notice period. The Group considers that the balance of trade payables supported by the supply chain financing program does not have the nature of a financial debt as the extension of the payment terms are not contractually linked to the existence of the supply chain financing program. However, following IFRIC Update issued in December 2020, the Group decided to present the amounts of trade payables supported by the supply chain financing arrangement and exceeding regular payment terms on a dedicated line item of its balance sheet in the other current liabilities.

NOTE 22. PROVISIONS

As long as a "construction contracts" or a long-term service agreement is in progress, obligations attributable to such a contract are taken into account in the assessment of the margin to be recognised.

Upon completion of the contract, such obligations are recognised as distinct liabilities when they satisfy the following criteria:

- the Group has a present legal or constructive obligation as a result of a past event;
- it is probable that an outflow of economic resources will be required to settle the obligation; and
- such outflow can be reliably estimated.

These liabilities are presented as provisions when they are of uncertain timing or amount. When this uncertainty is dispelled, they are presented as trade payables or other current liabilities.

One exception is, in accordance with IAS37 Provisions, Contingent Liabilities and Contingent Assets, the provisions on onerous contracts that are reported in current provisions, as soon as identified. The unavoidable costs to fulfil a contract considered in assessing whether a contract is onerous are all the costs that directly relate to that contract.

Obligations resulting from transactions other than "construction contracts" and long-term service agreements are directly recognised as provisions as soon as the above-mentioned criteria are met. Where the effect of the time value of money is material, provisions are measured at their present value.

Restructuring provisions are made when plans to reduce or close facilities, or to reduce the workforce have been finalised and approved by the Group management and have been announced before the closing date, resulting in an obligation of the Group to third parties. Restructuring costs include employees' severance and termination benefits and estimated facility closing costs. In addition to such provisions, restructuring costs may include asset write-off relating to the restructured activities.

(in € million)	At 31 March 2021	At March 2021 Adjusted(*)	Additions	Releases	Applications	Translation adjustments and other	At 31 March 2022
Warranties	591	586	274	(65)	(200)	10	605
Risks on contracts	1,423	1,429	291	(66)	(302)	9	1,361
Current provisions	**2,014**	**2,015**	**565**	**(131)**	**(502)**	**19**	**1,966**
Tax risks & litigations	116	139	13	(9)	(18)	5	130
Restructuring	52	52	145	(28)	(17)	-	152
Other non-current provisions	127	127	29	(8)	(8)	15	155
Non-current provisions	**295**	**318**	**187**	**(45)**	**(43)**	**20**	**437**
TOTAL PROVISIONS	**2,309**	**2,333**	**752**	**(176)**	**(545)**	**39**	**2,403**

(*) March 2021 adjusted figures include the impact of the final Bombardier Transportation's Purchase Price Allocation (see Note 1.1.1).

(in € million)	At 31 March 2020	Additions	Releases	Applications	Scope variation(*)	Translation adjustments and other	At 31 March 2021
Warranties	275	214	(50)	(119)	284	(13)	591
Risks on contracts	578	159	(171)	(261)	1,083	35	1,423
Current provisions	**853**	**373**	**(221)**	**(380)**	**1,367**	**22**	**2,014**
Tax risks & litigations	63	11	(4)	(1)	52	(5)	116
Restructuring	30	10	(1)	(25)	38	-	52
Other non-current provisions	67	13	(6)	(2)	54	1	127
Non-current provisions	**160**	**34**	**(11)**	**(28)**	**144**	**(4)**	**295**
TOTAL PROVISIONS	**1,013**	**407**	**(232)**	**(408)**	**1,511**	**18**	**2,309**

(*) Scope variation is mainly due to Bombardier Transportation's acquisition (see Note 1.1.1).

Provisions for warranties relate to estimated costs to be incurred over the residual contractual warranty period on completed contracts.

Provisions for risks on contracts relate to provisions on contract losses and to commercial disputes and operating risks.

In relation to uncertain tax treatments and tax risks, the Group tax filings are subject to audit by tax authorities in most jurisdictions in which the Group operates. These audits may result in assessment of additional taxes that are subsequently resolved with the authorities or potentially through the courts. The Group believes that it has strong arguments against the questions being raised, that it will pursue all legal remedies to avoid an unfavorable outcome and that it has adequately provided for any risk that could result from those proceedings where it is probable that it will pay some amounts. Following IFRIC 23 application in April 2019, it is reminded that liabilities for uncertainty over income tax treatments are now presented as tax liabilities on the line corporate income tax in the other current operating liabilities.

Restructuring provisions mainly derive from the adaptation of the means of production in certain countries, as Germany, Switzerland and France.

Other non-current provisions mainly relate to guarantees delivered or risks in connection with disposals, employee litigations, commercial disputes and environmental obligations.

The management identifies and analyses on a regular basis current litigations and other risks, using its best estimate to assess, when necessary, provisions. These estimates take into account information available and different possible outcomes. Main disputes are described in Note 33.

G. EQUITY AND DIVIDENDS

NOTE 23. EQUITY

When managing capital, objectives of the Group are to safeguard its ability to continue as a going concern so that it can provide returns to shareholders, bring benefits to its other partners and optimise the structure of the capital in order to reduce its cost.

To achieve this, the Group may choose to:

- adjust the amount of dividends paid to the shareholders;
- reimburse a portion of capital to the shareholders;
- issue new shares; or
- sell assets in order to scale back its debt.

23.1. Movements in share capital

At 31 March 2022, the share capital of Alstom amounts to €2,613,742,222 consisting of 373,391,746 ordinary shares with a par value of €7 each. For the year ended 31 March 2022, the weighted average number of outstanding ordinary shares amounts to 374,406,265 after the effect of all dilutive instruments.

During the period ended 31 March 2022:

- 1,401,876 ordinary shares were issued under dividends;
- 88,590 ordinary shares were issued under equity settled share-based payments;
- 699,487 ordinary shares were issued under long term incentive plans.

23.2. Currency translation adjustment in shareholders' equity

At 31 March 2022, the currency translation reserve amounts to €(450) million.

The currency translation adjustment, presented within the consolidated statement of comprehensive income for €171 million, primarily reflects the effect of variations of the Chinese Yuan (€97 million), US Dollar (€67 million), Brazilian Real (€22 million), Swiss Franc (€16 million), Swedish Krona (€(11) million), against the Euro for the year ended 31 March 2022.

NOTE 24. DISTRIBUTION OF DIVIDENDS

The Combined Shareholders' Meeting, which took place on 28 July 2021, approved the dividend related to the 2020/21 fiscal year for an amount of €0.25 gross per share, and has decided to offer to each shareholder an option, for payment of such dividend to be made in cash or in new shares. The period to exercise the option ran from 4 August to 25 August 2021 included. At the end of the option period, 1,401,876 new shares were issued at a share price of €34.21 and amounted to €48 million. The cash dividend to be paid to the shareholders who did not elect to receive 2020/21 dividend in shares amounted to €45 million and the date for the payment was 31 August 2021.

H. FINANCING AND FINANCIAL RISK MANAGEMENT

NOTE 25. OTHER CURRENT FINANCIAL ASSETS

At 31 March 2022, other current financial assets comprise the positive market value of derivatives instruments hedging financing activities.

(in € million)	At 31 March 2022	At 31 March 2021
Derivatives related to financing activities and others	54	28
OTHER CURRENT FINANCIAL ASSETS	**54**	**28**

NOTE 26. CASH AND CASH EQUIVALENTS

Cash equivalents are held to meet short-term cash commitments. To be considered as cash equivalent, an investment must be convertible to a known amount of cash within the coming three months and subject to a negligible risk of change in value, thereby satisfying the requirements of IAS 7.

Cash and cash equivalents include all cash balances, certain term deposit accounts, negotiable debt instruments and monetary UCITS.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(in € million)	At 31 March 2022	At 31 March 2021
Cash	654	1,095
Cash equivalents	156	155
CASH AND CASH EQUIVALENT	**810**	**1,250**

In addition to bank open deposits classified as cash for €654 million, the Group invests in cash equivalents:

- bank term deposits that can be terminated at any time with less than three months notification period for an amount of €154 millions (€154 millions at 31 March 2021);
- euro money market funds for an amount of €2 million (€1 million at 31 March 2021) qualified as "monetary" or "monetary short-term" under the French AMF classification.

NOTE 27. FINANCIAL DEBT

Bonds and interest-bearing bank loans are initially recognised at fair value, less any transaction costs directly attributable to the issuance of the liability. These financial liabilities are subsequently measured at amortised cost, using the effective interest rate method.

The lease liability, when Alstom is the lessee, is measured at the present value of lease payments to be made over the lease term, discounted using the marginal borrowing rate of the lessee at the lease commencement date if the interest rate is implicit in the lease and cannot be readily determined. Lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for termination of a lease when the lease term reflects the lessee exercising a termination option. Lease payments are apportioned between finance charges and repayment of the lease obligation to achieve a constant rate of interest on the remaining balance of the liability.

		Cash movements	Non-cash movements	
(in € million)	At 31 March 2021	Net cash variation	Translation adjustments and other	At 31 March 2022
Bonds	1,434	1,189	4	2,627
Other borrowings	680	(402)	11	289
Derivatives relating to financing activities	62	(6)	1	56
Accrued interests(*)	1	(13)	16	4
Borrowings	**2,177**	**768**	**32**	**2,976**
Lease obligations(**)	**751**	**(148)**	**106**	**709**
TOTAL FINANCIAL DEBT	**2,928**	**620**	**138**	**3,685**

(*) Paid interests are disclosed in the net cash provided by operating activities part in the cash flow statement. Net interests paid and received amount to €(7) million and those related to lease obligations amount to €(10) million over the year.

(**) Lease obligations include lease obligations on trains and associated equipment for €146 million at 31 March 2022 and €165 million at 31 March 2021 (see Note 15). Non-cash movements for €106 million are linked to lease inceptions, reductions and FX gain/loss.

The financial debt's variation over the period is mainly due to:

- the execution of a €1,200 million two-tranche bond issuance in July 2021 (a €700 million 0.50% fixed coupon bond maturing in July 2030 and a €500 million 0.125% fixed coupon bond maturing in July 2027) to ensure a sound liquidity during the integration period of Bombardier Transportation;
- the full repayment of the €218 million liabilities due to third party providers in exchange for the right to customer payments. This arrangement contracted by Bombardier Transportation prior to the acquisition by Alstom has been closed in March 2022;
- the €204 million repayment of debt at subsidiary level, mainly in India, Kazakhstan, and Algeria;
- the implementation of a New Markets Tax Credit Program (NMTC) administrated by the US Treasury Department and favouring investments in qualifying businesses aiming at revitalizing "Low Income communities". The NMTC loans are made with the expectation that part of the total loan amount will not be repaid or will be cancelled after a certain period expires. This NMTC mechanism results presently in a 7-year $40 million loan (€35 million at end of March 2022), out of which €8 million could be forgiven, covered by a 7-year deposit of $29 million (€27 million at end of March 2022).

The following table summarizes the significant components of the Group's bonds:

	Initial Nominal value *(in € million)*	Maturity date *(dd/mm/yy)*	Nominal interest rate	Effective interest rate	Accounting value at 31 March 2022	Market value at 31 March 2022
Alstom October 2026	700	14/10/2026	0.25%	0.38%	696	664
Alstom July 2027	500	27/07/2027	0.13%	0.21%	498	461
Alstom January 2029	750	11/01/2029	0.00%	0.18%	741	658
Alstom July 2030	700	27/07/2030	0.50%	0.62%	693	621
TOTAL AND WEIGHTED AVERAGE RATE			**0.22%**	**0.35%**	**2,627**	**2,403**

The value of the external financial debt split by currency is as follows:

(in € million)	At 31 March 2022	At 31 March 2021
Euro	3,226	2,044
British Pound	190	216
US Dollar	80	48
Indian Rupee	48	112
Australian Dollar	37	36
Canadian Dollar	33	62
Polish Zloty	10	11
South African Rand	6	25
Swiss Franc	3	227
Kazakhstani Tenge	3	56
Algerian Dinar	-	29
Other currencies	49	63
FINANCIAL DEBT IN NOMINAL VALUE	**3,685**	**2,928**

The €190 million external debt in GBP is mainly explained by a €146 million long-term lease scheme of trains, involving London Underground. This lease in GBP is counter-balanced by long-term receivables recognised as non-current assets for the same amount, with the same maturity and denominated in GBP (see Notes 15 and 27).

The external debt evolution in CHF is mainly due to third-party advance providers extinction. The decrease in external debt in INR and KZT by respectively €64 million and €53 million is mainly due to repayment by Alstom of its local debt.

NOTE 28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

28.1. Financial instruments reported in the financial statements

The Group's financial liabilities encompass borrowings, trade and other payables.

The Group's financial assets include loans, trade and other receivables, other current assets, cash, and cash equivalents.

The Group is exposed to foreign exchange and interest rate volatility risks, credit and liquidity risks.

The main valuation methods applied are as follows:

- borrowings, when unhedged, are stated at amortised cost, determined by the effective interest rate method;
- the fair value of the financial debt is estimated based on either quoted market prices for traded instruments or current rates offered to the Group for debt of the same maturity;
- the fair value of cash, cash equivalents, trade receivables and trade payables is considered equivalent to the carrying value, due to their short maturities, or to the market value in the case of money market funds;
- the fair value of FX derivative instruments is calculated primarily based on foreign exchange spot and forward rates at "mid-market" at closing date or alternatively based on relevant yield curves per currency. No significant impact linked to LIBOR transition is expected throughout the Group at 31 March 2022.

IFRS 13 application for "Fair Value Measurement", which requires counterparty risk to be considered in measuring derivative instruments, does not have a material impact on the Group's financial statements.

Year ended 31 March 2022

Balance sheet positions at 31 March 2022

			Carrying amount of financial instruments by categories(*)					Fair value of items classified as financial instruments			
At 31 March 2022 *(in € million)*	Balance sheet carrying amount	Carrying amount not defined as financial instruments	FV P/L	FV OCI	LRL at amortised cost	DER	Total	Listed prices	Internal model based on observable factors	Internal model not based on observable factors	Total
Non consolidated investments	79	-	-	79	-	-	79	-	79	-	79
Other non-current assets	644	352	70	-	222	-	292	-	292	-	292
Trade receivables	2,747	-	-	-	2,747	-	2,747	-	2,747	-	2,747
Other current operating assets	2,337	899	583	-	408	447	1,438	-	1,438	-	1,438
Other current financial assets	54	-	-	-	-	54	54	-	54	-	54
Cash and cash equivalents	810	-	1	-	809	-	810	1	809	-	810
ASSETS	**6,671**	**1,251**	**654**	**79**	**4,186**	**501**	**5,420**	**1**	**5,419**	**-**	**5,420**
Non-current borrowings	2,663	-	-	-	2,663	-	2,663	2,627	36	-	2,663
Non-current lease obligations	566	-	-	-	566	-	566	-	566	-	566
Current borrowings	313	-	-	-	257	56	313	-	313	-	313
Current lease obligations	143	-	-	-	143	-	143	-	143	-	143
Trade payables	3,323	-	-	-	3,323	-	3,323	-	3,323	-	3,323
Other current liabilities	4,309	1,523	423	-	1,835	528	2,786	-	2,786	-	2,786
LIABILITIES	**11,317**	**1,523**	**423**	**-**	**8,787**	**584**	**9,794**	**2,627**	**7,167**	**-**	**9,794**

(*) FV P/L stands for Fair Value through Profit and Loss; FV OCI stands for Fair Value through Other Comprehensive Income; LRL stands for Loans, Receivables and Liabilities and DER stands for Derivative instruments.

Financial income and expense arising from financial instruments for the year ended 31 March 2022

(in € million)	FV P/L	FV OCI	LRL at amortised cost & DER	Total
Interests	-	-	(7)	(7)
Interest income	-	-	*20*	*20*
Interest expense	-	-	*(27)*	*(27)*
Foreign currency and other	-	-	(6)	(6)
NET INCOME/EXPENSE FOR THE YEAR ENDED 31 MARCH 2022	**-**	**-**	**(13)**	**(13)**

Year ended 31 March 2021

Balance sheet positions at 31 March 2021

At 31 March 2021 *(in € million)*	Balance sheet carrying amount	Carrying amount not defined as financial instruments	Carrying amount of financial instruments by categories(*) FV P/L	FV OCI	LRL at amortised cost	DER	Total	Fair value of items classified as financial instruments Listed prices	Internal model based on observable factors	Internal model not based on observable factors	Total
Non consolidated investments	77	-	-	77	-	-	77	-	20	57	77
Other non-current assets	435	135	70	-	230	-	300	-	300	-	300
Trade receivables	2,299	-	-	-	2,299	-	2,299	-	2,299	-	2,299
Other current operating assets	1,913	902	396	-	335	280	1,011	-	1,011	-	1,011
Other current financial assets	28	-	-	-	-	28	28	-	28	-	28
Cash and cash equivalents	1,250	-	-	-	1,250	-	1,250	-	1,250	-	1,250
ASSETS	**6,002**	**1,037**	**466**	**77**	**4,114**	**308**	**4,965**	**-**	**4,908**	**57**	**4,965**
Non-current borrowings	1,651	-	-	-	1,651	-	1,651	1,435	34	-	1,469
Non-current lease obligations	590	-	-	-	590	-	590	-	590	-	590
Current borrowings	526	-	-	-	464	62	526	-	526	-	526
Current lease obligations	161	-	-	-	161	-	161	-	161	-	161
Trade payables	3,207	-	-	-	3,207	-	3,207	-	3,207	-	3,207
Other current liabilities	3,464	1,358	206	-	1,500	400	2,106	-	2,106	-	2,106
LIABILITIES	**9,599**	**1,358**	**206**	**-**	**7,573**	**462**	**8,241**	**1,435**	**6,624**	**-**	**8,059**

(*) FV P/L stands for Fair Value through Profit and Loss; FV OCI stands for Fair Value Through Other Comprehensive Income; LRL stands for Loans, Receivables and Liabilities and DER stands for Derivative instruments.

Financial income and expense arising from financial instruments for the year ended 31 March 2021

(in € million)	FV P/L	FV OCI	LRL at amortised cost & DER	Total
Interests	-	-	(19)	(19)
Interest income	-	-	*4*	*4*
Interest expense	-	-	*(23)*	*(23)*
Foreign currency and other	-	-	(34)	(34)
NET INCOME/EXPENSE FOR THE YEAR ENDED 31 MARCH 2021	**-**	**-**	**(53)**	**(53)**

28.2. Currency risk management

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency of the reporting unit and the foreign currency at the date of the transaction. Currency units held assets to be received and liabilities to be paid resulting from those transactions are re-measured at closing exchange rates at the end of each reporting period. Realised exchange gains or losses at date of payment as well as unrealised gains or losses deriving from re-measurement are recorded in the income statement.

Since the Group is exposed to foreign currency volatility, the Group puts in place a significant volume of hedges to cover this exposure. These derivatives are recognised on the balance sheet at their fair value at the closing date. Provided that the relationships between the foreign currency exposure and the related derivatives are qualifying relationships, the Group uses the specific accounting treatment designated as hedge accounting. A relationship qualifies for hedge accounting if, at the inception of the hedge, it is formally designated and documented and if it proves to be highly effective throughout the financial reporting periods for which the hedge was designated.

Hedging relationships are mainly corresponding to fair value hedge in case of hedge of the exposure attributable to recognised assets, liabilities, or firm commitments.

Derivatives are recognised and re-measured at fair value.

Fair value hedge

When fair value hedge accounting applies, changes in the fair value of derivatives and changes in the fair value of hedged items are both recognised in the income statement and offset each other up to the gain or loss on the effective portion on the hedging instrument.

Whatever the type of hedge, both the effective and the ineffective portions on the hedging instrument are recognised in the income statement as well as realised and unrealised exchange gains and losses on hedged items and hedging instruments.

As the effective portion on the hedging instrument offsets the difference between the spot rate at inception of the hedge and the effective spot rate at the outcome of the hedge, sales and costs resulting from commercial contracts are recognised at the spot rate at inception of the hedge throughout the life of the related commercial contracts, provided that the corresponding hedging relationships keep on qualifying for hedge accounting. For a large Transport project located in South Africa, the hedged firm commitments resulting from the commercial contract are recognised on a forward rate basis. Provided that the corresponding hedging relationship qualifies for hedge accounting, the change in fair value of the hedged items recorded at the project forward rate at inception offsets the change in fair value of the derivatives.

The Group uses export insurance policies to hedge its currency exposure on certain contracts during the open bid period. When commercial contracts are awarded, insurance instruments are settled, and forward contracts are put in place and recorded according to the fair value hedge accounting as described above.

Derivatives relating to financing activity

Whenever possible, Alstom Holdings acts as an in-house bank for its affiliates through cash-pooling and loans/deposits agreements. The intercompany positions so generated are hedged through foreign exchange swaps, the cost of which is included in net cost of foreign exchange (see Note 7).

At 31 March 2022, net derivatives positions amount to a net liability of €(2) million and comprise mainly forward sale contracts of South African rand, Brazilian real and Canadian dollar.

(in € million)	Net derivatives positions		2023		2024		2025-2027		2028 and thereafter	
Currency 1/Currency 2(*)	**Net notional**	**Fair value**	**Interests**	**Repay-ment**	**Interests**	**Repay-ment**	**Interests**	**Repay-ment**	**Interests**	**Repay-ment**
EUR/CHF	(459)	(5)	-	(459)	-	-	-	-	-	-
EUR/SGD	355	2	-	201	-	24	-	130	-	-
EUR/ZAR	(225)	(13)	-	(204)	-	(21)	-	-	-	-
EUR/PLN	(211)	4	-	(211)	-	-	-	-	-	-
EUR/USD	163	1	-	113	-	50	-	-	-	-
EUR/BRL	134	10	-	134	-	-	-	-	-	-
EUR/THB	126	5	-	126	-	-	-	-	-	-
EUR/CNH	96	6	-	96	-	-	-	-	-	-
EUR/MXN	89	6	-	89	-	-	-	-	-	-
EUR/EGP	63	(5)	-	63	-	-	-	-	-	-
EUR/CAD	(12)	(8)	-	(12)		-	-	-	-	-
Other	-	(4)	-	-	-	-	-	-	-	-
NET DERIVATIVES RELATED TO FINANCING ACTIVITIES		**(2)**								

(*) Positive amount: the currency 2 is bought forward against currency 1. Negative amount: the currency 2 is sold forward against currency 1.

Derivatives hedging commercial activity

During its operations, the Group is exposed to currency risk arising from tenders submitted in foreign currency, awarded contracts and any future cash out transactions denominated in foreign currency. The main currencies triggering a significant exposure as of 31 March 2022 are the Polish zloty, US dollar, Canadian dollar and Chinese yuan.

During the tender period, depending on the probability to obtain the project and on market conditions, the Group may hedge in some cases a portion of its tenders using options or export insurance policies. Once the contract is in force, forward exchange contracts are used to hedge the actual exposure during the life of the contract.

Forward currency contracts are denominated in the same currency as the hedged item. Generally, the tenor of hedging derivatives corresponds to the tenor of the hedged items. However, depending on market conditions, the Group may decide to enter into derivatives with shorter tenors and to roll them subsequently. Finally, in some cases, the Group can derogate from its hedging policy because of the cost of the hedge or absence of efficient market.

The portfolio of operating foreign exchange forward contracts has a weighted maturity around 2 years. However, some forward contracts may mature beyond five years to reflect the long-term nature of some hedged contracts. The Group hedges about forty different currencies with a multitude of crosses depending on which entity of the Group is exposed to the currency. Change in foreign exchange rate is compensated by the revaluation through Income Statement at fair market value of derivatives.

At 31 March 2022, net derivatives amount to a net liability of €(78) million. They are summarized as follows:

(in € million)	**Net derivatives positions**		**2023**		**2024**		**2025-2027**		**2028 and thereafter**	
Currency 1/Currency 2(*)	**Net notional**	**Fair value**	**Interests**	**Repayment**	**Interests**	**Repayment**	**Interests**	**Repayment**	**Interests**	**Repayment**
EUR/PLN	1,190	(36)	-	590	-	170	-	430	-	-
EUR/USD	(718)	(39)	-	(432)	-	(124)	-	(162)	-	-
USD/CAD	(603)	-	-	(75)	-	(204)	-	(324)	-	-
EUR/CNH	423	42	-	229	-	94	-	99	-	1
EUR/GBP	(398)	(3)	-	(279)	-	62	-	3	-	(184)
USD/MXN	(346)	(8)	-	(92)	-	(69)	-	(185)	-	-
EUR/SEK	(294)	1	-	(76)	-	(43)	-	(175)	-	-
AUD/INR	274	(7)	-	153	-	32	-	88	-	-
EUR/EGP	192	(1)	-	192	-	-	-	-	-	-
EUR/AUD	(180)	(14)	-	(95)	-	(28)	-	(56)	-	(1)
Other	-	(13)	-	-	-	-	-	-	-	-
NET DERIVATIVES RELATED TO OPERATING ACTIVITIES		**(78)**								

(*) Positive amount: the currency 2 is bought forward against currency 1. Negative amount: the currency 2 is sold forward against currency 1.

Most of the hedging instruments are negotiated by Alstom Holdings and are mirrored by hedging agreements between Alstom Holdings and the exposed subsidiaries. Whenever local regulations prohibit this intercompany hedging, instruments are negotiated directly by affiliates with local banks under the supervision of the Group Treasury.

Overall derivatives positions

Derivative instruments hedging foreign currency risk are recognised at their fair value on the balance sheet as follows:

	At 31 March 2022		**At 31 March 2021**	
(in € million)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Derivatives qualifying for fair value hedge	502	582	308	462
Of which derivatives relating to financing activities	*54*	*54*	*28*	*62*
Of which derivatives relating to operating activities	*448*	*528*	*280*	*400*

Since derivatives have been set up, the change in foreign exchange spot rates, and to a lesser extent the relative change in interest rate curves related to the hedged currencies, during the periods ended 31 March 2021 and 31 March 2022 explains the amount of fair value of derivative instruments (either positive or negative). For instruments that qualify for fair value hedge accounting, change in fair value arising from spot rates is mostly offset by the re-measurement of the underlying exposure (either on balance sheet or off-balance sheet).

The sensitivity of the Group's pre-tax income to a change in currencies arising from derivative instruments not qualifying for hedge accounting is not significant.

With its banking counterparties, Alstom enters into bilateral standard derivatives agreements that generally do not provide a collateralization of derivatives market value.

These agreements generally require the offsetting of receivable and payable amounts in case of default of one of the contracting parties. These derivatives fall within the scope of disclosures under IFRS 7 on compensation and are presented in the tables below:

				Related amount not set off in the balance sheet		
At 31 March 2022 *(in € million)*	**Gross amounts of recognized financial assets/ liabilities**	**Gross amounts of recognized financial assets/ liabilities set off in the balance sheet**	**Net amount of financial assets/ liabilities presented in the balance sheet**	**Financial instruments**	**Cash collateral received**	**Net amount**
Derivatives assets	502	-	502	468	-	34
Derivative liabilities	(582)	-	(582)	(468)	-	(114)

At 31 March 2021 *(in € million)*	Gross amounts of recognized financial assets/ liabilities	Gross amounts of recognized financial assets/ liabilities set off in the balance sheet	Net amount of financial assets/ liabilities presented in the balance sheet	Related amount not set off in the balance sheet		Net amount
				Financial instruments	Cash collateral received	
Derivative assets	308	-	308	277	-	31
Derivatives liabilities	(462)	-	(462)	(277)	-	(182)

28.3. Interest rate risk management

The Group may enter into hedges for the purpose of managing its exposure to interest rate volatility. Derivatives are recognised on the balance sheet at fair value at the closing date. Providing that the relationships between the interest rate exposure and the related derivatives are qualifying relationships, the Group uses the specific accounting treatments designated as hedge accounting. Fair value hedge accounting and cash flow hedge accounting are applied to fixed and floating rate borrowings, respectively.

In the case of fair value hedge relationships, the re-measurement of the fixed rate borrowing is offset in the income statement by the movement in the fair value of the derivative up to the effective portion of hedged risk. In the case of cash flow hedging relationships, the change in fair value of the derivative is recognised directly in other comprehensive income. Amounts previously recognised directly in other comprehensive income are reclassified to the income statement when the hedged risk impacts the income statement.

At 31 March 2022, the Group keeps short dated floating rate financial assets on its balance sheet, while its debt is merely made of fixed rate bonds and commercial papers.

The Group has not implemented an active interest rate risk management policy. However, under the supervision of the Executive Committee, it may enter into transactions in order to hedge its interest rate risk on a case-by-case basis according to market opportunities.

At 31 March 2022 *(in € million)*	Fixed rate	Floating rate	Total
Financial assets	146	1,045	1,191
Financial debt bearing interests	(2,683)	(293)	(2,976)
Total position before hedging	**(2,537)**	**752**	**(1,785)**
Hedging position	-	-	-
TOTAL POSITION AFTER HEDGING	**(2,537)**	**752**	**(1,785)**

At 31 March 2021 *(in € million)*	Fixed rate	Floating rate	Total
Financial assets	165	1,520	1,685
Financial debt bearing interests	(1,497)	(680)	(2,177)
Total position before hedging	**(1,332)**	**840**	**(492)**
Hedging position	-	-	-
TOTAL POSITION AFTER HEDGING	**(1,332)**	**840**	**(492)**

Sensitivity is analysed based on the Group's net cash position at 31 March 2022, assuming that it remains constant over one year.

In absence of interest rate derivatives, the effects of increases or decreases in market rates are symmetrical: a rise of 0.1% would increase the net interest income by €2 million while a fall of 0.1% would decrease it by €2 million.

28.4. Credit risk management

Credit risk is the risk that counterparty will not meet its payment obligations under financial instrument or commercial contract, leading to a loss. The Group is exposed to credit risk on its operating activities (primarily for trade receivables and for contracts asset) and on its financing activities, including deposits, foreign currency hedging instruments and other financial instruments with banks and financial institutions.

Risk related to customers

The financial assets that are falling under the scope of IFRS 9 Customer credit risk are mainly concerning trade receivables (which are at short maturity) as well as contract assets under IFRS 15 (that have potentially longer maturities). The recognition model of the Expected Credit Losses (ECL) retained on these exposures is respectively the Simplified Approach "Lifetime Expected Credit Losses" for trade receivables and the general model that allows to estimate the risk within one year for contract assets, as long as there is no sign of significant degradation of customer credit risk. The Group believes that the risk of a counterpart failing to perform as contracted, which could have a significant impact on the Group's financial statements or results of operations, is limited because the Group seeks to ensure that customers generally have strong credit profiles or adequate dedicated financing to meet their project obligations or can also be the subject of insurance policies taken out by the Group (see also Note 19). However, this mechanism of protection may become incomplete, uncertain, or ineffective because of the duration of the Group's contract in a changing environment, particularly in emerging countries, leading to impairment losses determined considering a risk of non-recovery assessed on a case-by case basis.

Risk related to other financial assets

In addition to the recovery of assets held for sale, the Group's exposure to credit risk related to other financial assets, especially derivatives, arises from default of the counterpart, with a maximum exposure equal to the carrying amount of those instruments. The financial instruments are taken out with more than 20 different counterparties and the risk is therefore highly diluted, the largest exposure with one single counterparty (rated A-) being limited to €(24) million.

28.5. Liquidity risk management

In addition to its available cash and cash equivalents, amounting to €810 million at 31 March 2022, the Group has consequently reinforced its liquidity through short term capabilities.

Alstom successfully refinanced its two Revolving Credit Facilities (RCF) in January 2022 to bolster its liquidity.

The 5-year main RCF was increased from €1.5 billion to €2.5 billion with a maturity extended to January 2027 and is a backstop to the Group's €2.5 billion NEU CP program.

The €1.75 billion RCF maturity was extended to January 2025, providing an extra liquidity buffer.

Both facilities have two one-year extension options at lenders' discretion and are undrawn at 31 March 2022.

This further reinforcement of the Group's liquidity demonstrates Alstom's commitment to a conservative financial policy and the strong support it benefits from its banking pool.

Treasury Centralization

Credit risk from balances with banks and financial institutions is managed by Group treasury in accordance with the Group's policy.

The Group diversifies its cash investments in order to limit its counterparty risk. In addition to short term deposits with tier-one banks, the Group invests in euro money market funds qualified as "monetary" or "monetary short term" under the AMF classification. Cash investments are reviewed on a regular basis in accordance with Group procedures and in strict compliance with the eligibility criteria set out in IAS 7 and the AMF's recommendations.

The Group's parent company has access to cash held by wholly owned subsidiaries through the payment of dividends or pursuant to intercompany loan arrangements. However local constraints can delay or restrict this access. Furthermore, while the Group's parent company has the power to control decisions of subsidiaries of which it is the majority owner, its subsidiaries are distinct legal entities and their payment of dividends and granting of loans, advances and other payments to the parent company may be subject to legal or contractual restrictions, be contingent upon their earnings or be subject to business or other constraints. These limitations include local financial assistance rules and corporate benefit laws.

The Group's policy is to centralise liquidity of subsidiaries at the parent company's level when possible. Cash available in subsidiaries located in countries with local constraints delaying or restricting the Group's access to this cash was €204 million at 31 March 2022 and €201 million at 31 March 2021.

Future Cash Flow

The Group's objective is to maintain a strong liquidity, commensurate with the changes in working capital triggered by its long-term activity.

The following tables show the remaining maturities of all financial assets and liabilities held at 31 March 2022 and 31 March 2021.

Planning data for future new assets and liabilities are not reported. Amounts in foreign currency are translated at the closing rate. The variable interest payments are calculated using the last interest rates available at the closing date. Assets and liabilities that can be repaid at any time are always assigned to the earliest possible period.

Financial instruments held at 31 March 2022

Cash flow arising from instruments included in net cash/(debt) at 31 March 2022

		2023		2024		2025-2027		2028 and thereafter	
(in € million)	Carrying amount	Interests	Repay-ment	Interests	Repay-ment	Interests	Repay-ment	Interests	Repay-ment
Other non-current assets(*)	27	-	-	-	-	-	-	-	27
Other current financial assets	54	-	54	-	-	-	-	-	-
Cash and cash equivalents	810	-	810	-	-	-	-	-	-
Assets	**891**	**-**	**864**	**-**	**-**	**-**	**-**	**-**	**27**
Non-current borrowings	(2,663)	(6)	-	(6)	-	(18)	(700)	(11)	(1,963)
Current borrowings	(313)	-	(313)	-	-	-	-	-	-
Liabilities	**(2,976)**	**(6)**	**(313)**	**(6)**	**-**	**(18)**	**(700)**	**(11)**	**(1,963)**
NET CASH/(DEBT)	**(2,085)**	**(6)**	**551**	**(6)**	**-**	**(18)**	**(700)**	**(11)**	**(1,936)**

(*) Other non-current assets represent external loan related to New Markets Tax Credit Program scheme in the United States (see Note 15).

Cash flow arising from operating derivatives at 31 March 2022

		2023		2024		2025-2027		2028 and thereafter	
(in € million)	Carrying amount	Interests	Repay-ment	Interests	Repay-ment	Interests	Repay-ment	Interests	Repay-ment
Other current operating assets	448	-	195	-	96	-	156	-	1
Assets	**448**	**-**	**195**	**-**	**96**	**-**	**156**	**-**	**1**
Other current operating liabilities	(528)	-	(235)	-	(104)	-	(174)	-	(15)
Liabilities	**(528)**	**-**	**(235)**	**-**	**(104)**	**-**	**(174)**	**-**	**(15)**
DERIVATIVES	**(80)**	**-**	**(40)**	**-**	**(8)**	**-**	**(18)**	**-**	**(14)**

Cash flow arising from instruments included in other financial assets and liabilities at 31 March 2022

		2023		2024		2025-2027		2028 and thereafter	
(in € million)	Carrying amount	Interests	Repay-ment	Interests	Repay-ment	Interests	Repay-ment	Interests	Repay-ment
Non consolidated investments	79	-	-	-	-	-	-	-	79
Other non-current assets	234	-	-	-	-	-	-	-	234
Trade receivables	2,747	-	2,747	-	-	-	-	-	-
Other current operating assets	952	-	952	-	-	-	-	-	-
Assets	**4,012**	**-**	**3,699**	**-**	**-**	**-**	**-**	**-**	**313**
Trade payables	(3,323)	-	(3,323)	-	-	-	-	-	-
Other current operating liabilities	(1,729)	-	(1,729)	-	-	-	-	-	-
Liabilities	**(5,052)**	**-**	**(5,052)**	**-**	**-**	**-**	**-**	**-**	**-**
OTHER FINANCIAL ASSETS AND LIABILITIES	**(1,040)**	**-**	**(1,353)**	**-**	**-**	**-**	**-**	**-**	**313**

Financial instruments held at 31 March 2021

Cash flow arising from instruments included in net cash/(debt) at 31 March 2021

(in € million)	Carrying amount	2022 Interests	2022 Repay-ment	2023 Interests	2023 Repay-ment	2024-2026 Interests	2024-2026 Repay-ment	2027 and thereafter Interests	2027 and thereafter Repay-ment
Other current financial assets	28	-	28	-	-	-	-	-	-
Cash and cash equivalents	1,250	-	1,250	-	-	-	-	-	-
Assets	**1,278**	**-**	**1,278**	**-**	**-**	**-**	**-**	**-**	**-**
Non-current borrowings	(1,651)	(2)	-	(2)	-	(2)	-	(2)	(1,651)
Current borrowings	(526)	(13)	(526)	-	-	-	-	-	-
Liabilities	**(2,177)**	**(15)**	**(526)**	**(2)**	**-**	**(2)**	**-**	**(2)**	**(1,651)**
NET CASH/(DEBT)	**(899)**	**(15)**	**752**	**(2)**	**-**	**(2)**	**-**	**(2)**	**(1,651)**

Cash flow arising from operating derivatives at 31 March 2021

(in € million)	Carrying amount	2022 Interests	2022 Repay-ment	2023 Interests	2023 Repay-ment	2024-2026 Interests	2024-2026 Repay-ment	2027 and thereafter Interests	2027 and thereafter Repay-ment
Other current operating assets	280	-	230	-	29	-	20	-	1
Assets	**280**	**-**	**230**	**-**	**29**	**-**	**20**	**-**	**1**
Other current operating liabilities	(400)	-	(269)	-	(56)	-	(68)	-	(7)
Liabilities	**(400)**	**-**	**(269)**	**-**	**(56)**	**-**	**(68)**	**-**	**(7)**
DERIVATIVES	**(120)**	**-**	**(39)**	**-**	**(27)**	**-**	**(48)**	**-**	**(6)**

Cash flow arising from instruments included in other financial assets and liabilities at 31 March 2021

(in € million)	Carrying amount	2022 Interests	2022 Repay-ment	2023 Interests	2023 Repay-ment	2024-2026 Interests	2024-2026 Repay-ment	2027 and thereafter Interests	2027 and thereafter Repay-ment
Non consolidated investments	77	-	-	-	-	-	-	-	77
Other non-current assets	270	-	-	-	-	-	-	-	270
Trade receivables	2,299	-	2,299	-	-	-	-	-	-
Other current operating assets	731	-	731	-	-	-	-	-	-
Assets	**3,377**	**-**	**3,030**	**-**	**-**	**-**	**-**	**-**	**347**
Trade payables	(3,207)	-	(3,207)	-	-	-	-	-	-
Other current operating liabilities	(1,914)	-	(1,914)	-	-	-	-	-	-
Liabilities	**(5,121)**	**-**	**(5,121)**	**-**	**-**	**-**	**-**	**-**	**-**
OTHER FINANCIAL ASSETS AND LIABILITIES	**(1,744)**	**-**	**(2,091)**	**-**	**-**	**-**	**-**	**-**	**347**

28.6. Commodity risk management

Most of commodities bought by the Group are quickly transformed and included into work-in-progress. As much as possible, the Group includes into customer contracts a customer price adjustment clause, so that the Group has a limited exposure to the variation of commodity prices.

Occasionally, the Group can hedge its exposure with commodity derivatives (copper, aluminum) of which the notional and the market values are not significant at 31 March 2022.

I. POST-EMPLOYMENT AND OTHER LONG-TERM DEFINED EMPLOYEE BENEFITS AND SHARE-BASED PAYMENTS

NOTE 29. POST-EMPLOYMENT AND OTHER LONG-TERM DEFINED EMPLOYEE BENEFITS

The Group provides its employees with various types of post-employment benefits, such as pensions, retirement bonuses and medical care, and other long-term benefits, such as jubilee awards and deferred compensation schemes. The type of benefits offered to individual employees is related to local legal requirements as well as practices of the specific subsidiaries.

The Group's health care plans are generally contributory with participants' contributions adjusted annually.

Post-employment defined benefit plans

For single employer defined benefit plans, the Group uses the Projected Unit Credit Method to determine the present value of its obligations and the related current and past service costs/profits. This method considers the actuarial assumptions' best estimates (for example, the expected turnover, the expected future salary increases and the expected mortality).

Most defined benefit pension liabilities are funded through pension funds legally distinct from the entities constituting the Group. Plan assets related to funded plans are invested mainly in equity and debt securities. Other supplemental pension plans sponsored by the Group for certain employees are directly paid by the employer as they become due. Post-employment medical benefit plans are predominantly unfunded.

The Group periodically reviews plan assets and obligations. The effects of any change in actuarial assumptions together with the differences between forecast and actual experience are assessed. The Group recognises in other comprehensive income the full amount of any actuarial gains and losses as well as the effect of any asset ceiling.

The estimated cost of providing defined benefits to employees is accrued during the years in which the employees render services. In the income statement, the service cost is included in Earnings Before Interests and Taxes. The past service cost/profit and specific events impacts (*e.g.* curtailments and settlements) are recognised in other expense/income. Net interest on the net defined benefit liability (asset) and administration costs are included in financial income (expenses).

Post-employment defined contribution plans

For defined contribution plans, the Group pays contributions to independently administered funds at a fixed percentage of employees' pay. These contributions are recorded as operating expenses.

Other long-term employee benefits

The accounting method used when recognising obligations arising from other long-term employee benefits is similar to the method used for post-employment defined benefits, except that actuarial gains/losses are immediately recognised in full in "Other income/expenses" in the income statement.

The defined benefit obligation amounting to €(4,543) million as at 31 March 2022 (see Note 29.2) is analysed as follows:

- several pension plans for €(4,275) million;
- other post-employment benefits for €(208) million which include mainly end-of-service benefits in France and Italy; and
- other long-term defined benefits for €(60) million which mainly correspond to jubilees in France and Germany.

The reconciliation of funded status of the plans with assets and liabilities recognised in the balance sheet is as follows:

(in € million)	**At 31 March 2022**	At 31 March 2021
Defined benefit obligations	**(4,543)**	**(4,713)**
Fair value of plan assets	3,731	3,519
Unfunded status of the plans	**(812)**	**(1,194)**
Impact of asset ceiling	(40)	(30)
NET OF ACCRUED AND PREPAID BENEFIT COSTS AFTER ASSET CEILING	**(852)**	**(1,224)**
Of which:		
Accrued pension and other employee benefit costs	*(1,203)*	*(1,359)*
Prepaid pension and other employee benefit costs	*351*	*135*

As detailed in this note, net provisions for post-employment benefits total €852 million, as at 31 March 2022, compared with €1,224 million, as at 31 March 2021.

The net asset of €351 million related to pension schemes in the United Kingdom, Canada and the United States is supported by appropriate refund expectations, as requested by IFRIC 14.

29.1. Description of the plans

Post-employment benefits are paid under defined contribution and defined benefit plans. The Group's only obligation under defined contribution plans is to pay fixed contributions into the funding vehicle. The payments are recognised when incurred in the income statement.

Defined benefit plans primarily relate to the United Kingdom, the United States, Canada, Germany, and France. The specific characteristics (benefit formulas, funding policies and types of assets held) of the plans vary according to the regulations and laws in the country where the employees are located.

In the United Kingdom, there are eight defined benefit pension plans covering different populations. Six of these are sections of the large UK Railways Pension Scheme and provide a pension in the form of an indexed annuity. All of the Schemes are closed to new hires who are ordinarily offered the opportunity to participate in a defined contribution group pension plan ("GPP"), a group life insurance plan and an income replacement scheme.

In Canada, there are seven defined benefit pension plans covering different populations (three plans are subject to collective bargaining agreements). From 2012 to 2016, six plans were closed to new members. New hires must contribute to the defined contribution component of the plans. The unionized pension plans are based on a flat dollar benefit and the remaining plans are based on the best average earnings. None of the plans offer indexation.

In Germany, the plans provide coverage for pension, death and disability. In the past, the pension was accrued in the form of an annuity. The plans were deeply modified for future accruals in 2010 for the employees to remove most, particularly the higher risk, defined benefit pension plans. The plans continue to be accounted for as defined benefit plans under IAS 19R but with much lower risks for the Company. With respect to employee contributions, these are remitted into defined contributions plans. For legacy BT Germany there is one cash balance plan that is open for active employees and new participants. It provides cover for pension, disability or death. The plan was introduced in 2008 – old pension promises for active employees were integrated as an initial pension component (*Initialbaustein*). It is unfunded and entirely employer financed. There are various old defined benefit pension plans, which – with very few exceptions – only apply for vested entitlements and pensioners. All plans are accounted for as defined benefit plans under IAS 19.

In the USA there are two major and four minor pension schemes which, except for collective agreements along with two post-retirement medical plans. New hires are ordinary provided with enhanced defined contribution pensions under 401 (k) schemes.

In France, defined benefit pension plans are mainly end of service benefits provided for under the terms of collective bargaining agreements and Group agreements.

In some countries, these commitments are covered in whole or in part by insurance contracts or pension funds. In this case, the commitments and assets are measured independently.

The fair value of plan assets is deducted from the Group's defined benefit obligation, as estimated using the projected unit credit method, in order to calculate the unfunded obligation to be covered by a provision, or the overfunded right to be recognized as an asset under specific requirements.

In the following tables, the "Other" zone represents mainly Sweden and Switzerland.

29.2. Defined benefit obligations

(in € million)	At 31 March 2022	United Kingdom	Euro zone	North America	Other
Defined benefit obligations at beginning of year	**(4,713)**	**(2,455)**	**(1,042)**	**(799)**	**(417)**
Service cost	(103)	(25)	(37)	(24)	(17)
Plan participant contributions	(13)	(7)	-	-	(6)
Interest cost	(84)	(51)	(7)	(23)	(3)
Administration costs	(8)	(4)	(1)	(3)	-
Business combinations/disposals	(5)	-	(5)	-	-
Actuarial gains (losses) – due to experience	20	26	11	(2)	(15)
Actuarial gains (losses) – due to changes in demographic assumptions	19	12	1	(1)	8
Actuarial gains (losses) – due to changes in financial assumptions	266	82	62	78	43
Benefits paid	181	72	51	35	25
Foreign currency translation and others(*)	(103)	41	3	(46)	(102)
DEFINED BENEFIT OBLIGATIONS AT END OF YEAR	**(4,543)**	**(2,309)**	**(964)**	**(786)**	**(485)**
Of which:					
Funded schemes	*(3,689)*	*(2,299)*	*(292)*	*(726)*	*(372)*
Unfunded schemes	*(854)*	*(10)*	*(672)*	*(60)*	*(113)*

(*) Including impact of the IFRIC Committee decision of May 2021 (see Note 2.2) and the update of the final Purchase Price Allocation of Bombardier Transportation (see Note 1.1.1).

(in € million)	At 31 March 2021	United Kingdom	Euro zone	North America	Other
Defined benefit obligations at beginning of year	**(967)**	**(411)**	**(417)**	**(62)**	**(77)**
Service cost	(44)	(10)	(16)	(10)	(8)
Plan participant contributions	(4)	(3)	-	-	(1)
Interest cost	(29)	(15)	(6)	(5)	(3)
Administration costs	(6)	(4)	(1)	(1)	-
Business combinations/disposals	(3,656)	(1,960)	(594)	(746)	(356)
Settlements	1	-	-	-	1
Actuarial gains (losses) – due to experience	(4)	(2)	-	-	(2)
Actuarial gains (losses) – due to changes in demographic assumptions	16	16	-	1	(1)
Actuarial gains (losses) – due to changes in financial assumptions	11	(3)	(39)	43	10
Benefits paid	81	28	33	9	11
Foreign currency translation and others	(112)	(91)	(2)	(28)	9
DEFINED BENEFIT OBLIGATIONS AT END OF YEAR	**(4,713)**	**(2,455)**	**(1,042)**	**(799)**	**(417)**
Of which:					
Funded schemes	*(3,791)*	*(2,455)*	*(301)*	*(739)*	*(296)*
Unfunded schemes	*(922)*	*-*	*(741)*	*(60)*	*(121)*

29.3. Plan assets

As indicated in Note 29.1, for defined benefit plans, plan assets have been progressively built up by contributions from the employer and the employees, primarily in the United Kingdom, Canada, Germany, Sweden, Switzerland and the United States of America.

(in € million)	At 31 March 2022	United Kingdom	Euro zone	North America	Other
Fair value of plan assets at beginning of year	**3,519**	**2,498**	**102**	**600**	**319**
Interest income	70	52	1	17	-
Actuarial gains (losses) on assets due to experience	55	71	(2)	(10)	(3)
Company contributions	55	28	1	15	10
Plan participant contributions	13	7	-	-	6
Benefits paid from plan assets	(121)	(71)	(1)	(31)	(17)
Foreign currency translation and others	141	19	-	40	82
FAIR VALUE OF PLAN ASSETS AT END OF YEAR	**3,731**	**2,603**	**101**	**631**	**397**

(in € million)	At 31 March 2021	United Kingdom	Euro zone	North America	Other
Fair value of plan assets at beginning of year	**476**	**346**	**73**	**21**	**36**
Interest income	18	14	1	3	-
Actuarial gains (losses) on assets due to experience	98	83	6	(1)	10
Company contributions	19	11	-	6	2
Plan participant contributions	4	3	-	-	1
Business combinations/disposals	2,836	1,978	22	554	282
Benefits paid from plan assets	(40)	(28)	-	(7)	(5)
Foreign currency translation and others	108	91	-	24	(7)
FAIR VALUE OF PLAN ASSETS AT END OF YEAR	**3,519**	**2,498**	**102**	**600**	**319**

29.4. Components of plan assets

(in € million)	At 31 March 2022	%	United Kingdom	Euro zone	North America	Other
Equities	1,570	42%	46%	17%	39%	31%
Bonds	1,908	51%	53%	58%	47%	42%
Insurance contracts	6	-	-	2%	-	-
Other	247	7%	1%	23%	14%	27%
TOTAL	**3,731**	**100%**	**100%**	**100%**	**100%**	**100%**

(in € million)	At 31 March 2021	%	United Kingdom	Euro zone	North America	Other
Equities	1,621	46%	47%	24%	51%	33%
Bonds	1,776	51%	53%	49%	46%	44%
Insurance contracts	25	1%	-	22%	-	-
Other	97	2%	-	5%	3%	23%
TOTAL	**3,519**	**100%**	**100%**	**100%**	**100%**	**100%**

An active market price exists for all plan assets except properties. Assets of each funded plan are managed by a dedicated Investment Committee in accordance with the scheme rules and local regulation. The Group has representatives on these Committees and promotes simple and diversified investment strategies.

The aim is to limit investment risks to those necessary to fulfil the benefit commitment (asset and liability management). As a result, strategic allocation favours liquid assets and especially long bonds. As at 31 March 2022, plan assets do not include securities issued by the Group.

29.5. Assumptions (weighted average rates)

Actuarial valuations of the Group's benefit obligation have been made as at 31 March 2022 and 31 March 2021.

These valuations include:

- assumptions on staff turnover, mortality and salary increases;
- assumptions on retirement ages varying from 60 to 65 depending on the country and the applicable laws;
- discount rates used to determine the actuarial present value of the projected benefit obligations.

Actuarial assumptions used vary by type of plan and by country.

(in %)	At 31 March 2022	United Kingdom	Euro zone	North America	Other
Discount rate	2.61	2.75	1.73	3.87	1.65
Rate of compensation increase	3.16	3.45	3.19	2.81	1.95

(in %)	At 31 March 2021	United Kingdom	Euro zone	North America	Other
Discount rate	1.96	2.15	0.98	3.22	0.93
Rate of compensation increase	2.64	2.98	2.58	2.19	1.66

As of 31 March 2022, the weighted average durations of the defined benefit obligations are the following:

(in years)	At 31 March 2022	United Kingdom	Euro zone	North America	Other
Weighted average duration	16	19	13	16	12

Discount rate

In accordance with IAS 19R principles, discount rates are set each year by reference to the market yields on high quality corporate bonds denominated in the relevant currency. In countries where there is no deep market in such bonds, discount rates are set by reference to the yields on government bonds. The required information is sourced from the Company's actuarial advisors and from market quotations and indices.

Rate of compensation increase

Compensation increase assumptions are determined at country level and reviewed centrally.

Assumptions related to the post-employment healthcare obligation

The healthcare trend rate is assumed to be 3.80% in the year ended 31 March 2022 and reduces thereafter to an ultimate rate of 1.11%.

Sensitivity analysis

A 25 bp increase or decrease in the main assumptions would have the following impacts on the defined benefit obligation:

(in € million)	At 31 March 2022
Impact of a 25 bp increase or decrease in the discount rate	(174)/184
Impact of a 25 bp increase or decrease in the rate of compensation increase	25/(24)

29.6. Analysis of post-employment and other long-term defined benefit expense

As at 31 March 2022, the benefit expense for the whole Group is the following:

(in € million)	Year ended at 31 March 2022	United Kingdom	Euro zone	North America	Other
Service cost	**(103)**	**(25)**	**(37)**	**(24)**	**(17)**
Defined contribution plans	(142)	(5)	(78)	(14)	(45)
Actuarial gains (losses) on other long-term benefits	(10)	-	(11)	-	1
EBIT impact	**(255)**	**(30)**	**(126)**	**(39)**	**(61)**
Financial income (expense)	**(22)**	**(3)**	**(8)**	**(9)**	**(2)**
TOTAL BENEFIT EXPENSE	**(277)**	**(33)**	**(134)**	**(48)**	**(62)**

(in € million)	Year ended at 31 March 2021	United Kingdom	Euro zone	North America	Other
Service cost	**(44)**	**(10)**	**(16)**	**(10)**	**(8)**
Defined contribution plans	(106)	(8)	(73)	(2)	(23)
Actuarial gains (losses) on other long-term benefits	(1)	-	(1)	-	-
Curtailments/settlements	1	-	-	-	1
EBIT impact	**(150)**	**(18)**	**(90)**	**(12)**	**(31)**
Financial income (expense)	**(17)**	**(5)**	**(6)**	**(3)**	**(3)**
TOTAL BENEFIT EXPENSE	**(167)**	**(23)**	**(96)**	**(15)**	**(34)**

29.7. Cash flows

In accordance with local practice and regulations, the Company pays contributions to the funded schemes it sponsors and benefits to the members of unfunded plans.

Total cash spent for defined benefit plans in the year ended 31 March 2022 amounted to €59 million and covers both regular contributions for accruing service and recovery contributions in case of funding shortfall.

For defined benefit plans, the expected cash outflows are the following:

- €62 million in the year ending 31 March 2023;
- €57 million in the year ending 31 March 2024;
- €63 million in the year ending 31 March 2025.

Total cash spent for defined contribution plans in the year ended 31 March 2022 amounted to €110 million.

NOTE 30. SHARE-BASED PAYMENTS

The Group issues equity-settled and cash-settled share-based payments to certain employees.

Equity-settled share-based payments

Equity-settled share-based payments are measured at fair value at the grant date (excluding the effect of non-market-based conditions) using the Black-Scholes model for plans issued from 2009 and the Monte Carlo model for plans issued from 2016. The cumulative recognised expense is based on the fair value at grant date and on the estimated number of shares that will eventually vest (including the effect of non-market-based vesting conditions). It is recorded in Earnings Before Interests and Taxes throughout the vesting period with a counterpart in equity.

At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Cash-settled share-based payments

For cash-settled share-based payments, a liability equal to the portion of the goods or services rendered is recognised at the current fair value. The fair value is remeasured at each balance-sheet date and at the date of settlement, with any changes recognised in the income statement.

The Group may also provide employees with the ability to purchase the Group's ordinary shares at a discounted price compared to that of the current market value. In that case, the Group records an expense based on the discount given and its estimate of the shares expected to vest.

30.1. Stock options and performance shares

KEY CHARACTERISTICS

	Plans issued by Shareholders Meeting on 22 June 2010	Plans issued by Shareholders Meeting on 18 December 2015	Plan issued by Shareholders Meeting on 17 July 2018	Plan issued by Shareholders Meeting on 10 July 2019	Plan issued by Shareholders Meeting on 4 July 2021		
	Plan n°16	PSP 2018	PSP 2019	PSP 2020	PSP 2021	PSP Special	We Are Alstom 2021
	Stock options	Performance shares	Performance shares	Performance shares	Performance shares	Performance shares	Free shares
Grant date	01/10/2013	13/03/2018	12/03/2019	10/03/2020	04/07/2021	04/07/2021	04/07/2021
Exercise period	03/10/2016 30/09/2021	n/a	n/a	n/a	n/a	n/a	n/a
Number of beneficiaries	292	732	820	878	1,375	18	63,717
Adjusted number granted(*)	784,294	1,102,789	1,176,801	1,252,619	1,867,325	243,000	955,755
Adjusted number exercised since the origin	678,791	698,912	1,100	-	-	-	-
Adjusted number cancelled since the origin	105,503	403,877	77,406	50,982	54,000	-	79,395
Ajusted number outstanding at 31 March 2022	-	-	1,098,295	1,201,637	1,813,325	243,000	876,360
inc. to the present members of the Leadership team	-	-	249,402	288,782	326,000	243,000	-
Adjusted exercise price(**) *(in €)*	21.24	n/a	n/a	n/a	n/a	n/a	n/a
Fair value at grant date *(in €)*	3.84	25.59	28.92	36.58	35.60	41.01	42.01

(*) The number of options and performance shares and the exercise price of options have been adjusted as a result of transactions that have impacted the number of capital shares after grant dates.

(**) The exercise price corresponds to the average opening price of the shares during the twenty trading days preceding the day on which the options were granted by the Board (neither discount nor surcharge) and adjusted where necessary due to the capital increases with Preferential Subscription Rights.

At 31 March 2022, stock options granted by plan 16 is fully vested. For plan 16, options expire five years after the end of the vesting period. The plan 16 expired in September 2021.

The long-term incentive plans set up since 2007 combine the allocation of stock options with the allocation of performance shares, except the latter since 2016 that allocate only performance shares.

The grant of these instruments is conditioned by the satisfaction of performance indicators.

PSP 2018 granted on 13 March 2018

This plan has been agreed by the Board of Directors of 13 March 2018. 1,016,025 performance shares have been initially granted to 732 beneficiaries.

The final allocation depends on one internal performance condition based on Group adjusted EBIT margin (excluding the share of net income of CASCO) for fiscal years ended 31 March 2021, and one external condition linked to the performance of the Company's share. Based on the performance conditions of the year ended March 21, 104.50% of the initial grant (150%) has been achieved and 45.50% of the performance shares have been cancelled. On 19 May 2021, 698,912 performance shares have been delivered.

PSP 2019 granted on 12 March 2019

This plan has been agreed by the Board of Directors of 12 March 2019. 1,080,150 performance shares have been initially granted to 820 beneficiaries.

The final allocation depends on two internal performance condition based on Group adjusted EBIT margin (Excluding the share of net income of CASCO) and cash conversion rate for fiscal years ended 31 March 2022, and one relative condition linked to the performance of the Company's share. The final delivery will take place at the latest twenty days after the publication of the 31 March 2022 results.

PSP 2020 granted on 10 March 2020

This plan has been agreed by the Board of Directors of 10 March 2020. 1,145,625 performance shares have been initially granted to 878 beneficiaries.

The final allocation depends on three internal performance conditions based on Group adjusted EBIT margin, cash conversion rate for the fiscal year ended 31 March 2023 and an objective of reduction in the energy consumption of the solutions offered to clients, as well as one relative condition linked to the performance of the Company's share. The final delivery will take place at the latest twenty days after the publication of the 31 March 2023 results.

PSP 2021 granted on 4 July 2021

This plan has been agreed by Board of Directors of 4 July 2021. 1,867,325 performance shares have been initially granted to 1,375 beneficiaries.

The final allocation depends on three internal performance conditions based on Group adjusted EBIT margin for the fiscal year ended 31 March 2024, the sum of Free Cash Flows for the fiscal year ended in March 2022, 2023 and 2024 and an objective of reduction in the energy consumption of the solutions offered to clients, as well as one relative condition linked to the performance of the Company's share. The final delivery will take place two days after the end of the vesting period, the 4 July 2024.

Special PSP granted on 4 July 2021

This plan has been agreed by the Board of Directors of 4 July 2021. 243,000 performance shares have been initially granted to 18 beneficiaries.

The final allocation depends on three internal performance conditions based on Alstom margin evolution on specific projects, achievement of synergies and earnings per share and a relative performance condition based on the employee engagement score of the Group. These conditions will be assessed at the end of the fiscal year ended 31 March 2025. The final delivery will take place two days after the end of the vesting period, the 4 July 2025.

2021 free share plan named "We Are Alstom 2021"

On 4 July 2021, the Board of Directors approved the grant of a worldwide free share Plan named "We are Alstom 2021". The 15-shares-award concerns all employees within Alstom at the grant date, on the condition they are still employees of Alstom Group at the end of a 2-years-vesting period, representing a maximum of 955,755 new shares of €7 of nominal value each to be issued in favour of a maximum of 63,717 beneficiaries. It was also decided that in the countries where, for tax and/or legal purpose, the granting of free shares would be difficult or not possible, a cash equivalent bonus will be granted to employees.

MOVEMENTS

	Number of options	Weighted average exercise price per share *(in €)*	Number of performance shares
Outstanding at 31 March 2020	**235,547**	**23.75**	**4,005,063**
Granted(*)	15,520	21.36	290,409
Exercised	(98,896)	21.74	(862,298)
Cancelled	(30,703)	21.83	(80,940)
Outstanding at 31 March 2021	**121,468**	**21.24**	**3,352,234**
Granted(**)	-	-	3,066,080
Exercised	(88,590)	21.24	(699,487)
Cancelled	(32,878)	21.24	(486,210)
OUTSTANDING AT 31 MARCH 2022	**-**		**5,232,617**

(*) Includes adjustments due to the capital increase with Preferential Subscription Rights in December 2020 on stock options plans 15, 16 and PSP 2018, 2019 and 2020. The weighted average exercise price is also impacted by this capital increase.

(**) Includes 955,755 free shares granted through "We Are Alstom 2021", 243,000 shares granted through Special PSP and 1,867,325 shares granted through PSP 2021.

VALUATION

	Plan n°16	PSP 2018	PSP 2019	PSP 2020	PSP 2021	PSP Special	We Are Alstom 2021
	Stock options	Performance shares	Performance shares	Performance shares	Performance shares	Performance shares	Free shares
Grant date	01/10/2013	13/03/2018	12/03/2019	10/03/2020	04/07/2021	04/07/2021	04/07/2021
Expected life *(in years)*	3.0	3.2	3.2	3.2	3.0	4.0	2.0
End of vesting period	30/09/2016	31/05/2021	31/05/2022	31/05/2023	04/07/2024	04/07/2025	04/07/2023
Adjusted exercise price(*) *(in €)*	21.24	n/a	n/a	n/a	n/a	n/a	n/a
Share price at grant date *(in €)*	26.33	34.19	37.75	42.82	35.60	41.01	42.01
Volatility	28%	20%	19%	17%	25%	23%	28%
Risk free interest rate	0.9%	-0.2%	-0.3%	-0.7%	-0.6%	-0.5%	-0.6%
Dividend yield *(in %)*	3.8%	1.5%	1.5%	1.5%	1.2%	1.2%	1.2%

(*) The exercise price corresponds to the average opening price of the shares during the twenty trading days preceding the day of which the options were granted by the Board (no discount or surcharge) and adjusted, where necessary, due to share buyback operation.

The option valuation method follows a Black & Scholes model for plan 16, Special PSP and We Are Alstom as well as Monte Carlo model for PSP 2018, PSP 2019, PSP 2020 and PSP 2021 with exercise of the stock options as well as performance shares anticipated and spread over the vesting period on a straight-line basis.

The volatility factor applied corresponds to Alstom's volatility quotation for all the plans.

The Group booked a total expense of €42.5 million for the year ended 31 March 2022 (to be compared to €10 million, for the year ended 31 March 2021).

The Board of Directors is committed, in the event of a major change in the Group's strategy or structure, or at the time of implementing new accounting standards to adapting these performance conditions to new issues highlighted for the coming years, both in their nature and in the levels of results to be achieved, while maintaining a high level of demand.

NOTE 31. EMPLOYEE BENEFIT EXPENSE AND HEADCOUNT

In the following figures, staff of joint-operations entities are integrated in fully, staff of joint-ventures and associates are not considered.

	Year ended	
(in € million)	At 31 March 2022	At 31 March 2021
Wages and salaries	3,949	2,342
Social charges	982	531
Post-employment and other long-term benefit expense (see Note 29)	269	167
Share-based payment expense (see Note 30)	42	10
TOTAL EMPLOYEE BENEFIT EXPENSE	**5,242**	**3,050**

	Year ended	
	At 31 March 2022	At 31 March 2021
Staff of consolidated companies at year end		
Managers, engineers and professionals	39,011	35,786
Other employees	35,084	35,906
HEADCOUNT	**74,095**	**71,692**

	Year ended	
	At 31 March 2022	At 31 March 2021(*)
Average staff of consolidated companies over the period		
Managers, engineers and professionals	36,808	23,799
Other employees	35,896	21,031
HEADCOUNT	**72,704**	**44,830**

(*) The average staff is calculated as a monthly weighted average including two month of Bombardier Transportation's staff.

J. CONTINGENT LIABILITIES AND DISPUTES

Commitments arising from execution of operations controlled by the Group

In the ordinary course of business, the Group is committed to fulfil various types of obligations arising from customer contracts (among which full performance and warranty obligations). Obligations may also arise from leases and regulations in respect of tax, custom duties, environment, health and safety. These obligations may or may not be guaranteed by bonds issued by banks or insurance companies.

As the Group is in a position to control the execution of these obligations, a liability only arises if an obligating event (such as a dispute or a late completion) has occurred and makes it likely that an outflow of resources will occur.

When the liability is considered as only possible but not probable or, when probable, cannot be reliably measured, it is disclosed as a contingent liability.

When the liability is considered as probable and can be reliably measured, the impact on the financial statements is the following:

- if the additional liability is directly related to the execution of a customer contract in progress, the estimated gross margin at completion of the contract is reassessed; the cumulated margin recognised to date based on the percentage of completion and the accrual for future contract loss, if any, are adjusted accordingly;
- if the additional liability is not directly related to a contract in progress, a liability is immediately recognised on the balance sheet.

The contractual obligations of subcontractors towards the Group are of the same nature as those of the Group towards its customers. They may be secured by the same type of guarantees as those provided to the Group's customers.

No contingent asset is disclosed when the likelihood of the obligation of the third party remains remote or possible. A contingent asset is disclosed only when the obligation becomes probable. Any additional income resulting from a third party obligation is taken into account only when it becomes virtually certain.

Commitments arising from execution of operations not wholly within the control of the Group

Obligations towards third parties may arise from on-going legal proceedings, credit guarantees covering the financial obligations of third parties in cases where the Group is the vendor, and indemnification guarantees issued in connection with disposals of business entities.

In case of legal proceedings, a contingent liability is disclosed when the liability is considered as only possible but not probable, or, when probable, cannot be reliably measured. In case of commitments arising from guarantees issued, contingent liabilities are disclosed as soon as guarantees have been delivered and as long as they have not matured.

A provision is recorded if the obligation is considered as probable and can be reliably measured. Contingent assets arising from legal proceedings or guarantees delivered by third parties are only disclosed when they become probable.

NOTE 32. CONTINGENT LIABILITIES

Commercial obligations

Contractual obligations of the Group towards its customers may be guaranteed by bank bonds or insurance bonds. Bank and insurance bonds may guarantee liabilities already recorded on the balance sheet as well as contingent liabilities.

To issue bonds the Group relies on both uncommitted bilateral lines in numerous countries and the CGFA. This bilateral line contains a change of control clause, which may result in the program being suspended, in the obligation to procure new bonds to replace outstanding bonds or to provide cash collateral, as well as early reimbursement of the other debts of the Group, as a result of their cross-default or cross-acceleration provisions.

In order to integrate Bombardier Transportation outstanding guarantees, Alstom Holdings has signed, on 26 November 2020, with 12 tier one banks, an Amendment and restatement of its Committed Guarantee Facility Agreement ("CGFA"), increasing the commitment from €3 billion to €9 billion, allowing issuance until 26 February 2024 of bonds with tenors up to seven years. At 31 March 2022, the available capacity of the CGFA is €2.8 billion.

At 31 March 2022, the total outstanding bonding guarantees related to contracts from continuing operations, issued by banks or insurance companies, amounted to €25.8 billion (€21.7 billion at 31 March 2021).

NOTE 33. DISPUTES

33.1. Disputes in the Group's ordinary course of business

The Group is engaged in several legal proceedings, mostly contract-related disputes that have arisen in the ordinary course of business. These disputes, often involving claims for contract delays or additional work, are common in the areas in which the Group operates, particularly for large long-term projects. In some cases, the amounts, which may be significant, are claimed against the Group, sometimes jointly with its consortium partners.

In some proceedings the amount claimed is not specified at the beginning of the proceedings. Amounts retained in respect of these litigations are taken into account in the estimate of margin at completion in case of contracts in progress or included in provisions and other current liabilities in case of completed contracts when considered as reliable estimates of probable liabilities. Actual costs incurred may exceed the amount of initial estimates because of a number of factors including the inherent uncertainties of the outcome of litigation.

33.2. Other Disputes

Asbestos

Some of the Group's subsidiaries are subject to civil proceedings in relation to the use of asbestos in France essentially as well as in Spain, in the United Kingdom and in the United States. In France, these proceedings are initiated by certain employees or former employees suffering from an occupational disease in relation to asbestos with the aim of obtaining a court decision allowing them to obtain a supplementary compensation from the French Social Security funds. In addition, employees and former employees of the Group not suffering from an asbestos related occupational disease have started lawsuits before the French courts with the aim of obtaining compensation for damages in relation to their alleged exposure to asbestos, including the specific anxiety damage.

The Group believes that the cases where it may be required to bear the financial consequences of such proceedings do not represent a material exposure. While the outcome of the existing asbestos-related cases cannot be predicted with reasonable certainty, the Group believes that these cases would not have any material adverse effect on its financial condition.

Alleged anti-competitive activities

Brazil

In July 2013, the Brazilian Competition Authority ("CADE") raided a number of companies involved in transportation activities in Brazil, including the subsidiaries of Alstom and Bombardier Transportation, following allegations of anti-competitive practices. After a preliminary investigation stage, CADE notified in March 2014 the opening of an administrative procedure against several companies, of which the Alstom's and Bombardier Transportation's subsidiaries in Brazil, and certain current and former employees of the Group.

CADE ruled in July 2019 a financial fine of BRL 133 million (approximately €25 million) on Alstom's subsidiary in Brazil as well as a ban to participate in public procurement bids in Brazil conducted by the Federal, State, and Municipal Public Administration over a period of 5 years. In parallel, CADE applied a financial penalty of BRL 23 million (approximately €4 million) on Bombardier Transportation's subsidiary in Brazil (there is no ban to participate in public procurement bids in Brazil).

In September and December 2020, both Alstom and Bombardier Transportation's subsidiaries in Brazil filed a civil lawsuit before the Brasilia civil court aiming at suspending and ultimately cancelling the July 2019 ruling. Both subsidiaries obtained an injunction to suspend the effects of the administrative ruling until a final judgment is issued on the merits.

The public prosecutor of the State of Sao Paulo launched in May 2014 a civil action against the Group's subsidiaries in Brazil, along with a number of other companies, for a total amount asserted against all companies of BRL 2.5 billion (approximately €472 million) excluding interests and possible damages in connection with a transportation project.

In December 2014, the public prosecutor of the State of Sao Paulo also initiated a lawsuit against Alstom's subsidiaries in Brazil, along with a number of other companies (including now Bombardier Transportation's local subsidiary) related to alleged anti-competitive practices regarding the first phase of a train maintenance project, and in the last quarter of 2016, regarding a second phase of the said maintenance project.

The Group's subsidiaries are actively defending themselves against these two actions.

In case of proven illicit practices, possible sanctions can include the cancellation of the relevant contracts, the payment of damage compensation, the payment of punitive damages and/or the dissolution of the Brazilian subsidiaries involved.

Italy

On 23 June 2020, a series of searches and arrests have been carried out by the Milan police under instructions of the Milan Prosecution Office as part of a preliminary investigation into alleged bribes and bid-rigging in connection with public tenders for Azienda Transporte Milanesi ("ATM"), the municipal public transport company and operator of the Milan Subway. The investigation concerns at least seven companies and 28 individuals, including three current employees and one former employee of Alstom Ferroviaria S.p.A (the "Alstom Italy employees").

The Prosecution Office alleges that the Alstom Italy employees engaged in bid-rigging under Article 353 of the Italian Criminal Code, including colluding with an employee of ATM, to obtain confidential technical information in order to secure an undue advantage in the tender process for a 2019 contract for the Milan subway. Alstom did not ultimately submit a bid in respect of this contract.

Alstom Ferroviaria S.p.A. is also subject to investigation regarding alleged violation of Legislative Decree No. 231/2001 ("Decree 231/2001") for not having implemented (or not having efficiently applied) a system of control capable to avoid the commission by its employees of corruption. A company may only be held liable under Decree 231 if the criminal misconduct of its employees is established. In such a case, a company may seek to defend itself from corporate liability under Decree 231/2001 by showing that it had adopted and effectively implemented an organizational model (known as a "Modello") to prevent misconduct and established an independent supervisory body (known as an "organismo di vigilenza") to oversee compliance with the *Modello*. Alstom Ferroviaria S.p.A. has adopted a *Modello* and has established an "organismo di vigilenza".

Alstom is conducting an internal investigation into the allegations discussed above in coordination with external counsel and has taken certain interim measures in response to the allegations of the Prosecution Office, in particular by suspending one of its employees of Alstom Ferroviaria S.p.A. The preliminary investigation by the Prosecution Office has now been completed and the Prosecution Office will decide whether to request a dismissal or to request an indictment.

Spain

The Spanish Competition Authority ("CNMC") opened a formal procedure end of August 2018 in connection with alleged irregularities in public tenders with the Spanish Railway Infrastructures Administrator ("ADIF") against eight competing companies active in the Spanish signaling market including Bombardier European Investments, S.L.U (BEI) and its parent company Bombardier Transportation (Global Holding) UK Limited, and Alstom Transporte SA and its parent Alstom SA. The inclusion of the parent company is typical of European competition authorities at the early stage of the proceedings. No Alstom or Bombardier managers were included in the file. In September 2020, the companies obtained access to the Statement of Objections in which the CNMC discloses the evidence gathered against the various participants in the alleged cartel in the Spanish signaling market. Both Alstom and Bombardier have submitted their defense paper rejecting all of CNMC allegations on the basis of absence of evidence. The Sub-directorate of the CNMC submitted a Proposed Resolution end of March 2021 which both Alstom and Bombardier rejected. Both companies submitted their defence to the Council of the CNMC.

The Council of the CNMC ruled in September 2021 a financial fine of €22 million and €3.7 million on Alstom's subsidiary and Bombardier Transportation's subsidiary in Spain respectively. The Council also ruled a ban to participate in public procurement bids in Spain. The scope and duration of the ban to participate in public procurement both for Alstom's and Bombardier Transportation's subsidiaries in Spain remain to be set by the State Public Procurement Advisory Board (*Junta Consultiva de Contratación Pública del Estado*).

On 29 November and 7 December 2021 Alstom's subsidiary and Bombardier Transportation's subsidiary in Spain respectively lodged an appeal against this ruling of the Council of the CNMC before the National High Court ("*Audiencia Nacional*"). The Group believes that the grounds of appeal are solid.

In parallel to these appeals, Alstom's and Bombardier Transportation's subsidiaries in Spain have respectively requested to the National High Court, as an interim measure, to suspend the implementation of the Council ruling regarding (i) the payment of the financial fine and (ii) the prohibition to tender in public procurement bids in Spain. On the 1 and on the 14 February 2022 respectively, the National High Court accepted both requests for interim measures and granted such suspension.

Pending investigations which relate to Bombardier Transportation

The matters described in this section relate to historical conduct involving Bombardier Transportation that occurred prior to Alstom's acquisition.

Bombardier Transportation is the subject of an audit of the World Bank Integrity Vice Presidency and participating in several investigations relating to allegations of corruption including by the Swedish Prosecution authority, the Special Investigation Unit (SIU) and National Prosecuting Authority (NPA) in South Africa and the DOJ.

With respect to these above-mentioned matters, Alstom and/or Bombardier Inc. are cooperating with the concerned authorities or institutions. These investigations or procedures may result in criminal sanctions, including fines which may be significant, exclusion of Group's subsidiaries from tenders and third-party actions. In this context, Alstom has obtained a number of contractual protections in the acquisition of Bombardier Transportation to mitigate potential risks.

The matter under investigation by the Swedish authorities, the World Bank and the US Department of Justice (DOJ) (cf. details below) is in relation to a 2013 contract for the supply of equipment and services to Azerbaijan Railways in the amount of approximately $340 million (principally financed by the World Bank) awarded to a bidding consortium composed of Bombardier Transportation's Sweden's subsidiary (BT Sweden), a Russian Bombardier Transportation affiliate (with third party shareholders) and a third party (the "ADY Contract"). Ownership of the affiliate was subsequently transferred to an entity well established in the Russian and CIS market with which BT Sweden had a historical relationship, and an affiliate of which had been added post-bid approval as a project sub-contractor. There remains uncertainty as to the services provided by these entities in return for some of the payments they received.

Sweden

The Swedish authorities commenced an investigation in relation to the ADY Contract in 2016, and in 2017 filed charges against the former Head of Sales, North Region, RCS, BT Sweden (the "former BTS employee") for aggravated bribery, and alternatively, influence trafficking. The authorities alleged that the former BTS employee had contacts and correspondence with a representative of the third-party member of the consortium who was also employed by Azerbaijan railways during the bidding period with a view towards illicitly influencing the outcome of the tender.

After a trial the former BTS employee was acquitted on both counts in 2017. The authorities appealed the decision and as of today only the aggravated bribery charge is pending. Although no charges have been filed against BT Sweden to date, the Swedish authorities are investigating other former BT Sweden employees and made mutual legal assistance treaty requests to authorities in numerous jurisdictions. The Swedish authorities recently concluded investigations on another former BT Sweden employee and filed charges. In December 2021, the Swedish Court issued a decision acquitting the former BTS employee. The authorities appealed such decision, and the matter is pending.

World Bank

The World Bank audited the ADY Contract and in 2018 the World Bank's Integrity Vice Presidency ("INT") issued a strictly confidential show cause letter which was leaked. The letter outlines INT's position regarding alleged collusion, corruption and fraud in the ADY Contract and obstruction of the INT's investigation. The audit could result in some form of debarment of Bombardier Transportation and BT Sweden from bidding on contracts financed by the World Bank for a number of years.

US Department of Justice – DOJ

On 10 February 2020, the DOJ notified Bombardier that it had opened an investigation. The DOJ has made information requests since March 2020 to Bombardier Inc. regarding the ADY Contract and may be doing so in the near term in relation to other projects in CIS countries. The DOJ has also made information requests regarding contracts with Transnet (cf. below South Africa and Project related litigation – South Africa) and a Bombardier Transportation South Africa signaling contract with the Passenger Rail Agency of South Africa (PRASA).

South Africa

Bombardier Transportation South Africa's contract to supply locomotives to Transnet Freight Rail is one of the matters among numerous other matters under investigation by the judicial commission of inquiry into allegations of State Capture (the "Zondo Commission"), by the Special Investigation Unit in South Africa ("SIU"), and by the National Prosecuting Authority ("NPA").

Project execution related litigation

CR-1 Marmaray railway infrastructure – Turkey

In March 2007, the Turkish Ministry of Transport (DLH) awarded the contract to upgrade approximately 75 km of railway infrastructure in the Istanbul region, known as the "Marmaray Commuter Rail Project (CR-1)" to the consortium Alstom Dogus Marubeni (AMD), of which Alstom Transport's main French subsidiary is a member. This project, which included works on the transcontinental railway tunnel under the Bosphorus, has undergone significant delays mainly due to difficulties for the DLH to make the construction site available. Thus, the AMD consortium terminated the contract in 2010. This termination was challenged by DLH, who thereafter called the bank guarantees issued by the consortium up to an amount of approximately €80 million. Following injunctions, the payment of such bank guarantees was forbidden, and the AMD consortium immediately initiated an arbitration procedure to resolve the substantive issues. The arbitral tribunal has decided in December 2014 that the contract stands as terminated by virtue of Turkish law and has authorized the parties to submit their claims for compensation of the damages arising from such termination.

The set off of the various amounts awarded by the tribunal to both parties after more than ten years of proceedings resulted, in a net amount, after set-off, of €27.4 million payable by the AMD consortium to DLH. AMD partners paid their respective proportionate share to the Ministry (Alstom share being €8.5 million) during the summer of 2021. Bonds were released and the case is therefore closed subject to the process of release of counter-guarantees respectively issued by AMD's partners which is ongoing.

On the other hand, through arbitration request notified on 29 September 2015, Marubeni Corporation launched proceedings against Alstom Transport SA taken as consortium leader in order to be compensated for the consequences of the termination of the contract with AMD. In a similar fashion, through arbitration request issued on 15 March 2016, the other consortium member Dogus launched proceedings against Alstom Transport SA with similar demands and a request to have the disputes between consortium members consolidated in a single case. Alstom Transport SA is rejecting these compensation requests and is defending itself in these proceedings between consortium members which, while having gone through a consolidation in a single case, have however been suspended by the arbitral tribunal pending the outcome of the main arbitral proceedings between AMD and DLH. In October 2018, Dogus applied for interim measures to clarify certain aspects of the consortium agreement and this request was rejected by the arbitral tribunal on account of the suspension. In January 2021, Dogus filed an application to resume arbitration proceedings while Alstom filed a successful application seeking an order of payment according to partners' net proportionate shares (see above). In accordance with the timetable defined by the case management team, Dogus and Marubeni filed their respective statements of claims on 30 September 2021 and Alstom submitted its defense and counterclaims on 14 February 2022. The hearing is scheduled to start in March 2023.

Regional Minuetto trains & high-speed Pendolino trains – Italy

Alstom Transport's subsidiary in Italy is involved in two litigation proceedings with the Italian railway company Trenitalia. One is related to a supply contract of regional Minuetto trains awarded in 2001 (the "Minuetto case"), and the other to a supply contract of high-speed Pendolino trains awarded in 2004 (the "Pendolino case"). Each of these contracts has undergone technical issues and delays leading the Trenitalia company to apply delay and technical penalties and, consequently, to withhold payments. Since the parties dispute certain technical matters as well as the causes and responsibilities of the delays, the matter was brought before Italian courts in 2010 and 2011 respectively. In the Minuetto case on 26 June 2019, the Court of Cuneo issued its decision, which Alstom after careful and detailed analysis considered to be wrong for various legal reasons. On 24 January 2020 Alstom appealed, and on 12 May 2020 Trenitalia counter appealed, the decision before the Court of Appeal of Turin. Proceedings took place and on 24 December 2021 Alstom received the Court of Appeal's decision. The Court of Appeal notably (i) rejected Alstom's request to order supplementary technical expertise and (ii) did not recognize Alstom's economic dependence vis-à-vis Treinitalia, which led consequently to the rejection of Alstom's request to have the penalties clause declared null, as opposed to the first-degree decision. However, the Court of Appeal confirmed the first-degree decision regarding (i) the amount of the penalties due to Trenitalia and (ii) the fact that Trenitalia could not obtain the corresponding payment based on procedural grounds. Alstom is currently assessing the grounds for a possible appeal of such decision by filling a recourse (before July 2022) to the Supreme Court.

In the Pendolino case, the technical expertise report was released, and Alstom has obtained certain corrections following its challenge on some of the conclusions of the report. After the closing of the expertise phase the proceedings continued their path on the legal aspects of the dispute. The tribunal rendered in March 2019 a decision acknowledging that a significant part of the delays was not attributable to Alstom and therefore reduced a large portion of the delay damages claimed by Trenitalia. The tribunal also rejected the reliability penalties claimed by Trenitalia while accepting certain of its residual damage compensation requests. Finally, the tribunal accepted Alstom's claims linked to contract price adjustment formula while rejecting some of its other cost compensation claims. Alstom appealed the decision on 7 October 2019. On 15 January 2020 Trenitalia filed its defense and counter-appeal. After postponement of the initial date the Court of Appeal of Rome fixed the first hearing to 30 September 2022.

Saturno – Italy

Following a dispute within a consortium involving Alstom's subsidiary in Italy and three other Italian companies, the arbitral tribunal constituted to resolve the matter has rendered in August 2016 a decision against Alstom by awarding €22 million of damage compensation to the other consortium members. Alstom's subsidiary strongly contests this decision and considers that it should be able to avoid its enforcement and thus prevent any damage compensation payment. On 30 November 2016, Alstom's subsidiary filed a motion in the Court of Appeals of Milan to obtain the cancellation of the arbitral award. On 1 December 2016, Alstom's subsidiary filed an ex parte motion for injunctive relief to obtain the suspension of the arbitral award pending the outcome of the appeal proceedings, which was temporarily accepted by the Court. After a phase of hearings in contradictory proceedings on the request for suspension of the arbitral award, the Court of Appeal of Milan decided on 3 March 2017 in favor of Alstom's subsidiary by confirming definitively the suspension of this arbitration decision pending the outcome of the proceedings relating to the cancellation of such decision. The Court of Appeal of Milan ruled on the merits in March 2019 in favour of the Alstom's subsidiary and cancelled the arbitration award of August 2016 including the €22 million of damage compensation. The members of the consortium (excluding Alstom) appealed the decision of the Court of Appeal of Milan on 19 October 2019. On 27 November 2019 Alstom filed its defense and counter-appeal. The parties are still waiting for a decision on the admissibility of the recourse, to be given by the so-called "Filter section" of the Court of Cassation.

South-Africa

On 17 March 2014, Bombardier Transportation South Africa (BTSA) entered into a locomotive supply agreement with Transnet for the supply of 240 electric locomotives (LSA). The LSA is part of Transnet's 1064 locomotive project concluded between Transnet and four Original Equipment Manufacturers including BTSA.

On 9 March 2021, Transnet and the Special Investigating Unit (SIU), alleging unlawfulness and irregularities in the procurement process and subsequent award of the 1064 locomotive project, launched review application proceedings in the High Court of South Africa (High Court) for, amongst other things, the review and setting aside of the respective LSA's concluded with the four Original Equipment Manufacturers including BTSA. The relief sought by Transnet as it relates to BTSA includes: (i) the review and setting aside of the LSA concluded between BTSA and Transnet on 17 March 2014; (ii) that Transnet be entitled to retain the locomotives delivered by BTSA; and (iii) that BTSA be ordered to make restitution to Transnet of the advance payments and profit and/or excess profit earned in the supply of the locomotives.

On 13 April 2021, the court case team ordered Transnet to provide a properly constituted record of decision (ROD), the ROD being a critical element of Transnet's review application, following the four Original Equipment Manufacturers respective complaints addressing the incompleteness of such ROD filed by Transnet. On 17 July 2021 Transnet submitted a revised ROD to the High Court the completeness of which was again challenged by Alstom (BTSA) end of August 2021.

In parallel, on 2 September 2021 two of the Original Equipment Manufacturers filed an interlocutory motion to dismiss in its entirety the review application, such motion being based on Transnet's and SIU's respective failure to bring such review application in due course. This interlocutory motion has been challenged by Transnet requesting the High Court, *via* an interlocutory application filed on 15 December 2021, to set it aside. The High Court dismissed the two Original Equipment Manufacturers' interlocutory motion on 12 April 2022. No date for the submission of defense affidavits has been defined yet.

These proceedings are at an early stage and the Group is unable, at this stage, to predict their consequences. These matters are also a subject of the investigation by the DOJ, Zondo Commission and the NPA as referenced above.

Sale of Alstom's Energy Businesses in November 2015

Finally, it shall be noted that, by taking over Alstom's Energy Businesses in November 2015, General Electric undertook to assume all risks and liabilities exclusively or predominantly associated with said businesses and in a symmetrical way, Alstom undertook to keep all risks and liabilities associated with the non-transferred business. Cross-indemnification for a duration of 30 years and asset reallocation ("wrong pocket") mechanisms have been established to ensure that, on the one hand, assets and liabilities associated with the Energy businesses being sold are indeed transferred to General Electric and on the other hand, assets and liabilities not associated with such businesses are borne by Alstom. As a result, the consequences of litigation matters that were on-going at the time of the sale and associated with these transferred activities are taken over by General Electric. Indemnity provisions protect Alstom in case of third-party claims directed at Alstom and relating to the transferred activities. For this reason and since Alstom no longer manages these litigation matters, Alstom is ceasing to include them in this section.

There are no other governmental, legal or arbitration procedures, including proceedings of which the Group is aware, and which are pending or threatening, which might have, or have had during the last twelve months, a significant impact on the financial situation or profitability of the Group.

K. OTHER NOTES

NOTE 34. INDEPENDENT AUDITORS' FEES

Fees due to Auditors and members of their networks in respect of years ended 31 March 2022 and 31 March 2021 were as follows:

	Year ended at 31 March 2022				Year ended at 31 March 2021			
	Mazars		PricewaterhouseCoopers		Mazars		PricewaterhouseCoopers	
(in € million)	Amount	%	Amount	%	Amount	%	Amount	%
Independent Auditors' diligence, certification, review of individual and consolidated accounts	**5.0**	**85%**	**5.3**	**78%**	**5.3**	**78%**	**5.3**	**35%**
Alstom SA	*0.8*	*14%*	*0.9*	*13%*	*2.9*	*43%*	*3.0*	*20%*
Controlled entities	*4.2*	*71%*	*4.4*	*65%*	*2.4*	*35%*	*2.3*	*15%*
Services other than audit of statutory and consolidated financial statements (SACC)(*)	**0.9**	**15%**	**1.5**	**22%**	**1.5**	**22%**	**9.8**	**65%**
TOTAL	**5.9**	**100%**	**6.8**	**100%**	**6.8**	**100%**	**15.1**	**100%**

(*) Other services mainly include services rendered in connection with the acquisition project of Bombardier Transportation, as well as agreed-upon procedures, other acquisition due diligences, technical consultations on accounting, tax and regulatory matters.

NOTE 35. RELATED PARTIES

The Group has identified the following related parties:

- shareholders of the Group;
- associates and joint ventures;
- key management personnel;
- Board members.

35.1. Shareholders of the Group

The main shareholders of Alstom are:

- the "Caisse de Dépôt et Placement du Québec" (CDPQ), a major Canadian pension fund, holding 17.51% of Alstom's share capital;
- Bouygues, a French company listed on Paris stock market, holding 0.16% of Alstom's share capital.

CDPQ Infra, a subsidiary of CDPQ, and Alstom are involved in "construction contracts" which are part of the ordinary course of business.

Bouygues and Alstom are involved in various contracts which are part of the ordinary course of business (*e.g.* phone contracts, facility management contracts, "construction contracts").

For both, these relations are subject to normal market terms and conditions. Those operating flows are not material at Group's level.

35.2. Associates & joint ventures

Related party transactions are also transactions with companies over which Alstom exercises significant influence or joint ventures over which Alstom exercises joint control. Those transactions with related parties are undertaken at market prices and are considered as not material regarding the overall operational flows (sales and purchases) and the balance sheet positions of the Group (trade receivables and payables).

35.3. Key management personnel

The Group considers that key management personnel as defined by IAS 24 are the members of the Leadership Team.

	Year ended	
(in € thousand)	At 31 March 2022	At 31 March 2021
Short-term benefits	**22,086**	**9,245**
Fixed gross salaries	8,494	5,325
Variable gross salaries	5,288	2,633
Exceptional amounts(*)	8,304	1,287
Post-employment benefits	**3,271**	**2,069**
Post-employment defined benefit plans	588	5
Post-employment defined contribution plans(**)	2,603	1,992
Other post-employment benefits	80	72
Other benefits	**7,858**	**5,368**
Non monetary benefits	2,447	1,183
Employer social contributions	5,411	4,185
Share-based payments	**6,439**	**3,788**
TOTAL	**39,653**	**20,470**

(*) Including non-recurring and exceptional amounts paid to some executives in the context of the acquisition of Bombardier Transportation.
(**) Including amount paid for CEO under Article 82 DC plan for 2021-22 corresponding to 1/3 of compensation set following loss of rights after closure of Article 39 DB plan.

35.4. Board Members

There is no transaction with Board members.

NOTE 36. SUBSEQUENT EVENTS

On 25 April 2022, Alstom signed the Share Purchase Agreement with CAF (Construcciones y Auxiliar de Ferrocarriles) for the divestment of its Coradia™ Polyvalent platform, its Reichshoffen production site in France and its Talent™ 3 platform.

NOTE 37. SCOPE OF CONSOLIDATION

	Country	Ownership %	Consolidation Method
Parent Company			
ALSTOM SA	France	-	Parent Company
Companies			
ALSTOM Algérie "Société par Actions"	Algeria	100	Full consolidation
ALSTOM Grid Algérie SPA	Algeria	100	Full consolidation
ALSTOM Argentina S.A.	Argentina	100	Full consolidation
Bombardier Transportation Rail Argentina S.A.	Argentina	100	Full consolidation
ALSTOM Transport Australia Holdings Pty Limited	Australia	100	Full consolidation
ALSTOM Transport Australia Pty Limited	Australia	100	Full consolidation
Bombardier Transportation (Customer Support) Australia Pty Ltd	Australia	100	Full consolidation
Bombardier Transportation (V/Line) Australia Pty Ltd	Australia	100	Full consolidation
Bombardier Transportation Australia Pty Ltd	Australia	100	Full consolidation
NOMAD DIGITAL PTY LTD	Australia	100	Full consolidation
ALSTOM Transport Austria GmbH	Austria	100	Full consolidation
ALSTOM Transport Azerbaijan LLC	Azerbaijan	100	Full consolidation
ALSTOM Belgium SA	Belgium	100	Full consolidation
Bombardier Transportation Belgium NV	Belgium	100	Full consolidation
CABLIANCE BELGIUM	Belgium	100	Full consolidation
NOMAD DIGITAL BELGIUM	Belgium	100	Full consolidation
ALSTOM Brasil Energia e Transporte Ltda	Brazil	100	Full consolidation
Bombardier Transportation Brasil Ltda.	Brazil	100	Full consolidation
ETE – EQUIPAMENTOS DE TRACAO ELETRICA LTDA	Brazil	100	Full consolidation
Bombardier Transportation Bulgaria LLC	Bulgaria	100	Full consolidation
ALSTOM Transport Canada Inc.	Canada	100	Full consolidation
Bombardier TransEd GP Inc.	Canada	100	Full consolidation
Bombardier TransEd GP Manitoba Inc.	Canada	100	Full consolidation
Bombardier TransEd Holdings LP	Canada	100	Full consolidation
Bombardier Transportation (Capital) Canada Inc.	Canada	100	Full consolidation
Bombardier Transportation Canada Inc.	Canada	100	Full consolidation
Bombardier Transportation Canada Participation Inc.	Canada	100	Full consolidation
Bombardier Western Pacific Enterprises Electrical Installation General Partnership	Canada	51	Full consolidation
ALSTOM Chile S.A.	Chile	100	Full consolidation
Bombardier Transportation (Chile) S.A.	Chile	100	Full consolidation
ALSTOM Hong Kong Ltd	China	100	Full consolidation
ALSTOM Investment Company Limited	China	100	Full consolidation
ALSTOM Qingdao Railway Equipment Co Ltd	China	51	Full consolidation
Bombardier Investment Management and Consulting (Beijing) Co., Limited	China	100	Full consolidation
Bombardier Railway Transportation Equipment (Shanghai) Co., Ltd.	China	100	Full consolidation
Bombardier Transportation (ENGINEERING SERVICE) BEIJING CO., LTD.	China	100	Full consolidation
Bombardier Transportation China Ltd.	China	100	Full consolidation
Bombardier Transportation Consulting (Shanghai) Co., Ltd.	China	100	Full consolidation
Bombardier Transportation Railway Equipment (Qingdao) Co., Ltd	China	100	Full consolidation
Chengdu ALSTOM Transport Electrical Equipment Co., Ltd.	China	60	Full consolidation
SHANGHAI ALSTOM Transport Electrical Equipment Company Ltd	China	60	Full consolidation
TRANSLOHR INDUSTRIAL (TIANJIN) CO. LTD	China	100	Full consolidation

	Country	Ownership %	Consolidation Method
XI'AN ALSTOM YONGJI ELECTRIC EQUIPMENT CO., LTD	China	51	Full consolidation
Bombardier Transportation Colombia, SAS	Colombia	100	Full consolidation
ALSTOM Czech Republic a.s.	Czech Republic	98	Full consolidation
ALSTOM Transport Danmark A/S	Denmark	100	Full consolidation
ALSTOM Transport Danmark NT Maintenance ApS	Denmark	100	Full consolidation
Bombardier Transportation Denmark A/S	Denmark	100	Full consolidation
NOMAD DIGITAL (DENMARK) APS	Denmark	100	Full consolidation
NOMAD DIGITAL APS	Denmark	100	Full consolidation
ALSTOM Egypt for Transport Projects SAE	Egypt	99	Full consolidation
AREVA INTERNATIONAL EGYPT FOR ELECTRICITY TRANSMISSION & DISTRIBUTION	Egypt	100	Full consolidation
Bombardier Transportation Egypt, LLC	Egypt	100	Full consolidation
Bombardier Transportation Ethiopia PLC	Ethiopia	100	Full consolidation
ALSTOM Transport Finland Oy	Finland	100	Full consolidation
Bombardier Transportation Finland Oy	Finland	100	Full consolidation
ALSTOM APTIS	France	100	Full consolidation
ALSTOM CL Brake SAS	France	100	Full consolidation
ALSTOM Crespin SAS	France	100	Full consolidation
ALSTOM Executive Management	France	100	Full consolidation
ALSTOM Flertex SAS	France	100	Full consolidation
ALSTOM Flertex Sinter SAS	France	100	Full consolidation
ALSTOM Holdings	France	100	Full consolidation
ALSTOM Hydrogène SAS	France	100	Full consolidation
ALSTOM IBRE	France	100	Full consolidation
ALSTOM Kleber Sixteen	France	100	Full consolidation
ALSTOM Leroux Naval	France	100	Full consolidation
ALSTOM Network Transport	France	100	Full consolidation
ALSTOM Omega 1	France	100	Full consolidation
ALSTOM Omega 2	France	100	Full consolidation
ALSTOM Percy	France	100	Full consolidation
ALSTOM SHIPWORKS	France	100	Full consolidation
ALSTOM Transport SA	France	100	Full consolidation
CENTRE D'ESSAIS FERROVIAIRES	France	96	Full consolidation
ÉTOILE KLEBER	France	100	Full consolidation
INTERINFRA (COMPAGNIE INTERNATIONALE POUR LE DÉVELOPPEMENT D'INFRASTRUCTURES)	France	50	Full consolidation
LORELEC	France	100	Full consolidation
NEWTL	France	100	Full consolidation
NOMAD DIGITAL France	France	100	Full consolidation
NTL HOLDING	France	100	Full consolidation
StationOne	France	100	Full consolidation
ALSTOM Lokomotiven Service GmbH	Germany	100	Full consolidation
ALSTOM Participations Germany GmbH	Germany	100	Full consolidation
ALSTOM Signal GmbH	Germany	100	Full consolidation
ALSTOM Transport Deutschland GmbH	Germany	100	Full consolidation
Bombardier Transportation (Bahntechnologie) Holding Germany GmbH	Germany	100	Full consolidation
Bombardier Transportation (Propulsion & Controls) Germany GmbH	Germany	100	Full consolidation
Bombardier Transportation GmbH	Germany	100	Full consolidation
InoSig GmbH	Germany	100	Full consolidation

	Country	Ownership %	Consolidation Method
NOMAD DIGITAL GMBH	Germany	100	Full consolidation
VGT VORBEREITUNGSGESELLSCHAFT TRANSPORTTECHNIK GMBH	Germany	100	Full consolidation
J&P AVAX SA – ETETH SA – ALSTOM TRANSPORT SA	Greece	34	Full consolidation
ALSTOM Transport Hungary Zrt.	Hungary	100	Full consolidation
Bombardier Transportation Hungary Kft.	Hungary	100	Full consolidation
ALSTOM Manufacturing India Private Limited	India	100	Full consolidation
ALSTOM Systems India Private Limited	India	100	Full consolidation
ALSTOM Transport India Limited	India	100	Full consolidation
Bombardier Transportation India Private Limited	India	100	Full consolidation
MADHEPURA ELECTRIC LOCOMOTIVE PRIVATE LIMITED	India	74	Full consolidation
NOMAD DIGITAL (INDIA) PRIVATE LIMITED	India	70	Full consolidation
TWENTY ONE NET (INDIA) PRIVATE LTD	India	100	Full consolidation
PT ALSTOM Transport Indonesia	Indonesia	67	Full consolidation
ALSTOM Khadamat S.A.	Iran	100	Full consolidation
ALSTOM Transport Ireland Ltd	Ireland	100	Full consolidation
Bombardier Transportation Israel Ltd.	Israel	100	Full consolidation
CITADIS ISRAEL LTD	Israel	100	Full consolidation
ALSTOM Ferroviaria S.p.A.	Italy	100	Full consolidation
ALSTOM Services Italia S.p.A.	Italy	100	Full consolidation
Bombardier Transportation Italy S.p.A.	Italy	100	Full consolidation
NOMAD DIGITAL ITALIA S.R.L.	Italy	100	Full consolidation
ALSTOM Kazakhstan LLP	Kazakhstan	100	Full consolidation
EKZ Service Limited Liability Partnership	Kazakhstan	100	Full consolidation
ELECTROVOZ KURASTYRU ZAUYTY LLP	Kazakhstan	100	Full consolidation
Bombardier Transportation Baltics SIA	Latvia	100	Full consolidation
Bombardier Transportation Financial Services S.à r.l.	Luxembourg	100	Full consolidation
Bombardier Transportation Luxembourg Capital S.à r.l.	Luxembourg	100	Full consolidation
Bombardier Transportation Luxembourg Finance S.A.	Luxembourg	100	Full consolidation
Bombardier Transportation Luxembourg Investments S.A.	Luxembourg	100	Full consolidation
ALSTOM Transport (Malaysia) Sdn Bhd	Malaysia	100	Full consolidation
Bombardier (Malaysia) Sdn. Bhd.	Malaysia	100	Full consolidation
Bombardier (Mauritius) Ltd.	Mauritius	100	Full consolidation
Bombardier Holding (Mauritius) Ltd.	Mauritius	100	Full consolidation
ALSTOM Transport Mexico, S.A. de C.V.	Mexico	100	Full consolidation
Bombardier Transportation Mexico, S.A. de C.V.	Mexico	100	Full consolidation
BT Ensambles México, S. de R.L. de C.V.	Mexico	100	Full consolidation
BT México Controladora , S. de R.L. de C.V.	Mexico	100	Full consolidation
BT Personal México, S. de R.L. de C.V.	Mexico	100	Full consolidation
ALSTOM CABLIANCE	Morocco	100	Full consolidation
ALSTOM Transport Maroc SA	Morocco	100	Full consolidation
Bombardier Transport Maroc S.A.S	Morocco	100	Full consolidation
ALSTOM Fleet Services B.V.	Netherlands	100	Full consolidation
ALSTOM Transport B.V.	Netherlands	100	Full consolidation
ALSTOM Transport Holdings B.V.	Netherlands	100	Full consolidation
ALSTOM Vastgoed B.V.	Netherlands	100	Full consolidation
Bombardier Holdings Netherlands B.V.	Netherlands	100	Full consolidation
Bombardier Transportation (Participations) Netherlands B.V.	Netherlands	100	Full consolidation
Bombardier Transportation Global Holding SE	Netherlands	100	Full consolidation

	Country	Ownership %	Consolidation Method
Bombardier Transportation Netherlands B.V.	Netherlands	100	Full consolidation
NOMAD DIGITAL B.V.	Netherlands	100	Full consolidation
AT NIGERIA LIMITED	Nigeria	100	Full consolidation
ALSTOM Enio ANS	Norway	100	Full consolidation
ALSTOM Transport Norway AS	Norway	100	Full consolidation
Bombardier Transportation Norway AS	Norway	100	Full consolidation
ALSTOM Panama, S.A.	Panama	100	Full consolidation
ALSTOM Transport Peru S.A.	Peru	100	Full consolidation
ALSTOM Transport Construction Philippines, Inc	Philippines	100	Full consolidation
Bombardier Transportation (Shared Services) Philippines, Inc.	Philippines	100	Full consolidation
Bombardier Transportation Philippines, Inc.	Philippines	100	Full consolidation
ALSTOM Konstal Spolka Akcyjna	Poland	100	Full consolidation
ALSTOM Pojazdy Szynowe Sp. z o.o.	Poland	100	Full consolidation
ALSTOM ZWUS sp. z o.o.	Poland	100	Full consolidation
ALSTOM Transporte Portugal Unipessoal Lda	Portugal	100	Full consolidation
Bombardier Transportation Portugal, S.A.	Portugal	100	Full consolidation
NOMAD TECH, LDA.	Portugal	51	Full consolidation
ALSTOM Transport SA (Romania)	Romania	93	Full consolidation
Bombardier Transportation Shared Services Romania S.R.L.	Romania	100	Full consolidation
ALSTOM Transport Rus LLC	Russian Federation	100	Full consolidation
Limited Liability Company Bombardier Transportation (Rus)	Russian Federation	100	Full consolidation
Bombardier Saudi Arabia Ltd.	Saudi Arabia	100	Full consolidation
ALSTOM Transport (S) Pte Ltd	Singapore	100	Full consolidation
Bombardier (Singapore) Pte. Ltd.	Singapore	100	Full consolidation
Bombardier Transportation (Holdings) Singapore Pte Ltd	Singapore	100	Full consolidation
ALSTOM Southern Africa Holdings (Pty) Ltd	South Africa	100	Full consolidation
ALSTOM Transport Holdings SA (Pty) Ltd	South Africa	100	Full consolidation
ALSTOM Ubunye (Pty) Ltd	South Africa	100	Full consolidation
Bombardier Transportation (Rolling Stock) South Africa Proprietary Limited (RF)	South Africa	100	Full consolidation
Bombardier Transportation South Africa (Pty.) Ltd.	South Africa	74	Full consolidation
Bombela Electrical and Mechanical Works (Pty) Ltd.	South Africa	90	Full consolidation
Bombela Maintenance (Pty) Ltd.	South Africa	90	Full consolidation
GIBELA RAIL TRANSPORT CONSORTIUM (PTY) LTD	South Africa	70	Full consolidation
ALSTOM Korea Transport Ltd	South Korea	100	Full consolidation
Bombardier Transportation Korea Ltd.	South Korea	100	Full consolidation
ALSTOM MOVILIDAD, S.L.	Spain	100	Full consolidation
ALSTOM Transporte, S.A.	Spain	100	Full consolidation
APLICACIONES TECNICAS INDUSTRIALES, S.A.	Spain	100	Full consolidation
ALSTOM Transport AB	Sweden	100	Full consolidation
ALSTOM Transport Information Systems AB	Sweden	100	Full consolidation
Bombardier Aerospace (Holdings) Sweden AB	Sweden	100	Full consolidation
Bombardier Transportation (Nordic Holdings) Sweden AB	Sweden	100	Full consolidation
Bombardier Transportation (Signal) Sweden AB	Sweden	100	Full consolidation
Bombardier Transportation (Signal) Sweden HB	Sweden	67	Full consolidation
Bombardier Transportation Sweden AB	Sweden	100	Full consolidation
ALSTOM Holdings Switzerland AG	Switzerland	100	Full consolidation
ALSTOM Network Schweiz AG	Switzerland	100	Full consolidation

	Country	Ownership %	Consolidation Method
ALSTOM Schienenfahrzeuge AG	Switzerland	100	Full consolidation
ALSTOM Schweiz AG	Switzerland	100	Full consolidation
Bombardier Transportation Taiwan Ltd.	Taiwan	100	Full consolidation
ALSTOM Transport (Thailand) Co., Ltd.	Thailand	100	Full consolidation
Bombardier Transportation Holdings (Thailand) Ltd.	Thailand	100	Full consolidation
Bombardier Transportation Signal (Thailand) Ltd.	Thailand	100	Full consolidation
ALSTOM T&T Ltd	Trinidad and Tobago	100	Full consolidation
ALSTOM Ulasim Anonim Sirketi	Turkey	100	Full consolidation
Bombardier Transportation Ulasim Dis Ticaret Ltd. Sti.	Turkey	100	Full consolidation
ALSTOM Signalling, Limited Liability Company	Ukraine	100	Full consolidation
Bombardier Transportation Gulf DMCC	United Arab Emirates	100	Full consolidation
21NET LTD	United Kingdom	100	Full consolidation
ALSTOM Academy for rail	United Kingdom	100	Full consolidation
ALSTOM Network UK Ltd	United Kingdom	100	Full consolidation
ALSTOM NL Service Provision Limited	United Kingdom	100	Full consolidation
ALSTOM Product and Services Limited	United Kingdom	100	Full consolidation
ALSTOM Transport Service Ltd	United Kingdom	100	Full consolidation
ALSTOM Transport UK (Holdings) Ltd	United Kingdom	100	Full consolidation
ALSTOM Transport UK Limited	United Kingdom	100	Full consolidation
Bombardier (UK) CIF Trustee Limited	United Kingdom	100	Full consolidation
Bombardier Transportation (Gautrain) UK Ltd.	United Kingdom	100	Full consolidation
Bombardier Transportation (Global Holding) UK Limited	United Kingdom	100	Full consolidation
Bombardier Transportation (Holdings) UK Ltd.	United Kingdom	100	Full consolidation
Bombardier Transportation (Investment) UK Limited	United Kingdom	100	Full consolidation
Bombardier Transportation (Rolling Stock) UK Ltd.	United Kingdom	100	Full consolidation
Bombardier Transportation (Signal) UK Ltd.	United Kingdom	100	Full consolidation
Bombardier Transportation UK Ltd.	United Kingdom	100	Full consolidation
Bombardier Transportation UK Pension Trustee Limited	United Kingdom	100	Full consolidation
Bombardier Transportation VP Pension Trustee Limited	United Kingdom	100	Full consolidation
Crossfleet Limited	United Kingdom	100	Full consolidation
Infrasig Ltd.	United Kingdom	100	Full consolidation
NOMAD DIGITAL (INDIA) LIMITED	United Kingdom	70	Full consolidation
NOMAD DIGITAL LIMITED	United Kingdom	100	Full consolidation
NOMAD HOLDINGS LIMITED	United Kingdom	100	Full consolidation
Prorail Limited	United Kingdom	100	Full consolidation
SETML Transportation Limited	United Kingdom	100	Full consolidation
South Eastern Train Maintenance Ltd.	United Kingdom	100	Full consolidation
WEST COAST SERVICE PROVISION LIMITED	United Kingdom	100	Full consolidation
WEST COAST TRAINCARE LIMITED	United Kingdom	100	Full consolidation
ALSKAW LLC	USA	100	Full consolidation
ALSTOM Signaling Inc.	USA	100	Full consolidation
ALSTOM Signaling Operation, LLC	USA	100	Full consolidation
ALSTOM Transport Holding US Inc.	USA	100	Full consolidation
ALSTOM Transportation Inc.	USA	100	Full consolidation
Auburn Technology, INC.	USA	100	Full consolidation
B&C TRANSIT INC.	USA	100	Full consolidation
Bombardier Mass Transit Corporation	USA	100	Full consolidation
Bombardier Transit LLC	USA	100	Full consolidation

	Country	Ownership %	Consolidation Method
Bombardier Transportation (Global) USA Inc.	USA	100	Full consolidation
Bombardier Transportation (Holdings) USA Inc.	USA	100	Full consolidation
Bombardier Transportation Services USA Corporation	USA	100	Full consolidation
Bombardier USA LLC	USA	100	Full consolidation
NOMAD DIGITAL, INC	USA	100	Full consolidation
Southern New Jersey Rail Group L.L.C.	USA	100	Full consolidation
ALSTOM Venezuela, S.A.	Venezuela	100	Full consolidation
ALSTOM Transport Vietnam Ltd	Vietnam	100	Full consolidation
BTREN Mantenimiento Ferroviario S.A.	Spain	51	Joint Operation
IRVIA MANTENIMIENTO FERROVIARIO, S.A.	Spain	51	Joint Operation
THE ATC JOINT VENTURE	United Kingdom	38	Joint Operation
CITAL	Algeria	49	Equity Method
TMH-ARGENTINA SA(*)	Argentina	14	Equity Method
EDI Rail – Bombardier Transportation (Maintenance) Pty Limited	Australia	50	Equity Method
EDI Rail – Bombardier Transportation Pty Ltd	Australia	50	Equity Method
NGR Holding Company Pty Ltd.	Australia	10	Equity Method
NGR Project Company Pty Ltd.	Australia	10	Equity Method
GROUPE PMM OPERATIONS AND MAINTENANCE G.P.	Canada	50	Equity Method
TransEd O&M Partners General Partnership	Canada	60	Equity Method
TransEd Partners General Partnership	Canada	10	Equity Method
ALSTOM Sifang (Qingdao) Transportation Ltd.	China	50	Equity Method
Bombardier NUG Propulsion System Co. Ltd.	China	50	Equity Method
Bombardier NUG Signalling Solutions Company Limited	China	50	Equity Method
Bombardier Transportation Equipment (Suzhou) Co., Ltd.	China	50	Equity Method
CASCO SIGNAL LTD	China	49	Equity Method
CHANGCHUN CHANGKE ALSTOM RAILWAY VEHICLES COMPANY LTD.	China	50	Equity Method
CRRC PUZHEN ALSTOM TRANSPORTATION SYSTEMS LIMITED	China	50	Equity Method
GUANGXI LIUZHOU PUZHEN ALSTOM TRANSPORTATION SYSTEM CO., LTD.	China	50	Equity Method
Guangzhou Changke Bombardier Rail Transit Equipment Company Ltd	China	50	Equity Method
SHANGHAI ALSTOM Transport Company Limited	China	40	Equity Method
Shentong Bombardier (Shanghai) Rail Transit Vehicle Maintenance Company Limited	China	50	Equity Method
TRANSMASHHOLDING LIMITED	Cyprus	20	Equity Method
TMH-EGYPT FOR DEVELOPMENT S.A.E.(*)	Egypt	20	Equity Method
SPEEDINNOV	France	75	Equity Method
BLUE ENGINE ENGINEERS GMBH(*)	Germany	20	Equity Method
TMH DEVELOPMENT GMBH(*)	Germany	20	Equity Method
TMH SERVICES GMBH(*)	Germany	20	Equity Method
TRANSMASHHOLDING HUNGARY INVEST KFT.(*)	Hungary	10	Equity Method
TRANSMASHHOLDING HUNGARY KFT(*)	Hungary	10	Equity Method
TMH ISRAEL LTD(*)	Israel	20	Equity Method
LKZ AO(*)	Kazakhstan	10	Equity Method
LLP JV KAZELEKTROPRIVOD	Kazakhstan	50	Equity Method
SMART TECHNOLOGY ALMATY COM TOO(*)	Kazakhstan	20	Equity Method
TOO PROMMASHKOMPLEKT(*)	Kazakhstan	10	Equity Method
TOO R.W.S. WHEELSET(*)	Kazakhstan	20	Equity Method
TRANSMASHHOLDING KAZAKHSTAN-KZ TOO(*)	Kazakhstan	20	Equity Method
TMHS(*)	Mongolia	20	Equity Method

	Country	Ownership %	Consolidation Method
MALOCO GIE	Morocco	70	Equity Method
RAILCOMP BV(*)	Netherlands	60	Equity Method
TMH DIESEL ENGINE BV(*)	Netherlands	20	Equity Method
TMH-ALSTOM BV(*)	Netherlands	60	Equity Method
RAIL ENGINEERING SP. Z O.O.	Poland	60	Equity Method
ALFA-FI LLC(*)	Russian Federation	17	Equity Method
AM-TEKH(*)	Russian Federation	20	Equity Method
CORPORATE UNIVERSITY OF LOCOMOTIVE TECHNOLOGIES(*)	Russian Federation	20	Equity Method
DEMIKHOVSKY MASHINOSTROITELNY ZAVOD OAO(*)	Russian Federation	20	Equity Method
DIESEL-INSTRUMENT SPB LLC(*)	Russian Federation	10	Equity Method
DIMICROS OAO(*)	Russian Federation	10	Equity Method
DOL BRIGANTINA LLC(*)	Russian Federation	15	Equity Method
ELTK-URAL LLC(*)	Russian Federation	10	Equity Method
FIRM LOCOTECH(*)	Russian Federation	20	Equity Method
IVSK OOO(*)	Russian Federation	12	Equity Method
IZD TMH LLC(*)	Russian Federation	19	Equity Method
KOLOMENSKY ZAVOD OAO(*)	Russian Federation	19	Equity Method
KOLOMNA ENERGO DIESEL LLC(*)	Russian Federation	19	Equity Method
KOMPANIYA RUSNAN LLC(*)	Russian Federation	20	Equity Method
LOCOTECH GLOBAL TRADING(*)	Russian Federation	20	Equity Method
LOCOTECH-FOUNDRY PLANTS(*)	Russian Federation	15	Equity Method
LOCOTECH-KOMPOSIT LLC(*)	Russian Federation	8	Equity Method
LOCOTECH-LEASING(*)	Russian Federation	15	Equity Method
LOCOTECH-PROMSERVICE(*)	Russian Federation	20	Equity Method
LOCOTECH-SERVICE(*)	Russian Federation	20	Equity Method
LUCH-S LLC(*)	Russian Federation	17	Equity Method
METROVAGONMASH OAO(*)	Russian Federation	15	Equity Method
METROVAGONMASH SERVICE LLC(*)	Russian Federation	15	Equity Method
MONTAZHNAYA BAZA OAO(*)	Russian Federation	2	Equity Method
MSK KOMPLEKT LLC(*)	Russian Federation	20	Equity Method
NERZ LLC(*)	Russian Federation	8	Equity Method
NO TIV ZAO(*)	Russian Federation	16	Equity Method
NOVOCHERKASSKY ELEKTROVOZOSTROITELNY ZAVOD PROIZVODSTVENNAY KOMPANIYA OOO(*)	Russian Federation	20	Equity Method
NPO SYSTEMA LLC(*)	Russian Federation	17	Equity Method
OKHOTRESURS LLC(*)	Russian Federation	20	Equity Method
OKTYABRSKY ELEKTROVAGONOREMONTNY ZAVOD OAO(*)	Russian Federation	15	Equity Method
OVK TMH ZAO(*)	Russian Federation	20	Equity Method
PENZADIESELMASH OAO(*)	Russian Federation	20	Equity Method
PENZENSKIYE DIESELNIYE DVIGATELY LLC(*)	Russian Federation	20	Equity Method
PO BEZHITSKAYA STAL OAO(*)	Russian Federation	12	Equity Method
PROFIL LLC(*)	Russian Federation	13	Equity Method
RAILCOMP LLC(*)	Russian Federation	60	Equity Method
REKOLD AO(*)	Russian Federation	6	Equity Method
SAPFIR OOO(*)	Russian Federation	20	Equity Method
STAGNUM LLC(*)	Russian Federation	19	Equity Method
TMH ENERGY SOLUTIONS LLC(*)	Russian Federation	20	Equity Method
TMH ENGINEERING ASIA LLC(*)	Russian Federation	10	Equity Method

	Country	Ownership %	Consolidation Method
TMH ENGINEERING LLC(*)	Russian Federation	20	Equity Method
TMH FINANCE LLC(*)	Russian Federation	20	Equity Method
TMH INTERNATIONAL LLC(*)	Russian Federation	20	Equity Method
TMH INVESTMENTS LLC(*)	Russian Federation	20	Equity Method
TMH PRO LLC(*)	Russian Federation	20	Equity Method
TMH TECHNOLOGIE LLC(*)	Russian Federation	20	Equity Method
TMH TRACTION SYSTEMS LLC(*)	Russian Federation	20	Equity Method
TMH-ELECTROTEKH LLC(*)	Russian Federation	20	Equity Method
TMH-Locomotivy AO(*)	Russian Federation	20	Equity Method
TMH-PTR LLC(*)	Russian Federation	20	Equity Method
TMHS LOKALIZATSIYA LLC(*)	Russian Federation	10	Equity Method
TORGOVY DOM TMH ZAO(*)	Russian Federation	20	Equity Method
TRAMRUS LLC(*)	Russian Federation	60	Equity Method
TRANSCONVERTER LLC(*)	Russian Federation	13	Equity Method
TRANSHOLDLEASING AO(*)	Russian Federation	4	Equity Method
TRANSMASH OAO(*)	Russian Federation	12	Equity Method
TRANSMASHHOLDING ZAO(*)	Russian Federation	20	Equity Method
TRTrans LLC(*)	Russian Federation	60	Equity Method
TSENTR PERSPEKTIVNYKH TECHNOLOGIY TMH LLC(*)	Russian Federation	20	Equity Method
TVER-SAFARI LLC(*)	Russian Federation	17	Equity Method
TVERSKOY VAGONOSTROITELNY ZAVOD OAO(*)	Russian Federation	17	Equity Method
TZENTR PERSPEKTIVNYKH TEKNNOLOGIY TMH LLC(*)	Russian Federation	20	Equity Method
UPRAVLYAUSCHAYA KOMPANIYA BRYANSKY MASHINOSTROITELNY ZAVOD ZAO(*)	Russian Federation	20	Equity Method
VOSKHOD LLC(*)	Russian Federation	9	Equity Method
VSEROSSIYSKY NAUCHNO-ISSLEDOVATELSKY I PROEKTNO-KONSTRUKTORSKY INSTITUT ELEKTROVOZOSTROENIYA OAO(*)	Russian Federation	13	Equity Method
YUZHDIESELMASH OAO(*)	Russian Federation	1	Equity Method
ZAVOD AIT(*)	Russian Federation	10	Equity Method
ZENTROSVARMASH OAO(*)	Russian Federation	20	Equity Method
ZHELDORREMMASH(*)	Russian Federation	15	Equity Method
ZTOV LLC(*)	Russian Federation	3	Equity Method
Bombela TKC (Proprietary) Limited	South Africa	25	Equity Method
Isithimela Rail Services (Pty) Ltd.	South Africa	50	Equity Method
TMH AFRICA PLC(*)	South Africa	20	Equity Method
EK EISENBAHNKOMPONENTEN AG(*)	Switzerland	20	Equity Method
First Locomotive Holding AG	Switzerland	15	Equity Method
TMH DIGITAL AG(*)	Switzerland	20	Equity Method
TMH INTERNATIONAL AG(*)	Switzerland	20	Equity Method
TURKMASH VAGON YMALATI SANAYY VE TYCARET ANONYM SYRKETY(*)	Turkey	10	Equity Method
LUGANSKTEPLOVOZ OAO(*)	Ukraine	15	Equity Method
TRANSMASH EAST TRAIN TRADING LLC(*)	United Arab Emirates	20	Equity Method
ABC ELECTRIFICATION LTD	United Kingdom	33	Equity Method
LAX Integrated Express Solutions Holdco, LLC	USA	10	Equity Method
LAX Integrated Express Solutions, LLC	USA	10	Equity Method
V/Line Maintenance Pty Ltd	Australia	100	Non consolidated investment
RTA RAIL TEC ARSENAL FAHRZEUGVERSUCHSANLAGE GMBH	Austria	44	Non consolidated investment
4iTEC 4.0	France	23	Non consolidated investment
AIRE URBAINE INVESTISSEMENT	France	4	Non consolidated investment

	Country	Ownership %	Consolidation Method
CADEMCE SAS	France	16	Non consolidated investment
CAMPUS CYBER	France	3	Non consolidated investment
COMPAGNIE INTERNATIONALE DE MAINTENANCE – C.I.M.	France	1	Non consolidated investment
EASYMILE	France	13	Non consolidated investment
ESPACE DOMICILE SA HABITAT LOYER MODÉRÉ	France	1	Non consolidated investment
FRAMECA – FRANCE MÉTRO CARACAS	France	26	Non consolidated investment
MOBILITÉ AGGLOMÉRATION RÉMOISE SAS	France	17	Non consolidated investment
OC'VIA CONSTRUCTION	France	12	Non consolidated investment
OC'VIA MAINTENANCE	France	12	Non consolidated investment
RESTAURINTER	France	35	Non consolidated investment
Société Concessionnaire du Transport sur Voie Réservée de l'Agglomération Caennaise (S.T.V.R) S.A	France	39	Non consolidated investment
Société d'économie mixte locale Le Phénix Théâtre de Valenciennes	France	1	Non consolidated investment
SOCIÉTÉ IMMOBILIÈRE DE VIERZON	France	1	Non consolidated investment
SUPERGRID INSTITUTE SAS	France	2	Non consolidated investment
Valutec S.A.	France	1	Non consolidated investment
IFB INSTITUT FUR BAHNTECHNIK GMBH	Germany	14	Non consolidated investment
Partner für Berlin Holding Gesellschaft für Hauptstadt-Marketing mbH	Germany	1	Non consolidated investment
PARS SWITCH	Iran	1	Non consolidated investment
CYLUS CYBER SECURITY LTD.	Israel	9	Non consolidated investment
CONSORZIO ELIS PER LA FORMAZIONE PROFESSIONALE SUPERIORE	Italy	0	Non consolidated investment
CRIT SRL	Italy	1	Non consolidated investment
METRO 5 SPA	Italy	9	Non consolidated investment
T.P.B. TRASPORTI PUBBLICI DELLA BRIANZA S.p.A. (in bankruptcy)	Italy	30	Non consolidated investment
TRAM DI FIRENZE S.p.A.	Italy	9	Non consolidated investment
SUBURBANO EXPRESS, S.A. DE C.V.	Mexico	11	Non consolidated investment
IDEON S.A.	Poland	0	Non consolidated investment
INWESTSTAR S.A.	Poland	0	Non consolidated investment
KOLMEX SA	Poland	2	Non consolidated investment
Krakowskie Zaklady Automatyki S. A.	Poland	12	Non consolidated investment
Normetro ACE Agrupamento do Metropolitano do Porto	Portugal	25	Non consolidated investment
First Locomotive Company LLC	Russian Federation	15	Non consolidated investment
ALBALI SEÑALIZACIÓN, S.A.	Spain	12	Non consolidated investment
TRAMVIA METROPOLITA DEL BESOS SA	Spain	21	Non consolidated investment
TRAMVIA METROPOLITA, S.A.	Spain	24	Non consolidated investment
Consenec AG	Switzerland	5	Non consolidated investment
ARGENTINE CLUB LIMITED	United Kingdom	1	Non consolidated investment
TRAMLINK NOTTINGHAM (HOLDINGS) LTD	United Kingdom	13	Non consolidated investment
Whereismytransport Limited	United Kingdom	2	Non consolidated investment
Massachusetts Bay Commuter Railroad Company, LLC	USA	20	Non consolidated investment

(*) Subsidiaries of TMH Limited., consolidated within Alstom financial statements by equity method.

Statutory Auditors' report on the consolidated financial statements

(For the year ended 31 March 2022)

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual general meeting of shareholders of Alstom SA

OPINION

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Alstom SA ("the Group") for the year ended 31 March 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 March 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code *(code de commerce)* and the French Code of Ethics *(code de déontologie)* for statutory auditors, for the period from 1 April 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code *(code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

REVENUE AND MARGIN RECOGNITION ON LONG-TERM CONTRACTS

(Notes 2.4 Uses of estimates, Note 2.5.6 Sales and costs generated by operating activities, Notes 3, 18 Net contract Assets/Liabilities, 22 Provisions and 28 Financial instruments and financial risk management of the notes to the consolidated financial statements)

Identified risks

As at March 31, 2022, the Group's revenue and earnings before interests and taxes (EBIT) amounting to respectively 15 471 M€ and (156) M€ mainly derive from construction contracts and long-term service agreements ("the long-term contracts").

As described in Note 2.5.6 "Sales and costs generated by operating activities", to the Group consolidated financial statements, revenue on long-term contracts is recognized according to IFRS 15 based on the cost to cost percentage of completion method in order to recognize the revenue from contracts for which revenue recognition is qualified as overtime.

At each closing date, estimates and assumptions by management are required in order to assess:

- The revenue at completion, including contract variations (variation orders, claims and contract amendments);
- The revenue recognized in accordance with the cost to cost method;
- The margin at completion on each contract, incorporating appropriate contingencies to cover identified risks (technical, commercial, etc.) related to the project execution;

We consider the revenue and margin recognition on long-term contracts to be a Key Audit Matter, because of the degree of required management's estimates and judgements and the complexity of internal processes to be implemented in order to recognize the revenue and margin relating to these contracts.

Our response

As part of our audit, we obtained an understanding of the Group's internal processes and controls for management and monitoring of long-term contracts, identified the main controls set up by Alstom that are relevant to our audit, and then tested their operational effectiveness by sampling;

We have assessed the compliance of the revenue recognition accounting principles and methods with IFRS 15 as described in Note 2.5.6. to the financial statements.

We also performed a critical review of the systems and controls implemented by the Group relating to the measurement of the revenue and costs at completion and of the stage of completion.

We took into account the high level of integration of the various IT systems involved in revenue recognition by including IT specialists in our audit team and testing the design, implementation and effectiveness of automated system controls affecting revenue recognition.

For a sample of contracts, selected based on their risk profile including the technical or commercial complexity and/or the financial impact, we have:

- Examined the terms and conditions of the contracts, including contract amendments and variations
- Obtained an understanding of the performance and stage of completion of the contract through discussion with the project and Group management;
- Appreciated for these contracts the analyses of the Group which enabled to conclude on the transfer of progressive control or at completion and, if necessary, the identification of the various performance obligations, variation orders and contract amendments;
- Corroborated the main assumptions of revenue and costs at completion with costs incurred to date,
- Examined externally available evidence, such as customer correspondence, physical progress or the performance of services provided for in the contract, and for the most significant turnkey contracts physical inspection of construction site ;
- Used our experience gained in previous years on these contracts or on similar contracts; and
- Assessed the consistency of the accounting information reflected in the financial statements with the project information obtained.

We verified that Notes 2.4 "Uses of estimates", 2.5.6 "Sales and costs generated by operating activities", 3 "Segment information", 18 "Net contract Assets/Liabilities", 22 "Provisions" and 28 "Financial instruments and financial risk management" to Group consolidated financial statements contain the appropriate information.

DISPUTES AND INVESTIGATIONS

(Note 22 Provisions and Note 33 Disputes of the notes to the consolidated financial statements)

Identified risks

As described in Note 22 "Provisions" and Note 33 "Disputes" in the Group consolidated financial statements, Alstom's operations lead to the risk of litigation and contractual claims from third parties, moreover, the Note 33 to the financial statements describes the on-going investigations and procedures performed by judicial authorities with respect to alleged illegal payments in certain countries.

Alstom assesses the corresponding risk based on assumptions and estimates, to determine whether a provision is recorded or a risk disclosed in the consolidated financial statements. This assessment involves a high level of judgment by Alstom management.

Due to the potential impact on the consolidated financial statements, the degree of management's judgment and the uncertainty around the resolution of those procedures, we consider the assessment of disputes and investigations to be a Key Audit Matter.

Our response

We performed a critical review of litigations, customer claims and judicial procedures, as well as provisions recorded and disclosures provided. Our work consisted in:

- Examining the procedures implemented by management to identify, assess and account for disputes and investigations;
- Inquiring with the in-house legal counsels and analyzing underlying documentation of procedures ongoing;
- Obtaining external legal positions if considered as relevant;
- Examining legal expenses accounts for any indication of legal matters not yet considered;
- Reading minutes of the meetings of the Boards of Directors and of the shareholders' meetings of Alstom's key entities in order to assess the completeness of the list of significant litigation;
- Assessing management's judgment through understanding of precedent outcomes in similar cases and external legal positions;
- Assessing whether any events subsequent to the reporting date for the year ended March 31, 2022 have been taken into account to estimate provisions and in the information provided in the financial statements.
- Verifying that Notes 22 and 33 to Group consolidated financial statements contains the appropriate disclosures on the status of disputes and related uncertainties.

MEASUREMENT OF FAIR VALUE OF ASSETS AND LIABILITIES RECOGNIZED AS PART OF BOMBARDIER TRANSPORTATION'S ACQUISITION

(Note 1.1.1 The acquisition of Bombardier Transport of the notes to the consolidated financial statements)

Identified risks

On 29 January 2021, Alstom announced the completion of the acquisition of Bombardier Transportation. The proceeds for the acquisition were established at 5,1 bn€, financed through share capital increases, by way of set-off of receivables, reserved to the benefit of Bombardier Transportation shareholders, *Caisse de dépôt et placement du Québec* ("CDPQ") and Bombardier Inc. ("BI"), and in cash for the remaining portion. As per IFRS 3, the subscription has been measured based on the fair value of Alstom's shares issued at the Completion Date, which is represented by the market price of Alstom's shares at 29 January 2021. Consequently, the fair-value of the consideration transferred has been established at € 5,4 billion.

Bombardier Transportation has been consolidated in Alstom Group financial statements since acquisition date, January 29th, 2021 with an amount of Group share equity of € -2,4 billion.

The Group determined the fair value of the identifiable assets acquired and liabilities assumed of Bombardier Transportation in accordance with IFRS 3. The acquisition thus resulted in the recording of € 2,4 billion tangible and intangible assets net of liabilities assumed and a final goodwill recognized on the transaction of €7,8 billion.

We consider the measurement of assets and liabilities recognized within the scope of the Bombardier Transportation purchase price allocation to be a key audit matter due to the significant amounts at stake and the estimates required from the Group Management, notably in determining the fair value of technologies and customer relationships, as well as the measurement of Bombardier Transportation's liabilities and contingent liabilities as at the acquisition date.

Our response

As part of our audit, we obtained the legal documentation relating to the operation, as well as the report issued by the external valuation expert engaged by Management to perform the final purchase price allocation and to assist Management with the identification of assets and liabilities recognized within the scope of the Bombardier Transportation acquisition.

An audit of the opening balance sheet of Bombardier Transportation as of January 29th, 2021 was carried out covering the main entities included in the consolidation scope and a sample of contracts selected based on risk and materiality criteria. The audit procedures performed were aimed at ensuring the alignment with Alstom accounting principles on key aggregates and examining the key assumptions and projects estimates at completion at acquisition date used to prepare Alstom Group financial statements.

With the involvement of valuation experts in our audit team, our work consisted in:

- Assess the appropriateness of the process used to identify liabilities, contingent liabilities and intangible assets acquired, corroborating them with (i) our discussions with Management and (ii) our understanding of the acquired business;
- Analyzing the valuation methods used by Management to measure the fair value of assets and liabilities acquired;
- Analyzing the valuation assumptions used by comparing them to the source data and sector market data;
- Performing arithmetic controls on the various valuations carried out;
- Analyzing the consistency of the purchase price allocation taken as a whole, and of the resulting residual goodwill.

We verified that Note 1.1.1 « The acquisition of Bombardier Transportation » to the Group consolidated financial statements contains the appropriate information.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verification required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code *(code de commerce)* is included in the Group's management report, it being specified that, in accordance with Article L.823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Format of the presentation of the consolidated financial statements intended to be included in the annual financial report

We also proceeded, in accordance with the professional standard on the diligence of the statutory auditors relating to the annual and consolidated financial statements presented according to the single European electronic information format, to the verification of compliance with this format defined by the European Regulation Delegate No. 2019/815 of December 17, 2018 in the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in I of Article L.451-1-2 of the Monetary and Financial Code, prepared under the responsibility of the Chairman and CEO. With regard to consolidated accounts, our due diligence includes checking that the markup of these accounts complies with the format defined by the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the single European electronic information format.

It is not our responsibility to verify that the consolidated financial statements which will be effectively included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We, PricewaterhouseCoopers Audit and Mazars, were appointed as statutory auditors of Alstom SA by the annual general meeting held on 23 June 2009.

As at 31 March 2022, PricewaterhouseCoopers Audit and Mazars were in the 13th year of total uninterrupted engagement.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code *(code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code *(code de commerce)* and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La-Défense, 13 May 2022
The statutory auditors

PricewaterhouseCoopers Audit	**MAZARS**	
Edouard Cartier	Jean-Luc Barlet	Sophie Delerm

STATUTORY FINANCIAL STATEMENTS

Year end 31 March 2022

Income Statement

(in € million)	France	Exportation	31 March 2022	31 March 2021
Production of services	61	2	63	159
Net sales	**61**	**2**	**63**	**159**
Operating income			**63**	**159**
Other purchases and external expenses			(51)	(117)
Taxes and similar payments			(1)	(1)
Wages and salaries			(2)	(2)
Social charges			(1)	(3)
Depreciations on fixed assets			(1)	-
Other operating expenses			(2)	(2)
Operating expenses			**(58)**	**(125)**
Net income from operation			**5**	**34**
Financial income from investments			101	204
Other interest and similar income			-	1
Positive exchange rate differences			1	2
Financial income			**102**	**206**
Financial depreciation and provisions			(5)	(17)
Interest and similar expenses			(7)	(3)
Negative exchange rate differences			(1)	(2)
Financial expenses			**(13)**	**(22)**
Net financial income			**89**	**184**
Net current income			**93**	**218**
Non recurring income			**-**	**-**
Non recurring depreciations and provisions			(3)	-
Non recurring expenses			**(3)**	**-**
Non recurring net income			**(3)**	**-**
Income tax			11	4
NET INCOME			**102**	**222**

Balance sheet

Assets

(in € million)	Gross value	Depreciations and impairments	Net value at 31 March 2022	Net value at 31 March 2021
Investments in subsidiary	14,312	-	14,312	9,216
Advances to subsidiary	2,902	-	2,902	1,701
Fixed assets	**17,214**	**-**	**17,214**	**10,917**
Trade receivables and related accounts	62	-	62	134
Other receivables	205	-	205	5,254
Current assets	**267**	**-**	**267**	**5,387**
Deferred charges	22	-	22	14
Bond redemption premiums	14	-	14	10
TOTAL ASSETS	**17,518**	**-**	**17,518**	**16,329**

Liabilities

(in € million)	31 March 2022	31 March 2021
Share capital	2,614	2,598
Additional paid-in capital	5,068	5,028
Legal reserve	262	262
Restricted reserves	3	10
Other reserves	6,383	6,252
Net profit for the current year	**102**	**222**
Total shareholders' equity	**14,432**	**14,373**
Other equity	**-**	**-**
Provisions for risks	-	-
Provisions for charges	3	-
Provisions for risks and charges	**3**	**-**
Other bonds	2,655	1,451
Other financial debt	250	250
Financial debts	**2,905**	**1,701**
Trade payables and related accounts	32	112
Tax and social liabilities	13	14
Operating liabilities	**45**	**126**
Other payables	134	129
Miscellaneous liabilities	**134**	**129**
Deferred income	-	1
Liabilities	**3,084**	**1,956**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**17,518**	**16,329**

Notes to the statutory financial statements

DETAILED SUMMARY OF THE NOTES TO THE STATUTORY FINANCIAL STATEMENTS

NOTE 1. BASIS OF PREPARATION OF THE STATUTORY FINANCIAL STATEMENTS

The statutory financial statements for the year ended 31 March 2022 are established in compliance with the legal and regulatory rules applicable in France according to the regulation 2014-03 of "l'Autorité des normes comptables" of 5 June 2014 as well as subsequent comments and recommendations of "l'Autorité des normes comptables".

These accounts have been prepared using the same accounting policies and measurement methods as of 31 March 2021.

In accordance with Article 810-3 of the French General Chart of Accounts (PCG), the format of Alstom SA's financial statements has been modified to reflect in a more appropriate and relevant manner the performance or assets regarding its business, situation and environment. The main changes aimed to provide more detail on the various items in the financial statements.

The accounting conventions were applied with truthfulness in line with the principle of prudence, according to the following basic assumptions:

- going concern basis;
- consistency in accounting policies from one financial year to the next;
- independence of financial years.

These accounts are also in accordance with general guidelines for establishing and presenting annual financial statements.

NOTE 2. DESCRIPTION OF ACCOUNTING POLICIES

2.1. Investments in subsidiaries

Investments are recorded at acquisition cost, excluding transaction costs.

Investments are measured based on a multi-criteria approach:

- investments are generally measured at their value in use, defined as the enterprise value net of the indebtedness. The enterprise value is the sum of the discounted free cash flows and of the discounted terminal residual value, and represents the ability of the assets to generate profits and cash flows;
- when values in relation with arm's length transactions or any other fair market values exist, these values can also be taken into account in the year-end valuation of the investments.

When this value is less than acquisition cost, a provision for impairment is recorded to cover the difference.

Any impairment is recognized in the following order:

- goodwill;
- investments in subsidiaries and associates;
- advances to subsidiaries;
- risks on subsidiaries.

2.2. Advances and borrowings with subsidiaries and currents accounts of Alstom Group companies

Assets and liabilities related to Alstom Group companies are shown in the Balance Sheet at their nominal value.

Whenever necessary and based on the available information at the closing date, provisions for bad debts are recorded in case of uncertainty about their recovery.

2.3. Share capital

A share capital increase is recorded at the nominal share price. If the issue price is higher than the nominal value, this difference is recorded as a paid-in capital.

Transaction costs on capital increase are offset against paid-in capital. If total transaction costs exceed the paid-in capital, the excess is recorded as intangible assets and amortised over a period of five years.

2.4. Provisions for risks and charges

Provisions for litigations and disputes

The Company identifies and analyses on a regular basis current litigations in which it is engaged. When provisions are deemed necessary, they are measured on the basis of its best estimate of the expenditure required to settle the obligation at the balance-sheet date. These estimates take into account information available and different possible outcomes.

Due to changes in facts and circumstances, costs finally incurred may differ from those estimates.

2.5. Financial debt

Financial debt (bonds) is recorded at nominal value in the liabilities. Transaction costs and bonds premium are recorded as deferred charges or deferred income and amortised over the duration of the borrowings.

2.6. Tax Group

The Company is the parent company of a French tax group including Alstom Holdings and several French subsidiaries of Alstom Holdings.

Each company, member of the tax group, determines its income tax charge on the basis of its own pre-tax income for the year, as if it was not included in a tax group. The Company recognises a gain or a loss equal to the difference between the current income tax based on the Group pre-tax income and the sum of tax charges recognised by the entities members of the tax group.

When a subsidiary member of the tax group exits from the said tax group, it is not compensated for the loss of its tax credits, tax losses carried forward and/or long term losses derived during the period of time it belonged to the tax group and which are unused at the exit date.

2.7. Climate change consequences

When preparing the Statutory Financial Statements, the Company analyzed the potential impacts of climate change. Therefore, to the best of the Company knowledge, and based on the analysis performed to prepare the Statutory Financial Statements as of 31 March 2022, Alstom S.A. does not foresee significant environmental risks that might negatively impact in its activities in the coming years.

NOTE 3. SIGNIFICANT EVENTS

3.1. Capital increase of its subsidiary Alstom Holdings

The Company subscribed to 215,019,923 new shares with a par value of €23.70 of Alstom Holdings on the occasion of a capital increase decided by the Extraordinary General Meeting of 9 April 2021. The subscription price of the 215,019,923 new shares, amounting to €5,095,972,175.10, is paid up by offsetting against certain, liquid and due claims held against Alstom Holdings.

3.2. Shareholding and governance

On 2 June 2021, Bouygues S.A. sold 11,000,000 Alstom S.A. shares, representing 2.96% of Alstom's share capital.

At the end of this transaction, Bouygues owned 0.16% of the share capital of Alstom.

3.3. Direct and indirect consequences of the Ukraine/Russia conflict

The Group is closely monitoring the dramatic situation currently happening in Ukraine.

In that respect, The Group is complying with all applicable sanctions and laws. It has decided to suspend all deliveries towards Russia and confirmed as well suspending all future business investments in Russia.

So far, there is very limited direct exposure on operational activities performed by Alstom in Ukraine and Russia. Alstom was developing a partnership project with UZ, Ukraine rail operator including locomotive supplies and associated services. Nevertheless, current discussions on this project have been suspended due to the current context.

3.4. Post-closing events

None.

NOTE 4. OPERATING INCOME

The operating income of €63 million is made up, on the one hand, of Trademark fees invoiced to its subsidiary Alstom Holdings for the use of the name Alstom for €45 million and, on the other hand, of the re-invoicing to be issued to its subsidiary Alstom Holdings of costs relating to the acquisition of Bombardier Transportation, for an amount of €17 million. In the previous presentation of the N-1 income statement, these Trade mark fees were disclosed on the line "Trademark fees and other operating income". Now they are disclosed on the line "Production of services".

The operating expenses include management fees invoiced by Alstom Holdings, external operating expenses, the cost already incurred by the Company in relation with the Bombardier Transportation acquisition, the compensation paid to the Chairman and Chief Executive Officer (€3,132,097 paid for the financial year ended 31 March 2022) and Directors' fees due for the fiscal year (€978,502 for the same financial year ended) and the corresponding social charges.

In the previous presentation of the N-1 income statement, all these operating expenses were disclosed on a single line "administrative costs and other operating expenses". Now, operating expenses are broken down into the following items: "Other purchases and external charges", "Taxes, duties and similar payments", "Salaries and wages" and "Social security charges".

NOTE 5. FINANCIAL INCOME

(in € million)	Year ended at 31 March 2022	Year ended at 31 March 2021
Financial income	101	204
Net interest income on advances made to Alstom Holdings	-	1
Interest expenses on bonds	(7)	(3)
Interest expenses on borrowings	-	-
Provision	-	-
Bonds issuance costs and premiums recognised as income or expense	(5)	(17)
Change differences	-	-
TOTAL	**89**	**184**

The net financial income amounts to €89 million and is mainly made up of the following:

- dividends paid by Alstom Holdings to the Company during financial year ended 31 March 2022 for an amount of €93 million;
- amortization of issue costs and premiums on bonds for €(5) million.

NOTE 6. NON-RECURRING RESULT

(in € million)	Year ended at 31 March 2022			Year ended at 31 March 2021
	Non-recurring income	Non-recurring expense	Net amount	Net amount
Disposals of fixed assets	-	-	-	-
Addition or release of provisions	-	(3)	(3)	-
Other	-	-	-	-
NON-RECURRING RESULT	**-**	**(3)**	**(3)**	**-**

NOTE 7. INCOME TAX

The €11 million Income tax credit is mainly linked to the tax grouping.

In the absence of tax grouping, a €1 million income tax charge would have been recorded as of 31 March 2022.

The deferred tax position of the Company as of 31 March 2022, amounting to €1,645 million, is mainly composed of tax losses carried forward.

NOTE 8. FINANCIAL ASSETS

8.1. Investments in subsidiaries

(in € million)	At 31 March 2021	Increase	Decrease	At 31 March 2022
Investments				
• Alstom Holdings	9,216	5,096	-	14,312
• Impairment	-	-	-	-
TOTAL	**9,216**	**5,096**	**-**	**14,312**

Alstom Holdings is the Company's sole subsidiary and owns all operating entities of the Alstom Group.

8.2. Advances

(in € million)	At 31 March 2021	Variation	At 31 March 2022
Advances to Alstom Holdings			
• Gross value	1,700	1,200	2,900
• Accrued interests	1	1	2
TOTAL	**1,701**	**1,201**	**2,902**

Advances to Alstom Holdings can be cancelled by anticipation, which ensures their liquidity.

The variation is mainly due to the €1,200 million of two bonds issued on 27 July 2021.

NOTE 9. RECEIVABLES

Current receivables can be broken down as follows:

	At 31 March 2022				At 31 March 2021	
(in € million)	Total	Within one year	One to five years	Out of which related parties	Total	Out of which related parties
Current account with Alstom Holdings	188	188	-	188	5,229	5,229
Trade receivables	62	62	-	62	134	134
"Research tax credit and others" receivables from the French tax administration	17	17	-	-	24	-
Receivables on Group companies included in the tax group	-	-	-	-	-	-
Other	-	-	-	-	1	-
TOTAL	**267**	**267**	**-**	**250**	**5,387**	**5,363**

The change in the current account is mainly explained by the capital increase realised in favour of its subsidiary Alstom Holdings for an amount of €5,096 million and realised by offsetting of receivables that are certain, liquid, and held against Alstom Holdings.

NOTE 10. DEFERRED CHARGES

(in € million)	At 31 March 2021	Amount capitalised during the period	Amortisation expense of the period	At 31 March 2022
Bonds issuance costs and premiums	24	19	(7)	36

NOTE 11. SHAREHOLDERS' EQUITY

11.1. Share capital

As of 31 March 2022, Alstom's share capital amounts to €2,613,742,222 composed by 373,391,746 ordinary shares with a value of €7 per share, fully paid.

The variation in the number of shares during the period are the following:

	Number of shares
Existing shares at beginning of year	**371,201,793**
Capital increase	-
Reimbursement of bonds	-
Exercise of options	88,590
Subscription of shares under employee sharing program	699,487
Shares buy back	-
Dividend payment	1,401,876
EXISTING SHARES AT YEAR END	**373,391,746**

11.2. Changes in shareholders' equity

(in € million)	At 31 March 2021	Shareholders' Meeting held 28 July 2021	Other movements	At 31 March 2022
Capital	2,598	-	15	2,614
Additional paid-in capital	5,028	-	39	5,068
Legal reserve	262	-	-	262
Restricted reserve	10	-	(7)	3
Other reserves	6,252	222	(91)	6,383
Net profit	222	(222)	102	102
SHAREHOLDERS' EQUITY	**14,373**	**-**	**59**	**14,432**

In the previous presentation of the N-1 balance sheet, other reserves were disclosed on a general reserve line. This item have been renamed "Other reserves".

The Shareholders' Meeting of Alstom held on 28 July 2021 decided to pay a dividend of €0.25 per share for the financial year ending 31 March 2021, for a total amount of €93 million, paid in cash for €45 million and in the form of 1,401,876 shares for a total of €48 million.

Other variations over the period arise from:

- €2 million cash contribution, resulting from the exercise of options;
- subscriptions of shares under employee sharing programme;
- €102 million net profit of the period.

NOTE 12. PROVISIONS FOR RISKS AND CHARGES

(in € million)	At 31 March 2021	Additions	Releases	At 31 March 2022
Post-employment defined benefits	-	-	-	-
Others provisions	-	3	-	3
PROVISION FOR RISKS AND CHARGES	**-**	**3**	**-**	**3**

NOTE 13. BONDS REIMBURSABLE WITH SHARES

None.

NOTE 14. BONDS AND OTHER BORROWINGS

The movements in nominal amount of bonds over the past two years are presented as follows:

(Nominal value in € million)	Total	Maturity date 05/10/2018	08/07/2019	18/03/2020	14/10/2026	27/07/2027	11/01/2029	27/07/2030
Annual nominal interest rate		*3.63%*	*3.00%*	*4.50%*	*0.25%*	*0.125%*	*0.00%*	*0.50%*
Outstanding amount at 31 March 2020	**700**	**-**	**-**	**-**	**700**	**-**	**-**	**-**
Bonds issued	1,450	-	-	-	700	-	750	-
Currency adjustments	-	-	-	-	-	-	-	-
Repurchase	-	-	-	-	-	-	-	-
Bonds reimbursed at maturity date	-	-	-	-	-	-	-	-
Outstanding amount at 31 March 2021	**1,450**	**-**	**-**	**-**	**700**	**-**	**750**	**-**
Bonds issued	1,200	-	-	-	-	500	-	700
Currency adjustments	-	-	-	-	-	-	-	-
Repurchase	-	-	-	-	-	-	-	-
Bonds reimbursed at maturity date	-	-	-	-	-	-	-	-
OUTSTANDING AMOUNT AT 31 MARCH 2022	**2,650**	**-**	**-**	**-**	**700**	**500**	**750**	**700**

The financial debt's variation over the period is mainly due to:

- the issuance of the 0.125% senior bonds maturing in July 2027 for a total amount of €500 million;
- the issuance of the 0.50% senior bonds maturing in July 2030 for a total amount of €700 million;
- in order to optimize its liquidity, the Group also issued commercial papers under its Negotiable European Commercial Paper program for an amount of €250 million with maturities in 2022.

Accrued interests as of 31 March 2022 amounting to €5 million are added to the outstanding principal amount in the balance-sheet.

Liquidity risk management

In addition to its available cash and cash equivalents, amounting to €810 million as of 31 March 2022, the Group has consequently reinforced its liquidity through short term capabilities.

Alstom successfully refinanced its two Revolving Credit Facilities (RCF) in January 2022 to bolster its liquidity.

The 5-year main RCF was increased from €1.5 billion to €2.5 billion with a maturity extended to January 2027 and is a backstop to the Group's €2.5 billion NEU CP program.

The €1.75 billion RCF maturity was extended to January 2025, providing an extra liquidity buffer.

Both facilities have two one-year extension options at lenders' discretion and are undrawn as of 31 March 2022.

This further reinforcement of the Group's liquidity demonstrates Alstom's commitment to a conservative financial policy and the strong support it benefits from its banking pool.

NOTE 15. PAYABLES AND RELATED PARTIES

(in € million)	At 31 March 2022 Total	At 31 March 2022 Out of which related parties	At 31 March 2021 Total	At 31 March 2021 Out of which related parties
Borrowings from subsidiary	-	-	-	-
Trade payables	32	15	112	16
Payables to members of the tax group	130	130	121	121
Payables to members of the VAT group	-	-	-	-
Other tax and social security payables	13	1	14	-
Other	4	3	7	7
TOTAL	**179**	**149**	**255**	**144**

NOTE 16. MATURITY OF LIABILITIES

(in € million)	As at 31 March 2022	Within one year	One to five years	More than five years	out of which related parties
Bonds	2,655	5	700	1,950	-
Other borrowings	250	250	-	-	-
Borrowings from subsidiary	-	-	-	-	-
Trade payables	32	32	-	-	15
Other tax and social security payables	13	13	-	-	1
Other payables	134	134	-	-	133
TOTAL	**3,084**	**434**	**700**	**1,950**	**149**

NOTE 17. OTHER INFORMATION

17.1. Off Balance-sheet Commitments

Total outstanding guarantees given by the Company amount to €1,299 million as of 31 March 2022, and correspond to guarantees of commercial obligations contracted by the subsidiaries.

At 31 March 2022, there is no commitment received identified.

17.2. Compensation granted to the corporate officer

The compensation paid to the Chairman and Chief Executive Officer amount €3,132,097 for the financial year ended 31 March 2022. This compensation includes both fixed and annual variable gross compensations and the benefits in-kind that comprise mainly the "Article 82" defined contribution.

Additional comments relating to pension plans

It is reminded that following his resignation from his working contract with Alstom Executive Management SAS, the Chairman and Chief Executive Officer lost any entitlements with regards to the defined benefit pension plan (so called "Article 39"), this plan having been closed in 2019. The accrued rights of a total gross amount of €3.375.000 (acquired over the period from 1 January 2004 to 31 December 2016) is paid onto the defined contribution plan "Article 82", in three yearly instalments following the Chairman and Chief Executive Officer's resignation from his working contract and subject to a condition of presence at the time of each payment. The first payment of €1,125,000 was made in July 2020, the second payment of the same amount was made in July 2021.

The balance of this debt is included in the other tax and social security payables.

The Chairman and Chief Executive Officer benefits from an additional pension plan based on two distinct elements that have not been modified during the fiscal year 2021/22.

- A defined contribution pension plan (so-called "Article 83"):
  - The contributions of the "Article 83"-type plan are paid annually and correspond to:
    - 1% of the annual compensation as high as four Annual Social Security Ceilings;
    - 4% of the annual compensation between four and eight Annual Social Security Ceilings; and
    - 11% of the annual compensation between eight and twelve Annual Social Security Ceilings.
  - Since 1 July 2014, 95% of the contributions are paid by the Company.
  - The contributions paid as part of the defined contributions plan for the fiscal year 2021/22 are equal to €26,327, of which €25,011 are paid by the Company.
- A defined contribution pension plan (so-called "Article 82"):
  - The "Article 82" defined contribution plan was set up in 2016 by the Board of Directors, upon the Nominations and Remuneration Committee's recommendation, in order to replace the "Article 39" defined benefits pension plan, closed in 31 December 2016.
  - As part of this plan, the annual contributions are paid to a third-party entity in charge of the supplemental pension plan. The computation of this contribution is based upon the annual total compensation (annual fixed and variable compensation owed in cash) of the Chairman and Chief Executive Officer as follows:
    - 10% of the fraction of the gross fixed compensation comprised between eight and twelve Annual Social Security Ceilings and 20% of the fraction of the fixed compensation in excess of twelve Annual Social Security Ceilings; and
    - 20% of his annual variable compensation as defined by the Board of Directors.
  - The baseline compensation (annual fixed and variable owed in cash) for the contribution computation cannot, for any reason, exceed €2,000,000.
  - No contribution is to be paid if the variable compensation is equal to zero. The contributions are paid once a year, after the General Shareholders' Meeting approval of the annual variable compensation's payment of the prior fiscal year.

- The Chairman and Chief Executive Officer committed, once the fiscal and social obligations linked to these contributions are fulfilled, to keep the paid amount on the dedicated retirement-capital vehicle, at least for the duration of his mandate.
- The amounts paid in November 2021 under this defined contribution pension plan for the fiscal year 2021/22 is equal to €246,850 and corresponds to the acquisition period from 1 April 2020 to 31 March 2021. The matching accruals accounted for fiscal year 2020/21, amounting to €287,614, have been cancelled.
- The amounts paid in July 2021 under this defined contribution pension plan for the fiscal year 2021/22 is equal to €1,125,000 and corresponds to the third of the total compensation set following the loss of rights in respect of the defined benefit plan "Article 39" which was closed.

The above-mentioned two plans (so called "Article 82" and "Article 83") are collective plans and can apply to other company executives.

17.3. Stock-options and performance shares

Some Alstom Group employees receive equity-settled compensation, consisting of free share plans or performance shares.

Because those Equity-settled plans involve the issuance of new shares, no expense is booked during the period neither at the grant date nor after the vesting period pursuant to Article 624-6 of the French General Chart of Accounts.

The different types of plans in place within the Group and their respective accounting treatment are described below.

KEY CHARACTERISTICS

	Plan issued by Shareholders Meeting on 22 June 2010	Plan issued by Shareholders Meeting on 18 December 2015	Plan issued by Shareholders Meeting on 17 July 2018	Plan issued by Shareholders Meeting on 10 July 2019	Plan issued by Shareholders Meeting on 4 July 2021		
	Plan n°16	PSP 2018	PSP 2019	PSP 2020	PSP 2021	PSP Special	We Are Alstom 2021
	Stock options	Performance shares	Performance shares	Performance shares	Performance shares	Performance shares	Free shares
Grant date	01/10/2013	13/03/2018	12/03/2019	10/03/2020	04/07/2021	04/07/2021	04/07/2021
Exercise period	03/10/2016 30/09/2021	n/a	n/a	n/a	n/a	n/a	n/a
Number of beneficiaries	292	732	820	878	1,375	18	63,717
Adjusted number granted(*)	784,294	1,102,789	1,176,801	1,252,619	1,867,325	243,000	955,755
Adjusted number exercised since the origin	678,791	698,912	1,100	-	-	-	-
Adjusted number cancelled since the origin	105,503	403,877	77,406	50,982	54,000	-	79,395
Ajusted number outstanding at 31 March 2022	-	-	1,098,295	1,201,637	1,813,325	243,000	876,360
inc. to the present members of the Leadership team	-	-	249,402	288,782	326,000	243,000	0
Adjusted exercise price(**) *(in €)*	21.24	n/a	n/a	n/a	n/a	n/a	n/a
Fair value at grant date *(in €)*	3.84	25.59	28.92	36.58	35.60	41.01	42.01

(*) The number of options and performance shares and the exercise price of options have been adjusted as a result of transactions that have impacted the number of capital shares after grant dates.
(**) The exercise price corresponds to the average opening price of the shares during the twenty trading days preceding the day on which the options were granted by the Board (neither discount nor surcharge) and adjusted where necessary due to the capital increases with Preferential Subscription Rights.

At 31 March 2022, stock options granted by plan 16 is fully vested. For plan 16, options expire five years after the end of the vesting period. The plan 16 expired in September 2021.

The long-term incentive plans set up since 2007 combine the allocation of stock options with the allocation of performance shares, except the latter since 2016 that allocate only performance shares.

The grant of these instruments is conditioned by the satisfaction of performance indicators.

PSP 2018 granted on 13 March 2018

This plan has been agreed by the Board of Directors of 13 March 2018. 1,016,025 performance shares have been initially granted to 732 beneficiaries.

The final allocation depends on one internal performance condition based on Group adjusted EBIT margin (excluding the share of net income of CASCO) for fiscal years ended 31 March 2021, and one external condition linked to the performance of the Company's share. Based on the performance conditions of the year ended March 2021, 104.50% of the initial grant (150%) has been achieved and 45.50% of the performance shares have been cancelled. On 19 May 2021, 698,912 performance shares have been delivered.

PSP 2019 granted on 12 March 2019

This plan has been agreed by the Board of Directors of 12 March 2019. 1,080,150 performance shares have been initially granted to 820 beneficiaries.

The final allocation depends on two internal performance condition based on Group adjusted EBIT margin (Excluding the share of net income of CASCO) and cash conversion rate for fiscal years ended 31 March 2022, and one relative condition linked to the performance of the Company's share. The final delivery will take place at the latest twenty days after the publication of the 31 March 2022 results.

PSP 2020 granted on 10 March 2020

This plan has been agreed by the Board of Directors of 10 March 2020. 1,145,625 performance shares have been initially granted to 878 beneficiaries.

The final allocation depends on three internal performance conditions based on Group adjusted EBIT margin, cash conversion rate for the fiscal year ended 31 March 2023 and an objective of reduction in the energy consumption of the solutions offered to clients, as well as one relative condition linked to the performance of the Company's share. The final delivery will take place at the latest twenty days after the publication of the 31 March 2023 results.

PSP 2021 granted on 4 July 2021

This plan has been agreed by the Board of Directors of 4 July 2021. 1,867,325 performance shares have been initially granted to 1,375 beneficiaries.

The final allocation depends on three internal performance conditions based on Group adjusted EBIT margin for the fiscal year ended 31 March 2024, the sum of Free Cash Flows for the fiscal year ended in March 2022, 2023 and 2024 and an objective of reduction in the energy consumption of the solutions offered to clients, as well as one relative condition linked to the performance of the Company's share. The final delivery will take place two days after the end of the vesting period, the 4 July 2024.

Special PSP granted on 4 July 2021

This plan has been agreed by the Board of Directors of 4 July 2021. 243,000 performance shares have been initially granted to 18 beneficiaries.

The final allocation depends on three internal performance conditions based on Alstom margin evolution on specific projects, achievement of synergies and earnings per share and a relative performance condition based on the employee engagement score of the Group. These conditions will be assessed at the end of the fiscal year ended 31 March 2025. The final delivery will take place two days after the end of the vesting period, the 4 July 2025.

2021 free share plan named "We Are Alstom 2021"

On 4 July 2021, the Board of Directors approved the grant of a worldwide free share Plan named "We are Alstom 2021". The 15-shares-award concerns all employees within Alstom at the grant date, on the condition they are still employees of Alstom Group at the end of a 2-years-vesting period, representing a maximum of 955,755 new shares of €7 of nominal value each to be issued in favour of a maximum of 63,717 beneficiaries. It was also decided that in the countries where, for tax and/or legal purpose, the granting of free shares would be difficult or not possible, a cash equivalent bonus will be granted to employees.

MOVEMENTS

	Number of options	Weighted average exercise price per share *(in €)*	Number of performance shares
Outstanding at 31 March 2020	**235,547**	**23.75**	**4,005,063**
Granted(*)	15,520	21.36	290,409
Exercised	(98,896)	21.74	(862,298)
Cancelled	(30,703)	21.83	(80,940)
Outstanding at 31 March 2021	**121,468**	**21.24**	**3,352,234**
Granted(**)	-	-	3,066,080
Exercised	(88,590)	21.24	(699,487)
Cancelled	(32,878)	21.24	(486,210)
OUTSTANDING AT 31 MARCH 2022	**-**		**5,232,617**

(*) Includes adjustments due to the capital increase with Preferential Subscription Rights in December 2020 on stock options plans 15, 16 and PSP 2018, 2019 and 2020. The weighted average exercise price is also impacted by this capital increase.
(**) Includes 955,755 free shares granted through "We Are Alstom 2021", 243,000 shares granted through Special PSP and 1,867,325 shares granted through PSP 2021.

17.4. Severance payment and other benefits arising upon the termination of the mandate

The Chairman and Chief Executive Officer will not be able to keep the non-fully vested rights to stock options or performance shares awarded under his mandate, except in the event of a forced departure and subject to the decision of the Board of Directors.

The Chairman and Chief Executive Officer having resigned from his working contract will not benefit of any severance payment in the event of departure, should this departure be linked to that contract or his current mandate.

17.5. Transactions with related parties

The decree n°2009-267 dated 9 March 2009 requires to give information about transactions with related parties contracted at conditions other than normal market conditions.

The Company has not identified any transaction coming into the scope of this requirement.

17.6. List of subsidiaries

Alstom Holdings is Alstom's sole subsidiary and is 100% owned.

Information on Alstom Holdings

Gross value of investment held by the Company	€14.3 billion
Net value of investment held by the Company	€14.3 billion
Gross value of loans and advances granted by the Company	€2.9 billion
Net value of loans and advances granted by the Company	€2.9 billion
Bonds and guarantees granted by the Company outstanding at 31 March 2022	-
Dividends paid by Alstom Holdings to the Company during financial year ended at 31 March 2021	€93 million
Alstom Holdings shareholders' equity at 31 March 2022	€12.0 billion
Sales	€353 million
Net Profit	€823 million

Statutory Auditors' report on the financial statements

(For the year ended 31 March 2022)

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual general meeting of shareholders of Alstom SA

OPINION

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Alstom SA for the year ended 31 March 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 March 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code *(code de commerce)* and the French Code of Ethics *(code de déontologie)* for statutory auditors, for the period from 1 April 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code *(code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of the investment in Alstom Holdings

(Note 2.1 Investments and Note 8 Financial assets)

Identified risks

As of March 31, 2022, the net value of the investment in Alstom Holdings amounts to 14 312 m€. Alstom Holdings owns directly or indirectly all the entities of the Alstom group.

As described in Note 2.1 to the financial statements, investments are recorded at their acquisition cost. The recoverable value of the investments is assessed based on a multi-criteria approach. Alstom records an impairment if the recoverable value of the investments is lower than their carrying value.

Determining the recoverable value is based on (i) Discounted Cash Flows, and (ii) values in relation with current or contemplated transactions or any other fair market values, if available. This impairment test relies on significant management estimates, such as the group's business plans and long term growth rate.

Accordingly, we consider the measurement of the recoverable value of the investment in Alstom Holdings to be a key audit matter, due to the amount of the investment recorded in the balance-sheet and the inherent uncertainty of certain inputs, in particular the likelihood of achieving forecast results included in such measurement.

Our response

We performed a critical review of the methodology applied by management to perform the impairment test by:

- Understanding process and controls implemented by Alstom SA;
- Assessing the consistency of the assumptions used for the impairment test (projected future cash flows, growth rates, discount rates) with the historical performance, the existing backlog of contracts and the economic environment in which Alstom SA operates;
- Assessing the reasonableness of the assumptions used to determine values in relation with current or considered transactions or any other fair market values, if any;
- Reviewing sensitivity analyses to key assumptions.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to the payment deadlines mentioned in Article D.441-6 of the French Commercial Code *(code de commerce)*.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code *(code de commerce)*.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code *(code de commerce)* relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code *(code de commerce)*, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Format of the presentation of the consolidated financial statements intended to be included in the annual financial report

We also proceeded, in accordance with the professional standard on the diligence of the statutory auditors relating to the annual and consolidated financial statements presented according to the single European electronic information format, to the verification of compliance with this format defined by the European Regulation Delegate No. 2019/815 of December 17, 2018 in the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in I of Article L.451-1-2 of the Monetary and Financial Code, prepared under the responsibility of the Chairman and CEO.

Based on our work, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the single European electronic information format.

It is not our responsibility to verify that the consolidated financial statements which will be effectively included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We, PricewaterhouseCoopers Audit and Mazars, were appointed as statutory auditors of Alstom SA by the annual general meeting held on 23 June 2009.

As at 31 March 2022, PricewaterhouseCoopers Audit and Mazars were in the 13th year of total uninterrupted engagement.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code *(code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee, which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code *(code de commerce)* and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La-Défense, 13 May 2022

The statutory auditors

PricewaterhouseCoopers Audit	**MAZARS**	
Edouard Cartier	Jean-Luc Barlet	Sophie Delerm

OTHER FINANCIAL INFORMATION RELATING TO ALSTOM SA

as at 31 March 2022

Five-year summary

INFORMATION AS PER ARTICLE L.232-1 OF THE FRENCH COMMERCIAL CODE

		Year ended				
		31 March 2018	31 March 2019	31 March 2020	31 March 2021	31 March 2022
1.	**SHARE CAPITAL AT YEAR END**					
a)	Share capital *(in € thousand)*	1,555,473	1,565,006	1,581,816	2,598,413	2,613,742
b)	Number of outstanding issued shares	222,210,471	223,572,313	225,973,782	371,201,793	373,391,746
c)	Par value of shares *(in €)*	7	7	7	7	7
2.	**OPERATIONS AND INCOME FOR THE YEAR** *(in € million)*					
a)	Dividends received	-	-	-	-	-
b)	Income before tax, depreciation, impairment and provisions	262	311	1,994	235	100
c)	Income tax credit	22	18	18	4	11
d)	Net income after tax, depreciation, impairment and provisions	282	1,529	2,019	222	102
e)	Dividends[(1)]	78	1,233	-	93	93[(1)]
3.	**EARNINGS PER SHARE** *(in €)*					
a)	Net earning after tax, but before depreciation, impairment and provisions	1.28	1.47	8.90	0.64	0.30
b)	Net earning after tax, depreciation, impairment and provisions	1.27	6.84	8.93	0.60	0.27
c)	Net dividend per share[(1)]	0.35	5.50	-	0.25	0.25
4.	**PERSONNEL**					
a)	Average headcount of the year	1	1	1	1	1
b)	Amount of remuneration of the Chairman and Chief Executive Officer *(in € thousand)*	1,726	2,113	2,131	3,108	3,132
c)	Amount of social charges and other welfare benefits for the year *(in € thousand)*	718	766	791	1,112	1,069

(1) For the last year-end, subject to the approval of the General Shareholders Meeting.
Distributable amount mentioned above is based on the number of outstanding shares entitling the holders to a dividend at closing date.
This number may change between 1 April and dividend payment's date, depending namely on treasury shares, performances shares and stocks options variations.

For the last 3 fiscal years the following dividends were paid:

- year ended 31 March 2019: €1,233 million;
- year ended 31 March 2020: €0;
- year ended 31 March 2021: €93 million.

Comments on statutory accounts

INFORMATION REQUESTED BY THE ARTICLE L.225-100 OF THE FRENCH COMMERCIAL CODE

The company is the holding company of the Alstom Group. ALSTOM Holdings is Alstom's sole subsidiary. The company centralises a large part of the external financing of the Group. Fees from its indirect subsidiaries for the use of ALSTOM name are the company's main source of revenue.

Income statement

The company net profit amounted to €102 million and mainly comprised:

- €5 million operating income stemming from the fees for the use of ALSTOM name and from the re-invoicing to its subsidiary ALSTOM Holdings of expenses related to the acquisition of Bombardier Transportation, minus administrative costs and other external costs;
- €89 million financial income mainly linked to the dividends received for an amount of €93 million;
- non-recurring income: €(3) million;
- €11 million net income tax credit mainly linked to the tax grouping.

Balance sheet

Total of balance sheet amounts to €17,518 million and is mainly made of:

- **Assets:**
  - Investments in ALSTOM Holdings totalling €14,312 million in net value,
  - Advances to ALSTOM Holdings amounting to €3,090 million;
- **Shareholders' equity and liabilities:**
  - Shareholders' equity amounts to €14,432 million and is made of:
    - share capital: €2,614 million,
    - paid-in capital: €5,068 million,
    - reserves: €6,648 million,
    - net profit of the period: €102 million,
  - Outstanding bonds amounting to €2,655 million,
  - Other borrowings: €250 million.

INFORMATION ON TRADE PAYABLES & TRADE RECEIVABLES

In accordance with the Article D.441-6 of the French Commercial Code, it is stated that trade payables and trade receivables recorded on the balance-sheet of the year ended 31 March 2022 are made up as follows:

	Trade payables						Trade receivables					
	Invoices received due for payment and remaining unpaid at the closing date						Invoices issued due for payment and remaining unpaid at the closing date					
(in million €)	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total 1 day or more	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total 1 day or more
(A) Ageing profile of payment arrears												
Number of invoices involved	13					20	1					45
Total amount of invoices involved (excl. VAT)	-12.83	0.00	-0.01	0.00	-0.04	-0.05	0.04	-0.95	0.52	22.49	1.33	23.38
Percentage of total purchases for the fiscal year (excl. VAT)	-25.33%	0.00%	-0.01%	0.00%	-0.08%	-0.09%						
Percentage of sales for the fiscal year (excl. VAT)							0.07%	-1.51%	0.82%	35.65%	2.11%	37.07%
(B) Invoices excluded from (A) related to disputed or unrecorded payables and receivables												
Number of invoices excluded	88						-					
Total amount of invoices excluded (incl. VAT)	3.02						-					
Comments	Excluded invoices are related to unrecorded or disputed payables						-					
(C) Reference payment terms used (contractual or statutory – Article L.441-10 or Article L.441-11 of the French Commercial Code)												
Payment terms used to calculate arrears	Contractual payment terms Statutory payment terms			45 days following the end of the month			Contractual payment terms Statutory payment terms			30 days following the end of the month		

4

RISK FACTORS AND RISK MANAGEMENT, CONTROL ENVIRONMENT

AFR

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

Due to its multiple facilities throughout the world, its diverse activities and product ranges, and its development, the Alstom Group is exposed to various categories of risk, the occurrence of which could have a material adverse effect on its activities, financial situation, results, or prospects. This chapter presents the principal specific risks the Group considers it is exposed to as of the date of this Universal Registration Document.

Risk assessment and management are embedded in the Group's operational and strategic objectives. Alstom regularly reviews the risks it faces within the framework of risk management and controls as described below in the section of this chapter entitled "Control environment".

In the framework of the provisions of Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, within each of the risk categories referred to below, the risk factors Alstom considers to be the most significant as of the date of this Universal Registration Document are presented (and identified by an asterisk), based on an assessment that takes the risks' impact level and probability of occurrence into account, as well as the actions and measures designed to manage and mitigate risks implemented by the Company.

It is possible that certain risks that have not been mentioned or identified as of the date hereof may potentially affect the Group's activities, results, objectives, image or share price. Alstom's assessment of the significance of these risks can change at any time, should new internal or external facts or circumstances materialise.

Risk factors and risk management

OPERATING AND STRATEGIC RISKS

Geopolitics, macroeconomic environment, and dependence on public procurement (*)

Description of the risk factors and their impact

Trends in the markets in which Alstom conducts its business depend on a set of external, complex, and interdependent factors, such as political stability, economic growth, public policies and availability of credit.

Alstom considers recent events such as the conflict between Russia and Ukraine, inflation, the shortage of electronic components and raw materials, impacts of the resurgence of Covid in China and supply disruptions as factors that aggravate risks, and that require the ability to constantly mobilise and anticipate the resulting consequences.

Inflationary pressures

Changes in prices for certain raw materials (energy and other resources) can not only affect the Group's purchases but also the financial balance of highly dependent countries, which can potentially lead to food shortages and social crises.

This evolution in prices tied to certain shortages has created a supply shock that has fuelled inflationary pressures. Early 2022, inflation reached record highs in many countries (highest level in the United States since 1982). The way central banks will manage rises in key interest rates and the progressive slowdown in the rate of the bond purchases (the US Federal Reserve and the European Central Bank are envisaging reducing balance sheet expansions for example) will influence how quickly inflation is stabilised.

If it remains high over several quarters, inflation can have multiple impacts on Alstom's business and profitability: price increases in respect of purchases from raw material suppliers or sub-contractors, stress on certain projects that do not have index-based price adjustment clauses, salary increases if a wage-price spiral is triggered, with potential repercussions on the recruitments planned by the Group, an increase in the Alstom's debt burden with respect to variable interest rate short-term debt, which could be further complicated by potential exchange rate risks if central banks do not adopt the same priorities at the same speed.

For more information, please refer to Note 1.1.3 "Uncertainties linked to the current economic and political context" to the consolidated financial statements for the financial year ended 31 March 2022.

Multiplication and elevated intensity of geopolitical crises

The intensification of tensions in certain geographic zones can have direct consequences on the Group's activities. Indeed, because of its global footprint, the Group's ability to honour its commitments under the contractual terms agreed on with its customers can be affected at any time, from near or afar.

In this regard, the conflict between Russia and Ukraine, which creates economic uncertainties that are liable to affect economic activity and global exchanges, could have an adverse impact on the Group's activities, even though the Group does not have significant economic exposure to Russia.

Risk management

The increase in the number of events and their direct consequences on the business requires the Group to be responsive and proactive so that it can limit the economic and operational impacts all while protecting its customer's interests.

Complying with all applicable sanctions and laws, on 9 March 2022, Alstom decided to suspend all deliveries to Russia. The Group's actual exposure to Russia and Ukraine is extremely limited. In Ukraine, a dedicated team was created at the outset of the crisis to provide support to employees in the signalling software business in Kharkov. A proposed partnership with UZ (the operator of the Ukrainian railway network) for the supply of locomotives and related maintenance services, was suspended due to the context (this partnership was not included in Alstom's 2021/22 outlook).

The measures and action plans tied to inflationary pressures are described in various sections of this chapter relating to project execution, contractual provisions, bids and sourcing, human resources, and financial risk.

About exchange rate risks, due to its global footprint and quite well protected "multi-local" profile, exchange rates have a relatively moderate operational impact on its business compared to other industries, such as the aeronautics industry for example.

Alstom is commercially active throughout the world, in a market that is supported by urbanisation, infrastructure development in emerging markets and renewal and modernisation projects in mature markets which incorporate growing environmental concerns. This global presence enables Alstom to adopt proactive commercial measures so that it can offer – in concertation with a large number of its customers – more affordable solutions that nevertheless remain predictable and secure.

It should be noted that the position of railway equipment manufacturers is such that, due to growth in the market, these manufacturers will be able to readjust their contractual relationships and sales terms more favourably with ordering customers.

Moreover, even in a context of budget cuts, the need for rail infrastructure should benefit from favourable arbitration policies on the part of states so that they can comply with commitments made by all states to reduce mobility-related carbon footprints. It should be noted that some countries that heavily depend on raw materials for their revenues, energy in particular, will experience improved budgetary situations as a result of the increase in the price of their exports, which will enable them to launch infrastructure investment programmes, and railway projects in particular. Alstom, 62% of whose revenues are generated in Europe 17% in Americas, 14% in Africa/Middle East, and Central Asia and 7% in Asia, can absorb and/or offset a decrease in its revenues due to a crisis in a country or region, all while maintaining its objectives and financial performance.

Description of the risk factors and their impact	Risk management
In Russia, despite an historical minority interest of 20% in Transmashholding (TMH), the Russian locomotive and railway equipment supplier, the commercial and operational ties between Alstom and TMH are limited. For more information, please refer to Note 1.1.2 "Consequences of the Ukraine/Russia conflict" to the consolidated financial statements for the financial year ended 31 March 2022. In China, with 13 joint ventures and eleven wholly foreign-owned enterprises, Alstom currently employs over 11,000 individuals (including JV employees). These companies significantly contribute to all of Alstom's projects in China and outside China (manufacturing of traction and signalling equipment, subway cars, monorails, etc.). Alstom also purchases a significant amount of equipment from Chinese suppliers (doors, interior fittings, etc.). In general, increased tensions in certain geographic zones are sometimes accompanied by the application of economic sanctions, which could lead to consequences on the execution of our contracts, disrupt the supply chain and may impact the Group's financial results. **Public procurement** The railway market is highly dependent on public procurement and public policy relating to the environment and transportation (around 90%), which are fuelled by increasing urbanisation and demographics. Budget cutbacks that may confront our customers (including because of increases in key interest rates referred to above) can not only lead to delays in contract awards, but also reductions, delays in or cancellations of contract execution or the related financing, which can negatively affect Alstom's activities and financial situation.	Similarly, in the event of a major crisis in a country or production site, the Group's industrial footprint in 70 countries and 250 sites make it possible to reorganise the affected activity: • by moving project execution to another site in the country or region that carries out the same type of projects (assembly sites for train assembly, component or equipment manufacturing sites, software development centres); • by reorganising the supply chain in cooperation with suppliers. Finally, to bolster the attractiveness of its offerings, Alstom offers turnkey solutions to its customers throughout the world, which incorporate innovative export-credit financing solutions that are guaranteed by the public financial authorities of the countries in which Alstom has operations.

Contract execution (*)

Description of the risk factors and their impact	Risk management
Alstom is currently responding to growing demand for greener and more modern mobility solutions, both in France and around the world. Its backlog for these solutions currently stands at €81 billion. Contract execution risk arises from: • a significant increase in order intake that include complex long-term projects, which also carry increased risks of unforeseen technical problems; • an order book that includes critical projects requiring additional resources to resolve problems, which could reduce the number of employees available for the launch of new projects; • the insufficient availability or suitability of trained project teams and experts who can support operations locally; • the use of project management tools (planning, finance) that are in the process of being rolled out and integrated, which weighs down on teams' efficiency; • geopolitical, environmental, or public health events that generate legal, financial and operational difficulties impacting our suppliers (supply chain failures), subcontractors or consortium partners. As with delays in execution, this risk has direct consequences on Alstom's reputation among its customers and investors, on its products' quality and performance, and the placement of orders for complex projects in the short and medium term. Consequently, the occurrence of this risk could have an adverse effect on the Group's business, financial condition, results or prospects.	The management of contract execution risk is based on: • project reviews timed in view of monthly monitoring of the status and effectiveness of action plans and on an assessment of the project portfolio's financial impact before each half-year account closing; • anticipating personnel needs (training, internal certification for key project disciplines, recruitment) jointly with the regions, the central functions and the Human Resources Department so that competent and operational resources are available upon project launch; • enhanced selectiveness during the bid phase, with revised internal rules, such as with respect to cash, which also take new economic conditions into account, such as inflation; • a new structuring of contracts by sub-system which relies on a centralised contract management tool improving project management. Despite all these measures, and given difficulties experienced in recruiting expertise in various disciplines (signalling, welding, project management) and other experienced personnel in certain regions, contract execution risk remains high.

Procurement (*)

Description of the risk factors and their impact	Risk management
Alstom interacts with several thousand suppliers around the world for its projects and is therefore exposed to certain supplier risks that may be financial, operational, cyclical or even social in nature. Indeed, while the complexity of the supplier ecosystem, globalisation of supply and continued improvements in delivery times allow for greater efficiency, they also increase the vulnerability of the supply chain. Industrial purchases and purchases of services, equipment, and sub-systems from third parties represent a very significant share of the costs of Alstom's activities (60% for the fiscal year 2021/22). Any default by a supplier or sub-contractor or unexpected increase in these costs can have an adverse effect on the Group's activities, financial situation, results, and prospects. Alstom sometimes encounters difficulties in negotiating contract clauses with certain suppliers, and these issues can lessen Alstom's ability to formalise modification requests that are necessary to adapt to customers' needs or made at the Group's initiative. Alstom can also have trouble in entering into consecutive agreements or commitments with suppliers and sub-contractors to guarantee that the required legal framework is implemented (cybersecurity, trade secrets, export controls, duty of vigilance, and data confidentiality, for example). In addition, certain suppliers or sub-contractors may: • be impacted by increases in raw material prices while the contract is being executed; • be affected by shortages of electronic components, which can lead to availability problems that will need to be managed and mitigated; • not comply with quality standards or delivery deadlines specified by Alstom; • not respond to certain important terms of the specifications imposed by Alstom's end customer, notably in terms of the quality and performance of the delivered products; • no longer have the capacity to supply Alstom due to events such as a fire in a factory or technical centre, natural catastrophe (earthquake, flood, etc.), pandemic or political instability in the country in which their production sites are located. All these factors can compromise the execution of the Group's contracts. Given the average duration of a project, which is three to five years, suppliers could be confronted with different phases of instability not necessarily identified at the beginning of the projects. The possible failure of a supplier or subcontractor, or the breakdown of contractual relations with one of them, could result in delivery delays, unforeseen costs or degraded technical performance that could lead to the payment of penalties or damages by Alstom. In addition, Alstom uses raw materials and manufactured goods in amounts that vary according to the project, and which may represent a significant portion of the Group's contract price.	Supplier evaluation and selection at Alstom rely on activities that supplement the usual contract award process: • an evaluation of the risks by supplier is carried out monthly by the central purchasing team with the help of teams at the production sites. This evaluation is based on a map of nine types of risks, including the supplier's financial strength and operational capacity; • a periodic review of Alstom's major suppliers is carried out by the central purchasing team in collaboration with the regions to identify abnormal events or changes and anticipate their potential impacts; • regular audits with a standard checklist to assess the supplier's engineering, supply chain, quality, industrial, finance and organisational capability. These additional actions notably allowed the Group to closely monitor the impacts of the Covid-19 crisis on all its suppliers since March 2020 and these efforts continue today. In the event of excessive dependence of a supplier, double source action plans are clearly identified and launched. Plans aimed at securing a larger number of supply sources are in place, and can potentially include reintegrating the production of products back into the Group. The Group relies on an external data base from Bureau Van Dijk to, among other things, facilitate the selection and evaluation of suppliers, monitor changes in those suppliers so as to be proactive about managing risks, and filtering suppliers according to sanctions lists in the areas of financial, ethical or CSR compliance. All the Group's suppliers and subcontractors must sign an Ethics and Sustainable Development Charter, which includes the environment, health and safety approach, and complete a self-evaluation about their CSR and responsible purchasing performance *via* the EcoVadis platform. For more information on CSR performance and responsible purchasing of Group suppliers, see Chapter 6 ("Sustainable sourcing"). The new scope of the Group led the purchasing team to re-examine dependence on certain suppliers and to consider convergence of the supplier risk management (SRM) processes as a priority. Processes convergence was completed in October 2021. The *Global Supplier Excellence* team is in place to structure improvements in supplier performance by developing their maturity and operational efficiency, anticipating risks, preparing associated action plans and robust crisis management. This entire process is underpinned by a sustainable sourcing strategy. Considering recent geopolitical impacts resulting from conflicts, Alstom works closely, effectively and in solidarity with its supply chain in order to avoid and lessen in a structured manner disruptions in areas affected by conflicts. In addition to these actions carried out to manage risks relating to our supplier portfolio, measures necessary for managing our supply chain are described in the overall sourcing action plan which is updated each year within the framework of the strategic sourcing plan presented to Alstom's Leadership Team.

Description of the risk factors and their impact	Risk management
Given the appearance of trade and customs barriers, tensions in markets for certain manufactured goods and the extreme volatility of the prices of raw materials, such as steel, aluminium, stainless steel or copper, there can be no assurance that the corresponding cost fluctuations will be fully reflected in the Group's contract prices. The Group's long-term contracts generally include indexation formulas that aim to protect the Group's margins against cost increases, such as those for salaries and raw material prices, with indexes structured to reflect the contracts' cost structure as much as possible. These formulas may prove insufficient to preserve margins, notably due to certain threshold effects and implementation lags. Moreover, Alstom faces increasingly frequent demands to manufacture its products in countries where the railway industry is developing but not yet mature in regard to basic equipment. These demands may require Alstom to work with suppliers during the development phase and may lead to delays and additional costs or even constrain the development of Alstom's business in certain countries. Alstom is also exposed to the risk of excessive dependence on certain suppliers who are in quasi-monopolistic positions. This dependence may take various forms. For example, with respect to certain technology, there may be cases where one or a limited number of suppliers are the only sources of the relevant technology. Finally, interactions with many suppliers exposes Alstom to – beyond financial and operational risks – reputational risk if one of those suppliers does not meet its Corporate Social Responsibility (CSR) obligations in the context of its activities.	

Contract Terms and Conditions (*)

Description of the risk factors and their impact	Risk management
Alstom's business leads the Group to enter into complex long-term contracts that are executed in constantly changing environments (Ukrainian crisis, high inflation, raw material and components crises, resurgence of Covid) and whose requirements are increasingly stricter. These contracts are entered into with customers that are principally public entities subject to public procurement laws, which require compliance with the general terms and conditions of the contracts under penalty of being disqualified. The specificities arising from public markets limit the room the Group has to negotiate. They can also force the Group to accept conditions (limitations on liability, cash position, payment schedules, provision of a parent company guarantee) that are less favourable than the standards set by the Group and to accept the strict application of multiple penalty provisions by customers. These long-term complex contracts may be entered into among several parties, through a consortium or the creation of a special purpose company, particularly in the case of "PPP" (public-private partnership) projects or similar projects that cover concession and project financing activities. Any unanticipated event or change experienced by our partners expose the Group – which does not have control over the execution of the overall contract – to additional costs, which can affect the profitability of projects and have an adverse effect on Alstom's business, financial situation, results, and prospects. The consequences arising from this risk are both financial and legal and can impact the Group's image, customer relationships, and impair its competitive position in future bids.	The proactive management of risks relating to sales contract terms and conditions is principally based on: • the Legal Department's participation in the tender process so as to ensure that the most burdensome terms and conditions are identified and that execution risks are systematically analysed; • legal and contractual governance for critical projects; • the implementation of strategies and management tools for critical contracts; • the mandatory participation of contract managers in project reviews, in accordance with the Group's new instructions; • shoring up the contract management teams through the implementation of a skills development programme; • consideration of lessons learned to contribute to continuous improvement. The management of risks posed by sales contracts is founded on: • the application of new instructions, processes and tools in order to develop contract management with suppliers and specific contract management strategies aimed at our main suppliers; • the reworking of the general procurement terms and conditions to include (i) changes in the regulatory environment (export controls, duty of vigilance, General Data Protection Regulation, cybersecurity, etc.), and (ii) adequate rights and remedies for Alstom (definition of essential obligations, indemnities, increased requirements in EHS, liability, etc.). The effectiveness of all these measures is reinforced by: • specific and comprehensive training aimed at raising commercial and contractual awareness; • the launch of training sessions aimed at the buyer community regarding contract management and disputes with suppliers and sub-contractors. Finally, for several months, the legal and financial teams have been working together on offers and contracts to reduce the impact of the shortage of electronic components, the increase in the price of raw materials and energy, the evolution of hourly rates, and the consequences of the crisis in Ukraine.

Tenders (*)

Description of the risk factors and their impact	Risk management
Procurement conditions, the complexities of contract structures, contract organisation, performance levels expected by customers, local regulations and localisation requests lead the Group to manage long-term risks when preparing tenders. For the past several years, Alstom has noted an increase in technical performance that goes beyond standards, as well as stricter payment schedules that can lead to negative cash flows over the course of project execution, or still yet the demand that multiple bank guarantees be issued for the entire term of the contract. The current inflationary context, the volatility in the macro-economic environment and difficulties with sourcing certain components (raw materials, electronic components) further increase risks relating to bidding. In addition to risks relating to contract terms discussed above, which sometimes are non-negotiable depending on the context of the request for proposals, the Group must be able to define the costing assumptions for all the customer's specifications but also to propose the best organisation within the Group for the successful execution of the contract. These costing assumptions are highly dependent on: • the technical maturity of the product being offered and the performance requirements; • the impact of new developments or the incorporation of new technologies; • the competence and availability of the design, product, validation, and commissioning teams; • the complexity of the geographic organisation planned for the execution of the contract; several sites in several countries may be involved in the contract (organisation of the project design phase, organisation of procurement for the project, industrial organisation of the project); • knowledge about local regulations; • the customer's role in obtaining the operating certificate; • the contractual management of the customer's requirements; • the request to localise production or component purchases, and the maturity of the railway industrial footprint, particularly in emerging countries such as South Africa, India, and Brazil, but also in other countries such as the United States and Australia.	The tender review process is based on an in-depth risk analysis that includes a list of items that must be systematically reviewed and verified. These elements take into account various parameters, such as the customer's profile, the contractual organisation of the project and project partners, the financial strength of suppliers and subcontractors, the technology being used and performance requirements, the regulatory framework, the reliability and relevance of the estimated costs, the project timetable, contractual clauses, secured payment mechanisms, bank and financial guarantees, the exposure to exchange and inflation risks, country risks, tax issues, and key financial elements (contract price, margin, risks and opportunities and related financial reserves, cash curves, etc.). The review process for commercial offers includes several control steps starting with identifying the opportunity, receiving, and analysing the specifications, preparing the tender, and ending with the submission of the tender to the customer. The application of this process relies on a specific documentation, analytical and validation tool for all commercial opportunities, and ensures the traceability of assumptions applied throughout the entire cycle. The tender risk is also monitored thanks to strict monitoring of the transition period between tender and project phases, as well as a feedback loop making it possible to capitalise on best practices and lessons learned. The programme for restructuring projects by sub-system referred to in the contract execution risk is also deployed in respect of requests for proposals to ensure the efficient and smooth transfer of information and data between the tender and the contract teams. Finally, new rules impacting both our costing and sales terms have been put in place to reduce the Group's exposure to the inflationary context.

Technology, products design and performance, and certification (*)

Description of the risk factors and their impact	Risk management
The Group designs, manufactures and sells technologically complex products and solutions used particularly in major infrastructure projects. The Group therefore faces the risk that products do not satisfy contractual expectations or regulatory requirements due to the combined effect of imbalanced maturity of the relevant technologies and the enhanced performance expected by our customers. Moreover, the timeframes within which products are placed on the market have been significantly reduced, which compresses the development, debugging and validation cycles. This risk can be exacerbated by frequent changes in regulation in view of the lifespan of our products. In particular, the authorisation of Alstom's products depends on complying with laws and standards, particularly those relating to security, that are not uniform worldwide and that are overseen by numerous organisations, creating a complex regulatory environment, particularly in Europe. In the past, Alstom has encountered difficulties related to complex approval procedures, and has also been confronted with new technical features, such as compliance with cyber security specifications, which are becoming increasingly important. Consequently, certification and the receipt of production authorisations can take longer and be more costly than initially anticipated. Moreover, Alstom is more and more frequently required to bear risks arising from changes in laws, which were historically risks borne by our customers.	Alstom has developed specific tools and processes to manage these risks to: • control the development cycle for new products – DfQ (Development for Quality); • control the R&D process and increase technological maturity; • manage the diversity of technical product standards; • allow the 60 main Alstom sites to access standards *via* a centralised platform; • establish, maintain, and promote a preferred internal standard (ASPL – *Alstom Preferred Standard List*); • facilitate and coordinate an internal network of individuals contributing to the various committees responsible for defining and modifying standards, especially those in the ASPL. In addition, Alstom has defined and rolled-out a new Certification & Authorisation "metier" to: • integrate specific C&A requirements into the DfQ process; • secure authorisations for operating trains; • define and implement training associated with the tools and processes. Considering regulatory issues to the same extent as contractual matters throughout our products' lifespans is indispensable to controlling project risks. Finally, regarding new technologies, the Group has entered into partnerships with external experts that allow skills improvement within Alstom's teams to be accelerated. A few examples are: • Liebherr for fuel cell compressors, Hynamics (EDF) to reduce the time it takes to fuel hydrogen passenger trains, and, finally, Plastic Omnium, for onboard hydrogen storage solutions; • Safran for batteries, electric motors and fuel cells; • CEA France for battery ageing; • ITE SuperGrid for development and IRT Saint-Exupéry for the ageing of silicon carbide components; • Airbus for cybersecurity; • 3M for new materials; • Université Gustave Eiffel for electric roads, telecommunications, operations security and supervision; • Microsoft for Smart Mobility.

Cyberattacks against Alstom's networks and products (*)

Description of the risk factors and their impact	Risk management
The Alstom Group provides complex railway products and services, relying on modern information systems and technologies in the development and delivery of these products and services. The Group's broad geographic footprint, its diverse businesses and product ranges, the successive integration of business activities and the now unavoidable computer connections with customers' and suppliers' IT ecosystems result in a complex environment. The convergence of industrial platforms and IT systems introduces exposure to new risk scenarios. In addition, the Group uses partners for managing certain elements of its IT infrastructure and for solutions support. The main challenges relating to the information systems and technologies used by the Group are ensuring business continuity, protecting sensitive data and intellectual property rights, maintaining systems availability and managing IT assets compliance, all while complying with the applicable regulatory framework. Unauthorised access, modification, misuse, or disclosure of information, as well as the unavailability of information, commercial processes or supportive information systems can be caused by external or internal deliberate acts (cyberattacks, viruses, malware), accidents (human error, negligence), technical malfunctions (network outages, obsolescence) or natural events. These risks could lead to: • business disruption, or even the interruption of some or all of its business; • loss of competitiveness (strategic plans, requests for proposals, intellectual property, etc.); • harm to the Group's image; • significant sanctions in the event of regulatory breaches. In 2021/22, an increase in the following global threats was observed and taken into account in Alstom's risk management: • increased telecommuting due to the Covid-19 pandemic; • an increase in physical systems other than computers and tablets/ telephones (IoT) used to connect to networks and to transfer, store and process data, thereby changing the attack surface; • three ransomware extortions involving data theft, encryption and a threat of public disclosure; • social engineering / phishing targeting individuals working remotely and taking advantage of significant events as part of their attack; • increase in attacks targeting mobile devices (Android vulnerabilities for example) or their communications networks (phishing using SMSs, for example); • supply chain attacks targeting client data and networks. Any such threats of malfunction or failure may have an impact on the Group's operations and results.	To reduce this risk, defence mechanisms against human and technical failures and cyberattacks are implemented at every level within Alstom, be it within its own internal IT system or in its products' lifecycles. Alstom's security strategy rests on five pillars: • governance and risk management using a data security management system that is ISO 27001 certified, favouring prevention through a clear and pragmatic policy and regular information; • identifying and managing all resources used to store, process or transfer Alstom's data or that of its customers; • protecting data and access to resources, based on authorisation processes and identity checks; • detection and investigation of potential incidents and anticipation of changes in threats; • reaction and restoration of the nominal situation. Alstom's security strategy is based on risk management seeking to preserve confidentiality, integrity, availability, personal data, operations security (protection of assets and persons) and the reliability of the management or production information systems. The defence measures also apply to platforms in products/solutions and during project execution, to decrease exposure, and thus the likelihood for an attacker to reach the last stage of the cyberattack (In-depth defence principle). Alstom addresses risks of cyberattacks against its products *via:* • an organisation dedicated to Alstom's cybersecurity (and cybersecurity governance); • skills development in evaluating cybersecurity risk and in defining the security controls to integrate into our systems; • the integration, within Alstom's offering, of services in the areas of risk assessment, vulnerability management, product security maintenance and surveillance of the operational security of customer facilities; • the creation of cybersecurity policies and guidelines, *i.e.,* global policies, development policies, and cybersecurity measures; • active participation up to and including the leadership of standardisation committees or projects; • partnerships with major players in the cybersecurity sector, bringing their indispensable expertise and innovations to the roll-out of security mechanisms that are adapted to the railway sector (technical and non-technical mechanisms).

Description of the risk factors and their impact	Risk management
The risk of cyberattacks also relates to the products, services and systems developed by Alstom and sold to customers. Cyberattacks could occur at any time during the life cycle of Alstom's products, from the conception phase to production, delivery, installation, commissioning, operation, and up to the decommissioning. Such attacks can impact the comfort, availability and even the security of Alstom products and solutions used by the operators. Such attacks may include business interruption or the fraudulent use of Alstom products and solutions for criminal purposes. The failure of these products and systems may impact the commercial activity of the relevant product lines, the Group's reputation, and accordingly its results.	

Railway Safety

Description of the risk factors and their impact	Risk management
In the event of a railway accident involving services or equipment (maintenance or train operation) delivered by Alstom, the Group may be subject to claims from its customers, victims or their insurers in legal proceedings related to the losses suffered. Even if no liability is immediately attributable to defects in Alstom's products or services, an accident could entail the Group becoming involved in legal proceedings, potentially subject to negative media coverage, while the circumstances of the accident are being investigated. Such an accident could also lead the relevant transportation safety authority to temporarily withdrawal a certification. Despite the quality and safety control procedures in place throughout the Group, risks do remain. The occurrence of a railway accident involving equipment supplied by Alstom could have, if a defect in that equipment caused such an accident, an adverse effect on Alstom's business, financial position, results, and prospects and on its reputation of its products. The acquisition of Bombardier Transportation increases Alstom's exposure to the risk of accidents through the increase in the number of products and systems in operation, and due to its new responsibilities as the operator of certain passenger transport systems. In addition, the transitional integration and convergence phase could lead to instability in project management.	Through the annual railway safety action plan, several initiatives were carried out in 2021/22, including: • the merging of our ways of working, the rollout and monitoring of the Safety Management System through updated and reinforced governance; • the rollout of railway safety training: raising the awareness of all new managers, engineers, and professionals; • the application of a unified process and tool for managing safety issues and potential warning signs that could ultimately result in railway accidents. For 2022/23, the railway safety action plan covers some key actions such as: • continuing our training and awareness efforts and the creation of a communications campaign on "railway safety culture"; • reinforcing control over safety issues and potential warning signs that could lead to accidents; • including new projects in the indicator measuring our ability to anticipate safety concerns in project execution by starting to apply converged processes. For more information, please see to Chapter 6, "Railway Safety and Healthier Mobility".

Quality (*)

Description of the risk factors and their impact	Risk management
The Group faces the risk of not achieving the level of quality expected by customers with respect to our products and services. Actions aimed at correcting or replacing defects observed in interim or final products can have an adverse effect on Alstom's business, financial situation, results, and prospects and on its reputation and that of its products. Alstom's business involves its entry into complex contracts that mobilise numerous processes and internal and third parties. The significance and complexity of these contracts may give rise to additional work, either during the project phase or during the warranty period to arrive at the quality level expected by customers, and in particular in the event of purchase of products or defective services by third parties. These activities can result in unanticipated costs for: • modifications resulting from non-compliance with requirements; • rejection, upgrading or repairing non-conforming parts; • measures to improve the quality of the purchased products. This risk also relates to the handling of incidents during the warranty period, which requires additional expenditures concerning: • replacement parts for defective components; • teams working in depots to carry out repairs and maintain the availability of trains and systems; • modification costs relating to Alstom's compliance with commitments in respect of technical performance objectives.	A number of arrangements have been put in place to manage this risk. In each region, the Quality organisation mirrors the operational organisation and includes, at the Group level, quality representatives from engineering, platforms, industrial, purchasing and warranty in order to avoid quality failures in each of the various phases and excessive warranty expenditures. Alstom has put in place a quality strategic plan, which is intended to evolve towards a zero-defect culture within each of the organisation's activities and with our suppliers. It includes: • customer satisfaction surveys that consider customer feedback on the performance of our products and projects; • monthly quality performance reviews, organised at the various levels of the organisation and which include evaluation of quality performance for several key factors such as: ▪ human resources and employee training, ▪ the rollout of project phase reviews, ▪ the in-factory and at-delivery system default rate, ▪ defects observed in purchased products, ▪ the tracking of associated quality costs, ▪ warranty issues and the related systematic handling (with the "8D", 8 Disciplines of Problem Solving method); • process reviews organised to evaluate quality performance and to take decisions to optimise the effectiveness and efficiency of Alstom processes. These reviews are carried out centrally with each of the disciplines involved in managing Alstom processes and at the sites; • a quality training school that calls upon a network of internal trainers who provide teams with training and qualifications in quality processes and tools, and in particular risk management and issue resolution processes and AMDEC-type preventative tools; • internal evaluations by qualified quality auditors on how processes are applied; • a Group-level quality alert system so that critical quality issues can be reported as soon as possible.

HUMAN RESOURCES RISKS

Employee Development and Management (*)

Description of the risk factors and their impact	Risk management
Many Alstom's managers and employees have significant experience in the mobility sector and possess in-depth knowledge of the Group's activities, suppliers, products, services and customers. Over the years, this know-how as made it possible to develop technical expertise and competencies that are essential to successfully completing projects and innovation. The loss of such know-how, expertise and technical skills could make it difficult for the Group to pursue its strategy and operational activities and reach its objectives. Moreover, in a post-Covid context, the Group observes, especially among the younger generations, the development of new drivers, such as giving meaning to work, flexibility resulting from working from home, quality of life, or work-life balance, which the Group must consider. This finding can be observed in most geographic areas and in all job areas, even though it is even more noticeable in technical fields. The response to these challenges is all the more important in the context of an overall recovery of economic markets, increasing competition between employers for employees. Consequently, the scarcity of certain profiles, recruitment difficulties and the time it takes to develop competencies could create risks for Alstom when new contracts are being executed or when new technologies requiring special expertise are being developed. A shortage of engineers in general, and more specifically in the area of signalling in Europe and in certain markets such as Asia Pacific and North America, could lead to high recruitment costs and significant delays in filling positions when a complex project is launched. Alstom cannot give any assurance that it will be successful in recruiting, integrating and obtaining the loyalty of the employees needed for its development and growth. The Group must consider the social, political and macro-economic context in the countries in which Alstom operates. As a result, the measures to adapt headcount to changes in the market may result in significant social risks, which could have an adverse impact on anticipated cost reductions and the Group's production capacities. For more information about Corporate Social Responsibility challenges, see Chapter 6 "Sustainable Development: Corporate Social Responsibility".	Alstom has developed an ambitious human resources policy that enhances the Group's attractiveness and strengthens its employer brand, all while developing its talents and identifying its needs in current and future skill sets so that it can respond to strategic and operational challenges. The Group's high backlog offers employment prospects over the long term and allows the resources the Group needs to acquire and the competencies it needs to develop to be anticipated. To ensure that certain profiles can be recruited and retained, Alstom relies on: • a new employer brand strategy, which is centred around the values of diversity and inclusion and reinforced presence on social networks; • improved visibility on positions to be filled, notably *via* an internal recruitment forum held regularly and that takes expatriate populations into account; • the Leadership Team's direct involvement in selecting candidates for management positions and managing their development; • pre-selection and recruitment tools and methods, which are regularly reviewed to ensure continuous improvement; • when necessary, a decentralised recruitment process to increase responsiveness and efficiency. At the date hereof, at the time the three-year budget plan is defined, each region manages workforce planning in consultation with the Finance and Human Resources Departments by identifying the needs for all trades and therefore which competencies are required. Alstom plans to go even further by improving its ability to anticipate its human resources needs by trade, geographic area, and training and competency development needs. Forward planning of recruitment needs is now led by operational managers with the help of Finance and Human Resource Departments. This collaboration between the various Departments allows key vacant positions and the number of positions to fill in sensitive disciplines (industrial, engineering, project management) to be anticipated efficiently. The deployment of a method and tool for anticipating and planning with respect to skills and resource requirements that would provide a clear strategy for internal and external recruitments is currently under study and is to be spearheaded by Operations, with the support of Finance and Human Resources Departments. Such an approach will make it possible to better support the Group with the execution of its strategy and better anticipate workforce and competency needs the various functions and product lines need for executing projects and our order book. Moreover, Alstom continues to make significant investments in training and developing its employees, thanks to the establishment of an individual development plan that allows employees themselves to work on their own skill development and to evolve within the Group. A digital platform managed by Alstom University and accessible to all Group employees offers a wide range of training modules that respond to each training need.

LEGAL & REGULATORY RISKS

Ethics and compliance (*)

Description of the risk factors and their impact	Risk management
Alstom's business activities are conducted in a complex and evolving legal and regulatory environment. Due to its presence in many countries, Alstom is subject to differing national legislations, particularly legislation resulting from the transposition of international conventions and international norms and standards. This is especially the case in the areas of competition, anti-corruption and anti-money laundering. Not only have these laws and regulations considerably expanded in scope and become more robust in recent years, for example, with the Sapin II law in France and the 2010 UK Bribery Act, but the authorities and jurisdictions responsible for their enforcement have also developed their capacity to investigate, cooperate and coordinate among themselves and prosecute offenders. They have also imposed increasingly tougher sanctions. Corruption and bribery risk can also result from third parties acting on Alstom's behalf or in cooperation with Alstom (*e.g.,* consultants, joint venture/consortium partners, suppliers and, to a lesser extent, customers). If the Group is unable to comply with anti-corruption and influence peddling laws and regulations, the legal and financial consequences could be serious and gravely tarnish the Group's reputation. This would be the case if certain Group companies and/or certain current or former Group employees were the subject of investigations and/or proceedings by judicial or administrative authorities or by international financial institutions in connection with allegations of unlawful payments, as was the case during the investigation of Group subsidiaries commenced in the United States with respect to potential violations of the US Foreign Corrupt Practices Act (FCPA) and in the context of which Alstom entered into a deferred prosecution agreement with the US Department of Justice ("DOJ") in 2014. Bombardier Transportation is also currently being audited by the World Bank's Integrity Vice Presidency ("**INT**") and is involved in various investigations into allegations of corruption, including those conducted by the Swedish criminal authorities, the Special Investigation Unit ("**SIU**") in South Africa and the DOJ. Please see Note 33 "Disputes" to the consolidated financial statements as at 31 March 2022 for a description of the proceedings and investigations relating to ethics and compliance matters involving the Group or in which it is participating (including those relating to Bombardier Transportation). These investigations and any potential convictions could lead to financial, reputational, operational, and legal consequences (*e.g.* eligibility to participate in public procurement tenders), which could have a material adverse effect on Alstom's business, financial condition, profitability, prospects and share price. In addition, the export of products outside of the markets in which they are produced can be restricted or subject to checks or to the receipt of an export licence. Certain countries are subject to export control regulations, embargoes, economic sanctions, or other forms of trade restrictions imposed by the United States, Canada, the European Union, Russia or other countries or organisations (the "**Sanctions**"). These Sanctions or the expansion of these Sanctions could restrict or block the Group's business activities or result in amendments to the Group's policies and practices.	Regarding compliance risks, Alstom is fully engaged in the fight against unlawful practices in relation to corruption and band competition law. Alstom constantly seeks to improve its compliance programmes and implement best in class compliance rules and processes. Alstom was among the first companies in the world to obtain the AFAQ ISO 37001 certification awarded by AFNOR certification following an audit carried out in 2017. Since then, Alstom has been ISO 37001 certified in all regions in which it has operations. In 2020, this certification was renewed until 2023. Alstom first Code of Ethics was put into place in 2001. Updated in December 2015 and renewed in May 2020, the Code of Ethics is available in multiple languages, and a brochure was distributed to all Group employees. It is also available on Alstom's intranet and websites. The E&C rules and procedures are centralised within the Alstom Integrity Programme which is implemented by employees in the framework of training and communication measures. It is monitored both internally and externally. A community of E&C ambassadors, which was created in 2010, counts more than 460 employees. They all come from different functions and volunteer to spread the culture of integrity within the group and act as a point of contact. In-depth training in E&C and online training modules are rolled out each year. After Bombardier Transportation was acquired, a new in-depth training cycle spread out between 2021 and 2023 was launched. There are over 8,000 participants to train. In 2021, over 35,000 individuals were trained online. On 29 January 2021 Alstom acquired Bombardier Transportation (BT) and began integrating BT into Alstom's E&C program. This process is now complete and included 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, training, onboarding of new E&C ambassadors and post-close due diligence. Despite the quality of Alstom's products and the competitiveness of Alstom's offers, it is sometimes necessary to have recourse to external business advisors (lobbying, advising, intelligence and representation services) in order to improve Alstom's commercial relationships expertise in certain countries. Alstom policies and instructions set forth strong principles, rules, safeguards and verification procedures for the selection, use and payment of such services. All agreements must be approved by the Company with the support of the E&C Department following a clear description of the characteristics of the agreement and comprehensive information about the consultant (the consultant is subject to in-depth and comprehensive prior due diligence). These procedures are reinforced by regular training around the world followed by an evaluation to ensure that all participants understand the key lessons and the extent of their obligations. Face-to-face training and e-learning sessions are essential to explaining our policy and rules and procedures. Two e-learning modules on competition law and preventing corruption have been published and all exposed Group employees are officially required to participate in the e-learning exercises. A new two-year campaign was launched in 2020.

Description of the risk factors and their impact	Risk management
No assurance can be given that export controls to which Alstom is subject will not be made more stringent. Limited access to exported goods could have an adverse impact on Alstom's business, financial condition, earnings, and prospects. Alstom's business activities are also subject to a wide range of competition regulations aimed mainly at combating anti-competitive practices involving suppliers, customers, partners, and competitors themselves. Infringement of these rules could lead to severe sanctions, such as fines, payment of damages, and statutory prohibitions and criminal penalties. Such sanctions could also have a significant impact on the Group's reputation. Despite the measures implemented by Alstom to comply with the regulations applicable to its activities, Alstom cannot guarantee the absence of risks in this area. Any violation or breach, even involuntary, of applicable provisions and guidelines by Alstom or its employees or agents could trigger civil, criminal, or administrative liability for Alstom, lead to Alstom's exclusion or elimination from public procurement tenders or manufacturer selection procedures, or even prohibit Alstom from accessing public contracts or conducting its activities and result in adverse effects on its business, financial condition, earnings, prospects, and reputation. See Chapter 6 ("Ethics and Compliance" section) for more information on the non-financial impact of ethics and compliance risk.	In addition, disciplinary measures are a key element of the ethics and compliance programme, and Alstom continues to reinforce this aspect of its programme. Any violation of ethics and compliance rules is submitted to Alstom's Disciplinary Committee, which is made up of the Chief Executive Officer, the General Counsel, the Chief Human Resources Officer, and the Chief Compliance Officer. Cases are presented to the Committee and the appropriate sanctions are applied. In addition to the rules regarding interactions with third-party consultants, a specific instruction is in place presenting the rules and procedures for dealing with consortiums and joint ventures, M&A activities, suppliers, and subcontractors. Additional instructions focusing on consulting companies, gifts & hospitality, political and charitable contributions, sponsorship, and the management of conflicts of interest are in place and must be applied by all employees. The delegation of authority rules for gifts & hospitality, political and charitable contributions, and sponsorship are harmonised within Alstom. The 2021/22 yearly integrity review was launched and involved over 2,000 executive and senior managers who reported on the efforts made to implement the Alstom Integrity Programme within their scope of influence, the ethics incidents that took place and the corrective actions undertaken. Please see Chapter 6 ("Ethics and Compliance" section) for more information on training and other details about the Integrity Programme. In terms of communication, the intranet has a dedicated section on E&C, posters are displayed on-site, and our website provides our external stakeholders a plentiful deal of information. Regarding antitrust/competition law risks, Alstom's "Competition Awareness Guideline" features strong principles, rules, and approval procedures to ensure the proper level of awareness and compliance with antitrust laws within Alstom. Disciplinary measures are a key element of the competition awareness programme. Any detected breaches of antitrust laws are submitted to Alstom's Disciplinary Committee. Cases are presented to the Committee and appropriate sanctions are applied. Alstom also has an online whistleblowing tool, the Alstom Alert Procedure, which allows employees (*via* Alstom's intranet) and third parties (*via* Alstom's website) to report suspected violations of Alstom's Code of Ethics.

Litigation

Description of the risk factors and their impact	Risk management
In the ordinary course of its execution of complex projects, Alstom is regularly called upon to make, negotiate and defend itself from commercial claims. These claims are principally related to extensions of delivery deadlines and to the technical performance of products. In addition, due to the nature of its activities, the Group may also be exposed to the risk of technical and commercial litigation (before state jurisdictions or arbitral tribunals). Please see Note 33 "Disputes" to the consolidated financial statements at 31 March 2022 for a description of the Group's principal litigation. In addition, in the context of the acquisition of Bombardier Transportation, Alstom could face new claims and new litigation, from clients, partners, suppliers, shareholders or creditors (notably bondholders) of the Alstom Group or of the Bombardier Transportation Group, notably in the context of the arbitration launched by Alstom in April 2022 before the International Chamber of Commerce regarding its purchase of Bombardier Transportation. Such claim is against Bombardier Inc. and relates to the breach of certain contractual provisions of the sale and purchase agreement dated September 16, 2020.	The management of litigation risk is based on the following measures: • the implementation of a file listing all pending litigation at the level of each Region or, as the case may be, at the level of each HQ Legal Department which takes the Group's new scope into account, makes comprehensive and centralised monitoring of these risks possible at the regional level or at the level of the relevant Legal Department; • the Legal Director responsible for contract management, litigation and insurance and the Group Head of Litigation work closely with the legal teams within the regions and the HQ's Legal Departments, the contract management teams, insurance teams and the legal procurement teams to anticipate any new litigation that could impact the Group; • internal instruction LGL.WMS.002 "Dispute Resolution" has been updated to consider the Group's new organisation and the new rules regarding monitoring litigation (such as litigation in which the amount at stake is more than or equal to €5 million). Twice per year (in September and in March), the Group's General Counsel presents to the Statutory Auditors an updated report on litigation in which the amount at stake is more than or equal to €5 million (the "Litigation Report").

Financial risks

Description of the risk factors and their impact	Risk management
The Group is subject to financial risks, in particular foreign exchange risk and liquidity risk. The Group does business in more than 70 countries under long-term commercial contracts and is exposed to exchange rate risks, such as EUR/USD, EUR/PLN. The Group finances its long-term financing needs through bond issuances and changes in its working capital requirements through the issuance of commercial paper on the NEU Commercial Paper market (NEU CP). The ability to have sufficient bonding facilities is also a prerequisite for the Group to submit bids, obtain orders and receive instalment payments from customers. For more information on these financial risks faced by the Group, the reader is invited to refer to Note 28 "Financial instruments and financial risks management" to the consolidated financial statements as at 31 March 2022, which presents the exposure to foreign exchange risk and the associated hedging portfolio, the exposure to credit risk, interest rate risk and liquidity risk, as well as the policy for managing these risks. Detailed information regarding the Group's financial debt which amounts to €3,685 million as at 31 March 2022 (see section 27 "Financial debt" of the Consolidated Financial Statements as at 31 March 2022). In addition, any downgrade of Alstom's financial rating could have an adverse effect on the Group's financing costs, access to certain financing and bank guarantee capacities. In particular, because of the acquisition of Bombardier Transportation, rating agencies may assign a lower rating to Alstom or to debt securities issued by Alstom in the future than its current rating. Such a downgrade could increase Alstom's financing costs. In such an event, Alstom could be limited in making certain acquisitions or capital expenditures, as the increased costs of financing projects would no longer meet its investment criteria. This could have a negative impact on Alstom's growth potential, operating results and financial condition. In addition, the Group cannot exclude the occurrence of execution risks on its projects that would result from a downgrading of its banks' ratings. Indeed, some of the Group's contracts include requirements on the rating of the banks used for the corresponding projects, for the issue of bank guarantees. In case of events leading to a downgrading of its banks' credit rating, Alstom cannot guarantee that this will not lead to various contractual complications, which could have adverse effects on the execution of projects such as payment delays, shifting of project schedules, increased costs or other financial impacts.	The management of financial risks is founded on Group procedures that allow for strict centralisation of treasury and financing transactions executed by the Group's Treasury and Financing Department. The Group strives to minimise each entity's foreign exchange risk with respect to its operating currency. Risks resulting from business activities are for the most part hedged by spot or forward exchange rate transactions as from the day the contract generating the exposure (present or future) comes into force. The Group only rarely hedges forecast flows and can, in such cases, have recourse to options. The Group always maintains sufficient liquidity to fund its operations. As at 31 March 2022, the Group has a total liquidity of approximately €5,060 million, comprising €810 million in cash and cash equivalents and two confirmed and undrawn bank credit lines of €2,500 million and €1,750 million, respectively. The €2,500 million bank credit line backs up the commercial paper programme and would allow Alstom to finance its working capital requirements and repay commercial paper falling due should the NEU CP market no longer be available. As at 31 March 2022, €250 million of commercial paper had been issued. The Group's financings are consistent with its credit profile and do not contain financial covenants. Any change in Alstom's financial rating would, however, impact its lines of credit. The Group's exposure to interest rate risk is limited insofar as 100% of long-term debt has a fixed rate today. Short-term financial debt is essentially floating, as are short term financial assets. To have sufficient lines of credit to issue its guarantees, the Group has put in place a €9 billion confirmed bank guarantee facility. The facility, which was arranged with twelve leading banks, allows Alstom to issue bank guarantees with a maximum term of seven years until February 2024. The facility includes two one-year extension options and offers terms and conditions in line with Alstom's credit profile, such as no financial covenants. In addition, the Group has unconfirmed bilateral lines in many countries. Credit risk is mitigated by the Group's policy of limiting its exposure to financial counterparties by diversifying its financial partners and monitoring the quality of their credit.

Control environment

The Group has put in place a system of internal control procedures and evaluations initially based on control guidelines prepared by a recognised body, COSO (Committee of Sponsoring Organisations of the Treadway Commission). The procedures are compliant with the AMF "Reference Framework" published in July 2010 and updated from time to time.

The system of internal control put in place provides reasonable assurance that:

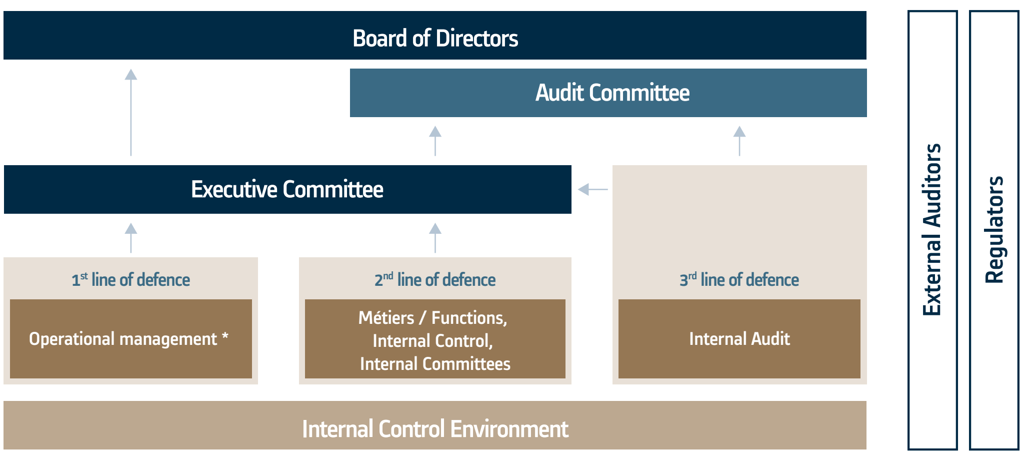
- the Group's Internal Rules and instructions including applicable laws and regulations are always complied with;
- information is complete, accurate and to the required quality, particularly financial information;
- operations are completed in an optimal manner and internal control processes are effective, particularly those concerning the safeguard of assets;
- achievement of business objectives is reached with identification and control of risk;
- the risk of fraud is minimised; and
- controls, including controls over risks, are widely understood at all levels within the Group and appropriate actions are taken to mitigate and minimise these risks.

Internal control consists of five inter-related components, which have been implemented within the Group:

- control environment covering integrity, ethics, competencies, authorities, responsibilities and staff development;
- risk assessment including the identification, analysis, and minimisation of relevant risks;
- control activities, namely policies and procedures that ensure that Management's instructions are applied;
- information and reporting: information must be identified, captured and communicated in a format and timeframe to enable the relevant persons to carry out their responsibilities; and
- monitoring, including internal check and internal control procedures as well as internal audit: a process that assesses the quality of the systems performance over time and within a defined schedule.

By essence, an internal control system cannot provide a guarantee that such risks have been eliminated. It must bring them down to an acceptable level.

The Group's various actors of risk identification and monitoring are described below and can be illustrated according to the three lines of defense model set forth by the IFACI *(Institut français des auditeurs et contrôleurs internes).*



* *e.g.* Project, Tender, Site, Unit, Country, Cluster, Region.

INTERNAL ENVIRONMENT

First line of defense: operational management

The Chairman and Chief Executive Officer is responsible for the internal control and risk management systems and for ensuring that internal control and risk management procedures are designed and operated effectively within the Group. Management is responsible for developing, operating, and monitoring the systems of internal control and for providing necessary assurance that it has done so.

Unit Management always has the responsibility of maintaining internal control. An Internal Control Questionnaire (or "Self-assessment Questionnaire") has been developed which differentiates requirements to units based on their contribution to the Group's financial statements, using a risk-based approach and covering the Group consolidation perimeter. This Self-assessment Questionnaire is regularly reviewed with the central functions in view of developments in the Group's risks. At least once a year, the Managing Director of each reporting unit formally certifies that the unit under his/her responsibility has correctly self-assessed its control environment and commits to implementing action plans to correct internal control deficiencies identified during the self-assessment.

The results of these self-assessments and the action plans are presented to the Audit Committee once per year.

For the self-assessment questionnaire review campaign carried out from mid-June to mid-September 2021, the internal control questionnaire was sent to all units in the Group's new scope, engaging nearly 1,800 Department Heads around the world.

Second line of defense: the functions

Finance

The Finance function controls business, operations, and projects to optimise the Group's profitability and cash generation whilst providing internal and external stakeholders with reliable information including financial information.

The Finance function defines the Group's principles and financial policies in terms of tenders and projects control, funding, treasury, internal control, accounting, tax and management control.

The accounts of reporting units are prepared in accordance with the Group's accounting policies. The data is then adjusted, where necessary, to produce the local statutory and tax accounts. Integrated consolidation software is used for both management reporting purposes and to produce the Group financial statements. The consolidation software allows the reconciliation between contract data and financial statements. The main reporting processes facilitate consolidation of financial data to produce the consolidated financial statements and forecast data, as well as regular management information.

Accounting standards

The consolidated financial statements are prepared in accordance with IFRS as adopted by the European Union. The consolidated financial statements are prepared in accordance with accounting policies as detailed in Note 2 "Accounting policies" of the consolidated financial statements at 31 March 2022.

Accounts closing process

The reporting units produce monthly statements which are used to determine the Group's monthly operating income, cash flows and balance sheet.

Group Accounting Department

The list of entities to be accounted for by the equity or line by line methods or fully consolidated is drawn up by the Accounting Department. This Department also checks the quality of the reporting packages submitted by the units, focusing primarily on inter-company eliminations, and the accounting treatment of non-recurring transactions for the period, and movements between the opening and closing balance sheet used to prepare the statement of cash flows and reconciliations between legal entities and reporting entities.

The Department also checks the results of the application of the accounting procedures, including foreign exchange, inter-company eliminations, transfers to minority interests and recognition of the effects of changes in scope of consolidation. The Group's consolidated financial statements are also analysed in detail, to understand and check the main contributions by Regions, Product Lines, or subsidiaries, as well as the transactions reflected in the accounts.

Internal Control

The Internal Control function is responsible for developing the internal control system and promoting and steering the internal control system's implementation throughout the organisation. It is also in charge of following the global results of the Self-assessment campaigns, the main deficiencies identified in the Group's internal control and their respective action plans.

Where internal control weaknesses are identified, detailed action plans are put in place to correct these weaknesses in a timely manner with the support of the regional and operating teams and overseen by the central Internal Control team under the responsibility of the Director of Internal Control.

Compliance tests are also carried out on a selection on units by the central and regional internal control teams. Controls to validate the quality of self-assessments made by the units are also carried out.

In 2021/22, the Internal Control Department's work focused on the convergence of fundamental internal control principles throughout the Group's new scope, with:

- a 2021/22 self-assessment campaign that was the same for all units and based on a single questionnaire;
- a single tool supporting the self-assessment campaign was developed internally and was used for the first time in the 2021/22 campaign;
- monthly monitoring of consolidated action plans for the entire Group scope, which was communicated to the Group's management;
- a single internal delegations matrix developed by the Internal Control Department and the central functions; and
- harmonised governance regarding the division of tasks in ERPs, along with the roll-out of common tools.

Risk Management

The Group has defined a comprehensive Enterprise Risk Management policy, whose principles are consistent with ISO 31000 professional standards. This policy clarifies Alstom's objective of "controlling its risks to ensure its performance". This policy's principles are consistent with the French Financial Markets Authority's recommendations, the provisions of the AFEP/MEDEF code and professional standards (COSO ERM) which gave rise to an exhaustive standard being established, which is adapted to Alstom's risk profile and allows its ERM to cover all its activities. The Risk Management Department's principal objectives are:

- to ensure that the major risks are considered and addressed at the most appropriate level of the organisation;
- that continuous monitoring is in place so that external risks can be identified;
- that the means implemented are sufficient and effective for reducing the criticality of the identified risks; and
- that the Group's Management has an up-to-date and comprehensive vision of the Group's principal exposure areas.

The risk management process is structured around a network of Risk Officers within the regions, product lines and functions and governance at the entity level and at the Group level. They evaluate overall risk exposure and ensure that action plans are implemented.

Risk analysis and the action plan execution are carried out in collaboration with all Group entities.

Each entity has a risk map that considers control measures that are already in place. The Risk Officers' network is involved in defining action plans and steering the system, notably as regards warning about and identifying emerging risks.

When a risk is systemic or shared among several regions, that risk is taken over by the Group. The Risk Management Department therefore works closely with all of the Departments in the second line of defence, and in particular with the Legal Department to consolidate the Ethics and Compliance mapping and the CSR Department with respect to the CSR risk mapping. The Risk Management Department is under the responsibility of the Internal Audit, Internal Control and Risk Management Department, which is itself under the responsibility of the Group's Finance Department.

Legal

The Legal function is responsible for monitoring and mitigating risks arising out of the activities of the Group, as well participating in the Group's efforts to ensure full compliance with applicable laws and the Alstom's Code of Ethics. Legal is comprised of Region Legal Departments and the Group Legal Department.

The Legal function is headed by the Group General Counsel, reporting to the Chairman and Chief Executive Officer. The Group General Counsel attends all the meetings of the Board of Directors, the Ethics & Compliance Committee, and attends Audit Committee meetings when legal matters are discussed. She routinely provides an account of ongoing legal proceedings and investigations.

The Group Legal Department handles major disputes affecting the whole Group and compliance matters involving criminal investigations. It monitors the Group exposure reporting relating to disputes and prepares the Group Annual Litigation Report concerning the status of the main potential and pending lawsuits which is submitted annually to the Corporate Disclosure Committee, the Audit Committee and the Group Statutory Auditors. Legal provides training on the management of legal risks at all levels of the Group.

The Group Legal Department is responsible for implementing Alstom's competition compliance programme, which aims to prevent the conduct of anti-competitive practices in connection with the Group's activities and to ensure the compliance by all employees with the Code of Ethics, the laws and regulations in the area of competition law in the countries where Alstom carries out its activities.

Ethics and Compliance

Ethics and Compliance stands as a top priority for Alstom, and the team has the responsibility of the Alstom Integrity Programme aiming at implementing the culture of integrity as well as the application of all the rules in relation to Business Ethics and Personal Integrity.

The role of Ethics & Compliance at Group level is to:

- promote and explain Alstom's culture of integrity ensuring that the highest standards of integrity and ethics are applied throughout the Group;
- ensure compliance with international and national laws and regulations together with internal Group rules;
- prevent all illegal activity and unlawful payments;
- control the business partner selection process, including a prior check of these partners' integrity;
- implement all necessary rules and policies; and
- continually monitor the performance of the Alstom Integrity Programme on an ongoing basis.

The Ethics & Compliance (E&C) team has 22 employees and is managed by the Chief Compliance Officer, who reports directly to the Group General Counsel and has direct access to Alstom's Chairman and Chief Executive Officer and to the Ethics & Compliance Committee of the Board of Directors (she is also that Committee's secretary).To avoid any internal conflicts of interest, the Chief Compliance Officer has the necessary competencies and independence to define and implement the appropriate rules.

Corporate Funding & Treasury

The Funding and Treasury Department defines rules and procedures regarding cash management, financial risk hedging, as well as deposits and guarantees. In addition, it manages the related risks (liquidity risks, including availability of lines of credit and deposits, counterparties, foreign exchange, and interest rate), the financial relationships with subsidiaries, the cash pooling structure, and the netting process.

The central organisation facilitates the financial risk management as all transactions on derivative products are performed or, when that is not possible, at least supervised by the Corporate front-office and under the control of a strictly independent middle office.

The Funding and Treasury Department is solely entitled to raise bank loans and invest cash surplus except when local regulations do not permit it or in exceptional cases. In such cases, the involvement and approval from the Funding and Treasury Department remain mandatory before any commitment.

It has also defined a detailed list of authorised banks which the units are authorised to operate with. For further information regarding the management of financial risk, see Note 28 "Financial instruments and financial risks management" to the consolidated financial statements for the fiscal year ended 31 March 2022.

Environment, Health, Safety (EHS)

The Corporate Environment, Health, Safety (EHS) Department is responsible for defining the risk management policy and strategy and programmes with respect to the environment, health, and safety in the workplace. It is supported in its mission by the EHS network, organised by region, cluster, country, operational worksite or project, and by product line, which ensures operational implementation of all such programmes.

Based on the Group EHS roadmap internal and external assessors network validates EHS actions and advice on deployment plans.

Through the programmes the Group seeks to:

- ensure high standard level of monitoring industrial risks at least equal or above local regulations;
- evaluate the environmental and employee health impact arising from new industrial processes prior to implementation and the discontinuation or transformation of existing processes;
- develop a continuous improvement process to reduce energy and water consumption, generation of industrial waste, greenhouse gas and volatile organic compounds emission and to minimise risks related to accidental pollution;
- continuously reduce the exposure of the Group's employees, suppliers and contractors involved in contract execution and on sites to risks that are inherent in our activities to prevent the risk of accidents or occupational disease.

Particular attention is given to high-risk activities performed by Group employees, suppliers, or contractors during contracts execution.

The Group has launched several actions towards the setting-up of the Vigilance Plan as required by French law dated 27 March 2017, considering that the Group already has existing processes supporting directly or indirectly certain requirements of the new law (*e.g.,* risks mapping processes, supplier qualification processes, alert procedure, etc.).

Digital Transformation

The Digital Transformation function is a central function whose main purpose is to provide digital solutions and services aimed at modernising and supporting the Group's business, operations, and projects, and support the Group's strategic evolution, operational efficiency, process excellence and the productivity of the regions through the choice of optimised, innovative, cost effective, secure, and compliant technologies.

Many initiatives were launched that enabled the efficiency of information systems and technology (IS&T) to be bolstered:

- IT assets management centralisation;
- infrastructures upgrade;
- decommissioning of obsolete systems and the rationalisation of existing solutions;
- increasing services that are accessible remotely;
- new tools deployment to secure the workplace environment; and
- adaptation of the IS&T security policy to new IT environments.

The central management of the Group's systems and infrastructure strengthens its ability to manage the IS&T risk and ensures better control of IS&T activities. Business Solutions, CISO &Technology and Service &Performance Departments as well as several Business Partners specific to the regions and the product lines help the Group's CIO with defining the Company's IS&T principles, architecture, processes, and rules.

Sustainable Development and the Corporate Social Responsibility (CSR)

The Sustainable Development and CSR function is responsible for defining and implementing the Group's Sustainable Development and CSR approach.

In particular, the Sustainable Development and CSR function is responsible for the Sustainable Development and CSR Steering Committee, which is made up individuals from the Human Resources, Sourcing, Marketing, Engineering, Environment Health & Safety, Communications, and Ethics & Compliance functions. This Committee meets quarterly in order to supervise and monitor the progress achieved in ongoing initiatives and to coordinate the rollout of cross-functional activities. Alstom's sustainable development approach is therefore articulated through a combination of programmes which combine both general and specific objectives, all while leaving room for local initiatives. The deployment of the Sustainable Development and CSR policy in the regions relies on a local network.

The Sustainable Development and CSR function steers the analysis of the Group's extra-financial risks. This risk map is reviewed by the Sustainable Development and CSR Steering Committee every year. Comprehensive information about the management of extra-financial risks is included in Chapter 6 "Sustainable Development: Corporate Social Responsibility" of this document.

Third line of defense: Internal Audit

The main role of the Internal Audit Department is to advise the Chairman and Chief Executive Officer, the Chief Financial Officer and the Audit Committee on the adequacy and effectiveness of the internal control system in all phases of the Group's business. The Internal Audit Department operates in accordance with the terms of an Internal Audit Charter signed by the Chairman and Chief Executive Officer and the Chief Financial Officer and has the authority to examine all aspects of operations.

The Internal Audit Department evaluates controls that promote:

- compliance with applicable laws and with internal policies and procedures;
- physical safeguarding of assets including risk identification;
- availability, reliability, integrity, confidentiality of information and reporting; and
- efficiency of business processes, functions, and activities.

The Internal Audit Department considers the risks mapping and risk profiles in assessing its audit programmes and plans.

The Audit Committee approves the internal audit programme, monitors developments in the programme and the results of action plans.

After each internal audit assignment, a report is issued setting out the audit findings and recommendations. The results are also summarised in the bi-annual internal audit activity reports, which are presented to the Audit Committee on the overall results of the internal audits as well as on any other matter which affects internal control. These reports provide the basis for the Audit Committee to review the effectiveness of the work performed by the Internal Audit Department.

Internal Audit may proceed with a new audit (after a reasonable period) after any internal audit assignment whose result, from the point of view of controlling the control environment, is below the Group's expectations.

Insurance policy

The Alstom Group's policy is to purchase from leading insurers (or reinsurers) world-wide insurance policies covering all its activities and subsidiaries. The implementation of insurance solutions by the Group Insurance Department considers the wide diversity of the trades and risks within the Group. The aim of this coordinated policy is to mutualise and optimise choices and solutions and ultimately reduce the overall cost of the risk. In addition to the legal or contractual obligations the Group may have with respect to insurance, the coverage of operational risks is structured around two principal focus areas:

- transferring to a panel of insurers with first rate solvency the financial consequences of high magnitude but low frequency risks; and
- retaining the financial consequences of "frequent" risks through a retention/deductible policy, except in cases where an insurance obligation exists.

Our programmes are placed by our broker-advisors with a panel of first-class continental or international insurers which are selected using several criteria, including but not limited to their technical insurance skills and their human and technical resources they can mobilise to set up international programmes and manage technical claims.

The amount of insurance purchased varies according to Alstom's estimation of the maximum foreseeable loss, both for property damage & business interruption as well as for Liability/Causality insurance. This estimate is made within the framework of industrial risk management audits that are conducted for Property Damage and Business Interruption. For Liability/Causality, the estimation of insurance needs depends on the evaluation of the maximum legal risk considering the various Group activities and the risks faced. In general, the insurance and coverage taken out can evolve depending on changes in market conditions and/or changes in the Group's risks.

Subject to the limitations, terms and conditions and exclusions of the relevant insurances policies and the customary representations tied to this type of insurance, the principal covered risks are (non-exhaustive list):

- damage to property and operating losses after property damage, fires, explosions, natural events, and other perils, such as equipment damage;
- financial losses arising from civil liability due to damage caused to third parties because of operations, products, or services;
- damages during transport, from the departure point to the unloading point (warehouse, construction site or end destination); and
- damages during construction, installation, testing and commissioning when executing contracts.

In addition to these Group policies, Alstom also takes out insurance policies in countries in which it operates that are intended to cover specific risks or risks for which insurance is mandatory, such as automobile, workplace injury or employer liability risks. The above description is a simple and summary snapshot of the Group's principal insurance policies and does not describe the limitations, exclusions and limits that may apply. For confidentiality reasons and in order to protect the Group's interests, it is not possible to exhaustively present the programmes and covers purchased by the Group.

After having integrated Bombardier Transportation within our programmes in the beginning of 2021 and despite the tensions observed in the insurance and reinsurance markets, the Group was able to successfully renew its programmes and coverage, including in certain areas that have become more sensitive. Despite tougher terms and conditions and increasingly restricted underwriting capacity, the Group has managed to maintain its programmes, thus remaining in line with its needs.

SUPERVISORY, MONITORING AND CONTROL BODIES

The Committees of the Board of Directors exercise a fundamental role in the supervision of internal control and risk management arrangements put in place by the Group's management. More specifically, the Audit Committee is responsible for supervising the process for preparing financial information, the effectiveness of internal controls and risk management systems, the statutory control over the Company and consolidated financial statements by the Statutory Auditors and Statutory Auditor independence. Please see Chapter 5 "Corporate Governance" for more information about the Audit Committee's responsibilities and activities.

The Internal Committees described below are not Committees of the Board of Directors. They are responsible for coordinating critical activities that do not require the involvement of the entire management team.

The Committees

Risks Committee

The Risks Committee, composed of the Group Chief Financial Officer, the Chief Compliance Officer, the Vice President ERM, Internal Audit and Internal Control, the ERM Director and the Risk Officers of the functions, regions and product lines, meets quarterly to examine the Group's risk map, select major risks for the Group from among the identified risks (industrial, technological, sourcing, ethics and compliance, EHS, safety, human resources, climate change, environment, human rights, etc.) and to approve the related action plans. Only major risks are presented to the Audit Committee once a year, in the presence of the Group's Chief Financial Officer.

Corporate Pension Committee

The Group's Pension Committee Pensions and other employee benefits are governed and monitored by the Group's Pension Committee which is composed of the Group's Treasury, Consolidation and Total Reward, according to the following principles:

- balanced management of each plan's assets/liabilities so that only market risks that are necessary to cover Alstom's liabilities are taken;
- when possible, simplicity in the investment strategy to ensure visibility on the risks involved;
- a global policy on employee pensions and benefits to address principles for pension plan design, funding and investment, administration and governance;
- a Responsibility Charter under which changes to pension plan design, funding, investment, and administration must be authorized by designated members of Group's Management.

The Committee meets at least two times per year to monitor the various schemes' evolution. During the 2021/22 financial year, the full Committee met on four occasions and its sub-committee met eight times, mainly to:

- supervise the transition of fiduciary management of former Bombardier Transportation schemes in the United Kingdom, United States, and Canada from Bombardier's in-house team to external fiduciary managers including Goldman Sachs and Mercer;
- identify and assess risk reduction strategies and opportunities;

- control the volatility of net commitments in the United Kingdom, United States, France, and Germany, and in particular implement a liability driven investment (LDI) strategy in the United Kingdom; and
- monitor short term market investment and inflation indices and their impact on the Group's long-term net pension liabilities.

Disclosure Committee

The Chairman and Chief Executive Officer and the Chief Financial Officer have established a Disclosure Committee at the central level in order to assist them in evaluating the effectiveness of the Group's disclosure controls and procedures that are designed to ensure that material financial and non-financial information required to be disclosed were recorded, processed, summarised and reported on a timely basis and that appropriate information was communicated to the Management in order to allow timely decisions. More specifically, the Disclosure Committee ensures that important information about projects in progress is properly reported up and monitors pending legal proceedings.

The Disclosure Committee is composed of the Chief Financial Officer, the General Counsel, the Vice President ERM, Internal Audit and Internal Control, the Vice President Group Business Management, the Head of Tax, the Head of Treasury, the Vice President Accounting and the Head of Investor Relations. The Disclosure Committee met twice during 2021/22 fiscal year under the chairmanship of the Chief Financial Officer.

The consolidated financial statements for the fiscal year ended 31 March 2022 and other financial information disclosed in the Annual Report were reviewed. The interim consolidated financial statements for the six-month period to 30 September 2021 were reviewed. In the reviews of the consolidated financial statements the Committee considered the disclosures made to determine and confirm their relevance, accuracy, completeness, and presentations.

Information Committee

The Information Committee was put in place by the Group pursuant to its new internal procedure relating to the identification of and the terms applicable to the transmission and use of inside Information This procedure was adopted to take into account the recommendations issued by the French financial markets regulator "AMF" (Position-Recommendation AMF DOC-2016-08, Guide on Ongoing Information and the Management of Inside Information).

The main mission of the Committee is to assess whether the information concerning the Group qualifies as inside information and to determine the terms and conditions applicable to the transmission and use of such information. To that end, the Committee meets at any time when called pursuant to the rules laid down in the above-mentioned procedure.

Insurance Committee

Insurance is a central function at Alstom and reports to the Group Legal Department. It proposes and implements the Group's insurance policy examined and approved by the Insurance Committee, which is made up of the Group Insurance Director, the Chief Financial Officer, the General Counsel, the Vice President ERM, Internal Audit and Internal Control, and the Vice President Legal Contract Management, Disputes, and Insurance. The implementation of and compliance with this policy is based on an internal network of Regional Insurance Heads, specialised Alstom employees entirely dedicated to insurance issues, and a network of brokers-advisors and outside professionals. The Insurance Committee approves the types and amounts of insurance purchased in view of the risks to which the Group is exposed, and in light of, in particular, the annual risk mapping.

External actors

The mechanism described above is supplemented by third parties, including:

- the Statutory Auditors; and
- the Certifying Body which certifies the Group's activities on a three-year cycle: environmental management (ISO 14001), quality management systems (ISO 9001), and anti-bribery management systems (ISO 37001). In addition, specific activities are certified from a quality standpoint regarding development of products and projects (Capability Maturity Model Integration – CMMI), railway applications quality management systems (ISO/TS 22163-IRIS), and occupational health and safety (ISO 45001).

This organisation (AFNOR) also verifies the Company's contribution to sustainable development, in accordance with ISO 26000.

5

CORPORATE GOVERNANCE

AFR

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

This chapter presents information about the Company's corporate governance in respect of the 2021/22 fiscal year, along with additional information providing further detail on the resolutions being proposed to the Company's shareholders at the 2022 Annual General Meeting.

The Company has opted to refer to the Corporate Governance Code for listed companies published by AFEP and MEDEF (the "AFEP-MEDEF Code"), which, at the time this Universal Registration Document was published, had last been updated in January 2020. This code is available on the websites of AFEP (www.afep.com), MEDEF (www.medef.com) and the Company.

Report of the Board of Directors on corporate governance

Pursuant to the provisions of Article L. 225-37 of the French Commercial Code, the Board of Directors presents to the 2022 Annual General Meeting its report on corporate governance, which is attached to the management report.

This report was approved by the Board of Directors at its meeting on 10 May 2022.

Pursuant to the provisions of Article L. 22-10-71 of the French Commercial Code, this report of the Board of Directors on corporate governance is submitted in full to the Statutory Auditors who, in their report on the Company's annual financial statements (included in Chapter 3 of this Universal Registration Document), present their observations on the information mentioned in Article L. 22-10-11 of the French Commercial Code and certify the existence of the other information required by Articles L. 22-10-9, L. 225-37-4 and L. 22-10-10 of the French Commercial Code.

BOARD OF DIRECTORS

Composition of the Board of Directors

As of 10 May 2022, the Board of Directors is composed of 13 directors, including two directors representing employees within the meaning of Article L. 225-27-1 of the French Commercial Code, and one observer. Women account for 45% of the members of the Board of Directors on this date (excluding Directors representing employees).

Six directors are of foreign nationality (*i.e.* 46%), eight are independent according to the Company and the AFEP-MEDEF Code (*i.e.* 72%) and only one, Mr Henri Poupart-Lafarge, Chairman and Chief Executive Officer, performs executive functions.

Directors and observer are appointed for a four-year term. Staggered terms of office are not organised in the Articles of Association, as term renewals are distributed over four consecutive years.

The Articles of Association do not specify any age limit applicable to directors that goes beyond the legal limit.

Pursuant to the Articles of Association, each director must own at least twenty-five (25) shares of the Company. In addition, the Board's internal rules provide that it is desirable that each director hold at least 2,000 shares. Each director has a period of two years as from the date he/she takes office to bring his/her shareholding to this minimum level.

The Board of Directors' internal rules were amended by a decision of the Board of Directors dated 9 March 2021 to provide that shares held by Directors may be held in registered form or be deposited with an authorised intermediary in accordance with the law. In addition, the internal rules now specify that except for the obligation under the Articles of Association to hold shares, the shares may be financial instruments (such as American Depositary Receipts), notably for directors living abroad.

As at 10 May 2022, the directors together held 66,069,918 shares in the Company, of which 65,367,800 shares were held by the Caisse de Dépôt et Placement du Québec, with the remainder held by investors and individuals.

On the basis of the Nomination and Remuneration Committee's recommendations, the Board of Directors regularly examines its composition and that of its Committees, as well as at the time directorships are renewed. Directors are also invited to provide their views on this topic during the evaluations of the functioning of the Board and of the Board's Committees. The Nomination and Remuneration Committee provides recommendations on new candidates and directorship renewal proposals submitted to the Board of Directors. The Board of Directors has an on-going objective to increase the diversity and complementarity of skills required for service on the Board, to maintain diversity of nationalities and a balanced ratio of men and women.

The director selection process is more fully described in the paragraph entitled "Diversity policy".

The Board of Directors also includes an observer in the person of Mr Benoît Raillard, whom it appointed, on the proposal of the Caisse de Dépôt et Placement du Québec, on 26 January 2021 with effect from 29 January 2021.

In accordance with Article 9 of the Company's Articles of Association, Mr Benoît Raillard, observer, participates in meetings of the Board of Directors in an advisory capacity.

The following table reflects the composition of the Board of Directors and of its Committees as of 10 May 2022:

Name	Sex	Age	Nationality	Number of Alstom shares held	Independent Director	Committee membership				First term start	Current term end	Years on the Board[3]
						Audit	N&R[1]	E&C[2]	Integration			
Mr Henri Poupart-Lafarge *Chairman of the Board of Directors and Chief Executive Officer*	M	53	French	99,598						2015	2023	7
Mr Yann Delabrière *Lead independent director*	M	71	French	10,034	√		Chairman			2017	2024	5
Bouygues SA *represented by Mr Pascal Grangé*	M	61	French	581,441						2008	2022	14
Caisse de Dépôt et Placement du Québec	-	-		65,367,800		√			√	2021	2024	1.5
CDPQ *represented by Ms Kim Thomassin*	W	50	Canadian	-								
Ms Bi Yong Chungunco	W	59	Filipino	500	√			√		2014	2022	8
Ms Clotilde Delbos	W	54	French	2,613	√	√				2018	2022	4
Mr Daniel Garcia Molina *Director representing the employees*	M	50	Spanish	60	-					2021	2025	1.5
Mr Serge Godin	M	72	Canadian	250 ADRs and 75,000 ADRs held by Distinction Capital Inc	√				√	2020	2024	1.5
Mr Gilles Guilbon *Director representing the employees*	M	58	French	22	-					2021	2025	1.5
Ms Sylvie Kandé de Beaupuy	W	65	French and Senegalese	2,000	√			Chair		2017	2023	5
Mr Frank Mastiaux	M	58	German	2,000	√		√		Chairman	2020	2024	2
Mr Baudouin Prot	M	70	French	1,600	√		√	√		2018	2022	4
Ms Sylvie Rucar	W	65	French	2,000	√	Chair	√			2015	2023	7
	55% M/ 45% F[4]	**Average age: 60.5**	**-**	**66,069,918**	**72% independent[4]**	**66.6% independent**	**100% independent**	**100% independent**	**50% independent**			**Average age: 4.8 years**
Mr Benoît Raillard *Observer*	M	57	French	-	-	-	-	-		2021	2024	

(1) Nomination and Remuneration Committee.
(2) Ethics and Compliance Committee.
(3) On the date of the 2022 AGM.
(4) The directors representing the employees are not taken into account for calculation of these percentages.

The terms of office of Ms Bi-Yong Chungunco, Ms Clotilde Delbos, and Mr Baudouin Prot expire at the end of the 2022 General Meeting. It is noted that Bouygues SA represented by Pascal Grangé has resigned from the Board of directors as of 30 May 2022. It will be proposed to the General Meeting of 12 July 2022 to renew the mandates of Ms Bi-Yong Chungunco, Ms Clotilde Delbos, and Mr Baudouin Prot. At the end of the 2022 General Meeting and subject to its favourable vote, the number of directors would be reduced from 13 to 12 members, in line with the wish of the board to ensure a smaller sizing reinforcing its dynamic.

Changes in the composition of the Board of Directors and Committees during the fiscal year 2021/22

There were no changes in the Board of Directors.

Since the last fiscal year, the composition of the Committees has changed as follows to include Board members representing employees:

	Status as of 31 March 2021	Since the Board of Directors meeting of 27 September 2021
AUDIT COMMITTEE		
Chairman	Ms Sylvie Rucar(*)	Situation unchanged
Members	Ms Clotilde Delbos(*) CDPQ represented by Ms Kim Thomassin	Situation unchanged
NOMINATION AND REMUNERATION COMMITTEE		
Chairman	Mr Yann Delabrière(*)	Situation unchanged
Members	Ms Sylvie Rucar(*) Mr Frank Mastiaux(*) Mr Baudouin Prot(*)	Ms Sylvie Rucar(*) Mr Frank Mastiaux(*) Mr Baudouin Prot(*) Mr Gilles Guilbon(**)
ETHICS AND COMPLIANCE COMMITTEE		
Chairman	Ms Sylvie Kandé de Beaupuy(*)	Situation unchanged
Members	Ms Bi Yong Chungunco(*) Mr Baudouin Prot(*)	Situation unchanged
INTEGRATION COMMITTEE		
Chairman	Mr Frank Mastiaux(*)	Situation unchanged
Members	Bouygues SA, represented by Mr Pascal Grangé CDPQ represented by Ms Kim Thomassin Mr Serge Godin(*)	Bouygues SA, represented by Mr Pascal Grangé CDPQ represented by Ms Kim Thomassin Mr Serge Godin(*) Mr Daniel Garcia Molina(**)

(*) Independent Director.
(**) Director representing employees.

GENERAL MANAGEMENT

Combination of the positions of Chairman and Chief Executive Officer

In 2014, the Board of Directors chose to proceed with the appointment of a lead director whenever the functions of Chairman of the Board of Directors and Chief Executive Officer are combined as one, in order to provide additional guarantees on the existence of a well-balanced and controlled system of corporate governance.

At its meeting on 28 January 2016, the Board of Directors decided to keep the functions of Chairman and Chief Executive Officer combined as one and to appoint Mr Henri Poupart-Lafarge as Chairman and Chief Executive Officer of the Company. This combination of functions was confirmed by the Board of Directors on 6 May 2019 on the occasion of the renewal of Mr Henri Poupart-Lafarge's term of office as director. In the most recent exercise evaluating the functioning of the Board of Directors, carried out for the fiscal year 2021/22, the directors confirmed that the existing governance was functioning in a balanced way. As in previous evaluation exercises, it was confirmed that Mr Henri Poupart-Lafarge was able to strike a satisfactory balance between his two functions as follows:

- as Chairman, by creating the conditions for free and transparent expression during meetings of the Board of Directors, by facilitating exchanges between the directors, by ensuring consensus within the Board during decision making and by setting an agenda in consultation with the lead independent director that allowed the Board of Directors to address all regulatory matters, matters of interest and relevant issues. In this regard, the inclusion on the agenda of the Board of Directors of subjects relating to social responsibility in the broad sense (sustainable development, environment, human resources policy) was particularly emphasised by the directors who had expressed the wish to have greater visibility on these subjects;
- as Chief Executive Officer, by his in-depth knowledge and complete mastery of the Group's business, its strategy and execution issues, and by his managerial skills, which were unanimously praised in the context of the implementation of the strategy, in a situation of health crisis and in an uncertain economic and geopolitical environment.

The directors were unanimous in expressing their satisfaction and confidence in the current governance structure, which also appeared to be particularly appropriate in a context that requires stability and visibility.

In practical terms, and as indicated above, each year, at the time of the evaluation of the functioning of the Board of Directors and its Committees, the Directors are invited to provide their views on this subject. The executive sessions, a practice that was reinforced over the past fiscal year, are also an opportunity for the directors to express their opinions on the effectiveness of the Company's governance.

In addition to recognising Mr Henri Poupart-Lafarge's very positive track record, the Board of Directors also reiterated its position due to the existence of a solid balance of powers, as described below, including the appointment of a lead independent director with specific powers and responsibilities.

In this regard, the evaluation of the 2021/22 fiscal year once again highlighted the effectiveness of the role played by Mr Yann Delabrière, the current lead independent director, both as lead independent director and as Chair of the Nominations and Remunerations Committee, as well as the professionalism and solidity of his relationship with Mr Henri Poupart Lafarge.

Mr Yann Delabrière is thus perceived as being very committed to his role as lead independent director, experienced in governance and with a good understanding of the Group and its priorities, and interacting constantly with the Chairman and CEO.

Balance of powers

Governance mechanisms

Various factors contribute to well-balanced, controlled and effective corporate governance, including:

- the Board of Directors' constant and continuous involvement in implementing the strategy. For example, in the context of the Bombardier Transportation acquisition, an *ad hoc* Committee was set up, involving the lead independent director, the members of the Audit Committee and the Chairman and CEO, with the objective of examining and monitoring the negotiation process, and the Board of Directors was convened on four occasions specifically to discuss an agenda dedicated to this transaction;
- the existence of a high proportion of independent directors on the Board and of Committees that have been chaired by independent directors since their creation. The Chairman and CEO is not a member of any of the Board Committees;
- information provided on a regular basis to the Board of Directors, both at its meetings and outside of its meetings, detailing the business activities of the Group and any significant events;
- the interactions now established between the Board of Directors and members of the management team and the functional/operational heads of key functions within the Group, notably in the context of their participation in and presentations given at Board of Directors and Committee meetings and during site/project visits on an annual basis;
- continual review of corporate governance practices and of the operation of both the Board of Directors and the Committees, which allows areas for improvement and priorities to be regularly identified and the follow-up of recommendations to be assessed:
  - annual evaluation exercise conducted internally or every three years by an external consultant, the latest being in the 2019/20 fiscal year,
  - meetings of non-executive directors (executive sessions) led by the lead independent director, whose purpose is to assess the performance of the executive director, but also to evaluate the effectiveness of governance and to consider the human resources needed to implement the strategy,
  - regular examination of the internal rules of the Board and of its Committees, as the case may be, so as to reflect any regulatory changes but also to take into account developments in governance;
- the availability of the CEO and of the lead director to discuss key subjects regarding the Company's corporate governance and sustainable development in a broad sense with institutional investors, proxy advisors and shareholders outside and within the Annual General Meeting;
- the recent appointment of a Chief Operating Officer who supports the CEO with respect to operating issues, including those related to the integration of Bombardier Transportation, and who participates in all Board meetings.

Limitations on the Chief Executive Officer's powers imposed by the Board of Directors

The restrictions on the Chairman and Chief Executive Officer's powers imposed by the Board are set forth in the Board's internal rules, which provide that the Board of Directors' prior approval is required for:

- any transaction that is not part of the Group's announced strategy or that could significantly affect it;
- any transaction that could materially modify the financial structure or results of the Group;
- any single acquisition or divestiture in excess of €80 million, any business partnership or joint venture where the contribution of the Group exceeds €80 million, as well as any financing transaction which exceeds €400 million for new medium or long term loans, or €1 billion for short-term treasury bills;
- organic growth investments of an amount higher than €80 million and significant internal restructurings in connection with, in particular, the annual review of the Group's budget and strategy.

For acquisitions and divestitures, the amount to be taken in consideration is the enterprise value, regardless of the payment terms (immediate or deferred, cash or in shares, etc.). For a business partnership or a newly created company, the amount to be taken in consideration corresponds to the financial undertaking of the Group (contribution to the share capital or shareholder's loan, exposure to external financing schemes, etc.).

The Internal Rules also require the Board of Directors to review and approve the annual budget and the medium-term plan.

Lead independent director

Since 2014, when the functions of Chairman and Chief Executive Officer were combined, the Board of Directors, pursuant to the terms of its own Internal Rules, must appoint a lead independent director, whose main task is to ensure the proper functioning of the corporate governance bodies of the Company. The Lead Independent Director is appointed for a two-year term, which cannot exceed his/her term of office as a director. He or she is eligible for reappointment. The Board of Directors can terminate the his/her functions at any time.

Conditions and terms of the exercise of the duties of lead director

The internal rules set the following terms applicable to the role of lead director (Article 6 of the Board of Directors' internal rules):

Functioning of the Board of Directors and of the Committees of the Board of Directors

- The Chairman of the Board of Directors consults with the lead director regarding the matters on Board meeting agendas and can recommend including additional matters on the agenda.
- The lead director may request the Chairman of the Board of Directors to call a meeting of the Board of Directors to discuss a predetermined agenda.
- The lead director ensures that the internal rules are applied when the meetings of the Board of Directors are prepared and held, and also ensures that the Directors and the observer comply with such Internal Rules.
- The lead director makes sure that the Directors and observer are able to exercise their duties under the best possible conditions and, in particular, that they can rely on a high level of information prior to the Board meetings.
- The lead director can, at his/her own initiative, call for and preside over meetings of Directors who do not exercise executive or salaried functions within the Group (non-executive Directors).
- The lead director can be the Chairman of the Nomination and Remuneration Committee. As such, he/she is responsible for, in particular, managing the succession plan for executive Directors, selecting new Directors and observer, and balancing the composition of the Board of Directors and the Committees.
- The Lead Independent Director can attend any of the meetings of any Committee of which he or she is not a member and has access to the work completed by such Committees and to the information made available to them.

Relations with directors

- The lead director maintains a regular dialogue with Directors and the observer and is, if need be, their spokesperson to the Chairman of the Board.

Conflicts of interest

- The lead director plays a preventive role to raise the awareness of all Directors/observer with respect to conflicts of interest.
- Together with the Chairman of the Board, he/she reviews situations that could potentially trigger conflicts of interest.

Relations with shareholders

- The lead director is kept abreast of any comments and suggestions submitted by shareholders in relation to governance and the compensation of corporate officers. He/she ensures that their questions are answered, makes himself or herself available to communicate with such shareholders at the request of the Chairman of the Board and keeps the Board of Directors apprised of these communications. He/she regularly organises governance roadshows with major investors and proxy advisors.

The lead director reports annually to the Board of Directors and to the General Meeting regarding his or her work.

The Secretariat of the Board of Directors is available to assist the lead director in the completion of his or her assignments.

Assessment of the lead independent director's activities over the 2021/22 fiscal year

Since 4 July 2017, the Board of Directors has decided to assign the function of lead director (duration of this function being two years) and the Chairmanship of the Nomination and Remuneration Committee to Mr Yann Delabrière, an independent Director. On 10 May 2021, the Board of Directors decided to renew the term of office of Mr Yann Delabrière as lead independent director for a further two years from the 2021 General Meeting until the 2023 General Meeting.

Thus, during the fiscal year 2021/22, the activity of the lead independent director was mainly as follows:

- He regularly discussed with the Chairman and CEO the main issues related to the development of the business, the competitive environment, strategy, the consequences of the health crisis, the consequences of the conflict in Ukraine on the Group, and finally the environmental, social and governance policy. He prepared with him the Board of Directors' annual work plan and, especially within the framework of the preparation of Board meetings, he reviewed all the important subjects presented or decided at those meetings.
- The lead independent director made himself available to directors and maintained regular and open dialogue with those directors wishing to speak with him. In particular, he supervised the annual Board and Committee evaluation exercise which was conducted on the basis of an internal questionnaire and interviewed each director individually.
- The lead independent director chaired the executive sessions and defined and rolled out the new meeting format agreed at the end of the 2021/22 evaluation exercise, the purpose of which was not only to appraise the compensation of the Chairman and CEO in relation to his performance but also to review the effectiveness of governance and the appropriateness of the management team to deliver the strategy. The sessions are held twice a year, once in November and once in May, with the November session focusing on the work covered by the Board of Directors, a review of the strategy and competencies of the Board and the Management Committee in relation to the Group's challenges, and the May session focusing on the compensation policy for the Chairman and CEO. Feedback was given to the Chairman and CEO.
- In the context of Bombardier Transportation's integration, the Lead Independent Director regularly discussed the formation of the new management team with the Chairman & Chief Executive Officer and remains closely involved and consulted with regarding the management team's composition and evolution and the related talent pool.
- In his capacity as Chairman of the Nomination and Remuneration Committee, the lead independent director led the discussions on the composition of the Board of Directors and the Committees and the role and tasks of these Committees.
- The lead independent director discussed governance issues and, more generally, social responsibility and sustainable development issues, with certain investors and proxy advisors in view of the July 2022 General Meeting as well as outside the context of such meetings. The lead independent director, who is regularly called upon, makes himself available to investors and proxy advisors throughout the year in order to maintain high-quality dialogue with shareholders.
- The lead director proposed the review of the compensation policy of the Chairman and CEO to introduce a clawback mechanism, further strengthening the obligation to hold free shares granted to him in the context of the 2022 compensation policy.
- The lead independent director has reviewed the competencies of the Board and the Committees and as a result of the evaluation of the Board and the Committees, on the proposal of the directors, has proposed to extend the competencies of the Board and the Committees to include:
  - the review of the policies, commitments and initiatives implemented by the Company for its employees in the framework of its Sustainable Development and CSR policy in the areas of health, safety, well-being at work, diversity, equal employment opportunities for employees and other issues related to the Nomination and Remuneration Committee;
  - the promotion to the Board of Directors of the consistency of the Group's economic and social development with a civic approach based in particular on local development and the preservation of the environment in which it operates.
- The lead independent director conducted site visits which enabled him to enhance his knowledge about the Group's activities and to exchange with Group employees.
- The lead independent director has reviewed the schedule of meetings to ensure that Committee meetings are held on separate days prior to the Board meeting to improve efficiency and preparation of recommendations to the Board.

INFORMATION REGARDING MEMBERS OF THE BOARD OF DIRECTORS

Diversity policy

Components of the diversity policy and nominations process

The composition of the Company's Board of Directors is defined in a way that enables it to fully accomplish all its missions in terms of competences in the fields of strategy, finance and auditing, risk control, ethics and compliance, social and environmental issues, governance and compensation.

In order to achieve this goal, the Board of Directors ensures:

- that its members have complementary skills which are assessed on the basis of each member's educational background and experience, with these complementary skills being reflected in a skills matrix;
- diversity assessed personally, based on several criteria that respond to regulatory requirements as appropriate:
  - nationality and/or international profile,
  - technical, strategic or operational skills,
  - age,
  - gender,
  - compliance with rules regarding holding multiple offices,
  - independence,
  - seniority on the Board of Directors,
  - representation of a shareholder/employees.

The process leading to the nomination of directors differs according to the category to which the directors belong.

Independent directors are subject to a true selection process that is clearly defined and run by the lead independent director and the Nomination and Remuneration Committee and entrusted to a specialised external firm. This process is based on the skills matrix and thus makes it possible to identify any needs for expertise and, consequently, direct the selection of profiles that could enhance the Board's work in the case of future appointments.

The Board of Directors reviews all other categories of Directors (Directors representing the shareholders, Directors representing the employees).

In general, the Board assures itself of each director's ability to adhere to the Board's culture so that each new director naturally becomes part of the Board. Thus, in addition to meeting with the lead independent director and the Chairman & Chief Executive Officer, all the selected candidates, regardless of the director category to which they belong, meet with each of the members of the Nomination and Remuneration Committee.

In addition, an integration programme is implemented when a new director arrives, allowing the new director to meet the Group's principal operational and functional directors, attend site visits and exchange with employees.

Implementation of the diversity policy and results over the past fiscal year

The board composition is remained unchanged during the fiscal year as major board appointments were made in the previous fiscal year further to the acquisition of Bombardier Transportation and largely contributing to the diversity of the composition of the board.

The Nomination and Remuneration Committee also reviewed the profiles, skills and independence of the directors as it does every year.

Skills matrix

The table below illustrates the diverse expertise of members of the Board of Directors as of 10 May 2022:

	Transportation industry/ Experience with Alstom's business areas	Equipment suppliers	Management of large companies (turnover ≥€7 billion)	Finance/ Management/ Risk Management	Legal/ M&A	Ethics and Compliance	Human resources management	Social and environmental responsibility/ Sustainable development	Digitalisation and cyber-security	International experience
Mr Henri Poupart-Lafarge	√	√	√	√	√	√	√	√	√	√
Mr Yann Delabrière	√	√	√	√	√		√		√	√
Ms Bi Yong Chungunco			√		√	√				√
Ms Clotilde Delbos	√		√	√	√	√	√			√
Mr Daniel Garcia Molina	√			√			√	√		√
Mr Serge Godin			√	√	√	√	√	√	√	√
Mr Gilles Guilbon	√			√			√	√		√
Mr Pascal Grangé (permanent representative of Bouygues SA)			√	√	√	√		√	√	√
Ms Sylvie Kandé de Beaupuy	√		√		√	√	√			√
Mr Frank Mastiaux	√	√	√	√	√	√	√	√	√	√
Mr Baudouin Prot			√	√	√	√	√	√		√
Mr Benoît Raillard		√		√	√		√		√	√
Ms Sylvie Rucar	√		√	√	√	√		√		√
Ms Kim Thomassin (permanent representative of CDPQ)	√		√	√	√	√	√	√		√

Directorships and duties exercised by the directors and the observer

This section is established on the basis of the information provided by the directors and the observer with a view to preparing the Universal Registration Document and gathering the elements that will be used to qualify the independence of the directors by the Board of Directors on the proposal of the Nomination and Remuneration Committee.

The following information is up to date as at 10 May 2022:

Mr Henri Poupart-Lafarge

Age: 53.

Nationality: French.

Professional address: Alstom – 48, rue Albert-Dhalenne – 93400 Saint-Ouen-sur-Seine (France).

Principal functions: Chairman and Chief Executive Officer of Alstom.

First term: 30 June 2015 – 10 July 2019.

Current term end: GM held in 2023 and called to vote on the financial statements for the fiscal year ending 31 March 2023.

Holds 99,598 shares.

Other current directorships and positions:

In France:

Within the Alstom Group:

- Chairman of Alstom Foundation since 10 September 2015

Outside the Alstom Group:

- Director of Société Générale(*) since 18 May 2021

Abroad:

–

Past directorships and positions (held during the past five years):

In France:

Outside the Alstom Group:

- Director of Vallourec(*) (2014 to 2018)

Within the Alstom Group:

–

Abroad:

Outside the Alstom Group:

- Director of Transmashholding (Russia) from 2012 to 2019

Biography:

Mr Henri Poupart-Lafarge is a graduate of *École polytechnique,* the *École nationale des ponts et chaussées* and the Massachusetts Institute of Technology (MIT). He started his career in 1992 at the World Bank in Washington, D.C., before joining the French Ministry of Economy and Finance in 1994. Mr Henri Poupart-Lafarge joined Alstom in 1998, as Head of Investor Relations and responsible for management control. In 2000, he became the Transmission and Distribution Sector's Senior Vice-Chairman of Finance, a position he held until the sale of the sector in 2004. From 2004 to 2010, he was Chief Financial Officer of the Alstom Group, from 2010 to 2011 Chairman of the Alstom Grid Sector and was Chairman of the Transport Sector from 4 July 2011 until his appointment as Chairman and Chief Executive Officer. Mr Henri Poupart-Lafarge has been the Chairman and Chief Executive Officer of Alstom since 1 February 2016.

Mr Yann Delabrière

Age: 71.

Nationality: French.

Professional address: Idemia – 2, place Samuel-de-Champlain – 92400, Courbevoie (France).

Principal functions: Chairman of the Supervisory Board of Idemia Group.

First term: 17 March 2017 – 8 July 2020.

Current term end: GM held in 2024 and called to vote on the financial statements for the fiscal year ending 31 March 2024.

Independent Director.

Lead Director.

Chairman of the Nomination and Remuneration Committee.

Holds 10,034 shares (of which 7,421 shares through MM Consulting).

Other current directorships and positions:

In France:

- Chairman of the Supervisory Board of Idemia Group
- Chairman of the Board of Directors of Idemia France (Idemia Group), since 1 July 2020
- Chairman of MM Consulting SAS (France) since October 2016

Abroad:

- Member of the Supervisory Board of STMicroelectronics (*) (Netherlands) since May 2020
- Director of Leddartech (Canada) since February 2021

Past directorships and positions (held during the past five years):

In France:

- Chairman of the Management Board of Idemia from October 2018 to June 2020
- Chairman of Idemia Identity & Security France from October 2018 to July 2020
- Chairman of Galaxy Manco from October 2018 to July 2020

(*) Listed company.

- Chairman of the Management Board of Zodiac Aerospace(*) from June 2017 to February 2018
- Chairman and Chief Executive Officer of Faurecia(*) from February 2007 to July 2016, then Chairman of the Board of Directors from July 2016 to May 2017
- Director of Capgemini SE(*) from May 2004 to May 2018
- Director of Société Générale(*) from May 2012 to May 2016

Abroad:

–

Biography:

Mr Yann Delabrière, Chairman of the Supervisory Board of Idemia Group, is a graduate in mathematics of the *École normale supérieure* and of the *École nationale d'administration.* He began his career at the French *Cour des comptes* before working in the cabinet office of the Foreign Trade Ministry. He then became the Chief Financial Officer of Coface and then of the Printemps group. In 1990, he joined PSA as Chief Financial Officer and he became a member of the Executive Committee in 1998. Mr Yann Delabrière was appointed Chairman and Chief Executive Officer of Faurecia from 2007 until July 2016 and remained Chairman of the Board until May 2017. He was then appointed Chairman of the Management Board of Zodiac Aerospace, a position he held from June 2017 until February 2018. He then became the Chairman of the Supervisory Board of Idemia Group and then Chairman of the Management Board from October 2018 to July 2020, since when he once again took up the role of Chairman of the Supervisory Board. He is also a member of the Supervisory Board of STMicroelectronics and a director of Leddartech and a former director of Capgemini SE and Société Générale.

Bouygues SA, represented by Mr Pascal Grangé

Mr Pascal Grangé

Age: 61.

Nationality: French.

Professional address: Bouygues SA – 32, avenue Hoche – 75378 Paris Cedex 08 (France).

Principal functions: Deputy Chief Executive Officer, Group Chief Financial Officer of Bouygues SA(*).

Permanent representative of Bouygues SA(*) since 19 February 2020.

Mr Pascal Grangé holds 0 shares.

Bouygues SA

Limited company with a share capital of €380,759,842

Registered office: 32, avenue Hoche – 75378 Paris Cedex 08 (France).

First term of Bouygues SA: 18 March 2008 -17 July 2018.

Current term end: GM held in 2022 and called to vote on the financial statements for the fiscal year ending 31 March 2022.

Member of the Integration Committee.

Bouygues SA holds 581,441 shares.

Directorships and positions of Mr Pascal Grangé in his capacity as permanent representative of the director Bouygues SA(*):

In France:

- Permanent representative of Bouygues SA(*), director of Bouygues Construction, since February 2020
- Permanent representative of Bouygues SA(*), director of TF1(*), since February 2020
- Permanent representative of Bouygues SA(*), director of Colas(*), since February 2020
- Permanent representative of Bouygues SA(*), director of Bouygues Immobilier, since February 2020
- Permanent representative of Bouygues SA(*), director of Bouygues Telecom, since February 2020

Abroad:

–

Other directorships and positions of Mr Pascal Grangé within the Bouygues Group:

In France:

–

Abroad:

- Director of Bouygues Europe (Belgium) since April 2020
- Chairman and director of Uniservice (Switzerland) since March 2020

Past directorships and positions of Mr Pascal Grangé (held in the past five years) within the Bouygues Group:

In France:

- Deputy CEO of Bouygues Construction, from 27 August 2008 to 30 September 2019
- Director of Bouygues Construction, from 27 February 2012 to 18 February 2020
- Chairman of Challenger Investissement, from 18 July 2008 to 30 September 2019
- Co-Manager of Challenger SNC France, from 14 December 2010 to 30 September 2019

(*) Listed company.

- Manager of Bouygues Construction IT, from 6 December 2013 to 30 September 2019
- Director of Bouygues Bâtiment International, from 24 November 2014 to 2 February 2016
- Director of DTP, from 28 November 2014 to 2 February 2016
- Director of Bouygues Travaux Publics, from 2 December 2015 to 2 February 2016
- Director of Bouygues Bâtiment Île-de-France, from 2 December 2015 to 2 February 2016
- Director of LinkCity, from 2 December 2015 to 2 February 2016

Abroad:

- Member of the Supervisory Board of Kraftanlagen München GmbH (Germany), from 31 July 2018 to 30 September 2019
- Director of Bouygues E&S InTec AG (Switzerland), from 31 July 2018 to 30 September 2019
- Director VSL International Ltd (Switzerland) from 1 April 2009 to 30 September 2019
- Director of Losinger Holding SA (Switzerland), from 17 March 2005 to 30 September 2019
- Director of Losinger Marazzi SA (Switzerland), from 19 April 2011 to 30 September 2019
- Chairman of Bouygues Europe (Belgium) from 17 December 2020 to 6 April 2021

Expired directorships and positions of Mr Pascal Grangé (held in the past five years) outside the Bouygues group:

In France:

- Director of Consortium Stade de France, from 29 September 2008 to 19 November 2019

Abroad:

- Co-Manager of Parcolog (Luxembourg), from 18 October 2004 to 8 December 2016

Other current directorships and positions of Bouygues SA within the Bouygues group:

In France:

- Director of Bouygues Construction since 21 April 2005
- Director of TF1(*) since 20 February 2008
- Director of Colas(*) since 19 April 2005
- Director of Bouygues Immobilier since 9 December 2016
- Director of Bouygues Telecom since 25 February 2008
- Director of 32 Hoche since 26 April 2006
- Director of GIE Intrapreneuriat Bouygues since 10 May 2019

Abroad:

–

Other current directorships and positions of Bouygues SA outside the Bouygues group:

In France:

- Member of the Board of Directors of the organisation managing the Gustave-Eiffel Centre since 28 March 2001
- Member of the Board of Directors of GIE Registrar since 31 January 2011

Abroad:

–

Past directorships and positions of Bouygues SA (carried out in the last five years):

In France:

- Director of C2S (Bouygues group) from 2010 to 2017
- Director of Fondations Dauphines from 2008 to 2016

Abroad:

–

Biography:

Mr Pascal Grangé joined the Bouygues group in 1986. He is the Finance Director and Corporate Secretary of several Group subsidiaries, Dredging and Public Works, SCREG and SAUR in particular.

In 2003, he joined Bouygues Construction as Corporate Secretary before being promoted to Deputy CEO in 2008.

In October 2019, he was named Deputy CEO and Chief Financial Officer of the Bouygues group. On 17 February 2021, he became Deputy CEO of Bouygues SA and continues to run the Finance Department.

(*) Listed company.

Caisse de Dépôt et Placement du Québec, represented by Ms Kim Thomassin

Ms Kim Thomassin

Age: 50.

Nationality: Canadian.

Professional address: 1000, place Jean-Paul-Riopelle, Montréal (Quebec), HBZ 2B3, Canada.

Principal functions: Executive Vice-Chairman and Head of Investments in Quebec and Stewardship Investing at Caisse de Dépôt et Placement du Québec.

Permanent representative of CDPQ since 29 October 2020, effective 29 January 2021.

Ms Kim Thomassin does not hold any Alstom shares

CDPQ

Not-for-profit company.

Registered office: 1000, place Jean-Paul-Riopelle, Montréal (Quebec), HBZ 2B3, Canada.

Date of CDPQ's first appointment: 29 October 2020, effective 29 January 2021.

Current term end: GM held in 2024 and called to vote on the financial statements for the fiscal year ending 31 March 2024.

Member of the Audit Committee.

Member of the Integration Committee.

CDPQ holds 65,367,800 shares.

Other current directorships and positions of Ms Kim Thomassin:

In France:

–

Abroad:

- Member of the Board of Directors of Ivanhoé Cambridge Inc. (Canada), CDPQ group, since September 2017
- Member of the Advisory Board of Findev Canada (Canada) since May 2020

Past directorships and positions of Ms Kim Thomassin (carried out in the last five years):

In France:

–

Abroad:

- Member of the Board of Directors of Ceres (Canada) until February 2021
- Member of the Board of Directors of Cirque du Soleil (Canada) until November 2020
- Member of the Board of Directors of Attraction Media (Canada) until April 2020
- Member of the Board of Directors of Bombardier Transportation (Canada) until March 2018
- Member of the Board of Directors of CCMM (Chamber of Commerce of Metropolitan Montreal) (Canada) until May 2019
- Member of the Board of Directors of McCarthy Tétrault (Canada) until January 2017
- National Client Leader and Managing Partner, Québec Region, McCarthy Tétrault (Canada) until January 2017
- Executive Vice-Chairman, Legal Affairs and Secretariat, Caisse de Dépôt et Placement du Québec (Canada) until April 2020

Current directorships and positions of CDPQ:

In France:

–

Abroad:

–

Past directorships and positions of CDPQ (carried out in the last five years):

In France:

- Member of the Board of Directors of Elior group(*) (France) until April 2020

Abroad:

–

Biography:

Ms Kim Thomassin has been Executive Vice-Chairman and Head of Investments in Québec and Stewardship Investing in Caisse de Dépôt et Placement du Québec since April 2020. She leads the teams responsible for investments in Québec, post-investment management and Espace CDPQ. She also oversees the Stewardship Investing team, whose task is to factor ESG criteria into CDPQ's investment activities and to deploy its investment strategy to address climate change. She is a member of the Executive Committee and the Investment-Risk Committee, and sits on the Board of Ivanhoé Cambridge, CDPQ's global real estate subsidiary.

Prior to her nomination, Ms Thomassin held the role of Executive Vice-Chairman, Legal Affairs and Secretariat. As such, she led the Legal Affairs, Secretariat, Compliance and Stewardship Investing teams.

Before joining CDPQ in 2017, Ms Thomassin was National Client Leader and Managing Partner for the Québec Region at McCarthy Tétrault. As a member of the management team, she contributed to the firm's regional and national management while strengthening its pan-Canadian presence. In her 17 years at the firm, she held various important positions and specialized in project finance and acquisition transactions in the energy and infrastructure sectors. She has been involved in several transactions related to large-scale Canadian and international projects. She has also represented public institutions and developers in connection with public-private partnerships. Ms Thomassin received a B.C.L./LL.B. from *Université Laval* and a minor in psychology at McGill University. She also studied at the University of Western Ontario's Faculty of Law. Ms Thomassin is a member of the Québec Bar.

(*) Listed company.

In addition to being a member of Alstom's Board of Directors, Ms Kim Thomassin is Co-Chairman of the Montreal Children's Hospital Foundation campaign cabinet. She is also one of four members of the expert panel established by the Canadian federal government to consult with the Canadian business community regarding sustainable finance matters.

In 2019, she was named GC Influencer by Chambers GC Influencers Global 100, a distinction that recognizes leadership and contributions of general counsels around the world.

In 2016, she received a Medal from the Quebec National Assembly in recognition of her career and her commitment to the advancement of women's issues. Her leadership was also recognized through various distinctions, including the Christine-Tourigny Award, the *Advocatus Emeritus* distinction from the Quebec Bar and the Lexpert Zenith Award as a lead attorney. In 2012, she was named by the Women's Executive Network (WXN) as among the Top 100 most powerful women in Canada.

Ms Bi Yong Chungunco

Age: 59.

Nationality: Filipino.

Professional address: Luzon International Premiere Airport Development Corporation – Civil Aviation Complex – Andres Bonifacio Avenue – Clark Freeport Zone – Pampanga 2023 – Philippines.

Principal functions: Chief Executive Officer of Luzon International Premiere Airport Development Corporation.

First term: 1 July 2014 – 17 July 2018.

Current term end: GM held in 2022 and called to approve the financial statements for the fiscal year ending 31 March 2022.

Independent Director.

Member of the Ethics and Compliance Committee.

Holds 500 shares.

Other current directorships and positions:

In France:

–

Abroad:

- Chief Executive Officer of Luzon International Premiere Airport Development Corporation.

Past directorships and positions (held during the past five years):

In France:

–

Abroad:

- Head of Divestment of LafargeHolcim Group – Holcim Technology Singapore Pte Ltd (Singapore) until 2017
- Head of Lafarge China Cement Ltd until 2017
- Director of the South East Asia Zone (West), LafargeHolcim Group – Holcim Technology Singapore Pte Ltd (Singapore) until 2016
- Director of Lafarge Malaysia SdnBhd(*) (Malaysia) until 2017
- Director of Sichuan Shuangma Cement Ltd(*) (China) until 2017
- Director of Lafarge Surma Cement Ltd(*) (Bangladesh) until 2017

Biography:

Ms Bi Yong Chungunco is currently the Chief Executive Officer of Luzon International Premiere Airport Development Corporation, the consortium that was awarded the operations and maintenance of Clark International Airport (Philippines) and Clark Civil Aviation Complex.

Until August 2017, Ms Chungunco was the Head of the Divestments of LafargeHolcim group, focusing mainly on the Asia Pacific region, and concurrently, Head of Lafarge China.

From July 2015 to March 2016, she was the Area Manager, South East Asia (West) of LafargeHolcim Group, overseeing the operations in Malaysia, Singapore, Bangladesh, Sri Lanka, and Myanmar and also served as the Corporate Secretary of Lafarge SA. Prior to this, she was the Senior Vice-President, Group General Counsel and Corporate Secretary of Lafarge SA, based in Paris, France.

She joined the Lafarge Group in 2002 as Senior Vice-President for Legal, Corporate Governance and External Relations of the Lafarge affiliated company in the Philippines. From 2004 to 2007, she was Group Regional Counsel and then Deputy General Counsel of Lafarge, overseeing from Paris the group's merger and acquisitions transactions and coordinating the worldwide legal network. From 2008 to 2012, she was Chief Executive Officer and director of Lafarge Malayan Cement Berhad, one of the largest industrial companies listed on the Malaysian Stock Exchange (a 51% owned subsidiary of Lafarge, with operations in Malaysia and Singapore). A lawyer by training, she worked in various law firms prior to joining Lafarge Group.

(*) Listed company.

Ms Clotilde Delbos

Age: 54.

Nationality: French.

Professional address: Groupe Renault – 13/15, quai Le Gallo – 92513 Boulogne-Billancourt (France).

Principal functions: Deputy Chief Executive Officer and Chief Financial Officer, Groupe Renault(*).

First appointment: 17 July 2018.

Current term end: GM held in 2022 and called to approve the financial statements for the fiscal year ending 31 March 2022.

Independent Director.

Member of the Audit Committee.

Holds 2,613 shares.

Other current directorships and positions:

In France, within Groupe Renault(*):

- Chief Executive Officer, Nouvelles Mobilités brand (Mobilize) since 2021
- Chair of the Board of Directors of Banque RCI SA (France) since 2016 (and Director since 2014)
- Chair of Renault Venture Capital (France) since 2017

In France, excluding Groupe Renault(*):

- Co-Manager of Hactif Patrimoine (France) since 2017
- Director of AXA since 2021

Abroad, within Groupe Renault(*):

- Director of Renault España (Spain) since 2018
- Member of the Management Board of Renault-Nissan BV (Netherlands) since 2019

Abroad, outside Groupe Renault(*):

–

Past directorships and positions (held during the past five years):

In France:

- Acting Chief Executive Officer of Renault SA(*) (France), until 2020
- Chair of Mobilize Invest (France) until 2020

Abroad, within Groupe Renault(*):

- Member of the Management Board of Alliance Rostec Auto B.V. (Netherlands), until 2020
- Member of the Supervisory Board of Alliance Ventures B.V. (Netherlands), until 2020
- Chair and CEO of Renault Nissan B.V. (Netherlands), until 2020

Abroad:

–

Biography:

Ms Clotilde Delbos graduated from EM Lyon. She began her career in California, then at Price Waterhouse in Paris before joining the Pechiney Group in 1992. She held various positions in France and in Brussels in Internal Audit, Treasury and Mergers & Acquisitions to then become Division Chief Financial Officer (Bauxite Alumina and International Trade). After the acquisition of Pechiney by the Quebec group Alcan, Clotilde Delbos became CFO of the Engineered Products division in 2005, until its sale in 2011 to the investment fund Apollo Global Management and the Strategic Investment Fund. In the new company, Constellium, her last two positions were Chief Financial Officer and Chief Risk Officer.

Ms Clotilde Delbos joined Groupe Renault in 2012 as Group Director of Performance and Control. In May 2014, Ms Clotilde Delbos was appointed Director of Alliance, Performance and Control, in addition to her position as Director of Performance and Control for Groupe Renault. In April 2016, Ms Clotilde Delbos was appointed Chief Financial Officer of Groupe Renault and Chair of the Board of Directors of RCI Banque.

On 1 April 2019, Ms Clotilde Delbos, Chief Financial Officer of Groupe Renault and Chairman of the Board of Directors of RCI Banque, will also be assigned to the Internal Control Department.

On 11 October 2019, she was appointed Acting Chief Executive Officer of Renault SA until Mr Luca de Meo takes up his position as Chief Executive Officer of Renault SA, and as Chairman of Renault SAS on 1 July 2020.

On 1 July 2020, Ms Clotilde Delbos was appointed Deputy Chief Executive Officer of Groupe Renault. She remained Chief Financial Officer of Groupe Renault and Chair of the Board of Directors of RCI Bank & Services.

On 1 January 2021, Ms. Clotilde Delbos was appointed Chief Executive Officer of the New Mobilities (Mobilize) brand. She remains Deputy Chief Executive Officer, Chief Financial Officer, Groupe Renault and Chair of the Board of Directors of RCI Bank & Services. She is a member of the Board of Management of Groupe Renault.

(*) Renault SA, listed company.

Mr Daniel Garcia Molina

Age: 50.

Nationality: Spanish.

Professional address: Alstom, Carretera de Santa Perpetua a Mollet, S/N, Santa Perpetua de Mogoda, 08130, Barcelona, Spain.

Main function: Employee in the Industrialisation Department of the Santa Perpetua site (Spain).

First appointment: 1 January 2021.

Current term end: 1 January 2025.

Director representing employees within the meaning of Article L. 225-27-1 of the French Commercial Code.

Holds 60 shares.

Member of the Integration Committee.

Other current directorships and positions:

In France:

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Abroad:

–

Past directorships and positions (held during the past five years):

In France:

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Abroad:

- Secretary of the European Works Forum from December 2015 to December 2019.
- Vice-Secretary of the European Works Forum from December 2019 to December 2020.

Biography:

Mr Daniel Garcia Molina is employed by the Industrialisation Department of the Santa Perpetua site (Spain).

From 2012 to November 2020, he held the position of General Secretary of the union organisation at the Santa Perpetua site and general coordinator of its union organisation for Alstom Spain.

In parallel with his other union position in Spain, from December 2012 to December 2015, Mr Molina was Vice-Secretary of the European Works Council (called the European Works Forum within Alstom) and, in December 2015, he became its Secretary.

In December 2019, he once again took the position of Vice-Secretary of the European Works Forum until December 2020.

He is currently studying company administration and management at the University of La Salle (Barcelona).

Mr Serge Godin

Age: 72.

Nationality: Canadian.

Professional address: 1350 René-Lévesque Boulevard West, 25th Floor, Montreal, Quebec H3G 1T4, Canada.

Principal functions: Founder and Executive Chairman of the Board of Directors of CGI Inc. (Canada)(*).

First appointment: 29 October 2020, effective 29 January 2021.

Current term end: GM held in 2024 and called to vote on the financial statements for the fiscal year ending 31 March 2024.

Independent Director.

Member of the Integration Committee.

Holds 250 ADRs in his own name and 75,000 ADRs held through Distinction Capital Inc.

Other current directorships and positions:

In France:

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Abroad:

- Executive, director and Shareholder of Distinction Capital Inc. (Canada) since September 2005.
- Executive and director of the Godin Family Foundation (not for profit) (Canada) since 8 February 2001.

Past directorships and positions (held during the past five years):

In France:

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Abroad:

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Biography:

Mr Serge Godin founded CGI in 1976 and he is the controlling shareholder of the company. Today, CGI is one of the largest information technology (IT) and business consulting firms in the world. Mr Serge Godin has led CGI as Chairman and Chief Executive Officer since its founding and became Executive Chairman of the Board in 2006.

Under his leadership, the company has expanded through both organic growth and more than 100 acquisitions, growing from two employees in 1976 to 76,000 today. CGI operates from hundreds of locations around the world and offers customers a comprehensive portfolio of capabilities to help them achieve their digital transformation: strategic IT and business consulting, systems integration, outsourced IT and business process services, and intellectual property solutions.

(*) Listed company.

Mr Godin is an Officer of the Order of Canada and Officer of the National Order of Quebec. In 2008, he was inducted into the Canadian Business Hall of Fame. In 2011, he was named an Honorary Associate by the Conference Board of Canada. In 2015, Mr Serge Godin became a lifelong member of the Horatio Alger Association. He is the recipient of several honorary doctorates, from the *École de technologie supérieure de Montréal* (ÉTS), York University in Toronto, Concordia University in Montreal, the *Hautes Études Commerciales de Montréal* (HEC) and *Université Laval* in Quebec City.

In January 2021, Mr Serge Godin was appointed as an independent director of Alstom.

Mr Godin has long been involved in charitable causes. In 2000, together with other members of his family, he established the Godin Family Foundation with a mission to alleviate poverty, promote education and improve the health of children and teens in need. Since its inception, the Foundation has helped more than 400 schools, hospitals and youth organisations.

Mr Gilles Guilbon

Age: 58.

Nationality: French.

Professional address: Alstom, 33, avenue du Commandant-Lisiack, 17440 Aytré (France).

Principal functions: Project guarantee manager at the La Rochelle site (France).

First appointment: 1 January 2021.

Current term end: 1 January 2025.

Director representing employees within the meaning of Article L. 225-27-1 of the French Commercial Code.

Holds 22 shares.

Member of the Nomination and Remuneration Committee.

Other current directorships and positions:

In France:

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Abroad:

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Past directorships and positions (held during the past five years):

In France:

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Abroad:

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Biography:

Mr Gilles Guilbon is a former student of the *École nationale supérieure de mécanique et d'aérotechnique*. He also holds an advanced degree in mechanics. He began his career in 1988 at Safran as Head of Methods before joining Alstom in 1991 as Head of Planning for the METEOR subway. In 1992, Mr Gilles Guilbon became Head of Industrialisation of electro-mechanical signalling products. In 1995, he moved to the La Rochelle site, where he held several responsibilities within the Methods and Quality Department, for high-speed trains and tramways. He is currently a project guarantee manager.

Ms Sylvie Kandé de Beaupuy

Age: 65.

Nationality: French and Senegalese.

Professional address: Alstom – 48, rue Albert-Dhalenne – 93400 Saint-Ouen-sur-Seine (France).

Principal functions: Executive Vice President – Senior Compliance Advisor(*).

First appointment: co-option on 30 January 2017 (ratification by the General Meeting of 4 July 2017) – 10 July 2019.

Current term end: GM held in 2023 and called to vote on the financial statements for the fiscal year ending 31 March 2023.

Independent Director.

Chair of the Ethics and Compliance Committee.

Holds 2,000 shares.

Other current directorships and positions:

In France:

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Abroad:

–

Past directorships and positions (held during the past five years):

In France:

–

Abroad:

–

(*) Listed company.

Biography:

Ms Sylvie Kandé de Beaupuy is Executive Vice President –Recently appointed Senior Compliance Advisor, and previously Chief Ethics & Compliance Officer of Airbus since 2015. Until September 2021, she led a team of almost 200 Compliance Managers and administrative staff worldwide in each of the Airbus activities and divisions (Airbus Commercial, Helicopters and Defence & Space).

She joined Airbus from Technip, a world leader in the oil-services industry, where she was Senior Vice President – Group Chief Compliance Officer from 2008 to 2015 and then Executive Vice President – Group Corporate Counsel. Ms Sylvie Kandé de Beaupuy started her career as a lawyer at the Paris Bar and was a member of the Corporate/M&A team of Clifford Chance in Paris for almost 20 years. She then chose to work in the corporate world and joined EADS/Airbus in 2003 where she was appointed General Counsel for ATR, an Airbus/Leonardo partnership.

Mr Frank Mastiaux

Age: 58.

Nationality: German.

Professional address: EnBW Energie Baden-Württemberg AG – Durlacher Allee 93 – 76131 Karlsruhe (Germany).

Principal functions: Chairman and CEO of EnBW Energie Baden-Württemberg AG(*).

First appointment: 8 July 2020.

Current term end: GM held in 2024 and called to vote on the financial statements for the fiscal year ending 31 March 2024.

Independent Director.

Chair of the Integration Committee and member of the Nomination and Remuneration Committee.

Holds 2,000 shares.

Other current directorships and positions:

In France:

–

Abroad:

- Chairman and CEO of EnBW Energie Baden-Würtenberg (EnBW) (Germany)
- Member of the Advisory Board of Boehringer Ingelheim (Germany)

Past directorships and positions (held during the past five years):

In France:

–

Abroad:

- Member of the Supervisory Board of EWE AG(*) (Germany) from October 2012 to May 2017

Biography:

Mr Frank Mastiaux has been Chairman and CEO of EnBW Energie Baden-Württemberg AG (EnBW), Germany's third largest energy supply company, since October 2012. Holder of a doctorate in chemistry obtained in 1993, he began his career at VebaOel AG in Gelsenkirchen, where he held various management positions until 1999. From 1998 to 1999, Mr Frank Mastiaux was seconded to CITGO Petroleum (Tulsa, Oklahoma, United States) as Development Director. In 1999, he became the Head of Supply Chain and Sales at VebaOel. Subsequent to the merger of Veba and ARAl in 2000, he become Chief Executive Officer of ARAL Mineralöl-Veritrieb GmbH. In 2001, after the takeover by BP, he became Chief Executive Officer for Strategy, Marketing and Organisation of the BP Group in London. From 2005 to 2007, he was the Chief Executive of BP's Global Liquid Petroleum Gas (LPG) Division. In 2007, Mr Frank Mastiaux joined E.ON as founding Chief Executive of E.ON's renewable energies division (E.ON Climate & Renewables). In 2011, he was also charged with E.ON's expansion in high growth markets outside of Europe as Chief Executive of E.ON International Energy.

(*) Listed company.

Mr Baudouin Prot

Age: 70.

Nationality: French.

Professional address: Alstom – 48, rue Albert-Dhalenne – 93400 Saint-Ouen-sur-Seine (France).

Principal functions: Chairman of the Supervisory Board of Foncia Management.

First appointment: 17 July 2018.

Current term end: GM held in 2022 and called to vote on the financial statements for the fiscal year ending 31 March 2022.

Independent Director.

Member of the Nomination and Remuneration Committee and of the Ethics and Compliance Committee.

Holds 1,600 shares.

Other current directorships and positions:

In France:

- Director of Kering(*) since 1998
- Chairman of the BNP Paribas Emergency and Development Fund since 2013

Abroad:

- Director of Finastra (United Kingdom) since 2017
- Senior Advisor of Partners Group (Switzerland) since 2017
- Senior Advisor, Boston Consulting Group (United States) since 2015

Past directorships and positions (held during the past five years):

In France:

- Director of Lafarge(*) until 2016
- Director of Veolia Environnement(*) until 2018

Abroad:

- Director of BGL BNP Paribas (Luxembourg) until 2021

Biography:

Mr Baudouin Prot began his career as Finance Inspector after graduating from the *École nationale d'administration* in June 1976. He joined the Banque Nationale de Paris in 1983 as Deputy Director of Banque Nationale de Paris Intercontinentale prior to assuming the leadership of the Europe Department in 1985. He joined the management team of Réseaux France in 1987. For ten years (1987-1996), he was in charge of Réseaux France and appointed Deputy CEO in 1992. In 1996, he accepted the position of Director of the Banque Nationale de Paris and, when BNP Paribas was created, he was appointed Deputy CEO of the new group. In 2000, became a member of the Board of Directors of BNP Paribas. In 2003 Mr Prot became CEO of the BNP Paribas group, a position he held until 2011. From 2011 to 2014 he served as Chairman of the Board of Directors of BNP Paribas. He currently (since October 2016) is the Chairman of the Supervisory Board of Foncia Management.

Ms Sylvie Rucar

Age: 65.

Nationality: French.

Professional address: SR Corporate Finance Advisory – 9 *bis,* rue Saint-Amand – 75015, Paris (France).

Principal functions: Chair of SRCFA.

First Term: 30 June 2015 – 10 July 2019.

Current term end: GM held in 2023 and called to vote on the financial statements for the fiscal year ending 31 March 2023.

Independent Director.

Chair of the Audit Committee.

Member of the Nomination and Remuneration Committee.

Holds 2,000 shares.

Other current directorships and positions:

In France:

- Director of Avril Gestion (France), member of the Nomination and Remuneration Committee
- Director of CFAO (France), Chair of the Audit Committee

Abroad:

–

Past directorships and positions (held during the past five years):

In France:

- Senior Advisor at Alix Partners (US consulting firm, Paris office)

Abroad:

–

Biography:

Ms Rucar began her career in 1978 at Citroën (PSA Group), and then joined the PSA group Finance Management from 1984 to 2007. There, she worked in the fields of mergers and acquisitions, financial control, and international finance, and was Group Treasurer before becoming the Chief Financial Officer and Chairman of the PSA Finance Bank. She was a member of PSA Group's Management Committee.

In early 2008, Ms Sylvie Rucar joined Société Générale, where she was the Deputy CFO and Chief Operating Officer of the Group's Investor Services Department. In mid-2009, Ms Sylvie Rucar joined the Cogepa family office. Since the end of 2010, she has been advising companies in mergers and acquisitions, financing and corporate restructuring for her own firm, and for the Alix Partners consulting firm, where she is a Senior Advisor. Ms Sylvie Rucar is a graduate of the ESCP-Europe Business School (*École supérieure de commerce de Paris,* ESCP-Europe).

(*) Listed company.

Mr Benoît Raillard (observer)

Age: 57.

Nationality: French.

Professional address: CDPQ London LLP – Private Equity, 11 Charles II Street, London, SW1Y 4QU (Great Britain).

Principal functions: Vice President and Operating Partner, Private Equity for Europe at CDPQ.

First appointment: 26 January 2021, effective 29 January 2021.

Current term end: GM held in 2024 and called to vote on the financial statements for the fiscal year ending 31 March 2024.

Mr Benoît Raillard does not hold any Alstom shares.

Other current directorships and positions:

In France:

- Director of Alvest (France) since March 2018
- Director of Biogroup (France) since January 2019
- Director of Sebia (France) since March 2019

Abroad:

- Director of FNZ (Great Britain) since July 2019
- Director of Suez Water Technology and Solutions (United States) since February 2018
- Director of Avison Young (United States/Canada) since August 2018

Past directorships and positions (held in the past five years):

In France:

- Director of Courtepaille (France) from September 2015 to September 2020
- Director of Foncia (France) from January 2018 to October 2019
- Director of Made In Design (France) from October 2016 to September 2017
- Director of Via Location (France) from April 2015 to January 2017

Abroad:

- Director of TVS Supply Chain Services (SCS) (India) since July 2020
- Director of Dalcor Pharmaceuticals (Great Britain/Canada) since December 2019
- Director of Datamars (Switzerland) from January 2018 to October 2019
- Director of Mackevision (Germany) from April 2016 to December 2017

Biography:

Benoît Raillard has been Vice Chairman and Operating Partner, Private Equity for Europe at CDPQ since November 2017. In this role, he oversees part of the direct private equity investment portfolio in the region. Based in London, he is also involved in the due diligence process for new investment opportunities. He sits on the Private Equity Investment Committee of CDPQ. Mr Raillard has over 25 years of experience in private equity, general management roles and strategy consulting. Before joining CDPQ, he was Chief Executive Officer and Operating Partner at the pan European fund Gimv, Senior Director at Alix Partners, specialised in turnarounds for private equity funds. For 15 years, he has held general management positions in private equity-backed service companies (Elis, 5àSec). Prior to that, he worked in strategy consulting with Bain & Company, in sales and marketing management at Eli Lilly, in operations management at BNPP in New York. He holds an MBA from Harvard Business School and a MSc in aeronautic engineering from *École centrale de Paris*. He attended *Institut d'études politiques de Paris* (JD). He presently sits on the Board of Directors of FNZ, Suez Water Technology & Solutions, Alvest, Avison Young, Biogroup, Sebia, TVS Logistics and Dalcor. He was previously a Board member at Foncia and Datamars.

No convictions

This section is based on the information provided by the members of the Board of Directors in response to the annual questionnaire sent to them by the Company.

The information is accurate as of 10 May 2022.

To the Company's knowledge, no member of the Board of Directors:

- has been convicted of fraud in the last five years, or
- has been implicated and/or been the subject of any official public sanction; it being specified, however, that by decision dated 18 December 2014, the Enforcement Committee of the French Financial Markets Authority (AMF) found that Faurecia SA and its Chairman and CEO, Mr Yann Delabrière, had failed to meet certain obligations defined in Articles 223-1, 223-2 and 223-10-1 of the AMF's General Regulation pertaining to information related to Faurecia SA's objectives for 2012. In application of articles L. 621-15 (paragraphs II- (c) and III- (c)) of the French Monetary and Financial Code, the AMF fined Faurecia SA and its Chairman and CEO, Mr Yann Delabrière, €2 million and €100,000, respectively. Supported by the Faurecia SA's Board of Directors, on 26 February 2015, Faurecia SA and Mr Yann Delabrière lodged an appeal against this decision with the Paris Court of Appeal. In a ruling issued on 30 June 2016, the Paris Court of Appeal, finding that the decision did not permit the proportionality of the fine to be assessed, ruled that the financial penalty imposed on Faurecia SA should be overturned and, as consequently, reduced it to €1 million. As regards Mr Yann Delabrière, the Paris Court of Appeal found no evidence of personal wrongdoing and maintained the penalty solely in his capacity as legal representative of Faurecia SA. On 22 August 2016, Faurecia SA and Mr Yann Delabrière lodged an appeal against this ruling before the French Supreme Court *(Cour de cassation)*. The appeal before the French Supreme Court lodged by Faurecia and its former Chairman and Chief Executive Officer, Mr Yann Delabrière, was withdrawn and the French Supreme Court recorded this withdrawal by a judgment dated 26 September 2018;
- has been in the past five years, while having held the position of a member of an administrative, management or supervisory body, involved in a bankruptcy, receivership, liquidation or the placement of a company under judicial administration;
- has been disqualified by a court from having the right to carry out the duties of a member of an issuer's administrative, management or supervisory body or from acting in the management or conduct of the business of any issuer in the past five years.

Conflicts of interest

The applicable rules and procedures in place within Alstom

The Board of Directors amended its internal rules by decisions of 22 September 2020 and 26 January 2021, notably in connection with the acquisition of Bombardier Transportation.

The purpose of these amendments was, in particular, to make the provisions of the internal rules relating to conflicts of interest applicable to the observer.

The Directors' Charter appended to the internal rules of the Board of Directors thus provides that the director or observer must inform the Board of Directors, as soon as he or she becomes aware of any situation of conflict of interest, even potential, and must abstain from participating in the debates and voting on the corresponding deliberations (it should be remembered that the observer participates in the Board of Directors only in an advisory capacity).

The charter specifies that the director/observer must consult the Chairman of the Board of Directors (or, whenever the director in question is the Chairman of the Board of Directors, the Chairman of the Nomination and Remuneration Committee) prior to carrying out any activity or accepting any function or obligation that could, according to him/her, place him/her in a conflict of interest situation, even if this is only potential. After consulting with the lead director, the Chairman can submit such questions to the Nomination and Remuneration Committee, or the Board of Directors. The lead director will analyse any potential conflicts of interest with the Chairman of the Board of Directors. The director/observer is required to present his/her resignation if a conflict of interest cannot be resolved to the Board's satisfaction.

The Chairman of the Board of Directors and the lead director may also at any time request a written declaration from the directors/observer that they are not in a situation of undeclared conflict of interest.

Upon taking office, and once per year thereafter, the director/observer must submit a statement to the Company on the existence of or the potential for any conflicts of interest by answering a questionnaire provided by the Company. He/she must notify the Company of any change rendering his/her statement inaccurate and respond to the Chairman of the Board of Directors' requests at any time, in accordance with the Directors' Charter.

In addition, pursuant to Article 6 of the Board's internal rules, the lead director is responsible for carrying out a preventive awareness campaign aimed at Directors and the observer regarding conflicts of interest and for examining potential conflict of interest situations with the Chairman of the Board.

Process to evaluate ordinary agreements

In accordance with Article L. 22-10-12 of the French Commercial Code, the Company has implemented a procedure to regularly evaluate current agreements concluded under normal market conditions.

The principal characteristics of this procedure as approved by the Board of Directors on 10 March 2020 are as follows:

- establishment and updating of a list of the relevant related parties by identifying and classifying the relevant agreements;
- two-step implementation:
  - control: quarterly in respect of certain support functions, such as the Procurement and Consolidation Departments; annually, on the basis of a questionnaire sent to members of the Board of Directors,
  - qualification: phase involving the legal, commercial and/or finance functions and the Statutory Auditors, if the opinion of the Auditors becomes necessary;
- Annual Report of the Board of Directors and re-examination of the procedure on an annual basis so that its effectiveness can be improved as necessary.

This procedure was formalised by way of an internal instruction, deployed during the last fiscal year and the results were presented to the Board of Directors meeting held on 10 May 2021.

The board of Directors meeting of 10 May 2022 has examined the agreements entered into with Société Générale and the Company and concluded that these agreements were concluded under normal market conditions, both companies having Mr. Henri Poupart-Lafarge as member of the Board of Directors in common.

Other information

In addition, to the Company's knowledge:

- there is no indirect or direct conflict of interest (including a purely potential conflict) between the duties of a member of the Board of Directors in relation to Alstom and such Director's private interests and/or other duties;
- apart from the appointment of the Caisse de Dépôt et Placement du Québec as a director and Mr Benoît Raillard, proposed by the Caisse de Dépôt et Placement du Québec, as an observer, there is no arrangement or agreement between the Company and the main shareholders, customers, suppliers or others under which a member of the Board of Directors has been appointed in this capacity;
- there is no family relationship among the members of the Company's Board of Directors;
- there is no services agreement binding any Directors to the Company or to any of its subsidiaries and providing for the grant of benefits upon the expiration of such an agreement.

In addition, to the Company's knowledge, as at 10 May 2022 and apart from the commitment described below:

- an undertaking has been made in an investment agreement by Caisse de Dépôt et Placement du Québec until 16 September 2030 that its shareholding will not exceed 22% of the ordinary shares issued by Alstom without Alstom's agreement. Within the limits of this commitment, CDPQ could acquire other Alstom securities depending on market conditions. In addition, CDPQ has undertaken in the same investment agreement to retain its Alstom shares for a period of 21 months from the closing date of 29 January 2021 (excluding transfers in the context of a public offer, transfers authorised by Alstom, transfers to an affiliate, transfers following the opening of a procedure under the sixth book of the French Commercial Code or transfers enabling CDPQ to hold less than 19.8% of Alstom shares prior to a distribution).

There is no restriction applicable to any of the Directors relating to the sale of their stake in the Company's share capital other than the internal rules set by the Group or, more generally, all applicable legal or regulatory provisions governing the abstention from trading in the Company's securities in the context of preventing insider trading.

Director independence

Pursuant to the AFEP-MEDEF Code and the Board of Directors' internal rules, the Board annually assesses the situation of each Director in light of independence criteria.

In this regard, annually, each director is invited to send to the Company an official statement regarding each of these criteria through the questionnaire sent to him/her by the Company and the Company itself carries out verifications, particularly through a procedure to regularly evaluate routine agreements entered into under normal market conditions as described above.

The Board of Directors reviewed the independence of the directors at its meeting on 10 May 2022 on the basis of the recommendations of the Nomination and Remuneration Committee, which it approved in full.

As in past years, the Board referred to the AFEP-MEDEF Code's definition and considered that a director is independent when he/she has no relationship of any kind with the Company, its Group or its Management that could potentially compromise his/her ability to exercise independent judgement.

The Board took into account all the criteria recommended by the AFEP-MEDEF Code for assessing the independence of its members, and for finding that, in order to be qualified as independent, a director must not:

- be or have been, in the past five years, an employee or an executive director *("dirigeant mandataire social exécutif")* of the Company, or an employee or executive director or director of a company within the Company's scope of consolidation, or an employee, executive director, or a director of the Company's parent company or of a company consolidated by such parent;
- be an executive director of a company in which the Company directly or indirectly holds a seat on the Board of Directors, or in which an employee designated as such or an executive director of the Company holds a directorship (currently or over the past five years);
- be, either directly or indirectly, a customer, supplier, investment or commercial banker, or advisor:
  - which is significant for the Company or its Group, or
  - for which the Company or its Group represents a material proportion of the entity's business;
- have any close family ties with a corporate officer of the Company;
- have been a Statutory Auditor of the Company in the past five years;
- have been a director of the Company for more than 12 years (loss of the status as an independent director occurs on the date on which this 12-year period is reached);
- be controlled by or represent a shareholder holding alone or in concert more than 10% of the capital or voting rights of the Company;
- receive variable compensation in cash or shares or any other form of compensation linked to the performance of the Company or of the Group.

In compliance with the AFEP-MEDEF Code's recommendation, the Board may conclude that a director does not qualify as independent even though he/she meets the independence criteria, and vice versa.

The Board of Directors reviewed in particular the key business relationships criterion. Whenever business activities or relationships are identified between the Company and the companies where directors qualified as independent perform functions or hold offices, the Board takes into account the nature of those activities/relationships, their non-significant amount as assessed from each party's point of view, the fact that the relevant director does not hold an executive position within the company or group in question and the existence of any other qualitative element (such as the length and the continuity of the relationship), in order to assess the independence of the relevant directors.

Furthermore, the Board of Directors confirmed the qualification of Mr Serge Godin as an independent director, a decision which it had reached at the time of his appointment by the meeting of 29 October 2020, Mr Serge Godin's application having been proposed by the Caisse de Dépôt et Placement du Québec in connection with the acquisition of Bombardier Transportation.

The Board of Directors considered that Mr Serge Godin is free of interest with respect to CDPQ, an entity with which, despite the existence of a minority capital interest of CDPQ in CGI Inc. there is no shareholder pact or agreement of an identical nature. The Board of Directors also noted that Mr Serge Godin does not receive instructions from CDPQ and that there is no arrangement between Mr Serge Godin and CDPQ regarding decision-making within the Alstom Board of Directors.

In its analysis of Mr Serge Godin's independence, the Board of Directors also took into account the existence of a framework agreement entered into in 2015 between Alstom and CGI France, under which the amounts invoiced annually (as the case may be) for routine services have not been significant for either party since this agreement was signed. In particular, this assessment took into account the conditions under which the contract was entered into, in accordance with strict internal procedures, and the lack of dependence of either party in view of the amounts at issue in comparison to, among other things, the CGI Group's revenues (the Board of Directors once again acknowledged that these amounts have varied annually from 0.05% to 0.20% of CGI France's revenues since the agreement was signed).

Based on these factors, Alstom's Board of Directors considered that Mr Serge Godin's freedom of judgment within the Board is not likely to be compromised, as none of these factors are such as to characterise a lack of independence.

Therefore, after reviewing all the criteria, the Board of Directors decided that, as of 10 May 2022, eight directors (excluding directors representing the employees) must be qualified as independent, corresponding to 72%.

AFEP-MEDEF criteria *(The independence criterion is considered met when marked with a "√")*	**Not be or have been an employee, manager, executive officer or director during the last 5 years**	**Absence of cross-directorships**	**Absence of material business relationships**	**Absence of close family ties with a corporate officer of the Company**	**Not having been the Statutory Auditor of the Company for the past 5 years**	**Duration of appointment <12 years**	**<10% shareholding and voting rights in the Company**	**Absence of variable compensation based on performance of the Company**	**Qualification assigned by the Board**
Mr Henri Poupart-Lafarge		√	√	√	√	√	√		Not independent
Bouygues SA, represented by Mr Pascal Grangé	√	√	√	√	√		√	√	Not independent
CDPQ represented by Ms Kim Thomassin	√	√	√	√	√	√		√	Not independent
Ms Bi Yong Chungunco	√	√	√	√	√	√	√	√	Independent
Mr Yann Delabrière	√	√	√	√	√	√	√	√	Independent
Ms Clotilde Delbos	√	√	√	√	√	√	√	√	Independent
Mr Serge Godin	√	√	√	√	√	√	√	√	Independent
Ms Sylvie Kandé de Beaupuy	√	√	√	√	√	√	√	√	Independent
Mr Frank Mastiaux	√	√	√	√	√	√	√	√	Independent
Ms Sylvie Rucar	√	√	√	√	√	√	√	√	Independent
Mr Baudouin Prot	√	√	√	√	√	√	√	√	Independent

Rules of conduct – Ethics for directors and observer

Directors' Charter

Attached to the Board of Directors' internal rules is the directors' charter, which defines Directors' and observer's rights and obligations, and the content of which essentially complies with the AFEP-MEDEF Code's recommendations.

As indicated above, during the last fiscal year, the Board's internal rules were modified by decisions of the Board of Directors dated 22 September 2020 and 26 September 2021, in particular in connection with the Bombardier Transportation acquisition.

These changes were essentially intended to:

- make certain provisions of the internal rules, particularly those relating to conflicts of interests and to the abstention rules for trading in the Company's shares, apply to the observer;
- more strictly define the concept of confidential information and define the arrangements governing communication of such information to be followed by directors and observer which are legal persons;
- clarify the legal and contractual regime applicable to insider trading.

Before accepting their appointment, all directors/observer must familiarise themselves with the legal and regulatory texts that relate to their office, the Company's Articles of Association, the Group's Code of Ethics, the internal procedures of the Board of Directors and Board Committees, and the directors' charter. Any director/observer can consult the Secretary of the Board at any time regarding the scope of these rules and the rights and obligations of their role.

Each director/observer should devote the necessary time and attention to his/her duties and should consider, when accepting a new mandate, whether it will allow him/her to fulfil his/her duty to participate, unless they are genuinely prevented from doing so, in all meetings of the Board of Directors and of the Committees of which he/she is a member, as well as in the General Meetings of Shareholders.

Pursuant to the director's charter, each director and the observer is bound by professional secrecy and must personally protect the confidentiality of any information he/she obtains in connection with his/her office that has not been made public.

As indicated above, these rules were supplemented during the last fiscal year in order to specify the communications rules applicable to this information to be followed by a director/observer who is a legal person.

Thus, if the director/observer is a legal person, it must:

- ensure that confidential information communicated to its permanent representative on the Board of Directors is not disclosed to any third party other than (i) to a limited number of persons, on a strictly need to know basis, who are employees, other staff members working as consultants exclusively for such director/observer, directors or officers of such director/observer and whose identity and contact details are communicated to the Company in writing prior to disclosure, and (ii) to that director's/observer's legal advisors and Statutory Auditors (if relevant) (the "Authorised Recipients");
- ensure that neither its permanent representative nor any Authorised Recipient is an employee, director, corporate officer or consultant of an entity included on (i) the list of the Company's identified competitors, (ii) the list of the Company's five (5) most important customers (on the basis of the revenues generated by the Company with such customers on a consolidated basis and during the previous fiscal year), (iii) the list of the Company's five (5) most important suppliers (on the basis of the payments made by the Company to such suppliers on a consolidated basis and during the previous fiscal year). These lists will be made available to that director/observer upon its request, it being specified that the list of the five (5) most important customers and the list of the five (5) most important suppliers must be updated once per year;
- cause its permanent representative and the Authorised Recipients (i) not to disclose confidential information to any third party whatsoever (without prejudice to the disclosure rights referred to above), (ii) to implement necessary and adequate measures, notably with regard to the storing of confidential information in a separate folder or file, in order to secure such information from unauthorised access, use, reproduction or disclosure, and (iii) to comply with any and all obligations set forth under the charter (including rules indirectly deriving from the charter, such as rules under the Company's Code of Conduct), to the extent applicable; and
- provide the Company with all necessary information required by applicable rules and by the Company for the purposes of maintaining any insider list, including with respect to its permanent representative and the Authorised Recipients.

In addition, the directors' Charter states that the director must also comply with the provisions of the AFEP-MEDEF Code and the legal provisions in force concerning rules applicable to plurality of offices. Each director must provide information to the Company regarding the offices he/she holds in other companies, including his/her participation in Committees of the Boards of such French or foreign companies. He or she must disclose any new office or professional responsibility to the Company as soon as possible. When he/she exercises executive functions within the Company, he/she must also solicit the Board's opinion prior to accepting a new corporate office in a company outside the Group.

The directors' charter also restates the directors' and observer's duty to comply with the Group's internal rules and, more generally, with the applicable legal and regulatory provisions regarding the directors' abstention from dealing in the Company's securities, as set forth in the Group's Code of Conduct on the misuse of inside information and the prevention of insider trading.

Code of Conduct on inside information and the prevention of insider trading

The Code of Conduct on the misuse of inside information designed to prevent market abuse (the "Code of Conduct") defines the situations in which certain individuals must refrain from carrying out transactions involving the Company's securities. These principles are also contained in the Group's Code of Ethics.

The Group's Code of Ethics and Code of Conduct are also delivered to each director/observer at the beginning of his/her term and following each amendment. Compliance with confidentiality rules is also among the essential rules of the Group's Code of Ethics.

The Code of Conduct applies to directors, observer, executive managers and persons treated as managers, and Group employees who have regular or occasional access to inside information.

The schedule of prohibition periods is released to the concerned persons prior to the beginning of each fiscal year and the commencement of each trading prohibition period is notified by email several days in advance to the relevant persons.

The Board's Internal Rules and the Code of Conduct to which the Board's internal rules refer also remind the corporate officers and persons equivalent to senior management of their legal obligations to report dealings in the Company's securities carried out either by them or by persons close to them.

Pursuant to the Code of Conduct, transactions involving the Company's securities are not allowed:

- during the 30 calendar days before Alstom's first six-month and annual results are disclosed to the public and until the second trading day (inclusive) after the date when the information has been disclosed to the public;
- during the 15 calendar days before the public disclosure of sales and orders (or other results) for the first and third quarters of each fiscal year and until the second trading day (inclusive) following the date the information was disclosed to the public; and
- in any case, when inside information is held and until the second trading day (inclusive) after the date such information was disclosed to the public.

CONDITIONS FOR THE PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD OF DIRECTORS

Organisation and functioning of the Board of Directors

The procedures governing the organisation and functioning of the Board of Directors are defined in the Board of Directors' internal rules, the purpose of which is to complement applicable laws and regulations.

The rules are regularly reviewed by the Board of Directors to determine whether its provisions need to be amended or detailed in order to better comply with regulations in force or to improve the efficiency and operation of the Board of Directors and its Committees.

The Internal Rules notably state that the Board of Directors:

- shall be comprised of independent Board members numbering not less than half of its total members, as determined and reviewed annually by the Board of Directors on the basis of a proposal to be made by the Nomination and Remuneration Committee;
- shall define, upon the proposal of the Chief Executive Officer, the Group's strategy and shall regularly review the Group's previously defined policies, supervise management and ensure of the quality of information supplied to shareholders and the financial markets;
- examines and approves the annual budget and the medium-term strategic plan;
- shall consider prior to implementation, any operation that is not part of the Group's announced strategy or that could significantly affect it or materially modify the financial structure or results of the Group;
- shall approve before implementation any acquisition or divestiture if the amount exceeds €80 million, any decision to set up a partnership or a joint venture where the contribution of the Group exceeds €80 million, as well as any financing transaction which exceeds a total of €400 million for any one transaction for new medium-term or short-term borrowings, or €1 billion for short-term treasury notes;
- is informed of acquisitions, disposals and partnerships with a unit value of more than €40 million;
- shall approve before implementation organic growth investments in an amount higher than €80 million and the significant internal restructuring undertakings in particular at the time of the annual review of the Group's budget and strategy;
- shall be kept regularly informed of developments in the Group's business activities and results, the Group's significant risks, its financial position, indebtedness, cash position and, more generally, any Group commitments, and may request information about the foregoing at any time;
- shall create one or more specialised Committees and shall define their composition and responsibilities;
- shall approve the composition of the Group's management team;
- determines all the elements of compensation (in the broadest sense) of the executives and annually evaluates the performance of the Chairman and Chief Executive Officer without his presence;
- annually reviews and approves the information published in the Company's Annual Report on its corporate governance practices and structures, including the presentation of the policy on compensation and on the granting of stock options or performance shares to corporate officers;
- shall ensure that executive corporate officers implement a policy of non-discrimination and diversity, particularly with regard to the balanced representation of women and men in management bodies;
- shall ensure that the Group's economic and social development is consistent with a socially responsible approach based in particular on local development and the preservation of the environment in which it operates.

The Board must also examine its method of working at least once per year and implement a formal assessment every three years.

At least six Board meetings are scheduled each year.

Training of directors/observer

Upon being appointed to the Board of Directors, each director/observer receives all information needed to perform his/her duties and may request any document he/she considers appropriate.

Interviews with those responsible for the Group's principal central functions are organised, as are meetings that include a detailed presentation of the businesses and production site visits so that directors may meet with management teams and develop a more thorough understanding of issues specific to the Company, its activities and the markets in which it operates.

Within the framework of the development of continuing training initiatives, all directors/observer may participate in the induction and training programmes intended for new directors.

During the annual assessment of the functioning of the Board of Directors, the members are requested to indicate whether they feel the need to update their knowledge or broaden their skills.

The Board of Director's internal rules specify that any further training a director/observer may receive (as he/she considers it necessary) may cover not only areas specific to the Group or the Group's professional areas and business sectors, but also accounting and financial areas.

Each year, one Board meeting is held (when possible) at one of the Group's main sites at which an in-depth presentation of the relevant business is made, along with production site visits and discussions with operational managers.

Information to be provided to directors/ observer

Prior to each Board or Committee meeting, the directors/observer receive with reasonable advance notice (generally one week) a file on agenda items that require prior examination and consideration.

In addition to Board meetings, the Chairman systematically informs the directors/observer of any event or development that has a material impact on operations or on any information previously communicated to the Board or on any matters discussed during the meetings; the Chairman also regularly forwards to the directors any significant information regarding the Company. The Board's internal rules notably provide for the Board's prior approval of any acquisition, disposal or partnership of a value exceeding €80 million.

The directors/observer also receive copies of all press releases, as well as the principal press articles and financial analysts reports.

The directors may at any time request further information from the Chairman of the Board, who shall assess the appropriateness of the request. The directors are also entitled to meet with the Group's executives, including without executive corporate officers being present.

The Group's operational managers and function heads, as well as persons from outside the Group, participate in meetings at the request of the Chairman based on the matters on the agenda.

Board Committees

Upon the Company's listing in 1998, the Board of Directors formed two Committees, the Audit Committee and the Nomination and Remuneration Committee. Each of these Committees has a role of studying and preparing the Board's main deliberations falling within their purview in order to improve the effectiveness of the Board, which is the sole body authorised to make decisions.

In September 2010, the Board decided to create a third Committee, the Ethics, Compliance and Sustainable Development Committee.

The Ethics, Compliance and Sustainable Development Committee was later renamed the Ethics and Compliance Committee and now focuses on ethics and compliance issues only and also deals with human and social rights management issues. This development also had an impact on the Board of Directors' agenda and resulted in sustainable development topics, including environmental topics, being included twice a year directly on the Board of Directors' agenda, with ethics, human rights and compliance topics also being included on the Board's agenda twice a year.

In addition, within the framework of the acquisition of Bombardier Transportation, an Integration Committee was created with effect on the closing date of the acquisition, *i.e.,* 29 January 2021, for a period of two years commencing on the same date.

Each Board meeting is generally preceded by a meeting of one or more of these Committees, depending on the items on the Board's meeting agenda. The Committees report to the Board on their work and observations, and submit their opinions, proposals or recommendations. In light of the professional travel constraints directors may have, Audit Committee meetings may be held on the day prior to Board meetings and not two days ahead as recommended by the AFEP-MEDEF Code. These meetings are held on the basis of documents that were sent to participants in advance (a week before the meeting).

The composition, the powers and the procedures of each Committee are also defined by internal rules put forward by each relevant Committee and approved by the Board of Directors. Each Committee reviews its Internal Rules to take into account the evolution of the regulations or recommendations and can submit any modifications that it considers appropriate to the Board.

In addition, the Board of Directors can at any time decide to create an *ad hoc* Committee of Directors to examine a specific matter.

Directors' professional careers and skills are taken into account by the Board when deciding Committee memberships.

According to the Audit and Ethics and Compliance Committees' internal rules, such Committees must consist of at least three members of whom at least two thirds must be independent directors, including the Committee Chair. As for the Nomination and Remuneration Committee, the Rules recommend that it shall consist of at least three members and that at least a majority of the Committee's members are independent, among whom the Chairman of the Committee, who shall have a casting vote in case of a tied vote.

In the context of its work, each Committee can meet any Group executive it wishes, retain the services of experts at its own initiative and ask for any information useful for it to perform effectively.

Moreover, each member of a Committee may propose that a meeting be held if he or she considers this necessary in order to discuss a particular issue.

The Committees' work is subject to an oral report during the Board meeting and each Committee prepares a report presenting its work during the past fiscal year. This report is included in the Universal Registration Document.

The internal rules of the Board of Directors and of its Committees, the Directors' Charter appended to the Board's internal rules (large excerpts of which are included in this report) and the Code of Conduct relating to inside information and preventing insider trading to which the Board's internal rules refer, are available on Alstom's website.

Activity report of the Board of Directors for 2021/22 fiscal year

Number of meetings

Fiscal year 2021/22	Fiscal year 2020/21	Fiscal year 2019/20
7	11(1)	11(2)

(1) Of which four meetings were specifically convened and dedicated to the Bombardier Transportation acquisition.
(2) Of which three meetings were specifically convened and dedicated to the Bombardier Transportation acquisition.

Name	Individual rate of attendance at Board meetings during the 2021/22 fiscal year (number of corresponding meetings)
Mr Henri Poupart-Lafarge *Chairman of the Board of Directors and Chief Executive Officer*	100% (7/7)
Mr Yann Delabrière *Lead independent director*	100% (7/7)
Bouygues SA *Represented by Mr Pascal Grangé*	100% (7/7)
Ms Bi Yong Chungunco	100% (7/7)
Caisse de Placement et Dépôt du Québec *Represented by Ms Kim Thomassin*	100% (7/7)
Ms Clotilde Delbos	100% (7/7)
Mr Daniel Garcia Molina *Director representing the employees*	100% (7/7)
Mr Serge Godin	100% (7/7)
Mr Gilles Guilbon *Director representing the employees*	100% (7/7)
Ms Sylvie Kandé de Beaupuy	100% (7/7)
Mr Frank Mastiaux	100% (7/7)
Mr Baudouin Prot	100% (7/7)
Mr Benoît Raillard *Observer*	100% (7/7)
Ms Sylvie Rucar	100% (7/7)
Overall attendance rate	**100%**
Overall average attendance rate during the 2020/21 fiscal year	**92.61%**
Overall average attendance rate during the 2019/2020 fiscal year	**90.62%**

The main topics discussed during 2021/22 were as follows, with the Committee Chairmen reporting on the work of the Committees at each subsequent Board meeting:

Subject area	Activity
Business review	• Update on the Group's activity, in particular in terms of commercial results, Group evolution as compared to competitors and execution of main projects (at each Board meeting). • In the context of the Ukrainian crisis: review of the situation, of the Group's exposure in Ukraine and Russia, of its impacts and follow-up of specific action plans.
Accounting and financial issues	• Regarding the financial statements: ▪ review and approval of the parent company and consolidated financial statements for the year 2021/22, the consolidated financial statements for the first half of the year 2021/22 and the related management reports (in the presence of the Group's Statutory Auditors)/Review of the draft press releases on these results prior to their release; ▪ review of the appropriation of net income 2021/22; ▪ approval of management planning documents. • Examination of the Group's financial situation, cash flow changes, indebtedness, liquidity position and financial rating (at the time the annual and half-year accounts are approved and on a regular basis). • Market update: changes in share price, debriefing following analyst presentations on the annual and half-year results, financial communications issues and investor relations in a broad sense (at each Board meeting). • Renewal: ▪ of the Chairman & CEO's annual authorisation to grant deposits, sureties and guarantees; ▪ of the annual authorisation to the Chairman and Chief Executive Officer to issue bond products. • Annual authorisation given to the Chairman & CEO to implement a share buy-back programme. • Authorisation to the Chairman and CEO to issue and extend the maturity of revolving credit lines.
Risks	• Information on the progress of principal pending investigations and disputes. • Regular information on control, internal audit and risk management systems. • Review of the Group's risk map on the occasion of the approval of the annual financial statements and preparation of the Universal Registration Document. • Specific risk review and impact of the Ukraine crisis.
Strategy	• Integration of Bombardier Transportation: since the completion of the acquisition: update at each Board meeting on all integration issues and their degree of progress, accompanied, where appropriate, by the conclusions of the Chairman of the Integration Committee. • Authorisation for the Percy operation. • Review of ESG strategy. • Focus on Regions and Product Lines. • Review of the 3-year strategic plan. • Generally speaking, update on strategic and operational issues included on the agenda for each Board meeting, allowing for alignment between management and the directors.
Governance	• Composition of the Board of Directors: review of mandates and proposal for renewal of mandates expiring at the Annual General Meeting on 12 July 2022. • Review of the composition of the Committees. • Review of the independence of directors. • Review of the lead independent director's activity during the last fiscal year (the conclusions from the exchanges with investors and proxy advisors that took place throughout the year, in particular). • Presentation of the conclusions from the evaluation exercise pertaining to the functioning of the Board of Directors and the Committees over the 2021/22 fiscal year carried out on the basis of an internal questionnaire and individual meetings between the lead independent director and the Directors, acknowledgment of desired changes. • Review of the Board's annual work plan and the 2022/23 timetable of Board and Committee meetings. • Review of the "regulated agreements" and the implementation of the procedure for evaluating current agreements concluded under normal market conditions. • Review of changes to the management team within the framework of the new Group and individual presentations of certain members. • Two meetings held outside the presence of the Chairman & CEO (executive sessions) addressing the effectiveness of governance, the implementation of the strategy and the Chairman & CEO's compensation.
Compensation	• Compensation policy: determination of the compensation policy for the Chairman and CEO and proposal to amend the policy to include a claw back clause as well as amendment of the shareholding policy. • Strengthening ESG criteria for STI and LTI. • Decision to maintain the compensation policy for members of the Board of Directors. • Setting the amount of the Chairman & CEO's variable compensation for the 2021/22 fiscal year in light of the attainment of personal and financial objectives and definition of the objectives to be used to determine his variable compensation for the 2021/22 fiscal year. • Review of the achievement and modification of the performance conditions of the performance share plan that came into effect on 17 May 2022 (PSP 2019).
Ethics and Compliance	• Presentation of the Group's ethics and compliance programme, strategy and three-year vision. • Presentation of the deployment of the Alstom compliance programme to cover the Group as a whole.

Subject area	Activity
Sustainable development	• As part of a Board of Directors' visit to the Hennigsdorf (Germany) industrial site: review of the sustainable development objectives and associated action plans (particularly with regard to the fight against climate change) concerning products and production processes, accompanied by site visits and specific presentations. • Presentation of the human resources and talent pool policies: ▪ Diversity and inclusion, particularly in the context of the Rixain law; ▪ Gender balance policy within the governing bodies and associated action plans. • Review of the human rights whistleblowing policy. • Review of the ESG strategy including the climate strategy.
Universal Registration Document and General Meetings	• Review and approval of the Universal Registration Document 2021/22. • General Meetings: ▪ determination of the agenda, resolutions and convening of the Annual General Meeting on 12 July 2022; ▪ monitoring regulatory developments and market recommendations to ensure enhanced information and protection of shareholders' rights in the context of the 2022 General Meeting.

Audit Committee

Members

As at 10 May 2022, the Audit Committee has three members: Ms Sylvie Rucar, Committee Chair, Ms Clotilde Delbos and Caisse de Dépôt et Placement du Québec, represented by Ms Kim Thomassin.

Two out of the three members of this Committee are independent, including its Chair. This composition complies with the AFEP-MEDEF Code, which Code recommends that two-thirds of Audit Committee members be independent.

The members of the Audit Committee have specific expertise in financial, accounting or statutory audit matters due to their education or professional experience, as described in their biographies.

Duties

Acting under the authority of the Board of Directors, the general purpose of the Committee is to assist the Board in overseeing issues relating to the development and management of financial and accounting information. In particular, the Committee is responsible for monitoring (i) the process according to which the financial information is developed, (ii) the efficiency of internal controls and risk management systems, (iii) the legal auditing of annual account statements and consolidated account statements as carried out by the Statutory Auditors, and the independence of such Statutory Auditors.

In particular, the Audit Committee ensures: (i) the regularity, sincerity and fair view provided by the Company's financial information and any other information or financial report communicated to shareholders, the public and securities market authorities; (ii) the Company's compliance with applicable legal and regulatory obligations regarding financial information; and (iii) the proper functioning of the Company's internal audit function.

In the framework of its duties, as stated in its internal rules (as amended by an 8 July 2020 decision of the Board of Directors) the Committee is responsible for:

- examining the scope of consolidation, the draft consolidated and company financial statements and the related reports that will be submitted to the Board's approval, and the special report of the Statutory Auditors, and to discuss such documents with General Management and the Statutory Auditors;
- examining with General Management and the Statutory Auditors the generally accepted accounting principles and various accounting treatments used to prepare the accounts, along with any changes to such accounting principles, methods and rules, while making sure of their relevance;
- examining and monitoring the process of producing and processing the financial and accounting information used to prepare the financial statements;
- assessing the validity of the methods chosen for processing significant transactions as well as those transactions through which a conflict of interest could have occurred;
- examining General Management's presentation on risk exposure (including legal risks) and significant off-balance sheet commitments at the time the Audit Committee reviews the accounts;
- reviewing and evaluating – at least annually – the effectiveness of the internal control procedures and risk management procedures in place, including those associated with the development and treatment of financial and accounting information; the Audit Committee ensures that the main risks are identified, managed, and made known to the Audit Committee. In particular, the Audit Committee will seek the opinion of the Ethics and Compliance Committee on the risk map as it relates to ethics and compliance and on the main procedures in place for preventing the identified risks;
- examining and reviewing on an annual basis the organisation and operation of the internal audit function; the Audit Committee approves the internal audit programme, monitors its development and the results of action plans;
- reviewing with the Statutory Auditors the nature, scope, and results of their audit and the work they performed, their comments and suggestions, in particular those relating to internal control and risk management procedures, accounting practices and the internal audit programme;
- conducting the bid procedure for the selection of Statutory Auditors and providing the Board of Directors with a recommendation on the Statutory Auditors proposed for appointment/renewal by the General Shareholders' Meeting and on the amount of fees the Company intends to pay them;
- approving the Statutory Audit Charter governing relations with the Statutory Auditors and examining, on an annual basis, the amount of the fees paid by the Group to the networks to which such Statutory Auditors belong, including services other than account certification authorised by European Regulation No. 537/2014 of 16 April 2014 and French regulations;

- overseeing the Statutory Auditors' independence, examining with such Auditors, as appropriate, the risks that could impact their independence and the safety measures undertaken to mitigate those risks, and granting prior approval for any services other than account certification referred to in the preceding paragraph that may be entrusted to them (any other service being excluded).

The Audit Committee may also perform any other assignment the Audit Committee or the Board of Directors deems necessary or appropriate. The Audit Committee is entitled to seek any external assistance it may deem necessary.

Unless the Committee decides differently, the Statutory Auditors attend all the meetings.

Activity report of the Audit Committee for fiscal year 2021/22

Number of meetings

Fiscal year 2021/22	Fiscal year 2020/21	Fiscal year 2019/20
5	4	4

Attendance rate	Individual rate of attendance during the 2021/22 fiscal year
Ms Sylvie Rucar	100% (5/5 meetings)
Ms Clotilde Delbos	100% (5/5 meetings)
CDPQ (represented by Ms Kim Thomassin)	100% (5/5 meetings)
Overall average attendance rate	**100%**
Overall average attendance rate during the 2020/21 fiscal year	**91.68%**
Overall average attendance rate during the 2019/20 fiscal year	**100%**

The Chief Financial Officer, the Internal Audit and Risk Management Director, the Accounting Director, the Management Control Director and representatives from each of the two auditing firms attended the four meetings. The Treasury Director and the Group General Counsel attended two meetings and the Tax Director attended one meeting.

The Audit Committee addressed the following areas during its various meetings, which the Committee Chair reported on at the following Board meeting:

Subject areas	Activity
Accounting and finance	• Examination of the consolidated half-year and annual accounts, examination of the annual company accounts (accounts, notes and management report), including detailed presentations by the Finance Department of the principal risks facing the Group (risks linked to the activity, contract performance, and principal disputes), changes in cash position, off-balance sheet commitments and provisions. • Detailed review of the 2022/23 budget and the 2022/25 three year plan. • Review of financial reporting principles and elements. • *Ad hoc* review of Bombardier Transportation financial integration milestones, Opening Balance Sheet and purchase price allocation. • *Ad hoc* review of Project Winter.
Risks	• Presentation of the updated risk map, analysing the evolution of the main risks since the previous fiscal year and specifying the mitigation plans in place. • Presentation of the ERM (Enterprise Risk Management) deployment plan for the year 2022/23. • Detailed review of litigation and investigations presented by the Legal Department. • In-depth review of the management and mitigation mechanisms for one of the Group's top ten risks and a review of tax risks.
Audit and internal control	• Review of the prior year's internal audit programme and the principal lessons learned from such programme and monitoring the progress of corrective measures arising from the completed audits. • Validation of the audit plan for the year 2022/23. • Review of the internal control procedures implemented within the Group and the internal control evaluation carried out by the Company through annual evaluation questionnaires. • Presentation of the detailed results of the annual internal control programme and of the action plans undertaken to improve internal control and risk control, eliminate weaknesses and ensure compliance with applicable regulations. • Review of the Group's Internal Audit Charter signed by the Chairman and Chief Executive Officer and the Chief Financial Officer.
Statutory Auditors	• Report of the Statutory Auditors on the half-year and annual financial statements. • Statutory Auditors' observations and recommendations on internal control. • Examination of the amount of fees paid to the Statutory Auditors in respect of the past fiscal year and verification of the compliance of the missions carried out with the directives of the Statutory Audit Charter, which governs the relationship between the Company and its Statutory Auditors. • On the basis of the presentations by General Management and the Statutory Auditors, the Audit Committee verified the relevance of the accounting methods and treatments used in connection with the financial statements.

Nomination and Remuneration Committee

Members

As at 10 May 2022, the Nomination and Remuneration Committee has four members: Mr Yann Delabrière, lead director and Chairman of the Committee, Mr Frank Mastiaux, Ms Sylvie Rucar, Mr Baudouin Prot and Gilles Guilbon (as employee representative).

All members of this Committee are independent except for the director representing the employees, in line with the AFEP-MEDEF Code, which recommends that a majority of directors should be independent in the Committees in charge of appointments and compensation.

Duties

Under the terms of its internal regulations, the Committee is responsible for examining and making recommendations or proposals to the Board on the following subjects:

- the Group's application of the corporate governance principles the Company abides by, notably regarding the policy on the compensation of executive corporate officers. The Nomination and Remuneration Committee gives an opinion to the Board on the section of the Annual Report dedicated to informing shareholders about these matters and on the Board's work;
- the composition and functioning of the Board of Directors and Board Committees (including appointments and dismissals);
- the definition of the concept of independent director applied by the Company and the list of independent directors, which will be included in the Company's Annual Report;
- the separation or combining of the functions of Chairman of the Board of Directors and Chief Executive Officer of the Company;
- the nomination (or dismissal) of the Chairman of the Board of Directors and of the Chief Executive Officer;
- the nomination of new directors, including cases of unforeseeable vacancy; in particular, the Nomination and Remuneration Committee organises an appropriate procedure for selecting future independent directors and carries out its own independent research on potential candidates prior to them being approached;
- the creation of a formal evaluation process for the work methods of the Board of Directors and the Committees of the Board of Directors;
- the appointment (or dismissal), on the proposal of the Chief Executive Officer, of any other executive director of the Company and of the members of the Executive Committee;
- the Committee also prepares, and submits to the Board for approval, a formal evaluation process of the Board and Committees to be conducted at least every three years. In the absence of the Directors concerned, the Committee prepares the annual evaluation of the Chairman of the Board of Directors and the Company's Executive Corporate Officers in accordance with the principles applied to the Company's other senior executives;
- the succession plans for the Company's executive corporate officers;
- all the elements comprising the compensation policy applicable to the Company's executive corporate officers and the implementation of that policy, including awards of share subscription or purchase options and performance shares, as well as compensation and benefits of any kind (including pensions and termination benefits) paid by the Company or other Group companies. The Nomination and Remuneration Committee reviews and defines the rules for determining the variable portion of such compensation, ensures their consistency with the annual performance evaluation of executive corporate officers and Alstom's strategy, and subsequently monitors the implementation of these rules;
- the definition or validation of the management team's compensation (particularly the variable portion) and the annual evaluation of its members;
- the Company's general policy relating to compensation plans based on shares in the Company (share subscription or purchase options, performance shares, free shares, etc.), including the frequency of awards and the beneficiaries;
- the Company's general policy relating to employee shareholding schemes and any proposed schemes;
- the directors' compensation and applicable allocation rules; and
- the analysis of any other issues at the request of the Board of Directors or at its own initiative.

In addition, the Committee annually reviews the Company's main social rights and human capital policies, commitments and initiatives in the areas of Health and Safety, Workplace Well-Being, Working and Employment Conditions (Diversity and Inclusion, Pay Equity, Benefits, Talent Management, Corporate Culture), employee representation and employee/management dialogue.

Activity of the Nomination and Remuneration Committee in the fiscal year 2021/22

Number of meetings

Fiscal year 2021/22	Fiscal year 2020/21	Fiscal year 2019/20
7	5	6

Attendance rate	Individual rate of attendance during the 2021/22 fiscal year
Mr Yann Delabrière	100% (7/7 meetings)
Mr Gilles Guilbon (member since 21 September 2021)	100% (3/3 meetings)
Mr Frank Mastiaux	100% (7/7 meetings)
Mr Baudouin Prot	100% (7/7 meetings)
Ms Sylvie Rucar	100% (7/7 meetings)
Overall attendance rate	**100%**
Overall average attendance rate during the 20120/21 fiscal year	**100%**
Overall average attendance rate during the 2019/20 fiscal year	**100%**

The Nomination and Remuneration Committee addressed the following matters at its various meetings, which the Committee's Chair reported on at the following Board of Directors meeting:

Subject area	Activity
Governance	• Composition of the Board of Directors: ▪ review of the backgrounds of the directors and the observer proposed by Caisse de Dépôt et Placement du Québec within the framework of the acquisition of Bombardier Transportation; ▪ review of the profiles of the two directors representing employees appointed in accordance with Article L. 225-27-1 of the French Commercial Code and Article 9 b of the Articles of Association and proposal of the terms and conditions for the exercise of their mandates (dedicated time, training, compensation); ▪ recommendation to the Board of Directors on the reconstitution of Committees. • Review of the independence of directors and recommendation to the Board of Directors. • Review of the lead independent director's activity during the last fiscal year (the conclusions from the exchanges with investors and proxy advisors that took place throughout the year, in particular). • Control of the evaluation exercise regarding the functioning of the Board and its Committees in respect of the 2021/22 fiscal year, which was carried out on the basis of an internal questionnaire and individual interviews between the lead independent director and the directors/Approval of the conclusions for subsequent presentation to the Board of Directors. • Amendments to the Committee's rules of procedure to take account of the comments arising from the self-evaluation. • Evaluation of the new management team. • Review of the corporate governance chapter of the 2021/22 Universal Registration Document.
Compensation	• Recommendation to the Board of Directors concerning the compensation policy of the Chairman and CEO and proposal to examine a claw back mechanism and review the shareholding policy. • Review of the achievement of the performance conditions of the performance share plans. • Recommendation to the Board of Directors concerning the compensation policy applicable to Directors. • Review and recommendation to the Board regarding the amount of the Chairman & CEO's variable compensation in respect of the 2021/22 fiscal year. • Review and recommendation to the Board regarding the structure of the Chairman & CEO's variable compensation in respect of the 2021/22 fiscal year. • Analysis of the components of the compensation fairness ratio. • Presentation and approval of the compensation paid to the management team. • Review and strengthening of ESG criteria in the objectives of the Chairman and CEO and senior management. • Review and proposal for a new employee share plan in 2022.
Diversity, inclusion and succession plans	• Review and discussion of the succession plan for the Chairman and CEO. • Review of the succession plan for the management team and talent pool. • Gender balance policy within the governing bodies and associated action plans. • A regular review of the management team and the succession plan for the CEO and members of the management team takes place annually. • Following the appointment of the Group's management team in February 2021, particular attention was paid by the NRC during the 2021/22 financial year with regular monitoring and a detailed review at two meetings of the Committee (September 2021 and January 2022). These meetings provided an opportunity to review the management team in place and the positions they have taken in this new scope, the succession plans for the Chairman and Chief Executive Officer (with 3 temporality, emergency candidate, successors in 1-2 years, successors in 3-5 years) and the management team, as well as the review of talent/leaders at senior management level and, more generally, the actions taken to develop talent and diversity within the Group.
Relations with investors and proxy advisors/ legal matters	In view of deploying all necessary measures/procedures, regular information: • concerning the content and conclusions of the lead independent director's discussions with investors and proxy advisors; and • regarding any relevant regulatory change or market practice regarding corporate governance (holding meetings behind closed doors, governance and sustainable development, etc.) and compensation.

Ethics and Compliance Committee

Members

As at 10 May 2022, the Ethics and Compliance Committee has three members: Ms Sylvie Kandé de Beaupuy (Committee Chair), Ms Bi Yong Chungunco and Mr Baudouin Prot.

To date, all members of the Committee, including its Chair, are independent.

Duties

This Committee now focuses solely on ethics and compliance issues and is also tasked to deal with human rights management issues. The Board of Directors is now competent for all sustainable development issues, including environmental issues. These changes in scope had an impact of the Board's agenda and resulted in the direct inclusion of sustainable development issues (including environmental issues) on the Board's agenda twice per year. Ethics and compliance issues are also included on the Board's agenda twice per year.

Thus, under the terms of its internal regulations as amended by a decision of the Board of Directors on 8 July 2020, the Ethics and Compliance Committee is responsible for examining and making recommendations or proposals to the Board on ethics and compliance matters only, as well as human rights management matters. The Committee examines and monitors the Company's policies as well as the systems and procedures in place to implement them and gives its opinion to the Board.

The Ethics and Compliance Committee is responsible for the following:

- reviewing the definition of the Group's core values and ethics and compliance policy;
- reviewing the organisation of the Ethics and Compliance function and making recommendations as appropriate;
- reviewing the Group's Code of Ethics and the rules and procedures put in place (including those governing relationships with third parties); the Ethics and Compliance Committee is informed of the plans for their distribution and implementation;
- reviewing the presentation of the Group's risk mapping in terms of ethics and compliance; it examines the risks thus identified; it is kept informed of their evolution and the characteristics of their management systems;
- reviews the Chief Compliance Officer's presentation of the Company's annual activity report on ethics and compliance and the actions undertaken; it examines and gives its opinion on the action programme for the following year and monitors its progress;
- the Ethics and Compliance Committee is informed of any potential breaches of the ethics and compliance policy, and reviews the action plans implemented following such breaches;
- examining relationships with stakeholders regarding ethics issues;
- examining the human resources policies, their objectives and results in the areas of diversity, professional equality and human rights in the broad sense.

If necessary, the Ethics and Compliance Committee sends the Audit Committee information on ethics and compliance that it deems necessary in connection with the risk map.

Activity of the Ethics and Compliance Committee in the financial year 2021/22

Number of meetings

Fiscal year 2021/22	Fiscal year 2020/21	Fiscal year 2019/20
5	3	5

Attendance rate	Individual rate of attendance during the 2021/22 fiscal year
Ms Sylvie Kandé de Beaupuy	100% (5/5 meetings)
Ms Bi Yong Chungunco	100% (5/5 meetings)
Mr Baudouin Prot	100% (5/5 meetings)
Overall attendance rate	**100%**
Overall average attendance rate during the 2020/21 fiscal year	**100%**
Overall average attendance rate during the 2019/20 fiscal year	**100%**

The General Counsel and the Director of Ethics and Compliance attended all five meetings.

The Ethics and Compliance Committee addressed the following areas in its various meetings, which the Committee's Chair reported on at the following Board of Directors meeting:

Subject area	Activity
Ethics and Compliance	• Bombardier Transportation integration plan from an ethics and compliance point of view. • Group's Ethics and Compliance goals and performance indicators over the 2021/22 fiscal year. • Status of the implementation of the Alstom Integrity Programme, including the new 2020 Code of Ethics, the Group's instructions, training and awareness efforts, and the deployment of additional resources to the Company's Ethics and Compliance Department, notably in light of the expansion of that Department's jurisdiction to cover competition and human rights law and the acquisition of Bombardier Transportation. • Results of the fifth audit of the ISO 37001 "Anti-corruption management system" standard and the renewal of the certification of all the Group's regions until 2023. • Review of the Group's risk map with respect to ethics, compliance and competition issues. • Review of sanctions and export control policies and personal data protection. • Information about the progress of past and/or pending procedures and investigations.

Integration Committee

Members

As of 10 May 2022, the Integration Committee is composed of five members: Mr Frank Mastiaux, Committee Chair, Bouygues SA represented by Mr Pascal Grangé, Caisse de Dépôt et Placement du Québec represented by Ms Kim Thomassin, Mr Dany Garcia Molina and Mr Serge Godin, independent director.

Its composition is therefore compliant with its internal rules which provide that it shall be composed of five members, at least two of whom must be independent members of the Board of Directors and one must be proposed by *Caisse de Dépôt et Placement du Québec*.

Duties

Under its internal rules, the Integration Committee must facilitate and steer Bombardier Transportation's integration within Alstom. The Committee acts as a body that allows the Chairman & CEO to comprehend the issues surrounding the integration of the two companies. The Committee will assess the impacts of the integration over the short-, medium- and long-term.

In particular, and on a non-exhaustive basis, the Integration Committee may examine:

- the values, culture and commitment of the employees;
- the convergence of the product portfolio;
- the optimisation of the industrial footprint;
- evaluation of synergies.

Activity of the Integration Committee during 2021/22 fiscal year

The Committee held three meetings during the fiscal year in the presence of the Chairman and CEO.

Attendance rate	Individual rate of attendance during the 2021/22 fiscal year
Mr Frank Mastiaux	100% (3/3 meetings)
Bouygues SA, represented by Mr Pascal Grangé	66.66% (2/3 meetings)
CDPQ represented by Ms Kim Thomassin	100% (3/3 meetings)
Mr Daniel Garcia Molina (member since 21 September 2021)	100% (2/2 meetings)
Mr Serge Godin	100% (3/3 meetings)
Overall attendance rate	**93.33%**

The Integration Committee discussed the following subject areas during these different meetings. The Chair of the Integration Committee provided a report on this meeting to the Board of Directors as follows:

- Committee organisation and operation (internal rules, nomination of the secretary);
- update on the ongoing integration programme and review of priorities;
- focus on the interim procedures in place, the organisation and value creation;
- review of risks.

Annual assessment of the functioning of the Board and of the Committees; follow-up actions

Since 2004, pursuant to its internal rules, the Board has carried out an annual assessment exercise covering its organisation and functioning and that of its Committees. This assessment is based on a questionnaire prepared by the Nomination and Remuneration Committee and sent to each director. In addition, in accordance with the recommendations of the AFEP-MEDEF Code, every three years a formal evaluation is carried out by an independent expert at the Nomination and Remuneration Committee's initiative.

As the assessment for 2019/20 was outsourced to Russell Reynolds Associates, the assessment for the 2021/22 fiscal year was conducted in house and was based on a questionnaire sent to each director and on individual interviews between the lead independent director and each director, and included an evaluation of each director's individual contribution in the form of a self-evaluation.

The main findings of this assessment were acknowledged by the Nomination and Remuneration Committee meeting held on 7 March 2022 and presented to the Board meeting held on the same day and are as follows:

In general, the directors expressed a very positive opinion regarding all areas subjected to the evaluation.

Subject area	Finding	Areas for progress/change
Composition of the Board of Directors	The size of the Board of Directors must allow the current high quality of its work to be maintained at all times, and in particular the ability for all members to participate in discussions and decisions equitably. In any event, the composition of the Board in terms of expertise, gender and international diversity is considered to be adequate.	Digital, and managerial/operational competencies and competencies relating to emerging countries could serve as a basis for selecting future directors.
Functioning of the Board of Directors	**Agendas** They adequately reflect the Company's and Board of Directors' needs.	Directors continue to view strategy, the integration of Bombardier Transportation and sustainable development as major areas of interest.
	Work methods and decision-making process within the Board The Board is steered and led very effectively by the Chairman of the Board, notably as regards the quality of the discussions, the information communicated by management, the ability of all Board members to take part individually in decisions, and the quality of the decision-making process.	All directors are eagerly awaiting the return to in-person meetings, which facilitate interaction and dialogue, as soon as the public health situation allows.
	Documents submitted to the Board of Directors The high quality of the documents made available to the Board is greatly appreciated.	Some documents, especially those with technical content, could be made more concise to allow discussions to focus on strategic issues.
Combination of the positions of Chairman & Chief Executive Officer and the role of the lead independent director	See the information presented at the beginning of the chapter regarding the General Management.	
Board and Committees	The coordination between the Board and the Committees is adequate, and the quality of Audit Committee meetings is particularly applauded.	The Audit Committee would benefit from an additional member. The dialogue about the talent pool between management and the Nomination and Remuneration Committee must continue, particularly in the context of the integration of Bombardier Transportation. It is proposed that Committee meetings be held at least one day before the Board meeting. The Ethics Committee and the Nomination and Remuneration Committee now cover all ESG issues.
Strategy	The definition of the Company's strategic agenda and its implementation by the Chairman and CEO (to achieve the integration of Bombardier Transportation) are unanimously praised, in particular, the management of the relationship with the directors and the decision-making.	Beyond the integration of Bombardier Transportation, the priorities are the medium/long term strategic policies, in order to establish Alstom as a sustainable leader in mobility, and to ensure that the skills of the governing bodies are always appropriate for the future challenges of the Group.
ESG policy	The Directors have recognised the importance of ESG issues and rights and wish to include a review of environmental and social policy in the work of the Ethics and Compliance Committee, the Nomination and Remuneration Committee and the Board.	Amendment of the internal regulations of the Nomination and Remuneration Committee to include the commitments and initiatives implemented by the Company for its employees as part of its Sustainable Development and CSR policy in the areas of health, safety, well-being at work, diversity, equal employment opportunities for employees and other related subjects. Presentations of ESG objectives as part of the Business Update presented to each Board of Directors.

COMPENSATION OF CORPORATE OFFICERS

The following comments are made pursuant to Articles L. 22-10-8, L. 22-10-9, L. 22-10-34 and R. 22-10-14 of the French Commercial Code.

At the 2022 Annual General Meeting, the following resolutions will be submitted to a vote of the shareholders:

- approval of the compensation policy applicable to the Chairman & Chief Executive Officer;
- approval of the compensation policy applicable to members of the Board of Directors;
- approval of the information relating to the compensation of the Chairman and Chief Executive Officer and the members of the Board of Directors mentioned in I of Article L. 22-10-9 of the French Commercial Code;
- approval of the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid during the fiscal year ended 31 March 2022 or granted in respect of such fiscal year to the Chairman & Chief Executive Officer.

Guiding principles of the compensation policy applicable to Corporate Officers

1. Definition, review and implementation of the compensation policy

Definition

The compensation policy applicable to corporate officers is set by the Board of Directors on the recommendation of the Nomination and Remuneration Committee and is then annually submitted to the shareholders for approval. The responsibilities of the Nomination and Remuneration Committee in this respect are defined in its internal rules. The Board of Directors and the Nomination and Remuneration Committee take care to analyse the comments on compensation issues that shareholders and proxy advisors may have made during governance roadshows that took place during the most recently ended fiscal year.

This definition process applies to both the compensation policy applicable to the Chairman & Chief Executive Officer and to the policy applicable to members of the Board of Directors.

The compensation policy for corporate officers is in line with its corporate interest, contributing to its sustainability and in line with its business strategy established in the framework of the recommendations of the AFEP-MEDEF Code to which the Company refers. In particular, the principles underlying the compensation policy applicable to the Chairman & Chief Executive Officer, which form the basis of the Board's and the Nomination and Remuneration Committee's deliberations, are as follows:

- **Balance.** The Chairman & Chief Executive Officer's compensation consists of a fixed annual portion, an annual variable cash portion and an annual grant of performance shares. The Board of Directors ensures that these three components remain balanced and that short- and long-term variable elements directly linked to the performance of the Group and the executive predominate. The Board of Directors takes into account all the components of the Chairman and Chief Executive Officer's compensation when making an overall assessment of the financial conditions during his/her term of office.
- **Performance.** The compensation policy of the Chairman and CEO is mainly based on a variable and long-term compensation whose objectives are aligned with those of the Company, thus ensuring that a predominant part of the compensation is based on the implementation of the Company's strategy. The short-term variable compensation (cash) is based on global and individual objectives that are strictly aligned with the Group's short-term objectives. Its long-term component (performance shares) is based on performance conditions, the achievement of which are assessed after at least three years and which are consistent with the Group's long-term objectives, such as those established in the framework of the Alstom in Motion strategic plan.
- **Transparency.** The Company makes public all components of the Chairman & Chief Executive Officer's compensation. To the extent they are not considered to be confidential in relation to the Company's competitors (who, for the most part, are not listed and are therefore not subject to the transparency obligations arising from the listing of the Company), the objectives to be reached and the results achieved are disclosed in detail. This transparency principle also underlies the compensation policy applicable to the members of the Board of Directors.
- **Requirement.** The performance criteria and conditions on which the variable portion of compensation is based are defined by the Board of Directors with the aim of ensuring alignment with best market practice, based on analyses of a range of companies in the CAC 40 and SBF 120 of comparable size (in terms of market capitalisation and revenues) and/or with comparable activities as well as certain foreign companies, with the aim of obtaining an international perspective. The Board of Directors also ensures that substantial consistency is maintained with the compensation arrangements and conditions governing the Group's other employees (through a uniform variable compensation structure applicable to all of Alstom's senior management, in particular).

Relying on these principles, the compensation policy seeks to produce a clear, motivating and coherent framework that is at the service of the Group's ambitions and contributes to achieving its industrial and commercial strategy and Alstom's sustainability, in strict compliance with its corporate interest.

Review

The corporate officer compensation policy is crafted to ensure stability.

Thus, the compensation policy of the Chairman and Chief Executive Officer is reviewed each year by the Nomination and Remuneration Committee in order to measure its effectiveness, confirm its alignment with the Group's strategy, take into account the compensation and employment conditions of the Group's employees, in particular through the analysis of equity ratios, analyse the votes cast by shareholders on compensation at General Meetings and the remarks related to compensation issues that they and the proxy advisors have expressed during the governance roadshows and, where appropriate, make recommendations and proposals to the Board of Directors.

The Nomination and Remuneration Committee may have recourse to studies produced by outside consultancies to inform itself about changes in market practice.

Implementation

The compensation policy is strictly implemented by the Board of Directors in accordance with the resolutions adopted by the General Meeting. No payment, award or commitment may be carried out or made by the Board if it contravenes the compensation policy approved by the shareholders, under penalty of nullity.

For example, on the Nomination and Remuneration Committee's recommendations, at the beginning of the fiscal year, the Board sets the performance criteria set for the Chairman & Chief Executive Officer's annual variable compensation, and during the fiscal year, the characteristics of any free performance share grant plan that may be implemented (notably for the Chairman & Chief Executive Officer's benefit) in compliance with all the compensation policy's guiding principles and the provisions contained in the compensation policy applicable to the Chairman & Chief Executive Officer as approved by the shareholders for the fiscal year in question.

2. Method for evaluating performance criteria

No later than the Board meeting at which the fiscal year's accounts are approved, on the recommendation of the Nomination and Remuneration Committee, the Board assesses the achievement level for the performance criteria to which the Chairman & Chief Executive Officer's annual variable compensation is subject. Most of these criteria – between 60% to 70% of them – relate to the Group's financial performance or are tied to the Group's social and environmental ambitions and are therefore, by their essence, quantifiable. The other objectives (between 30% and 40%) are individual in nature, while maintaining a strictly quantifiable character since they are tied to the implementation of specific action plans.

The Board of Directors has discretionary powers (distinct from the legal waiver provided for in Article L. 22-10-8 of the French Commercial Code) in applying the compensation policy to ensure that the effective annual variable compensation of the Chairman and Chief Executive Officer properly reflects the Group's performance. If the Board were to decide, on the Nomination and Remuneration Committee's proposal and owing to exceptional circumstances, to use this discretionary power, it would have to continue to comply with the principles set out in the compensation policy and provide shareholders with a clear, specific and comprehensive explanation of its choice. This discretionary power would only apply to a limited portion of the annual variable compensation and could increase or decrease the amount of the bonus theoretically achieved – in accordance with the performance criteria – in respect of the fiscal year (*i.e.* maximum amplitude of plus or minus 15%), without ever exceeding the ceiling provided for in the compensation policy.

On the recommendation of the Nomination and Remuneration Committee, as soon as possible after the financial statements for the fiscal year are approved, the Board of Directors also officially notes the achievement level for the performance conditions that are tied to the Chairman & Chief Executive's long-term variable compensation (performance shares) whose performance period is expiring. These performance conditions are fully quantifiable.

3. Managing conflicts of interest

The Company complies with the AFEP-MEDEF Code's recommendations on the management of conflicts of interest. The Company's directors' charter, as published in an appendix to the Board's internal rules, specifies the obligations of all directors and the observer aimed at preventing any conflict of interest in the performance of their duties. The charter clearly defines the duties to consult and disclose imposed on each director, observer and the executive director before engaging in any activity or accepting any position or mission that may place him/her in a conflict of interest situation (even potential). This charter also requires all directors and the observer to resign in the event of a conflict of interest that cannot be resolved to the Board's satisfaction.

In the same context, the lead director is asked to take preventive steps to raise awareness among the directors and observer regarding conflicts of interest and to examine with the Chairman of the Board any potential conflict of interest.

When setting the Chairman & Chief Executive Officer's compensation, the Chairman & Chief Executive Officer may not take part in the Board's deliberations or in the vote.

4. Amendment of the compensation policy and terms of application to newly appointed corporate officers

The 2022/23 compensation policy for the Chairman and Chief Executive Officer presented to the 2022 General Meeting includes changes compared to the 2021/22 compensation policy approved by the shareholders at the General Meeting on 28 July 2021. These changes, decided by the Board of Directors on 10 May 2022, on the proposal of the Nomination and Remuneration Committee, and subject to approval by the 2022 General Meeting, are as follows:

- introduction of a "clawback" clause applicable to the short-term variable compensation (Refundable Compensation) of the Chairman and CEO. This mechanism may be implemented by the Board of Directors on the proposal of the Nomination and Remuneration Committee in the event that all or part of the Refundable Compensation has been received as a result of proven fraud or embezzlement affecting the accounts used for its calculation or its calculation itself, of which the person concerned was the perpetrator or accomplice. The same applies in the event of a significant manifest error in the calculation of the Refundable Compensation or in the event of gross misconduct of the person concerned. This mechanism can only be implemented in one of the two fiscal years following the one in which this compensation was paid. The refund is made up to the amount of the Refundable Compensation net of social security charges for the fiscal year concerned that the executive director concerned would not have received in the absence of a manifest and significant error. In other cases, the refund may relate to the entire Refundable Compensation net of social security charges for the fiscal year concerned;
- in the same spirit, introduction, in future long-term compensation plans (including the performance share plan granted by the Board of Directors on 10 May 2022), of the possibility for the Board of Directors to make the definitive grant of a portion of the performance shares not yet definitively acquired by the Chairman and Chief Executive Officer conditional on the absence of implementation of the above-mentioned "clawback" clause during the vesting period of the said performance shares;
- strengthening of the retention obligations for performance shares definitively acquired by the Chairman and Chief Executive Officer. The Chairman and Chief Executive Officer will now be required to hold in registered form 100% (compared to 50% previously) of the performance shares definitively acquired by plan throughout his term of office. This obligation will cease when he has reached a target holding of registered shares representing three years of his last annual fixed compensation;
- strengthening of ESG criteria in the short term and long-term variable remuneration in order to take into account the strategy as well as the social and environmental challenges of the group.

Apart from the changes described above, the structure of the compensation policy for the Chairman and CEO remains identical to that approved by the shareholders by more than 91.48% at the General Meeting of 28 July 2021 (9th resolution).

The compensation policy for the members of the Board of Directors for 2022/23 includes all the rules applicable to them for the financial year 2021/22 as approved by 99.87% by the General Meeting of 28 July 2021 (10th resolution).

In the event of the appointment of a new corporate officer, the compensation policy applicable to him or her (that of the Chairman and Chief Executive Officer or that of the members of the Board of Directors), as described below, will be implemented, with the necessary adaptations if necessary.

Compensation policy applicable to members of the Board of Directors

1. General principles and criteria for distributing the amount allocated to members of the Board of Directors by the General Meeting

In accordance with the resolution passed by the shareholders at the Combined General Meeting of 1 July 2014, the annual compensation package for the members of the Board of Directors was set at €1,300,000 until further resolution by the meeting.

The principles governing the compensation of members of the Board of Directors are described in the Board's internal rules.

Thus, the distribution is based on a fixed part and a predominantly variable part, proportional to the participation of the Board members in the Board and Committee meetings. The Chairs of the Committees and the lead director receive an additional fixed amount. Half of the fixed and variable portions of compensation are paid during the current fiscal year and the other half in the subsequent fiscal year.

The rules of allocation, decided by the Board of Directors, provide that the fixed part is, since the fiscal year 2021/22, allocated among the members of the Board of Directors at a fixed amount of €30,000 per director, plus an additional €20,000 for the Chair of the Audit Committee and €15,000 for the Chairs of the other Board Committees. The variable portion consists of €4,000 for attending the meetings of the Board and €3,500 for attending the meetings of the Committees. In addition, the additional annual amount allocated to the lead director was set at €30,000 by the Board of Directors.

This compensation policy applies to all Board members, including those representing employees, with the exception of the Chairman and CEO who does not receive any compensation related to his position as a Board member. If an observer is designated to attend Board of Directors' meetings, he/she does not receive any compensation.

2. Compensation policy in respect of the 2022/23 fiscal year

For the 2022/23 fiscal year, members of the Board of Directors (other than the Chairman & Chief Executive Officer and the observer) will receive:

- a fixed annual compensation of €30,000;
- a variable compensation of €4,000 per Board meeting which the Board member attended;
- a variable compensation of €3,500 per Committee meeting which the Board member attended.

The fixed amounts are increased each year by €20,000 for the Chair of the Audit Committee and by €15,000 for each of the Chairs of any other Committee.

The lead director receives a fixed additional compensation of €30,000 per year.

In addition, Board members are reimbursed for the expenses incurred in connection with their duties, notably travel and accommodation expenses.

The Board of Directors also includes two members representing the employees, who have a permanent employment contract with the Company and receive compensation as such. The notice periods and conditions for revocation or termination applicable to them are the conditions of ordinary law.

In accordance with Article L. 22-10-8-II of the French Commercial Code, the compensation policy of the members of the Board of Directors will be the subject of a resolution submitted to the vote of the 2022 General Meeting called to approve the accounts for the financial year 2021/22.

Compensation policy applicable to the Chairman & Chief Executive Officer

1. General Principles

Mr Henri Poupart-Lafarge has been Chairman and CEO of the Alstom Group since 1 February 2016. His current term of office was renewed for a four-year term by the General Meeting held on 10 July 2019. Since such General Meeting, Mr Henri Poupart-Lafarge is no longer bound to the Company or to any other Group company by an employment contract.

The compensation policy applicable to the Chairman & Chief Executive Officer applies to the current Chairman & Chief Executive Officer, Mr Henri Poupart-Lafarge, and to any new executive director who may be appointed. Dictated by the guiding principles described above, this policy seeks to support the Company's strategy and to align the Chairman & Chief Executive Officer's interests with those of the shareholders and with stakeholders' expectations. In particular, the policy includes the following points, which were approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee:

- greater weight given to variable elements, in a "pay-for-performance" approach where performance criteria are strictly aligned with the Group's strategic priorities (including societal and environmental priorities);
- a significant portion of compensation is based on the long term (minimum period of three years);
- compensation for overperformance (which is capped, however);
- no exceptional compensation.

In order to set the Chairman & Chief Executive Officer's overall compensation and the level of its various components, the Nomination and Remuneration Committee issues recommendations that are supported by market studies from independent specialised firms (which enables a comparison with similar functions within, in particular, CAC 40 and SBF 120 companies to be made), but that also take care to maintain consistency with the internal practices applicable to Alstom's other senior executives and managers.

The various components of the Chairman & Chief Executive Officer's total compensation are as follows:

Fixed compensation

Fixed compensation is intended to recognise the significance and wide scope of the Chairman & Chief Executive Officer's responsibilities and his experience. This fixed compensation is set for a minimum period of two years, except in the case of a significant change in the scope of the Chairman & Chief Executive Officer's responsibilities or a substantial change in macro-economic conditions.

Short-term variable compensation

Short-term variable compensation is intended to motivate the Chairman & Chief Executive Officer to achieve annual performance objectives set for him by the Board of Directors, consistent with the Group's objectives.

This compensation is entirely tied to the achievement of performance criteria defined by the Board on the recommendation of the Nomination and Remuneration Committee. Whenever possible, the criteria achievement level is measured on the basis of performance indicators adopted more generally within the Company. This last point ensures that the nature of the selected criteria is relevant and aligned with the Company's strategy. At least one of these criteria takes social or environmental considerations into account.

Short-term variable compensation represents 100% of annual fixed gross compensation when the targets are strictly achieved and is capped, in the event of overperformance, at 170% of gross annual fixed compensation. No floor has been set.

The results achieved, the achievement level for each criterion and the amount of the short-term variable portion are determined by the Board no later than at the meeting during which the accounts for the fiscal year are approved. The Board of Directors enjoy a discretionary power when applying the compensation policy so as to ensure that the Chairman & Chief Executive Officer's actual annual variable compensation properly reflects the Group's performance. If the Board were to decide, on the Nomination and Remuneration Committee's proposal and in the context of exceptional circumstances, to use this discretionary power, it would have to continue to comply with the principles set out in the compensation policy and provide shareholders with a clear, specific and comprehensive explanation of its choice. This discretionary power would only apply to a limited portion of the annual variable compensation and could increase or decrease the amount of the bonus theoretically achieved – in accordance with the performance criteria – in respect of the fiscal year (*i.e.* maximum amplitude of plus or minus 15%), without ever exceeding the ceiling provided for in the compensation policy. Thus, the Board of Directors could judge, on the proposal of the Nomination and Remuneration Committee, that it would be consistent with the compensation policy – previously approved by the shareholders – to take into account the occurrence during the financial year of new circumstances – unforeseeable at the time when the Board determined the compensation policy for the financial year in question – which have a significant impact, upwards or downwards, on the rate of achievement of the performance criteria set for the annual variable compensation. In such a case, the Board could decide, to a limited extent, to modify (in the framework described above) the amount of the annual variable compensation in order that it better reflect the actual performance of the Group.

The short-term variable compensation (Refundable Compensation) is subject to a clawback mechanism. This mechanism may be implemented by the Board of Directors on the proposal of the Nomination and Remuneration Committee in the event that all or part of the Refundable Compensation has been received as a result of proven fraud or embezzlement affecting the accounts used for its calculation or its calculation itself, of which the person concerned was the perpetrator or accomplice. The same applies in the event of a significant manifest error in the calculation of the Refundable Compensation or in the event of gross misconduct of the person concerned. This mechanism can only be implemented during one of the two fiscal years following the one in which this compensation was paid. The refund is made up to the amount of the Refundable Compensation net of social security charges for the fiscal year concerned that the executive director concerned would not have received in the absence of a manifest and significant error. In other cases, the refund may relate to the entire Refundable Compensation net of social security charges for the fiscal year concerned.

Long-term variable compensation

Long-term compensation is designed to provide incentives for the Chairman and CEO (and other senior managers and executives of the Group) to achieve the Company's long-term strategic objectives and to contribute to the alignment of its interests with those of the shareholders.

Long-term variable compensation is achieved through performance share plans granted annually and which are entirely subject to the achievement of demanding internal and/or relative performance conditions that are based on simple and measurable key criteria of Alstom's strategy. The satisfaction of the performance conditions is determined after the end of the third fiscal year following the grant date. The Board of Directors will not assess whether the performance conditions have been achieved or deliver the shares under a given plan prior to the end of such third fiscal year. The vesting of the shares is also subject to the Chairman & Chief Executive Officer's actual continued employment on the vesting date (except in the event of death, disability or retirement).

In the event of a major change in the Group's strategy or structure, the Board of Directors has committed to adapt these performance conditions to the new challenges highlighted for the coming years, both as regards the nature of the conditions and the results to be achieved, while continuing to be highly demanding and transparent about those changes.

The Board of Directors may decide to make the definitive grant of all or part of the performance shares to the Chairman and Chief Executive Officer subject to the absence of implementation of the clawback clause (mentioned above), during the vesting period of the said performance shares.

The long-term compensation thus defined and as measured from the IFRS 2 standard recognised in the consolidated accounts is limited to one year of target short-term compensation, *i.e.* 200% of the fixed short-term compensation.

In addition, the total amount of annual grants to corporate officers may not exceed 2.5% of the overall amount authorised by the General Meeting with respect to performance share grants within the Group, nor 10% of the overall grant under the plan in question.

Grants are also subject to holding obligations (described below) and a prohibition on the use of hedging instruments.

Multi-year compensation

The Company's policy is not to grant multi-year compensation.

Exceptional compensation

The Company's policy is not to grant exceptional compensation.

Compensation tied to directorship

The Company's policy does not provide for compensation for the executive director that is tied to being a director of the Company or, as the case may be, a Group company.

Non-compete undertaking

The Company's policy is to enter into a non-compete agreement with its executive director.

In light of the intimate knowledge of the mobility sector and the new challenges tied to digitalisation that the Company's Chairman & Chief Executive Officer has acquired, it is in the Company's interest to provide for a non-compete undertaking that binds the Chairman & Chief Executive

Officer. This undertaking (described below) applies for a period of two years commencing when his term of office ends. The consideration for this commitment consists of a total gross indemnity corresponding to 1.5 times the average gross annual fixed and variable compensation (excluding performance shares) received over the last three fiscal years. The Board of Directors reserves the right, in particular in the event of gross misconduct or major financial difficulty, to unilaterally waive the benefit of this undertaking as of the date the executive director's term of office ends.

In any case, the non-competition undertaking is not applicable in the event that the Chairman and CEO, at the end of his term of office, takes retirement. In such a case, no indemnity would be due.

Severance indemnity

The Company's policy does not provide for a severance indemnity for the Chairman & Chief Executive Officer.

Retention conditions of performance shares under vesting period

If the Chairman & Chief Executive Officer leaves the Company, the Board of Directors will assess whether he may retain the right, in full or in part, to acquire shares allocated under performance conditions, subject to the following limits:

- retention is only possible in case of a forced departure, *i.e.* in the event of dismissal and not resignation;
- no full vesting is authorised before the vesting date specified in the relevant plans' rules. Consequently, no early vesting of performance shares is authorised;
- the performance conditions must continue to apply throughout the specified vesting period;
- the number of shares fully vested, as established after measuring the fulfilment of the performance conditions, will be reduced in proportion to the time spent working for the Company relative to the length of the vesting period of each plan (*i.e.,* a prorated reduction); and
- in any event, the appropriateness of the final acquisition of the performance shares will be assessed in view of the Company's situation at the date of the departure and at the initially planned vesting date. No performance shares may be acquired if the Company is facing major financial difficulties.

Supplemental pension plans

In order to allow retirement savings to be constituted, the Company's policy provides for its Chairman & Chief Executive Officer to benefit from supplementary defined contribution pension plans. These collective supplementary defined contribution pension plans ("Article 82" and "Article 83" of the French Tax Code) also benefit other Group senior executives and managers. Following the closure (in 2016) and then the winding-up (in 2019) of the "Article 39" supplementary pension plan, the Company's compensation policy no longer provides for the use of supplementary defined benefit pension plans for its executive director.

The arrangements applicable to the Chairman & Chief Executive Officer are described below.

Other benefits

The Company's policy provides that the Chairman & Chief Executive Officer is entitled to a company car, supplemental health care cover, a death/disability insurance contract as is the case with other Group employees who have a certain degree of responsibility, and private unemployment insurance coverage, the costs of which are borne in part by the Company and for the remainder by the Chairman & Chief Executive Officer.

2. Compensation policy

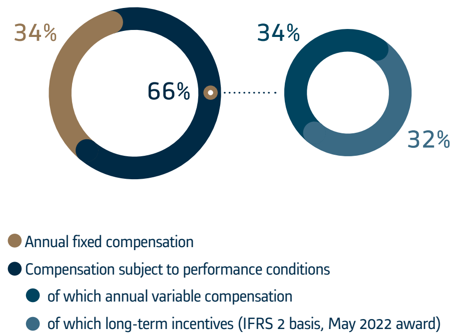
At its meeting held on 10 May 2022, on the proposal of the Nomination and Remuneration Committee, the Board defined the structure and composition of the Chairman & Chief Executive Officer's compensation in respect of the 2022/23 fiscal year in accordance with the principles described above.

In defining the structure and composition of this compensation, the Board of Directors relied in particular on the results of a comparative study carried out by an independent firm, in relation to a group composed of CAC 40 and SBF 120 companies of a similar size, in terms of market capitalisation and turnover, and/or with activities comparable to that of the Group (Arkema, Bolloré, Bureau Veritas, Compagnie de Saint-Gobain, Dassault Aviation, Eiffage, Faurecia, Groupe SEB, Legrand, Michelin, Renault, Safran, Solvay, ST Microelectronics, Suez, Technip FMC, Thales, Valeo and Veolia Environnement), supplemented by a study of German companies of comparable size and activity in order to take account of the Group's new presence, particularly in Germany (Continental, EON, HeidelbergCement, Kion Group, Knorr-Bremse, MTU AeroEngines, Rational, RWE, Siemens Energy).

In accordance with Article L. 22-10-8-II of the French Commercial Code, the compensation policy of the Chairman and Chief Executive Officer will be the subject of a resolution submitted to the vote of the 2022 General Meeting called to approve the financial statements for the fiscal year 2021/22.

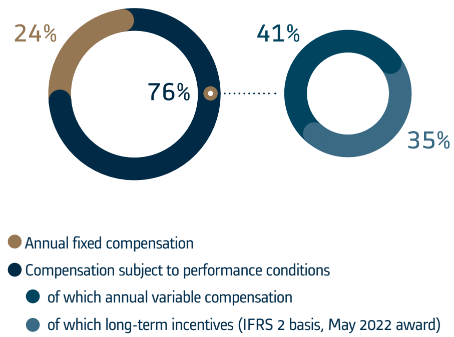
The target compensation structure (cash and securities) of the Chairman and CEO (excluding post-employment compensation) is as follows:

TARGET COMPENSATION



The maximum compensation structure (monetary and securities) of the Chairman and CEO (excluding post-employment compensation) is as follows:

MAXIMUM COMPENSATION



The compensation includes the following components:

Compensation over the term of office

Fixed compensation

The fixed annual compensation of the Chairman and CEO remains unchanged since 1 April 2021 and amounts to €950,000. It is specified that, with regard to the market made up of CAC 40 and SBF 120 companies of comparable size and activity mentioned above, the fixed compensation of the Chairman and Chief Executive Officer is 106% of the market median for the fixed part and 105% of the market median for the totality of his short-term compensation (fixed and short-term variable with target performance), which is perfectly consistent with the positions anticipated in the 2020/21 Universal Registration Document.

Short-term variable compensation

Target short-term variable compensation (*i.e.,* when the targets are strictly achieved) represents 100% of his annual fixed gross compensation. In the event of overperformance, this compensation is capped at 170% of his annual fixed gross compensation. No floor has been set.

On the proposal of the Nomination and Remuneration Committee, at its meeting held on 10 May 2022, the Board of Directors defined the objectives set for the Chairman & Chief Executive Officer's short-term variable compensation in respect of the 2022/23 fiscal year.

The objectives related to the overall performance of the Group will represent 60% of the variable compensation target and will be based firstly on economic criteria of adjusted EBIT, free cash flow and gross margin on orders received, and secondly on criteria related to ethics and compliance programmes, safety at work, representation of women in management and reduction of greenhouse gas emissions within the Group's operations.

Economic performance indicators will represent 73% of the Group's overall performance objectives, *i.e.* 44 points out of 60, as the Board of Directors has chosen to give increasing importance to performance criteria related to societal, environmental and governance issues.

Targets related to specific action plans are based on criteria established by the Board of Directors, which are qualitative and/or quantifiable, whenever possible. They are linked to the definition and implementation of the Group's strategy, its commercial and operational performance, the development of the teams and the organisation and the implementation of measures aiming at mitigating the risks arising from its economic environment. Most of the criteria are quantifiable.

For confidentiality reasons, the details of the objectives to be reached cannot be disclosed here.

The achievement level for these objectives will be assessed by the Board on the basis of the results of the 2022/23 fiscal year. In the event of overperformance, the Group's overall performance criteria and the individual criteria may represent up to 120% and 50%, respectively, of annual fixed gross compensation (*i.e.* an overall cap of 170%).

The Board may use its discretionary power when applying the compensation policy so as to ensure that the Chairman & Chief Executive Officer's actual annual variable compensation properly reflects the Group's performance. If the Board were to decide, on the Nomination and Remuneration Committee's proposal and owing to exceptional circumstances, to use this discretionary power, it would have to continue to comply with the principles set out in the compensation policy and provide shareholders with a clear, specific and comprehensive explanation of its choice. This discretionary power would only apply to a limited portion of the annual variable compensation and could increase or decrease the amount of the bonus theoretically achieved – in accordance with the performance criteria – in respect of the fiscal year (*i.e.* maximum amplitude of plus or minus 15%), without ever exceeding the ceiling global cap provided for in the compensation policy. Thus, the Board of Directors could judge, on the proposal of the Nomination and Remuneration Committee, that it would be consistent with the compensation policy – previously approved by the shareholders – to take into account the occurrence during the financial year of new circumstances – unforeseeable at the time when the Board determined the compensation policy for the financial year in question – which have a significant impact, upwards or downwards, on the rate of achievement of the performance criteria set for the annual variable compensation. In such a case, the Board could decide, to a limited extent, to modify (in the framework described above) the amount of the annual variable compensation in order that it better reflect the actual performance of the Group.

The short-term variable compensation (Refundable Compensation) is subject to a clawback mechanism. This mechanism may be implemented by the Board of Directors on the proposal of the Nomination and Remuneration Committee in the event that all or part of the Refundable Compensation has been received as a result of proven fraud or embezzlement affecting the accounts used for its calculation or its calculation itself, of which the person concerned was the perpetrator or accomplice. The same applies in the event of a significant manifest error in the calculation of the Refundable Compensation or in the event of gross misconduct of the person concerned. This mechanism can only be implemented in one of the two fiscal years following the one in which this compensation was paid. The refund is made up to the amount of the Refundable Compensation net of social security charges for the fiscal year concerned that the executive director concerned would not have received in the absence of a manifest and significant error. In other cases, the refund may relate to the entire Refundable Compensation net of social security charges for the fiscal year concerned.

In accordance with Article L. 22-10-34-II of the French Commercial Code, the payment of variable compensation will be conditional on the approval, by the General Meeting called in 2023 to approve the financial statements for the financial year 2022/23, of the compensation paid during or awarded in respect of that financial year to the Chairman and Chief Executive Officer.

Long-term variable compensation

The characteristics of the performance share award policy applied to the Chairman & Chief Executive Officer for the 2022/23 fiscal year are as follows:

Performance conditions	All of the performance shares are subject to the achievement of performance conditions which are relative and/or internal. In the event of a major change in the Group's strategy or structure, the Board of Directors has committed to adapt these performance conditions to the new challenges highlighted for the coming years, both as regards the nature of the conditions and the results to be achieved, while continuing to be highly demanding and transparent about those changes.
Vesting and performance period	Satisfaction of these performance conditions is assessed at the end of the third fiscal year following the grant date. The Board of Directors will not assess whether the performance conditions have been achieved or deliver the shares under a given plan prior to the end of such third fiscal year.
Limits applicable to the grant	The Board of Directors defined the following principles regarding grants to executive corporate officers: • the IFRS 2 value (which is used to establish the Group's consolidated financial statements) of any annual grant shall not exceed one year of annual fixed gross compensation and target short-term variable compensation, which corresponds to the compensation obtained when achievement is strictly aligned with the set objectives. Thus, performance share compensation is capped at 100% of target short-term compensation (fixed and target variable), *i.e.* 200% of fixed short-term compensation; • the aggregate amount of annual grants to corporate officers cannot exceed 2.5% of the overall envelope authorised by the General Meeting for grants of performance shares within the Group, nor 10% of the total grants under the relevant plan.
Holding requirement	At its meeting on 10 May 2022, the Board revised upwards the number of shares for each grant that the corporate officers are required to hold until the end of their functions. The Chairman and Chief Executive Officer is thus required to hold 100% of the performance shares (compared to 50% previously) fully vested in registered form for the entire duration of his term of office (as renewed, if applicable). This retention obligation ceases when a target holding level of registered shares representing in value three years of the last annual gross fixed compensation is reached. For the calculation of the holding requirement cap, the following is taken into account: • the annual fixed gross compensation applicable on the date of the most recent full vesting of performance shares; and • the respective market prices of the shares held in registered form by the Chairman and Chief Executive Officer at the time of each full vesting of performance shares. As of 31 March 2022, the holding requirement was satisfied, as Mr Henri Poupart-Lafarge held a number of registered shares on that date representing a value of more than three years of his last annual fixed gross compensation.
Prohibition of hedging instruments	The Chairman and Chief Executive Officer commits not to use hedging instruments on the performance shares granted by the Company during the full length of his term of office. To the Company's knowledge, no hedging instrument has been set up.
Possibility to make the acquisition of shares conditional on the non-implementation of the clawback mechanism	Pursuant to the decision taken at its meeting of 10 May 2022, the Board of Directors may decide to make the definitive allocation of a portion of the performance shares to the Chairman and CEO conditional on the non-implementation of the above-mentioned clawback clause during the vesting period of the said performance shares.
Periods of prohibition of sale	No transaction involving the Company's securities may be carried out during the 30 calendar days preceding the publication of the Company's half-year and annual results (which period is reduced to 15 calendar days for quarterly results) and up until the second trading day following this publication. During periods where trading is not prohibited, the Group's Code of Conduct creates an obligation to consult the Compliance Officer, in the event of any doubt prior to conducting a transaction.
Periodicity	Annual

The level of grant, which is determined by the Board, on the Nomination and Remuneration Committee's proposal, takes into consideration all of the Chairman & Chief Executive Officer's compensation components and market practices.

The general characteristics of the performance shares granted to the Chairman & Chief Executive Officer are identical to those offered under the same plan to the Company's management teams.

Benefits in kind

Benefits in kind for the Chairman & Chief Executive Officer are limited to a company vehicle, supplemental health insurance, death and disability insurance, and private unemployment insurance coverage, the costs of which are shared by the Company and the Chairman & Chief Executive Officer.

Compensation at the end of the term of office

Non-compete undertaking

The non-compete agreement entered into with the Chairman & Chief Executive Officer is limited to a two-year period commencing on the date the executive director's term of office ends. Consequently, at the end of his term of office (for any reason and at any time), the Chairman & Chief Executive Officer undertakes to abstain from acquiring an interest in, participating in, associating himself in any way with or engaging, directly or through a legal entity, in the capacity of corporate officer, employee or consultant, worldwide, in any company with a significant activity (15% of turnover or at least €1 billion) related to the production of equipment or systems used in the railway industry or in public ground transport. Transportation operators are excluded from the scope of this non-compete undertaking.

In return for this commitment, the executive director would receive a total gross indemnity corresponding to 1.5 times his average gross annual compensation, fixed and variable, excluding performance shares, received during the three financial years preceding the date of termination of his mandate, this indemnity being paid monthly, in twenty-four equal fractions, for the entire duration of the non-competition undertaking.

If the non-compete undertaking is breached at any time by the executive director:

- the Company would be released from its obligation to pay the financial indemnity; and
- the executive director would have to reimburse to the Company all amounts already received under the non-compete undertaking.

The Company, acting through its Board of Directors, reserves the right, in particular in the event of gross misconduct or major financial issue, to unilaterally waive the benefit of this non-compete undertaking on the date the executive director's term of office ends. In such a case, the executive director would be freed from any obligation and no indemnity would be due in this respect.

In any event, this non-compete agreement does not apply if the executive director retires at the end of his term of office. In such a case, no indemnity would be due.

The Board of Directors considers that, under certain conditions, the possibility of requiring corporate officers to be subject to a non-compete agreement is beneficial to the Company. This is particularly the case with Mr Henri Poupart-Lafarge, in view of his knowledge – acquired over more than 20 years – of the mobility sector and of the new challenges resulting from the digitalisation of this sector. The Board considers that the Company's competitors must not, under any circumstances, benefit from this expertise. Therefore, this undertaking is intended to protect the Group's interests.

Condition for retaining compensation in performance shares under vesting period

If the Chairman & Chief Executive Officer leaves the Company, the Board of Directors will assess whether he may retain the right, in full or in part, to acquire shares allocated under performance conditions, subject to the following limits:

- retention is only possible in case of a forced departure, *i.e.* in the event of dismissal and not resignation;
- no full vesting is authorised before the vesting date specified in the relevant plans' rules. Consequently, no early vesting of performance shares is authorised;
- the performance conditions must continue to apply throughout the specified acquisition period;
- the number of shares fully vested, as established after measuring the fulfilment of the performance conditions, will be reduced in proportion to the time spent working for the Company relative to the length of the vesting period of each plan (*i.e.,* a prorated reduction); and
- in any event, the appropriateness of the final acquisition of the performance shares will be assessed in view of the Company's situation at the date of the departure and at the initially planned vesting date. No performance shares may be acquired if the Company is facing major financial difficulties.

Supplemental pension plans

In respect of supplemental pension plans, pursuant to the Company's compensation policy, the Chairman & Chief Executive Officer is entitled to:

- a defined contribution supplementary pension plan ("Article 83") as follows:
  - the contributions are paid annually and correspond to 1% of annual compensation up to four annual Social Security caps, 4% of annual compensation between four and eight times the annual Social Security cap and 11% of annual compensation between eight and twelve times the Social Security cap,
  - since 1 July 2014, contributions are 95% borne by the Company;
- a defined contribution supplementary pension plan ("Article 82"). The calculation of this annual contribution is based on total annual compensation (fixed and variable compensation due in cash) as follows:
  - 10% of fixed gross compensation between eight and 12 annual Social Security caps and 20% of his fixed gross compensation in excess of 12 annual Social Security caps,
  - 20% of his annual variable compensation as determined by the Board of Directors,
  - the reference compensation (fixed and variable due in cash) used to calculate the contribution cannot, in any case, be greater than €2,000,000,
  - no contribution is paid if the calculation of the variable compensation equals zero,
  - the Chairman & Chief Executive Officer has undertaken, once the tax and social obligations relating to these contributions are satisfied, to keep amounts paid within the dedicated retirement savings vehicle, at least for his term of office.

Further to a recommendation by the Nomination and Remuneration Committee, on 6 May 2019, the Board of Directors took note of the terms of the final conditions of settlement of the "Article 39" plan (closed and whose cumulated rights were frozen on 31 December 2016) from which Mr Henri Poupart-Lafarge benefited on the date he resigned from his employment contract with Alstom Executive Management SAS, taking account the fact that:

- Mr Henri Poupart-Lafarge would no longer be bound to Alstom Executive Management SAS by an employment contract, starting from the 2019 Annual General Meeting;
- the loss of rights acquired between 1 January 2004 and 31 December 2016 would be offset by a balancing payment to the "Article 82" defined contribution plan, paid annually in thirds over three years starting on the first anniversary of his resignation from his employment contract, and subject to his continued presence within the Company at each payment due date. The amount of this balancing payment includes an individual discount from the value of the recorded liability, which was established based on a proposal by external actuaries;

- the value of this balancing payment, as valued by the Company's actuarial advisers, is €3,375,000 (gross) and is subject to social charges and taxes in accordance with the legislation in force at the time of the various payments. This amount reflects a discount of about 20% compared with the value of the liabilities (excluding taxes) at 31 March 2019 in order to take into account the impact of the transformation of rights subject to conditions of continued employment within the Group into a definitively acquired pension capital, *i.e.* savings of more than €1 million for the Company;
- the winding-up of this "Article 39" scheme applies to all its beneficiaries;
- Mr Henri Poupart-Lafarge's commitment, after the payment of the corresponding social-security and tax contributions, is to keep all the amounts paid in this pension plan, at least until the expiration of his term of office.

The payment of the balance relating to Mr Henri Poupart-Lafarge will be made in thirds in three annuities, in July 2020, July 2021, and July 2022, subject to his continued presence within the Company.

A first payment was made in July 2020 for an amount of €1,125,000, followed by two further payments of the same amount in July 2021 and July 2022.

Components of compensation paid during or awarded in respect of the 2021/22 fiscal year to the corporate officers

Compensation paid during or awarded in respect of the 2021/22 fiscal year to members of the Board of Directors

TABLE 3 OF THE AFEP-MEDEF CODE – TABLE ON COMPENSATION ALLOCATED UNDER A DIRECTORSHIP AND OTHER COMPENSATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS

Gross amounts	Fiscal year 2020/21		Fiscal year 2021/2022		
Non-executive corporate officers	**Amounts paid out during the fiscal year** *(in €)*	**Amounts attributed in respect of the fiscal year** *(in €)*	**Amounts paid out during the fiscal year** *(in €)*	**Amounts attributed in respect of the fiscal year** *(in €)*	**Variable part attributed in respect of the fiscal year** *(in €)*
Mr Olivier Bouygues(1)	51,286	50,000	37,714.29	0	-
Bouygues SA(2)	61,786	57,000	79,214.29	68,500	-
Mr Pascal Grangé	-	-	-	-	15,500
Ms Bi Yong Chungunco	96,000	84,500	76,000	75,500	22,500
Mr Yann Delabrière	144,500	136,500	131,500	127,500	22,500
Ms Clotilde Delbos	96,000	84,000	75,500	75,500	19,000
Mr Daniel Garcia Molina	-	23,250	54,250	65,000	19,000
Mr Serge Godin(3)	-	7,750	45,750	72,000	19,000
Mr Gilles Guilbon(4)	-	23,250	54,250	68,500	22,500
Mr Gérard Hauser(5)	85,428	25,429	-	-	-
Mr Sylvie Kandé de Beaupuy	101,000	99,500	91,000	90,500	22,500
Mr Frank Mastiaux(6)	28,071	69,571	108,500	119,000	29,500
Mr Baudouin Prot	93,000	98,500	96,500	96,500	33,000
Ms Sylvie Rucar	133,500	125,500	124,000	120,000	29,500
Caisse de Dépôt et Placement du Québec(7)	-	-	-	-	-
Ms Kim Thomassin	-	-	-	-	-
TOTAL	**732,785**	**689,000**	**857,250**	**978,500**	**254,500**

(1) Director who resigned on 25 March 2021.
(2) Director whose representative is Mr Pascal Grangé.
(3) Mr Serge Godin donates his compensation to an association whose mission is the relief of poverty, the improvement of health and the advancement of education among children and adolescents in difficulty.
(4) Director who took office on 1 January 2021.
(5) Director whose term of office expired on 8 July 2020.
(6) Director appointed by the General Meeting of 8 July 2020.
(7) Director whose permanent representative is Ms Kim Thomassin. In accordance with its own internal operating rules, Caisse de Dépôt et Placement du Québec (a director represented by Ms Kim Thomassin) also does not receive any compensation in connection with its duties.

The corporate officers do not receive any other compensation from the Company or Group companies, with the exception of the directors representing the employees who are remunerated under their employment contract.

Pursuant to the compensation policy, the Chairman & Chief Executive Officer does not receive any compensation tied to his directorship and the observer does not receive compensation in connection with his/her role.

In accordance with its own internal operating rules, *Caisse de Dépôt et Placement du Québec* (a director represented by Ms Kim Thomassin) also does not receive any compensation in connection with its duties.

The total compensation paid to the directors in the financial year 2021/22 amounted to €857,250 (€732,785 in the previous financial year). The total amount of the compensation awarded to the directors for the fiscal year 2021/22 was 978,500 (€689,000 for the previous fiscal year) and represents about 75% of the total envelope authorised by the shareholders (about 68% for the fiscal year 2020/21).

The variable part of the compensation awarded to the directors for the financial year 2021/22 represents approximately 73% of the total compensation awarded for that year (approximately 58% for the financial year 2020/21).

The difference between the amounts allocated and paid over a single fiscal year results from the fact that half of the compensation tied to directorships in respect of a fiscal year is paid during that fiscal year (compensation for the first half of the fiscal year) and the balance is paid during the following fiscal year (compensation for the second half of the fiscal year).

In accordance with Article L. 22-10-34-I of the French Commercial Code, these compensation items will be the subject of a resolution submitted to the vote of the 2022 General Meeting called to approve the financial statements for the fiscal year 2021/22.

Compensation paid during or awarded in respect of the financial year 2021/22 to Mr Henri Poupart-Lafarge, Chairman and Chief Executive Officer

In accordance with article L. 22-10-34-I and II of the French Commercial Code, the compensation elements described below will be submitted to the vote of 2022 General Meeting, called to approve the 2021/22 financial statements, effective payment of the annual variable compensation being subject to the positive vote of the shareholders.

Fixed compensation

For fiscal year 2021/22, Mr Henri Poupart-Lafarge's total fixed compensation amounted to €950,004.

Variable compensation

At its meeting held on 10 May 2022 and on the proposal of the Nomination and Remuneration Committee, the Board of Directors found that:

- with respect to Company global performance objectives, all quantifiable and based on the following six performance criteria measured over a full year:
  - Free Cash Flow,
  - adjusted EBIT,
  - gross margin on orders received,
  - the rate of reported accidents with and without time off work,
  - attendance rate of management in Ethics and Compliance training,
  - the result of the Dow Jones Sustainability Index social responsibility survey,

  it was appropriate to assess the achievement of 78.5% for a target of 60% and a ceiling of 120%;

	Target	Cap	Performance level for the fiscal year	Achievement rate for the fiscal year	Amount corresponding to the achievement level *(in €)*
OVERALL OBJECTIVES	**60%**	**120%**			
Free Cash Flow	20%	40%	-€992 million	20.3%	193,040
Adjusted EBIT	15%	30%	€767 million	13.2%	125,032
Margin on orders received	10%	20%	Confidential(1)	20%	190,000
Rate of reported accidents with and without time off work	5%	10%	2.3 accidents per million hours worked	5%(2)	47,500
Attendance rate of management in Ethics and Compliance training	5%	10%	96.2% of eligible managers attended training on the new Code of Ethics(3)	10%	95,000
Performance in the Dow Jones Sustainability Index	5%	10%	95th percentile(4)	10%	95,000
2021/22 OVERALL ANNUAL PERFORMANCE				**78.48%**	**€745,572**

(1) The Board of Directors considers that the margin on orders received is an extremely relevant indicator of the conduct of business by the Company's managers because it reflects the strategic determination to focus activities on projects with the best prospects of being profitable. However, as this indicator is highly sensitive from a competition point of view, the Board considered that it would be against the Company's interests to publicly state the Company's objectives and performance with respect to margin on orders received so as to not give competitors strategic information.

(2) Due to the occurrence of a death during the fiscal year 2021/22, the achievement rate recorded by the Board of Directors for this performance criterion was capped at 100%.

(3) The Company's target was that at least 85% of managers eligible for the annual bonus (more than 10,000 people) followed the training. The maximum level is considered to have been met when 90% of the eligible population has been trained.

(4) The Company's target is to remain in the DJSI index, *i.e.*, to be one of the 10% of the companies in the comparable group to achieve the best performance. The maximum performance level is reached if the Company reaches or exceeds the 95th percentile of the companies making up the index, which was the case for the fifth consecutive year in 2021.

- with respect to objectives tied to specific action plans based on four performance criteria measurable whenever possible, it was appropriate to assess the achievement level at 41.40%. The target was 40% and the cap was 50%.

	Comments	Target	Achievement rate for the fiscal year	Amount corresponding to the achievement level *(in €)*
INDIVIDUAL OBJECTIVES		**40%**		
Integration of Bombardier Transportation	The objective set by the Board of Directors was that the Group's post-acquisition processes be stabilised, that a roadmap for transformation and development be defined and that the whole be effectively accepted by the financial markets. The Board of Directors, having considered the following factors in particular: • all major operational processes were redefined and deployed within the scope of the new Group; • the AIM 2025 strategic plan has been established and the objectives derived from it have been shared; • the rationale for the acquisition of Bombardier Transportation was not questioned by the financial markets, considered that this objective had been reached at 90%.	8%	7.2%	68,400
ONE Alstom	The objective set by the Board of Directors was to define and stabilise Alstom's organisation following the acquisition, define the succession plan for the new management team, enhance the Group's talent pool (with a particular focus on diversity and inclusion issues) and strengthen actions and programmes related to sustainable development issues. The Board of Directors, having considered the following factors in particular: • the vision, missions and organisation of the new Group have been clearly defined and are understood by the employees; • the management team has been stabilised, with the successful integration of newcomers. Succession plans are in place; • the Alstom Group is recognised and listed among the leading companies on sustainable development issues, through multiple indices (DJSI, MSCI, ESG CAC 40) and has policies and actions related to these issues. The environmental objectives were achieved in the past year, the Board of Directors considered that this objective had been reached at 100%.	12%	12%	114,000
Customer relations	The Board of Directors, having considered the following factors in particular: • commercial actions were successful, generating more than €19 billion in new orders with a continued positive dynamic; • most of the targeted trade negotiations were finalised within the allocated budget, the Board of Directors considered that this objective had been reached at 125%.	12%	15%	142,500
Operational and financial performance	The Board of Directors, having considered the following factors in particular: • the Group achieved a turnover in line with its budget (with a growth of 11%) despite unfavourable circumstances (health crisis, shortage of components); • indicators relating to the quality of operations have improved significantly; • the project portfolio has been stabilised and the level of customer satisfaction has increased; • the engineering development of new projects is in line with expectations; • a significant reduction in the risk exposure of the Signalling business portfolio was achieved; • the gross margin was adjusted positively, and overhead costs were kept under control; • free cash flow generation is in line with targets and inventory levels have evolved in line with sales growth, the Board of Directors considered that this objective had been reached at 90%.	8%	7.2%	68,400
2021/22 OVERALL ANNUAL PERFORMANCE			**41.4%**	**€393.300**

The Board of Directors therefore established, at its meeting of 10 May 2022, that Mr Henri Poupart-Lafarge's variable compensation for the fiscal year 2021/22 amounted to €1,138,872, corresponding to an achievement of 119.9% of his objectives.

Over the past three years Mr Henri Poupart-Lafarge's annual fixed and variable compensation has evolved as follows:

	Allocated in respect of 2019/20 fiscal year *(in €)*	Allocated in respect of 2020/21 fiscal year *(in €)*	Allocated in respect of 2021/22 fiscal year *(in €)*
Gross annual fixed compensation	825,000	796,883	950,000
Annual variable gross compensation(1)	906,015	795,600	1,138,872
(%/fixed)	(109.8%)	(93.6%)(2)	(119.9%)
TOTAL	**1,731,015**	**1,592,483**	**2,088,872**

(1) Mr Henri Poupart-Lafarge's annual variable compensation is paid during the fiscal year following the year to which it refers. As mentioned above, its payment is subject to prior approval by the General Meeting of Shareholders of the Company of the compensation elements paid during or awarded in respect of the past financial year to Mr Henri Poupart-Lafarge.

(2) On the basis of an annual fixed compensation of €850,000. It is reiterated that the Board meeting of 11 May 2020 decided to reduce Mr Henri Poupart-Lafarge's fixed compensation by 25% for the first quarter of 2020/21, with an equivalent amount being paid to the Alstom Foundation, to support the fight against Covid-19.

Grant of performance shares

Long-term variable compensation plan ("PSP 2021")

The Board of Directors, acting under the authorisation granted by the General Meeting of Shareholders of 10 July 2019 (14th resolution), after having taken note of the recommendations of the Nomination and Remuneration Committee on 4 July 2021, decided to grant on 4 July 2021 a long-term variable compensation plan ("PSP 2021"), benefiting 1,375 persons including the Chairman and CEO of Alstom.

The grant to the Chairman & Chief Executive Officer relates to a target number of 34,000 shares, which may vary, depending on the level of achievement of the performance conditions, between 0 and 51,000 shares (in the event of overperformance). The IFRS 2 valuation and the calculation of the cap on awarded performance shares were established on the basis of the maximum number of shares that may be definitively acquired after the expiration of the performance period. Based on the cap on shares awarded, this maximum award represents 0.01% of the share capital at 4 July 2021. It is subject to the retention requirements as defined by the compensation policy in force at the date of grant.

This plan makes the definitive acquisition of all the shares allocated to all the beneficiaries (1,867,325 shares, *i.e.* 0.50% of the capital as at 4 July 2021) conditional on the fulfilment of four performance conditions:

- three internal performance conditions measured in terms of the degree of success in reaching:
  - the adjusted EBIT margin objective of the Alstom Group set by the Board and assessed at the end of the 2023/24 fiscal year. This indicator represents 25% of the total performance conditions,
  - the cumulative Free Cash Flow objective for FY 2021/22, 2022/23, 2023/24. This indicator represents 30% of the total performance conditions, and
  - the 2023/24 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 2023/24 fiscal year as compared to those offered before March 2014. This indicator represents 20% of the total performance conditions; and
- one relative performance condition which is based on the performance of the Company's share relative to the performance of the STOXX® Euro Industrial Goods & Services index and assessed over a period of three years ending at the close of the 2023/24 fiscal year. This indicator represents 25% of the total performance conditions.

On the Nomination and Remuneration Committee's recommendation, the Board of Directors:

- maintained the exclusion of any vesting of performance shares if the growth in the Company's TSR does not attain the index's TSR growth. The Board accordingly took into account comments several investors and proxy advisors had made to the lead director last fiscal year;
- aligned the "target" objectives for adjusted EBIT margin and Free Cash Flow with the new objectives of the Group (as announced during July 2021 investors' day), while maintaining the principle that more performance shares would be acquired in the event of overperformance;
- aimed to maintain a condition allowing the Company's performance in the area of sustainable development to be assessed. Indeed, like several investors and proxy advisors with whom the lead director spoke over the last fiscal year, the Board considers that long-term variable compensation must be based on a condition that allows the Company's strategic social and/or environmental challenges to be appraised. For the PSP 2021, the Board therefore renewed a performance condition that is based on the decarbonisation of the solutions offered by Alstom, which is part of the new objectives of the Group (as announced during July 2021 investors' day). The assessment in 2024 of the reduction in energy consumption of the solutions Alstom offers its customers will be carried out on the basis of the same criteria as those applied for the purposes of monitoring the realisation of the "Alstom in Motion" strategic plan. This percent reduction will be reviewed by the independent third-party organisation which is responsible for verifying extra-financial data at the end of the 2023/24 fiscal year. This independent third-party organisation will report on it in its reasoned opinion on the sincerity of the information presented.

Applying these conditions, the number of performance shares fully vested will be determined as follows (internal conditions established on the basis of the accounting standards in force at the time of the grant):

After the publication of the 2023/24 results		Minimum required level	Target performance	Maximum level considered
2023/24 adjusted EBIT margin (weight: 25%)		≤5%	=6,5%	≥8%
		No shares	8,500 shares	12,750 shares
Free cash flow 2023/24 in € million (weight: 30%)		≤50	=550	≥900
		No shares	10,200 shares	15,300 shares
Reduction in energy consumption of solutions offered to customers in 2023/24 relative to those offered prior to March 2014 (weight: 20%)		Reduction ≤22%	Reduction =24%	Reduction ≥27%
		No shares	6,800 shares	10,200 shares
TSR at publication of 2023/24 results vs. TSR Index (weight: 25%)	<100% of the index	=100% of the index	=110% of the index	<120% of the index
	No shares	4,250 shares	8,500 shares	12,750 shares

Between each performance condition threshold, the number of vested shares will be calculated by linear interpolation. The Board of Directors held on 10 May 2022, in accordance with the rules of PSP 2021 and with the remuneration policy voted at the 2021 Annual General Meeting, decided to adjust the expected levels of achievement of the performance conditions in order to take into account current challenges while continuing to be highly demanding. The initial terms, defined in close proximity to the Bombardier Transportation acquisition and before the major changes in the economic environment that occurred during the past year (pandemics, geopolitical situation, inflation etc…), have been adjusted to be consistent with the Group's strategic objectives in its new dimension consecutive to the acquisition of Bombardier Transportation and its progressive integration at the level of Alstom profitability requirements.

In line with the compensation policy applicable to the Chairman & Chief Executive Officer, the IFRS 2 value of the grant, *i.e.,* €1,605,990 (€1,635,830 for PSP 2020) is lower than the beneficiary's fixed and target variable compensation for one year.

Finally, the Board confirmed its commitment that, in the event of a major change in the Group's strategy or structure, it will adapt these performance conditions to the new challenges highlighted for the coming years, both as regards the nature of the conditions and the results to be achieved, while continuing to be highly demanding and transparent about those changes.

The Chairman & Chief Executive Officer has undertaken not to use hedging instruments in respect of all the performance shares during his entire term of office. To the best of the Company's knowledge, no hedging instruments have been put in place for options, shares resulting from the exercise of options or performance shares until the end of the holding period set by the Board of Directors.

Long-term variable compensation plan seeking to reward the success of the Bombardier Transportation integration (Special PSP)

The Board of Directors, acting under the authorisation granted by the General Meeting of Shareholders of 10 July 2019 (14th resolution), after having taken note of the recommendations of the Nomination and Remuneration Committee of 4 July 2021, decided on the granting of a long-term variable compensation plan on 4 July 2021, aimed at compensating the successful integration of Bombardier Transportation, in accordance with the compensation policy for the Chairman and Chief Executive Officer as amended by the General Meeting of Shareholders on 29 October 2020.

The grant to the Chairman & Chief Executive Officer relates to a target of 15,333 shares, which may vary depending on the level of achievement of the performance conditions, between 0 and 23,000 (in the event of overperformance). The IFRS 2 (€801,090) valuation and the calculation of the cap on the performance shares allocated were established on the basis of the maximum number of shares that could vest at the end of the performance period. Based on the cap on shares awarded, this maximum award represents 0.01% of the share capital at 4 July 2021.

Under the terms of this plan the vesting of the shares (243,000 shares *i.e.* 0.07% of the share capital at 4 July 2021) is subject to the satisfaction of four performance conditions, all connected to the integration of Bombardier Transportation:

- three internal performance conditions, measured in relation to the level of achievement of:
  - an objective linked to the change in the margin achieved on certain specific projects at the end of the 2024/25 fiscal year in relation to the opening position. This indicator represents 30% of the performance conditions,
  - an objective linked to the achievement of synergies resulting from the integration of Bombardier Transportation at the end of the 2024/25 fiscal year. This indicator represents 20% of the performance conditions,
  - an objective linked to net earnings per share (in euros) at the end of the 2024/25 fiscal year. This indicator represents 30% of the performance conditions;
- a relative condition, based on the engagement score of employees as measured through an opinion survey conducted in the 2024/25 fiscal year, compared to the market level as reflected in a study carried out by an independent firm (Qualtrics). This indicator represents 20% of the performance conditions.

Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors wished to provide compensation for the long-term success of the integration of Bombardier Transportation within the Group through the creation of an exceptional and non-recurring plan, through performance conditions whose nature and time frame (a four-year period) were specifically defined in the light of this objective, and in line with the information disclosed to the market in February and September 2020.

After the publication of the 2024/25 results	Minimum required level	Target performance	Maximum level considered
Sum of gross margin at completion for specific projects, in € million (weight: 30%)	≤466	=716	≥966
	No shares	4,600 shares	6,900 shares
Achievement of synergies, in € million (weight: 20%)	≤320	=400	≥480
	No shares	3,067 shares	4,600 shares
Net earnings per share, in € (weight: 30%)	≤2.17	=2.57	≥2.97
	No shares	4,600 shares	6,900 shares
Employee engagement score (weight: 20%)	Alstom score ≤ reference score -500 bp	Alstom score = reference score	Alstom score ≥ reference score +500 bp
	No shares	3,067 shares	4,600 shares

Between each performance condition threshold, the number of vested shares will be calculated by linear interpolation.

Summary of the evolution of performance share plans whose vesting period is ongoing

The table below shows the level of achievement of each of the performance conditions of the performance share plans under vesting period (PSP 2019, PSP 2020, PSP 2021 and special, and PSP 2022) and the number of confirmed performance shares for Mr Henri Poupart-Lafarge (all unavailable until the end of the related plan):

Plan	Initial grant(*)	Performance conditions	Weight	Vesting	Total number of confirmed shares
PSP 2019(*)(**) (delivery on 17 May 2022)	57,428	-	-	2021/22	-
		TSR	40%	0%	-
		Adjusted EBIT margin	40%	55.50%	12,749
		Rate of conversion from net income to free cash flow(**)	20%	67.33%-	7,733
		TOTAL			**20,482**
PSP 2020(*)(**)	55,787	-	-	2022/23	-
		TSR	30%	-	-
		Adjusted EBIT margin	40%	-	-
		Rate of conversion from net income to free cash flow	20%	-	-
		Energy consumption reduction	10%	-	-
		TOTAL			**-**
PSP 2021	51,000	-	-	2023/24	-
		TSR	25%	-	-
		Adjusted EBIT margin	25%	-	-
		Free Cash Flow	30%	-	-
		Energy consumption reduction	20%	-	-
		TOTAL			**-**
Special PSP	23,000	-	-	2024/25	
		Growth of the margin for specific projects	30%		-
		Synergies	20%		-
		Net earnings per share	30%		-
		Employee engagement	20%		-
		TOTAL			
PSP 2022	76,000	-	-	2024/25	
		TSR	20%		-
		Adjusted EBIT margin	25%		-
		Free Cash Flow	25%		-
		Energy consumption reduction	15%		-
		Employee engagement	15%		
		TOTAL			

(*) The initial grants of PSPs 2019 and 2020 were adjusted following the 7 December 2020 capital increase with preferential subscription rights maintained.
(**) The Board of Directors, in accordance with the rule of the PSP and in accordance with the remuneration policies voted at the previous annual general meetings, at its meetings of 9 November 2021 and 10 May 2022 decided to modify the expected achievement levels of the performance conditions associated with the 2019 and 2020 performance share plans, respectively. As the performance conditions of these two plans were initially set prior to the acquisition of Bombardier Transportation (in March 2019 for PSP 2019 and in March 2020 for PSP 2020), their achievement levels have been adjusted to match the new scope and strategic objectives of the Group.

PSP 2019

	Minimum required level					Target performance	Maximum level considered
2021/22 Adjusted EBIT Margin (weight: 40%)	≤4.5%					=5.1%	≥5.7%
Free Cash Flow 2021/22 in million euros (weight: 20%)	≤(1,500)					=(1,000)	≥500
	Minimum required level	**20%**	**40%**	**60%**	**80%**	**Target performance**	**Maximum level considered**
TSR Alstom vs TSR Index (weight: 40%)	TSR Alstom <96% TSR Index	96%≤ TSR Alstom <97% TSR Index	97%≤ TSR Alstom <98% TSR Index	98%≤ TSR Alstom <99% TSR Index	99%≤ TSR Alstom <100% TSR Index	TSR Alstom = TSR Index	TSR Alstom ≥120% TSR Index

PSP 2020

	Minimum required level		Target performance	Maximum level considered
2022/23 Adjusted EBIT Margin (weight: 40%)	≤4%		=5%	≥6%
Free Cash Flow 2022/23 in million euros (weight: 20%)	≤(200)		=100	≥400
Reduction in energy consumption of solutions offered to customers in 2022/23 relative to those offered prior to March 2014 (weight: 10%)	≤21%		=23%	≥25%
	Minimum required level	**50%**	**Target performance**	**Maximum level considered**
TSR Alstom vs TSR Index (weight: 30%)	TSR Alstom < TSR Index	TSR Alstom = TSR Index	TSR Alstom =110% TSR Index	TSR Alstom ≥120% TSR Index

Allocation of performance shares in the fiscal year 2022/2023

Pursuant to the current compensation policy approved by the 2021 Annual General Meeting, the Board of Directors on 10 May 2022 decided to grant performance shares under a long-term incentive plan ("PSP 2022"), which will be subject to approval as part of the fixed, variable and exceptional compensation elements making up the total compensation of the Chairman and Chief Executive Officer at the Annual General Meeting to be held in 2023 to approve the fiscal year ending 31 March 2023.

Long-term variable compensation plan ("PSP 2022")

The Board of Directors, acting pursuant to the authorisation granted by the General Meeting of 28 July 2021 (17th resolution), after having taken note of the recommendations of the Nomination and Remuneration Committee, decided to grant on 10 May 2022 a long-term variable compensation plan ("PSP 2022"), benefiting 1,474 persons including the Chairman and CEO of Alstom.

The grant to the Chairman and Chief Executive Officer relates to a target number of 50,667 shares, which may vary, depending on the level of achievement of the performance conditions, between 0 and 76,000 shares (in the event of overperformance). The IFRS 2 valuation and the calculation of the cap on awarded performance shares were established on the basis of the maximum number of shares that may be fully vested after the expiration of the performance period. Based on the cap on shares awarded, this maximum award represents 0.02% of the share capital at 10 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:

- four internal performance conditions measured in terms of the degree of success in reaching:
  - the adjusted EBIT margin objective of the Alstom Group set by the Board and assessed at the end of the 2024/25 fiscal year. This indicator represents 25% of the total performance conditions,
  - the Free Cash Flow target for the fiscal year 2024/25. This indicator represents 25% of the total performance 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, and
- 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;

- a relative performance condition which is based on the performance of the Company's calculated share relative to the performance of the STOXX® Euro Industrial Goods & Services index and assessed over a period of three years ending at the close of the 2024/25 fiscal year. This indicator represents 20% of the total performance conditions.

On the Nomination and Remuneration Committee's recommendation, the Board of Directors:

- maintained the exclusion of any vesting of performance shares if the growth in the Company's TSR does not attain the index's TSR growth;
- aligned the "target" objectives of the adjusted EBIT margin and free cash flow conditions with the new Group objectives;
- aimed to maintain and strengthen the conditions for assessing the Company's performance in terms of environmental, social and governance commitments with the renewal of a performance condition based on the decarbonisation of the solutions offered by Alstom and the addition of a performance condition based on the measurement of the engagement score of the Group's employees over the long term. The combined weight of these two conditions results in an increase in the weight of criteria related to environmental and social factors in the mix of objectives on which the Company's long-term variable compensation is based.

Applying these conditions, the number of performance shares to be delivered will be determined as follows (internal conditions established on the basis of the accounting standards in force at the time of the grant):

After the publication of the 2024/25 results		Minimum required level	Target performance	Maximum level considered
2024/25 adjusted EBIT margin (weight: 25%)		≤6.5%	=8%	≥9.5%
		No shares	12,667 shares	19,000 shares
Free Cash Flow for the fiscal year 2024/25 in € million (weight: 25%)		≤260	=760	≥1,260
		No shares	12,667 shares	19,000 shares
Reduction in energy consumption of solutions offered to customers in 2024/25 relative to those offered prior to March 2014 (weight: 15%)		Reduction ≤23%	Reduction =25%	Reduction ≥28%
		No shares	7,600 shares	11,400 shares
Engagement score of Group employees as measured by the 2024 engagement survey (weight: 15%)		≤67%	=69%	≥71%
		No shares	7,600 shares	11,400 shares
TSR at publication of 2024/25 results vs. TSR Index (weight: 20%)	<100% of the index	=100% of the index	=110% of the index	<120% of the index
	No shares	5,067 shares	10,133 shares	15,200 shares

Between each performance condition threshold, the number of vested shares will be calculated by linear interpolation.

In line with the compensation policy applicable to the Chairman and Chief Executive Officer, the IFRS 2 value of the grant, *i.e.*, €1,376,749 (€1,605,990 for PSP 2021) is lower than the beneficiary's fixed and target variable compensation for one year. The Board of Directors ensured that the IFRS value of grant to the Chairman and CEO would be significantly inferior to the ceiling authorised by the compensation policy.

Subject to the approval of the 2022/23 compensation policy of the Chairman and CEO by the 2022 General Meeting called to approve the financial statements for the financial year 2021/22, the Board of Directors may decide to cancel all or part of the performance shares not yet definitively acquired by the Chairman and CEO in the absence of implementation of the clawback clause, during the vesting period of the said performance shares.

Finally, the Board confirmed its commitment that, in the event of a major change in the Group's strategy or structure, it will adapt these performance conditions to the new challenges highlighted for the coming years, both as regards the nature of the conditions and the results to be achieved, while continuing to be highly demanding and transparent about those changes.

The Chairman & Chief Executive Officer has undertaken not to use hedging instruments in respect of all the performance shares during his entire term of office.

Multi-year compensation

Not applicable.

Exceptional compensation

Not applicable.

Compensation tied to directorship

Not applicable.

Benefits in kind

The Chairman and CEO benefits from a company car corresponding to a benefit in kind of approximately €5,697 (accounting valuation) per year as well as supplementary health cover and an insurance contract in case of death or disability, and a private unemployment insurance contract (for a benefit valued at €8,947), the costs of which are partly borne by the Company and partly by the Chairman and CEO.

Supplemental pension plans

The Chairman & Chief Executive Officer is entitled to a supplemental pension plan based on two separate elements that were not modified during 2021/22 fiscal year:

- a defined contribution pension plan ("Article 83" plan under the French Tax Code):
  - the amounts paid under the defined contribution plan for 2021/22 fiscal year amounted to €26,327, of which €25,011 were paid by the Company;
- a defined contribution pension plan ("Article 82" plan under the French Tax Code):
  - the amount paid in November 2021 under this defined contribution pension plan for 2020/21 fiscal year amounted to €246,850 (gross) and corresponds to the vesting period from 1 April 2020 to 31 March 2021. The corresponding €287,614 provision recorded in 2020/21 was cancelled,
  - regarding 2021/22 fiscal year, a provision for such contribution was recorded in a gross amount of €394,299, but no payment will be made before the approval of the 2022 Annual General Meeting of the Chairman & Chief Executive Officer's variable compensation in respect of the 2020/21 fiscal year.

As of 31 March 2022, the estimated annual pensions under the two defined contribution schemes based on the actual contributions paid since Mr Henri Poupart-Lafarge was appointed as Chairman & Chief Executive Officer amount to approximately €131,450 (not including any potential individual voluntary contributions made by Mr Henri Poupart-Lafarge, which the Company need not be aware of).

It is noted that the amounts paid to Mr Henri Poupart-Lafarge in July 2021 in the context of the payment in three instalments of the €3,375,000 balancing payment corresponding to the compensation for the loss of rights acquired under Mr Henri Poupart-Lafarge's Article 39 supplemental pension scheme (wound up at the end of the 2019 General Meeting) amounted to €1,125,000.

Post-appointment indemnities or benefits

No such compensation was paid during or awarded in respect of the financial year 2021/22.

The Board of Directors considers that the elements described above, paid during 2021/22 fiscal year or awarded in respect of such fiscal year to Mr Henri Poupart-Lafarge, comply with the compensation policy of the Chairman & Chief Executive Officer adopted by shareholders at the General Meeting of 28 July 2021 and contributes to the Company's long-term performance.

Compensation ratios

In accordance with ordinance No. 2019-1234 of 27 November 2019, the ratios between the level of compensation of the Chairman and CEO and the average and median compensation of Alstom's employees other than corporate officers in France (for Alstom Transport, Alstom TT and Alstom Executive Management, representing more than 97% of the French workforce at the end of 2021) as well as their annual evolution, that of the Group's performance, the compensation of the Chairman and Chief Executive Officer and the average compensation of employees in the same scope over the five most recent financial years are communicated below. The ratio for the listed company (Alstom SA) is not presented as it does not include any employees.

The elements presented below take into account the historical scope of Alstom in France for the fiscal years 2017/18, 2018/19 and 2020/21 and therefore do not include the former legal entities of Bombardier Transportation until the fiscal year 2021/22.

Compensation ratios[(a)] and comparative change in compensation, performance and ratios

	2017/18	2018/19	2019/20	2020/21	2021/22
Average employee compensation	59,529	61,269	63,271	58,990	63,075
(change from the previous fiscal year)	*5%*	*3%*	*3%*	*-7%*	*7%*
Median employee compensation	48,652	50,214	50,806	51,304	53,000
(change from the previous fiscal year)	*3%*	*3%*	*1%*	*1%*	*3%*
Compensation of the Chairman and CEO, Mr Henri Poupart-Lafarge	2,698,341	3,158,802	3,492,572	1,718,048	3,366,237
(change from the previous fiscal year)	*32%*	*17%*	*11%*	*-51%*	*96%*
Compensation ratio compared to the employee median	55	63	69	33	64
(change from the previous fiscal year)	*28%*	*13%*	*9%*	*-51%*	*90%*
Compensation ratio compared to the employee average	45	52	55	29	53
(change from the previous fiscal year)	*26%*	*14%*	*7%*	*-47%*	*83%*
Change in adjusted EBIT (vs. the previous fiscal year)	**22%**	**11%**	**4%**	**-3%**	**+19%**

(a) According to the AFEP guidelines, the compensation includes the elements paid or awarded during the financial year and includes:

- for executive corporate officers and employees: fixed compensation, benefits in kind, variable compensation (received in respect of the previous fiscal year) and long-term compensation awarded during the fiscal year in accordance with IFRS 2 valuation (excluding the exceptional plan, discussed below);
- for employees: other individual bonuses, incentive plans, profit-sharing and overtime compensation. All components are on a full-time equivalent basis.

As a reminder, due to the change in the grant date of the long-term compensation plans, Mr Henri Poupart-Lafarge did not receive any performance shares in the financial year 2020/21.

For the sake of comparability with previous fiscal years and continuity of presentation, the compensation paid to the Chairman and CEO during the fiscal year 2021/22 does not include the long-term variable compensation plan for the successful integration of Bombardier Transportation (Special PSP), granted in July 2021 (valued at €801,090), which is strictly exceptional and non-recurring.

TABLES RELATING TO THE COMPENSATION OF EXECUTIVE CORPORATE OFFICERS FROM THE AMF RECOMMENDATIONS AND THE AFEP-MEDEF CODE

TABLE 1 – TABLE SUMMARISING COMPENSATION AND PERFORMANCE SHARES GRANTED TO THE EXECUTIVE DIRECTOR AS OF 31 MARCH 2022

Henri Poupart-Lafarge Chairman & Chief Executive Officer	Fiscal year 2020/21 *(in €)*	Fiscal year 2021/22 *(in €)*
Compensation awarded in respect of the fiscal year (described in table 2)	1,607,634	2,103,519
Valuation of the performance shares granted during the fiscal year (detailed in Table 6)(1)	N/A(2)	2,407,080(3)
TOTAL	**1,607,634**	**4,510,599**

(1) This amount corresponds to the valuation of performance shares on the plan's grant date under IFRS 2 after taking into account a discount related to the probability of continued employment in the Company but before the effect of spreading the expense.
(2) No performance share plan was granted in the 2020/21 fiscal year.
(3) Including €801,090 the Special PSP granted in July 2021 which is strictly exceptional and non-recurring.

TABLE 2 – TABLE SUMMARISING THE COMPENSATION OF THE EXECUTIVE DIRECTOR AS OF 31 MARCH 2022

	Fiscal year 2020/21		Fiscal year 2021/22	
Henri Poupart-Lafarge Chairman & Chief Executive Officer	Amounts attributed in respect of the fiscal year *(in €)*	Amounts paid out during the fiscal year *(in €)*	Amounts attributed in respect of the fiscal year *(in €)*	Amounts paid out during the fiscal year *(in €)*
Fixed gross compensation	796,883	796,883	950,004	950,004
Annual variable gross compensation(1)	795,600	906,015	1,138,872	795,600
Extraordinary gross compensation	-	-	-	-
Compensation allocated because of directorship	-	-	-	-
Benefits in kind(2)	15,151	15,151	14,643	14,643
TOTAL	**1,607,634**	**1,718,049**	**2,103,519**	**1,760,247**
Supplemental pension plans ("Article 82" and "Article 83")(3)	1,340,231 (provision booked)	1,414,861	1,422,730 (provision booked)	1,396,861

(1) Variable compensation in respect of a financial year may only be paid in the following financial year subject to the prior approval of the shareholders convened at the Annual General Meeting concerning the compensation elements of the Chairman and Chief Executive Officer paid during or awarded in respect of the previous financial year. The criteria on the basis of which the variable compensation was calculated and how the amount awarded was determined are described above on pages 224 to 227.
(2) Company vehicle and private unemployment insurance coverage.
(3) Including, for the 2020/21 and 2021/22 fiscal years, payment of one third of the balancing payment corresponding to the compensation for the loss of rights acquired under former "Article 39" supplemental pension scheme.

TABLE 4 – SHARE OPTIONS GRANTED BY THE ISSUER AND BY ANY GROUP COMPANY TO THE EXECUTIVE DIRECTOR DURING THE 2021/22 FISCAL YEAR

Not applicable.

TABLE 5 – STOCK OPTIONS EXERCISED DURING THE FINANCIAL YEAR 2021/22 BY THE EXECUTIVE DIRECTOR

Options exercised by the corporate officer

Name and date of the plan	Number of options exercised during the fiscal year(*)	Exercise price *(in €)*(*)
Plan of 2013 No. 16 (LTI No. 16)	38,052	21.24

(*) Figures adjusted to take into account the adjustment related to the capital increase with preferential subscription rights on 7 December 2020.

As of the date of filing of this Universal Registration Document, Mr Henri Poupart-Lafarge no longer holds any options, as the last 2013 plan No. 16 (LTI No. 16) granted to him in his previous capacity expired on 30 September 2021.

TABLE 6 – PERFORMANCE SHARES GRANTED TO THE EXECUTIVE DIRECTOR BY THE ISSUER AND BY ANY GROUP COMPANY

74,000 performance shares were granted by the Company to Mr Henri Poupart-Lafarge in the financial year 2021/22 (PSP 2021 and Special PSP).

The total number of performance shares granted to Mr Henri Poupart-Lafarge at the filing date of this Universal Registration Document is as follows:

Plan	Maximum number of rights to performance shares initially granted(1)	Maximum number of performance shares vesting(1)(2)	Valuation at the time of the grant *(in €)*(3)	Performance share vesting date and availability date
2019 plan (PSP 2019)	57,428	20,482(4)	1,331,153(5)	17 May 2022
2020 plan (PSP 2020)	55,787	55,787	1,635,830(6)	At the latest, on the twentieth business day following the date the 2022/23 consolidated accounts are published
2021 plan (PSP 2021)	51,000	51,000	1,605,990(7)	No later than two business days after the end of the vesting period on 4 July 2024
Special plan	23,000	23,000	801,090(8)	No later than two business days after the end of the vesting period on 4 July 2025
2022 plan (PSP 2022)	76,000	76,000	1,376,749(9)	No later than five business days after the end of the three-year vesting period from the date of grant or, if later, on the day of publication of the consolidated financial statements 2024/25

(1) For the PSPs 2019 and 2020, numbers adjusted following the 7 December 2020 capital increase with preferential subscription rights maintained.
(2) The granting is entirely conditional on and combined with the obligation binding on Mr Henri Poupart-Lafarge to hold a percentage of the shares until his duties end and a target level of shares held is reached.
(3) The performance shares are valued on their grant date according to IFRS 2, after taking into account a discount related to the probability of continued employment within the Company and before the effect of spreading the expense.
(4) Initial adjusted grant related to 57,428 performance shares. By application of the performance conditions linked to the results of the fiscal year 2021/22, 36,946 performance shares, *i.e.* 64.33% of the initial grant, have been cancelled and 20,482 performance shares, *i.e.* 35.67% of the initial grant, have vested. These shares were delivered on 17 May 2022.
(5) IFRS unit value at grant of €25.36.
(6) IFRS unit value at grant of €32.08.
(7) IFRS unit value at grant of €31.49.
(8) IFRS unit value at grant of €34.80.
(9) IFRS unit value at grant of €18.12.

TABLE 7 – PERFORMANCE SHARES THAT HAVE BECOME AVAILABLE TO THE EXECUTIVE DIRECTOR DURING THE 2021/22 FISCAL YEAR

Number and date of the plan	Number of shares that became available during the fiscal year	Delivery date	Vesting conditions
PSP 2018 awarded 13 March 2018	34,292	19 May 2021	The Chairman & Chief Executive Officer is required to hold in registered form 50% of the performance shares that have vested during the entire term of his appointment (as renewed, as the case may be). This holding requirement no longer applies when the Chairman and Chief Executive Officer reaches a holding target of shares held in registered form corresponding to the value of three years of his last gross annual fixed compensation. As of the filing date of this Universal Registration Document, the holding requirement was satisfied, as Mr Henri Poupart-Lafarge held a number of registered shares on that date representing a value of more than three years of his last annual fixed gross compensation.
TOTAL	**34,292**	-	

TABLE 10 – SUMMARY TABLE OF THE MULTI-YEAR VARIABLE COMPENSATION PAID TO EACH EXECUTIVE DIRECTOR

Not applicable.

TABLE 11 – SUMMARY OF THE STATUS AND COMMITMENTS RELATED TO THE TERMINATION OF THE EXECUTIVE DIRECTOR'S DUTIES ON 31 MARCH 2022

Executive director	Employment contract	Supplemental pension plan	Indemnities or advantages owed or potentially owed in case of termination of change of executive position	Indemnities related to a non-compete provision
Henri Poupart-Lafarge Chairman & Chief Executive Officer	No(*)	Yes	No	Yes

(*) Mr Henri Poupart-Lafarge gave up his employment contract at the end of the 2019 Annual General Meeting.

IMPLEMENTATION OF THE RECOMMENDATIONS OF THE AFEP-MEDEF CODE OF CORPORATE GOVERNANCE FOR LISTED COMPANIES

The Company refers to the AFEP-MEDEF Code of Corporate Governance for Listed Companies (the "AFEP-MEDEF Code") which, at the time this Universal Registration Document was published, was last updated in January 2020. This code is available on the websites of AFEP (www.afep.com), MEDEF (www.medef.com) and the Company.

The Company applies the recommendations of the AFEP-MEDEF Code with the exception of the items set forth in the table below, for which an explanation is provided.

Article of the AFEP-MEDEF Code	Explanations
ARTICLE 14.2 **(STAGGERING OF TERMS)** "Terms of office should be staggered so as to avoid replacement of the entire body and to favour a smooth replacement of directors".	No staggering of terms has been formalised in the Articles of Association since, in practice, renewals are spread over four consecutive years.

METHODS OF SHAREHOLDER PARTICIPATION IN GENERAL MEETINGS

The information on these terms and conditions, provided for in Article L. 22-10-10 of the French Commercial Code and forming an integral part of the Board of Directors' report, is included in Chapter 7 of this Universal Registration Document.

All shareholders have the right to participate in General Meetings under the conditions provided for by law and by Article 15 of the Company's Articles of Association, which are posted in full online on the Company's website. In addition, the members of the Board of Directors are generally present at General Meetings.

ELEMENTS WHICH COULD HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

The information on these terms and conditions, provided for in Article L. 22-10-11 of the French Commercial Code and forming an integral part of the Board of Directors' report, is included in Chapter 7 of this Universal Registration Document.

SUMMARY TABLE OF DELEGATIONS OF COMPETENCE REGARDING SHARE CAPITAL INCREASES CURRENTLY IN FORCE

This table, required by Article L. 225-37-4 of the French Commercial Code and forming an integral part of the Board of Directors' report, is included in Chapter 7 of this Universal Registration Document.

Management team

ROLE

The management team (which succeeded the former Executive Committee effective 1 February 2021), which is headed by the Chairman & Chief Executive Officer, brings together the Chairs of each region and product line and the officers in charge of each function. Finance, Human Resources, Legal, Strategy, Communications and Digital Transformation are represented on the management team by their respective Directors.

The Chairman & Chief Executive Officer ensures that the management team pursues the Company's performance objectives *via* its actions and management decisions.

More specifically, the management team's role is to substantively put in place the financial and strategic policies determined by the Board of Directors. The management team meets once per week to decide on various matters, and on the following issues in particular:

- strategic matters within the policies set by the Board;
- industrial footprint and allocation of production efforts;
- capital allocations;
- organisation of job mobility and recruitment;
- development of the product portfolio, project launch review and streamlining drive;
- monitoring and implementation of the procedures that are the most critical for the Company.

The management team systematically reviews the Group's financial and operational performance, discusses and approves appointments to key positions, reviews the most significant ongoing legal procedures and ensures that good legal practices are implemented. The management team approves product, marketing and commercial plans and reviews budget policies before the Board of Directors adopts the budget.

The Internal Audit and Control Department keeps the management team apprised of the status of the missions entrusted to it by the Audit Committee. The management team regularly reviews the performance of the operations platforms and activities through dedicated sessions during which the relevant Directors report on the status of their product development plans and on progress made with operational improvement initiatives.

Finally, in the context of the acquisition of Bombardier Transportation, the management team regularly reviews the progress of the various programmes and initiatives aimed at the integration of Bombardier Transportation's activities and teams within the Group.

The management team met 26 times during the financial year 2021/22.

MEMBERS

The management team is composed of the following persons as of 31 March 2022:

	Main function	Executive Committee/ management team entry date	Age
Henri Poupart-Lafarge	Chairman & Chief Executive Officer	October 2004	52
Danny Di Perna	Executive Vice President & Chief Operating Officer	February 2021	56
MüslümYakisan	Chairman – DACH Region (Germany, Austria, Switzerland)	January 2020	53
Andrew De Leone	Chairman – Africa, Middle East & Central Asia Region	February 2021	39
Jérôme Wallut	Chief Commercial Officer	November 2015	58
Michael Keroullé	Chairman – Americas Region	March 2021	50
Ling Fang	Chairman – APAC Region	July 2018	56
Gian Luca Erbacci	Chairman – Europe Region	November 2015	60
Jean-Baptiste Eyméoud	Chairman – France Region	November 2015	54
Benjamin Fitoussi	Chairman – Rolling Stock & Components, Development & Operations	January 2020	49
Bruno Marguet	Chairman – Rolling Stock & Components, Platforms	June 2019	59
Matthew Byrne	Chairman – Services Product Line	February 2021	47
Jean-François Beaudoin	Chairman – Digital & Integrated Systems Product Line	July 2016	44
Anne-Sophie Chauveau-Galas	Chief Human Resources Officer	May 2019	46
Laurent Martinez	Chief Financial Officer	July 2018	53
Emmanuelle Petrovic	General Counsel	May 2019	49
Bruno Tourne	Chief Communications Officer	February 2021	43
Marc Granger	Chief Strategy & Integration Officer	February 2021	60
Alexandre Domingues	Chief Digital Transformation Officer	February 2021	61

As of 31 March 2022, women represented 16% of the management team (against 14% as of 31 March 2021). At Group level and within the new Alstom scope, as of 31 March 2022, women held 18.3% of the most senior positions (executives and senior managers) and represented 23.2% of managers and professionals (compared to 16.5% and 22.3% respectively as of 31 March 2021 and 16.1% and 21.4% respectively as of 31 March 2020) and 18.8% of the total workforce (compared to 19.2% and 18.8% as of 31 March 2021 and 31 March 2020 respectively).

The Alstom in Motion (AiM) 2025 strategy has strengthened the ambition for Diversity & Inclusion and now provides for 28% of women in management and professional positions by 2025. This is an overall target, which has been applied at the level of each Region with intermediate target levels to be achieved each year, with the achievement of these targets being assessed at the end of each financial year.

Several measures have been implemented to meet all these objectives, based on a systemic approach:

- on this basis, during the previous fiscal year, the ALSTOM Women Network of Excellence was extended to the entire new Alstom scope during the year, with a presence in North America, France, India, Germany, Austria, Switzerland and the UK. The activities of this network focus essentially on providing women with additional resources and means to develop their leadership skills and manage their careers;
- women-only leadership programmes have also been implemented in various countries and at least 40% of the places in the various Executive Leadership Group programmes are allocated to women;
- mentoring programmes aimed at providing senior female managers with the potential to assume more senior positions, for example by developing their global knowledge of the Group's activities, have been deployed globally and in some Regions;
- in addition, training for top management was provided throughout the year to combat unconscious biases that prevent women from accessing the same promotion opportunities as men.

This awareness and commitment, now embedded in the top management, to have women in leadership positions was demonstrated in the context of the Bombardier Transportation acquisition.

In order to improve on these achievements, Alstom has set a target of 28% women in executive positions by 2025, with ambitious intermediate milestones of around 1% to +1.5% each year. In this respect, two main initiatives in terms of talent management will be put in place:

- a regular review of female talent with the management team; and
- following an individual development plan to prepare them for positions with higher responsibilities.

COMPENSATION OF THE MANAGEMENT TEAM

The financial elements recognised for the full year 2021/22 describing the compensation and benefits of the management team are described in Note 35.3 to the 2021/22 consolidated financial statements.

The compensation of the management team members, *i.e.,* currently 18 individuals excluding the Chairman & Chief Executive Officer, is decided annually by the Chairman & Chief Executive Officer and is reviewed by the Nomination and Remuneration Committee. It consists of a fixed component and a variable component tied to the realisation of performance objectives determined at the beginning of the fiscal year. It is supplemented by a grant of performance shares.

For fiscal year 2021/22, variable compensation is linked to:

- firstly, meeting Company global performance objectives in terms of EBIT, free cash flow, margin on orders received, and frequency rate of workplace accidents with medical leave, the attendance rate of managers for Ethics and Compliance training and the result of the Dow Jones Sustainability Index survey; and
- secondly, the reaching of specific individual objectives.

All members of the management team share the same overall performance objectives, irrespective of Region or Function. These objectives represent 60% of the target variable compensation of each management team member, which may vary within a range of 0% to 120%. Specific individual objectives refer to specific priority action plans included in the budgets and strategic plans. These objectives represent 40% of the variable compensation target of each management team member and can vary within a range of 0% to 50%. The achievement of variable compensation objectives is assessed by the Chairman & Chief Executive Officer and approved by the Nomination and Remuneration Committee.

The variable compensation level is based on best practices within the industry, compensation surveys and advice from specialised international consultants.

The total gross compensation paid to the members of the management team, excluding the Chairman and CEO, by the Company and the companies controlled by the Company within the meaning of Article L. 233-16 of the French Commercial Code for the period from 1 April 2021 to 31 March 2022, amounted to €9,953,804.

For 2021/22 fiscal year, the fixed portion represented €7,544,489. The variable component tied to the results of 2020/21 fiscal year and paid during the 2021/22 fiscal year represented €2,409,315 (excluding the Chairman & Chief Executive Officer).

Some members of the management team benefit from additional pension arrangements. The total defined benefit obligation recognised for the members of the management team (excluding the Chairman and CEO) amounts to €667,624 as at 31 March 2022. The total amount of contributions borne by the Group (paid or accrued), in connection with the defined contribution plans (excluding the Chairman and Chief Executive Officer) for the fiscal year was €1,099,359.

Members of the management team, excluding the Chairman and CEO, were granted 500,000 performance shares in the 2021/22 fiscal year, broken down as follows: 275,000 performance shares (with an IFRS 2 value of €31.49) under the annual long-term variable compensation plan ("PSP 2021") and 225,000 performance shares (with an IFRS 2 value of €34.83) under the exceptional, non-recurring long-term compensation plan to reward the successful integration of Bombardier Transportation ("Special PSP").

The members of the management team, excluding the Chairman and CEO, collectively hold 179,642 shares as of 31 March 2022.

Executive and employee shareholding

SHARE SUBSCRIPTION AND PERFORMANCE SHARE AWARD OPTION PLANS

Grant policy

Generally every year, the Company sets up a long-term compensation plan in France and abroad, within the framework of the authorisations given by the General Meeting of shareholders, and of Articles L. 22-10-56 *et seq.* and Articles L. 225-197 *et seq.* of the French Commercial Code. The Board of Directors approves these plans on the proposal of the Nomination and Remuneration Committee, which reviews all terms, including the award criteria. The awards are made at regular intervals.

Commencing in the 2021/22 fiscal year, the annual long-term compensation plans, which had been previously granted at the last Board of Directors' meeting of the fiscal year in progress, will be granted by a Board of Directors' meeting held at the beginning of the following fiscal year. In the context of the long-term compensation plans that were put in place starting in the 2007/08 fiscal year, the Board of Directors wanted to combine the allocation of subscription options with the grant of free shares. Since 2016, the Board no longer plans to use subscription options in connection with these plans and makes the delivery of all shares conditional upon internal and relative performance conditions and continued employment requirements (please refer to the characteristics of these plans in the following pages).

The grants of performance shares vary according to beneficiaries' level of responsibility and performance, with their number increasing as responsibility and performance levels increase. Beneficiaries of performance shares are generally selected among the managers of profit centres, functional managers, country chairmen, managers of large projects and, more generally, holders of key salaried positions in Alstom, who have made a significant contribution to the Group's results.

Since 2004, the number of beneficiaries totals approximately 2% of total Group employees.

Individual grants to members of the management team are based on the level of responsibilities and are in line with market practice. They are granted under the terms of the plan put in place each year; the characteristics of the performance shares granted to members of the management team are identical to those of all the other awards.

For information on the grants awarded to the Chairman & Chief Executive Officer in prior fiscal years, please refer to the section on the compensation of corporate officers in the Board of Directors' report.

Main characteristics of the performance shares

- **Frequency:** Annual grant. Since 2016, the allocation took place in March in order to occur more closely to the beginning of the following fiscal year. From the fiscal year 2021/22 onwards, it takes place after the end of the tax year.
- **Performance conditions:** Yes. For the plans granted until 2017, the full vesting of all performance shares is subject to the achievement of internal Group performance conditions to be met over a period of three fiscal years following the grant of the performance shares and an external performance requirement to be met at the end of three fiscal years following the grant date of the performance shares. Since the 2018 grant, both internal and/or relative performance conditions are assessed only at the end of the third fiscal year following the grant.
- **Condition of continued employment within the Group:** Yes, except in exceptional cases as provided for in the plan.
- **Delivery date:** Once in full at expiration of a period of around three years for all beneficiaries.
- **Holding requirement:** None (except below section).
- **Specific holding requirement for management team members:** Yes, since the 2007/08 fiscal year.

Requirement to hold the shares applicable to management team members – Rules of conduct

For each plan since the 2007 plan (LTI No. 10), the Board of Directors has set holding requirements applicable to beneficiaries who are members of the management team.

Such individuals must hold in registered form, for the entire period of time during which they serve on the management team, a number of shares resulting from the free allocation granted under these plans corresponding to 25% of the fully vested performance shares and have undertaken not to use hedging instruments in respect of all the performance shares.

Moreover, the Group's rules of conduct seeking to prevent insider trading prohibit any sale of shares during periods preceding the approval of the Group's results and more generally when inside information is held. In addition to this lock-up requirement applicable only to insiders, specific legal obligations are also applicable to all recipients of performance shares, irrespective of whether or not they hold the status of insider. Such obligations preclude them from selling any performance shares during certain periods determined by law.

Summary of the main characteristics of the option plans granted and valid at the end of the financial year 2021/22

As of 31 March 2022 there are no more options that can be exercised. Plan No. 16 included in LTI Plan No. 16 (conditional options) expired on 30 September 2021. There are no option plans set up by other Group companies giving the right to acquire shares in the Company.

TABLE 8 (AFEP-MEDEF CODE) – HISTORY OF STOCK SUBSCRIPTION OR PURCHASE OPTIONS AS OF 31 MARCH 2022

There are no stock options as of 31 March 2022.

LTI plan No. 16 expired on 30 September 2021. A total of 674,667 options were exercised under this plan.

Conditional subscription options granted to Alstom's corporate officers during 2021/22 fiscal year and options exercised by the executive director

In 2021/22 fiscal year, no option was granted by the Company to Mr Henri Poupart-Lafarge, the Chairman & Chief Executive Officer and Alstom's only executive director.

No options were granted by the Company to other corporate officers of the Company during the fiscal year 2021/22.

38,052 options were exercised by Mr Henri Poupart-Lafarge during the fiscal year 2021/22.

Conditional stock options granted in the financial year 2021/22 to the ten non-corporate officer employees of Alstom who received the largest grants

Not applicable.

Stock options exercised during the financial year 2021/22 for the ten non-corporate officer employees of Alstom with the highest number of options exercised

(Table 9 of the guide for preparing Universal Registration Documents, AMF Position-Recommendation DOC-2021-02)

	Number of shares subscribed(*)	Weighted average price(*)
Total number of options exercised during the fiscal year by the first ten employees who are not corporate officers and who exercised the largest number of options	5,080	€21.24

(*) Related to LTI 16 options. Data includes the adjustment linked to the share capital increase with maintained preferential subscription rights achieved on 7 December 2020.

Summary of the main characteristics of the outstanding free performance share grant plans as of the end of 2021/22 fiscal year

The total number of shares that may be created under the free performance share grant plans and that have not yet been fully delivered represents 1.40% of the share capital as at 31 March 2022 (subject to the satisfaction of the performance conditions, assessed.

TABLE 9 – HISTORY OF PERFORMANCE SHARE GRANTS

Data have been adjusted to take into account the adjustment related to the capital increase with maintained preferential subscription rights achieved on 7 December 2020.

	2019 plan (PSP 2019) (performance shares)	2020 plan (PSP 2020) (performance shares)	2021 plan (PSP 2021) (performance shares)	2021 plan (Special PSP) (performance shares)	2022 plan (PSP 2022) (performance shares)
Date of Shareholders' Meeting	17 July 2018	10 July 2019	10 July 2019	10 July 2019	28 July 2021
Date of Board meeting	12 March 2019	10 March 2020	04 July 2021	04 July 2021	10 May 2022
Initial number of beneficiaries	820	878	1,375	18	1,474
Initial number of performance shares granted	1,080,150	1,145,625	1,867,325	243,000	2,481,612
Adjusted initial number of performance shares	1,176,801	1,252,619	N/A	N/A	N/A
including to Mr Henri Poupart-Lafarge	*57,428*	*55,787*	*51,000*	*23,000*	*76,000*
Cumulative number of shares cancelled or lapsed on 31 March 2022	77,406	50,982	54,000	-	-
Number of performance shares remaining on 31 March 2022	1,098,295	1,201,637	1,813,325	243,000	2,481,612
Share vesting date or full delivery date of the shares (subject to performance conditions)	At the latest on the twentieth business day following the date on which the consolidated financial statements for FY 2021/22 are published	At the latest on the twentieth business day following the date on which the consolidated financial statements for FY 2022/23 are published	At the latest, two working days following the end of the vesting period	At the latest, two working days following the end of the vesting period	No later than five working days after the end of the vesting period
Percentage of the capital liable to be created (calculated based on the capital at 31 March 2022)	0.29%	0.32%	0.49%	0.07%	0.66%
Number of shares that can be delivered to members of the management team(1)(3)	249,402	288,782	326,000	243,000	429,000
including to Mr Henri Poupart-Lafarge	*57,428*	*55,787*	*51,000*	*23,000*	*76,000*

	2019 plan (PSP 2019) (performance shares)	2020 plan (PSP 2020) (performance shares)	2021 plan (PSP 2021) (performance shares)	2021 plan (Special PSP) (performance shares)	2022 plan (PSP 2022) (performance shares)
Performance conditions[2]	The percentage of shares fully delivered varies based on: • two internal performance conditions: Group adjusted EBIT margin and rate of conversion of net income to cash. These two conditions will be assessed at the end of FY 2021/22. In order for 60% of the shares to be delivered, the adjusted EBIT margin and conversion rate must be more than or equal to levels predetermined for such fiscal year; • a relative performance condition, assessed on 31 March 2022, based on the performance of the Company's shares, calculated as the percent change between the share price at the grant date and the share price at the end of FY 2021/22, corrected to reflect any dividends paid out during the vesting period ("Total Shareholder Return" or "TSR"), compared with the performance of the STOXX® Europe TMI Industrial Engineering Index (hereinafter the "Index") between the same periods. In order for 40% of the shares to be delivered, the share performance must exceed or be equal to a predetermined percentage of the Index price. **Rate of achievement of performance conditions:** based on the results approved by the Board meeting held on 10 May 2022, 35,67% of the shares initially granted vest and 64,33% of the shares initially granted are cancelled as a result of the application of performance conditions linked to the results of the financial year 2021/22. 391,485 shares were delivered on 17 May 2022.	The percentage of shares fully delivered varies based on: • three internal performance conditions: the Group's adjusted EBIT margin, the rate of conversion of net income into cash and the reduction in energy consumption of the solutions offered to customers. These three conditions will be assessed at the end of FY 2022/23. In order for 70% of the shares to be delivered, the adjusted EBIT margin, conversion rate and energy consumption reduction must be more than or equal to levels predetermined for such fiscal year; • a relative performance condition, assessed on 31 March 2023, based on the performance of the Company's shares, calculated as the percent change between the share price at the grant date and the share price at the end of FY 2022/23, corrected to reflect any dividends paid out during the vesting period ("Total Shareholder Return" or "TSR"), compared with the performance of the STOXX® Europe TMI Industrial Engineering Index (hereinafter the "Index") between the same periods. In order for 30% of the shares to be delivered, the share performance must exceed or be equal to a predetermined percentage of the Index price.	The percentage of shares fully delivered varies based on: • three internal performance conditions: Group Adjusted EBIT Margin, Free Cash Flow and reduced energy consumption of solutions offered to customers. These three conditions will be assessed at the end of FY 2023/24. For 75% of the shares to be delivered, the Margin and Energy Reduction must be greater than or equal to predetermined levels for that fiscal year, and the Free Cash Flow must be greater than a predetermined level for all of 2021/22, 2022/23 and 2023/24; • a relative performance condition, assessed as at 31 March 2024, based on the performance of the Company's share calculated as the percentage change between the share price at grant and the share price at the end of the fiscal year 2023/24, adjusted for any dividends paid during the vesting period ("Total Shareholder Return" or "TSR") compared to the performance of the STOXX® Euro Industrial Goods & Services Index (hereinafter, "the Index"). In order for 25% of the shares to be delivered, the share performance must exceed or be equal to a predefined percentage of the Index price.	The percentage of shares fully delivered varies based on: • three internal performance conditions: Growth in Alstom margin for specific projects, achievement of synergies and earnings per share. These three conditions will be assessed at the end of FY 2024/25. In order for 80% of the shares to be delivered, the growth in margin, the synergies and the earnings per share must be more than or equal to levels predetermined for such fiscal year; • a relative performance condition, assessed at the end of FY 2024/25, based on the employee engagement score of the Group as established through an opinion survey, compared with that same engagement score for other companies as measured in the Qualtrics report in 2024/25. In order for 20% of the shares to be delivered, the employee engagement score of the Group must be more than or equal to the score provided by the Qualtrics report.	The percentage of shares fully delivered varies based on: • four internal performance conditions: Group Adjusted EBIT Margin, Free Cash Flow, reduction in energy consumption of solutions offered to customers and level of satisfaction of Alstom employees. These four conditions will be assessed at the end of the fiscal year 2024/25. In order for 80% of the shares to be delivered, the Margin, Free Cash Flow, Energy Reduction and Employee Satisfaction must be greater than or equal to predetermined levels for that fiscal year; • a relative performance condition, assessed as at 31 March 2025, based on the performance of the Company's share calculated as the percentage change between the share price at grant and the share price at the end of the fiscal year 2024/25, adjusted for any dividends paid during the vesting period ("Total Shareholder Return" or "TSR") compared to the performance of the STOXX® Euro Industrial Goods & Services Index (hereinafter, "the Index"). In order for 20% of the shares to be delivered, the share performance must exceed or be equal to a predefined percentage of the Index price.
Share holding period	None[3]	None[3]	None[3]	None[3]	None[3]

(1) Refers to the Leadership Team as composed on March 31 2022. The number of shares benefiting Mr Henri Poupart-Lafarge is presented in the section of the Board of Director's report on the compensation of Executive Officers.
(2) Vesting is also subject to a condition of continued employment within the Group, except as provided for under the plan.
(3) A specific holding requirement applies to plan beneficiaries who members of the Leadership Team (see page 221 in respect of the Chairman and Chief Executive Officer and see page 238 regarding other members of the Leadership Team).

Performance shares granted free of charge to the Executive Director of Alstom during the financial year 2021/22 and performance shares acquired by the latter

74,000 performance shares were granted to Mr Henri Poupart Lafarge during the past financial year under the PSP 2021 and the Special PSP.

34,292 performance shares were delivered to him under the PSP 2018 in the 2021/22 fiscal year.

Performance shares granted free of charge in the financial year 2021/22 to the ten non-corporate officer employees of Alstom who received the largest grants

The ten largest performance share grants in the fiscal year 2021/22 represent a total of 340,000 performance shares.

The ten largest acquisitions during fiscal year 2021/22 represent 98,013 performance shares under the PSP 2018 awarded in March 2018.

FREE SHARE GRANT

During the 2021/22 fiscal year and in accordance with the authorisation granted by the General Meeting of 10 July 2019 (14th resolution), the Board of Directors on 4 July 2021, approved an equal allocation of 15 free shares to each Group employee, the "We are Alstom 2021" plan.

In countries where, for tax and/or legal reasons, a grant of free shares would be difficult or even impossible, the cash equivalent of such 15 shares would ultimately be paid to the employees.

The shares vest at the end of two years, *i.e.*, on 4 July 2023.

Approximately 64,000 people in the Group in 21 countries will receive 955,755 free shares under condition of continued employment. In other countries, 5,750 people will receive the cash equivalent of these 15 shares.

PROFIT SHARING, INCENTIVE PLANS AND SAVINGS PLAN

Profit sharing

More than 99% of the employees of the Group's French subsidiaries benefit from a profit-sharing agreement.

The amounts paid out in respect of statutory profit-sharing for the employees concerned in France over the last three years are as follows:

Fiscal year ended 31 March *(in € million)*	**2019**	**2020**	**2021**
Employee profit sharing	0	1.3	2

(*) Including the Bombardier Transportation scope as of 2021.

Incentive plans

More than 99% of the employees of the Group's French subsidiaries benefit from an incentive plan agreement. The amounts paid under such incentive plan in respect of 2021/22 fiscal year are not yet known as of the date hereof, since such amounts depend on a series of criteria defined in agreements specific to each subsidiary whose results will be known within six months of the end of the fiscal year, *i.e.*, 30 September of each year, at the latest. The amounts paid in respect of specific incentive plans for the past three fiscal years are as follows:

Year ended 31 March *(in € million)*	**2018**	**2020**	**2021**
Employee incentive plans	18.1	20.1	27

(*) Including the Bombardier Transportation scope as of 2021.

Employee savings plan and retirement savings plan

More than 99% of the employees of the Group's French subsidiaries can invest their employee savings from profit-sharing, incentive schemes or voluntary savings in a savings plan (Group or Company Savings Plan) not invested in Company shares, or in a collective retirement savings plan (PERCO, PERCOL or PERU).

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 and a revalued matching contribution of up to €1,000 for non-executive employees and €600 for engineers and executives for €1,500 paid in during the year. Similarly, the advantages of the Company Retirement Savings Plan (Article 83) for engineers and executives have been renewed in the Single Retirement Savings Plan (PERU).

In 2021, employees of all French subsidiaries, including Bombardier Transportation, contributed €11.1 million to their savings plan and €7.9 million to their retirement savings plan. These payments to the retirement savings plans gave rise to a contribution of €2.5 million by Alstom.

Employee shareholdings within the framework or the Group savings plan

Within the Group savings plan, the Company carried out share capital increases reserved for employees who are members of a company savings plan.

These employee share purchase schemes enable employees to be even more closely involved in the Group's future through the purchase of Alstom shares under preferential terms.

The shares subscribed for by the beneficiaries are held directly or through a company mutual fund depending on the country of residence.

Subscribers in the offering must hold their shares or units for five years, unless an early release event occurs.

The latest "WE SHARE ALSTOM" operation, which closed on 26 March 2020, was successfully completed: the offer was subscribed by 8,051 employees in the 10 participating countries (Belgium, Brazil, France, Germany, India, Italy, Poland, Spain, United Kingdom and United States), *i.e.* a subscription rate of 28.7%.

As at 31 March 2022, the Group's employees and former employees hold 1.43% of the Company's capital directly or through a mutual fund.

SUMMARY STATEMENT OF TRANSACTIONS IN THE COMPANY'S SHARES BY DIRECTORS AND PERSONS MENTIONED IN ARTICLE L. 621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE DURING THE FINANCIAL YEAR 2021/22

As of 10 May 2022, the following transactions have been reported to the AMF:

Notifying person	Number and date of the decision/AMF information	Financial instrument	Type of transaction	Date of transaction	Date of receipt of the declaration	Location of the transaction	Unit price *(in € unless otherwise stated)*	Amount of the transaction *(in € unless otherwise indicated)*
MM Consulting SAS, a legal entity linked to Mr Yann Delabrière	2021DD739243 of 1 April 2021	Shares	Acquisition of 1,000 shares	31 March 2021	1 April 2021	Euronext Paris	42.52	42,520
Mr Serge Godin	2021DD739654 of 6 April 2021	Shares	Acquisition of 25 shares	31 March 2021	6 April 2021	Euronext Paris	42.68	1067
Mr Yann Delabrière	2021DD745910 of 12 May 2021	Shares	Acquisition of 1,000 shares	11 May 2021	12 May 2021	Euronext Paris	45.03	45,030
Mr Henri Poupart-Lafarge	2021DD746776 of 20 May 2021	Shares	Acquisition of 34,292 shares	19 May 2021	20 May 2021	Off the trading platform	44.57	1,528,394.44
Bouygues	2021DD758667 of 3 June 2021	Shares	Transfer of 11,000,000 shares	2 June 2021	3 June 2021	Off the trading platform	45.35	498,850,000
Mr Henri Poupart-Lafarge	2021DD758844 of 4 June 2021	Shares	Exercise of 25,004 stock options	2 June 2021	4 June 2021	Euronext Paris	21:24	531,084.96
Mr Henri Poupart-Lafarge	2021DD758844 of 4 June 2021	Shares	Transfer of 25,004 stock options	2 June 2021	4 June 2021	Euronext Paris	46.00	1,150,184
Mr Henri Poupart-Lafarge	2021DD759227 of 8 June 2021	Shares	Exercise of 7 stock options	7 June 2021	8 June 2021	Euronext Paris	21:24	148.68
Mr Henri Poupart-Lafarge	2021DD759227 of 8 June 2021	Shares	Transfer of 7 stock options	7 June 2021	8 June 2021	Euronext Paris	46.00	322.00
MM Consulting SAS legal entity linked to Mr Yann Delabrière	2021DD764070 of 19 July 2021	Shares	Acquisition of 1,000 shares	16 July 2021	19 July 2021	Euronext Paris	35.75	35,750
Mr Frank Mastiaux	2021DD768158 of 23 August 2021	Shares	Acquisition of 1,144 shares	5 August 2021	23 August 2021	Tradegate	34.63	39,616
Mr Henri Poupart-Lafarge	2021DD768386 of 25 August 2021	Stock options	Exercise of 13,041 stock options	24 August 2021	25 August 2021	Euronext Paris	21.24	276,990.84

Notifying person	Number and date of the decision/AMF information	Financial instrument	Type of transaction	Date of transaction	Date of receipt of the declaration	Location of the transaction	Unit price *(in € unless otherwise stated)*	Amount of the transaction *(in € unless otherwise indicated)*
Mr Henri Poupart-Lafarge	2021DD768386 of 25 August 2021	Stock options	Transfer of 13,041 stock options	24 August 2021	25 August 2021	Euronext Paris	36.39	474,551.56
Mr Henri Poupart-Lafarge	2021DD768569 of 27 August 2021	Shares	Transfer of 72,954 shares	25 August 2021	27 August 2021	Euronext Paris	37.27	2,718,849.67
Mr Yann Delabrière	2021DD768883 of 1 September 2021	Shares	Acquisition of 13 shares (dividend payment)	31 August 2021	1 September 2021	Euronext Paris	34.1	
Ms Clotilde Delbos	2021DD768874 of 1 September 2021	Shares	Acquisition of 13 shares	31 August 2021	1 September 2021	Euronext Paris	34.21	444.73
Caisse de Dépôt et Placement du Québec	2021DD769204 of 2 September 2021	Shares	Acquisition of 474,229 shares through dividend payment	31 August 2021	2 September 2021	Euronext Paris	34.21	16,223,374.09
Ms Sylvie Rucar	2021DD796613 of 29 October 2021	Shares	Acquisition of 15,000 shares through dividend payment	30 August 2021	29 October 2021	Euronext Paris	34.21	513,150
Mr Yann Delabrière	2021DD799344 of 22 November 2021	Shares	Acquisition of 1,000 shares	19 November 2021	22 November 2021	Euronext Paris	32.70	32,700
Mr Yann Delabrière	2021DD813207 of 21 December 2021	Shares	Transfer of 500 shares	20 December 2021	21 December 2021	Euronext Paris	28.70	14,350
Mr Yann Delabrière	2021DD813208 of 21 December 2021	Shares	Acquisition of 1,000 shares	20 December 2021	21 December 2021	Euronext Paris	28.40	28,400
MM Consulting, a legal entity linked to Mr Yann Delabrière	2022DD819679 of 4 February 2022	Shares	Acquisition of 500 shares	28 January 2022	4 February 2022	Euronext Paris	28.90	14,450
MM Consulting, a legal entity linked to Mr Yann Delabrière	2022DD820291 of 9 February 2022	Shares	Acquisition of 500 shares	7 February 2022	9 February 2022	Euronext Paris	27.25	13,625
Mr Yann Delabrière	2022DD826049 of 10 March 2022	Shares	Acquisition of 500 shares	7 March 2022	10 March 2022	Euronext Paris	16.58	8,290

Auditors' special report on regulated agreements

General Meeting to approve the accounts for the year ending 31 March 2022

To the General Meeting of Alstom SA

In our capacity as Statutory Auditors of your Company, we hereby present our report on regulated agreements.

It is our responsibility to inform you, on the basis of the information provided to us, of the characteristics, the essential terms and conditions and the reasons justifying the benefits for the Company of the agreements of which we have been informed or which we would have discovered during our mission, without having to express an opinion on their usefulness and appropriateness or to seek the existence of other agreements. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, to assess the benefits accruing from the conclusion of these agreements with a view to their approval.

In addition, it is our responsibility to provide you, where applicable, with the information required by Article R. 225-31 of the French Commercial Code relating to the execution, during the past fiscal year, of agreements already approved by the General Meeting.

We performed those procedures which we considered necessary to comply with the professional guidance issued by the national auditing body *(Compagnie nationale des Commissaires aux comptes)* relating to this assignment. These procedures consisted in verifying that the information provided to us matches the information in the relevant source documents.

AGREEMENTS SUBMITTED FOR THE APPROVAL OF THE ANNUAL GENERAL MEETING

Agreements authorised and entered into during the year

We hereby inform you that we have not been advised of any agreements authorised and concluded during the past fiscal year to be submitted to the approval of the General Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE ANNUAL GENERAL MEETING

Agreements approved during previous fiscal years

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that no agreements, already approved by the General Meeting during previous fiscal years, continued during the past fiscal year.

Signed in Paris La Défense and Neuilly-Sur-Seine, 13 May 2022

The Statutory Auditors

Mazars

Sophie Delerm

Jean-Luc Barlet

PricewaterhouseCoopers Audit

Edouard Cartier

Statutory Auditors

TITULAR STATUTORY AUDITORS

PricewaterhouseCoopers Audit

Represented by Mr Édouard Cartier

63, rue de Villiers

92200 Neuilly-sur-Seine, France

Mazars

represented by Ms Sophie Delerm and Mr Jean-Luc Barlet

61, rue Henri-Regnault

92400 Paris La Défense, France

PricewaterhouseCoopers Audit and Mazars were reappointed at the 2021 Annual General Meeting for a term of six fiscal years expiring at the end of the General Meeting called to approve the financial statements for the year ending 31 March 2027.

The decision to submit these appointments for renewal was taken by the Board of Directors upon the Audit Committee's recommendation, which was based on a certain number of considerations:

- the high quality of the work and the relationship with the teams in place;
- the knowledge acquired about Bombardier Transportation entities during the preparations for the completion of the acquisition and the need to have responsive and stable teams once the acquisition is completed in order to address any integration issues;
- the absence of account certification assignments for the Bombardier Transportation entities held by the PricewaterhouseCoopers Audit and Mazars networks, which appeared to the Committee and the Board to be a guarantee of independence;
- the reasonable level of fees compared with a range of comparable companies and the commitment taken by the Auditors to keep them stable (except in the case of an increase in inflation above 2% in some countries).

PricewaterhouseCoopers Audit and Mazars are members of the *"Compagnie régionale des Commissaires aux comptes de Versailles"*.

COMPENSATION OF THE STATUTORY AUDITORS FOR THE FISCAL YEAR 2021/2022

The Statutory Auditors' fees for 2021/22 fiscal year are described in Note 34 to the consolidated financial statements for 2021/22 fiscal year.

STATUTORY AUDIT CHARTER

In May 2016, following the Audit Committee's approval, Alstom and its Statutory Auditors formalised an Audit Charter which defines the Group's external audit process under the various applicable laws and rules. By formalising this charter, the parties officially committed themselves to complying with the charter and to achieving greater transparency and efficiency.

The main rules defined apply to the following topics:

- basis for allocating audit work and fees between both auditing firms;
- work process between the two audit firms and relationship with Alstom, notably with the Internal Audit function;
- relationship between the Statutory Auditors and the Audit Committee;
- basis for allocating assignments ancillary to the auditing duties;
- reminder of the pre-approval procedure for these assignments and of pre-approved assignments;
- reminder of prohibited assignments.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SUSTAINABLE DEVELOPMENT: CORPORATE SOCIAL RESPONSIBILITY AFR

AFR

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

VP The content relating to the Vigilance plan is identified in the summary table and in the text with the help of this pictogram.

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 CO_2 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 CO_2 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 CO_2 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: CO_2 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 CO_2 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.

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 CO_2 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.
- 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 electricaltransport. 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

- 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

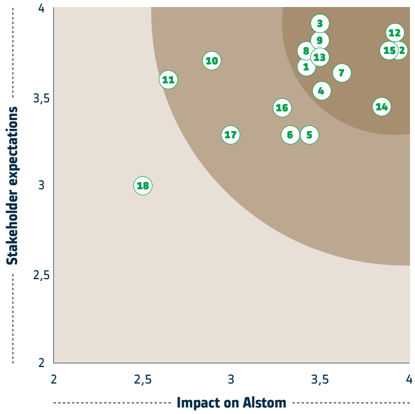
The efficiency and success of Alstom's sustainable development activity and actions depends on meeting the expectations of the Company's main stakeholders: including customers, employees, public authorities, shareholders and potential investors, and various actors within civil society.

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	• -25% energy consumption in solutions by 2025 *versus* 2014 • 100% newly-developped solutions ecodesigned by 2025 • 100% electricity from renewable sources by 2025 • 25% Recycled content in newly-developed rolling stock by 2025 • Science-based CO_2 emission reduction targets in line with the Paris Agreement	7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Caring for people	• 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	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY
Creating a positive impact on society	• 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	4 QUALITY EDUCATION 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES
Acting as a responsible business partner	• 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	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS

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 (Scope2) 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

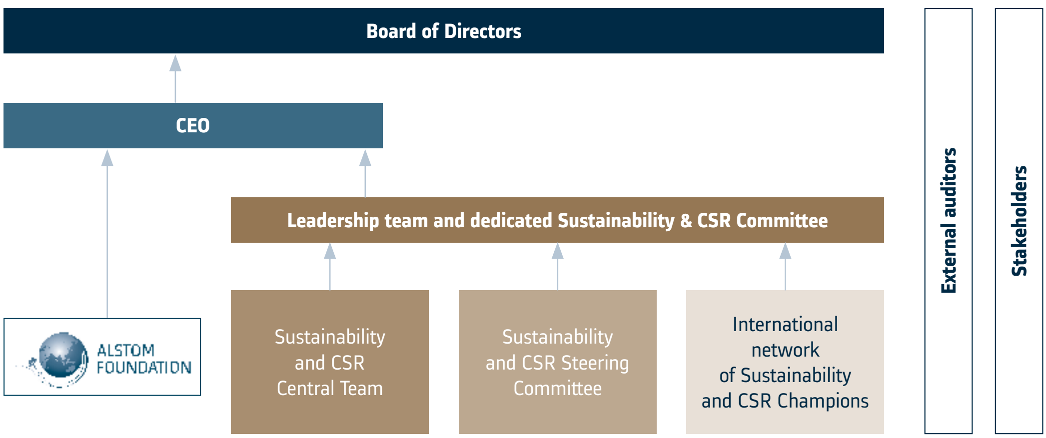
The implementation of Alstom's Sustainability and CSR policy is monitored by the Sustainability and CSR team. This Department is under the responsibility of the Chief Strategy and Innovation Officer, placing sustainable development at the heart of the organisation. Sustainable Procurement, Ecodesign, 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 Sustainalytics 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 asses 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 attractivity 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 lute 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 CO_2 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 CO_2 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 CO_2 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 CO_2 emissions generated by transport. With an already largely electrified network and some of the lowest CO_2 emissions per passenger-kilometre generated by motorised transport, the rail sector is a key player in the fight to reduce greenhouse gas (GHG) emissions.

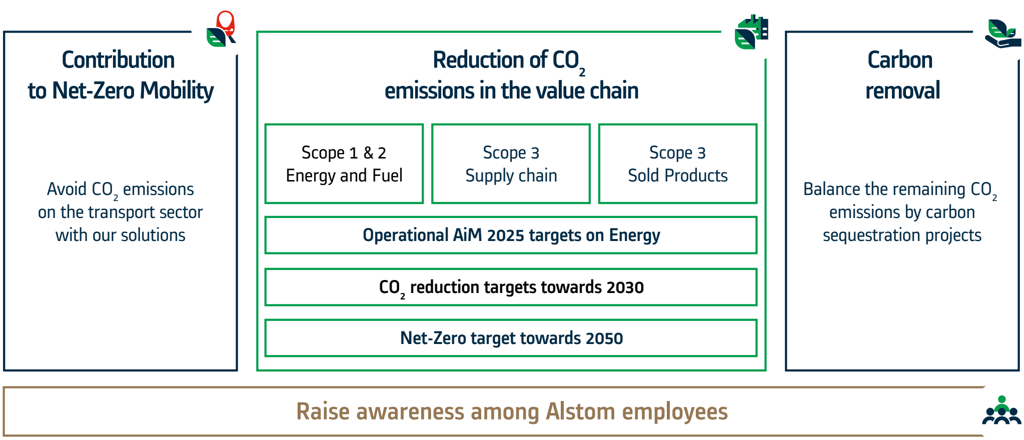
Strategy and policies

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 CO_2 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 CO_2 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 CO_2 emissions avoided by the solutions and be able to set a mid-term target on them.
- Reduction of CO_2 emissions in the value chain – For any CO_2 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) CO_2 emissions – Global Energy Review 2021 – Analysis – IEA.
(2) Transport – Topics – IEA.
(3) Transport v14.indd (bsr.org).

Today, Alstom main CO_2 emissions are covered by operational targets towards 2025 and updated midterm CO_2 emissions reduction targets which have been designed based on science towards 2030.

- Alstom intends to reduce CO_2 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 CO_2 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 CO_2 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 CO_2 reduction mid-term objectives

As part of the Bombardier Transportation integration programme, the CO_2 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 Aventra 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 (UIC) which targets, *inter alia*, to reduce average CO_2 emissions from train operations by 50% by 2030 and by 75% by 2050, compared to 1990 as a baseline year. To date, specific CO_2 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 CO_2 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 CO_2 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 gCO_2/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 gCO_2/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.

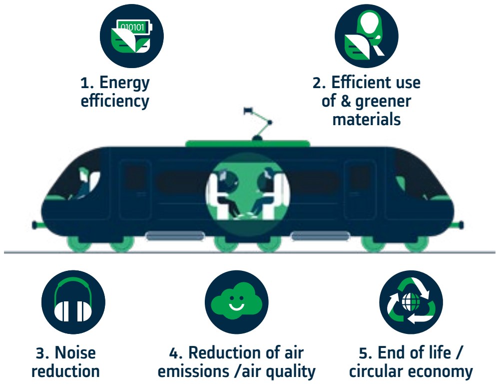
This policy, applicable to the whole Group, is embedded in its design activities as well as in its environmental management system (ISO 14001). It is promoted by the Chief Technology Officer (Chief Technology Officer), and is deployed according to the ecodesign referential, supported by a network of 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 benefitting 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 CO_2 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.

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 CO_2 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 Crespin 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.

Main results and performance indicators

DETAILS OF ENERGY CONSUMPTION

	Alstom		
(in GWh – raw values)	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.

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 kgCO_2 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)

	Alstom		
(in kilotonnes CO_2 equivalent)	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 CO_2 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 CO_2 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, CO_2 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 CO_2 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 to 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 including 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 Autralia;
- 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.

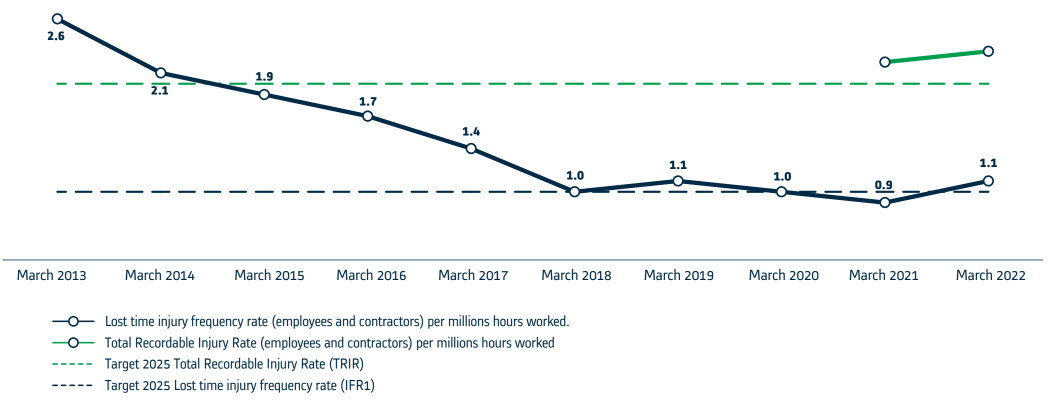
KEY PERFORMANCE INDICATORS[VP]

	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) 2025 objective: TRIR=2	/	2.4	2.5
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	1.2	0.9	1.1
Lost time injury frequency rate (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 €uros 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)

	2021/22		
Region	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 mentionned. 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 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.

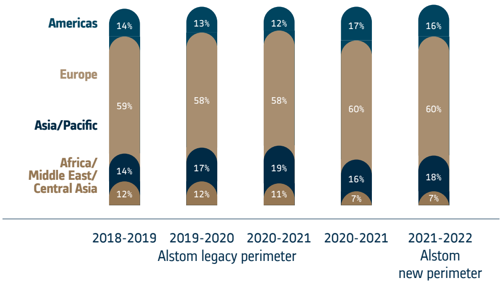
In particular, the aim is that all employees should be covered by a life insurance in case of accidental death amounting to at least two years of salary including amounts paid by the state subject to an absolute minimum of one years' salary.

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.

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.

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.

The data shows that "Medical or sick absence due to personal injury and disease" accounts for 85% of the total number of absence hours. This indicator is monitored and analysed at local level, and local initiatives around well-being are implemented to reduce the absenteeism rate.

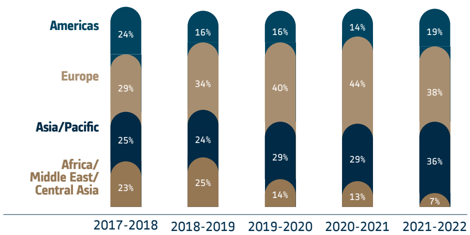
Absenteeism rate

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.

Talent acquisition indicators

Recruitment by region in 2021/22 (permanent contracts)



Source: Alstom HRIS.

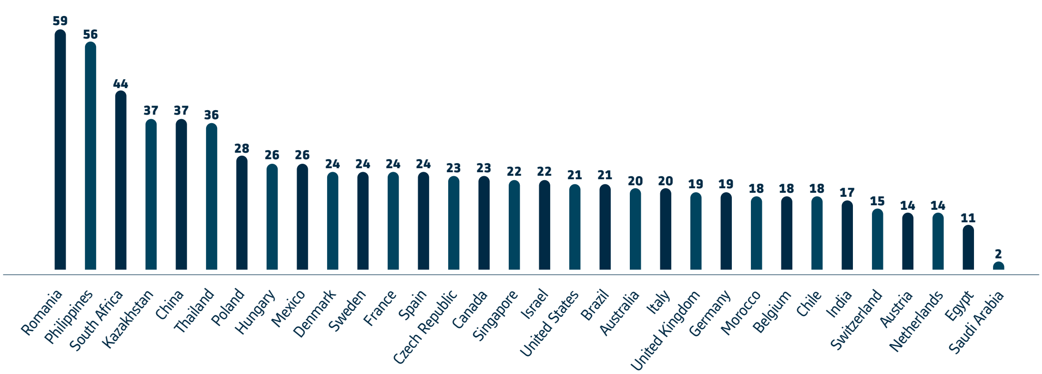
Diversity indicators

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 Instead, 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 deing 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 good & 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 Ubunye produces train components primarily for Gibela. Alstom's industrial footprint comprises two manufacturing sites near Johannesburg. The 78-hectare Gibela Dunnottar plant is a world-class hub for train manufacturing excellence in the African continent while the Alstom Ubunye 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.

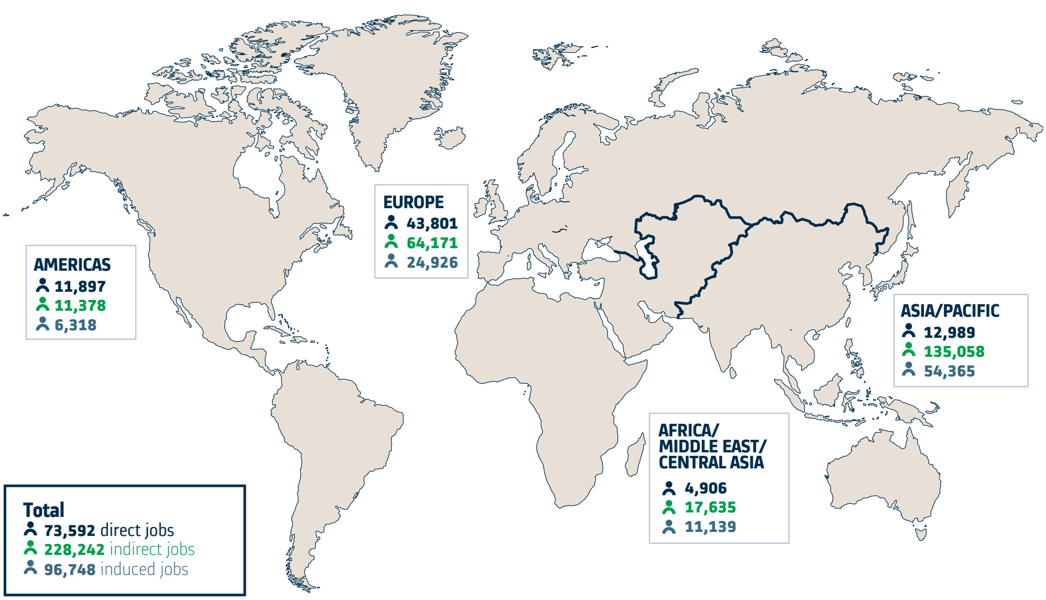
Additional trainings are provided to suppliers on sustainable procurement topics, see the chapter "Sustainable Procurement", page 303.

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
Access to energy and water	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
Environmental protection	Senegal	Participatory reforestation and green enterprises supporting community resilience in the Tocc-Tocc reserve	BirdLife International
Economic, social development & suppor	Panama	Soft and Technical Skills Training for Women in social vulnerability (CAPTA) Phase 2	Fundacion Calicanto
Economic, social development & suppor	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 shools. 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 CO_2 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).

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;
- 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).

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-learnings 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-learnings 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 CO_2 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 not 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: Railsponsible[VP]

In March 2015, Alstom, SNCF, Nederlandse Spoorwegen (NS), Deutsche Bahn and Knorr-Bremse founded "Railsponsible", 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 Railsponsible webpage: www.railsponsible.org.

In January 2017, "Railsponsible" 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 Railsponsible Committee published a position paper on climate change in April 2018.

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

- Climate Action (CO_2 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 "Railsponsible" 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

Workers in the value chain		Alstom workers	Local communities	End-users
Tiers 1 suppliers	Sub-contractors	Alstom employees	Local communities	Passengers
Tiers 2+ suppliers	Co-contractors	Temporary workers	Indigenous groups	
	Others business partners (JV, consortium)			

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, Thaïland, 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, configurated 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 though 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 reenforces 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 reenforced 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 though 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 % fall 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 commercialize, 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.

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.

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.

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 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	Pascal Baranger
Partner	Sustainable Development Director

APPENDIX: LIST OF THE INFORMATION WE CONSIDERED MOST IMPORTANT

Key performance indicators and other quantitative results:

- CO_2 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.

<table>
<tr><th></th><th>Social & Human Rights</th><th>Health & Safety</th><th>Environment</th><th>Ethics and Compliance</th></tr>
<tr><td rowspan="2">Alstom commitment</td><td colspan="4">Code of Ethics
Sustainable Procurement Policy
UN Global Compact Commitment Letter
Sustainability and CSR policy</td></tr>
<tr><td>Diversity & Inclusion Charter
Position paper on conflict minerals</td><td colspan="2">EHS Policy</td><td>Instructions on the Alert Procedure</td></tr>
<tr><td rowspan="2">Supply chain commitment</td><td colspan="4">Ethics and Sustainable Development Charter</td></tr>
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<tr><td>Governance</td><td colspan="4">Sustainable Procurement Leadership Committee
Sustainability and CSR Steering Committee
Sustainability and CSR Committee of Alstom Leadership team</td></tr>
<tr><td>Continuous improvement</td><td colspan="4">Action plans & improvement programs
Trainings and information campaigns</td></tr>
</table>

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 priorization 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: • 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 CO_2 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.

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.

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);
- 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).

CO_2 emissions related to business travels – Scope 3

	Alstom		
(in kilotonnes CO_2 eq.)	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 CO_2 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.

CO_2 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 CO_2 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 CO_2 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 CO_2 emissions, even with the integration of Bombardier Transportation. The total reported emissions in metric tons of CO_2 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 CO_2 emissions from the supply chain activities of all production sites worldwide. Comparing the CO_2 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 CO_2-friendly.

Nevertheless, the Group is continuously reinforcing its global strategy to reduce CO_2 emissions from logistics flows especially by developing a dedicated platform to easily monitor and report the CO_2 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 CO_2 emissions of the Group. The progressive deployment of the logistics flow optimizations and suppliers' engagement on the new perimeter should bring consistent reduction of CO_2 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 CO_2 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, CO_2 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, Asltom 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).

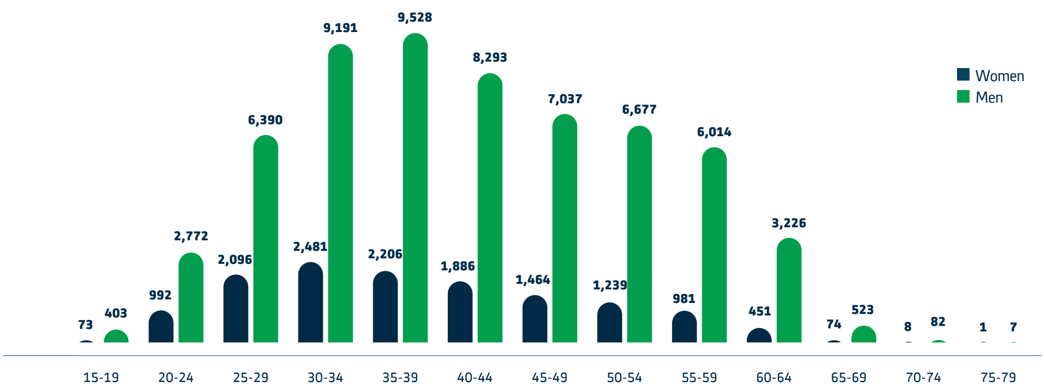
Diversity indicators

BREAKDOWN BY GENDER

At 31 March 2021				At 31 March 2022			
Men		Women		Men		Women	
Total	Total	Total	Total	Total	% of total employees	Total	% of total employees
58,275	81.3%	13,417	18.7%	60,141	81.2%	13,951	18.8%

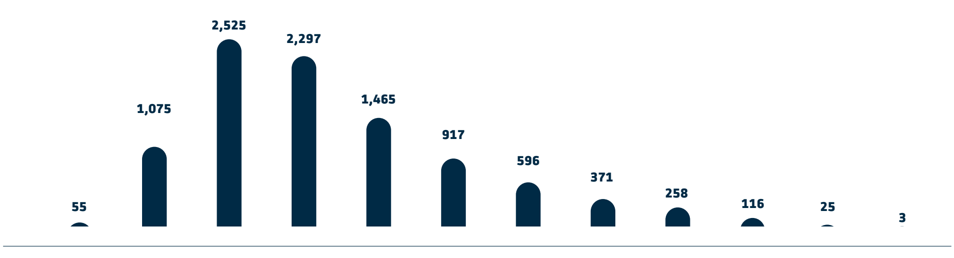
Source: Alstom HRIS.

AGE PYRAMID BY GENDER AS OF 31 MARCH 2022



Source: Alstom HRIS.

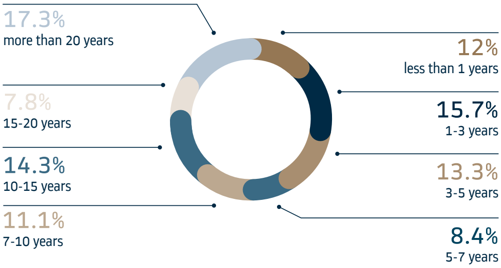
AGE PYRAMID OF NEW HIRES 2021/22 – PERMANENT CONTRACTS



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 let 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 intend to continue to frame an environment where the social aspects and employees' expectations are considered and channeled.

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 Deployment (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 CO_2 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 CO_2 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 (*Groupement 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 CO_2					
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 CO2 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 m3)*	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)*				**102.8**	**329**
Permanent contracts (CDI)	35,317	37,000	69,317		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 %)*				**102.8**	**329**
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					**329**
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				**401.1**	**330**
Hires on permanent contracts *(in numbers)*	5,703	4,802	9,703		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) *(in numbers)*	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(1) *(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(1) *(in %)*	90.2	92.3	91.3		290
Average training hours per employee(1) *(in hours/employee)*	20.1	16.6	18.0	404.1	290
Total number of training hours(1) *(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(1)	19.3	20.6	19.9	405.1	286
Proportion of employees with disabilities(1) – 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(1) *(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 (*)	GRI 2016 reference	Page
SOCIETAL INDICATORS					
Product safety					**314**
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					**306**
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 responsability (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.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2

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ADDITIONAL INFORMATION

AFR

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

Information on the Group and the parent company

BACKGROUND

The Group was created in 1989 by The General Electric Company plc ("GEC") and Alcatel, its 50-50 shareholders, with the aim of consolidating within a single group, businesses that had up to then been operated by certain of their respective subsidiaries. The joint venture was a holding company incorporated under Dutch law, GEC ALSTHOM NV. This venture, which was carried out during a time of consolidation in the energy sector, sought to benefit from complementarities in Alcatel's and GEC's respective products and markets.

At the end of 1997, the Company was listed on the Paris, New York and London Stock Exchanges and Paris was chosen as the main listing exchange and all the activities that had until then been carried out by GEC ALSTHOM NV were transferred to a French public limited company (*société anonyme*) named Alstom (previously Jotelec).

Since that date, the Group's scope of activities has changed significantly.

A significant transaction was the two-phase acquisition of ABB's power generation business: the formation of a joint venture in July 1999, followed by the purchase of ABB's share in the joint venture in May 2000. In parallel, the Group re-focused on its core business, notably by selling its Contracting activities in July 2001.

Then the Group sold its Transmission & Distribution and Marine Sectors in 2004 and 2006, respectively. In June 2010, Alstom acquired AREVA's Transmission activities, becoming the Group's Grid Sector.

Until 2014, the Group's operational activities were organised around four Sectors: Thermal Power, Renewable Power, Grid and Transport.

On 4 November 2014, Alstom's Board of Directors approved the execution of an agreement with General Electric to sell Alstom's Energy businesses, namely Power and Grid, as well as Alstom's shared and central services. This transaction was accompanied by Alstom's reinvestment of some of the sale proceeds in three joint ventures with General Electric in nuclear, grid and renewable fields, (joint ventures on which Alstom had a put option which it exercised in October 2018). In parallel and on its side, Alstom also acquired General Electric's Signalling business and entered into a global alliance in the rail sector.

The transaction was completed on 2 November 2015 after finalising the carve-out transactions relating to the Energy and Transport businesses and obtaining antitrust and regulatory authorisations.

Since that date, Alstom activities are focused on transport business and mobility more generally.

On 29 January 2021, Alstom acquired the entities of the Bombardier Inc. group's transport division (Bombardier Transportation).

IDENTITY OF THE COMPANY

LEI

96950032TUYMW11FB530

Company name and registered office

Alstom

48 rue Albert Dhalenne, 93400 Saint-Ouen-sur-Seine, France

Tel.: + 33 1 57 06 90 00

Legal form

French limited company with a Board of Directors governed in particular by the French Commercial Code.

Term

Alstom was incorporated under the name "Jotelec" on 17 November 1992 and its existence will expire on 17 November 2091, unless it is dissolved early or is extended.

Registration number

389 058 447 RCS Bobigny.

Code APE

7740Z.

SPECIAL PROVISIONS OF THE ARTICLES OF ASSOCIATION

Company object

(Article 3 of the Articles of Association)

The objects of the Company are, directly or indirectly:

- to conduct all industrial, commercial, shipping, financial, real property and asset transactions in France and abroad, notably in the following fields:
  - energy,
  - energy transmission and distribution,
  - transport,
  - industrial equipment,
  - naval construction and repair work,
  - engineering and consultancy, design and/or production studies and general contracting associated with public or private works and construction, and
  - more generally, activities related or incidental to the above;
- participation, by any means, directly or indirectly, in any operations which may be associated with its object, by the creation of new companies, capital contributions, subscription or purchase of stocks or rights, merger with such companies or otherwise, the creation, acquisition, lease or takeover of business goodwill or businesses; the adoption, acquisition, operation or sale of any processes and patents relating to such activities; and
- generally undertaking all industrial, commercial, financial and civil operations and real property and asset transactions that may be directly or indirectly associated with Alstom objects or with any similar or related object.

Furthermore, the Company can take an interest, of whatever form, in any French or foreign business or organisation.

Fiscal year

(Article 19 of the Articles of Association)

The fiscal year starts on 1 April and ends on 31 March of each year.

General Meetings

(Article 15 of the Articles of Association)

Convening and proceedings – Agenda

Ordinary and Extraordinary General Meetings, satisfying the legal conditions for quorum and majority voting, exercise the powers respectively attributed to them by the law. They are convened in accordance with the rules and the terms laid down by law.

Meetings are held at the registered office of the Company or at any other place determined by the Board, either within the "département" in which the registered office is located or in any other French territory.

The agenda of the meeting is drawn up by the Board of Directors if the Board has called the meeting and, if not, by the person calling the meeting. However, one or more shareholders satisfying the conditions laid down by law may request the inclusion of draft resolutions on the agenda. Questions not appearing on the agenda may not be deliberated.

Admission and representation

Ordinary and Extraordinary General Meetings are made up of all shareholders without distinction who are admitted and may be represented under the conditions provided for by applicable regulations; provided, however, that the Company allows shareholders to vote electronically by correspondence and that the Board of Directors can also organise, under the conditions contemplated by law, shareholder participation and voting at General Meetings *via* videoconference or any means of telecommunication that allow the shareholders to be identified.

In addition, under the conditions provided for by law, the Board of Directors may organise shareholder participation and voting at General Meetings *via* videoconference or by any means of telecommunication that makes it possible to identify the shareholders. This decision by the Board of Directors (as the case may be) is communicated in the meeting and/or convening notice. Those shareholders attending General Meetings by videoconference or by these other means are deemed to be present for the purposes of calculating the quorum and the majority.

Voting rights

Each member of the meeting is entitled to as many votes as the number of shares which he holds or represents.

At all Ordinary, Extraordinary or Special General Meetings, the voting right on shares shall, in cases where such shares are subject to usufruct, be exercisable by the usufructuary.

Following the decision of the Combined General Meeting of 28 July 2021, all provisions relating to preferred shares, which had been approved by the Combined General Meeting of 29 October 2020 as part of the acquisition of Bombardier Transportation, the terms and conditions of which were set forth in annex 1 of the Articles of Association (the "Category B Preferred Shares"), were deleted from the Articles of Association. It has also been decided to delete any reference to "Ordinary Shares" in the the Articles of Association and to replace the words "Ordinary Shares" at each occurrence with the word "Shares".

Notification of holdings exceeding certain percentages

(Article 7 of the Articles of Association)

In addition to the legal obligation to notify the Company of certain shareholding levels or voting rights, any individual or legal entity or any shareholder who holds directly or indirectly, alone or in concert pursuant to articles L. 233-10 *et seq.* of the French Commercial Code a number of shares in the Company giving a shareholding equal to or in excess of 0.5% of the total number of shares or voting rights issued must notify the Company by recorded letter with proof of receipt within five trading days of this threshold being crossed. Notification is to be repeated under the same conditions whenever a new threshold of a multiple of 0.5% of the total number of shares or voting rights is exceeded, up to and including the threshold of 50%.

To determine these thresholds, shares equivalent to the shares owned as defined by the legislative and regulatory provisions of article L. 233-7 *et seq.* of the French Commercial Code, will be taken into account.

In each of the abovementioned notifications, the declaring person must certify that the notification includes all stock held or owned in the sense of the preceding paragraph. Such notification must also state: the declarer's identity as well as that of individuals or legal entities acting in concert with him, the total number of shares or voting rights that he holds directly or indirectly, alone or in concert, the date and the source of crossing the threshold and, where applicable, the information mentioned in the third paragraph I of article L. 233-7 of the French Commercial Code.

Any shareholder whose participation in the shareholding or in voting rights falls below one of the abovementioned thresholds is also required to notify the Company within the same length of time of five trading days and by the same means.

In the event of non-observance of the above provisions and in accordance with the conditions and levels established by law, a shareholder shall lose the voting rights relating to the shares in excess of the thresholds which should have been notified, if one or more shareholders holding at least 3% of the share capital or voting rights so requires.

Identification of holders of bearer shares

(Article 7 of the Articles of Association)

The Company may, under the conditions laid down by the law from time to time, request any officially authorised organisation or intermediary to pass on all information concerning its shareholders or holders of its stock conferring an immediate or subsequent right to vote, their identity and the number of shares that they hold.

Appropriation of income

(Article 21 of the Articles of Association)

The profits for the fiscal year consist of the revenues relating to the preceding fiscal year, less overheads and other Company expenditure including provisions and depreciation allowances. At least 5% of the profit, less any previous losses, is set aside to form the legal reserve fund. This provision ceases to be mandatory once the value of the fund reaches one-tenth of the share capital.

The remainder (less the above deductions) of the retained earnings and withdrawals from the reserves which the General Meeting has at its disposal shall, if the General Meeting so desires, be distributed among the shares, once the sums carried forward by the said meeting or transferred by it to one or more reserve funds have been deducted.

After the General Meeting has approved the accounts, any losses are carried forward and offset against the profits of future fiscal years until they are discharged.

Each shareholder may be granted, at the General Meeting, for all or part of the dividend or interim dividend to be distributed, an option to be paid the dividend or interim dividends in cash or in shares of the Company, under the current legal and regulatory conditions.

The Articles of Association do not contain any provision, which may delay, postpone or prevent a change of control.

DOCUMENTS ACCESSIBLE TO THE PUBLIC

The legal documents relating to the Company and the Group, which are required to be accessible by the shareholders according to the applicable law are available for inspection at the Company's registered office and some of them, including the Articles of Association, are available on the Group's website (http://www.alstom.com/fr/), in particular in the "Investors" sections, in application of article L. 451-1-2 of the French Monetary and Financial Code. The Group's Annual Reports for the last ten fiscal years are also available on the website.

ACTIVITY OF THE PARENT COMPANY

Alstom is the holding company of the Group, and only holds the shares of the company ALSTOM Holdings. Alstom centralises a very large share of the Group's external financing and advances the funds thus obtained to its subsidiary ALSTOM Holdings through loan agreements and a current account. Fees from its indirect subsidiaries for the use of the Alstom name make up Alstom's other source of revenues. For more information, see section "Financial information – Statutory accounts – Comments on statutory accounts".

INTELLECTUAL PROPERTY

The Group owns or benefits from licenses for the use of several trademarks, patents and other intellectual property rights. All these rights contribute to the good performance of the business, but none of the licenses alone currently has a material relevance for the activities of the Group.

REAL PROPERTY

The Group carries out its activities on certain real estate over which it has rights of different types. The Group has full ownership of most of its main industrial sites.

The Group set up a leasing strategy for its offices buildings, which applies notably to the headquarters of the Group.

The gross value of land and buildings fully owned at 31 March 2022 amounted to €2,278 million.

The related depreciation amounted to €1,089 million. These amounts include neither operating leases nor rights of use on leased buildings and lands.

The Group's tangible assets are subject to costs for general maintenance and repairs required for their proper operation, and meeting legal and quality standards, including with respect to environmental, health and safety matters.

MAIN SITES (NON EXHAUSTIVE LIST)

Site references followed by an asterisk are held under lease.

Country	Site
South Africa	Johannesburg (Gibela)
	Johannesburg (Ubunye)
Germany	Braunschweig (*)
	Bautzen
	Görlitz
	Hennigsdorf
	Kassel (*)
	Mannheim
	Salzgitter
	Siegen
Algeria	Algiers (*)
Australia	Ballarat
	Dandenong (*)
	Sydney (*)
Austria	Vienna (*)
Belgium	Bruges
	Charleroi
Brazil	Sao Paulo
	Taubate
Canada	Kingston
	Montréal (*)
	La Pocatière
	St-Bruno (*)
	Thunder Bay
	Toronto – Brampton (*)
Egypt	Cairo (*)
Spain	Barcelona – Santa Perpetua
	Madrid (*)
	Trapagaran
USA	Auburn (NY)
	Grain Valley (MI)
	Hornell (NY) (*)
	Melbourne (FL) (*)
	Pittsburgh (PA)
	Plattsburg (NY)
	Rochester (NY) (*)
	Warrensburg (MI)

Country	Site
France	Aix-en-Provence (*)
	Aytré – La Rochelle
	Belfort
	Crespin
	Le Creusot
	Ornans
	Petit-Quevilly (*)
	Saint-Ouen-sur-Seine (*)
	Tarbes
	Valenciennes
	Villeurbanne (*)
	Vitrolles (*)
Hungary	Matranovak
Kazakhstan	Nur Sultan
India	Bangalore (*)
	Chennai – SriCity
	Coimbatore (*)
	Madhepura
	Savli-Baroda
Italy	Bologna (*)
	Florence (*)
	Lecco (*)
	Nola
	Roma (*)
	Savigliano
	Sesto
	Vado Ligure
Morocco	Fez (*)
Mexico	Mexico City (*)
	Sahagun
Netherlands	Ridderkerk
	Utrecht (*)
Poland	Katowice
	Wroclaw
Czech Republic	Ceska Lipa
United Kingdom	Crew
	Derby
	Manchester (*)
	Hatfield (*)
	London (*)
	Widnes
Singapore	Singapore (*)
Sweden	Motala (*)
	Vaesteras
	Stockholm (*)
Switzerland	Villeneuve
Thailand	Bangkok (*)
Turkey	Istanbul (*)

AGREEMENTS BETWEEN EXECUTIVE OFFICERS OR MAJOR SHAREHOLDERS OF THE COMPANY AND A COMPANY CONTROLLED BY THE COMPANY

(Disclosure pursuant to article L. 225-37-4 of the French Commercial Code)

None.

MAJOR CONTRACTS

The main acquisitions, disposals, partnerships, joint ventures and changes in scope of consolidation are identified in Chapter 2 "Main events of fiscal year ended 31 March 2022" of this Universal Registration Document.

DETAILS OF SHAREHOLDINGS ACQUIRED DURING THE FISCAL YEAR 2021/22

(Information pursuant to article L. 233-6 of the French Commercial Code)

The following acquisitions of equity stakes took place within Alstom's scope of consolidation at 31 March 2022:

- B&C Transit, Inc. was acquired by ALSTOM Signalling, Inc. on 2 March 2021. ALSTOM Signaling, Inc. now holds 100% of its share capital.
- ALSTOM Fleet Services B.V. (formerly RSB. B.V.) and its subsidiaries ALSTOM Vastgoed B.V., ALSTOM Fleet Maintenance B.V., ALSTOM Rail Assets B.V., ALSTOM Wagon Service B.V., ALSTOM Maintenance B.V. and ALSTOM Traction B.V. (formerly RS Vastgoed B.V., Shunter Groep B.V., RasRail B.V., Shunter Wagons B.V., Shunter B.V. and Shunter Tractie B.V.) were acquired by ALSTOM Transport B.V. on 31 March 2021. ALSTOM Transport B.V. now holds 100% of the share capital of ALSTOM Fleet Services B.V., which holds 100% of the share capital of the remaining companies ALSTOM Vastgoed B.V. and ALSTOM Traction B.V.
- ALSTOM Hydrogène SAS (formerly Areva Stockage d'Énergie) was acquired by ALSTOM Holdings on 1 April 2021. ALSTOM Holdings now holds 100% of its share capital.
- ALSTOM CL Brake SAS (formerly Financière Flertex) and its subsidiaries ALSTOM Flertex SAS, ALSTOM Flertex Sinter SAS (formerly Flertex and Flertex Sinter) and FTX Sinter were acquired by ALSTOM Holdings on 1 April 2021. ALSTOM Holdings now directly holds 100% of the share capital of ALSTOM CL Brake SAS, which holds 100% of the share capital of the remaining companies ALSTOM Flertex SAS and ALSTOM Flertex Sinter SAS.

SIGNIFICANT CHANGE IN THE FINANCIAL OR TRADING SITUATION

To the Company's knowledge and as of the date of this Universal Registration Document, and except the events indicated in Note 36 to the consolidated financial statements, no significant change in the Group's financial or trading situation has occurred since 31 March 2022, the closing date of the latest published statutory and consolidated financial statements.

FINANCIAL RATINGS

Alstom is rated by Moody's Investors Services ratings agency since May 2008. On 23 September 2016, Alstom requested Standard & Poors to withdraw all of its ratings of the Group and to cease rating it.

Agency	May 2022	May 2021	May 2020
Moody's Investors Services(*)			
Short-term rating	P-2	P-2	P-2
Long-term rating	Baa2 (negative outlook)	Baa2 (stable outlook)	Baa2 (stable outlook)

(*) Moody's Investors Service revised the long-term credit rating from Baa3 to Baa2 (stable outlook) on 10 June 2016. Outlook was changed to positive on 4 September 2019, then back to stable on 19 February 2020 and modified to negative on 12 July 2021.

LEGAL PROCEEDINGS AND ARBITRATION

The reader is invited to refer to the Note 33 of the consolidated financial statements as of 31 March 2022 for a description of the Group's main legal proceedings. With the exception of the proceedings and litigations described in this Universal Registration Document, there are no other governmental, legal or arbitration procedures, including proceedings of which the Group is aware, and which are pending or threatening, which might have, or have had during the last twelve months, a significant impact on the financial situation or profitability of the Group.

Information on the share capital

On 7 July 2008, following the decision of the Combined General Meeting of 24 June 2008 in its 16th resolution, the nominal value of the Company's shares was split in half, *i.e.* from €14 to €7. Each share of a nominal value of €14 which made up the share capital on the splitting date was automatically exchanged for two shares of a nominal value of €7 per share and entitled to the same rights as the former shares.

Since 29 January 2021, no double voting rights are attached to Alstom's shares.

At 31 March 2022, the Company's share capital amounted to €2,613,742,222 divided into 373,391,746 shares of a nominal amount of €7 per share, each of the same category and fully paid up, subsequent to the transactions carried out in the 2021/22 fiscal year (which are detailed in the table included in the "Changes in share capital" section below).

At this same date, there were 373,391,746 voting rights.

At the date hereof, the Company is not aware of pledges recorded over its securities or those of its significant subsidiaries.

FINANCIAL AUTHORISATIONS

(Disclosure pursuant to article L. 225-37-4 of the French Commercial Code)

The table below summarises the financial authorisations that are in force as 31 March 2022(*):

Nature of the delegation/authorisation	Date of the GM	Duration and maturity	Ceiling (nominal amount)	Use
Delegation of authority to decide to increase the capital by issuing ordinary shares and/or any securities giving immediate and/or future access to the share capital of the Company or a subsidiary and/or **by incorporation of premiums, reserves, profits or other items, while maintaining the preferential subscription righ** (**)	28/07/2021 (20th resolution)	26 months (27/09/2023)	Shares: €911,000,000 (approximately 35% of the capital at 30/06/2021(1) Debt securities: €1,500,000,000(2)	None
Delegation of authority to decide to increase the capital by issuing ordinary shares and/or any securities giving immediate and/or future access to the share capital of the Company or a subsidiary and/or **with cancellation of the preferential subscription right by way of a public offer** (excluding the offers referred to in item 1 of article L. 411-2 of the French Monetary and Financial Code)(**)	28/07/2021 (21st resolution)	26 months (27/09/2023)	Shares: €260,000,000(3) Debt securities: €1,000,000,000(4)	None
Delegation of authority to decide to increase the capital by issuing ordinary shares and/or any securities giving immediate and/or future access to the share capital of the Company or a subsidiary and/or **with cancellation of the preferential subscription right by means of an offer referred to in item 1 of article L. 411-2 of the French Monetary and Financial Code** (private placement)(**)	28/07/2021 (22nd resolution)	26 months (27/09/2023)	Shares: €260,000,000(3) Debt securities: €1,000,000,000(4)	None
Delegation of authority to issue shares or any securities giving immediate and/or future access to the Company's capital **as compensation for contributions in kind** consisting of shares or securities giving access to the Company's capital(**)	28/07/2021 (23rd resolution)	26 months (27/09/2023)	Shares: 10% of the capital on the day of the decision to issue(3)	None
Authorisation to **increase the amount of issues** in the event of a capital increase with or without preferential subscription rights (**)	28/07/2021 (24th resolution)	26 months (27/09/2023)	15% of the initial issue and within the limits of the ceilings set by the General Meeting(3)(4)	None
Authorisation to set **the issue price** in the event of a capital increase with cancellation of preferential subscription rights by public offer (including private placement) within the limit of 10% of the capital per year(**)	28/07/2021 (25th resolution)	26 months (27/09/2023)	(3)(4)	None
Delegation of authority to issue shares and securities giving access to the Company's capital **without preferential subscription rights in the event of a public exchange offer initiated by the Company**(**)	28/07/2021 (26th resolution)	26 months (27/09/2023)	Shares: €260,000,000(3)	None
Delegation of authority to issue shares in the Company **without preferential subscription rights following the issue by subsidiaries of securities giving access to the Company's capital** (**)	28/07/2021 (27th resolution)	26 months (27/09/2023)	Shares: €260,000,000(3)	None
Delegation of authority to increase the capital by issuing ordinary shares and/or securities giving access to the capital **with cancellation of preferential subscription rights in favour of members of a PE** (**)	28/07/2021 (15th resolution)	26 months (27/09/2023)	2% of capital on the day of the GM(5)	None
Delegation of authority to decide on a capital increase **reserved for a category of beneficiaries**(6) without preferential subscription rights(**)	28/07/2021 (16th resolution)	18 months (27/01/2023)	0.5% of capital on the day of the GM(5)	None
Authorisation to **grant free shares**	28/07/2021 (17th resolution)	26 months (27/09/2023)	5,000,000 shares (cap of 200,000 shares for grants to executive corporate officers)(7)	None

Nature of the delegation/authorisation	Date of the GM	Duration and maturity	Ceiling (nominal amount)	Use
Delegation of authority to decide on a capital increase by issuing ordinary shares of the Company **reserved for CDP Investissements Inc.** with cancellation of preferential subscription rights(**)	29/10/20 (7th resolution)	18 months (29/04/2022)	Shares: €570,000,000 (excluding adjustment)	€452,761,029 used in January 2021 - see URD 20/21 p.343
Delegation of authority to decide on a capital increase by issuing ordinary shares of the Company **reserved for Bombardier HK Holding Limited** with cancellation of the preferential subscription right(**)	29/10/20 (8th resolution)	18 months (29/04/2022)	Shares: €120,000,000 (excluding adjustment))	€80,529,043 used in January 2021 - see URD 20/21 p.343
Increase in the share capital of the Company with cancellation of the shareholders' preferential subscription rights, by **issuing Class B Preference Shares reserved for CDP Investissements Inc.**	29/10/20 (6th resolution)	The Board of Directors has indicated that it will not make use of this delegation - for more details see URD 2020/21 p.343		

(*) Excluding share buy-back programme and authorisation to cancel shares bought back by the company.
(**) Suspension during a public offer period.
(1) Ceiling common to the 17th and 20th to 27th resolutions of the GM of 28/07/2021.
(2) Ceiling common to the 20th, 21st, 22nd, 24th and 25th resolutions of the GM of 28/07/2021.
(3) Sub-ceiling common to the 21st to 27th resolutions of the GM of 28/07/2021, which is deducted from the ceiling provided for in the 20th resolution of the GM of 28/07/2021.
(4) Sub-ceiling common to the 21st, 22nd, 24th and 25th resolutions of the GM of 28/07/2021, which is deducted from the ceiling provided for in the 20th resolution of the GM of 28/07/2021.
(5) Ceiling common to the 15th and 16th resolutions of the GM of 28/07/2021.
(6) The delegation reserves the subscription to the category of beneficiaries with the following characteristics: (i) any entity held by a bank or any bank, which, at the request of the Company, participates in the implementation of a structured offer for employees and corporate officers of entities affiliated to the Company under the conditions set out in Articles L. 225-180 and L. 233-16 of the French Commercial Code, incorporated outside France; (ii) or/and employees and corporate officers of entities affiliated to the Company under the conditions set out in Articles L. 225-180 and L. 233-16 of the French Commercial Code, incorporated outside France; (iii) or/and mutual funds (OPCVM) or any other employee shareholding vehicle invested in the Company's securities, irrespective of whether it is a legal entity, and the unit-holders and shareholders of which will be the persons referred to in (ii) above.
(7) Charged against the global ceiling provided for by the 20th resolution of the GM of 28/07/2021.

It will be proposed to the 2022 Annual General Meeting to renew the share buyback authorisations and the authorisations to reduce the share capital through the cancellation of shares granted by the Annual General Meeting held on 28 July 2021. It will also be proposed to this same meeting to renew the delegations relating to employee shareholding transactions and the grant of free shares, granted by the Annual General Meeting held on 28 July 2021.

CHANGES IN SHARE CAPITAL

	Number of shares issued or cancelled	Nominal amount of share capital increase or decrease *(in €)*	Amount of the premium variation *(in €)*	Aggregate number of shares	Capital *(in €)*
31 MARCH 2017				**219,711,830**	**1,537,982,810**
Share capital increase resulting from the exercise of options and bonds redeemable in shares (ORA)[1] (30 April 2017)	36,852	257,964	593,126	219,748,682	1,538,240,774
Share capital increase resulting from the exercise of options (26 May 2017)	169,295	1,185,065	-	219,917,977	1,539,425,839
Share capital increase resulting from the exercise of options (31 May 2017)	58,629	410,403	3,941,952	219,976,606	1,539,836,242
Share capital increase resulting from the exercise of options (30 June 2017)	191,443	1,340,101	3,379,306	220,168,049	1,541,176,343
Share capital increase resulting from the exercise of options and bonds redeemable in shares (ORA)[1] (31 July 2017)	94,778	663,446	1,693,405	220,262,827	1,541,839,789
Share capital increase resulting from the exercise of options (31 August 2017)	18,565	129,955	327,952	220,281,392	1,541,969,744
Share capital increase resulting from the exercise of options and allocation of performance shares under plan LTI No. 16 (2 October 2017)	1,261,047	8,827,329	4,596,544	221,542,439	1,550,797,073
Share capital increase resulting from the exercise of options (31 October 2017)	281,790	1,972,530	5,246,061	221,824,229	1,552,769,603
Share capital increase resulting from the exercise of options and bonds redeemable in shares (ORA)[1] (30 November 2017)	51,028	357,196	916,809	221,875,257	1,553,126,799
Share capital increase resulting from the exercise of options (31 December 2017)	57,659	403,613	1,039,320	221,932,916	1,553,530,412
Share capital increase resulting from the exercise of options (31 January 2018)	212,558	1,487,906	3,758,902	222,145,474	1,555,018,318
Share capital increase resulting from the exercise of options (28 February 2018)	14,281	99,967	242,648	222,159,755	1,555,118,285
Share capital increase resulting from the exercise of options (31 March 2018)	50,716	355,012	952,813	222,210,471	1,555,473,297
31 MARCH 2018				**222,210,471**	**1,555,473,297**
Share capital increase resulting from the exercise of options and bonds redeemable in shares (ORA)[1] (30 April 2018)	8,782	61,474	144,027	222,219,253	1,555,534,771
Share capital increase resulting from the exercise of options (31 May 2018)	54,137	378,959	1,045,490	222,273,390	1,555,913,730
Share capital increase resulting from the exercise of options (6 June 2018)	23,350	163,450	-	222,296,740	1,556,077,180

	Number of shares issued or cancelled	Nominal amount of share capital increase or decrease *(in €)*	Amount of the premium variation *(in €)*	Aggregate number of shares	Capital *(in €)*
Share capital increase resulting from the exercise of options and bonds redeemable in shares (ORA)[1] (30 June 2018)	7,441	52,087	538,919	222,304,181	1,556,129,267
Share capital increase resulting from the exercise of options and bonds redeemable in shares (ORA)[1] (13 July 2018)	6	42	-	222,304,187	1,556,129,309
Share capital increase resulting from the exercise of options (31 July 2018)	12,150	85,050	245,546	222,316,337	1,556,214,359
Share capital increase resulting from the exercise of options (31 August 2018)	42,364	296,548	823,780	222,358,701	1,556,510,907
Share capital increase resulting from free share allocations not linked to performance under the "We are Alstom" plan (25 September 2018)	638,610	4,470,270	-	222,997,311	1,560,981,177
Share capital increase resulting from the exercise of options (30 September 2018)	61,057	427,399	1,085,775	223,058,368	1,561,408,576
Share capital increase resulting from the exercise of options (31 October 2018)	93,764	656,348	1,991,595	223,152,132	1,562,064,924
Share capital increase resulting from the exercise of options (30 November 2018)	103,888	727,216	2,129,657	223,256,020	1,562,792,140
Share capital increase resulting from the exercise of options (31 December 2018)	169,579	1,187,053	3,627,210	223,425,599	1,563,979,193
Share capital increase resulting from the exercise of options (31 January 2019)	26,781	187,467	451,906	223,452,380	1,564,166,660
Share capital increase resulting from the exercise of options (28 February 2019)	105,263	736,841	1,702,745	223,557,643	1,564,903,501
Share capital increase resulting from the exercise of options (31 March 2019)	14,670	102,690	244,353	223,572,313	1,565,006,191
31 MARCH 2019				**223,572,313**	**1,565,006,191**
Capital increase arising from the free grant of performance shares under the 2016 PSP plan (15 May 2019)	732,073	5,124,511	-	224,304,386	1,570,130,702
Share capital increase resulting from the exercise of options (09 July 2019)	18,546	129,822	293,681	224,322,932	1,570,260,524
Capital increase reserved for members of the Alstom Group Savings Plan and the company We Share International Employees (26 March 2020)	1,448,638	10,140,466	-	225,771,570	1,580,400,990
Capital increase arising from the exercise of options and bonds redeemable in shares (ORA)[1] and the early[2] free grant of performance shares under the 2017 PSP and 2019 PSP plans (31 March 2020)	202,212	1,415,484	48,042,195	225,973,782	1,581,816,474
31 MARCH 2020				**225,973,782**	**1,581,816,474**

	Number of shares issued or cancelled	Nominal amount of share capital increase or decrease *(in €)*	Amount of the premium variation *(in €)*	Aggregate number of shares	Capital *(in €)*
Capital increase arising from the free grant of performance shares under the 2017 PSP plan (19 May 2020)	862,298	6,036,086	-	226,836,080	1,587,852,560
Capital increase in connection with the exercise of options and redemption of bonds redeemable in shares (28 October 2020)	52,885	370,195	575,421	226,888,965	1,588,222,755
Share capital increase resulting from the exercise of options (1 December 2020)	37,889	265,223	350,184.30	226,926,854	1,588,487,978
Capital increase in cash by way of the issuance of new shares with shareholders' preferential subscription rights maintained (07 December 2020)	68,078,055	476,546,385	1,503,551,510.05	295,004,909	2,065,034,363
Capital increase reserved for CDP Investissements Inc. (29 January 2021)	64,680,147	452,761,029	2,543,747,986.67	371,189,205	2,598,324,435
Capital increase reserved for Bombardier UK Holding Ltd. (29 January 2021)	11,504,149	80,529,043			
Share capital increase resulting from the exercise of options (31 March 2021)	12,588	88,116	727,714.61	371,201,793	2,598,412,551
31 MARCH 2021				**371,201,793**	**2,598,412,551**
Capital increase arising from the free grant of performance shares under the 2018 PSP plan (19 May 2021)	698,912	4,892,384	0	371,900,705	2,603,304,935
Capital increase due to the payment of the dividend in shares and the free allocation of performance shares under the PSP 2019 plan (31 August 2021)	1,402,451	9,817,157	38,145,045.96	373,303,156	2,613,122,092
Share capital increase resulting from the exercise of options (31 March 2022)	88,590	620,130	1,261,521.60	373,391,746	2,613,742,222
31 MARCH 2022				**373,391,746**	**2,613,742,222**

(1) 2% subordinated bonds due December 2008 redeemable in Company shares.
(2) Further to the request of the heirs of a deceased beneficiary.

DISTRIBUTION OF SHARE CAPITAL

To the Company's knowledge and based on notifications received by the Company, the table below indicates the share ownership and voting rights of shareholders holding more than 5% of the Company's share capital at 31 March 2022:

	Capital at 31 March 2022			
	Number of Shares	% of capital[1]	Number of voting rights	% of voting rights[1][2]
Public	302,114,171	80.91%	302,114,171	80.91%
Caisse de Dépôt et Placement du Québec	65,367,765	17.51%	65,367,765	17.51%
Bouygues S.A.	581,441	0.16%	581,441	0.16%
Employees[3]	5,328,369	1.43%	5,328,369	1.43%
TOTAL	**373,391,746**	**100.00%**	**373,391,746**	**100.00%**

(1) % calculated based on the share capital and voting rights as of 31 March of each year and not on the basis of the share capital and voting rights on the date of the declaration.
(2) On 29 October 2020, the Special Meeting (which brought together the shareholders holding double voting rights) and the Combined General Meeting approved the elimination of the double voting rights mechanism from the Company's Articles of Association, thereby ensuring the principle of "one share, one vote" is applied to all shareholders, effective 29 January 2021.
(3) Shares held by current and former Group employees as at 31 March 2022, of which approximately 0.58% of the capital and voting rights held through a company mutual fund.
(4) Shareholders with less than 0.5% of share capital on 31 March 2020.

Capital at 31 March 2021				Capital at 31 March 2020			
Number of Shares	% of capital[(1)]	Number of voting rights	% of voting rights[(1)(2)]	Number of Shares	% of capital[(1)]	Number of voting rights	% of voting rights[(1)]
289,634,815	78.03%	289,634,815	78.03%	189,227,126	83.74%	189,846,626	72.82%
64,893,536	17.48%	64,893,536	17.48%	[(4)]	[(4)]	[(4)]	[(4)]
11,581,441	3.12%	11,581,441	3.12%	32,936,226	14.58%	65,872,452	25.27%
5,092,001	1.37%	5,092,001	1.37%	3,810,430	1.69%	4,998,058	1.92%
371,201,793	**100.00%**	**371,201,793**	**100.00%**	**225,973,782**	**100.00%**	**260,717,136**	**100.00%**

In 2021/22, the following legal ownership threshold crossings were reported:

- By letter received on 27 April 2021, BlackRock, Inc. (55 East 52nd Street, New York, 10055, United States), acting on behalf of clients and funds it manages, reported having crossed upwards on 26 April 2021 the 5% Company capital and voting rights thresholds and reported holding on behalf of such clients and funds 18,644,914 Alstom shares representing the same number of voting rights, *i.e.*, 5.02% of the share capital and voting rights.
- By letter received on 28 April 2021, BlackRock, Inc. (55 East 52nd Street, New York, 10055, United States), acting on behalf of clients and funds it manages, reported having crossed downwards on 27 April 2021 the 5% Company capital and voting rights thresholds and reported holding on behalf of such clients and funds 18,484,101 Alstom shares representing the same number of voting rights, *i.e.*, 4.98% of the share capital and voting rights.
- By letter received on 29 April 2021, BlackRock, Inc. (55 East 52nd Street, New York, 10055, United States), acting on behalf of clients and funds it manages, reported having crossed upwards on 28 April 2021 the 5% Company capital and voting rights thresholds and reported holding on behalf of such clients and funds 18,849,030 Alstom shares representing the same number of voting rights, *i.e.*, 5.08% of the share capital and voting rights.
- By letter received on 20 August 2021, BlackRock, Inc. (55 East 52nd Street, New York, 10055, United States), acting on behalf of clients and funds it manages, reported having crossed downwards on 18 August 2021 the 5% ALSTOM capital and voting rights thresholds and reported holding on behalf of such clients and funds 18,242,742 ALSTOM shares representing the same number of voting rights, i.e., 4.90% of the share capital and voting rights.
- By letter received on 24 August 2021, BlackRock, Inc. (55 East 52nd Street, New York, 10055, United States), acting on behalf of clients and funds it manages, reported having crossed upwards on 20 August 2021 the 5% ALSTOM capital and voting rights thresholds and reported holding on behalf of such clients and funds 18,740,879 ALSTOM shares representing the same number of voting rights, i.e., 5.04% of the share capital and voting rights.
- By letter received on 24 August 2021, BlackRock, Inc. (55 East 52nd Street, New York, 10055, United States), acting on behalf of clients and funds under its management1, declared that on 23 August 2021, it had fallen below the 5% ALSTOM capital and voting rights thresholds and reported holding 18,250,602 ALSTOM4 shares representing the same number of voting rights, i.e. 4.91% of the share capital and voting rights.
- By letter received on 25 October 2021, BlackRock, Inc. (55 East 52nd Street, New York, 10055, United States), acting on behalf of clients and funds it manages, reported having crossed downwards on 22 October 2021 the 5% ALSTOM capital and voting rights thresholds and reported holding on behalf of such clients and funds 18,612,131 ALSTOM shares representing the same number of voting rights, i.e., 4.98% of the share capital and voting rights.
- By letter received on 05 November 2021, BlackRock, Inc. (55 East 52nd Street, New York, 10055, United States), acting on behalf of clients and funds it manages, reported having crossed upwards on 04 November 2021 the 5% ALSTOM capital and voting rights thresholds and reported holding on behalf of such clients and funds 18,833,070 ALSTOM shares representing the same number of voting rights, i.e., 5.04% of the share capital and voting rights.
- By letter received on 09 November 2021, BlackRock, Inc. (55 East 52nd Street, New York, 10055, United States), acting on behalf of clients and funds it manages, reported having crossed downwards on 08 November 2021 the 5% ALSTOM capital and voting rights thresholds and reported holding on behalf of such clients and funds 18,564,648 ALSTOM shares representing the same number of voting rights, i.e., 4.97% of the share capital and voting rights.
- By letter received on 17 November 2021, BlackRock, Inc. (55 East 52nd Street, New York, 10055, United States), acting on behalf of clients and funds it manages, reported having crossed upwards on 16 November 2021 the 5% ALSTOM capital and voting rights thresholds and reported holding on behalf of such clients and funds 18,814,060 ALSTOM shares representing the same number of voting rights, i.e., 5.04% of the share capital and voting rights.
- By letter received on 22 November 2021, BlackRock, Inc. (55 East 52nd Street, New York, 10055, United States), acting on behalf of clients and funds it manages, reported having crossed upwards on 19 November 2021 the 5% ALSTOM capital and voting rights thresholds and reported holding on behalf of such clients and funds 18,706,239 ALSTOM shares representing the same number of voting rights, i.e., 5.01% of the share capital and voting rights.
- By notification to the AMF, BlackRock, Inc. (55 East 52nd Street, New York, 10055, United States), acting on behalf of clients and funds it manages, declared that on 19 January 2022 it had crossed upwards the 5% ALSTOM share capital and voting rights thresholds and reported holding, on behalf of the said clients and funds, 18,873,563 ALSTOM shares representing the same number of voting rights, i.e. 5.05% of the share capital and voting rights.
- By notification to the AMF, BlackRock, Inc. (55 East 52nd Street, New York, 10055, United States), acting on behalf of clients and funds it manages, declared that on 20 January 2022 it had crossed downwards the 5% ALSTOM share capital and voting rights thresholds and reported holding, on behalf of the said clients and funds, 18,607,995 ALSTOM shares representing the same number of voting rights, i.e. 4.98% of the share capital and voting rights.
- By notification to the AMF, BlackRock, Inc. (55 East 52nd Street, New York, 10055, United States), acting on behalf of clients and funds it manages, declared that on 21 January 2022 it had crossed upwards the 5% ALSTOM share capital and voting rights thresholds and reported holding, on behalf of the said clients and funds, 18,834,499 ALSTOM shares representing the same number of voting rights, i.e. 5.04% of the share capital and voting rights.
- By notification to the AMF, BlackRock, Inc. (55 East 52nd Street, New York, 10055, United States), acting on behalf of clients and funds it manages, declared that on 2 March 2022 it had crossed below the 5% ALSTOM share capital and voting rights thresholds and reported holding, on behalf of the said clients and funds, 18,401,256 ALSTOM shares representing the same number of voting rights, i.e. 4.93% of the share capital and voting rights.

To the Company's knowledge, there is no shareholders' agreement relating to the Company's capital.

To the Company's knowledge, as of 31 March 2022, 120,677 Alstom shares are held by Board Members which are legal persons, representing less than 0.03% of Alstom's share capital and voting rights at such date.

A table identifying the operations as per article L. 621-18-2 of the French Monetary and Financial Code is available in section "Corporate governance – Interest of the officers and employees in the share capital".

Alstom does not hold, directly or indirectly through companies it controls, any of its own shares.

ISSUED SECURITIES AND RIGHTS GIVING ACCESS TO THE SHARE CAPITAL

The issued securities and rights giving access to the Company's share capital are composed of:

- the rights resulting from free allocations of shares; and
- stock options to subscribe shares.

There are no securities giving rights to the Company's share capital other than the categories of securities described below.

Free allocations of shares

See sections:

- "Corporate Governance – Officer and Employee Shareholding – Stock options and performance shares plans"; and
- "Corporate governance – Interest of the officers and employees in the share capital – Allocation of free shares".

Stock options

See section "Corporate governance – Interest of the officers and employees in the share capital – Stock options and performance share plans".

POTENTIAL SHARE CAPITAL

	Total number of shares that may be issued	Corresponding share capital increase *(in €)*	% of the share capital at 31 March 2022
Shares that may be issued on the basis of performance share plans(*)	5,232,617	36,628,619	1,40

(*) Subject to satisfaction of all performance conditions. See the section entitled "Corporate Governance – Officer and Employee Shareholding – Stock options and performance share plans" and Note 30 to the Consolidated Financial Statements at 31 March 2022. Number adjusted following the cash capital increase by way of the issuance of new shares (with preferential subscription rights maintained) carried out on 7 December 2020.

SHARE BUYBACKS

(Disclosure pursuant to articles 241-1 *et seq.* of the AMF's General Regulation)

Use by the Board of Directors of the authorisation granted by the General Meeting

Pursuant to articles L. 225-209 (now L. 22-10-62) *et seq.* of the French Commercial Code, the Annual General Meeting held on 28 July 2021 authorised the Board of Directors to purchase Alstom shares on and off the stock exchange and by any means, within the limit of 5% of Alstom's share capital at 31 March 2021 (*i.e.*, a theoretical number of 18,560,089 shares), for a maximum purchase price of €60 per share (subject to adjustments tied to transactions on the share capital) for a period of 18 months after the General Meeting.

The Company did not use this authorisation during the 2021/22 fiscal year.

Presentation of the Alstom share buyback programme submitted to the 2022 Annual General Meeting for approval

Pursuant to article 241-2-I of the AMF's General Regulation, the section below constitutes the presentation of the share buyback programme that will be submitted to 2022 Annual General Meeting for approval.

Number of shares and portion of the share capital held directly or indirectly by Alstom

Alstom does not directly or indirectly hold any shares making up its share capital or any securities giving access to its share capital.

Breakdown of shares held by objective

Not applicable.

Objectives of the share buyback programme

The share buyback programme may be implemented to purchase or procure the purchase of the Company's shares, and in particular as described in the report of the Board of Directors, in view of:

- cancelling some or all of the acquired shares in accordance with the authorisation that was conferred or that is to be conferred by the Extraordinary General Meeting;
- to cover stock option plans and/or free share plans (or similar plans) for the benefit of employees and/or corporate officers of the Company, a controlled company within the meaning of article L. 233-16 of the French Commercial Code or an affiliated company within the meaning of article L. 225-180 or L. 225-197-2 of the French Commercial Code as well as all allocations of shares under a company or group savings plan (or similar plan), under the company's profit-sharing scheme and/or all other forms of allocation of shares by granting or transferring them to employees and/or corporate officers of the Company, a controlled company or an affiliated company;
- holding the shares that were purchased and subsequently selling, transferring, delivering in payment or exchanging such shares as part of any external growth transactions, a merger, spin-off or contribution, within the limit contemplated by law;
- covering securities granting rights to the allocation of Company shares within the framework of applicable regulations;
- maintaining a secondary market in, or the liquidity of, Alstom shares through an investment services provider *via* a liquidity agreement that is consistent with practice authorised by regulation; provided, however, that in this context, the number of shares taken into account to calculate the above-referenced limit corresponds to the number of shares purchased, minus the number of shares resold;
- implementing any market practice that comes to be allowed by law or the AMF and, more generally, to carry out any other transaction in accordance with applicable regulations.

The purchases, sales, transfers or exchanges of such shares may be carried out, in whole or in part, in accordance with the rules set by the relevant market authorities, on regulated markets or in privately negotiated transactions, including *via* multilateral trading facilities (MTFs) or *via* a systematic internaliser, by any means, including a block trade of securities, the use or exercise of any financial instrument, derivatives and, in particular through option transactions such as the purchase and sale of options, or by delivery of shares following the issue of securities giving access to the Company's ordinary shares by conversion, exchange, redemption or exercise of a warrant, either directly or indirectly through an investment service provider, or in any other way (without limiting the share of the buyback programme that may be carried out by any of these means), and at any time within the limits set forth by applicable laws and regulations. The portion of the programme carried out in the form of a block trade may constitute the entire programme.

However, without the General Meeting's prior authorisation, the Board of Directors may not use this authorisation during tender offers covering the Company's securities that are initiated by a third party, which restriction shall last until the end of the offering period.

Maximum portion of share capital and maximum number of shares which may be repurchased

Purchases of the Company's own shares may cover a number of shares such that, at the date of each purchase, the total number of shares purchased by the Company since the beginning of the buyback programme (including those shares subject to such buyback) does not exceed 5% of the shares that make up the Company's share capital at such date (taking into account transactions affecting the share capital subsequent to this General Meeting), *i.e.*, for illustration purposes, as of 31 March 2022, a theoretical maximum number of 18,669,587 shares with a nominal value of €7 per share and a theoretical maximum amount of approximately €840,131,415 based upon the maximum purchase price per share indicated hereafter. However, (i) the number of shares acquired by the Company to be held as treasury shares to be used at a later date as payment or in exchange in the context of an external growth transaction cannot exceed 5% of the share capital and (ii) if the shares are purchased to promote liquidity under the conditions defined by the AFM's General Regulation, the number of shares taken into account for calculating the 5% limit provided for above corresponds to the number of shares purchased, less the number of shares sold during the period of the authorisation.

Maximum purchase price

The purchase price may not exceed €45 (excluding expenses) per share (or the equivalent of such amount in other currencies at the same date). In the event of a change in the nominal value of the shares, a share capital increase through the capitalisation of reserves, a grant of free shares to shareholders or of performance shares, a stock split or reverse stock split, a distribution of reserves or of any other assets, a capital redemption or any other transactions affecting the share capital or shareholders' equity, the General Meeting delegates to the Board of Directors the power to decide to adjust the aforementioned maximum purchase price in order to take into account the impact of such transactions on the value of the shares. The total amount allocated to the share buyback programme authorised may not exceed €840,131,415.

Term

The share buyback programme shall expire at the end of a period of 18 months as from the 2022 Annual General Meeting.

Characteristics of the shares which may be purchased

Shares listed on NYSE Euronext Paris (Compartment A).

Name: Alstom.

ISIN code: FR0010220475.

Stock code: ALO.

SHARES NOT REPRESENTING CAPITAL

On 4 July 2021, the Board of Directors renewed and increased for a period of one year the delegations of authority to the Chairman and Chief Executive Officer to issue bonds, in one or more issuances, within a maximum nominal amount of €1,200,000,000.

Thus, during the 2021/22 fiscal year, the Company issued a double tranches bond on 27 July 2021:

- a first tranche (ISIN FR0014004QX4) for an aggregate amount of €500,000,000 bearing interest at 0.125% and due 27 July 2027. The issue price was 98.815%;
- a second tranche (ISIN FR0014004R72) for an aggregate amount of €700,000,000 bearing interest at 0.50% and due 27 July 2030. The issue price was 99.248%.

In the 2020/21 fiscal year, the Company had issued bonds on 11 January 2021 (ISIN FR0014001EW8) in an aggregate amount of €750,000,000 bearing interest at 0.00% and due 11 January 2029. The issue price was 98.927%.

In the 2019/20 fiscal year, the Company had issued bonds on 14 October 2019 (ISIN FR0013453040) in an aggregate amount of €700,000,000 bearing interest at 0.25% and due 14 October 2026. The issue price was 99.592%.

DIVIDENDS PAID IN THE THREE PREVIOUS FISCAL YEARS

(Disclosure pursuant to article 243 *bis* of the French Tax Code)

The fiscal year ending 31 March 2022 shows a net result of €102,051,866.58.

It will be proposed to the 2022 Annual General Meeting to pay a dividend of €0.25 per share, payable in shares or in cash. This level corresponds to a payout ratio of 35% of adjusted net profit, Group share.

A dividend policy with a dividend pay-out ratio between 25% and 35% of the adjusted net profit has been communicated during the Investors' day on 6 July 2021.

The dividends paid over the three previous fiscal years were as follows:

Fiscal year ended on:	31 March 2021	31 March 2020	31 March 2019
Dividend per share *(in €)*	€0.25	-	€5.50
TOTAL	**€92,800,448.25**	**-**	**€1,233,674,123.00**

See the section entitled "Financial Statements – Statutory Financial Statements – Appropriation of net income".

ELEMENTS LIABLE TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFERING

(Information pursuant to article L. 22-10-11 of the French Commercial Code)

Structure of the Company's share capital

A table detailing the structure of Alstom's share capital is presented in section entitled "Additional Information – Information on the share capital – Distribution of share capital".

Provisions of the Articles of Association restricting the exercise of voting rights and share transfers

There is no Articles of Association restriction other than the restriction referred to in article 7 of the Articles of Association, which provides for the loss of voting rights under certain conditions in the event of a failure to disclose to the Company the crossing of shareholding or voting rights thresholds. See the section entitled "Additional Information – Special provisions of the Articles of Association – Notification of holdings exceeding certain percentages".

Agreements of which the Company is aware in application of article L. 233-11 of the French Commercial Code

None.

Direct or indirect shareholdings in the Company

The reader is invited to refer to the section «Additional information – Information on the share capital – Distribution of share capital» which describes the share capital as at 31 March 2022 and the legal thresholds crossed during the past year.

List of holders of any security granting special control rights

None.

Control mechanisms within possible employee shareholding schemes

The rules of the Alstom company mutual fund ("FCPE Alstom") provide that voting rights are exercised by FCPE Alstom's Supervisory Board and not directly by the employees.

Therefore only the Supervisory Board would be entitled to decide on the answer to be given in case of a public offer. FCPE Alstom held 0.58% of the Company's share capital and 0.58% of its voting rights at 31 March 2022.

Shareholders' agreements that may lead to restrictions on the transfer of shares and the exercise of voting rights

To the knowledge of Alstom, there are no shareholders' agreements that may restrict the transfer of Alstom's shares and/or the exercise of Alstom's voting rights. See also section "Additional information – Information on the share capital – Distribution of share capital".

Specific rules governing the appointment and replacement of Directors, and amendments of the Company's Articles of Association

None.

Board of Directors' powers

The Annual General Meeting held on 28 July 2021 authorised the Board of Directors to carry out share buybacks within the limits set by applicable laws and regulations, except during any public offering period in respect of the Company's securities.

It will be proposed to the 2022 Annual General Meeting to renew this authorisation under the terms detailed above, excluding the use of such authorisation during any public offering period. See also the section entitled "Additional Information – Information on the share capital – Share buybacks".

Agreements that may be amended or terminated in the event of a change of control of the Company

The financing agreements, the terms of bonds issues and certain bonding programmes of the Group include change of control clauses.

Alstom's four outstanding bond issues contain change of control and ratings downgrade clauses that allows any bondholder to request the early repayment (at par) of its bonds, in whole or in part, during a specific period following the announcement of a change of control of Alstom that leads to a downgrade of Alstom's credit rating to a rating of less than Baa3 or BBB- (a non-investment grade rating).

The €2.5 billion revolving credit facility (which currently matures in January 2027) and the €1.75 billion revolving credit facility (which currently matures in January 2025) both contain a change of control clause that allows each financial institution which is a party to that agreement to demand the early repayment of its investment and to cancel its credit commitment in the event of a change of control of Alstom. Neither of these revolving facilities were drawn at 31 March 2022.

The committed bonding facility of a maximum amount of €9 billion (currently maturing in February 2024) also contains a change of control clause which may result in the program being suspended, in the obligation to procure new bonds to replace outstanding bonds or to provide cash collateral, as well as early reimbursement of the other debts of the Group, as a result of their cross-default or cross-acceleration provisions. For further information on these credit lines and facilities, see Note 32 to the consolidated financial statements.

Agreements providing indemnities to Directors or employees if they resign or are dismissed without actual and serious reason or if their employment ends due to a public offer

None. See the section entitled "Corporate governance – Report on corporate governance".

RELATIONS WITH SHAREHOLDERS

The mission of the Investor Relations team is to provide the financial community (institutional investors or financial analysts) with complete and up to date information on the financial situation of the Group, its strategy and evolution.

Stock market news

On 31 March 2022, the share price closed at €21.27 and the Group's market capitalisation stood at €7.9 billion.

Keeping investors informed

www.alstom.com/finance

The «Finance» section of the Alstom website is a free access area, specially designed for shareholders, containing all information related to the Group's financial communication: Alstom share price quotation, possibility to download the share price history, financial results, presentations, Universal Registration Documents, Reference Documents, agenda of important meetings, answers to the most frequently asked questions.

Printed copies of the Universal Registration Document can be obtained in French and English by sending a request to the Investor Relations Department.

Contacts

E-mail: investor.relations@alstomgroup.com

France: Toll free number from France – 0800 50 90 51, from Monday to Friday, from 9 am to 6 pm.

From abroad: +33 1 57 06 87 78 (call will be charged at your local operator's rate).

Alstom – Investors Relations

48, rue Albert-Dhalenne

93400 Saint-Ouen-sur-Seine

France

Director – Investor Relations: Martin Vaujour

Deputy Director – Investor Relations: Claire Lepelletier

SHARE LISTING

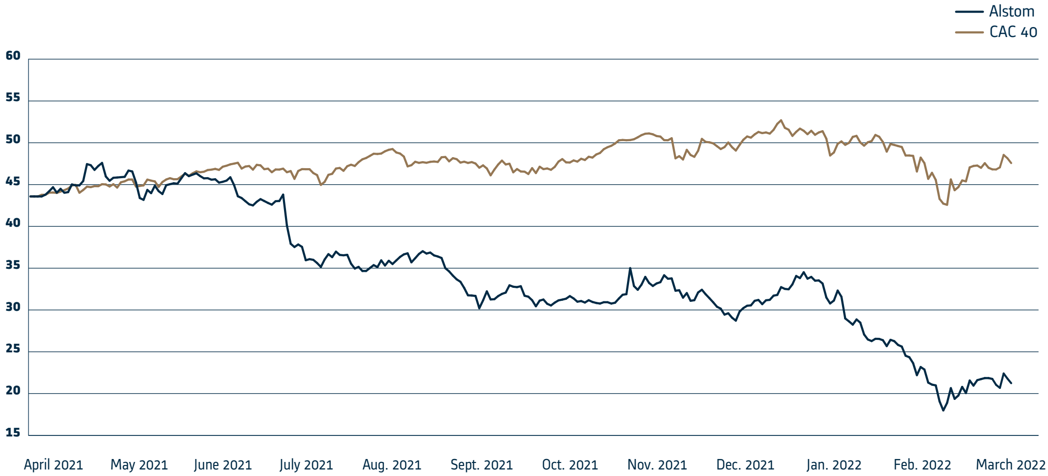
Alstom share at 31 March 2022

Listing market:	Euronext Paris
ISIN Code:	FR0010220475
Stock code:	ALO
Par value:	€7
Number of shares:	373,391,746
Stock market capitalisation:	€7,942,042,437
Main indices:	CAC 40, CAC 40 ESG, SBF 120, Euronext 100, STOXX 600

Alstom's shares have not been listed on the London Stock Exchange since 17 November 2003, or on the New York Stock Exchange since 10 August 2004.

The Company has elected not to create or otherwise sponsor an American Depositary Receipt (ADR) facility in respect of its shares. Any ADR facility currently in existence is "unsponsored" and has no ties whatsoever to the Company. This means that the Company cannot be relied upon to ensure the proper operation of such a facility or to protect the rights of ADR holders, and the Company expressly disclaims any liability or submission to jurisdiction to any courts in the United States in respect of such facility. Persons choosing to deposit Alstom shares into such a facility or to acquire ADRs issued from such a facility do so at their own risk and on the basis of their own analysis of such facility.

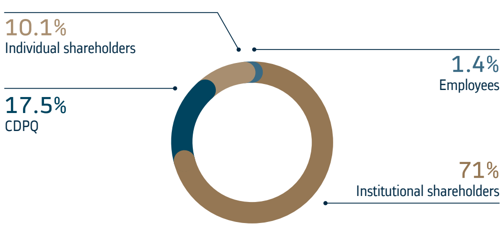
CHANGE IN SHARE PRICE *(in €)* **– APRIL 2021/MARCH 2022**



Alstom basis as of 1st April 2021: €43.57
Source: Nasdaq IR Insight

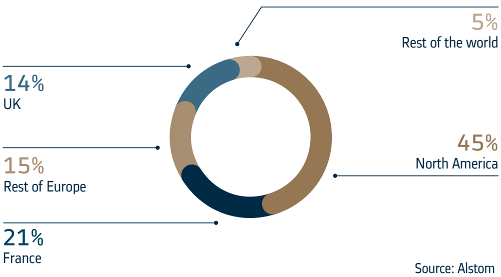
Shareholding structure

According to a shareholder study carried out by IHS Markit on 18 March 2022, adjusted by the ownership threshold notices received as of 31 March 2022, the share capital was distributed as follow:



Source: Alstom

SHAREHOLDING BY GEOGRAPHIC ZONE



Source: Alstom

Simplified organisation chart of the Group as at 31 March 2022

The full list of companies included in the scope of consolidation as of 31 March 2022 is set forth in Note 37 to the consolidated financial statements.

- **ALSTOM France**
  - 100 ALSTOM Holdings **France**
    - 100 Bombardier Transportation Belgium N.V. **Belgium**
    - 100 Bombardier Transportation Canada Inc. **Canada**
    - 60 SHANGHAI ALSTOM Transport Electrical Equipment Company Ltd. **China**
    - 100 ALSTOM Crespin SAS **France**
    - 100 ALSTOM Transport SA **France**
    - 100 ALSTOM Transport Deutschland GMBH **Germany**
      - 89.90 Bombardier Transportation GMBH **Germany**
    - 10.10 Bombardier Transportation GMBH **Germany**
      - 100 Bombardier Transportation India Private Limited **India**
      - 74 Bombardier Transportation South Africa (Pty.) Ltd. **South Africa**
      - 100 Bombardier Transportation Signal (Thailand) Ltd. **Thailand**
    - 100 ALSTOM Ferroviaria S.p.A. **Italy**
    - 100 Bombardier Transportation Italy S.p.A. **Italy**
    - 100 ALSTOM Transport Holdings B.V. **Netherlands**
      - 100 Bombardier Transportation Australia Pty Ltd. **Australia**
      - 100 ALSTOM Transport Australia Pty Limited **Australia**
      - 100 ALSTOM Belgium SA **Belgium**
      - 100 ALSTOM Transport Canada Inc. **Canada**
      - 74 Madhepura Electric Locomotive Private Limited **India**
      - 100 ALSTOM Transport India Limited **India**
      - 100 Electrovoz Kurastyru Zauyty LLP **Kazakhstan**
      - 100 ALSTOM Transport B.V. **Netherlands**
      - 70 Gibela Rail Transport Consortium (Pty) Ltd. **South Africa**
      - 100 ALSTOM Schienenfahrzeuge AG **Switzerland**
    - 100 ALSTOM Pojazdy Szynowe Sp. z o.o. **Poland**
    - 93.38 ALSTOM Transport SA **Romania**
    - 100 ALSTOM Transporte, SA **Spain**
    - 100 Bombardier Transportation Sweden AB **Sweden**
    - 100 ALSTOM Schweiz AG (ALSTOM Suisse SA) (ALSTOM Switzerland Ltd.) **Switzerland**
      - 100 Bombardier (Singapore) Pte. Ltd. **Singapore**
    - 100 Bombardier Transportation UK Ltd. **United Kingdom**
    - 100 ALSTOM Transport UK Limited **United Kingdom**
    - 100 ALSTOM Transportation Inc. **United States of America**
    - 100 ALSTOM Signaling Operation, LLC **United States of America**
    - 100 Bombardier Transit LLC **United States of America**
      - 100 Bombardier Mass Transit Corporation **United States of America**
      - 100 Bombardier Transportation (Holdings) USA Inc. **United States of America**

——— Direct owning percentage, also corresponding to the direct controlling percentage (voting rights)
……… Indirect owning percentage, also corresponding to the indirect controlling percentage (voting rights)

Information on the Universal Registration Document

INFORMATION INCLUDED BY REFERENCE

Pursuant to article 19 of EU Regulation No. 2017/1129 of 14 June 2017, the following information is included by reference in this Universal Registration Document:

- the consolidated and statutory financial statements for the fiscal year ended 31 March 2021, the Auditors' reports relating thereto and the Group's management report, as shown at pages 45 to 121, 135 to 147, 122 to 126, 148 to 151 and 29 to 42, respectively, of Universal Registration Document no. D.21-0686 filed with the AMF on 6 July 2021; and
- the consolidated and statutory financial statements for the fiscal year ended 31 March 2020, the Auditors' reports relating thereto and the Group's management report, as shown at pages 38 to 106, 111 to 125, 107 to 110, 126 to 129 and 23 to 35, respectively, of Universal Registration Document no. D.20-0508 filed with the AMF on 2 June 2020.

The sections of such documents that are not included here are either not relevant for the investor or are covered in another part of this Universal Registration Document.

PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Mr. Henri Poupart-Lafarge

Chairman & Chief Executive Officer

Alstom

DECLARATION BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

I certify that, to the best of my knowledge, the information contained in this Universal Registration Document is in accordance with the facts and contains no omission likely to affect its import.

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and all the undertakings included in the consolidation, and that the management report referred to in the reconciliation table on pages 366 to 372 of this Universal Registration Document presents a true and fair view of the development of the business, the results of operations and the financial position of the Company and all the undertakings included in the consolidation, and that it describes the main risks and uncertainties that the Company and all the undertakings mentioned in the reconciliation table are faced with.

Saint-Ouen-sur-Seine, 9 June 2022

Henri Poupart-Lafarge

Chairman & Chief Executive Officer

Annual Financial Report reconciliation table

For ease of reading, the following reconciliation table identifies, in this Universal Registration Document, the information that constitutes the Annual Financial Report that must be published by listed companies in accordance with articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the AMF's General Regulations.

Information	Pages of the Universal Registration Document
Consolidated financial statements	Pages 50 to 128
Annual financial statements	Pages 134 to 146
Management report (Minimum information within the meaning of article 222-3 of the AMF's General Regulation)	See the table of reconciliation of the management report (pages 366 to 372)
Statement by the person responsible	Page 365
Statutory Auditors' report on the consolidated financial statements	Pages 129 to 133
Statutory Auditors' report on the statutory financial statements	Pages 147 to 150

Reconciliation table – Management report (to which the report on corporate governance and the non-financial performance statement is attached)

No. and required information		Reference texts	Chapter / Pages
1.	**SITUATION AND ACTIVITY OF THE GROUP**		
1.1	Situation of the Company during the previous fiscal year and objective and exhaustive analysis of the evolution in the Company's and Group's business, results and financial situation, in particular its debt position, in view of the volume and complexity of the business	Articles L. 225-100-1, I., item 1, L. 232-1, II, L. 233-6 and L. 233-26 of the French Commercial Code	Chapter 2 / pages 32 to 41
1.2	Key financial performance indicators	Article L. 225-100-1, I., item 2 of the French Commercial Code	Chapter 2 / pages 33, pages 41 to 44
1.3	Key non-financial performance indicators relating to the Company's and Group's specific activity, in particular information relating to environmental and personnel matters	Article L. 225-100-1, I., item 2 of the French Commercial Code	Chapter 6 / pages 336 to 339
1.4	Significant events that occurred between the fiscal year closing date and the date of the Management Report	Articles L. 232-1, II. and L. 233-26 of the French Commercial Code	Chapter 2 / page 41 Chapter 3 / page 119
1.5	Main shareholders and holders of voting rights at General Meetings, and changes that occurred during the fiscal year	Article L. 233-13 of the French Commercial Code	Chapter 7 / pages 356 to 358
1.6	Existing branches	Article L. 232-1, II of the French Commercial Code	Chapter 7 / pages 347 and 348
1.7	Significant acquisitions of shares in companies with registered offices located in France	Article L. 233-6 al. 1 of the French Commercial Code	Chapter 7 / page 349
1.8	Disposals of cross-shareholdings	Articles L. 233-29, L. 233-30 and R. 233-19 of the French Commercial Code	N/A
1.9	Foreseeable changes in the Company's and Group's situation and future prospects	Articles L. 232-1, II and L. 233-26 of the French Commercial Code	Chapter 1/ page 8 pages 12 to 14
1.10	Research and development activities	Articles L. 232-1, II and L. 233-26 of the French Commercial Code	Chapter 1 / pages 25 to 28
1.11	Table setting out the Company's results for each of the last five fiscal years	Article R. 225-102 of the French Commercial Code	Chapter 3 / page 151

No. and required information		Reference texts	Chapter / Pages
1.12	Information on supplier and customer payment terms	Article D. 441-6 of the French Commercial Code	Chapter 3 / page 153
1.13	Amount of intercompany loans granted and statement from the Statutory Auditor	Articles L. 511-6 and R. 511-2-1-3 of the French Monetary and Financial Code	N/A
2.	**INTERNAL CONTROL AND RISK MANAGEMENT**		
2.1	Description of principal risks and uncertainties faced by the Company	Article L. 225-100-1, I., item 3 of the French Commercial Code	Chapter 4 / pages 157 to 178
2.2	Information about the financial risks tied to the effects of climate change and presentation of the measures the Company takes to reduce these risks by implementing a low-carbon strategy in all areas of its business	Article L. 22-10-35, item 1 of the French Commercial Code	Chapter 6 / pages 261 to 272
2.3	Principal characteristics of the internal control and risk management procedures that are put in place, by the Company and by the Group, with respect to the preparation and processing of accounting and financial information	Article L. 22-10-35, item 2 of the French Commercial Code	Chapter 4 / pages 174 to 178
2.4	Information on the objectives and policy covering each principal transaction category and on the exposure to price, credit, liquidity, and treasury risks, including the use of financial instruments	Article L. 225-100-1, item 4 of the French Commercial Code	Chapter 3 / pages 94 to 103 Chapter 4 / page 171
2.5	Anti-corruption programme	French law No. 2016-1691 dated 9 December 2016 (known as the "Sapin 2" law)	Chapter 4 / pages 169 to 170 Chapter 6 / pages 300 to 303
2.6	Vigilance plan and report on the effective implementation thereof	Article L. 225-102-4 of the French Commercial Code	Chapter 6 / pages 322 to 325
3.	**CORPORATE GOVERNANCE REPORT**		
Information on compensation			
3.1	Compensation policy applicable to corporate officers	Article L. 22-10-8, I., paragraph 2 of the French Commercial Code	Chapter 5 / pages 215 to 223
3.2	Compensation and benefits of any kind paid during the previous fiscal year or awarded in respect of such fiscal year to each corporate officer	Article L. 22-10-9, I., item 1 of the French Commercial Code	Chapter 5 / pages 223 to 226
3.3	Relative proportion of fixed and variable compensation	Article L. 22-10-9, I., item 2 of the French Commercial Code	Chapter 5 / pages 219 and 223
3.4	Use of the option to request the return of variable compensation	Article L. 22-10-9, I., item 3 of the French Commercial Code	Chapter 5 / page 220
3.5	Commitments of any kind made by the Company to the benefit of its corporate officers, corresponding to compensation, indemnities or benefits due or that are likely to be due as a result of taking office or the cessation or a change in their duties or after the exercise thereof	Article L. 22-10-9, I., item 4 of the French Commercial Code	Chapter 5 / pages 219 to 223
3.6	Remuneration paid or allocated by a company included in the scope of consolidation within the meaning of article L. 233-16 of the French Commercial Code	Article L. 22-10-9, I., item 5 of the French Commercial Code	N/A
3.7	Ratios between the compensation of each corporate officer and the average and median compensation of the Company's employees	Article L. 22-10-9, I., item 6 of the French Commercial Code	Chapter 5 / page 232
3.8	Annual change in compensation, the Company's performance, average employee compensation and the above-mentioned ratios over the five most recent fiscal years	Article L. 22-10-9, I., item 7 of the French Commercial Code	Chapter 5 / pages 232 and 233
3.9	Explanation on how overall compensation complies with the adopted compensation policy, including how it contributes to the Company's long-term performance and the way in which the performance criteria were applied	Article L. 22-10-9, I., item 8 of the French Commercial Code	Chapter 5 / pages 224 to 226
3.10	Manner in which the vote of the last Ordinary General Meeting provided for in item I of article L. 22-10-34 of the French Commercial Code was taken into account	Article L. 22-10-9, I., item 9 of the French Commercial Code	N/A
3.11	Departure from the compensation policy implementation procedure and any exemptions	Article L. 22-10-9, I., item 10 of the French Commercial Code	N/A
3.12	Application of the provisions of the second paragraph of article L. 225-45 of the French Commercial Code (suspension of payment of directors' compensation in the event of non-compliance with the Board of Directors' gender balance)	Article L. 22-10-9, I., item 11 of the French Commercial Code	N/A
3.13	Award and retention of options by the corporate officers	Article L. 225-185 of the French Commercial Code	Chapter 5 / page 221

No. and required information		Reference texts	Chapter / Pages
3.14	Award and retention of free shares to executive corporate officers	Articles L. 225-197-1 and L. 22-10-59 of the French Commercial Code	Chapter 5 / page 221
Information on governance			
3.15	List of all appointments and duties exercised in any company by each officer during the fiscal year	Article L. 225-37-4, item 1 of the French Commercial Code	Chapter 5 / pages 189 to 199
3.16	Agreements between an executive or significant shareholder and a subsidiary	Article L. 225-37-4, item 2 of the French Commercial Code	Chapter 3 / page 118
3.17	Table summarising the valid delegations regarding share capital increases granted by the General Meeting	Article L. 225-37-4, item 3 of the French Commercial Code	Chapter 7 / pages 351 and 352
3.18	Procedures for the exercise of the general management	Article L. 225-37-4, item 4 of the French Commercial Code	Chapter 5 / pages 185 and 186
3.19	Composition, preparation and organisation of the work of the Board of Directors	Article L. 22-10-10, item 1 of the French Commercial Code	Chapter 5 / pages 183; 204 to 208
3.20	Application of the principle of balanced representation of men and women on the Board of Directors	Article L. 22-10-10, item 2 of the French Commercial Code	Chapter 5 / pages 182 and 183; 187 and 188
3.21	Any limits the Board of Directors imposes on the powers of the Chief Executive Officer	Article L. 22-10-10, item 3 of the French Commercial Code	Chapter 5 / page 186
3.22	Reference to a Corporate Governance Code and application of the "comply or explain" principle	Article L. 22-10-10, item 4 of the French Commercial Code	Chapter 5 / page 235
3.23	Special terms applicable to shareholder participation in General Meetings	Article L. 22-10-10, item 5 of the French Commercial Code	Chapter 7 / page 345
3.24	Procedure for evaluating routine agreements – Implementation	Article L. 22-10-10, item 6 of the French Commercial Code	Chapter 5 page 200
3.25	Information liable to have an impact in the event of a public tender or exchange offer: • Company's capital structure; • restrictions in the Articles of Association on the exercise of voting rights and share transfers, or clauses of agreements reported to the Company in accordance with article L. 233-11; • direct or indirect holdings in the capital of the Company of which it is aware pursuant to articles L. 233-7 and L. 233-12; • list of holders of any security carrying special control rights and description of such rights; • control mechanisms provided for in any personnel shareholding system when the control rights are not exercised by the personnel; • agreements between shareholders of which the Company is aware and which can lead to restrictions on the transfer of shares and the exercise of voting rights; • rules that apply to the nomination and replacement of members of the Board of Directors and to changes in the Articles of Association; • powers of the Board of Directors, in particular as they relate to the issuance or buy backs of shares; • agreements entered into by the Company that are modified or terminate in the event of a change of control of the Company, unless this disclosure would seriously compromise the Company's interests (excluding cases where there is a legal disclosure obligation); • agreements providing for indemnities for members of the Board of Directors or employees if they resign or are terminated without a genuine and serious reason or if their employment ends due to a public tender or exchange offer.	Article L. 22-10-11 of the French Commercial Code Article L. 22-10-11 of the French Commercial Code	Chapter 7 / page 361 pages 356 and 357 pages 361 and 362
4.	**SHAREHOLDING AND CAPITAL**		
4.1	Structure, evolution of the Company's capital and crossing of shareholding thresholds	Article L. 233-13 of the French Commercial Code	Chapter 7 / pages 356 to 358
4.2	Acquisitions and disposals by the Company of its own shares	Article L. 225-211 of the French Commercial Code	Chapter 7 / pages 359 and 360
4.3	Employee shareholding status on the last day of the fiscal year (proportion of capital represented)	Article L. 225-102, paragraph 1 of the French Commercial Code	Chapter 7 / pages 356 and 357

No. and required information		Reference texts	Chapter / Pages
4.4	Indication of any adjustments for securities giving access to the capital in the event of share buy backs or financial transactions	Articles R. 228-90 and R. 228-91 of the French Commercial Code	Chapter 7 / page 359
4.5	Information about transactions in the Company's securities by executives and related persons	Article L. 621-18-2 of the French Monetary and Financial Code	Chapter 5 / pages 243 and 244
4.6	Amount of dividends distributed in respect of the three prior fiscal years	Article 243 *bis* of the French Tax Code	Chapter 7 / page 361
5.	**NON-FINANCIAL PERFORMANCE STATEMENT (NFPS)**		
5.1	Business model (or commercial model)	Articles L. 225-102-1 and R. 225-105, I of the French Commercial Code	Chapter 1 / pages 10 and 11
5.2	Description of the principal risks tied to the Company's or Group's activity, including where relevant and proportionate, risks created by business relationships, products or services	Articles L. 225-102-1 and R. 225-105, I. item 1 of the French Commercial Code	Chapter 4 / page 156 Chapter 6 / pages 257 and 258
5.3	Information on the way the Company or the Group takes social and environmental consequences into account in its activity and the effects of this activity in relation to human rights and the fight against corruption (description of policies applied and reasonable due diligence procedures carried out to prevent, identify and mitigate the principal risks tied to the Company's or Group's business)	Articles L. 225-102-1, III, R. 225-104 and R. 225-105, I. item 2 of the French Commercial Code	Chapter 6 / pages 250 to 257; 300 to 303; 307 to 309
5.4	Results of the policies applied by the Company or Group, including key performance indicators	Articles L. 225-102-1 and R. 225-105, I. item 3 of the French Commercial Code	Chapter 6 / pages 254 to 257; 336 to 339
5.5	Labour information (employment, work organisation, health and safety, labour relations, training, equal treatment)	Articles L. 225-102-1 and R. 225-105, II. A. item 1 of the French Commercial Code	Chapter 6 / pages 272 to 290; 329 to 332
5.6	Environmental information (general environmental policy, pollution, circular economy, climate change)	Articles L. 225-102-1 and R. 225-105, II. A. item 2 of the French Commercial Code	Chapter 6 / pages 261 to 272; 325 to 329
5.7	Social information (social commitments favouring sustainable development, subcontracting and suppliers, fair practices)	Articles L. 225-102-1 and R. 225-105, II. A. item 3 of the French Commercial Code	Chapter 6 / pages 290 to 307
5.8	Information regarding the fight against corruption	Articles L. 225-102-1 and R. 225-105, II. B. item 1 of the French Commercial Code	Chapter 6 / pages 300 to 303
5.9	Information relating to actions favouring human rights	Articles L. 225-102-1 and R. 225-105, II. B. item 2 of the French Commercial Code	Chapter 6 / pages 307 to 309
5.10	Specific information: • Company's policy on the prevention of risks of technological accidents; • ability of the Company to cover its civil liability resulting from the operation of such facilities with respect to goods and persons; • means provided for by the Company to ensure that victims are indemnified in the event of technological accident for which it is responsible.	Article L. 225-102-2 of the French Commercial Code	N/A
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