

**Alstom S.A.**

**Limited assurance report by one of the Statutory Auditors on a selection of social and environmental information included in the management report**

**For the year ended March 31<sup>st</sup>, 2019**



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**For the year ended March 31<sup>st</sup>, 2019**

To Alstom S.A. Chairman of the Board,

Further to your request and in our capacity as Statutory Auditor of Alstom S.A., we performed our work to express a limited assurance engagement on the selected social and environmental information included in Alstom S.A.'s 2018/19 management report.

The social information selected by Alstom S.A. is as follows:

- Total headcount as of end of March 2019, workforce breakdown by region, category and gender;
- Number of hires on permanent contracts, number of resignations and number of non-economic redundancies;
- Share of employees covered by a national collective agreement or a company agreement.

The environmental information selected by Alstom S.A. is as follows:

- Greenhouse Gas emissions related to Scope 1 & 2, including direct and indirect CO<sub>2</sub> emissions from energy consumptions and other direct CO<sub>2</sub> fugitive emissions from HFC;
- Water consumptions from public network, groundwater and surface water;
- VOCs Emissions<sup>1</sup>;
- Production of hazardous and non-hazardous waste as well as recovered hazardous and non-hazardous waste.

This information was prepared under the responsibility of the Sustainability and CSR Department in accordance with the guidelines used by the company (hereinafter the "Guidelines") made of the « Census Rules » and the « Social Survey indicator protocol » for the social information and of the « Environment, Health & Safety Reporting Manual » for the environmental information, available on request from the company's head office.

On the basis of our work, our responsibility is to express a limited assurance conclusion on the selected information; a higher level of assurance would have required us to carry out more extensive procedures. The conclusion expressed in this report only covers the selected information and not the whole CSR information included in the management report.

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<sup>1</sup> Non-methane Volatile Organic Compounds

### **Nature and scope of our work**

We performed our work in accordance with the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires Aux Comptes) relating to this engagement and with ISAE 3000 (*Assurance engagements other than audits or reviews of historical financial information*).

We performed the procedures set out below to obtain limited assurance that the selected information is prepared, in all material respects, in accordance with the Guidelines.

- We assessed the suitability of the Guidelines at Group's level in terms of their relevance, completeness, reliability, neutrality and understandability;
- We verified the implementation of data collection, compilation, processing and control process to ensure the completeness and consistency of the information, and obtained an understanding of the internal control and risk management procedures used to prepare the information.
- We performed analytical procedures on the information and checked, using sampling techniques, the calculations and the consolidation of the information. Those procedures were, among others, based on interviews with Sustainability and CSR, Human resources, Health and Safety and Environment Departments of Alstom S.A.'s, responsible for the design and the implementation of the procedures as well as for data consolidation.
- We selected a sample of entities:
  - Belfort and Le Creusot in France;
  - Bologna, Nola et Savigliano in Italia;
  - Santa Perpetua in Spain;
  - Dubai in the United Arab Emirates;
  - Ubunye in South Africa;
  - Bangalore and Sri City in India;
  - Rochester and Hornell in the United-States.
- At the level of selected entities :
  - We verified, based on interviews with people in charge of data preparation, the proper understanding and implementation of the procedures;
  - We performed tests of details, using sampling techniques, in order to check the calculations and reconcile the data with the supporting documents.

The selected Alstom S.A. entities represent 29% of the Group's headcount and 31% to 44% of the selected environmental information.

We were assisted in our work by our CSR experts.

## **Conclusion**

Based on the procedures performed, nothing has come to our attention that causes us to believe that the social and environmental information selected by Alstom S.A. is not presented fairly in accordance with the Guidelines applicable in 2019, in all material respect.

Neuilly-sur-Seine, the 6<sup>th</sup> of May 2019

One of the Statutory Auditors  
PricewaterhouseCoopers Audit

Edouard Demarcq  
Partner

Pascal Baranger  
Sustainable Development Director

**ALSTOM S.A.**

**Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial statement included in the group's management report**

**For the year ended March 31<sup>st</sup>, 2019**

*This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

**Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial statement included in the group's management report.**

**For the year ended March 31<sup>st</sup>, 2019**

To Alstom S.A. annual general meeting,

In our capacity as Statutory Auditor of Alstom S.A. (hereinafter the "entity"), appointed as an independent third party and accredited by COFRAC under number 3-1060 rév.2 (whose scope is available at [www.cofrac.fr](http://www.cofrac.fr)), we hereby report to you on the consolidated non-financial statement for the year ended... (hereinafter the "Statement"), included in the group's 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*).

**The entity's responsibility**

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, 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 said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are available on request from the company's head office.

**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 our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

**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").

However, it is not our responsibility to comment on:

- The entity's compliance with other applicable legal and regulatory provisions, in particular the French duty of care law and anti-corruption and tax evasion legislation;
- The compliance of products and services with the applicable regulations.

### **Nature and scope of our work**

The work described below was performed in accordance with the provisions of articles A. 225-1 *et seq.* of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, as well as with ISAE 3000 – *Assurance engagements other than audits or reviews of historical financial information*.

Our procedures allowed us to assess the compliance of the Statement with regulatory provisions and the fairness of the Information:

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated with their activities and the impact of these activities on compliance with human rights and anti-corruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- 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 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 thereof, including key performance indicators;
- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under article R. 225-105 II;
- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;
- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
- 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 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, 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 on a selection of contributing entities: Belfort and Le Creusot in France, Bologna, Nola et Savigliano in Italia, Santa Perpetua in Spain, Dubai in the United Arab Emirates, Ubunye in South Africa, Bangalore and Sri City in India, Rochester and Hornell in the United-States, as well as in Alstom S.A. head office for information consolidated at Group level and covers between 29% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

### **Means and resources**

Our work was carried out by a team of 6 people between September 2018 and April 2019 and took a total of 8 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted one hundred of interviews with the people responsible for preparing the Statement representing Sustainability and CSR, Marketing, Compliance, Quality, Human resources, Health and safety, Environment and Purchasing departments.

**Alstom S.A.**

**Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial statement included in the group's management report  
For the year ended March 31<sup>st</sup>, 2019  
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## **Conclusion**

Based on our work, nothing has come to our attention that causes us to believe that the non-financial statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Neuilly-sur-Seine, the 6<sup>th</sup> of May 2019

One of the Statutory Auditors  
PricewaterhouseCoopers Audit

Edouard Demarcq  
Partner

Pascal Baranger  
Sustainable Development Director

## **Appendix: List of the information we considered most important**

### Key performance indicators and other quantitative results:

- Percentage decrease of Alstom's solutions energy consumption compared to 2014;
- Number of natural catastrophes having generated more than €2 million in product damage and business interruption during the last years;
- Changes in the number of "Ecodesigned" solutions and number of standards updated;
- Changes in energy intensity, consumption of natural gas, butane, propane and other gases, domestic heating oil, steam/heat networks, electricity, heavy fuel oils and other fuels and share of electricity from renewable sources;
- Changes in the lost time injury frequency rate (employees and contractors), number of fatalities at work (Alstom employees and contractors), number of occupational severe accidents, number of occupational diseases and number of AZDP audits;
- Changes in the resignation rate for employees on permanent contracts, recruitments by region and absenteeism rate;
- Changes in the percentage of women in the workforce, managers & professionals and executives & senior managers;
- Changes in the percentage of employees who have had training, average number of training hours/employee, total number of training hours and number of employees trained;
- Changes in the percentage of people trained in E&C class and number of ISO 37001 certified regions;
- Changes in the percentage of Safety review with OK status, number of safety reviews performed during the year and participation to Railway Safety E-training;
- Changes in the purchase amount covered by the suppliers having signed the Ethics and Sustainable Development Charter, number of suppliers covered by an assessment less than 3 years old and percentage of sourcing managers who have attended sustainable sourcing training;
- Number of evaluations carried out on living and working conditions of subcontractors;
- Changes in the Net Promoter Score, number of customer satisfaction surveys and percentage of orders related to new solutions (value);
- Deployment status of the process to monitor Alstom's contribution to local development;
- Changes in the number of communities activities.

### Qualitative information (actions and results):

- Energy efficiency innovation process and development of the Grand Paris Express metro ;
- Climate change risks assessment and analysis of exposure of main project sites following Kochi accident;
- Ecodesign process and plan for refrigerants;
- Energy plan, installation of LED lightning and solar panels and supply of electricity from renewable energy sources;
- Alstom Zero Deviation Plan (AZDP);
- Talent acquisition procedure and its update, creation of employee testimonials and update of the external careers website;
- Gender equality promotion through the global framework "Tell", "Train", "Track", and implementation of the mentoring program called "WILL";
- Alstom University and implementation of the "I-learn" portal;
- Ethics trainings and launch of E&C Class training campaign;
- Safety reviews;
- Ethics and Sustainable Development Charter, audits and sustainable sourcing trainings;
- Assessment of living and working conditions of subcontractors and implementation of audits;
- Marketing Carousel, launch of the TGV 2020 and customer satisfaction surveys;
- Local sourcing and launch of projects supporting SMEs;
- Country Community Action Plans (CCAPs) and launch of projects supporting communities.