

Alstom S.A.

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

For the year ended March 31st, 2020



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 non-financial information statement¹ included in the management report.

For the year ended March 31st, 2020

To Alstom S.A. annual general meeting,

In our capacity as Statutory Auditor of your 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), we hereby report to you on the non-financial information statement for the year ended... (hereinafter the “Statement”), 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*).

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 presented in the Statement (or which are available online or on request 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;

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Société d'expertise comptable inscrite au tableau de l'ordre de Paris - Ile de France. Société de commissariat aux comptes membre de la compagnie régionale de Versailles. Société par Actions Simplifiée au capital de 2 510 460 €. Siège social : 63, rue de Villiers 92200 Neuilly-sur-Seine. RCS Nanterre 672 006 483. TVA n° FR 76 672 006 483. Siret 672 006 483 00362. Code APE 6920 Z. Bureaux : Bordeaux, Grenoble, Lille, Lyon, Marseille, Metz, Nantes, Neuilly-Sur-Seine, Nice, Poitiers, Rennes, Rouen, Strasbourg, Toulouse.

- 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 the entity’s activities, the description of the social and environmental risks associated with their activities and, where applicable, 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 : Reichshoffen, Valenciennes, CSY and HQ at Saint Ouen in France, Lecco in Italia, Ottawa, Toronto RS and Project, Sorel Tracy and Montreal in Canada, Doha in Qatar, Riyadh in Saudi Arabia, Charleroi in Belgium, Katowice in Poland, Glasgow, Midlands and Widnes in UK. Alstom S.A. head office was also audited for all information consolidated at Group level and covers between 21% 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 ressources

Our work was carried out by a team of 6 people between October 2019 and April 2020 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 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.

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Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the non-financial information 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 12th of May 2020

One of the Statutory Auditors
PricewaterhouseCoopers Audit

French original signed

Edouard Demarcq
Partner

French original signed

Pascal Baranger
Sustainable Development Director

Appendix: List of the information we considered most important

Key performance indicators and other quantitative results:

- GHG emissions related to products and services sold (Indirect GHG emissions – Scope 3);
- Percentage decrease of Alstom's solutions energy consumption compared to 2014;
- Changes in the number of natural hazards generating damages and operating losses of more than € 2 millions during the last years;
- Percentage of newly developed solutions with eco-design;
- 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;
- Top Employer Certification attribution for ALSTOM countries, 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 number of people who benefit from ALSTOM Foundation projects and local actions;
- 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;
- Changes in the number of incidents reported in the areas of child exploitation, forced labour, freedom of association from alert procedure and social survey;
- Changes in the Net Promoter Score, number of customer satisfaction surveys and percentage of orders related to new solutions (value);
- Changes in the report of any tax evasion or lack of substance by the authorities.

Qualitative information (actions and results):

- Label "Efficient Solution" from the Solar Impulse Foundation received for 2019;
- Life-cycle and environmental assessment (LCA) for Sydney Metro;
- Energy plan, use of renewable energies in Holland, Spain and Hornell;
- Notification and Return on Experience process;
- Talent acquisition procedure and its update, employee Onboarding & Induction procedure;
- Gender equality promotion through WADA Week and the mentoring program called "WILL";
- Alstom University, Challenge Accepted Program, Accelerated Leadership Programme;
- E-Ethics module related to the Code of Ethics, Alert Procedure;
- Safety reviews;
- Examples of local implementation and the ability from ALSTOM to locate its items and industrial sites in other countries or local areas (Perth, South Africa, Grand Paris Express);
- Ethics and Sustainable Development Charter, audits and sustainable sourcing trainings;
- Assessment of living and working conditions of subcontractors and implementation of audits;
- Ecovadis assessments, Railsponsible initiative, label ISO26000 for 2019 and ESC review example;
- Country Community Action Plans (CCAPs) and launch of projects supporting communities and examples from local action performed in 2019 in France, UK, Italy, Australia).

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 31st, 2020



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 31st, 2020

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 2019/20 management report.

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

- Total headcount as of end of March 2020, 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 CO₂ emissions from energy consumptions and other direct CO₂ fugitive emissions from HFC;
- Water consumptions from public network, groundwater and surface water;
- VOCs Emissions¹;
- 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.

¹ 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:
 - Reichshoffen, Valenciennes, CSY and HQ at Saint Ouen in France;
 - Lecco in Italia;
 - Ottawa, Toronto RS and Project, Sorel Tracy and Montreal in Canada;
 - Doha in Qatar;
 - Riyadh in Saudi Arabia;
 - Charleroi in Belgium;
 - Katowice in Poland;
 - Glasgow, Midlands and Widnes in UK.
- 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 21% of the Group's headcount and 26% to 41% 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 2020, in all material respect.

Neuilly-sur-Seine, the 12th of May 2020

One of the Statutory Auditors
PricewaterhouseCoopers Audit

Edouard Demarcq
Partner

Pascal Baranger
Sustainable Development Director