UNIVERSAL REGISTRATION DOCUMENT 2022/23

including the annual financial report

ALSTOM
• mobility by nature •

CONTENTS

AFR

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

UNIVERSAL REGISTRATION DOCUMENT 2022/23

INCLUDING THE ANNUAL FINANCIAL REPORT

Société anonyme with share capital €2,667,451,885.

48, rue Albert Dhalenne – 93 400 Saint-Ouen-sur-Seine (France)

RCS: 389 058 447 Bobigny

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

This Universal Registration Document has been filed on 6 June, 2023 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.

1

DESCRIPTION OF GROUP ACTIVITIES

AFR

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

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 63 countries, paired with a strong local presence allows us to be where mobility needs us most. Over 80,183 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.

At a glance

KEY FIGURES 2022/23

Orders: €20.7bn

Sales: €16.5 bn

Adjusted Ebit Margin: 5.2%

FCF: €199 bn

Scope 1+2 emissions: 179 kton

Energy consumption: 892 GWh

Taxonomy alignment on Sales: 59%

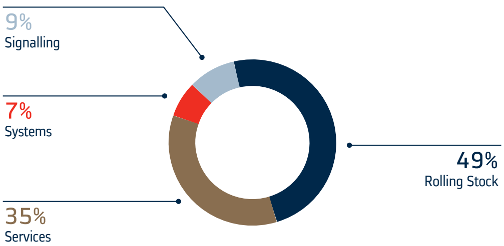
Women in Management: 23.9%

CONSOLIDATED ACCOUNTS

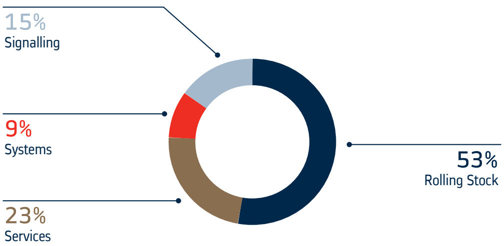
in € millions, as year ended 31 March	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Sales	7,306	7,951	8,072	8,201	8,785	15,471	16,507
Adjusted Ebit	421	514	606	630	646	767	852
Adjusted Ebit margin	5.8%	6.5%	7.5%	7.7%	7.3%	5.0%	5.2%
Free cash flow	182	128	153	206	-703	-992	199
Dividend per share	0.25	0.35	5.5	0.0	0.25	0.25	0.25

PRODUCT LINES CONTRIBUTIONS TO ORDERS AND SALES

BACKLOG 2022/23 BY PRODUCT LINES



SALES 2022/23 BY PRODUCT LINES



RATING

Alstom’s debt is rated by the rating agency Moody’s Investors Service. In 2023, the rating agency has issued a Baa3 rating with a stable outlook, confirming Alstom Investment Grade.

	Moody’s Investors Service
Long-term rating	Baa3
Outlook	Stable
Short-term rating	P-3
Last updated	2023/05/10

Message from Henri Poupart-Lafarge Chairman and Chief Executive Officer of Alstom

The market for sustainable and smart mobility solutions remains very positive with compelling growth prospects. Thanks to the resilience of our business model and to the dedication of all Alstom teams, we are emerging stronger operationally from this challenging year and remain devoted to our commitments and targets.

In 2022/23, the Group booked €20.7 bn of orders and registered €16.5 bn in sales at up 7% versus last year. The market environment remains positive with customers confirming their investment plans in all regions. Our backlog continues to grow at €87.4bn and is a sign of a good commercial momentum giving us a valuable visibility for the coming years. We registered a significant level of order intake in our Services activities worldwide.

With the acceleration in climate change awareness, countries and cities are accelerating their transition to greener mobility, and Alstom is well positioned to support this effort.

As a pure player in the mobility sector, we commit to contribute to a low carbon future by developing optimising and promoting a wide range of innovative transportation solutions that people enjoy riding.

Our strong local presence as well as long-standing relationships with our customers and their communities help us bring the right solutions to the market: mobility solutions that are reliable, safe, and sustainable. Decarbonisation is at the heart of our strategy. We are convinced that access to smarter, greener transportation can boost social equity and economic development and we make it our mission to support the transition towards sustainable transportation systems.

Our commitments toward society remain unchanged: enabling decarbonisation of mobility; caring for our people; creating a positive impact on society and acting as a responsible business partner.

The Group is reducing its own direct and indirect emissions and is working with suppliers and customers to manage the impact of products and solutions throughout the entire life cycle. We have also enlarged the perimeter of our ESG 2025 targets.

As for emissions for operations, Alstom has defined its CO_2 target to reduce emissions by 30% by 2030. Local initiatives involving optimization and investments are assessed taking into account CO_2 savings, and deployed to sustain convergence to target.

Regarding regulations, Alstom addresses the European taxonomy issue, which establishes a list of environmentally sustainable economic activities. A significant part of our business is aligned, ahead other industrials, and reflects the importance of Alstom's activities for sustainable mobility.

This year, we welcomed Jay Walder as a new member of the Alstom Board. His extensive experience in the railway industry will be an additional asset for the implementation of our Alstom in Motion strategy.

Our R&D expenses reached €519 million reflecting the Group's continuous investments in innovation towards greener and smarter mobility. A high focus is made on aerodynamic efficiency to reduce the energy consumption on our high-speed trains, on reducing the resistance of the wheels and the noise level and improving the energy consumption of 80% in curves. We also focus on onboard signalling control function for urban and mainline solutions. Our solution is a dedicated cybersecurity board with remote access for easy diagnosis and updates, enabling space and weight reduction compared to the previous generation.

We reached important milestones on autonomous driving for passenger trains, for freight transportation and shunting locos. There are still big projects underway in several countries. Let's not forget green traction, with a hydrogen-powered train completing the record distance of 1,175 km without refuelling and the first fully hydrogen route in commercial service In Germany. We are leveraging our worldwide footprint with newly developed "Innovation Stations" to bring global mobility solutions to local ecosystems and communities.

I would like to thank our 80,000 employees for this year's achievements. They are the driving force of our Alstom in Motion strategy.

Alstom is becoming more and more known and attractive, we have been recognised, for the first time, as a Global Top Employer at worldwide level. That places us among the 11 employers in the world to hold this title.

I am confident in our teams to deliver and our ability to contribute together wherever green and smart mobility is needed.

Henri Poupart-Lafarge

1.1 Presentation of Alstom Group

1.1.1 THE MAJOR MILESTONES IN THE CONSTRUCTION OF THE GROUP

Alstom Group comes from the combination of many railway pioneers, most of them created during the 19th century all over Europe and North America, as well as from significant investments all over the World, creating today a unique 21st century global rail company.

In France, Alstom is the heir of **Alsthom** (created in 1928 from the merger of **Société ALSacienne de Constructions Mécaniques** founded in 1872 with a factory in **Belfort** with French subsidiary of **THOMson-Houston Electric Company**), of the railway division of **Jeumont-Schneider** (subsidiary of Schneider & Cie, founded in 1836 in **Le Creusot**), of Compagnie Industrielle du Matériel Ferroviaire **(CIMT)** (founded in 1918 with a factory in **Valenciennes**) and Ateliers de construction du Nord de la France (**ANF**) (founded in 1882 with a factory also in Valenciennes) as well as of **Brissonneau et Lotz** (with a factory of **Aytré**, close to La Rochelle), among others.

In Germany, Alstom inherited from the railway businesses of German electric giant **AEG** (with a factory created in 1911 in **Hennigsdorf**), of automotive pioneer **Daimler-Benz** and Swedish-Swiss electric giant **ABB-Henschel** (having a factory in **Kassel** dating back to 1810) which merged their rail activities under the name **Adtranz**, as well as from **Linke-Hoffmann-Busch** (founded in 1834 in Poland then transferred to **Salzgitter** after WWII) and from other railway companies.

Through Swedish electric pioneer **Asea** (the "A" letter of ABB), Alstom took over the cradle of Swedish rail industry in **Västerås** founded at the end of the 19th century.

In Italy, Alstom is the heir of **Fiat Ferroviaria**, the railway division of Italian automotive giant **Fiat**, with sites in **Savigliano** and **Sesto**, and of the signaling department of **SASIB** (founded in 1915 in **Bologna**).

In Spain, Alstom descends from **La Maquinista Terrestre y Maritima**, with a factory founded in 1855 in Barcelona and transferred by Alstom to **Santa Perpetua**.

In the United Kingdom, **Midland Railway** which started building rolling stock in 1840 in **Derby** and further became part of **British Railways** is a parent of Alstom.

In Austria, Alstom is the heir of **Lohner Werke** (founded in 1810 in **Vienna** as a carriage-maker which turned into a tram manufacturer).

In Canada, Alstom is the heir of transport division of Quebec industrial giant **Bombardier** started to build metro trains on Alstom technology for 1976 Olympic Games in Montreal in the site of **La Pocatière** and further bought several international and local rail industry companies (e.g. **Hawker Siddeley** with its factory in **Thunder Bay**) to become a world railway leader.

In the United States, Alstom descends from two main railroads signaling actors, **General Railway Signaling (GRS)** and the signaling division of **General Electric (GE).** It is also the heir of one of the first American railroads, **New York and Erie Railroad**, founded in 1832, whose shops became Alstom **Hornell** factory.

Alstom did not only grow in Europe and Northern America, it also developed its activities on all continents.

In China, Alstom and its predecessors started to invest in joint-ventures as soon as 1986, when GRS had created the first joint-venture in the railway field called **CASCO** in Shanghai. Today Alstom has 11 joint-ventures in the country for rolling stock and components, but also for signaling and services, and is the most active foreign railway manufacturer in the country.

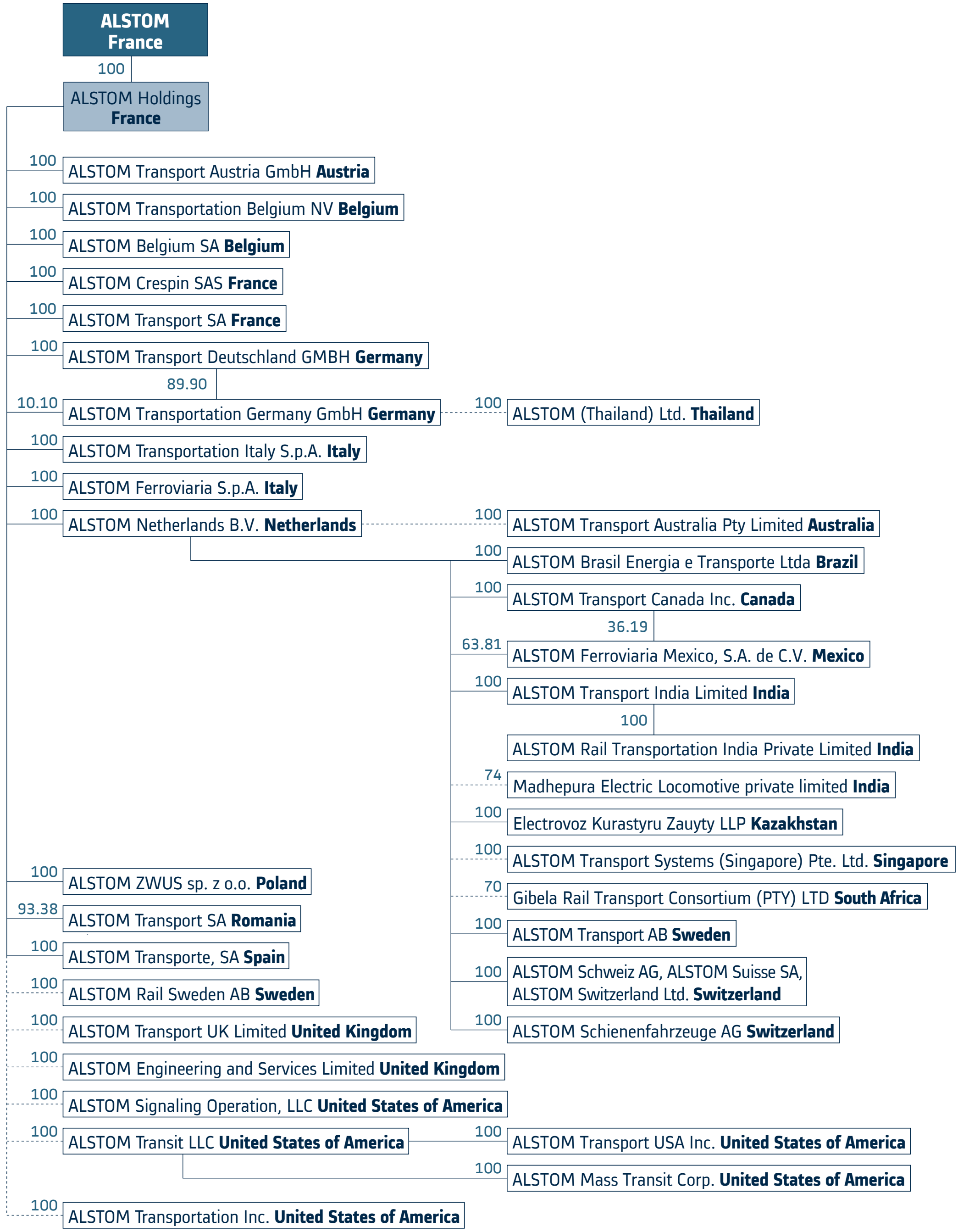
In India, Alstom and its predecessors started to invest in 2006, with Bombardier **Savli** factory to serve Delhi Metro. Today Alstom has 6 manufacturing sites in the country with 10,878 employees.

Alstom and its ancestors also invested in Central and Latin America, notably through the take-over of the main Mexican rolling stock company, Concarril (founded in 1952 in **Sahagun**) and through the construction of a new factory in 2015 in **Taubate**, Brazil.

Alstom invested on the African continent with a joint-venture in **Johannesburg**, South Africa, called Gibela to produce 600 regional trains and another joint-venture nearby, called Ubunye, to supply Gibela with rolling stock components.

1.1.2 SIMPLIFIED ORGANISATION CHART OF THE GROUP AS OF 31 MARCH 2023

The full list of companies included in the scope of consolidation as of 31 March 2023 is set forth in Note 37 to the consolidated financial statements.



Direct owning percentage, also corresponding to the direct controlling percentage (voting rights)
Indirect owning percentage, also corresponding to the indirect controlling percentage (voting rights)

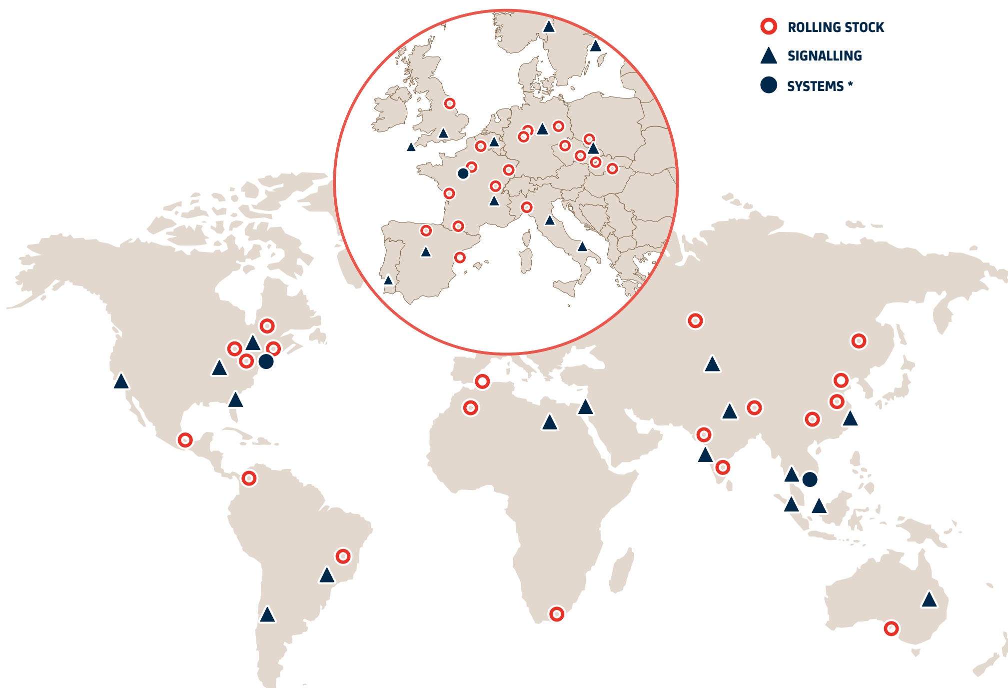
1.1.3 INDUSTRIAL FOOTPRINT

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.

In 2022/23, 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:

- Robotized carbody shell welding line began production in Barcelona achieving ~70% robotic welding utilizing automated guided vehicle movement of structural subassemblies through the welding process.
- Automated the process for insulating traction motor coils in Ornans eliminating operator repetitive motions.

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 optimizing 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.

Our key investments in digital 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;
- Augmented Reality and Virtual Reality platforms are being used for training special processes like painting & welding, as well as aesthetic design and mechanical design validations; including industrialisation and maintainability;
- Intelligent automation has been deployed globally to replace manually intensive activities such as weight calculations, automatic assembly creation, KPI calculations and visualisation;
- Advanced Validation on functional Test Means allowing early integration and validation on digitalized test benches, in order to shorten test activities on physical trains;
- Artificial Intelligence and Machine Learning have been used to explore automatic requirement identification and language translation,;
- Chatbot solutions developed to improve knowledge and access to referential material.

These initiatives are reducing our time to market and strengthening our overall quality and productivity.

We are now a 80,183 people company (to be compared with 74,100 in fiscal year 2021/22) with 175 nationalities, located in 258 sites.

EMPLOYEES AT 31 MARCH 2023

Africa/Middle East/ Central Asia	Asia-Pacific	Europe	Americas	Total
5,329	15,230	45,901	13,723	80,183

With an order book worth €87.4 billion, the Group is looking to recruit 7,500 talents worldwide since 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 9,513 people working in non-consolidated joint-ventures such as Casco and Bombardier Sifang (Qingdao) Transportation Ltd.

(1) Compared to 2014

1.2 Alstom's activities in 2022/23

1.2.1 ROLLING STOCK

Alstom is the market leading rolling stock and component supplier covering all customer needs from light rail vehicles to very high-speed trains. We are offering mobility operators and network providers products and solutions throughout the entire rail value chain. As a global market player with local reach, we are always close to our customers. With a strong focus on eco-design principles we aim of reducing adverse environmental impacts throughout the product's life cycle on all of our products. Alstom's transversal Healthier Mobility solution portfolio providing a full set of innovations for a clean and healthy passenger experience. Adapted to the changing needs of passengers, the global range serves our customers in their local context, while offering the most satisfying journey to the populations.

Key Indicators

- €10.3 bn order intake (+6%)
- €8.8 bn sales (+2%)
- 34,000+ employees
- 70 sites

Year Highlights

- Orders:
  - 18 additional BEMUs for Irish Rail boosting the Alstom fleet of green traction solution for non electrified lines
  - Alstom delivering Swedens first High speed fleet, 25 Avelia Stream for SJ, Sweden
  - Alstom strengthen it position as market leader for traction solutions by delivering traction to Kawasaki for New York City metro
- Deliveries:
  - World`s first 2 hydrogen powered fleet went into service in Germany and the iLint reached a distance record of 1,175 km
  - Start of dynamic testing of TGV-M in Velim
  - 1000th Alstom Austria tram from Vienna

1.2.1.1 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 the latest technology and innovations such as the first homologated obstacle detection assistance system or the latest catenary-free options. They were tested 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 light rail products & services provide urban & suburban transit customers and operators with best-in-class reliability and high availability. Our user-centrix approach guarantees a dedicated and enhanced experience for each passenger. The light rail orders, recently won by Alstom, will complement, and contribute to further improving sustainable development and environmental friendliness thanks to the latest fleet renewals (Gothenburg, Magdeburg, Nantes, Paris & Toronto).

This years Alstom received the largest light rail contract in Australia to deliver 100 Next Generation Trams for Melbourne in the state of Victoria.

1.2.1.2 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 the range from low to mass transit capacities, Alstom can offer optimized and tailored solution for the individual needs of its customers for new or existing networks. With a special focus on passenger experience, low noise and energy consumption, optimized lifecycle costs as well as minimized environmental impact, Alstom's Metropolis™ and Innovia™ products help cities and urban areas to grow and to serve todays and future transport needs.

Alstom won the order to design and manufacture 312 metro cars for Delhi Metro Phase IV. The new fleet will add to the 800 Alstom metro cars in service in Delhi today.

1.2.1.3 Commuter

Alstom is the market leader in the high floor railway segment with a worldwide presence. For more than 45 years Alstom has delivered over 31,000 commuter cars responding to the needs of the railway operators and passengers across all continents based on a large product portfolio in the segment. This portfolio reaches from single-deck electric and hybrid multiple units such as X'trapolis™ with over 5,900 cars or Aventra™ with over 2,600 cars, to double-decks developed for networks in USA with over 2,500 coaches and for France with over 4,500 cars. Hybrid Multiple Units with battery or hydrogen fuel-cell technology extend our portfolio of electrical vehicles and support the transformation to more sustainable mobility and decarbonisation of transport in urban areas allowing extension of commuter networks by non-electrified lines and subsequently offering the citizens a wider access to the public transport.

Our commuter solutions are thought to minimize operating costs of our business partners, while ensuring the highest level in terms of safety and availability. Offering eco-conceived products and designing trains with a focus on experience and inclusivity for all groups of passengers, are among our highest priorities.

18 additional BEMUs for Irish Rail are going to boos the Alstom fleet of green traction solution for non electrified lines.

1.2.1.4 Regional trains

With more than 30 years of experience and thousands of regional trains sold around the world, thereof more than 3900 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™ Continental is a state-of-the-art modular electric multiple unit.

The new Coradia Stream™ is a success, with the supply of more than 480 single deck trains (Regional and Intercity applications) to clients in Italy, to the Netherlands national railway operator, Romania and to Danish State Railways. This range enlarges with high capacity double-deck trains with orders by the Luxemburg's national operator, by several German public transit authorities and RENFE, Spain totalling more than 440 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.

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. Alstom is proud of it`s first 2 hydrogen train fleets went into service in 2022 in Germany. Additionally, with Coradia Stream FCMU, Alstom will deliver hydrogen trains to Italan operator FNM.

With the BEMU prototype, Alstom is the first manufacturer providing a homologated battery train (won the Berlin-Brandenburg Innovation Award in 2018) for regular passenger service. Alstom has developed and tested the battery technology until it is ready for series production. This technology will be applied on other products for example on the Coradia Continental™. In 2020, Alstom signed its first contract ever for battery powered trains (B-EMU) with VMS in Germany. The trains are based on service proven Coradia™ EMU train family.

This year Alstom received one of the largest regional platform contracts to deliver 130 Coradia Stream High Capacity electric double-deck trains including their maintenance over 30 years. The contract shows that Alstom perfectly meets the demand for sustainability, capacity, and comfort in regional transport.

1.2.1.5 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 innovative Tiltronix™ anticipative tilting technology (as an option), Avelia™ Pendolino™ can travel more rapidly through curves on conventional lines.

Avelia Stream solution was designed for peak performance through all seasons and has undergone extensive testing in winter conditions.

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%.

Combining proven technologies, Avelia Liberty™ offers flexibility and comfort with accessibility and reduced operating costs.

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.

Another proof for Alstom`s high speed market leadership is the contract with the Swedish State Railways to deliver Swedens first High speed fleet. The contract includes the delivery of 25 Avelia Stream nordic high speed trains.

1.2.1.6 Locomotives

The manufacturing of locomotives for the purpose of passenger or freight transportation is at the heart of the business activities and expertise of Alstom™. With over 5,700 locomotives sold throughout the world since the year 2000, Alstom locomotives have provided a response well adapted to operators' demands.

Alstom locomotives can cross borders and operate on many freight or revitalized passenger 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 Train Control System (ETCS). The latest generation Traxx™ 3 locomotive platform (BoBo) is one of the most innovative to enter mainly the European rail transportation market.

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) operate in Morrocco, Kazakhstan and Azerbaijan at speeds up to 200 km/h and under similar adverse conditions.

Finally, Alstom has two types of environmental-friendly shunting locomotives in its portfolio. The Alstom Prima H3™ Diesel-Battery 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 Catenary-Diesel locomotive which can be used for shunting, track works and for short-haul mainline freight services thanks to its shunting functionalities combined with the high power levels for a shunting locomotive. Further variants with green technologies such as hydrogen fuel cell are in development.

As part of Alstom`s long term partnership with Kazakhstan Railways we received an option that includes the delivery of the next generation locomotive KZ8A(NG). Overall Alstom is delivering 160 freight and 80 passenger locomotives.

1.2.1.7 Components

Alstom is the biggest global player on the market with components covering all market segments and integrating the latest proven technologies. With the widest components portfolio in the industry, Alstom offers the best systems to original equipment manufacturers (OEM), operators and asset owners, for safer and environmental-friendly travel. Its range of state-of-the-art systems and products includes bogies, motors, dampers, brake friction pair (discs and pads), switchgear, traction and auxiliary converters, transformers, green traction solutions, interiors elements, train control and information systems. In addition, Alstom's offer is completed by an extensive range of services including engineering consultancy. Alstom, as pioneer in battery & fuel-cell based traction solutions, allows catenary-free and decarbonized operations. Components are the core of Alstom's smart & innovative technologies.

Thanks to 50 years of experience and references in more than 60 countries, Alstom benefits from an unrivalled expertise in components. Its worldwide presence allows Alstom to be closer to its customers to support local manufacturing, maintenance and repairs.

Innovative ideas now transition into physical products. Namely, the revolutionaryFlexx Urban compact bogie reducing tram weight and increasing available space for passengers started production for a Light Rail Vehicle contract. Its performance will be varified during the test runs in 2023. First application of our inboard bearing bogie family Flexx ECO onto a very high-speed train continues its development.

Convergence of the portfolio is understood as continuous improvement program, reducing variations thus enabling application of same parts onto a wider product range generating cost benefits and reducing complexity.

Integration of damper products of Alstom's Dispen(TM) unit continues, leveraging additional sales volume and after sales business.

1.2.2 SERVICES

Alstom leverages its OEM, maintainer and operator expertise in an extensive portfolio of services solutions covering the whole asset lifecycle, from design to build, to operation and end of life. Driven by customer and passenger satisfaction and committed to sustainable mobility, Alstom continuously strives to optimise fleet availability and performance by reducing costs, energy consumption and environmental footprint. Alstom Services solutions are delivered by our global network of experts located in 258 sites in over 40 countries.

Key indicators

- €6.4 bn orders (+52%)
- €3.8 bn sales (+12%)
- 16,000+ employees
- 258 sites

Year Highlights

- Orders:
  - 30-year maintenance contract for 130 Coradia Stream regional trains with SFBW (Germany)
  - 25-year maintenance contract for 100 new generation KZ8A locomotives with Kazakhstan Railways (Kazakhstan)
- Deliveries:
  - Contract break point removal in 32-year maintenance contract with Crossrail (United Kingdom)
  - Operation and maintenance contract extensions in Newark (USA) Monorail (7 years), and Jeddah (Saudi Arabia) APM (5 years)

1.2.2.1 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. Long term partner to our customers with more than 50 contracts above 20 years, Alstom maintains and optimises the lifecycle costs of over 35,500 vehicles worldwide, covering the full range of 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 (TSSSA), 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 and advanced maintenance analytics, our rolling stock maintenance activities, maximise asset availability, performance and reliability.

Several long-term maintenance contracts were signed this year, the longest being 30-year full maintenance of 130 Coradia Stream for SFBW in Germany.

1.2.2.2 Digital Solutions

Alstom's portfolio of digital solutions for maintainers and operators enables end-to-end optimisation of asset availability and reliability, whilst increasing efficiency and providing our customers the right level of expertise to deliver world-class rail services.

Our digital solutions offering includes:

- digital maintenance solutions such as HealthHub™ using powerful advanced analytics and define efficient maintenance interventions;
- digital operations solutions, supporting operators with passenger security and fleet operations via wayside function;
- extended reality solutions enabling training and real time support for product introduction, train operation and maintenance activities, anytime, anywhere;
- Alstom Customer Portal supporting responsive digital customer relationship management, offering our customers a single entry point to our digital solutions.

This year, our virtual reality training solutions, including state-of-the-art driving simulators, attracted 20 new customers.

1.2.2.3 Train Operations & System Maintenance

As train manufacturer, operator and maintainer, Alstom offers efficient, innovative, and integrated solutions where performance optimisation and passenger experience is key. Our train operations & system maintenance offering covers the full spectrum of customer needs. Further utilising our turnkey capability to maximise value during greenfield projects or brownfield upgrades.

We operate and maintain all fleet types and segments, including Alstom and non-Alstom rolling stock and system assets, in manually driven and fully automatic environments.

With over 50 projects currently in service, we have established long-term collaborations with many of our customers, some spanning over 30 years. We ensure that our customers gain the maximum value from their assets and enable system availability over 99%. Our efficient interface management provides seamless coordination between partners, third-party maintainers and operators, regulatory agencies and more.

Building on long-standing collaboration dating back to 2012, Alstom was awarded an operation and maintenance contract by the Maryland Transit Administration (USA) totaling up to fifteen years.

1.2.2.4 Parts and Component Overhauls

Alstom provides flexible and sustainable parts supply, component repair and overhaul solutions to keep fleets running safely and reliably for the long run. We offer a single-entry point to the largest supplier pane, and quick and efficient local support. Our worldwide network of over 50 repair centres and eight dedicated Components Services Centres for key subsystems (bogies, brakes, traction, TCMS, etc.) deliver overhauls and specific repairs.

Our digital solutions such as our Customer Portal and our rail marketplace StationOne™ allow seamless ordering and shortest delivery lead time.

A Technical Support and Spares Supply Agreement (TSSSA) contract was signed with our long-term customer Govia Thameslink Railway (United Kingdom) for a total fleet of 1,210 cars (Class 377 and Class 387 Electrostar™).

1.2.2.5 Asset Life Management

Alstom's Life, Green and Smart modernisation solutions address a wide range of customer needs such as minimising lifecycle cost, reducing environmental impact, and enhancing passenger comfort and train performance.

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

We leverage, for instance, digital services for smart modernisation offering, or 3D printing for rapid prototyping and repair. Our services include also a full range of solutions to mitigate and manage obsolescence to ensure that the expected asset life duration is reached.

This year, Alstom was awarded contract by Metroselskabet for the mid-life modernisation of 34 driverless metro trains in Copenhagen (Denmark) which will extend the lifetime of the metro fleet by 10 years.

Green modernisation

Alstom Services is proud to enable greener mobility through a complete portfolio of sustainable solutions. With our leadership in modernisation and innovation in green traction, we are best placed to offer fast and cost effective ways to support operators' CO_2 reduction objectives.

We offer a range of services to help achieve energy savings, including traction upgrades and enhancing auxiliary systems with features such as LED lighting and CO_2-regulated air conditioning systems.

Green re-tractioning for existing fleets in service, replaces or reduces the use of diesel via hydrogen, battery or hybrid solutions. Alstom has developed two solutions for zero-emissions transport: engines that use hydrogen as a fuel source, via fuel cells or internal combustion engines, and engines powered by electric batteries. Hybrid solutions make part of a journey emission-free, where complete transformation is not possible. For example, enabling diesel trains to run on electric batteries for the section of their journey through the cities ("last mile" solution).

Latest green re-tractioning achievement, Prima H3 diesel shunting locomotive converted to hydrogen propulsion was presented to customers and journalists in November 2022 in Stendal, Germany. Converted engine is now completely CO_2 emission-free.

1.2.3 SIGNALLING

Key indicators

- €2.9 bn orders (+12%)
- €2.4 bn sales (+7%)
- 17.000+ employees (incl. Systems)
- 30+ engineering sites (incl. Systems)

Year Highlights

- Orders:
  - Supply and installation of ETCS Hybrid Level 3 train control and LTE telecommunication system on the 82-km Delhi – Ghaziabad – Meerut Corridor.
  - contract by Madhya Pradesh Metro Rail Corporation Limited (MPMRCL) to supply the latest generation of Communications Based Train Control (CBTC)
- Deliveries:
  - Entering revenue service in Lyon on Line B, Alstom has deployed and adapted its Urbalis 400 solution in full automation in June 2022.
  - Alstom has demonstrated the highest grade of automation for a shunting locomotive, in the Netherlands in November 2022: an important step towards fully autonomous rail systems for the open mainline environment.
  - Alstom and the Rochester Institute of Technology's (RIT) ESL Global Cybersecurity Institute (GCI) have signed a three-year Memorandum of Understanding (MOU) outlining their collaboration to advance transportation cybersecurity, specifically in the areas of education, development, and research.

To grow sustainable mobility, we need to increase capacity and efficiency on our existing public transportation systems, to persuade people to choose to travel by collective transport instead of personal vehicles, to transport more merchandise by train than by truck. Digitalisation can achieve this: by putting the control of the train in the hands of the digital signalling system, speed and braking are perfectly optimised, allowing our customers to run more trains at faster speeds and shorter intervals. Digital signalling and control therefore improve the overall passenger experience through increased capacity, reduced delays and shorter journeys.

To excel in competition, Alstrom 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.

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.

1.2.3.1 Mainline Train Control

Our mainline digital signalling solutions are ranging from freight traffic to regional and commuter, intercity and high-speed lines and help our customers to optimize traffic, ensure efficiency and gradually automate operations with a competitive total cost of ownership.

European Train Control System solution

ETCS/ERTMS standard (European Train Control System/European Rail Traffic Management System) aims at replacing the different national train control and command systems to have a unique European train control system in order to improve interoperability. It is designed to gradually replace the existing incompatible systems throughout Europe.

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, Alstom's answer to these challenges through 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.

Freight train control solutions

In low density railway networks, and for customers operating in harsh and remote locations, traditional signalling systems can prove difficult and expensive to install and maintain. Using satellite positioning and virtually no wayside infrastructure, Alstom's flexible and hard-wearing answer is Incremental Train Control System (ITCS). ITCS offers proven performance in daily revenue service since 2001 with over 2,000 km in operation having been deployed on freight and mixed traffic lines in USA, China, Australia and Colombia.

1.2.3.2 Urban Train Control

Increasing urbanisation, security, environmental pollution, and the lack of adequate mobility solutions are the main challenges that urban transportation faces today. Alstom 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. Some of the most recent contracts being Istanbul UAG M12 (Turkey) being equiped with Cityflo™ 650 and Panama City L1 (Panama) being equiped with Urbalis™ 400.

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.

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.

1.2.3.3 Interlocking

Based on the overall level of network traffic, Alstom interlocking systems, EbiTM Lock, SmartlockTM, ElectroLogIXS™ and 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. Alstom has more than 16,000 units deployed worldwide.

1.2.3.4 Track Products

Alstom offers a complete range of track products and solutions that 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.

1.2.3.5 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.

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.

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.

1.2.3.6 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.

Some of the highlights of this year were a Long Term Service Support contract signed with North East Line (NEL) in Singapur for 13 years and a Traffic Management System maintenance contract signed with KiwiRail in New Zealand for 15 years.

1.2.3.7 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 monitors, integrates, regulates and optimizes 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.

Alstom and consortium partners have been selected for GO Expansion to transform collective mobility in Toronto, Canada. Alstom will provide automated tools to improve the quality of trip planning, incident management and service recovery decision making and to drive continuous improvement.

Connectivity

The Nomad Digital portfolio of passenger and fleet management solutions provide connectivity for transport globally: Passenger WiFi, Passenger Information Systems, On-board Passenger Infotainment Portals and Operational Monitoring and Maintenance Services to name a few.

Solution performance is recognised with contracts won by Nomad Digital in the new build and refurbishment market including: contracts awarded by Caltrain to implement and maintain a Trackside Radio Network using cutting edge mmWave radio technology, further deployment of internet on-board in the regional and commuter markets in Germany, Italy and the Nordic Regions, and continued expansion in the DACH region (Germany, Austria, Switzerland) for On-board Infotainment Systems, securing a significant contract with a private operator in Germany.

Data-driven rail mobility

As the digitalization 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. Through our Data Factory, 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 optimization) and people flow (passenger demand and people flow prediction).

1.2.3.8 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. Being critical infrastructure, the rail transport sector is increasingly facing cybersecurity threats. Therefore, operators shall adhere to 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 analyze 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).

Some of the highlights of this year were Cyber Enhancement contracts signed in Lyon, France and in Melbourne (Australia).

1.2.4 SYSTEMS

Key indicators

- €1 bn orders (-62%)
- €1.5 bn sales (+28%)
- 17,000+ employees (incl. Signalling)
- 30+ engineering sites (incl. Signalling)

Year highlights

- Orders:
  - Alstom and consortium partners selected for GO Expansion in Toronto, Canada. Within Alstom's turnkey approach is included the supply of new electric locomotives, train control systems, a new traction power system and network electrification via an overhead catenary system, as well as the integration of its scope.
  - Contract signed for the first Hesop™ application in a mainline segment with EAV Linee Vesuviane in Italy.
- Deliveries:
  - Alstom's automated people mover at Phoenix Sky Harbor International Airport carried first passengers across new extension in December 2022
  - In February 2023, teams from Alstom and their partner Cosider and EMA (Entreprise du Métro d'Alger), inaugurated the commissioning of the tramway project in the Algerian town of Mostaganem.
  - As member of the Avax – Ghella – Alstom consortium, Alstom has completed infrastructure works in October 2022 for all the six stations of the Haidari-Piraeus extension of Line 3 of the Athens metro network, Greece.

1.2.4.1 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.

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. 125 Hesop™ converters are been 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. In 2022, Alstom was chosen to equipe Barcelona's Diagonal 2 tram lines (Spain) with APS. 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.

1.2.4.2 Turnkey 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, to answer to the challenges of rapid population growth and high density. Resulting in performance optimisation and a reduction in acquisition cost and the total cost of ownership.

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 the most recent contracts such Toronto (Canada), Sigapore and Tel Aviv (Israel).

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

At the forefront of developing automatic people movers (APM), Alstom offers integrated APM system with our latest vehicle generation: Innovia™ APM 300 that has evolved from years of service backed with extensive testing on our own test tracks.

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.

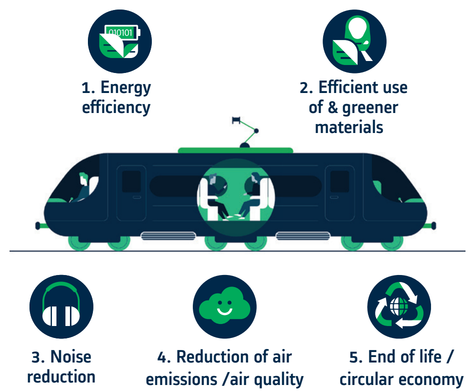
1.3 Research and development

As a major actor of transport and mobility, Alstom is focused on creating innovative and sustainable solutions for the rail transport industry. The net R&D/sales ratio has been sustained at ca. 3.1%, Alstom continues investing heavily in the development of new technologies and solutions that can help improving the performance, reliability, and sustainability of rail transport systems. Alstom's key R&D priorities include:

- Digitalization: Alstom is focused on leveraging digital technologies to improve the efficiency, reliability, and safety of rail transport systems. Alstom is investing in technologies such as big data, artificial intelligence, and the Internet of Things (IoT) to develop new solutions for predictive maintenance, energy optimization, and traffic management.
- Energy Efficiency: Alstom is committed to reducing the energy consumption and carbon footprint of rail transport systems. The company is investing in technologies such as regenerative braking, lightweight materials, and energy-efficient traction systems to reduce energy consumption and emissions.
- Hydrogen Mobility: Alstom is a leader in the development of hydrogen-powered trains, which offer a clean and sustainable alternative to diesel-powered trains. The company is investing in research and development to improve the efficiency and performance of hydrogen-powered trains and to develop new solutions for hydrogen production and storage.
- Signaling and Train Control: Alstom is investing in R&D to improve the safety, capacity, and efficiency of rail transport systems through the development of advanced signaling and train control solutions. In addition, Alstom is developing new technologies such as automatic train operation (ATO) and train collision avoidance systems (TCAS) to improve safety and reduce delays.
- Passenger Experience: Alstom is investing in R&D to improve the passenger experience on trains and at stations. The company is developing new technologies such as virtual reality, augmented reality, and mobile applications to enhance the comfort, convenience, and entertainment of passengers.

All the R&D efforts are focused to address the expectations of the customers and passengers as well as adressing 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 eco-design approach by 2025.

ECO-DESIGN FIVE PRIORITIES



1.3.1 DEVELOPMENT OF THE RANGE

1.3.1.1 Rolling stock

On July 15, 2022, European Commission approved up to €5.4 billion of public support by fifteen Member States for "Hy2Tech" IPCEI (Important Project of Common European Interest) in the hydrogen technology value chain.

Alstom is the only rail OEM selected for this program and 4 Alstom projects in France and Italy were among the 41 selected projects. French grant has been awarded on Sept. 27, 2022 and Italian grant is in the process of finalization. These projects are totalling €350m of dedicated funding.

In France, the 3 projects are articulated around the structuration of technological innovation for the development of hydrogen bricks, hydrogen shunting locomotive and a high-power hydrogen fuel cell generator wagon for freight. In Italy, the project will support the development of green regional trains, one 100% hydrogen powered, the other one with bi-mode traction (catenary & hydrogen).

Components

Paving the way to ease the digitalization and the cybersecurity of train control and passenger information system, a set of equipments has been developed and is currently deployed on several projects.

Development of the Avelia™ range

The development of Avelia™ range continues. Two pre-serial trainsets of Avelia Horizon started dynamic test in Velim test center and already demonstrated the main expected performances, while the development of international configurations is pursued.

Light Rail

Based on Citadis DNA, Alstom started the development of a light rail train addressing the specificities of the market in the USA. The new product will focus on passenger experience and will propose catenary free operation as an option.

Commuter Trains

The replacement of Aventra has been launched to address the UK market. This new product range will include EMU, BMU, BEMU and HMU versions, supporting the phase-out of Diesel trains operated in UK.

1.3.1.2 Infrastructure

Extension of reversible sub-stations range Hesop™

Hesop™ (Hybrid Energy Storage Optimisation) is a reversible sub-stations that combines supercapacitors and batteries to provide an efficient and sustainable energy storage solution for rail transport systems. The HESOP system is designed to capture the energy generated by braking trains and store it for reuse. The stored energy can then be used to power the train during acceleration, reducing the need for energy from the grid and improving energy efficiency. Energy savings of up to 15% can be realized. 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.

This year, the new updated Hesop 1500V will be installed on Turnkey Toulouse Metro, Turnkey Tel Aviv Green Line and EAV Vesuvio Signalling.

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

The Alstom SRS™ (Static Charging System) solution is a ground-based charging solution for trams and electric buses. It enables the rapid and efficient charging of electric vehicles, eliminating the need for overhead wires or charging stations along the route. The SRS system works by using a set of power rails that are embedded in the ground along the route. The power rails are energized only when a vehicle equipped with a special collector system passes over them. The collector system is mounted underneath the vehicle and makes contact with the power rails to transfer power to the vehicle's batteries. Main benefits areits interoperability and its compact design that allows an easy integration into city or depot environment. The tram version is in operation in Nice, afirst fast city charging solution has been implemented in Spain in Malaga and is operated with two different bus & battery types. An automatic depot charging solution range - for electric buses - is under final development phase.

In 2022/23, SRS Bus has been sold for TZEN project in Paris.

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

Alstom's APS (Advanced Power Supply) system for Road Vehicles is a solution derived from Alstom's proven APS for Tram systems: APS is a ground-based wireless charging solution designed for electric road vehicles. The APS system works by using a set of power transfer plates that are embedded in the road surface. The plates are connected to a power source and energized only when a vehicle equipped with a special collector system passes over them. The collector system is mounted underneath the vehicle and makes contact with the power transfer plates to transfer power to the vehicle's batteries. The system is designed to provide a fast and efficient charging solution that allows electric vehicles to recharge their batteries while driving, without the need for lengthy stops at charging stations. A proof of concept and integration test has been successfully completed with Volvo Trucks and further development work is ongoing to . allow integrating the full solution in different types of vehicles.

Test track project will happen in France in the frame of the Call for Project of BPI France.

1.3.1.3 Turnkey

Safe infrastructure for autonomous shuttle

There is a growing interest in self-driving vehicles designed to transport passengers along a predetermined route without the need for a human driver. Some autonomous shuttles are designed to operate on a dedicated route, while others can adapt to changing traffic conditions and pick up passengers on demand. They are an example of the growing trend towards autonomous vehicles and the development of smart transportation systems. These autonomous shuttles typically use advanced sensors, cameras, and software to navigate roads and avoid obstacles. Alstom is pursuing the development of an intelligent connected infrastructure which will allow efficient and safe operation for autonomous shuttles with its partner Easymile. EasyMile provides software and complete solutions for driverless mobility and goods transportation. With several mass operations around the world EasyMile was the first to deploy fully driverless at Level 4 of autonomous driving in 2018. It is also the first autonomous vehicle solutions provider to be ISO 9001:2015 certified.

1.3.1.4 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.

1.3.1.5 Smart Mobility

Alstom is now a reference actor in Smart Mobility, which is a key enabler for modal shift – from private cars and other transport modes to rail transit - required to reach net-zero objectives in the transportation sector.

Smart Mobility uses advanced technologies and innovative solutions to make transportation more efficient, sustainable, and safe. It involves the integration of various modes of transportation, such as public transit, ridesharing, and micromobility options like bikes and scooters, into a seamless and interconnected network. Smart mobility solutions typically rely on data-driven approaches, including real-time traffic data, user demand data, and predictive analytics, to optimize transportation systems and improve the overall mobility experience for people. By promoting smarter, more sustainable modes of transportation, smart mobility can help reduce traffic congestion, lower carbon emissions, and enhance the accessibility and convenience of transportation systems for everyone.

Alstom has engaged on the journey to transform, along with its customers, its products/solutions portfolio, as well as its delivery model, to capture those opportunities. Acceleration of digital technologies deployment is creating new opportunities and expectations from our customers: transport operators are looking for digital solutions to improve their financial and operational performance. To this end Alstom enriched its portfolio with more advanced decision support solutions, based on data or video analytics, advanced signaling simulators and artificial intelligence. These new data driven services enable new access capabilities to the data generated by Alstom assets and Alstom digital ecosystem offers Software as a Service (SaaS) solutions while integrating advanced data science algorithms as software components to Alstom's products and platforms.

Furthermore, Alstom is well positioned to answer to tomorrow's autonomous mobility challenges thanks to its strong expertise in integrated transport system with proven records in connected/ intelligent infrastructure and more than 70 driverless references.

Recent achievements in this domain include:

- April 2022: Demonstration of a prototype of the Autonomous Freight Train on a line in commercial service in France (Longwy - Longuyon). The train proved its capability to run under ATO conditions which includes intelligent monitoring of the environment and automatic reaction in the event of hazards detected (including stopping on obstacles).
- October 2022: Automatic preparation and de-preparation of the "Autonomous Freight Train" prototype (remote waking up of the machine, brake tests, etc.)
- March 2023: The train was operated at ATO level Grade of Automation (GoA) 4. The GoA4 level is the highest level of automation in which the train is automatically controlled without any staff on board. The demonstration was done on the line Longwy - Longuyon including automatic hazard management and automatic preparation / unpreparation of the machine

1.3.1.6 Services

Research & development in Services is focused on addressing green, sustainable and more efficient operation concepts. Green re-tractioning initiatives include for example conversions of regional trains to full battery traction, the retrofit with hydrogen-fuelled internal combustion engines for locomotives or providing the autonomy for non-electrified lines via so-called "Last-mile" functionality.

Digital solutions within its broad scope of research & development addresses, among others, the enhancement of predictive and condition-based maintenance as well as improvement of operational efficiency and cyber-security.

1.3.2 INNOVATION

Bringing together more than 22,000 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 10,127 patents, the Group belongs to the Top 100 Global Innovators™ released by Clarivate in 2022.

1.3.2.1 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.

1.3.2.2 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 telecommunication and signalling systems to increase the capacity of the railways without building new lines and enable the reduction of energy consumption (ATO up to GoA4, Moving Block ERTMS L2/L3/HL3, Traffic Management System) ;
- 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, Cyber security resulting from digitalization are being addressed;
- 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.

1.3.2.3 I Nove You™: Unleashing innovation from within

Alstom can only be as innovative as its people. It is the ingenuity of our employees that fuels the company's drive to shape the future of mobility. To channel this positive energy, Alstom created almost 15 years ago I Nove You™. I Nove You™ is Alstom's annual contest to recognize innovations already demonstrated. Alstom teams start new, creative, innovative projects, and showcase them to the whole company. This internal idea contest not only promotes innovation initiatives and rewards the best innovation projects, but also contributes to the recognition of the technical and business competencies of the teams involved.

This year's edition has been a success again with over 1,600 ideas being submitted and 101 Alstom sites in 32 countries being involved. The I Nove You™ programme already recognised solutions that are now successfully available to our customers. That is the case for Rail Buckle, a data based solution to anticipate rail deformations due to climate change, Coradia iLint™, the world's first hydrogen train, StationOne™, the online platform for spare parts, or 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.

1.4 Value creation model

OUR RESOURCES

FINANCIAL CAPITAL
- **€87.4bn** backlog
- Equity of **€9.1bn**

INDUSTRIAL CAPITAL
- **258** sites in **63** countries
- Industrial CAPEX: **€289m**

INTELLECTUAL CAPITAL
- **10,127 patents**
- **3.1%** of sales dedicated to R&D
- **22.138** engineers
- **90.1%** of trained people

NATURAL CAPITAL
- **57%** of electricity of renewable origin
- **90%** waste recovery
- **92%** of products sold last year can be reused or recycled

HUMAN CAPITAL
- **80,183** employees from **175** nationalities
- Global Top Employer

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

SOCIETAL CAPITAL
- **ISO 37001**[1] antibribery certification
- **74%** of total purchase volume covered by screenings, online assessments and/or on-site audits[2]
- **€2.2m** foundation budget

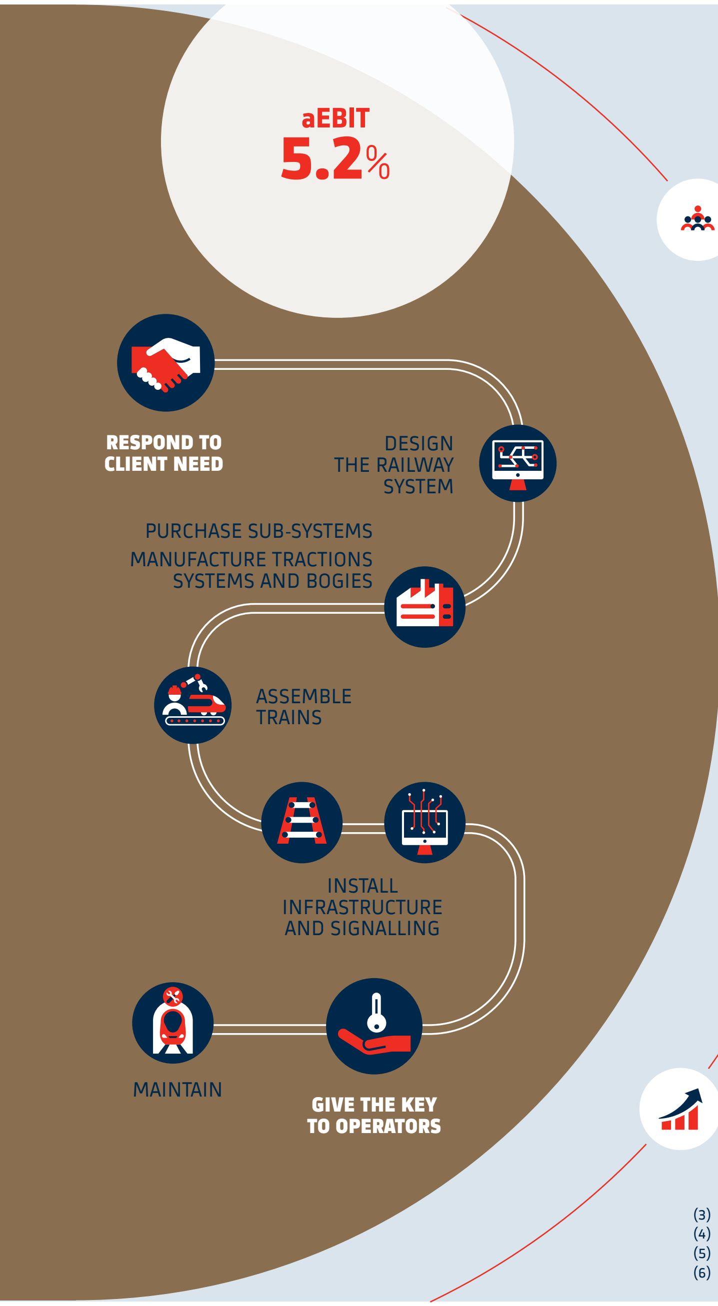
SALES
€16.5bn

17% AMERICAS
60% EUROPE
8% AMECA
15% ASIA/PACIFIC

Signalling 15%
Rolling stock 53%
Services 23%
Systems 9%

(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 **1.8**
- **80%** of employees are proud to work for Alstom[3]

CUSTOMERS

- Customer satisfaction at **8.3**[4]
- Energy consumption of solutions reduced by **23.4%** vs 2014

PASSENGERS

- Nearly **91** million people daily transported by Alstom trains

ENVIRONMENT

- **4.6 g CO_2**/pass.km
- **65%** eco-designed solutions

SUPPLIERS

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

SOCIETY

- **26.5%** effective tax rate[5]
- **299,000** beneficiaries from social programme

SHAREHOLDERS

- **33%** pay-out ratio[6]

(3) Employee engagement survey 2022.
(4) Net Promoter Score.
(5) Before PPA.
(6) Proposed at July 2023 Shareholders’ meeting.

1.5 Market trends and opportunities

1.5.1 MARKET DRIVERS

The rail transportation market is supported by solid and long-term drivers. World strong demographical growth, soaring urbanisation, growing environmental or health concerns supported by regulations as well as shifting consumer behaviours are favouring investment in sustainable rail transport, both for rolling stock and related infrastructure.

1.5.1.1 Demography and Urbanisation

The world's population is expected to increase by 2 billion persons by 2050, up to almost 10 billion, and it could peak at nearly 11 billion around 2100*. This dramatic growth will have implications for generations to come, among which increasing urbanisation and accelerating migration.

By 2050, 75% of the world's population should live in cities.

Demographic growth and changes in lifestyles will strongly push demand for transport. ITF (International Transport Forum) anticipates that transport demand, both for passengers and goods, will more than double by 2050.

This growth will benefit to rail transport in particular, as public transportation needs to be promoted vs. individual mobility, notably for sustainability, energy or economic reasons.

In industrialised countries and dense urbanised metropolitan regions, rail transit will continue playing a strong role, preventing traffic congestion and space occupancy in cities and urban areas, while offering safe, reliable and clean mass transit solutions. Sustainable urbanisation and infrastructure will be critical to create social and environmental value improving the quality of life of all.

Rail transportation already brings an efficient and green answer to future mobility challenges in terms of capacity, punctuality, security, reduction of noise, pollution and energy consumption.

1.5.1.2 ESG, Sustainability and energy

Today more than 90% of the world population lives in areas where air pollution exceeds the threshold recommended by the World Health Organisation* while CO_2 emissions from transport continue to grow.

Transportation contributes significantly to worldwide emissions (around a fourth of greenhouse gas emissions from energy combustion) and offer a strong potential to curb them. Climate change consequences and air pollution impact on public health drive actions from governments, cities and regulation bodies, but also from transport operators and citizens.

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 is recognised by multiple governments with encouragement to modal shift.

Furthermore, even though all transportation modes will decrease their emissions in the decades to come, in a world where energy is a key parameter -or even the key parameter- for development, energy scarcity and resilience will be a key topic for coming decades. Especially, green energy availability for all is clearly challenged, and energy prices evolution is quite uncertain. If transportation is to double in volume by 2050 for passenger and goods, energy efficiency will become a key driver in the future.

As computed by IEA (International Energy Agency), energy intensity of passenger or freight transport modes is highly in favor of rail transport: average consumption per passenger kilometer is only 0.2 Megajoules for rail compared to 1.8 Megajoules for aviation or road. Even if all transport modes are decarbonized tomorrow, this 1 to 9 factor in terms of energy pushes for a reinforcement of rail among various transport modes. This modal shift will benefit Alstom who is the global leader for rail transportation.

1.5.1.3 Macroeconomy and public funding

Economic growth is obviously a driver of Alstom's business. Passengers and goods transportation, purchasing power of passengers, as well as governmental funding are globally linked to Gross Domestic Product (GDP) expansion.

Over the 2009-2019 decade, worldwide urban and mainline passenger traffic grew steadily at respectively 5.3% and 3.3% CAGR average. Freight rail traffic, although more volatile, grew at 2.3% in average. From 2020, passenger traffic was badly hit, worldwide, by Covid-19 crisis, especially when lockdowns or trip restrictions were implemented. However, 2022 has seen a strong traffic recovery all over the world and 2023 is confirming this trend with most countries having recovered or almost recovered 2019 traffic levels.

Despite rising interest rates, world GDP for coming years is forecasted to grow. Purchasing power of passengers is expected to increase as a result of the enlargement of world middle class, both in relative and absolute numbers, to almost 5 billion people in 2030. Middle class should increase by one third to reach 4.8 billion people in 2030.

Additionally, governmental funding is expected to continuously support rail. In a context of growing environmental concern and energy prices volatility, rail, which requires 9 times less energy per passenger-km travelled than private vehicles and airplanes, is considered as strategic by governments in mature and emerging countries.

Sustainable transport is at the top of political agenda everywhere in the world and clearly, funding for rail is far more efficient in terms of decarbonization of transportation vs. investing in decarbonizing other transport modes. Therefore investment in infrastructure and efficient, sustainable transport solution should positively affect 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 December 2022, UK Government has published its Railway Plan in England and Wales for the period of April 2024 to March 2029: Network Rail commits to a budget of £ 44 bn (i.e. around € 53 bn) over the five-year period.
- Due to operational difficulties in 2022 and to ensure that rail will play its role in German climate protection goals for 2030 (particularly doubling number of passengers and increasing significantly share of rail freight transport), Deutsche Bahn and German Ministry of Transport want to turn particularly busy sections of the German rail network into a "high-performance network". In February 2023, a preliminary plan for a programme of 40 short, medium and long-term infrastructure projects has been produced by Deutsche Bahn as a basis of discussion with the government. Deutsche Bahn has maintained high level of Gross Capex in 2022 (€ 15.4 bn) and plans to expand this level to € 18 bn in 2023 thanks to governmental support.
- In France, 200 km of new metro lines and 68 metro stations - project called Grand Paris Express - will be opened by 2030 for a global investment of €35 billion. This is the most important project in Europe regarding automatic metro. In February 2023, French Prime Minister has announced a plan of € 100 billion until 2040 for rail transport. This plan includes implementation of metropolitan RERs (Réseau Express Régional) in other cities than Paris.
- 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 amounts allocated to sustainable mobility projects in the 26 National Recovery Plans amounts to €72.2 billion – out of which, there is between €55 and €58 billion in identified rail investments[(1)]. This represents around 11.5% of the total funding requested under the RRF. Some contracts have already been signed with funding coming from these National Recovery Plans, such as several projects, including ERTMS roll-out, in Italy which has the highest amount for railway projects in its National Recovery Plan (almost € 30 billion).
- 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 four 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 2023, Indian government has allocated a capital outlay of 2400 bn INR (i.e. approximately € 26.9bn) to Indian Railways in the Indian Union Budget 2023-2024 vs budgetary support of 1,370 bn INR in fiscal year 2022-2023. This amount includes 375 bn INR (i.e. approximately € 4.2 bn) for new rolling stock and fleet modernization vs 79 bn INR in fiscal year 2022-2023. Among new rolling stock is included provision for 1000 eight-car Vande Bharat EMUs.
- In Australia, numerous railway projects across the country, notably in New South Wales, Victoria & Queensland, are flowering thanks to sustained State & Federal governments funding.
- 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 (with three underground railway lines, one for high-speed passenger transport, one for metro services and one for freight transport) in this new city could reach tens of billion euros. First contracts for the tunnels of this rail transportation system have been signed in 2022.

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[(2)], 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.
- On July 15, 2022, European Commission approved up to €5.4 billion of public support by fifteen Member States for "Hy2Tech" IPCEI (Important Project of Common European Interest) in the hydrogen technology value chain. 4 Alstom projects in France and Italy were selected, totalling €350m of dedicated potential funding.
- 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[(3)].
- 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.

(1) The UNIFE Handbook on National Recovery Plans – what's in for Rail? – December 2021.
(2) https://www.economie.gouv.fr/presentation-strategie-nationale-developpement-hydrogene-decarbone-france.
(3) https://www.reuters.com/article/us-health-coronavirus-germany-stimulus-idUSKBN23B10L.

1.5.2 MARKET PERSPECTIVE

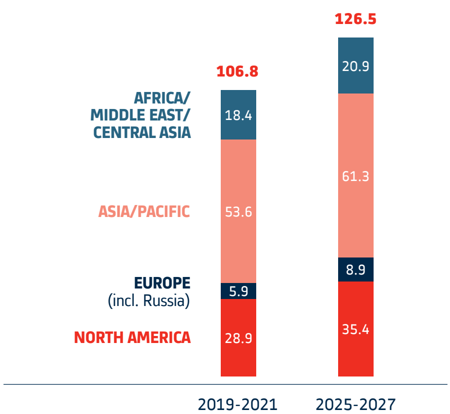
1.5.2.1 Market evolution

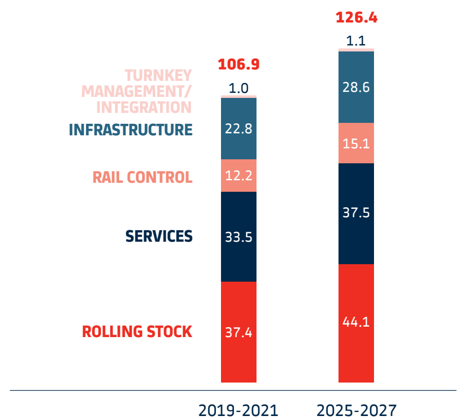
According to the most recent UNIFE market study, published on 20 September 2022, despite the effects of the Covid 19 crisis, the annual worldwide accessible market for the 2025-2027 period is estimated at €126,5 billion (compared to € 106,9 billion for the 2019-2021 period). This represents an average annual growth rate of 2.9% as compared with the 2019-2021 period (source: UNIFE World Rail Market Study 2022, 20 September 2022).

Previous UNIFE market study, published on 1 October 2020, was forecasting an annual contraction in the annual worldwide accessible railway market in 2020, followed by a rebound in 2021.

This contraction followed by a rebound in 2021 (confirmed in 2022) can be seen from the global levels of order intakes obtained by main railway industry companies (global level of order intakes for the 9 main rolling stock manufacturers, Alstom, Bombardier Transportation, Siemens Mobility, Hitachi Rail, Stadler Rail, CAF, Thales Transportation, CRRC for its export activity, Rotem Railway Solutions, KHI Rolling Stock, has been of around €53,1 billion for calendar year 2019, € 42,0 billion for calendar year 2020, € 57,4 billion for calendar year 2021 and € 65,2 billion for calendar year 2022, which is a historical record. This is why the annual worldwide accessible market for the 2019-2021 period (€ 106,9 billion) was only a little lower than the annual worldwide accessible market for the 2017-2019 period (€ 110,1 billion) as mentioned in UNIFE World Rail Market Study 2020, 1 October 2020, despite Covid 19 crisis. And 2022 is confirming the good perspective for the years to come.

UNIFE ACCESSIBLE MARKET
(average in € billion/year)





This rapid recovery of the rail market is due to several factors: a governmental support to rail operators during peak of Covid-19 crisis in most of countries, which has helped to mitigate negative financial impact of traffic losses, sales of non-core assets owned by rail operators to cover Covid-19 financial losses (as the sales of Ermewa, wagon leasing company, and 50%-stake in Akiem, locomotive leasing company, by SNCF), recovery programmes for the rail industry so that massive investments in rail have been decided and have started to turn into orders (see Governmental funding) and traffic recovery worldwide during the year 2022 up to levels above 90% of pre-Covid traffic levels, which has allowed rail operators to be again profitable (all the more that they had made efforts during crisis to cut their costs) and to think again of investments on their own budgets.

All the regional accessible markets are planned to grow except CIS accessible market due to the current geopolitical situation in Ukraine and to the related sanctions against Russia.

Western Europe remains the largest regional accessible market with Germany taking the lead, due to big projects for additional high-speed trains and renewals of commuter fleets in different German cities.

Africa-Middle East, Eastern Europe and Latin America are expected to have the strongest growth rates, with 7,1% for Africa-Middle East, boosted by Saudi Arabian NEOM mega-project of new city served by three railway networks (high-speed, metro, freight). High level of oil price since 2021 is positively impacting growth rate in this region.

Indian accessible market is also forecasted to grow strongly due to heavy investments in main lines rolling stock, especially locomotives and eletrical multiple units (EMUs) and due to the fact that Indian Railways plan to rely not only on their own factories for these new fleets but also on foreign suppliers.

Americas accessible market should also benefit from investment plans decided in US and Canada.

1.5.3 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 signalling as well as other digital activities (such as Mobility as a Service or MaaS), as part of the global digital strategy of Siemens Group.

Furthermore, Hitachi affirms itself as a global actor following the acquisition of Ansaldo Breda in 2015 and completion of acquisition of whole Ansaldo STS at the beginning of 2019. Its position will still grow with the on-going purchase of Transportation division of Thales (mainly active in signaling and ticketing fields), which is now planned for closing in second half 2023.

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, especially in Latin America, with several contracts won in 2022 in this region. In 2020, CRRC finalised the acquisition of Vossloh locomotives factory in Kiel (Germany), giving this group a foot in Europe, which has concretized in shunting locomotive orders in 2021 and 2022 for different customers.

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 years 2018-2021 and with a record order intake of € 8,5 billion in 2022, representing a book-to-bill of 2,3. Stadler Rail is also starting a diversification in signalling.

The Spanish train manufacturer CAF has also decided to diversify its activity in signalling and in integrated solutions, especially in tramway systems, and has also experienced a very good order intake in 2022 with a record amount of € 6,2 billion, including € 5,3 billion for railway segment

Some manufacturers with a less diversified portfolio of products and industrial sites that are more geographically concentrated (Korean Rotem with € 1,3 billion of railway revenues in 2022, Japanese Kawasaki Heavy Industries with € 1,0 billion of railway revenues in 2021, Czech Skoda with € 0,6 billion of revenues in 2021, Spanish Talgo with € 0,5 billion of revenues in 2022, Polish Pesa with € 0,3 billion of revenues in 2021, 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.

1.6 Strategy

Alstom, through its strategic plan Alstom in Motion 2025 (AiM 2025) has the clear ambition to be a leading global innovating player for sustainable transportation and smart mobility, and to create greater value for passengers, customers and shareholders. AiM 2025 is based on three strategic pillars (Grow, Innovate and Deliver) as well as strong Corporate Social Responsibility convictions.

1.6.1 STRATEGIC PLAN

1.6.1.1 Grow: growth by offering greater value to customers

Alstom's ambition is to pursue significant sales growth while expanding its global market share. Alstom's unique positionning combined with rail positive commercial dynamics should allow Alstom to fully capture market opportunities. To reach its growth targets, Alstom will leverage its unrivalled positioning in strategic markets, its strong product portfolio and global footprint to offer the best value proposition to all its customers. Furthermore, Alstom wishes to accelerate on Services and Signalling while expanding profitably in Rolling Stock & Components.

1.6.1.2 Innovate: smarter, greener, inclusive and healthier mobility for all

Alstom intends to expand its leadership in rail innovation in the key areas of smart and green mobility solutions. To this end, Alstom will continue to invest in R&D (around 3% of sales) integrating digitalization as a core element of innovation and product development. As an example, in 2025, 200 Alstom fleets would be supervised by Alstom Mobility Data Platform and complete autonomous freight train solutions (GoA4) should be in service.

1.6.1.3 Deliver: efficiency at scale, powered by digital

Alstom is targetting best-in-class project delivery, leveraging its scale and assets, its digitalized processes and its culture of excellence in project execution and operations. This ambition is supported by clear strategic initiatives and a set of dedicated KPIs.

1.6.1.4 Corporate Social Responsability at the center of Alstom's strategy

The Group reiterates its Corporate Social Responsibility convictions to aim for bnet zero emission in transport and increase social equity and inclusion by increasing the availability and efficiency of public transport. 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. Specific targets are highlighted in Chapter 6 of this document.

1.6.2 MID-TERM FINANCIAL TRAJECTORY AND OBJECTIVES

Alstom will reach its mid-term adjusted EBIT and Free Cash Flow objectives in FY 2025/26, one year later than previously envisioned, as a result mainly of the new macroeconomic environment in particular the effect of inflation:

- **Sales:** Between 2020/21 (proforma sales of €14 billion) – and 025/26, Alstom is aiming at sales Compound Annual Growth Rate over 5% supported by strong market momentum and unparalleled €87.4 billion backlog as of 31 March 2023, securing sales of ca. €38 to 40 billion over the next three years. Rolling stock should grow above market rate, Services and Signalling at high-single digit path.
- **Profitability:** the adjusted EBIT margin should reach between 8% and 10% from 2025/26 onwards, benefiting from operational excellence initiatives, strong margins on new orders including improved indexation, 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 2025/26 onwards, the conversion from adjusted net profit to Free Cash Flow should be over 80%[1] 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.
- At the Annual General Meeting on July 11, 2023, the Board of Directors will propose the distribution of a dividend of €0.25 per share[2]. This level corresponds to a payout ratio[3] of 33% of adjusted net profit.

(1) Subject to short term volatility
(2) With the option to receive payment in cash or in new shares, details of which will be provided in a future press release.
(3) 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.

1.6.3 OTHER STRATEGIC ACQUISITIONS AND PARTNERSHIPS

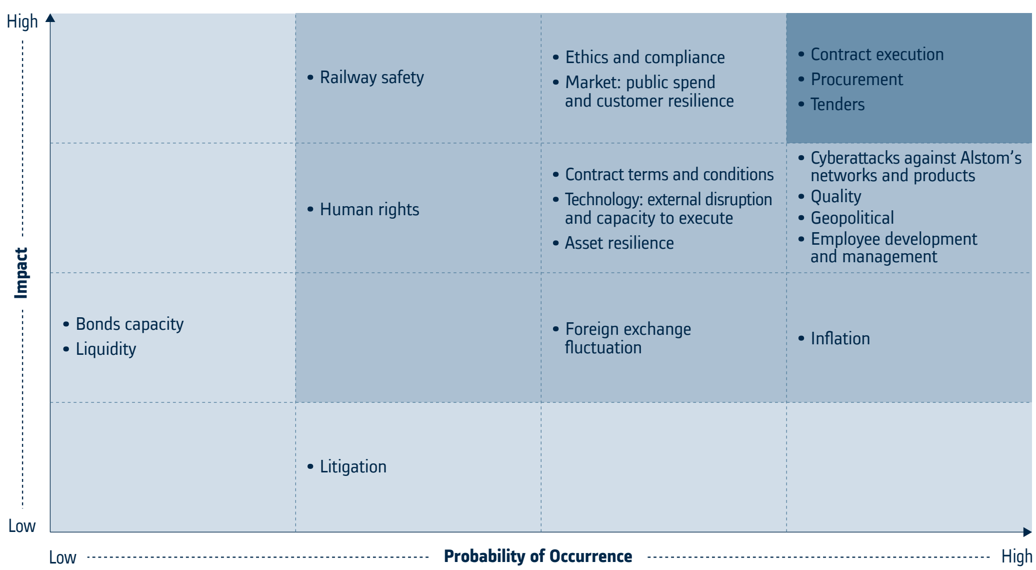
Over the last decades, both Alstom and Bombardier Transportation pursued targeted acquisitions which enables Alstom today to have an unparalleled commercial reach and strategic industrial capacities with competitive industrial footprint.

In 2022/23, as part of its commitments to the European Commission in relation to the acquisition of Bombardier Transportation, the Group announced in August 1st 2023 the closing of the sale of the Coradia™ Polyvalent platform, the Reichshoffen site and the Talent™ 3 platform to CAF and in July 1st 2023 the transfer of Bombardier Transportation's contribution to the V300 Zefiro™ very high-speed train to Hitachi Rail.

Also In 2022/23, Alstom has expanded its manufacturing capabilities in South Africa through the acquisition of assets for the manufacturing of car body shells from TMH Africa. Alstom sourced car body shells for its electric TRAXX locomotive project with Transnet before the company filed for business rescue. Through this acquisition, Alstom welcomed all 105 employees and retained the expertise in the country. The local manufacturing of car body shells represents a key milestone as Alstom grows its portfolio of products and expands its geographic footprint in Southern Africa.

1.7 Enterprise risk management

The key risks selected and presented below are the ones considered by the Group as specific to its business and having a potential impact on its activity. For more details, pleaser refer to Chapter 4.



1.8 Governance and stakeholders

1.8.1 DISTRIBUTION OF SHARE CAPITAL

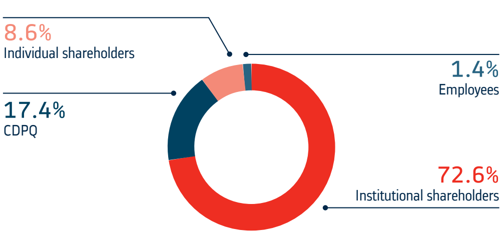
To the Company's knowledge and based on notifications received by the Company, the table below indicates the share ownership and voting rights of shareholders holding more than 5% of the Company's share capital at 31 March 2023:

	Capital at 31 March 2023				Capital at 31 March 2022				Capital at 31 March 2021			
	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)(2)	Number of Shares	% of capital(1)	Number of voting rights	% of voting rights(1)(2)
Public	275,807,904	72.49%	275,807,904	72.49%	302,114,171	80.91%	302,114,171	80.91%	289,634,815	78.03%	289,634,815	78.03%
Caisse de Dépôt et Placement du Québec	66,138,621	17.38%	66,138,621	17.38%	65,367,765	17.51%	65,367,765	17.51%	64,893,536	17.48%	64,893,536	17.48%
Bpifrance Investissement	28,545,000	7.50%	28,545,000	7.50%								
Bouygues S.A.	588,230	0.15%	588,230	0.15%	581,441	0.16%	581,441	0.16%	11,581,441	3.12%	11,581,441	3.12%
Employees(3)	9,373,609	2.46%	9,373,609	2.46%	5,328,369	1.43%	5,328,369	1.43%	5,092,001	1.37%	5,092,001	1.37%
TOTAL	**380,453,454**	**100.00%**	**380,453,454**	**100.00%**	**373,391,746**	**100.00%**	**373,391,746**	**100.00%**	**371,201,793**	**100.00%**	**371,201,793**	**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 2023, of which approximately 1.41% of the capital and voting rights held through a company utual fund.

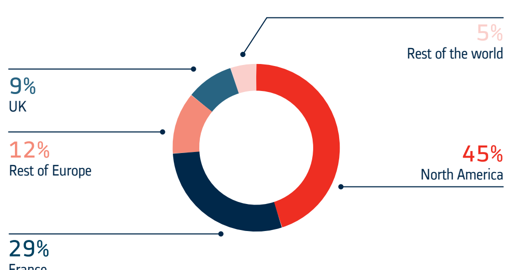
1.8.1.1 Shareholding structure

According to a shareholder study carried out by IHS Markit as of 31 March 2023, the share capital was distributed as follow:



Source: Alstom

SHAREHOLDING BY GEOGRAPHIC ZONE



Source: Alstom

1.8.2 BOARD OF DIRECTORS

Presentation of the Board of Directors:

HENRI POUPART-LAFARGE
Chairman and CEO

YANN DELABRIÈRE *
Lead independent director

BI YONG CHUNGUNCO *

CLOTILDE DELBOS *

DANIEL GARCIA MOLINA
Board member representing employees

GILLES GUILBON
Board member representing employees

SYLVIE KANDÉ DE BEAUPUY *

FRANK MASTIAUX *

BAUDOUIN PROT *

SYLVIE RUCAR *

KIM THOMASSIN
Permanent representative of Caisse de Dépôt et Placement du Québec

JAY WALDER *

BENOIT RAILLARD
Censor

- Audit Committee
- Nominations and Remuneration Committee
- Ethics and Compliance Committee
- Integration Committee

Mandates expiring at the 2023 AGM and proposed for renewal
Mandate submitted for ratification at the 2023 AGM

In addition, the appointment of Bpifrance Investissement as a new independent Board member will also be submitted to the vote of 2023 AGM
At the outcome of 2023 AGM, the Board of Directors would be composed of 13 members and a censor

Number of meetings
Board meetings **7** and Executive Sessions **5** in 2022/23

Board attendance
99% in 2022/23

Independence **
8 Board members (80%)

Gender diversity **
50% of each gender

Foreign Nationalities
6

Audit
Chairwoman: Sylvie Rucar
3 members
4 meetings
100% attendance
67% independence

Nominations and Remuneration
Chairman: Yann Delabrière
5 members
6 meetings
100% attendance
100% independence

Integration
Chairman: Frank Mastiaux
4 members
3 meetings
93% attendance
67% independence

Ethics & Compliance
Chairwoman: Sylvie Kandé de Beaupuy
3 members
9 meetings
100% attendance
100% independence

* Independent Board members.
** Excluding Board members representing employees.


ALSTOM

2

MANAGEMENT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

AFR

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

2.1 Main events of year ended 31 March 2023

2.1.1 THE ACQUISITION OF BOMBARDIER TRANSPORTATION

Alstom acquired Bombardier Transportation on 29 January 2021. 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.

Anti-trust requirements: closing of the remedies

Alstom completed in 2022/23 all its divestment obligations required by the European Commission for the clearance of the acquisition of Bombardier Transportation.

On 1 July 2022, Alstom concluded the transfer of the Bombardier Transportation's contribution to the joint V300 Zefiro very high-speed train platform to its historical partner Hitachi Rail. This transfer involves passing over the maintenance activities, the intellectual property rights and the branding. Alstom will henceforth reduce its involvement in new contracts for the V300 Zefiro train while completing its scope for existing orders on Rolling Stock.

On 1 August 2022, Alstom completed the sale of the Coradia™ Polyvalent regional train platform together with all operations of the Reichshoffen production site in France and the Talent 3 regional train platform developed in Hennigsdorf, Germany to CAF. Alstom will carry out its remaining post-sale obligations for Talent 3 and will operate in consortium with CAF to fulfil existing contracts for rolling stock delivery from the Reichshoffen site. Alstom has also committed on certain undertakings to ensure the viability of the Reichshoffen site during a transitional period (in particular through allocation of workload).

For signalling, long-term commitments required by the European Commission on the supply of certain signalling onboard units and train control management systems have been addressed.

These transactions complied with all applicable social processes and consultations with employee representative bodies and were subject to regulatory approvals.

The loss arising from these remedies net of costs to sell stood at €(30) million recognised in Other Operating Expenses (see Note 6) associated with a negative impact on Investing cash flow for €(63) million as of 31 March 2023. Following the completion of the sale of the remedies, there are no longer any assets held for sale, nor liabilities related to assets held for sale in the Group Consolidated Financial Statements, as of 31 March 2023 (compared to respectively €173 million and €286 million, as of 31 March 2022).

2.1.2 UNCERTAINTIES LINKED TO THE CURRENT ECONOMIC AND POLITICAL CONTEXT

The current economic and political context creates uncertainties on business activities (namely inflation, price volatility of certain commodities, energy, increases of interest rates, 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 (71% of the backlog being covered by price escalation clauses on global inflation – commodities, energy and labour indexes).

Impairment tests have been performed on goodwill, technology and other intangible assets (see Note 11 of the financial statements), with no impairment risks identified as of 31 March 2023. Recoverability of deferred tax assets has been assessed based on the same reasonable estimates and on the information available as at 31 March 2023 (see Note 8 of the financial statements).

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 2023. 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.

2.1.3 ONE ALSTOM TEAM AGILE, INCLUSIVE AND RESPONSIBLE

More than ever, decarbonisation is at the heart of Alstom's strategy. The Group is reducing its own direct and indirect emissions (Scope 1 & 2) and is also committed to work with suppliers and customers (Scope 3) to contribute to Net Zero carbon in the mobility sector. Alstom targets have been submitted for validation by the independent Science Based Targets initiative (SBTi) with expected feedback by June 2023.

During the year energy efficiency plans were deployed in all regions and, along with favourable weather conditions, resulted in a reduction in energy consumption of 10.5%, with a particular fall in gas consumption.

The supply of electricity from renewable sources has also been expanded. Alstom implemented a new contract for the supply of electricity from renewable energy source in India and further expanded in France, United Kingdom and Germany to reach 57% of green electricity coverage globally (vs 42% for FY 2021/22).

Altogether, this has led to a reduction of Scope 1 and 2 CO_2 emissions of 22% in 2022/23 versus the previous year.

The Group is in line with its target to reduce energy consumption from its solutions with a 23.4% reduction achieved compared to its 2014 performance. Performance on intensity of Scope 3 emissions from Use of Sold Products is stable, reflecting the mix of solutions and geographies of orders taken in recent years and slow decarbonisation of electricity mix in some geographies. An engagement programme with customers has been started and will be extended in coming years.

Alstom is also engaging with suppliers on Scope 3 and committed to decreasing its CO_2 emissions intensity from the supply chain by 30% by 2030.

Regarding Diversity & Inclusion, the Alstom in Motion (AiM) 2025 strategy targets to reach 28% of women managers, engineers and professionals roles by 2025. As of end of March 2023, 23.9% of manager, engineer and professional roles are held by women. Alstom is on a positive trajectory and will continue to accelerate its efforts in the coming months.

In addition, Alstom published for the first-year European Taxonomy-aligned KPIs about Sales, Capex and Opex, pursuing strong analysis initiated last year for the EU Taxonomy-eligibility disclosure. EU Taxonomy-aligned sales amounted to 59% and ranked Alstom among best in class, confirming the importance of the sector in which Alstom operates in achieving the EU's ambition 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.

In 2022/23, The Group maintained its presence among the DJSI World and CAC40 ESG index reflecting its strong position and strategy on Sustainability.

2.1.4 KEY FIGURES FOR ALSTOM IN THE FISCAL YEAR 2022/23

Group's key performance indicators for the fiscal year 2022/23:

(in € million)	Year ended 31 March 2023	Year ended 31 March 2022	% Variation March 2023/March 2022 Actual
Orders Received(1)	20,694	19,262	7%
Orders Backlog	87,387	81,013	8%
Sales	16,507	15,471	7%
Adjusted Gross Margin before PPA & impairment(1)	2,325	2,148	8%
aEBIT(1)	852	767	11%
aEBIT %(1)	5.2%	5.0%	
EBIT before PPA & impairment(1)	366	275	
EBIT(4)	(90)	(169)	
Adjusted Net Profit(1)(2)	292	(173)	
Net Profit – Group share(3)	(132)	(581)	
Free Cash Flow(1)	199	(992)	
Capital Employed(1)	11,728	12,102	
Net Cash/(Debt)(1)	(2,135)	(2,085)	
Equity	9,102	9,024	

(1) Non-GAAP. See definition page 46.
(2) Based on Net profit from continuing operations, excluding amortisation expenses and impairment of the purchase price allocation, net of corresponding tax.
(3) Incl. Net profit from discontinued operations and excl. non-controlling interests.
(4) Incl. PPA from Chinese joint ventures counted as share in net income of equity investees in the Notes for €(11) million.

The aEBIT as a percentage of sales has progressed from 5.0% in fiscal year 2021/22 to 5.2% in 2022/23, benefiting from synergies for 60 bps, a favourable evolution on low performing contracts for 20 bps, an increased volume and favourable mix for 30 bps, partly offset by inflation (90) bps.

2.1.5 ORGANIC GROWTH

For comparison purposes, the above-mentioned figures can be adjusted for foreign exchange variation resulting from the translation of the original currency to euro and changes in consolidation scope. The below table shows the conversion of prior year actual figures to a like-for-like set of numbers:

	Year ended 31 March 2023	Year ended 31 March 2022			March 2023/March 2022	
(in € million)	Actual figures	Actual figures	Exchange rate and scope impact	Comparable figures	% Var. Actual	% Var. Org.
Orders Backlog	87,387	81,013	(2,746)	78,267	8%	12%
Orders Received	20,694	19,262	522	19,784	7%	5%
Sales	16,507	15,471	181	15,652	7%	5%

The actual figures for the fiscal year 2021/22 (orders backlog, orders received and sales) are restated to reflect March 2023 exchange rates.

- Orders backlog was significantly impacted by an unfavourable translation effect driven by the depreciation of the South African rand (ZAR), the Australian dollar (AUD), the British pound sterling (GBP), the Egyptian pound (EGP), the Indian rupee (INR), the Swedish krona (SEK) and the Canadian dollar (CAD) against the euro (EUR). This unfavourable translation effect was partly offset by the appreciation of the US dollar (USD), the Mexican pesos (MXN) and the Kazakhstan Tenge (KZT) against the euro (EUR).
- Orders received have been impacted by a favourable translation effect mainly due to appreciation of the US dollar (USD), the Brazilian real (BRL), the Mexican pesos (MXN) and the Australian dollar (AUD) against the euro (EUR).
- Sales were mainly impacted by the appreciation of the US dollar (USD), the Swiss franc (CHF) and the Australian dollar (AUD) against the euro (EUR).

2.1.6 ACQUISITIONS AND PARTNERSHIPS

Speed Innov

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%, optimise 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 €26 million in June 2022 increasing its stake from 75.35% to 75.48% with no change in the consolidation method (Joint control).

2.2 Commercial performance

During the fiscal year 2022/23, the Group witnessed significant commercial success across multiple geographies, notably in Africa/Middle East/Central Asia and in Asia/Pacific, and product lines, mostly in Services. The recorded order intake stood at €20.7 billion, representing a 5% growth on an organic basis. Orders for Services reached a new record level of €6.4 billion, or 31% of the total order intake. For the same period last fiscal year, Alstom reported an order intake of €19.3 billion.

Geographic breakdown					% Variation March 2023/March 2022	
Actual figures (in € million)	Year ended 31 March 2023	% of contrib.	Year ended 31 March 2022	% of contrib.	Actual	Organic
Europe	12,759	61%	12,745	66%	0%	0%
Americas	2,682	13%	3,970	21%	-32%	-40%
Asia/Pacific	3,028	15%	2,289	12%	32%	28%
Africa/Middle East/Central Asia	2,225	11%	258	1%	762%	771%
ORDERS BY DESTINATION	**20,694**	**100%**	**19,262**	**100%**	**7%**	**5%**

Product breakdown					% Variation March 2023/March 2022	
Actual figures (in € million)	Year ended 31 March 2023	% of contrib.	Year ended 31 March 2022	% of contrib.	Actual	Organic
Rolling stock	10,348	50%	9,801	51%	6%	4%
Services	6,394	31%	4,168	21%	53%	49%
Systems	1,008	5%	2,654	14%	-62%	-64%
Signalling	2,944	14%	2,639	14%	12%	10%
ORDERS BY DESTINATION	**20,694**	**100%**	**19,262**	**100%**	**7%**	**5%**

In **Europe**, Alstom recorded €12.8 billion order intake during the fiscal year 2022/23, compared to €12.7 billion over the same period last fiscal year.

In Germany, Alstom was awarded a landmark contract to supply 130 Coradia Stream™ High Capacity electric double-deck trains together with full maintenance for 30 years to Landesanstalt Schienenfahrzeuge Baden-Württemberg (SFBW) for the Baden-Württemberg network, including an option for up to 100 additional trains. With a value of almost €2.5 billion for the firm order, this contract is a positive indication of Alstom's market share ambitions in Germany. In France, the Group has received orders for 60 additional RER NG trains for the Île-de-France network, representing the first option under a framework contract signed in 2017 and valued at almost €1 billion, and for additional 15 new-generation Avelia Horizon™ very high-speed trains from SNCF Voyageurs.

Alstom also signed a historic agreement with Sweden's national operator SJ to supply 25 Zefiro Express™ electric high-speed trains, with an option of 15 additional trains. In Norway, Norske tog ordered 25 more Coradia™ Nordic regional trains under the landmark framework agreement signed at the end of 2021 together with an initial first order of 30 trains. In Romania, the Group will supply 17 additional Coradia Stream™ inter-regional trains and associated 15 years maintenance services to Romania Railway Reform Authority (ARF).

In the U.K., Alstom has re-aligned the order intake for the train service agreement of Elizabeth line with Transport for London for a 32-year contractual concession period up to 2046, recognising €1.1 billion in the third quarter, and the Group signed a Technical Support and Spares Supply Agreement (TSSSA) with Govia Thameslink Railway (GTR) for a period of five years and five months to align with the duration of GTR's National Rail Contract. And in Spain, the Group has been awarded a contract by Renfe to supply 49 additional Coradia Stream™ high-capacity trains.

Last year's performance in Europe was mainly driven by significant orders awarded by customers in Denmark, France, the United Kingdom, Romania, Germany, Norway and Ireland.

In **Americas**, Alstom reported €2.7 billion order intake, as compared to €4.0 billion over the same period last fiscal year, driven by the award of a contract to provide operations and maintenance services for the Maryland Area Rail Commuter (MARC) Camden and Brunswick Lines and for the Innovia™ monorail system at Newark Liberty International Airport in the U.S.A., as well as several small contracts. The performance in Americas last year was mainly driven by contracts for the Tren Maya railway project in Mexico, for São Paulo in Brazil and for Metro de Santiago's new Line 7 in Chile.

In **Asia/Pacific**, the order intake stood at €3.0 billion, as compared to €2.3 billion over the same period last fiscal year. In Australia, Alstom has signed a framework contract with the Department of Transport Victoria for the provision of 100 Flexity™ low-floor Next Generation Trams (NGTs) for the largest urban tram network in the world. Valued at approximately €700 million, the contract includes supply of rolling stock and 15-year maintenance, making this the biggest tram contract in Australia and in the Southern hemisphere. In India, Alstom has been awarded a contract by Madhya Pradesh Metro Rail Corporation Limited (MPMRCL) to deliver 156 Movia™ metro cars with 15 years of comprehensive maintenance and the installation of the latest generation of Communications Based Train Control (CBTC) signalling system as well as train control and telecommunication systems, each with seven years of comprehensive maintenance, for the Bhopal and Indore metro projects. The Group also received a contract from Delhi Metro Rail Corporation (DMRC) to design, manufacture, supply, test and commission 312 standard gauge metro cars for the Delhi Metro Phase IV expansion with maintenance services for 78 cars. In Hong Kong, Alstom was awarded a contract to provide the signalling system for the Lantau Extension project.

Last year's performance in Asia/Pacific was driven by contracts for Taipei Circular Line Phase Two, and for Melbourne's suburban rail network.

In **Africa/Middle East/Central Asia**, the Group reported €2.2 billion order intake, as compared to €0.3 billion over the same period last fiscal year, mainly driven by a contract in Egypt to supply 55 Metropolis™ trains and 8-year maintenance to National Authority for Tunnels (NAT) for the upgrade of Cairo Metro Line 1, valued at €0.9 billion, and an additional order from Kazakhstan Railways (KZT) for the supply of next generation locomotives and related maintenance support. The performance last year was mainly driven by a contract to provide Casa Transports in Morocco with 66 Citadis™ X05 trams.

Alstom received the following major orders during the fiscal year 2022/23:

Country	Product	Description
Australia	Rolling stock / Services	Supply of 100 Flexity™ low-floor Next Generation Trams (NGTs) as well as 15 years of maintenance for the Melbourne Tram Network
Egypt	Rolling stock / Services	Supply of 55 Metropolis™ trains and 8-year maintenance to National Authority for Tunnels (NAT) for the upgrade of Cairo Metro Line 1
France	Rolling stock	Supply of 60 additional RER NG trains to SNCF Voyageurs
France	Rolling stock	Supply of an additional 15 Avelia Horizon™ very high-speed trains to SNCF Voyageurs
Germany	Rolling stock / Services	Supply of 130 Coradia Stream™ High Capacity electric double-deck trains and 30 years of full-service maintenance for the Baden-Württemberg network
Hong Kong	Signalling	Supply of signalling system for the Lantau Extension project
India	Rolling stock / Services / Signalling	Supply of 156 Movia™ metro cars with 15 years of comprehensive maintenance and installation of signalling systems with 7 years of comprehensive maintenance for the Bhopal and Indore metro projects
India	Rolling stock / Services	Supply of 312 Metropolis™ metro cars for Metro Delhi Phase IV expansion with 15 years maintenance of 78 cars to Delhi Metro Rail Corporation (DMRC)
Kazakhstan	Rolling stock / Services	Supply of next generation locomotive KZ8A and related maintenance support to Kazakhstan Railways (KTZ)
Norway	Rolling stock	Supply of 25 additional Coradia™ Nordic regional trains to Norske tog
Romania	Rolling stock / Services	Supply of 17 additional Coradia Stream™ inter-regional trains and associated 15 years maintenance service to Romania Railway Reform Authority (ARF)
Spain	Rolling stock / Services	Supply of 10 Coradia Stream™ regional trains and 15 years of associated maintenance for Barcelona airport connection
Sweden	Rolling stock	Supply of 25 Zefiro Express™ electric high-speed trains to SJ
U.K.	Services	Re-alignment of the order intake for the train service agreement of Elizabeth line with Transport for London for a 32-year contractual concession period up to 2046
U.K.	Services	Technical Support and Spares Supply Agreement (TSSSA) for 5 years and 5 months with Govia Thameslink Railway (GTR)
U.S.A.	Services	5-year operations and maintenance services for the Maryland Area Rail Commuter (MARC) Camden and Brunswick Lines
U.S.A.	Services	7-year operations and maintenance services for the Innovia™ monorail system at Newark Liberty International Airport with option for one additional year

2.3 Orders backlog

As of 31 March 2023, the orders backlog stood at €87.4 billion, providing the Group with strong visibility over future sales. This represents a 8% increase on an actual basis and a 12% increase on an organic basis as compared to 31 March 2022, mainly driven by the strong commercial performance of Services products in Europe as well as positive contract price adjustments, partly offset by the sale of the Coradia™ Polyvalent regional train platform together with all operations of the Reichshoffen production site in France to CAF and the transfer of Bombardier Transportation's contribution to the joint V300 Zefiro very high-speed train platform to Hitachi Rail, which negatively impacted the order backlog by €0.6 billion.

The depreciation of currencies against the euro (EUR) since March 2022, mainly the South African rand (ZAR) and the Egyptian pound (EGP) in Africa/Middle East/Central Asia; the Australian dollar (AUD) and the Indian Rupee (INR) in Asia/Pacific; and the British pound sterling (GBP) and the Swedish krona (SEK) in Europe negatively impacted backlog for a total amount of €2.1 billion. This affected the backlog of all products.

GEOGRAPHIC BREAKDOWN

Actual figures (in € million)	Year ended 31 March 2023	% of contrib.	Year ended 31 March 2022	% of contrib.
Europe	49,146	56%	44,202	55%
Americas	13,796	16%	13,116	16%
Asia/Pacific	12,191	14%	11,622	14%
Africa/Middle East/Central Asia	12,254	14%	12,073	15%
BACKLOG BY DESTINATION	**87,387**	**100%**	**81,013**	**100%**

PRODUCT BREAKDOWN

Actual figures (in € million)	Year ended 31 March 2023	% of contrib.	Year ended 31 March 2022	% of contrib.
Rolling stock	42,806	49%	40,832	50%
Services	30,741	35%	26,789	33%
Systems	6,330	7%	6,282	8%
Signalling	7,510	9%	7,110	9%
BACKLOG BY DESTINATION	**87,387**	**100%**	**81,013**	**100%**

2.4 Income statement

2.4.1 SALES

Alstom's sales amounted to €16.5 billion for the fiscal year 2022/23, representing a growth of 7% on an actual basis and 5% on an organic basis as compared to Alstom sales last fiscal year. Sales related to non-performing backlog, representing sales on projects with a negative margin at completion, amounted to €2.3 billion during the fiscal year 2022/23.

Geographic breakdown					% Variation March 2023/March 2022	
Actual figures (in € million)	Year ended 31 March 2023	% of contrib.	Year ended 31 March 2022	% of contrib.	Actual	Organic
Europe	9,936	60%	9,584	62%	4%	5%
Americas	2,843	17%	2,563	17%	11%	2%
Asia/Pacific	2,378	15%	2,172	14%	9%	6%
Africa/Middle East/Central Asia	1,350	8%	1,152	7%	17%	18%
SALES BY DESTINATION	**16,507**	**100%**	**15,471**	**100%**	**7%**	**5%**

Product breakdown					% Variation March 2023/March 2022	
Actual figures (in € million)	Year ended 31 March 2023	% of contrib.	Year ended 31 March 2022	% of contrib.	Actual	Organic
Rolling stock	8,784	53%	8,647	56%	2%	1%
Services	3,817	23%	3,406	22%	12%	10%
Systems	1,476	9%	1,155	7%	28%	24%
Signalling	2,430	15%	2,263	15%	7%	6%
SALES BY DESTINATION	**16,507**	**100%**	**15,471**	**100%**	**7%**	**5%**

In **Europe**, sales reached €9.9 billion, accounting for 60% of the Group's total sales and representing an increase of 4% on an actual basis. It was mainly driven by the continued execution of large Rolling Stock contracts, including the Coradia Stream™ trains in the Netherlands, the Regio 2N regional trains and RER NG double-deck trains for SNCF as well as EMU trains for the Paris Metro for RATP in France and for Trenitalia in Italy, the Barcelona Metro for Transports de Barcelona SA in Spain, the ICE 4 trains and the S-Bahn Stuttgart 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. On the other hand, large Rolling Stock contracts such as the TWINDEXX double-deck trains for SBB in Switzerland, the Coradia Stream™ trains in Italy and the Nouvelle Automotrice Transilien project for SNCF in France are close to completion, therefore generating lower level of sales as compared to the same period last year.

In **Americas**, sales stood at €2.8 billion, accounting for 17% of the Group's sales and representing an increase of 11% compared to last year on an actual basis. The performance was mainly driven by the metro cars for BART fleet of the future in San Francisco and the Tren Maya project for the National Fund for the Promotion of Tourism in Mexico. The projects of Amtrak high-speed trains in the United States and the light metro system for REM in Canada remain key sales contributors within the region, together with the Train Operations & System Maintenance services for Metrolinx in Toronto.

In **Asia/Pacific**, sales amounted to €2.4 billion, accounting for 15% of the Group's sales and representing an increase of 9% compared to last year on an actual basis. These sales were driven by the continuous ramp-up of the production of electric locomotives in India and the Bombardier Movia™ cars for LTA Singapore, the VLocity™ regional trains for The Department of Transport (DoT) in Victoria in Australia and the continued execution of the systems contract for the Bangkok monorail in Thailand.

In **Africa/Middle East/Central Asia**, sales stood at €1.4 billion, contributing 8% to the Group's total sales and representing an increase of 17% on an actual basis. The systems contract 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 Prima™ freight locos for Kazakh Railways and Azerbaijan Railways.

2.4.2 RESEARCH AND DEVELOPMENT

During the fiscal year 2022/23, research and development gross costs amounted to €(682) million, i.e. 4.1% of sales, reflecting the Group's continuous investment in innovation to develop smarter and greener mobility solutions, in line with the Alstom In Motion strategy which is based on three pillars: Autonomous mobility, Data factory and Mobility orchestration. Net R&D amounts to €(579) million before capitalisation, development cost and PPA amortisation.

(in € million)	Year ended 31 March 2023	Year ended 31 March 2022
R&D Gross costs	(682)	(667)
R&D Gross costs (in % of Sales)	4.1%	4.3%
Funding received*	103	82
Net R&D spending	**(579)**	**(585)**
Development costs capitalised during the period	142	124
Amortisation expense of capitalised development costs**	(82)	(69)
R&D EXPENSES (IN P&L)	**(519)**	**(530)**
R&D expenses (in % of Sales)	3.1%	3.4%

* Financing received includes public funding amounting to €65 million at 31 March 2023, compared to €47 million at 31 March 2022.

** For the fiscal period ended 31 March 2023, excluding €(61) million of amortisation expenses of the purchase price allocation of Bombardier Transportation, compared to €(74) million at 31 March 2022.

Alstom has been awarded with IPCEI Hydrogen program. This important European program will allow to further develop the components portfolio needed for hydrogen powered trains, fuel cell powerpacks, batteries and power converters. It will support the development of new hydrogen trains for regional applications, shunting locos and freight, leveraging on the experience collected with **Coradia iLint™** regional trains that are now in revenue service. **Coradia iLint™** set a new distance record in Germany: 1,175 km achieved with the hydrogen storage of the serial train.

The award of the IPCEI Hydrogen program has allowed the Group to increase its public funding versus the previous fiscal year.

The development of Avelia range continues. Two pre-serial trainsets of **Avelia Horizon**™ started dynamic test in Velim test center and the development of international configurations is ongoing. Based on **Citadis™** DNA, Alstom is developing a light rail vehicle addressing the specificities of the market in the USA with a focus on passenger experience and the possibility to operate without catenary.

The replacement of **Aventra™** commuter train has been launched to address the U.K. market. This new product range will include EMU, BMU, BEMU and HMU versions to also replace the existing Diesel trains.

The other Rolling Stock developments were focused on Alstom **Coradia stream™** range which has been further extended with longer cars and 15kV traction chain (DACH), and Alstom **TRAXX™ Multi-system 3 – locomotives** with the development of the passenger version at 200kph.

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 the so-called "Last-mile" functionality.

With **Health-Hub™**, for instance, Alstom continues to develop innovative digital solutions dedicated to operation and maintenance activities to optimise reliability and availability while maximising the useful life of components for sustainability improvement.

D&IS Product Line worked on **Atlas™ ETCS** convergence, **ERTMS*** level 2 and level 3 on-board solution together with Automatic Train Operation, and it continued its footprint expansion with a new contract in Canada with the **ATLAS™** on-board train control solution. Alstom kept on developing CBTC solutions Urbalis **Fluence™** (e.g. Torino Line 1), **Urbalis™ 400™** (e.g. Bhopal & Indore Metro) and **Cityflo™ 650™** (e.g. Delhi Line 7 extension) for metros and tramways, and **ICONIS™ and Ebi™Screen™ suites** for Operational Control Centres, maximising traffic fluidity and orchestrating operations from distance.

Alstom Innovations cluster continued to develop **Autonomous Mobility solutions for Passengers & Freight trains.**

Major milestones on the roadmap to achieve GoA4 (Grade of Automation 4) have been successfully passed under real mainline operating conditions on passengers and freight train with SNCF in France, and for operation in yard in the Netherlands.

In the context of promoting modal shift to rail, Alstom innovation contributes to first/last mile mobility solutions using Autonomous shuttles. A safety infrastructure technology was developed **for the road traffic light transmission to shuttle to increase the level of automation** on an environment with Autonomous vehicles, Connected vehicles and Non-equipped vehicles.

Due to global warming, rail buckles have become a worldwide concern. Alstom is proposing a novel machine learning framework to estimate the risk of rail buckle and to detect where new buckles have occurred. The solution provides critical information in real-time on the level of stress in the metal of the rail, without additional sensors, allowing railways to operate rail traffic safely. In summer 2022, field tests have been successfully passed with BNSF in North America.

2.4.3 OPERATIONAL PERFORMANCE

In the fiscal year 2022/23, Alstom's adjusted EBIT reached €852 million, equivalent to a 5.2% operational margin, as compared to €767 million or 5.0% during the same period last fiscal year.

The operational margin percentage was negatively impacted by the €2.3 billion sales traded at zero gross margin, mostly related to legacy Bombardier Transportation projects. Alstom invested significantly in these projects during the fiscal year 2022/23, making positive progress on projects stabilisation, therefore confirming the Group ambition to progressively improve its backlog profitability.

Selling and Administrative costs as a percentage of sales represented 6.6% for the Group as compared to 6.4% on an actual basis last year, impacted by higher inflation and energy costs than in the previous year.

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 €142 million, slightly decreasing from the €145 million reported in the same period last fiscal year. The contribution from CASCO Signal Limited joint-ventures amounted to €60 million, whereas former Bombardier Transportation joint-ventures contributed €82 million, compared to €50 million and €95 million respectively in the same period last fiscal year.

2.4.4 FROM ADJUSTED EBIT TO ADJUSTED NET PROFIT

As of 31 March 2023, Alstom recorded capital loss on disposal of business of €(30) million mainly related to the sale of remedies in the frame of the Bombardier Transportation acquisition, and restructuring and rationalisation charges of €(65) million mainly related to the adaptation of the means of production, especially in Germany for €(51) million, in France for €(9) million, in Canada for €(2) million and in the United Kingdom for €(2) million.

Integration costs & others before impairment of tangible assets related to PPA amounted to €(249) million, consisting of costs related to the integration of Bombardier Transportation for an amount of €(181) million, €(43) million of legal fees mainly in the context of Bombardier Transportation's integration remedies, and other exceptional expenses for €(25) million.

Taking into consideration restructuring and rationalisation charges, integration costs & others, Alstom's EBIT before amortisation & impairment of assets exclusively valued when determining the purchase price allocation ("PPA") stood at €366 million. This compares to €275 million in the same period last fiscal year.

Net financial expenses of the period amounted to €(103) million, impacted by higher interest rates, as compared to €(25) million in the same period last fiscal year.

The Group recorded an income tax charge of €(34) million in the fiscal year 2022/23, corresponding to an effective tax rate before PPA of 27%, compared to €(27) 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 €123 million – excluding the amortisation of the purchase price allocation ("PPA") from Chinese joint ventures of €(11) million –, compared to €(334) million in the same period last fiscal year, which was impacted by a non-cash impairment charge of €(441) million related to Transmashholding (TMH).

Net profit attributable to non-controlling interest totalled €24 million, compared to €21 million in the same period last fiscal year.

Adjusted net profit, representing the Group's share of net profit from continued operations excluding PPA and impairment net of tax, amounts to €292 million for the fiscal year 2022/23. This compares to an adjusted net profit of €(173) million in the same period last fiscal year.

2.4.5 FROM ADJUSTED NET PROFIT TO NET PROFIT

During the fiscal year 2022/23, amortisation & impairment of assets exclusively valued when determining the purchase price allocation ("PPA") in the context of business combination amounted to €(456) million before tax, compared to €(444) million in the same period last year. Positive tax effect associated with the PPA amounts to €36 million, compared to €41 million last fiscal year.

The Group's share of net profit from continued operations (Group share), including net effect from PPA after tax for €(420) million, stood at €(128) million, compared to €(403) million in the same period last fiscal year.

The net profit from discontinued operations stood at €(4) million. As a result, the Group's Net profit (Group share) stood at €(132) million for the fiscal year 2022/23, compared to €(581) million in the same period last fiscal year.

2.5 Free cash-flow

(in € million)	Year ended 31 March 2023	Year ended 31 March 2022
EBIT before PPA	**366**	**275**
Depreciation and amortisation	441	445
Restructuring variation	12	100
Capital expenditure	(289)	(303)
R&D capitalisation	(142)	(125)
Change in working capital*	(219)	(1,383)
Financial cash-out	(43)	9
Tax cash-out	(130)	(141)
JV dividends	114	99
Other	89	32
FREE CASH FLOW	**199**	**(992)**

* Change in Working Capital for €(219) million corresponds to the €(167) million changes in working capital resulting from operating activities disclosed in the consolidated financial statements from which the €(12) million variations of restructuring provisions and €(40) million of variation of Tax working capital have been excluded.

The Group's Free Cash Flow stands at €199 million for the fiscal year 2022/23 as compared to €(992) million during the same period last fiscal year.

As expected, the cash generation was notably impacted by an unfavourable €(219) million change in working capital compared to €(1,383) million last year; owing to continued industrial ramp-up, project stabilisation and provisions consumption.

Depreciation and amortisation excluding PPA amounted to €441 million (€886 million including PPA), compared to €445 million in the same period last fiscal year (€876 million including PPA). Right-of-use assets amortisation amounts to €132 million, in line with €139 million for the fiscal year 2021/22.

Financial cash-out position reached €(43) million, compared to €9 million last year, mainly due to increased interest rates on the Group's short-term debt and fees paid for the Committed Guarantee Facility Agreement ("CGFA") renegotiated in July 2022.

For the fiscal year 2022/23, Alstom spent €(289) million in capital expenditures excluding R&D, as compared to €(303) million for the fiscal year 2021/22.

Investments were undertaken on existing assets to improve their operational state & performance (confer the following purposes – maintenance, productivity, energy-savings, safety & compliance to new legal requirements).

Also some major investments were executed to meet contract requirements expanding Alstom's manufacturing capabilities in several areas like Americas (Hornell, USA; Taubate, Brazil), France (in Crespin, Valenciennes, and La Rochelle), Europe (Katowice and Wroclaw, Poland; Barcelona, Spain), Africa/Middle East/Central Asia (Fez – Morocco) and Asia-Pacific (in India especially).

"Other" items as listed above reached €89 million this fiscal year, mainly coming from shared based payments for €66 million, as compared to €42 million for the fiscal year 2021/22, and Capital G/L Disposal of Assets related to remedies for €30 million.

2.6 Net Cash/(Debt)

As of 31 March 2023, the Group recorded a net debt position of €(2,135) million, compared to the €(2,085) million net cash balance that the Group reported on 31 March 2022. This €(50) million increase is driven by various factors. Free Cash Flow generation is at €199 million. It is also impacted by €(62) million dividend pay-out, €(150) million lease and €(37) million other items including FX and remedies.

In addition to its available cash and cash equivalents, amounting to €826 million at 31 March 2023, the Group benefits from strong liquidity with:

- €1.75 billion short term Revolving Credit Facility maturing in January 2026;
- €2.5 billion Revolving Credit Facility maturing in January 2028.

Both facilities have a one-year extension options remaining at lenders' discretion and are undrawn at 31 March 2023. Both facilities have been successfully extended by one year.

As per its conservative liquidity policy, the €2.5 billion Revolving Credit Facility serves as a back-up of the Group €2.5 billion NEU CP program in place. With these RCF lines (undrawn at 31 March 2023), the €248 million of Negotiable European Commercial Papers outstanding and the €41 million overdraft at 31 March, the Group benefits from a €4.8 billion liquidity available.

2.7 Equity

The Group Equity on 31 March 2023 amounted to €9,102 million (including non-controlling interests), from €9,024 million on 31 March 2022, mostly impacted by:

- net profit/(loss) of €(132) million (Group share);
- actuarial hypothesis variation on pensions (recorded in equity) of €242 million net of tax;
- currency translation adjustment of €(200) million;
- dividends of €(93) million by Alstom SA;
- capital increase of €140 million;
- other items including €66 million of recognition of equity settled share-based payments.

2.8 Subsequent events

None.

2.9 Non-GAAP financial indicators definitions

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

2.9.1 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.

2.9.2 BOOK-TO-BILL

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

2.9.3 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.

2.9.4 ADJUSTED EBIT AND EBIT BEFORE PPA

2.9.4.1 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, Alstom Sifang (Qingdao) Transportation Ltd, Jiangsu Alstom NUG Propulsion System Co. Ltd. (former Bombardier NUG Propulsion) and Changchun Changke Alstom Railway Vehicles Company 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.

2.9.4.2 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 2023	Year ended 31 March 2022
Sales	**16,507**	**15,471**
Adjusted Earnings Before Interest and Taxes (aEBIT)	**852**	**767**
aEBIT (in % of Sales)	5.2%	5.0%
Capital Gains / (losses) on disposal of business	(30)	-
Restructuring and rationalisation costs	(65)	(138)
Integration costs, impairment and other	(249)	(209)
Reversal of Net Interest in Equity Investees pick-up	(142)	(145)
EARNING BEFORE INTEREST AND TAXES (EBIT) BEFORE PPA & IMPAIRMENT	**366**	**275**
PPA amortisation & impairment*	(456)	(444)
EARNING BEFORE INTEREST AND TAXES (EBIT)	**(90)**	**(169)**

* Gross amount before tax including PPA from Chinese joint ventures counted as share in net income of equity investees for €(11) million.

2.9.5 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 2023	Year ended 31 March 2022
Adjusted Net Profit*	**292**	**(173)**
Amortization & impairment of assets valued when determining the purchase price allocation	(420)	(403)
NET PROFIT FROM CONTINUED OPERATIONS (GROUP SHARE)	**(128)**	**(576)**

* For the fiscal year 2021/22, including a non-cash impairment charge related to Transmashholding (TMH) for €(441) million.

2.9.6 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 2023	Year ended 31 March 2022
Net cash provided by / (used in) operating activities	**606**	**(577)**
Of which operating flows provided / (used) by discontinued operations		
Capital expenditure (including capitalised R&D costs)	(431)	(428)
Proceeds from disposals of tangible and intangible assets	24	13
FREE CASH FLOW	**199**	**(992)**

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 2022/23, the Group Free Cash Flow was at €199 million compared to €(992) million in the same period last fiscal year.

2.9.7 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 2022/23, capital employed stood at €11,728 million, compared to €12,102 million at the end of March 2022.

(in € million)	Year ended 31 March 2023	Year ended 31 March 2022
Non current assets	16,845	17,273
less deferred tax assets	(596)	(452)
less non-current assets directly associated to financial debt	(108)	(141)
Capital employed – non current assets (A)	**16,141**	**16,680**
Current assets	14,551	13,068
less cash & cash equivalents	(826)	(810)
less other current financial assets	(92)	(81)
Capital employed – current assets (B)	**13,633**	**12,177**
Current liabilities	17,643	16,209
less current financial debt	(396)	(313)
plus non current lease obligations	501	566
less other obligations associated to financial debt	(144)	(143)
plus non current provisions	442	437
Capital employed – liabilities (C)	**18,046**	**16,756**
CAPITAL EMPLOYED (A)+(B)-(C)	**11,728**	**12,102**

2.9.8 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 2023, the Group recorded a net cash level of €(2,135) million, as compared to the net cash position of €(2,085) million on 31 March 2022.

(in € million)	Year ended 31 March 2023	Year ended 31 March 2022
Cash and cash equivalents	826	810
Other current financial assets	65	54
Other non current assets	27	27
less:		
Current financial debt	396	313
Non current financial debt	2,657	2,663
NET CASH/(DEBT) AT THE END OF THE PERIOD	**(2,135)**	**(2,085)**

2.9.9 ORGANIC BASIS

Management report on consolidated financial statements include performance indicators presented on an actual basis and on an organic basis. Figures given on an organic basis 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.

The Group uses figures prepared on an organic basis both for internal analysis and for external communication, as it believes they provide means to analyse and explain variations from one period to another. However, these figures are not measurements of performance under IFRS.

2.9.10 SALES BY CURRENCY

	Year ended 31 March 2023 as a % of Sales
Currencies	
EUR	46.9%
USD	13.5%
GBP	12.0%
AUD	4.9%
INR	4.7%
ZAR	2.7%
SEK	2.6%
CAD	2.2%
SGD	1.4%
CHF	1.2%
MXN	1.2%
Currencies below 1% of sales	6.7%

2.9.11 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				Total Consolidated Financial Statements (MD&A view)
		(1)	(2)	(3)	(4)	
31 MARCH 2023						
Sales	**16,507**					**16,507**
Cost of Sales	(14,541)	355		4		(14,182)
Adjusted Gross Margin before PPA & impairment*	**1,966**	**355**	**-**	**4**	**-**	**2,325**
R&D expenses	(580)	61				(519)
Selling expenses	(375)	-				(375)
Administrative expenses	(721)	-				(721)
Equity pick-up	-				142	142
Adjusted EBIT*	**290**	**416**	**-**	**4**	**142**	**852**
Other income / (expenses)	(369)		29	(4)		(344)
Equity pick-up (reversal)	-	-	-	-	(142)	(142)
EBIT / EBIT before PPA & impairment*	**(79)**	**416**	**29**	**-**	**-**	**366**
Financial income (expenses)	(103)					(103)
Pre-tax income	**(182)**	**416**	**29**	**-**	**-**	**263**
Income tax Charge	(34)	(34)	(2)			(70)
Share in net income of equity-accounted investments	112	11				123
Net profit (loss) from continued operations	**(104)**	**393**	**27**	**-**	**-**	**316**
Net profit (loss) attributable to non controlling interests (-)	(24)					(24)
Net profit (loss) from continued operations (Group share) / Adjusted Net Profit (loss)*	**(128)**	**393**	**27**	**-**	**-**	**292**
Purchase Price Allocation (PPA) & impairment net of corresponding tax effect	-	(420)				(420)
Net profit (loss) from discontinued operations	(4)					(4)
NET PROFIT (GROUP SHARE)	**(132)**	**(27)**	**27**	**-**	**-**	**(132)**

* Non-GAAP indicator, see definition in section 2.9.

Adjustments 31 March 2023:

(1) Impact of business combinations: amortisation of assets exclusively valued when determining the purchase price allocation (PPA), including net income of equity accounted investments, and including corresponding tax effect.

(2) Impact of business combinations: impairment of assets exclusively valued when determining the purchase price allocation (PPA) linked to the restructuring plan in Germany (see Note 2.7 of the financial statements), including corresponding tax effect.

(3) Impact of Aptis closure: reclassification of operational results as non-recurring items following Alstom's announced and planned discontinuance of Aptis activities.

(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 (see section 2.9.4.1 "Adjusted aEBIT").

(in € million)	Total Consolidated Financial Statements (GAAP)	Adjustments (1)	Adjustments (2)	Adjustments (3)	Adjustments (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 & impairment*	**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 & impairment*	**(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) & impairment 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 section 2.9.

Adjustments 31 March 2022:

(1) Impact of business combinations: amortisation & impairment of assets exclusively valued when determining the purchase price allocation (PPA), including net income of equity accounted investments, and 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 (see section 2.9.4.1 "Adjusted aEBIT").

2.9.12 FROM ENTERPRISE VALUE TO EQUITY VALUE

(in € million)		Year ended 31 March 2023	Year ended 31 March 2022
Total Gross debt, incl. lease obligations	(1)	**3,579**	**3,539**
Pensions liabilities net of prepaid and deferred tax asset related to pensions	(2)	582	803
Non controlling interest	(3)	105	113
Cash and cash equivalents	(4)	(826)	(810)
Oher current financial assets	(4)	(65)	(54)
Other non-current financial assets	(5)	(56)	(48)
Net deferred tax liability / (asset)	(6)	(443)	(276)
Investments in associates & JVs, excluding Chinese JVs	(7)	(123)	(118)
Non-consolidated Investments	(8)	(82)	(79)
BRIDGE		**2,671**	**3,070**

(1) Long-term and short-term debt and Leases (Note 27), excluding the lease to a London metro operator for €119 million due to matching financial asset (Notes 15 and 27).
(2) As per Note 29 net of €(25) million of deferred tax allocated to accruals for employees benefit costs (Note 8).
(3) As per balance sheet.
(4) As per balance sheet.
(5) Other non-current assets: Loans to non-consolidated Investments for €29 million and deposit on a US loan for €27 million (Notes 15 and 27).
(6) Deferred Tax Assets and Liabilities – as per balance sheet, net of €(25) million of deferred tax allocated to accruals for employees benefit costs (Note 8).
(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 balance sheet.

2.9.13 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 2023
AMORTISATION PLAN, AS PER P&L BOOKING*	**(3,148)**
2021	(71)
2022	(428)
2023	(436)
2024	(368)
2025	(373)
2026	(264)
2027	(213)
2028	(203)
2029	(166)
2030	(138)
2031	(107)
2032	(96)
2033	(95)
Beyond	(189)

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


ALSTOM

3

FINANCIAL STATEMENTS

AFR

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

3.1 CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2023

3.1.1 Consolidated income statement

		Year ended	
(in € million)	Note	At 31 March 2023	At 31 March 2022
Sales	**(3)**	**16,507**	**15,471**
Cost of sales		(14,541)	(13,746)
Research and development expenses	(4)	(580)	(604)
Selling expenses	(5)	(375)	(354)
Administrative expenses	(5)	(721)	(642)
Other income / (expense)	(6)	(369)	(281)
Earnings Before Interests and Taxes		**(79)**	**(156)**
Financial income	(7)	36	70
Financial expense	(7)	(139)	(95)
Pre-tax income		**(182)**	**(181)**
Income Tax Charge	(8)	(34)	(27)
Share in net income of equity-accounted investments	(13)	112	(347)
Net profit (loss) from continuing operations		**(104)**	**(555)**
Net profit (loss) from discontinued operations	(9)	(4)	(5)
NET PROFIT (LOSS)		**(108)**	**(560)**
Net profit (loss) attributable to equity holders of the parent		(132)	(581)
Net profit (loss) attributable to non controlling interests		24	21
Net profit (loss) from continuing operations attributable to:			
• Equity holders of the parent		(128)	(576)
• Non controlling interests		24	21
Net profit (loss) from discontinued operations attributable to:			
• Equity holders of the parent		(4)	(5)
• Non controlling interests		-	-
EARNINGS (LOSSES) PER SHARE (in €)			
• Basic earnings (losses) per share	(10)	(0.35)	(1.56)
• Diluted earnings (losses) per share	(10)	(0.35)	(1.55)

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

3.1.2 Consolidated statement of comprehensive income

(in € million)	Note	Year ended At 31 March 2023	At 31 March 2022
Net profit (loss) recognised in income statement		**(108)**	**(560)**
Remeasurement of post-employment benefits obligations	(29)	256	341
Equity investments at FVOCI	(13) / (14)	9	(1)
Income tax relating to items that will not be reclassified to profit or loss	(8)	(6)	(15)
Items that will not be reclassified to profit or loss		**259**	**325**
of which from equity-accounted investments		-	-
Fair value adjustments on cash flow hedge derivatives		1	-
Costs of hedging reserve		57	(10)
Currency translation adjustments*	(23)	(220)	177
Income tax relating to items that may be reclassified to profit or loss	(8)	(5)	-
Items that may be reclassified to profit or loss		**(167)**	**167**
of which from equity-accounted investments	(13)	(73)	77
TOTAL COMPREHENSIVE INCOME		**(16)**	**(68)**
Attributable to:			
• Equity holders of the parent		(27)	(96)
• Non controlling interests		11	28
Total comprehensive income attributable to equity shareholders arises from:			
• Continuing operations		(23)	(91)
• Discontinued operations		(4)	(5)
Total comprehensive income attributable to non controlling interests arises from:			
• Continuing operations		11	28
• Discontinued operations		-	-

* Includes currency translation adjustments on actuarial gains and losses for €(7) million as of 31 March 2023 (€8 million as of 31 March 2022).

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

3.1.3 Consolidated balance sheet

Assets

(in € million)	Note	At 31 March 2023	At 31 March 2022
Goodwill	(11)	9,380	9,368
Intangible assets	(11)	2,606	3,002
Property, plant and equipment	(12)	2,481	2,550
Investments in joint-venture and associates	(13)	1,131	1,179
Non consolidated investments	(14)	82	79
Other non-current assets	(15)	569	644
Deferred Tax	(8)	596	452
Total non-current assets		**16,845**	**17,274**
Inventories	(17)	3,729	3,274
Contract assets	(18)	4,533	3,846
Trade receivables	(19)	2,670	2,747
Other current operating assets	(20)	2,728	2,337
Other current financial assets	(25)	65	54
Cash and cash equivalents	(26)	826	810
Total current assets		**14,551**	**13,068**
Assets held for sale		-	173
TOTAL ASSETS		**31,396**	**30,515**

Equity and Liabilities

(in € million)	Note	At 31 March 2023	At 31 March 2022
Equity attributable to the equity holders of the parent	(23)	8,997	8,911
Non controlling interests		105	113
Total equity		**9,102**	**9,024**
Non current provisions	(22)	442	437
Accrued pensions and other employee benefits	(29)	923	1,203
Non-current borrowings	(27)	2,657	2,663
Non-current lease obligations	(27)	501	566
Deferred Tax	(8)	128	127
Total non-current liabilities		**4,651**	**4,996**
Current provisions	(22)	1,779	1,966
Current borrowings	(27)	396	313
Current lease obligations	(27)	144	143
Contract liabilities	(18)	6,781	6,155
Trade payables	(16)	3,640	3,323
Other current liabilities	(21)	4,903	4,309
Total current liabilities		**17,643**	**16,209**
Liabilities related to assets held for sale		-	286
TOTAL EQUITY AND LIABILITIES		**31,396**	**30,515**

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

3.1.4 Consolidated statement of cash flows

		Year ended	
(in € million)	Note	At 31 March 2023	At 31 March 2022
Net profit (loss)		**(108)**	**(560)**
Depreciation, amortisation and impairment	(11) / (12)	886	876
Expense arising from share-based payments	(30)	66	42
Cost of net financial debt and costs of foreign exchange hedging, net of interest paid and received[(a)], and other change in provisions		33	12
Post-employment and other long-term defined employee benefits		4	6
Net (gains) / losses on disposal of assets		28	(1)
Share of net income (loss) of equity-accounted investments (net of dividends received)	(13)	2	446
Deferred taxes charged to income statement	(8)	(138)	(49)
Net cash provided by operating activities – before changes in working capital		**773**	**772**
Changes in working capital resulting from operating activities[(b)]	**(16)**	**(167)**	**(1,349)**
Net cash provided by / (used in) operating activities		**606**	**(577)**
Of which operating flows provided / (used) by discontinued operations		-	-
Proceeds from disposals of tangible and intangible assets		24	13
Capital expenditure (including capitalised R&D costs)		(431)	(428)
Increase / (decrease) in other non-current assets	(15)	24	39
Acquisitions of businesses, net of cash acquired		(30)	(63)
Disposals of businesses, net of cash sold		(65)	(4)
Net cash provided by / (used in) investing activities		**(478)**	**(443)**
Of which investing flows provided / (used) by discontinued operations	(9)	(11)	(8)
Capital increase / (decrease) including non controlling interests		90	2
Dividends paid including payments to non controlling interests		(62)	(52)
Issuances of bonds & notes	(27)	-	1,200
Changes in current and non-current borrowings	(27)	56	(419)
Changes in lease obligations	(27)	(150)	(148)
Changes in other current financial assets and liabilities	(27)	5	(25)
Net cash provided by / (used in) financing activities		**(61)**	**558**
Of which financing flows provided / (used) by discontinued operations		-	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**67**	**(462)**
Cash and cash equivalents at the beginning of the period		810	1,250
Net effect of exchange rate variations		(53)	19
Transfer to assets held for sale		2	3
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**(26)**	**826**	**810**
(a) Net of interests paid & received		(43)	(13)
(b) Income tax paid		(130)	(141)

(in € million)	Year ended At 31 March 2023	At 31 March 2022
Net cash / (debt) variation analysis		
Changes in cash and cash equivalents	67	(462)
Changes in other current financial assets and liabilities	(5)	25
Changes in bonds and notes	-	(1,200)
Changes in current and non-current borrowings	(56)	419
Net debt of acquired / disposed entities at acquisition / disposal date and other variations	(56)	32
Decrease / (increase) in net debt	(50)	(1,186)
Net cash / (debt) at the begining of the period	**(2,085)**	**(899)**
NET CASH / (DEBT) AT THE END OF THE PERIOD	**(2,135)**	**(2,085)**

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

3.1.5 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 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**
Movements in other comprehensive income				61	242	2	(200)	105	(13)	92
Net income for the period				(132)				(132)	24	(108)
Total comprehensive income				**(71)**	**242**	**2**	**(200)**	**(27)**	**11**	**(16)**
Change in controlling interests and others				(1)	4			3		3
Dividends convertible into shares				(50)				(50)		(50)
Dividends paid in cash				(43)				(43)	(19)	(62)
Capital increase by issuance of new shares	2,432,331	17	35					52		52
Issue of ordinary shares under long term incentive plans	4,629,377	32	56	(3)				85		85
Recognition of equity settled share-based payments				66				66		66
AT 31 MARCH 2023	**380,453,454**	**2,663**	**5,445**	**1,134**	**406**	**(1)**	**(650)**	**8,997**	**105**	**9,102**

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

3.1.6 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 9 May 2023. In accordance with French legislation, they will be final once approved by the shareholders of Alstom at the Annual General Meeting convened for 11 July 2023.

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

Alstom acquired Bombardier Transportation on 29 January 2021. 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.

Anti-trust requirements: closing of the remedies

Alstom completed in 2022/23 all its divestment obligations required by the European Commission for the clearance of the acquisition of Bombardier Transportation.

On 1 July 2022, Alstom concluded the transfer of the Bombardier Transportation's contribution to the joint V300 Zefiro very high-speed train platform to its historical partner Hitachi Rail. This transfer involves passing over the maintenance activities, the intellectual property rights and the branding. Alstom will henceforth reduce its involvement in new contracts for the V300 Zefiro train while completing its scope for existing orders on Rolling Stock.

On 1 August 2022, Alstom completed the sale of the Coradia Polyvalent regional train platform together with all operations of the Reichshoffen production site in France and the Talent 3 regional train platform developed in Hennigsdorf, Germany to CAF. Alstom will carry out its remaining post-sale obligations for Talent 3 and will operate in consortium with CAF to fulfill existing contracts for rolling stock delivery from the Reichshoffen site. Alstom has also committed on certain undertakings to ensure the viability of the Reichshoffen site during a transitional period (in particular through allocation of workload).

For signalling, long-term commitments required by the European Commission on the supply of certain signalling onboard units and train control management systems have been addressed.

These transactions complied with all applicable social processes and consultations with employee representative bodies and were subject to regulatory approvals.

The loss arising from these remedies net of costs to sell stood at €(30) million recognized in Other Operating Expenses (see Note 6) associated with a negative impact on Investing cash flow for €(63) million as of 31 March 2023. Following the completion of the sale of the remedies, there are no longer any assets held for sale, nor liabilities related to assets held for sale in the Group Consolidated Financial Statements, as of 31 March 2023 (compared to respectively €173 million and €286 million, as of 31 March 2022).

1.1.2. Uncertainties linked to the current economic and political context

The current economic and political context creates uncertainties on business activities (namely inflation, price volatility of certain commodities, energy, increases of interest rates, 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 (71% of the backlog being covered by price escalation clauses on global inflation – commodities, energy and labour indexes).

Impairment tests have been performed on goodwill, technology and other intangible assets (see Note 11), with no impairment risks identified as of 31 March 2023. Recognition of deferred tax assets has been assessed based on reasonable estimates and on the information available as at March 2023 (see Note 8).

The Group took into consideration the potential impacts due to the specific context described above 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 2023. 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

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 €26 million in June 2022 increasing its stake from 75.35% to 75.48% with no change in the consolidation method (Joint control).

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 2023, 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 2023;
- using the same accounting policies and measurement methods as at 31 March 2022, 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 2022

Three amendments are applicable at 1 April 2022 and endorsed by European Union:

- Amendments to IFRS 3 "Business Combinations – Reference to the Conceptual Framework";
- Amendments to IAS 16 "Property, Plant and Equipment – Proceeds before intended Use";
- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract";
- Annual Improvements to IFRS Standards 2018-2020.

All these amendments effective at 1 April 2022 for Alstom have no material impact on the Group's consolidated financial statements. On the specific Amendments to IAS 37, Alstom's approach was already aligned with amended requirements.

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 IAS 1 "Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies";
- Amendments to IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates";
- Amendments to IAS 12 "Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction".

These three amendments 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";
- Amendments to IFRS 16 "Leases: Lease Liability in a Sale and Leaseback".

These two amendments will be applicable for annual periods beginning after 1 January 2024.

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, Business 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.

Intercompany 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. 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.

2.5.4. 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.

2.5.5. Sales and costs generated by operating activities

Identification of performance obligations

Most contracts with customers do not contain more than a single performance obligation. Only a contract which is executed in two stages starting with the supply of goods to a customer followed by services performed on the assets built (maintenance) include two distinct performance obligations. The transaction price is allocated among the performance obligations in proportion to the stand-alone selling prices of goods and services.

Contracts may provide customers with the option to acquire additional goods or services. Additional goods sold in the frame of an option subsequently exercised or through a contract modification are accounted on a cumulative catch-up basis with the first goods sold and treated, accordingly, as a single performance obligation.

Maintenance contract renewals are accounted for separately from the initial contract.

Service-type warranties are recognised as distinct performance obligations.

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 estimates 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 control of the promised goods is 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.

2.5.6. 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. Those assets as well as capitalised R&D are 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

The Group has initiated an in-depth analysis of the risks and opportunities related to the consequences of climate change, that could affect its business.

This consideration led the Group to conduct an assessment of the resilience and adaptation of its sites and facilities to identify any physical risk, to which it could be exposed due to climate change. Based on a detailed review carried out by an independent third party, the Group measured its exposure to potential physical risks on the basis of various global warming scenarios of +1.9° up to +3°C by 2030-2050. These scenarios could lead to a potential increase of operating and/or capital expenditure, especially in extreme scenarios. On this basis, the Group has not identified any risk of impairment as of 31 March 2023.

The Group is committed to achieve carbon neutrality in its value chain by 2050. The projects decided and deployed in this trajectory might have an impact on the Group's investment strategy, research and development expenditure or in the valuation of certain long-term assets and liabilities. Also, the Group is integrating more systematically the transition risks and opportunities into the assessment of its financial performance and the valuation of its assets and liabilities. At this stage, none of the projects decided or risks or opportunities identified have led to review accounting judgements or estimates. The Group will continuously update and improve its analysis. New projects or elements identified could lead, in the future, to review certain accounting judgments or estimates.

The Group's internal business plan used for the impairment tests takes into account growth assumptions which are consistent with the trends observed in the industry by independent market studies and, confirming a growing demand for smart and green mobility solutions in the next generations of products and services and for alternatives to diesel. These impacts are reflected in the long-term growth rate used by the Group, which has increased this year from 2.5% to 3% (see Note 11). The Group has also set carbon reduction targets for its own operations and supply chain leading to an increase in some operating and investment costs (e.g. processes or systems targeting energy efficiency in factories, development of external or in-house supply of green energy), which have been reflected in the cash flow projections.

The commitments made by the Group in the fight against global warming are reflected in the variable compensation targets set for the Group's senior executives and managers as well. The Alstom Short Term Incentive (STI) Scheme relies on the Group's performance criteria, which have included since 2022/23 a target of reduction in direct and indirect CO_2 emissions in the operations (Scopes 1 & 2). 24,796 managers benefit from such annual variable compensation. The share-based payment plans, set on an annual basis, have included since 2020 a performance condition related to the reduction of energy consumption in the Group's products and services offerings. These plans concern nearly 1,500 beneficiaries. In the latest plan (PSP 2022 – launched in May 2022), this criterion stood for 15% of the shares allocation (see Note 30).

Finally, in July 2022, the Group extended its Committed Guarantee Facility Agreement ("CGFA") and included an incentive-based mechanism linked to sustainability performance criteria. The CGFA is used by the Group for the issuance of commercial bank guarantees issued for the benefit of its customers in order to guarantee the performance commitments or any contingent liabilities that it may have towards its customers (see Note 32).

To the best of the Group's knowledge and at the stage of completion of the projects in progress, the Group has not identified any significant impact in the preparation of its Consolidated Financial Statements as of 31 March 2023.

2.7. Amortisation of Purchase Price Allocation

Since the acquisition of Bombardier Transportation, amortisation expense of assets exclusively acquired in the context of business combinations, and previously recognized in Other Expenses, is now accounted in costs of sales for backlog, product and project as well as customer relationships, in R&D costs for acquired technology, and in share in net income of equity-accounted investment for investments in Joint Ventures and Associates. The PPA amortisation impacting the pre-tax income (meaning cost of sales and R&D costs) amounts to €(416) million at 31 March 2023, compared to €(431) million at 31 March 2022, while the PPA amortisation impacting the share in net income of equity-accounted investment amounts to €(11) million at 31 March 2023, compared to €(13) million at 31 March 2022.

In addition to 2022/23 expected amortisation plan amounting to €(416) million, an impairment of tangible assets of €(29) million linked to restructuring plan in Germany has been recognized in the Other income / (expenses) line (see Note 6).

C. SEGMENT INFORMATION

NOTE 3. SEGMENT INFORMATION

The Group financial information is reviewed through multiple axes of analysis (regions, sites, contracts, functions, products) reflective of the whole organization and the integrated manufacturing process and nature of its products and services, in particular turnkey solutions. None of these axes taken individually allows for a full comprehensive analysis of the operating profit nor a segmental information in the balance sheet.

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.

3.1. Sales by product

	Year ended	
(in € million)	At 31 March 2023	At 31 March 2022
Rolling stock	8,784	8,647
Services	3,817	3,406
Systems	1,476	1,155
Signalling	2,430	2,263
TOTAL GROUP	**16,507**	**15,471**

3.2. Key indicators by geographic area

Sales by country of destination

	Year ended	
(in € million)	At 31 March 2023	At 31 March 2022
Europe	9,936	9,584
of which France	2,540	2,633
Americas	2,843	2,563
Asia/Pacific	2,378	2,172
Africa/Middle-East /Central Asia	1,350	1,152
TOTAL GROUP	**16,507**	**15,471**

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 2023	At 31 March 2022
Europe	3,800	4,111
of which France	1,587	1,629
Americas	816	852
Asia/Pacific	1,532	1,641
Africa/Middle-East/Central Asia	286	351
Total excluding goodwill	**6,434**	**6,955**
Goodwill	**9,380**	**9,368**
TOTAL GROUP	**15,814**	**16,323**

3.3. Orders Backlog

Product breakdown

(in € million)	At 31 March 2023	At 31 March 2022
Rolling stock	42,806	40,832
Services	30,741	26,789
Systems	6,330	6,282
Signalling	7,510	7,110
TOTAL GROUP	**87,387**	**81,013**

Geographic breakdown

(in € million)	At 31 March 2023	At 31 March 2022
Europe	49,146	44,202
of which France	13,121	12,947
Americas	13,796	13,116
Asia/Pacific	12,191	11,622
Africa/Middle-East /Central Asia	12,254	12,073
TOTAL GROUP	**87,387**	**81,013**

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 2023 backlog contribution to the next three fiscal years revenue is expected to reach €38 billion to €40 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 2023	At 31 March 2022
Research and development gross cost	(682)	(667)
Financing received*	103	82
Research and development spending, net	**(579)**	**(585)**
Development costs capitalised during the period	142	124
Amortisation expenses**	(143)	(143)
RESEARCH AND DEVELOPMENT EXPENSES	**(580)**	**(604)**

* Financing received includes public funding amounting to €65 million at 31 March 2023, compared to €47 million at 31 March 2022.

** Including €(61) million of amortisation expenses related to purchase price allocation compared to €(74) million at 31 March 2022.

As of end of March 2023, Alstom Group invested €682 million in Research and Development, notably to develop:

- its very high-speed trains Avelia Horizon™;
- its Coradia stream™ range;
- its Coradia iLint™ regional trains;
- its TRAXX™ Multi-system 3 locomotives;
- its Green re-tractioning initiatives (battery and hydrogen);
- its ERTMS level 2 on-board solution;
- its Atlas™ ETCS convergence;
- its CBTC solutions Urbalis Fluence™ and Urbalis 400™;
- its Citadis™ DNA a light rail vehicle addressing the specificities of the market in the USA;
- its ICONIS™ and EbiScreen™ suites for Operational Control Centers;
- its Autonomous Freight, where Alstom had a successful GoA4 (Grade of Automation 4) 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 2023	At 31 March 2022
Capital gains / (losses) on disposal of business	(30)	-
Restructuring and rationalisation costs	(65)	(138)
Integration costs, impairment loss and other	(274)	(144)
OTHER INCOME / (EXPENSES)	**(369)**	**(282)**

As of 31 March 2023, capital gains and losses on disposal of business are mainly related to the sale of remedies in the frame of Bombardier Transportation acquisition (see Note 1.1.1) and restructuring and rationalisation costs are mainly related to the adaptation of the means of production, especially in Germany.

Over the period ended at 31 March 2023, Integration costs, impairment loss and other include mainly:

- €(181) million of integration costs related to Bombardier Transportation's integration;
- €(43) million related to some legal fees mainly linked to Bombardier Transportation's integration;
- €(29) million of impairment of tangible assets related to PPA linked to the restructuring plan in Germany (see Note 2.7).

NOTE 7. FINANCIAL INCOME (EXPENSES)

Financial income and expenses include:

- interest income representing the remuneration of the cash position;
- interest expense related to the financial debt (financial debt consists of bonds, other borrowings, and lease obligations);
- 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;
- other expenses paid to financial institutions for financing operations.

Interest income and expense related to respectively cash remuneration and financial debt are presented on a gross basis and are respectively classified in financial income and financial expense in the consolidated income statement.

All other financial items listed above are presented on a net basis. Positive amounts are presented in financial income, negative amounts are presented in financial expense in the consolidated income statement.

(in € million)	Year ended At 31 March 2023	At 31 March 2022
Interest income	10	20
Interest expense on borrowings and on lease obligations	(62)	(37)
NET FINANCIAL INTERESTS ON DEBT	**(52)**	**(17)**
Net gains / (losses) of foreign exchange hedging	26	40
Net financial expense from employee defined benefit plans	(26)	(22)
Financial component on contracts	(1)	10
Other financial income / (expenses)	(50)	(36)
NET FINANCIAL INCOME / (EXPENSES)	**(103)**	**(25)**
Total financial income	36	70
Total financial expense	(139)	(95)

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

As of 31 March 2023, interest income amounts to €10 million, representing mainly the remuneration of the Group's cash position over the period, while interest expenses amount to €(62) million including €(14) million of interest expenses on lease obligations.

The net cost of foreign exchange hedging of €26 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 €(26) million represents the interest costs on obligations net of interest income from fund assets calculated using the same discount rate.

The financial component of €(1) million represents the recognition of financial revenue under IFRS15.

Other net financial income / (expenses) of €(50) 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.

Net Financial income and net financial expenses presentation has been realigned between this note and consolidated income statement of the primary statement for both fiscal year ended 31 March 2023 and 31 March 2022 as explained in the accounting principle above.

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:

(in € million)	Year ended At 31 March 2023	At 31 March 2022
Current income tax charge	(170)	(74)
Deferred income tax charge	136	47
INCOME TAX CHARGE	**(34)**	**(27)**

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:

(in € million)	Year ended At 31 March 2023	At 31 March 2022
Pre-tax income	**(182)**	**(181)**
Statutory income tax rate of the parent company	25.83%	28.41%
Expected tax charge	**47**	**51**
Impact of:		
• Difference between normal tax rate applicable in France and normal tax rate in force in jurisdictions outside France	13	(27)
• Changes in unrecognised deferred tax assets	(70)	(67)
• Changes in tax rates	(1)	4
• Additional tax expenses (withholding tax, CVAE in France and IRAP in Italy)	(34)	(23)
• Permanent differences and other	11	35
INCOME TAX CHARGE	**(34)**	**(27)**
Effective tax rate*	**n.m.**	**n.m.**

* Due to negative pre-tax income, effective tax rate of the period is not meaningful: excluding the €445 million amortisation and impairment of Purchase Price Allocation related to tangibles and intangibles assets (see Note 2.7), effective tax rate is 27%, flat as compared to 31 March 2022.

8.2. Deferred tax assets and liabilities

(in € million)	Year ended At 31 March 2023	At 31 March 2022
Deferred tax assets	596	452
Deferred tax liabilities	(128)	(127)
DEFERRED TAX ASSETS, NET	**468**	**325**

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

(in € million)	At 31 March 2022	Change in P&L	Change in equity	Translation adjustments and other changes	At 31 March 2023
Differences between carrying amount and tax basis of tangible and intangible assets	(240)	18	-	81	(141)
Accruals for employee benefit costs not yet deductible	49	2	(5)	(21)	25
Provisions and other accruals not yet deductible	146	(2)	-	31	175
Differences in recognition of margin on "construction contracts"	68	11	-	1	80
Tax loss carry forwards	232	156	-	(8)	380
Other	70	(49)	(7)	(65)	(51)
NET DEFERRED TAXES ASSET/(LIABILITY)	**325**	**136**	**(12)**	**19**	**468**

(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.

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 5 years in accordance with the Group's strategy, for an amount of €468 million at the end of March 2023, mainly in the United States of America, in Germany, in France and in the United Kingdom for a total amount of €238 million.

At 31 March 2023, 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 €44 million out of a total of €644 million. Tax losses can be carried forward indefinitely in France on 50% of taxable income of the year. Part of France revenues are subject to a patent box regime with a reduced tax rate, limiting deferred tax assets recognition.

In the United States of America, the deferred tax assets relating to tax loss carry forwards are recognised for a total amount of €98 million out of a total of €256 million deferred tax assets relating to tax losses carry forwards. From 2018 onwards, the tax losses generated can be carried forward indefinitely.

In Germany and in the United Kingdom, tax losses can be carried forward indefinitely. Net deferred tax assets recognized as at 31 March 2023 amount to €96 million out of €788 million deferred tax assets relating to tax losses carry forwards.

Unrecognised deferred tax assets amount to €2,436 million at 31 March 2023 (€2,493 million at 31 March 2022).

Most of these unrecognised deferred taxes are originated from tax losses carried forward (€2,072 million at 31 March 2023 and €2,145 million at 31 March 2022), out of which €1,547 million are not subject to expiry at 31 March 2023 (€1,268 million at 31 March 2022).

NOTE 9. FINANCIAL STATEMENTS OF DISCONTINUED OPERATIONS

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.

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 2023, Alstom recognized a loss for €(4) million.

Cash flows related to the disposal of previous activities arising from discontinued operations for the fiscal year amounts to €(11) 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 €4 billion. The Group benefits from a general indemnification from General Electric in these matters.

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 2023	At 31 March 2022
Net Profit (Loss) attributable to equity holders of the parent:		
• From continuing operations	(128)	(576)
• From discontinued operations	(4)	(5)
EARNINGS (LOSSES) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**(132)**	**(581)**

10.2. Number of shares

	Year ended	
(number of shares)	At 31 March 2023	At 31 March 2022
Weighted average number of ordinary shares used to calculate basic earnings per share	**375,523,158**	**372,724,670**
Effect of dilutive instruments other than bonds reimbursable with shares:		
• Stock options and performance shares (LTI plan)	2,326,630	1,681,595
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES USED TO CALCULATE DILUTED EARNINGS PER SHARES	**377,849,788**	**374,406,265**

10.3. Earnings per share

	Year ended	
(in €)	At 31 March 2023	At 31 March 2022
Basic earnings (losses) per share	(0.35)	(1.56)
Diluted earnings (losses) per share	(0.35)	(1.55)
Basic earnings (losses) per share from continuing operations	(0.34)	(1.55)
Diluted earnings (losses) per share from continuing operations	(0.34)	(1.54)
Basic earnings (losses) per share from discontinued operations	(0.01)	(0.01)
Diluted earnings (losses) per share from discontinued operations	(0.01)	(0.01)

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 (i.e. inflation, geopolitical crises, etc.) or the assumptions (i.e. contract execution, procurement, etc.). 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). As a result, 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 2022	Acquisition and adjustments on preliminary goodwill	Disposals	Translation adjustments and other changes	At 31 March 2023
GOODWILL	**9,368**	**-**	**-**	**12**	**9,380**
Of which:					
Gross value	9,368	-	-	12	9,380
Impairment	-	-	-	-	-

Goodwill impairment test

As of 31 March 2023, 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).

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 and the extrapolation of the two following years.

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, Alstom Sifang (Qingdao) Transportation Ltd, Jiangsu Alstom NUG Propulsion System Co. Ltd. (former Bombardier NUG Propulsion) and Changchun Changke Alstom Railway Vehicles Company Ltd.

The indicator "aEBIT" corresponds to Earning Before Interests and Tax adjusted with 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.

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

Net carrying amount of goodwill at 31 March 2023 (in € million)	9,380
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 2023	**3.0%**
Long-term growth rate at 31 March 2022	2.5%
After tax discount rate at 31 March 2023*	**9.0%**
After tax discount rate at 31 March 2022*	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.

The discount rate has been updated from 8.5% to 9.0% compared to last year as a result of the combination of the increase in the interest rates and a risk premium now integrated in the cash flows thus removed from the WACC.

The increase in long-term grow rate compared to previous year is consistent with the growth rates observed in the industry by independent market studies. This variation is also substantiated by the positive evolution of the Group backlog which provides strong visibility over future revenues.

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

(in € million)		
aEBIT Margin	-25 bp	+25 bp
	(448)	448
After tax discount rate	-25 bp	+25 bp
	920	(846)
Long-term growth rate	-10 bp	+10 bp
	(287)	296

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 2023.

The impairment tests confirmed that the recoverable amount comfortably exceeds its carrying value at 31 March 2023. 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 discount rate or in the long-term growth rate or in the Adjusted EBIT margin (versus the usual sensitivities disclosed in the table above) would lead to a recoverable amount still exceeding its carrying value at 31 March 2023.

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.

Intangible assets not yet ready to use (not yet amortised) as well as capitalised R&D are reviewed for impairment individually, at least annually and whenever events or changes in circumstances indicate the carrying amount of the intangible assets may not be recoverable. Due to a lack of quoted market prices for intangible assets, their recoverable value is usually determined based on the present value of future cash flows expected through their use or sale. An impairment of intangible assets is booked when the carrying amount exceeds its recoverable value. Other intangibles are subject to amortisation, as a result, they are tested for impairment only if there are indicators of impairment.

(in € million)	At 31 March 2022	Additions / disposals / amortisation / impairment	Other changes including translation adjustments	At 31 March 2023
Development costs	1,552	132	(25)	1,659
Other intangible assets	3,648	12	(86)	3,574
Gross value	**5,200**	**144**	**(111)**	**5,233**
Development costs	(1,170)	(81)	21	(1,230)
Other intangible assets	(1,028)	(388)	19	(1,397)
Amortisation and impairment	**(2,198)**	**(469)**	**40**	**(2,627)**
Development costs	382	51	(4)	429
Other intangible assets	2,620	(376)	(67)	2,177
NET VALUE	**3,002**	**(325)**	**(71)**	**2,606**

(in € million)	At 31 March 2021	At 31 March 2021 Adjusted*	Additions / disposals / amortisation / impairment	Other changes including translation adjustments and other scope variation	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 include the update of the final Purchase Price Allocation of Bombardier Transportation.

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 (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. Leas-e income from operating leases is recognized on a straight-line basis over the term of the lease.

(in € million)	At 31 March 2022	Additions / amortisation / impairment	Disposals	Other changes including translation adjustments	At 31 March 2023
Land	279	3	(2)	1	281
Buildings	2,744	137	(6)	(108)	2,767
Machinery and equipment	2,002	58	(20)	24	2,064
Constructions in progress	201	175	(5)	(91)	280
Tools, furniture, fixtures and other	369	31	(9)	(20)	371
Gross value	**5,595**	**404**	**(42)**	**(194)**	**5,763**
Land	(14)	3	-	(1)	(12)
Buildings	(1,328)	(237)	5	101	(1,459)
Machinery and equipment	(1,423)	(136)	18	22	(1,519)
Constructions in progress	(2)	(2)	2	-	(2)
Tools, furniture, fixtures and other	(278)	(33)	8	13	(290)
Amortisation and impairment	**(3,045)**	**(405)**	**33**	**135**	**(3,282)**
Land	265	6	(2)	-	269
Buildings	1,416	(100)	(1)	(7)	1,308
Machinery and equipment	579	(78)	(2)	46	545
Constructions in progress	199	173	(3)	(91)	278
Tools, furniture, fixtures and other	91	(2)	(1)	(7)	81
NET VALUE	**2,550**	**(1)**	**(9)**	**(59)**	**2,481**

The commitments of fixed assets amount to €31 million at 31 March 2023 (compared to €40 million at 31 March 2022), of which €0 million are related to leased assets (compared to €4 million 31 March 2022).

(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**

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

(in € million)	At 31 March 2022	Additions / amortisation / impairment	Decrease*	Other changes including translation adjustments	At 31 March 2023
Land	9	2	(2)	-	9
Buildings	736	91	(97)	(14)	716
Machinery and equipment	27	7	(2)	(2)	30
Tools, furniture, fixtures and other	52	21	(14)	(2)	57
Gross value	**824**	**121**	**(115)**	**(18)**	**812**
Land	(1)	-	-	-	(1)
Buildings	(252)	(110)	79	7	(276)
Machinery and equipment	(10)	(6)	3	-	(13)
Tools, furniture, fixtures and other	(25)	(16)	13	1	(27)
Amortisation and impairment	**(288)**	**(132)**	**95**	**8**	**(317)**
Land	8	2	(2)	-	8
Buildings	484	(19)	(18)	(7)	440
Machinery and equipment	17	1	1	(2)	17
Tools, furniture, fixtures and other	27	5	(1)	(1)	30
NET VALUE	**536**	**(11)**	**(20)**	**(10)**	**495**

* Decrease are included into the "Other changes including translation adjustments" flow of the Property, Plant and Equipment general table above.

(in € million)	At 31 March 2021	Additions / amortisation / impairment	Decrease*	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**
Land	(1)	(1)	-	1	(1)
Buildings	(163)	(117)	30	(2)	(252)
Machinery and equipment	(10)	(6)	3	3	(10)
Tools, furniture, fixtures and other	(19)	(16)	10	-	(25)
Amortisation and impairment	**(193)**	**(140)**	**43**	**2**	**(288)**
Land	8	-	-	-	8
Buildings	517	(37)	(5)	9	484
Machinery and equipment	15	3	(1)	-	17
Tools, furniture, fixtures and other	25	2	(1)	1	27
NET VALUE	**565**	**(33)**	**(7)**	**11**	**536**

* Decrease are included into the "Other changes including translation adjustments" flow of the Property, Plant and Equipment general table above.

NOTE 13. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

FINANCIAL INFORMATION

(in € million)	Share in equity		Share of net income	
	At 31 March 2023	At 31 March 2022	Year ended at 31 March 2023	Year ended at 31 March 2022
TMH Limited	-	-	-	(451)
Alstom Sifang (Qingdao) Transportation Ltd.	413	447	30	39
Other Associates	341	335	75	56
Associates	**754**	**782**	**105**	**(356)**
Jiangsu Alstom NUG Propulsion System Co. Ltd	190	205	18	21
SpeedInnov JV	94	90	(22)	(24)
Other Joint ventures	93	102	11	12
Joint ventures	**377**	**397**	**7**	**9**
TOTAL	**1,131**	**1,179**	**112**	**(347)**

MOVEMENTS DURING THE PERIOD

(in € million)	At 31 March 2023	At 31 March 2022
Opening balance	**1,179**	**1,466**
Share in net income of equity-accounted investments after impairment	112	(347)
Dividends	(114)	(99)
Acquisitions*	27	21
Scope Variations	-	73
Translation adjustments and other	(74)	65
CLOSING BALANCE	**1,131**	**1,179**

* Mainly related to capital increase in SpeedInnov joint-venture in June 2022 (see Note 1.2).

13.1. TMH Limited

Due to the international context around the Ukraine/Russia conflict, Alstom Group did not receive the TMH Limited audited Financial Statements, dated 31 December 2022, without any consequences in its own Group Financial Statements because the TMH share in net assets was already fully impaired at 31 March 2022. As a consequence, the summarized financial information (at 100%) presented below are the figures disclosed in the financial statements of TMH Limited at 30 June 2022 and 31 December 2021 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 2023 and 31 March 2022.

The Currency Translation Adjustment (CTA) recognized directly in equity since the acquisition of TMH Ltd amounts to €(202) million at 31 March 2023.

BALANCE SHEET

(in € million)	TMH Limited At 30 June 2022	TMH Limited At 31 December 2021
Non-current assets	3,505	3,312
Current assets	3,926	3,186
TOTAL ASSETS	**7,431**	**6,498**
Equity-attributable to the owners of the parent company	2,292	2,403
Equity-attributable to non-controlling interests	212	271
Non current liabilities	873	1,103
Current liabilities	4,054	2,721
TOTAL EQUITY AND LIABILITIES	**7,431**	**6,498**
Equity interest held by the Group	20%	20%
NET ASSET	**458**	**481**
Goodwill	39	36
Impairment of share in net asset of equity investments	(449)	(470)
Other*	(48)	(47)
CARRYING VALUE OF THE GROUP'S INTERESTS	**-**	**-**

* Corresponds to the restatements to TMH historical value before the combined operation, as at 30 June 2018.

INCOME STATEMENT

(in € million)	TMH Limited Half year ended 30 June 2022	TMH Limited Year ended 31 December 2021
Sales	2,560	4,460
Net income from continuing operations	(301)	(60)
Share of non-controlling interests	41	(11)
Net income attributable to the owners of the parent company	**(260)**	**(71)**
Equity interest held by the Group	20%	20%
Share in the net income	**(52)**	**(14)**
Impairment of share in net asset of equity investment	47	(441)
Other items*	5	4
GROUP'S SHARE IN THE NET INCOME	**-**	**(451)**

* Correspond to the fair value restatements calculated at the time of acquisition.

The full impairment position taken by the Group at the end of March 2022 considering the context environment, and in particular the adoption of trade and financial sanctions, has been maintained at the end of March 2023. During the first semester 2022/23, TMH Ltd. Group has generated a €(52) million share in the net income and Alstom has released accordingly its March 2022 impairment to offset this loss.

13.2. Alstom Sifang (Qingdao) Transportation Ltd

The table below presents the management summarized financial information (at 100%) of Alstom Sifang (Qingdao) Transportation Ltd at 31 March 2023:

BALANCE SHEET

(in € million)	AST Ltd At 31 March 2023	AST Ltd At 31 March 2022
Non-current assets	249	296
Current assets	1,151	1,154
TOTAL ASSETS	**1,400**	**1,450**
Equity-attributable to the owners of the parent company	725	785
Current liabilities	675	665
TOTAL EQUITY AND LIABILITIES	**1,400**	**1,450**
Equity interest held by the Group	50%	50%
NET ASSET	**363**	**393**
Goodwill	37	39
Other*	14	15
CARRYING VALUE OF THE GROUP'S INTERESTS	**413**	**447**

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

INCOME STATEMENT

(in € million)	AST Ltd Year ended at 31 March 2023	AST Ltd Year ended at 31 March 2022
Sales	371	307
Net income from continuing operations	59	80
Net income attributable to the owners of the parent company	**59**	**80**
Equity interest held by the Group	50%	50%
Share in the net income	**30**	**40**
Other items*	-	(1)
GROUP'S SHARE IN THE NET INCOME	**30**	**39**

* 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 €177 million (of which €60 million of net profit), compared to €169 million (of which €50 million of net profit), at 31 March 2022, as well as other associates which are not significant on an individual basis. On aggregate, the net carrying value of Alstom's Investment represents €341 million as of 31 March 2023 (€335 million as of 31 March 2022).

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 2023	At 31 March 2022
Opening balance	**79**	**77**
Change in fair value	9	(1)
Acquisitions / disposals	(4)	3
Translation adjustments and other	(2)	-
CLOSING BALANCE	**82**	**79**

The Group's equity investment in other investments is not significant on an individual basis and notably comprises investments in companies that hold PPPs (publicprivate 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 2023	At 31 March 2022
Financial non-current assets associated to financial debt*	119	146
Long-term loans, deposits and other**	450	498
OTHER NON-CURRENT ASSETS	**569**	**644**

* 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 €316 million at March 2023 vs €351 million at 31 March 2022 (see Note 29).

F. WORKING CAPITAL

NOTE 16. WORKING CAPITAL ANALYSIS

(in € million)	At 31 March 2023	At 31 March 2022	Variation
Inventories	3,729	3,274	455
Contract assets	4,533	3,846	687
Trade receivables	2,670	2,747	(77)
Other current operating assets / (liabilities)	(2,175)	(1,972)	(203)
Contract liabilities	(6,781)	(6,155)	(626)
Provisions	(2,221)	(2,403)	182
Trade payables	(3,640)	(3,323)	(317)
WORKING CAPITAL	**(3,885)**	**(3,986)**	**101**

(in € million)	For the year ended at 31 March 2023
Working capital at the beginning of the period	**(3,986)**
Changes in working capital resulting from operating activities	167
Changes in working capital resulting from investing activities	(16)
Translation adjustments and other changes	(50)
Total changes in working capital	**101**
WORKING CAPITAL AT THE END OF THE PERIOD	**(3,885)**

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 2023	At 31 March 2022
Raw materials and supplies	2,645	2,348
Work in progress	1,321	1,268
Finished products	174	141
Inventories, gross	**4,140**	**3,757**
Raw materials and supplies	(257)	(303)
Work in progress	(151)	(178)
Finished products	(3)	(2)
Write-down	**(411)**	**(483)**
INVENTORIES, NET	**3,729**	**3,274**

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”.

The timing of performance differs from the timing when the consideration is received from the customer; this mismatch may turn a contract position from a net liability to a net asset position (or vice versa) during its execution. The Group's policy is to enter into prepayment arrangements with customers and receive advance payments for goods/services to be delivered in future periods.

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 2023	At 31 March 2022	Variation
Cost to fulfil a contract	24	28	(4)
Contract assets*	4,509	3,818	691
Total contract assets	**4,533**	**3,846**	**687**
Contract liabilities	(6,781)	(6,155)	(626)
NET CONTRACT ASSETS / (LIABILITIES)	**(2,248)**	**(2,309)**	**61**

* “Contract Assets” increase is impacted by the alignment of the VAT French law with the European VAT Directive according to which VAT is due on all the invoices made to customers including down payments and progress billings (see Note 21).

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 and it amounts to €198 million at 31 March 2023 compared to €471 million at 31 March 2022.

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 the control of the financial assets is transferred.

			Past due on the closing date		
(in € million)	Total	No past due on the closing date	Less than 60 days	Between 60 and 180 days	More than 180 days
AT 31 MARCH 2023	**2,670**	**1,946**	**205**	**47**	**472**
o/w gross	2,725	1,955	205	47	518
o/w impairment	(55)	(9)	-	-	(46)
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)

NOTE 20. OTHER CURRENT OPERATING ASSETS

(in € million)	At 31 March 2023	At 31 March 2022
Down payments made to suppliers	230	193
Corporate income tax	61	109
Other taxes	548	483
Prepaid expenses	153	110
Other receivables	383	409
Derivatives relating to operating activities	682	448
Remeasurement of hedged firm commitments in foreign currency	671	585
OTHER CURRENT OPERATING ASSETS	**2,728**	**2,337**

Over the period ended 31 March 2023, the Group entered into an agreement of assignment of receivables that leads to the derecognition of tax receivables for an amount of €43 million in accordance with IFRS 9 criteria. The total disposed amount outstanding at 31 March 2023 is €159 million.

NOTE 21. OTHER CURRENT OPERATING LIABILITIES

(in € million)	At 31 March 2023	At 31 March 2022
Staff and associated liabilities	950	908
Corporate income tax	268	275
Other taxes*	831	345
Deferred income	2	3
Trade payables with extended payment terms	303	324
Other payables	1,439	1,503
Derivatives relating to operating activities	668	528
Remeasurement of hedged firm commitments in foreign currency	442	423
OTHER CURRENT OPERATING LIABILITIES	**4,903**	**4,309**

* "Other Taxes" increase is mainly due to the alignment of the VAT French law with the European VAT Directive according to which VAT is due on all the invoices made to customers including down payments and progress billings.

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 IAS 37 "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 2022	Additions	Releases	Applications	Translation adjustments and other	At 31 March 2023
Warranties	605	437	(93)	(319)	(33)	597
Risks on contracts	1,361	134	(115)	(231)	33	1,182
Current provisions	**1,966**	**571**	**(208)**	**(550)**	**-**	**1,779**
Tax risks & litigations	130	17	(7)	(9)	(10)	121
Restructuring	152	51	1	(40)	2	166
Other non-current provisions	155	19	(10)	(27)	19	155
Non-current provisions	**437**	**87**	**(16)**	**(76)**	**10**	**442**
TOTAL PROVISIONS	**2,403**	**658**	**(224)**	**(626)**	**10**	**2,221**

(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.

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, mainly Germany.

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 2023, the share capital of Alstom amounts to €2,663,174,178 consisting of 380,453,454 ordinary shares with a par value of €7 each. For the year ended 31 March 2023, the weighted average number of outstanding ordinary shares amounts to 377,849,788 after the effect of all dilutive instruments.

During the period ended 31 March 2023:

- 2,432,331 ordinary shares were issued under dividends;
- 4,236,222 ordinary shares were issued under equity settled share-based payments for We Share Alstom 2023 (See Note 30.2);
- 393,110 ordinary shares were issued under long term incentive plans and 45 ordinary shares were issued under equity settled share-based payments for We Are Alstom 2021.

23.2. Currency translation adjustment in shareholders' equity

At 31 March 2023, the currency translation reserve amounts to €(649) million.

The currency translation adjustment, presented within the consolidated statement of comprehensive income for €(200) million, primarily reflects the effect of variations of the US Dollar (€37 million), Chinese Yuan (€(76) million), Swedish Krona (€(60) million), Egyptian Pound (€(35) million), Indian Rupee (€(34) million), South African Rand (€(18) million) against the euro for the year ended 31 March 2023.

NOTE 24. DISTRIBUTION OF DIVIDENDS

The Combined Shareholders' Meeting, which took place on 12 July 2022, approved the dividend related to the 2021/22 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 22 July to 22 August 2022 included. At the end of the option period, 2,432,331 new shares were issued at a share price of €21.13 and amounted to €51 million. The cash dividend to be paid to the shareholders who did not elect to receive 2021/22 dividend in shares amounted to €42 million and the date for the payment was 26 August 2022.

H. FINANCING AND FINANCIAL RISK MANAGEMENT

NOTE 25. OTHER CURRENT FINANCIAL ASSETS

At 31 March 2023, other current financial assets comprise the positive market value of derivatives instruments hedging financing activities.

(in € million)	At 31 March 2023	At 31 March 2022
Derivatives related to financing activities and others	65	54
OTHER CURRENT FINANCIAL ASSETS	**65**	**54**

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 2023	At 31 March 2022
Cash	806	654
Cash equivalents	20	156
CASH AND CASH EQUIVALENT	**826**	**810**

In addition to bank open deposits classified as cash for €806 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 €18 million (€154 million at 31 March 2022);
- Euro money market funds for an amount of €2 million (€2 million at 31 March 2022) 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.

(in € million)	At 31 March 2022	Cash movements	Non-cash movements	At 31 March 2023
		Net cash variation	Translation adjustments and other	
Bonds	2,627	-	4	2,631
Commercial paper program (NEU CP)	250	(2)	-	248
Bank debt & other financial debt*	39	59	4	102
Derivatives relating to financing activities	56	(1)	3	58
Accrued interests and other**	4	-	10	14
Borrowings	**2,976**	**56**	**21**	**3,053**
Lease obligations* **	**709**	**(150)**	**86**	**645**
TOTAL FINANCIAL DEBT	**3,685**	**(94)**	**107**	**3,698**

* Includes New Markets Tax Credit (NMTC) 7-year $40 million loan (€36 million at 31 March 2023) implemented during fiscal year 2021/22 and covered by a 7-year deposit of $29 million (€27 million at 31 March 2023).

** 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 €(35) million and those related to lease obligations amount to €(8) million over the year.

*** Lease obligations include lease obligations on trains and associated equipment for €119 million at 31 March 2023 and €146 million at 31 March 2022 (see Note 15). Non-cash movements for €86 million are linked to lease inceptions, reductions and FX gain/loss.

The financial debt's variation over the period is mainly due to:

- the reimbursement of €2 million Negotiable European Commercial Papers;
- €41 million overdraft from subsidiary mainly in France and Germany.

The following table summarizes the significant components of the Group's bonds:

	Initial Nominal value (in € million)	Maturity date (dd/mm/yyyy)	Nominal interest rate	Effective interest rate	Accounting value at 31 March 2023	Market value at 31 March 2023
Alstom October 2026	700	14/10/2026	0.25%	0.38%	697	633
Alstom July 2027	500	27/07/2027	0.13%	0.21%	498	440
Alstom January 2029	750	11/01/2029	0.00%	0.18%	742	609
Alstom July 2030	700	27/07/2030	0.50%	0.62%	694	554
TOTAL AND WEIGHTED AVERAGE RATE			**0.22%**	**0.35%**	**2,631**	**2,237**

The value of the external financial debt split by currency is as follows:

(in € million)	At 31 March 2023	At 31 March 2022
Euro	3,293	3,226
British Pound	154	190
US Dollar	75	80
Australian Dollar	46	37
Indian Rupee	41	48
Canadian Dollar	30	33
Polish Zloty	15	10
Swedish Krona	7	13
Other currencies	39	48
FINANCIAL DEBT IN NOMINAL VALUE	**3,698**	**3,685**

The €154 million external debt in GBP is mainly explained by a €119 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 Note 15 and above).

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.

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 2023

Balance sheet positions at 31 March 2023

			Carrying amount of financial instruments by categories*					Fair value of items classified as financial instruments			
At 31 March 2023 (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	82	-	-	82	-	-	82	-	82	-	82
Other non-current assets	569	314	67	-	188	-	255	-	255	-	255
Trade receivables	2,670	-	-	-	2,670	-	2,670	-	2,670	-	2,670
Other current operating assets	2,728	993	670	-	383	682	1,735	-	1,735	-	1,735
Other current financial assets	65	-	-	-	-	65	65	-	65	-	65
Cash and cash equivalents	826	-	2	-	824	-	826	2	824	-	826
ASSETS	**6,940**	**1,307**	**739**	**82**	**4,065**	**747**	**5,633**	**2**	**5,631**	**-**	**5,633**
Non-current borrowings	2,657	-	-	-	2,657	-	2,657	2,631	26	-	2,657
Non-current lease obligations	501	-	-	-	501	-	501	-	501	-	501
Current borrowings	396	-	-	-	338	58	396	-	396	-	396
Current lease obligations	144	-	-	-	144	-	144	-	144	-	144
Trade payables	3,640	-	-	-	3,640	-	3,640	-	3,640	-	3,640
Other current liabilities	4,903	2,356	441	-	1,438	668	2,547	441	2,106	-	2,547
LIABILITIES	**12,241**	**2,356**	**441**	**-**	**8,718**	**726**	**9,885**	**3,072**	**6,813**	**-**	**9,885**

* 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 2023

(in € million)	FV P/L	FV OCI	LRL at amortised cost & DER	Total
Interests	-	-	(38)	(38)
Interest income	-	-	10	10
Interest expense	-	-	(48)	(48)
Foreign currency and other	-	-	(51)	(51)
NET INCOME/EXPENSE FOR THE YEAR ENDED 31 MARCH 2023	**-**	**-**	**(89)**	**(89)**

Year ended 31 March 2022

Balance sheet positions at 31 March 2022

At 31 March 2022 (in € million)	Balance sheet carrying amount	Carrying amount not defined as financial instruments	Carrying amount of financial instruments by categories*					Fair value of items classified 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)**

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 mainly correspond to fair value hedge which is used to cover the exposure to the risk of a change in the fair value of a financial asset, a financial liability or unrecognised firm commitment. Net investment hedge is applied to minimize the exchange rate risk relating to the net investment in a foreign entity.

Derivatives are recognised and re-measured at fair value. Changes in fair value from period to period are recognised differently depending on whether the instrument is designated for accounting purposes as a fair value hedge, a cash flow hedge or a hedge of a net investment in a foreign entity.

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.

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. The change in fair value of the ineffective portion is recognized in other financial income or expenses.

Gains or losses accumulated under other comprehensive income are taken to the income statement when the hedged cash flows occur.

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.

Hedge of a net investment in a foreign entity

A net investment hedge is used to reduce or eliminate the exchange rate risk relating to the Group's interest in the net assets of a foreign operation. Changes in the fair value of the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income, allowing a natural offset in the translation differences between the effective part of the derivative and the re-measurement of the net investment. Gains and losses previously recognized in other comprehensive income are reclassified to profit or loss upon the disposal of the foreign entity. The ineffective portion is reported in profit or loss.

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 gain / cost of which is included in net gain / cost of foreign exchange (see Note 7).

Occasionally, the Group may enter into a net investment hedge strategy. At 31 March 2023, the change in the fair value of the net investment hedge recognized in equity had a positive impact of €15 million.

At 31 March 2023, net derivatives positions amount to a net asset of €7 million and comprise mainly forward sale contracts of Mexican Peso, Singapore dollar and Swedish krona.

(in € million)	Net derivatives positions		2024		2025		2026-2028		2029 and thereafter	
Currency 1 / Currency 2*	Net notional	Fair value	Interests	Repay-ment	Interests	Repay-ment	Interests	Repay-ment	Interests	Repay-ment
EUR/SEK	489	(10)	-	489	-	-	-	-	-	-
EUR/BRL	367	3	-	367	-	-	-	-	-	-
EUR/CHF	321	(2)	-	321	-	-	-	-	-	-
EUR/MXN	301	12	-	301	-	-	-	-	-	-
EUR/SGD	234	11	-	99	-	135	-	-	-	-
EUR/ZAR	(210)	6	-	(210)	-	-	-	-	-	-
EUR/AUD	137	(4)	-	229	-	(31)	-	(61)	-	-
EUR/CNH	128	(5)	-	128	-	-	-	-	-	-
EUR/GBP	(103)	2	-	(103)	-	-	-	-	-	-
EUR/PLN	(86)	(8)	-	(29)	-	(57)	-	-	-	-
Other		2								
NET DERIVATIVES RELATED TO FINANCING ACTIVITIES		**7**								

* 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 2023 are the Polish zloty, Chinese yuan, Romanian Leu and Indian rupee.

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 2023, net derivatives amount to a net asset of €15 million. They are summarized as follows:

(in € million)	Net derivatives positions		2024		2025		2026-2028		2029 and thereafter	
Currency 1 / Currency 2*	Net notional	Fair value	Interests	Repay-ment	Interests	Repay-ment	Interests	Repay-ment	Interests	Repay-ment
EUR/PLN	1,481	29	-	393	-	374	-	714	-	-
EUR/CNH	783	20	-	228	-	143	-	411	-	-
EUR/RON	(387)	(17)	-	(222)	-	(153)	-	(13)	-	-
EUR/INR	355	7	-	220	-	32	-	100	-	3
EUR/MXN	(349)	(19)	-	(176)	-	(168)	-	(5)	-	-
EUR/AUD	(322)	4	-	(137)	-	(45)	-	(128)	-	(12)
CNH/PLN	(288)	(5)	-	(72)	-	(75)	-	(141)	-	-
EUR/GBP	(277)	(3)	-	(101)	-	16	-	(32)	-	(159)
EUR/USD	(239)	(38)	-	(176)	-	(5)	-	(59)	-	-
USD/CAD	(217)	35	-	(86)	-	(96)	-	(36)	-	-
Other		1								
NET DERIVATIVES RELATED TO OPERATING ACTIVITIES		**15**								

* 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 2023		At 31 March 2022	
(in € million)	Assets	Liabilities	Assets	Liabilities
Derivatives qualifying for fair value hedge	747	726	502	582
Of which derivatives relating to financing activities	65	58	54	54
Of which derivatives relating to operating activities	682	668	448	528

Since derivatives have been set up, the change in foreign exchange spot rates, and the relative change in interest rate curves related to the hedged currencies, during the periods ended 31 March 2022 and 31 March 2023 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:

At 31 March 2023 (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	
Derivatives assets	747	-	747	664	-	84
Derivatives liabilities	(726)	-	(726)	(664)	-	(62)

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	Related amount not set off in the balance sheet		Net amount
				Financial instruments	Cash collateral received	
Derivatives assets	502	-	502	468	-	34
Derivatives liabilities	(582)	-	(582)	(468)	-	(114)

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 2023, 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 2023

(in € million)	Fixed rate	Floating rate	Total
Financial assets	178	901	1,079
Financial debt bearing interests	(2,882)	(171)	(3,053)
Total position before hedging	**(2,704)**	**730**	**(1,974)**
Hedging position	-	-	-
TOTAL POSITION AFTER HEDGING	**(2,704)**	**730**	**(1,974)**

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)**

Sensitivity is analysed based on the Group's net cash position at 31 March 2023, 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 €1 million while a fall of 0.1% would decrease it by €1 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.

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 25 different counterparties and the risk is therefore highly diluted, the largest exposure with one single counterparty (rated A-) being limited to €28 million.

28.5. Liquidity risk management

In addition to its available cash and cash equivalents, amounting to €826 million at 31 March 2023, the Group benefits from strong liquidity with:

- €1.75 billion short term Revolving Credit Facility maturing in January 2026;
- €2.5 billion Revolving Credit Facility maturing in January 2028.

Both facilities have a one-year extension option remaining at lenders' discretion and are undrawn at 31 March 2023. Both facilities have been successfully extended by one year.

As per its conservative liquidity policy, the €2.5 billion Revolving Credit Facility serves as a back-up of the Group €2.5 billion NEU CP program in place. With these RCF lines (undrawn at 31 March 2023), the €248 million of Negotiable European Commercial Papers outstanding and the €41 million overdraft at 31 March 2023, the Group benefits from a €4.8 billion liquidity available.

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 €233 million at 31 March 2023 and €204 million at 31 March 2022.

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 2023 and 31 March 2022.

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 2023

Cash flow arising from instruments included in net cash / (debt) at 31 March 2023

		2024		2025		2026-2028		2029 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	65	-	65	-	-	-	-	-	-
Cash and cash equivalents	826	-	826	-	-	-	-	-	-
Assets	**918**	**-**	**891**	**-**	**-**	**-**	**-**	**-**	**27**
Non-current borrowings	(2,657)	(6)	-	(6)	-	(16)	(1,200)	(11)	(1,457)
Current borrowings	(396)	-	(396)	-	-	-	-	-	-
Liabilities	**(3,053)**	**(6)**	**(396)**	**(6)**	**-**	**(16)**	**(1,200)**	**(11)**	**(1,457)**
NET CASH / (DEBT)	**(2,135)**	**(6)**	**495**	**(6)**	**-**	**(16)**	**(1,200)**	**(11)**	**(1,430)**

* Other non-current assets represent external loan related to New Markets Tax Credit Program scheme in the United States of America (see Note 15).

Cash flow arising from operating derivatives at 31 March 2023

(in € million)	Carrying amount	2024 Interests	2024 Repay-ment	2025 Interests	2025 Repay-ment	2026-2028 Interests	2026-2028 Repay-ment	2029 and thereafter Interests	2029 and thereafter Repay-ment
Other current operating assets	682	-	287	-	197	-	198	-	-
Assets	**682**	**-**	**287**	**-**	**197**	**-**	**198**	**-**	**-**
Other current operating liabilities	(668)	-	(281)	-	(209)	-	(171)	-	(7)
Liabilities	**(668)**	**-**	**(281)**	**-**	**(209)**	**-**	**(171)**	**-**	**(7)**
DERIVATIVES	**14**	**-**	**6**	**-**	**(12)**	**-**	**27**	**-**	**(7)**

Cash flow arising from instruments included in other financial assets and liabilities at 31 March 2023

(in € million)	Carrying amount	2024 Interests	2024 Repay-ment	2025 Interests	2025 Repay-ment	2026-2028 Interests	2026-2028 Repay-ment	2029 and thereafter Interests	2029 and thereafter Repay-ment
Non consolidated investments	82	-	-	-	-	-	-	-	82
Other non-current assets	450	-	-	-	-	-	-	-	450
Trade receivables	2,670	-	2,670	-	-	-	-	-	-
Other current operating assets	1,054	-	1,054	-	-	-	-	-	-
Assets	**4,266**	**-**	**3,734**	**-**	**-**	**-**	**-**	**-**	**532**
Trade payables	(3,640)	-	(3,640)	-	-	-	-	-	-
Other current operating liabilities	(2,341)	-	(2,341)	-	-	-	-	-	-
Liabilities	**(5,981)**	**-**	**(5,981)**	**-**	**-**	**-**	**-**	**-**	**-**
OTHER FINANCIAL ASSETS AND LIABILITIES	**(1,725)**	**-**	**(2,257)**	**-**	**-**	**-**	**-**	**-**	**532**

Financial instruments held at 31 March 2022

Cash flow arising from instruments included in net cash/(debt) at 31 March 2022

(in € million)	Carrying amount	2023 Interests	2023 Repay-ment	2024 Interests	2024 Repay-ment	2025-2027 Interests	2025-2027 Repay-ment	2028 and thereafter Interests	2028 and thereafter 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)**

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**

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 2023.

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 €(3,467) million as at 31 March 2023 (see Note 29.2) is analysed as follows:

- several pension plans for €(3,241) million;
- other post-employment benefits for €(172) million which include mainly end-of-service benefits in France and Italy;
- other long-term defined benefits for €(53) 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 2023	At 31 March 2022
Defined benefit obligations	**(3,467)**	**(4,543)**
Fair value of plan assets	2,953	3,731
Unfunded status of the plans	**(514)**	**(812)**
Impact of asset ceiling	(93)	(40)
NET OF ACCRUED AND PREPAID BENEFIT COSTS AFTER ASSET CEILING	**(607)**	**(852)**
of which:		
Accrued pension and other employee benefit costs	(923)	(1,203)
Prepaid pension and other employee benefit costs	316	351

As detailed in this note, net provisions for post-employment benefits total €(607) million, as at 31 March 2023, compared with €(852) million, as at 31 March 2022.

The net asset of €316 million related to pension schemes in the United Kingdom and Canada 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 of America, Canada, Germany, Switzerland 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 nine 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. In addition there is one post-retirement plan for train passes. 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 six defined benefit pension plans covering different populations (three plans are subject to collective bargaining agreements). From 2012 to 2016, five plans were closed to new members. Since 2023, non-unionized employees are no longer required to 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. Two unionized pension plans offer indexation per their collective bargaining agreements.

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 United States of America, following consolidation and merger initiatives performed at the end of 2022, there is now one major and two minor pension schemes (except for collective agreements) and three post-retirement medical plans. New hires are mainly provided with the 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 2023	United Kingdom	Euro zone	North America	Other
Defined benefit obligations at beginning of year	**(4,543)**	**(2,309)**	**(964)**	**(786)**	**(485)**
Service cost	(88)	(20)	(33)	(20)	(14)
Plan participant contributions	(12)	(6)	-	-	(6)
Interest cost	(113)	(61)	(15)	(29)	(7)
Administration costs	(8)	(3)	(1)	(3)	-
Plan amendments	(3)	-	(2)	(1)	-
Business combinations / disposals	(3)	-	(2)	-	(1)
Curtailments	3	-	1	-	2
Settlements	20	-	-	-	20
Actuarial gains (losses) – due to experience	(95)	(96)	(2)	5	(1)
Actuarial gains (losses) – due to changes in demographic assumptions	(0)	1	(1)	(4)	3
Actuarial gains (losses) – due to changes in financial assumptions	1,110	743	194	121	52
Benefits paid	181	79	46	38	19
Foreign currency translation and others	84	76	1	12	(5)
DEFINED BENEFIT OBLIGATIONS AT END OF YEAR	**(3,467)**	**(1,596)**	**(777)**	**(668)**	**(425)**
Of which:					
Funded schemes	(2,778)	(1,590)	(231)	(621)	(335)
Unfunded schemes	(689)	(6)	(546)	(47)	(90)

(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)

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 2023	United Kingdom	Euro zone	North America	Other
Fair value of plan assets at beginning of year	**3,732**	**2,603**	**101**	**631**	**397**
Interest income	98	69	2	23	4
Actuarial gains (losses) on assets due to experience	(694)	(593)	(5)	(69)	(27)
Company contributions	46	27	1	8	11
Plan participant contributions	12	6	-	-	6
Settlements	(20)	-	-	-	(20)
Benefits paid from plan assets	(127)	(79)	(2)	(34)	(13)
Foreign currency translation and others	(94)	(89)	1	(17)	11
FAIR VALUE OF PLAN ASSETS AT END OF YEAR	**2,953**	**1,944**	**97**	**543**	**369**

(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**

29.4. Components of plan assets

(in € million)	At 31 March 2023	%	United Kingdom	Euro zone	North America	Other
Equities	696	24%	19%	20%	37%	31%
Bonds	1,950	66%	75%	58%	52%	40%
Insurance contracts	8	-	-	2%	-	2%
Other	299	10%	6%	20%	11%	27%
TOTAL	**2,953**	**100%**	**100%**	**100%**	**100%**	**100%**

(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%**

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 2023, 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 2023 and 31 March 2022.

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 2023	United Kingdom	Euro zone	North America	Other
Discount rate	4.42	4.95	3.67	5.04	2.78
Rate of compensation increase	2.70	3.08	2.88	2.03	2.00

(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

As of 31 March 2023, the weighted average durations of the defined benefit obligations are the following:

(in years)	At 31 March 2023	United Kingdom	Euro zone	North America	Other
Weighted average duration	13	14	11	14	10

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 3.42% in the year ended 31 March 2023 and reduces thereafter to an ultimate rate of 1.35%.

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 2023
Impact of a 25 bp increase or decrease in the discount rate	(104) / 110
Impact of a 25 bp increase or decrease in the rate of compensation increase	16 / (16)

29.6. Analysis of post-employment and other long-term defined benefit expense

As at 31 March 2023, the benefit expense for the whole Group is the following:

(in € million)	Year ended at 31 March 2023	United Kingdom	Euro zone	North America	Other
Service cost	**(88)**	**(20)**	**(33)**	**(20)**	**(14)**
Defined contribution plans	(163)	(11)	(93)	(18)	(41)
Actuarial gains (losses) on other long-term benefits	12	-	10	-	2
Past service gain (cost)	(3)	-	(2)	(1)	-
Curtailments / settlements	3	-	1	-	2
EBIT impact	**(238)**	**(31)**	**(117)**	**(40)**	**(51)**
Financial income (expense)	**(26)**	**1**	**(14)**	**(9)**	**(4)**
TOTAL BENEFIT EXPENSE	**(264)**	**(30)**	**(131)**	**(49)**	**(55)**

(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)**

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 2023 amounted to €54 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:

- €63 million in the year ending 31 March 2024;
- €56 million in the year ending 31 March 2025;
- €59 million in the year ending 31 March 2026.

Total cash spent for defined contribution plans in the year ended 31 March 2023 amounted to €119 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 or the Monte Carlo model. 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

	Plan issued by Shareholders Meeting on 17 July 2018	Plan issued by Shareholders Meeting on 10 July 2019	Plans issued by Shareholders Meeting on 4 July 2021			Plan issued by Shareholders Meeting on 28 July 2021
	PSP 2019	PSP 2020	PSP 2021	PSP Special	We Are Alstom 2021	PSP 2022
	Performance shares	Performance shares	Performance shares	Performance shares	Free shares	Performance shares
Grant date	12/03/2019	10/03/2020	04/07/2021	04/07/2021	04/07/2021	10/05/2022
Number of beneficiaries	820	878	1,375	18	63,717	1,474
Adjusted number granted*	1,176,801	1,252,619	1,867,325	243,000	955,755	2,481,612
Adjusted number exercised since the origin	392,585	575	1,050	-	45	-
Adjusted number cancelled since the origin	784,216	62,805	109,650	-	144,585	47,286
Adjusted number outstanding at 31 March 2023	-	1,189,239	1,756,625	243,000	811,125	2,434,326
inc. to the members of the Leadership team at 31 March 2023	-	259,247	306,000	228,000	-	419,000
Fair value at grant date (in €)	28.92	36.58	35.60	41.01	42.01	23.04

* The number of performance shares have been adjusted as a result of transactions that have impacted the number of capital shares after grant dates.

The long-term incentive plans set up since 2016 allocate only performance shares.

The grant of these instruments is conditioned by the satisfaction of performance indicators.

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. Based on the performance conditions of the year ended at 31 March 2022, 53.5% of the initial grant (150%) has been achieved and 96.5% of the performance shares have been cancelled. On 17 May 2022, 392,585 performance shares have been delivered.

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, Free Cash Flows and objective of reduction in the energy consumption of the solutions offered to clients for the fiscal year ended 31 March 2023, 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, Free Cash Flows and objective of reduction in the energy consumption of the solutions offered to clients for the fiscal year ended 31 March 2024, as well as one relative condition linked to the performance of the Company's share. The final delivery will take place at the latest two business 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 and aims to reward integration of Bombardier Transportation success. 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 at the latest two business days following the Vesting Period, i.e. 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. The shares will be delivered on the first business day following the date of expiry of the Vesting Period, i.e. 5 July 2023.

PSP 2022 granted on 10 May 2022

This plan has been agreed by the Board of Directors of 10 May 2022. 2,481,612 performance shares have been initially granted to 1,474 beneficiaries.

The final allocation depends on four internal performance conditions based on Group adjusted EBIT margin, Free Cash Flows, objective of reduction in the energy consumption of the solutions offered to clients and Alstom employee engagement level for the fiscal year ended 31 March 2025, as well as one relative condition linked to the performance of the Company's share. The final delivery will take place at the latest fifth business day following the end of the vesting period.

MOVEMENTS

	Number of options	Weighted average exercise price per share (in €)	Number of performance shares
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**
Granted**	-	-	2,481,612
Exercised	-	-	(393,155)
Cancelled	-	-	(886,759)
OUTSTANDING AT 31 MARCH 2023	**-**	**-**	**6,434,315**

* 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.

** Includes 2,481,612 shares granted through PSP 2022.

VALUATION

	PSP 2019	PSP 2020	PSP 2021	PSP Special	We Are Alstom 2021	PSP 2022
	performance shares	performance shares	performance shares	performance shares	Free shares	performance shares
Grant date	12/03/2019	10/03/2020	04/07/2021	04/07/2021	04/07/2021	10/05/2022
Expected life (in years)	3.2	3.2	3.0	4.0	2.0	3.0
End of vesting period	31/05/2022	31/05/2023	04/07/2024	04/07/2025	04/07/2023	31/05/2025
Share price at grant date (in €)	37.75	42.82	35.60	41.01	42.01	23.04
Volatility	19%	17%	25%	23%	28%	52%
Risk free interest rate	-0.3%	-0.7%	-0.6%	-0.5%	-0.6%	0.6%
Dividend yield	1.5%	1.5%	1.2%	1.2%	1.2%	1.5%

The plan valuation method follows either a Black & Scholes model (for Special PSP and We Are Alstom) or a Monte Carlo model (for PSP 2020, PSP 2021, PSP 2022 as well as performance shares anticipated). Expenses related to each plan are spread over the vesting period on a linear basis.

The volatility factor applied corresponds to Alstom's volatility quotation for all the plans.

The Group booked a total expense of €48 million for the year ended 31 March 2023 (to be compared to €42 million for the year ended 31 March 2022).

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.

30.2. We Share Alstom

The Group launched during the year ended 31 March 2023 an Employee Share Purchase Scheme covering 21 countries allowing employees to purchase Alstom shares with preferred conditions and assorted with a 5-year lock in period, through two formulas:

- multiple formula at a 20% discounted price offering capital guarantee, matching of 50% of the employee's investment and a multiple of the protected average increase of the share during the lock-in period;
- classic formula allowing employees to benefit from a 30% discount on the reference price (only in France).

The €18 million total expense relating to this scheme recorded in the income statement for the year ended 31 March 2023 has been assessed on the following basis:

- number of shares created on 26 March 2023: 4,236,222;
- 20-day share price average: €26.92; Subscription price for the Multiple offer: €21.54; Subscription price for the Classic offer: €18.85; risk free interest rate: (2.80%).

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 2023	At 31 March 2022
Wages and salaries	4,398	3,949
Social charges	1,082	982
Post-employment and other long-term benefit expense (see Note 29)	163	269
Share-based payment expense (see Note 30)	66	42
TOTAL EMPLOYEE BENEFIT EXPENSE	**5,709**	**5,242**

	Year ended	
	At 31 March 2023	At 31 March 2022
Staff of consolidated companies at year end		
Managers, engineers and professionals	47,677	39,011
Other employees	32,506	35,084
HEADCOUNT	**80,183**	**74,095**

	Year ended	
	At 31 March 2023	At 31 March 2022
Average staff of consolidated companies over the period		
Managers, engineers and professionals	41,721	36,808
Other employees	34,903	35,896
HEADCOUNT	**76,624**	**72,704**

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 these bonds, the Group relies on both uncommitted bilateral lines in numerous countries and a €12.7 billion Committed Guarantee Facility Agreement ("CGFA") with sixteen tier one banks allowing issuance until 22 July 2025 of bonds with tenors up to seven years. 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.

At 31 March 2023, the total outstanding bonding guarantees related to contracts from continuing operations, issued by banks or insurance companies, amounted to €26.2 billion (€25.8 billion at 31 March 2022). The available amount under the Committed Guarantee Facility Agreement at 31 March 2023 amounts to €5.3 billion (€2.8 billion at 31 March 2022).

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 of America. 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 €24 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 five 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 €453 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.

In August 2022, the Prosecution Office determined (i) withdrawal of the bribery charges against Alstom Ferroviaria S.p.A. and the individuals and (ii) is seeking for indictment of two former and two current employees of Alstom Ferroviaria S.p.A for bid rigging. The judge of Preliminary Investigations is now to decide on such determinations.

In November 2022, ATM and the Milan Municipality joined the proceedings as offended parties ("costituzione di parte civile").

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. On 23 September 2022, Alstom's subsidiaries in Spain filed their respective statement of claim under the appeal proceedings.

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 is 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 U.S. 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.

U.S. 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. On 28 April 2022, the arbitral tribunal issued an order to close the document production phase of the proceedings. On 9 September 2022 and on 13 February 2023, Dogus and Marubeni filed their respective replies and statements of defense to Alstom's counterclaims and their rejoinder to which Alstom responded on 30 November 2022 and on 20 February 2023 by filing its rejoinder and reply on counterclaims. The arbitral tribunal hearing started on 20 March and ended on 29 March 2023, following which a final decision on the dispute is expected before the end of 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 Trenitalia, 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. On 21 June 2022, Alstom appealed the decision by filling a recourse to the Supreme Court to which Trenitalia responded by filing its defense and a counter recourse on 1 August 2022. The preliminary decision of the Filter Section ("Sezione Filtro") of the Supreme Court, that shall be limited to the admissibility of the recourse, is not expected before end of 2023.

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 during which the parties to the dispute summarized their respective positions. The Court of Appeal of Rome ordered Alstom and Trenitalia to file (i) their final briefs on 29 November 2022 and (ii) their respective reply to the other party's final briefs on 19 December 2022. On 10 January 2023 the Court of Appeal of Rome issued its decision that was notified to Alstom on 22 February 2023. The Court of Appeal confirmed the ruling of the first-degree judgment in favour of Alstom in its entirety except for the recognition of the economic dependence of Alstom vis-à-vis Trenitalia. Alstom filed a recourse before the Supreme Court against this decision.

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 Supreme Court.

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. The two Original Equipment Manufacturers brought further procedural applications that remain to be ruled upon by the High Court prior to the setting of the date for the submission of the responding affidavits by the four Original Equipment Manufacturers.

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.

Acquisition of Bombardier Transportation – Arbitration Proceedings

With respect to the acquisition of Bombardier Transportation, completed on 29 January 2021, Alstom identified various breaches by Bombardier Inc. ("BI") of its obligations as Seller under the Memorandum of Understanding dated 17 February 2020 (amended and restated on 30 March 2020) and the Sale and Purchase Agreement dated 26 September 2020 (amended on 28 January 2021).

On 15 April 2022, Alstom filed a request for arbitration against BI with the International Chamber of Commerce (in accordance with the Parties' agreements). Alstom's claims against BI concern breaches of the interim covenants in force prior to completion, breaches of warranty, and claims related to the calculation of the final purchase price. Notably, Alstom contends that BI's actions prior to completion wrongfully increased the purchase price paid by Alstom. On 24 June 2022, BI filed its answer to the request for arbitration, denying Alstom's claims and advancing counterclaims. As yet, BI has provided limited information on the underlying facts, and legal bases, for its counterclaims.

The arbitral tribunal was constituted by the International Chamber of Commerce on 26 August 2022. In October 2022, the tribunal established a procedural timetable leading to an evidentiary hearing in late 2025. On 3 March 2023, Alstom filed its full Statement of Claim to which BI is expected to respond in Q2 of the 2023/24 fiscal year.

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 2023 and 31 March 2022 were as follows:

	Year ended at 31 March 2023				Year ended at 31 March 2022			
	Mazars		PricewaterhouseCoopers		Mazars		PricewaterhouseCoopers	
(in € million)	Amount	%	Amount	%	Amount	%	Amount	%
Independent Auditors' diligence, certification, review of individual and consolidated accounts	**5.3**	**73%**	**5.4**	**84%**	**5.0**	**85%**	**5.3**	**78%**
Alstom SA	0.8	10%	0.9	14%	0.8	14%	0.9	13%
Controlled entities	4.5	63%	4.5	70%	4.2	71%	4.4	65%
Services other than audit of statutory and consolidated financial statements (SACC)*	**1.9**	**27%**	**1.0**	**16%**	**0.9**	**15%**	**1.5**	**22%**
TOTAL	**7.2**	**100%**	**6.4**	**100%**	**5.9**	**100%**	**6.8**	**100%**

* Other services mainly include services rendered in connection with the Bombardier Transportation integration, as well as agreed-upon procedures, tax compliances services, 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 & 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 17.38% of Alstom's share capital;
- Bouygues, a French company listed on Paris stock market, holding 0.15% 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 2023	At 31 March 2022
Short-term benefits	**14,695**	**22,086**
Fixed gross salaries	7,609	8,494
Variable gross salaries	5,576	5,288
Exceptional amounts*	1,510	8,304
Post-employment benefits	**1,159**	**3,271**
Post-employment defined benefit plans	67	588
Post-employment defined contribution plans**	1,029	2,603
Other post-employment benefits	63	80
Other benefits	**5,303**	**7,858**
Non monetary benefits	1,067	2,447
Employer social contributions	4,236	5,411
Share-based payments	**7,820**	**6,439**
TOTAL	**28,977**	**39,653**

* Including non-recurring and exceptional amounts paid in 2021/22 to some executives in the context of the acquisition of Bombardier Transportation.
** Including amount paid for CEO under Article 82 DC plan 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

The Group has not identified any other subsequent event to be reported other than the items already described in the previous notes.

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
ALSTOM Transportation Rail Argentina S.A.	Argentina	100	Full consolidation
ALSTOM Transport (Customer Support) Australia Pty Limited	Australia	100	Full consolidation
ALSTOM Transport (V/Line) Australia Pty Limited	Australia	100	Full consolidation
ALSTOM Transport Australia Holdings Pty Limited	Australia	100	Full consolidation
ALSTOM Transport Australia Pty Limited	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
ALSTOM 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 BULGARIA LLC	Bulgaria	100	Full consolidation
Alstom Holdings LP	Canada	100	Full consolidation
ALSTOM Investments GP Inc.	Canada	100	Full consolidation
ALSTOM Investments GP Manitoba Inc.	Canada	100	Full consolidation
ALSTOM Transport Canada Inc.	Canada	100	Full consolidation
ALSTOM Transport Canada Participation Inc.	Canada	100	Full consolidation
ALSTOM Western Pacific Enterprises Electrical Installation General Partnership	Canada	51	Full consolidation
ALSTOM Chile S.A.	Chile	100	Full consolidation
ALSTOM Hong Kong Ltd	China	100	Full consolidation
ALSTOM Investment Company Limited	China	100	Full consolidation
ALSTOM Investment Management and Consulting (Beijing) Co., Ltd.	China	100	Full consolidation
ALSTOM Qingdao Railway Equipment Co., Ltd.	China	51	Full consolidation
ALSTOM Transportation (Engineering Service) Beijing Co., Ltd.	China	100	Full consolidation
ALSTOM Transportation China Limited	China	100	Full consolidation
ALSTOM Transportation Railway Equipment (Qingdao) Co., Ltd.	China	100	Full consolidation
BOMBARDIER RAILWAY TRANSPORTATION EQUIPMENT (SHANGHAI) CO., LTD.	China	100	Full consolidation
BOMBARDIER TRANSPORTATION CONSULTING (SHANGHAI) 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
XI'AN ALSTOM YONGJI ELECTRIC EQUIPMENT CO., LTD	China	51	Full consolidation
ALSTOM Transportation Colombia S.A.S.	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 Hvidovre A/S	Denmark	100	Full consolidation
ALSTOM Transport Danmark NT Maintenance ApS	Denmark	100	Full consolidation
NOMAD DIGITAL (DENMARK) APS	Denmark	100	Full consolidation

	Country	Ownership %	Consolidation method
NOMAD DIGITAL APS	Denmark	100	Full consolidation
ALSTOM Egypt for Transport Projects SAE	Egypt	99	Full consolidation
ALSTOM Monorail Egypt for Contracting Works LLC	Egypt	100	Full consolidation
AREVA INTERNATIONAL EGYPT FOR ELECTRICITY TRANSMISSION & DISTRIBUTION	Egypt	100	Full consolidation
BOMBARDIER TRANSPORTATION ETHIOPIA PLC	Ethiopia	100	Full consolidation
ALSTOM Transport (Helsinki) Finland Oy	Finland	100	Full consolidation
ALSTOM Transport Finland Oy	Finland	100	Full consolidation
ALSTOM APTIS	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 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 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
NOMAD DIGITAL FRANCE	France	100	Full consolidation
STATIONONE	France	100	Full consolidation
ALSTOM Bahntechnologie Holding Germany GmbH	Germany	100	Full consolidation
ALSTOM Drives GmbH	Germany	100	Full consolidation
ALSTOM Lokomotiven Service GmbH	Germany	100	Full consolidation
ALSTOM Signal GmbH	Germany	100	Full consolidation
ALSTOM Transport Deutschland GmbH	Germany	100	Full consolidation
ALSTOM Transportation Germany GmbH	Germany	100	Full consolidation
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 Hungary Kft.	Hungary	100	Full consolidation
ALSTOM Transport Hungary Zrt.	Hungary	100	Full consolidation
ALSTOM Manufacturing India Private Limited	India	100	Full consolidation
ALSTOM Rail Transportation India Private Limited	India	100	Full consolidation
ALSTOM Systems India Private Limited	India	100	Full consolidation
ALSTOM Transport India 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

	Country	Ownership %	Consolidation method
ALSTOM Khadamat S.A.	Iran	100	Full consolidation
ALSTOM Transport Ireland Ltd	Ireland	100	Full consolidation
ALSTOM 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
NOMAD DIGITAL ITALIA S.R.L.	Italy	100	Full consolidation
ALSTOM Métro d'Abidjan	Ivory Coast	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
ALSTOM Baltics SIA	Latvia	100	Full consolidation
ALSTOM Transport Systems (Malaysia) Sdn. Bhd.	Malaysia	100	Full consolidation
ALSTOM Holding Mauritius Ltd.	Mauritius	100	Full consolidation
ALSTOM Mauritius Ltd.	Mauritius	100	Full consolidation
ALSTOM Ferroviaria 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
BOMBARDIER TRANSPORT MAROC S.A.S	Morocco	100	Full consolidation
ALSTOM Global Holding SE	Netherlands	100	Full consolidation
Alstom Holdings Netherlands B.V.	Netherlands	100	Full consolidation
ALSTOM Netherlands B.V.	Netherlands	100	Full consolidation
ALSTOM Traction B.V.	Netherlands	100	Full consolidation
ALSTOM Vastgoed B.V.	Netherlands	100	Full consolidation
NOMAD DIGITAL B.V.	Netherlands	100	Full consolidation
ALSTOM Rail Transportation New Zealand Limited	New Zealand	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
ALSTOM Panama, S.A.	Panama	100	Full consolidation
ALSTOM Transport Peru S.A.	Peru	100	Full consolidation
ALSTOM (SHARED SERVICES) PHILIPPINES, INC.	Philippines	100	Full consolidation
ALSTOM Transport Construction 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 Ferroviária Portugal, S.A.	Portugal	100	Full consolidation
NOMAD TECH, LDA.	Portugal	51	Full consolidation
ALSTOM GSS Romania S.R.L.	Romania	100	Full consolidation
ALSTOM Transport SA. (Romania)	Romania	93	Full consolidation
ALSTOM Transport Rus LLC	Russian Federation	100	Full consolidation
RESOURCE TRANSPORTATION LLC	Russian Federation	100	Full consolidation
BOMBARDIER SAUDI ARABIA LTD.	Saudi Arabia	100	Full consolidation
ALSTOM Transport (Holdings) Systems Singapore Pte. Ltd.	Singapore	100	Full consolidation
ALSTOM Transport (S) Pte Ltd	Singapore	100	Full consolidation
ALSTOM Transport Systems (Singapore) Pte. Ltd.	Singapore	100	Full consolidation

	Country	Ownership %	Consolidation method
ALSTOM Rolling Stock SA Pty Ltd	South Africa	74	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
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
ALSTOM Korea Transportation 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 Holding Sweden AB	Sweden	100	Full consolidation
ALSTOM Rail Sweden AB	Sweden	100	Full consolidation
ALSTOM Transport AB	Sweden	100	Full consolidation
ALSTOM Transport Information Systems AB	Sweden	100	Full consolidation
ALSTOM Transportation (Signal) Sweden AB	Sweden	100	Full consolidation
ALSTOM Transportation (Signal) Sweden HB	Sweden	67	Full consolidation
ALSTOM Network Schweiz AG	Switzerland	100	Full consolidation
ALSTOM Schienenfahrzeuge AG	Switzerland	100	Full consolidation
ALSTOM Schweiz AG	Switzerland	100	Full consolidation
ALSTOM Transport Solutions (Taiwan) Ltd.	Taiwan	100	Full consolidation
ALSTOM (Thailand) Ltd.	Thailand	100	Full consolidation
Alstom Holdings (Thailand) Ltd.	Thailand	100	Full consolidation
ALSTOM Transport (Thailand) Co., Ltd.	Thailand	100	Full consolidation
ALSTOM T&T Ltd	Trinidad and Tobago	100	Full consolidation
ALSTOM Ulasim Anonim Sirketi	Turkey	100	Full consolidation
ALSTOM Signalling, Limited Liability Company	Ukraine	100	Full consolidation
BOMBARDIER TRANSPORTATION GULF DMCC	United Arab Emirates	100	Full consolidation
ALSTOM (Investment) UK Limited	United Kingdom	100	Full consolidation
ALSTOM (Litchurch) Limited	United Kingdom	100	Full consolidation
ALSTOM (UK) CIF Trustee Limited	United Kingdom	100	Full consolidation
ALSTOM Academy for Rail	United Kingdom	100	Full consolidation
ALSTOM Electronics Limited	United Kingdom	100	Full consolidation
ALSTOM Engineering and Services Limited	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
ALSTOM Transportation (Global Holding) UK Limited	United Kingdom	100	Full consolidation
ALSTOM UK Pension Trustee Limited	United Kingdom	100	Full consolidation
ALSTOM UK VP Pension Trustee Limited	United Kingdom	100	Full consolidation
CROSSFLEET LIMITED	United Kingdom	100	Full consolidation
INFRASIG LTD.	United Kingdom	100	Full consolidation

	Country	Ownership %	Consolidation method
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
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 Mass Transit Corp.	USA	100	Full consolidation
ALSTOM Signaling Inc.	USA	100	Full consolidation
ALSTOM Signaling Operation, LLC	USA	100	Full consolidation
ALSTOM Transit LLC	USA	100	Full consolidation
ALSTOM Transport Holding US Inc.	USA	100	Full consolidation
ALSTOM Transport Services Inc.	USA	100	Full consolidation
ALSTOM Transport USA 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
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
EDI RAIL – ALSTOM Transport (Maintenance) Pty Limited	Australia	50	Equity Method
EDI RAIL – ALSTOM Transport Pty Limited	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
ALSANEO L7 SPA	Chile	50	Equity Method
ALSTOM Sifang (Qingdao) Transportation 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 ALSTOM RAIL TRANSIT EQUIPMENT COMPANY LTD	China	50	Equity Method
Jiangsu ALSTOM NUG Propulsion System Co Ltd.	China	50	Equity Method
SHANGHAI ALSTOM Transport Company Limited	China	40	Equity Method
SHENTONG ALSTOM (SHANGHAI) RAIL TRANSIT VEHICLE MAINTENANCE COMPANY LIMITED	China	50	Equity Method
TRANSMASHHOLDING LIMITED*	Cyprus	20	Equity Method
SPEEDINNOV	France	75	Equity Method

	Country	Ownership %	Consolidation 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
TMHS*	Mongolia	20	Equity Method
MALOCO GIE	Morocco	70	Equity Method
RAILCOMP BV*	Netherlands	60	Equity Method
TMH-ALSTOM BV*	Netherlands	60	Equity Method
RAIL ENGINEERING SP. Z O.O.	Poland	60	Equity Method
AM-TEKH*	Russian Federation	20	Equity Method
AVIS OOO*	Russian Federation	17	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	17	Equity Method
ELTK-URAL LLC*	Russian Federation	10	Equity Method
ENERGODRIVE OOO*	Russian Federation	10	Equity Method
MTR PLANNING AND MANAGEMENT CENTER LLC*	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
LAZUR OOO*	Russian Federation	17	Equity Method
LLC ALMETA*	Russian Federation	17	Equity Method
LLC PLAVA*	Russian Federation	17	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
METROVAGONMASH OAO*	Russian Federation	17	Equity Method
METROVAGONMASH SERVICE LLC*	Russian Federation	17	Equity Method
MONTAZHNAYA BAZA OAO*	Russian Federation	2	Equity Method
NO TIV ZAO*	Russian Federation	16	Equity Method
NOVOCHERKASSKY ELEKTROVOZOSTROITELNY ZAVOD PROIZVODSTVENNAY KOMPANIYA OOO*	Russian Federation	20	Equity Method
OKHOTRESURS LLC*	Russian Federation	20	Equity Method
OKTYABRSKY ELEKTROVAGONOREMONTNY ZAVOD OAO*	Russian Federation	15	Equity Method
OSTIUM LLC*	Russian Federation	17	Equity Method
OVK TMH ZAO*	Russian Federation	20	Equity Method
PENZADIESELMASH OAO*	Russian Federation	15	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
RAZVITIYE OOO*	Russian Federation	20	Equity Method

	Country	Ownership %	Consolidation method
REKOLD AO*	Russian Federation	7	Equity Method
RIVITSA OOO*	Russian Federation	17	Equity Method
SALVEO OOO*	Russian Federation	20	Equity Method
SAPFIR OOO*	Russian Federation	20	Equity Method
STAGNUM LLC*	Russian Federation	17	Equity Method
STERZH OOO*	Russian Federation	17	Equity Method
TMH ENERGY SOLUTIONS LLC*	Russian Federation	15	Equity Method
TMH ENGINEERING ASIA LLC*	Russian Federation	10	Equity Method
TMH ENGINEERING LLC*	Russian Federation	20	Equity Method
TMH FINANCE 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-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 AO*	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	7	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
EK EISENBAHNKOMPONENTEN AG*	Switzerland	20	Equity Method
FIRST LOCOMOTIVE HOLDING AG	Switzerland	15	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

	Country	Ownership %	Consolidation method
RTA RAIL TEC ARSENAL FAHRZEUGVERSUCHSANLAGE GMBH	Austria	44	Non consolidated investment
4iTEC 4.0	France	11	Non consolidated investment
AIRE URBAINE INVESTISSEMENT	France	4	Non consolidated investment
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
MOBILITE 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	7	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
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

	Country	Ownership %	Consolidation method
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	3	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.

3.1.7 Statutory Auditors' report on the consolidated financial statements

(For the year ended 31 March 2023)

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 2023.

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 2023 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 2022 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

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 2.5.5 Sales and costs generated by operating activities, Notes 3 Segment information, 18 Net contract Assets/Liabilities, 22 Provisions and 28.2 Currency risk management of the notes to the consolidated financial statements)

Identified risks

As at 31 March 2023, the Group's revenue and cost of sales amounting to respectively 16,507 M€ and (14,541) M€ mainly derive from construction contracts and long-term service agreements ("the long-term contracts").

As described in Note 2.5.5 "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 2.5.5. 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;
- Used our experience gained in previous years on these contracts or on similar contracts;
- Assessed the consistency of the accounting information reflected in the financial statements with the project information obtained; and
- Verifying the appropriateness of the disclosures provided in 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 28.2 "Currency risk management" to Group consolidated financial statements.

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 allegations relating to compliance and integrity laws or anti-competitive practices 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 31 March 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.

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

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 17 December 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.

Due to the technical limitations inherent in the macro-tagging of the consolidated financial statements in accordance with the European single electronic reporting format, the content of certain tags in the notes to the financial statements may not be rendered identically to the consolidated financial statements attached to this report.

In addition, 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 2023, PricewaterhouseCoopers Audit and Mazars were in the 14th 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, 23 May 2023

The statutory auditors

PricewaterhouseCoopers Audit		**MAZARS**	
Cédric Haaser	Edouard Cartier	Jean-Luc Barlet	Daniel Escudiero

3.2 STATUTORY FINANCIAL STATEMENTS

Year end 31 March 2023

3.2.1 Income statement

(in € million)	France	Exportation	31 March 2023	31 March 2022
Production of services	71	1	71	63
Net sales	**71**	**1**	**71**	**63**
Operating income			**71**	**63**
Other purchases and external expenses			(47)	(51)
Taxes and similar payments			(3)	(1)
Wages and salaries			(2)	(2)
Social charges			1	(1)
Depreciations on fixed assets			(1)	(1)
Other operating expenses			(1)	(2)
Operating expenses			**(53)**	**(58)**
Net income from operation			**18**	**5**
Financial income from investments			242	101
Other interest and similar income			3	-
Positive exchange rate differences			1	1
Financial income			**246**	**102**
Financial depreciation and provisions			(6)	(5)
Interest and similar expenses			(45)	(7)
Negative exchange rate differences			(1)	(1)
Financial expenses			**(51)**	**(13)**
Net financial income			**195**	**89**
Net current income			**213**	**93**
Release of provisions and expense transfers			3	-
Non recurring income			**3**	**-**
Non recurring depreciation and provisions			-	(3)
Non recurring expenses			**-**	**(3)**
Non recurring net income			**2**	**(3)**
Income tax			18	11
NET INCOME			**234**	**102**

3.2.2 Balance sheet

Assets

(in € million)	Gross value	Depreciations and impairments	Net value at 31 March 2023	Net value at 31 March 2022
Investments in subsidiary	14,312	-	14,312	14,312
Advances to subsidiary	2,900	-	2,900	2,902
Financial assets	**17,213**	**-**	**17,213**	**17,214**
Fixed assets	**17,213**	**-**	**17,213**	**17,214**
Trade receivables and related accounts	86	-	86	62
Other receivables	433	-	433	205
Receivables	**518**	**-**	**518**	**267**
Prepaid Expenses	3	-	3	-
Adjustment accounts	**3**	**-**	**3**	**-**
Current assets	**521**	**-**	**521**	**267**
Deferred charges	17	-	17	22
Bond redemption premiums	12	-	12	14
Adjustment account	**29**	**-**	**29**	**36**
TOTAL ASSETS	**17,763**	**-**	**17,763**	**17,518**

Liabilities

(in € million)	31 March 2023	31 March 2022
Share capital	2,663	2,614
Additional paid-in capital	5,159	5,068
Legal reserve	266	262
Restricted reserves	3	3
Other reserves	6,389	6,383
Retained earnings	-	-
Net profit for the current year	**234**	**102**
Total shareholders' equity	**14,714**	**14,432**
Other equity	**-**	**-**
Provisions for risks	-	-
Provisions for charges	-	3
Provisions for risks and charges	**-**	**3**
Other bonds	2,655	2,655
Other financial debt	248	250
Financial debts	**2,903**	**2,905**
Trade payables and related accounts	11	32
Tax and social liabilities	12	13
Operating liabilities	**24**	**45**
Other payables	122	134
Miscellaneous liabilities	**122**	**134**
Liabilities	**3,049**	**3,084**
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	**17,763**	**17,518**

3.2.3 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 2023 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 2022.

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 2023, Alstom SA does not foresee significant environmental risks that might negatively impact in its activities in the coming years.

NOTE 3. SIGNIFICANT EVENTS

3.1. Uncertainties linked to the current economic and political context

The current economic and political context creates uncertainties on business activities (namely inflation, price volatility of certain commodities, energy, increases of interest rates, 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 (71% of the backlog being covered by price escalation clauses on global inflation – commodities, energy and labour indexes).

Impairment tests have been performed on goodwill, technology and other intangible assets, with no impairment risks identified as of 31 March 2023. Recognition of deferred tax assets has been assessed based on reasonable estimates and on the information available as at March 2023.

The Group took into consideration the potential impacts due to the specific context described above 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 2023. 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.

3.2. Post closing events

None.

NOTE 4. OPERATING INCOME

The operating income of €71 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 €64 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 €7 million.

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 (€3,546,847 paid for the financial year ended 31 March 2023) and directors' fees due for the fiscal year (€918,752 for the same financial year ended) and the corresponding social charges.

NOTE 5. FINANCIAL INCOME

(in € million)	Year ended at 31 March 2023	Year ended at 31 March 2022
Financial income	242	101
Net interest income on advances made to Alstom Holdings	3	-
Interest expenses on bonds	(45)	(7)
Interest expenses on borrowings	-	-
Provision	-	-
Bonds issuance costs and premiums recognised as income or expense	(6)	(5)
Change differences	-	-
TOTAL	**195**	**89**

The net financial income amounts to €195 million and is mainly made up of the following:

- dividends paid by Alstom Holdings to the Company during financial year ended 31 March 2023 for an amount of €200 million;
- interest expenses on bonds for €(45) million;
- amortization of issue costs and premiums on bonds for €(6) million.

NOTE 6. NON-RECURRING RESULT

(in € million)	Year ended at 31 March 2023			Year ended at 31 March 2022
	Non-recurring income	Non-recurring expense	Net amount	Net amount
Disposals of fixed assets	-	-	-	-
Addition or release of provisions	3	-	3	(3)
Other	-	-	-	-
NON-RECURRING RESULT	**3**	**-**	**3**	**(3)**

NOTE 7. INCOME TAX

The €18.4 million income tax credit is mainly linked to the tax grouping.

In the absence of tax grouping, a €3.7 million income tax charge would have been recorded as of 31 March 2023.

The deferred tax position of the Company as of 31 March 2023, amounting to €1,711 million, is mainly composed of tax losses carried forward.

NOTE 8. FINANCIAL ASSETS

8.1. Investments in subsidiaries

(in € million)	At 31 March 2022	Provision	Release	At 31 March 2023
INVESTMENTS				
• Alstom Holdings	14,312	-	-	14,312
• Impairment	-	-	-	-
TOTAL	**14,312**	**-**	**-**	**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 2022	Variation	At 31 March 2023
ADVANCES TO ALSTOM HOLDINGS			
• Gross value	2,900	(2)	2,898
• Accrued interests	2	-	2
TOTAL	**2,902**	**(2)**	**2,900**

Advances to Alstom Holdings can be cancelled by anticipation, which ensures their liquidity.

NOTE 9. RECEIVABLES

Current receivables can be broken down as follows:

(in € million)	At 31 March 2023 Total	Within one year	One to five years	Out of which related parties	At 31 March 2022 Total	Out of which related parties
Current account with Alstom Holdings	418	418		418	188	188
Trade receivables	86	86	-	86	62	62
Receivables from the French Tax administration	14	14	-	-	17	-
Receivables on Group companies included in the Tax Group	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
TOTAL	**518**	**518**	**-**	**504**	**267**	**250**

NOTE 10. PREPAID EXPENSES

(in € million)	At 31 March 2022	Increase	Decrease	At 31 March 2023
Prepaid expenses on financial interests	-	3	-	3

NOTE 11. DEFERRED CHARGES

(in € million)	At 31 March 2022	Amount capitalised during the period	Amortisation expense of the period	At 31 March 2023
Bonds issuance costs and premiums	36	-	(6)	29

NOTE 12. SHAREHOLDERS' EQUITY

12.1. Share capital

As of 31 March 2023, Alstom's share capital amounts to €2,663,174,178 composed by 380,453,454 ordinary shares with a value of €7 per share, fully paid.

The variation in the number of shares during the period is as follows:

	Number of shares
Existing shares at beginning of year	**373,391,746**
Capital increase "We Share Alstom 2023"	4,236,222
Reimbursement of bonds	-
Exercise of options	-
Subscription of shares under employee sharing program	393,155
Shares buy back	-
Dividend payment	2,432,331
EXISTING SHARES AT YEAR END	**380,453,454**

12.2. Changes in shareholders' equity

(in € million)	At 31 March 2022	Shareholders' Meeting held 12 July 2022	Other movements	At 31 March 2023
Capital	2,614		49	2,663
Additional paid-in capital	5,068		91	5,159
Legal reserve	262		4	266
Restricted reserve	3		-	3
General reserve	6,383	102	(96)	6,389
Net profit	102	(102)	234	234
SHAREHOLDERS' EQUITY	**14,432**	**-**	**282**	**14,714**

The Shareholders' Meeting of Alstom held on 12 July 2022 decided to pay a dividend of €0.25 per share for the financial year ending 31 March 2022, for a total amount of €93 million, paid in cash for €42 million and in the form of 2,432,331 shares for a total of €51 million.

Other variations over the period arise from:

- subscriptions of shares under employee sharing programme;
- €234 million net profit of the period.

NOTE 13. PROVISIONS FOR RISKS AND CHARGES

(in € million)	At 31 March 2022	Additions	Releases	At 31 March 2023
Post-employment defined benefits	-	-	-	-
Others provisions	3	-	(3)	-
PROVISION FOR RISKS AND CHARGES	**3**	**-**	**(3)**	**-**

NOTE 14. BONDS REIMBURSABLE WITH SHARES

None.

NOTE 15. BONDS AND OTHER BORROWINGS

The movements in nominal amount of bonds over the past two years are presented as follows:

		Maturity date			
(Nominal value in € million)	Total	14/10/2026	27/07/2027	11/01/2029	27/07/2030
Annual nominal interest rate		0.25%	0.125%	0.00%	0.50%
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**
Bonds issued	-				
Currency adjustments	-				
Repurchase	-				
Bonds reimbursed at maturity date	-				
OUTSTANDING AMOUNT AT 31 MARCH 2023	**2,650**	**700**	**500**	**750**	**700**

In order to optimize its liquidity, the Group also issued commercial papers under its Negotiable European Commercial Paper program for an amount of €248 million with maturities in 2023.

Accrued interests as of 31 March 2023 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 €826 million at 31 March 2023, the Group benefits from strong liquidity with:

- €1.75 billion short term Revolving Credit Facility maturing in January 2026;
- €2.5 billion Revolving Credit Facility maturing in January 2028.

Both facilities have a one-year extension option remaining at lenders' discretion and are undrawn at 31 March 2023. Both facilities have been successfully extended by one year.

As per its conservative liquidity policy, the €2.5 billion Revolving Credit Facility serves as a back-up of the Group €2.5 billion NEU CP program in place. With these RCF lines (undrawn at 31 March 2023), the €248 million of Negotiable European Commercial Papers outstanding and the €41 million overdraft at 31 March 2023, the Group benefits from a €4.8 billion liquidity available.

NOTE 16. PAYABLES AND RELATED PARTIES

	At 31 March 2023		At 31 March 2022	
(in € million)	Total	Out of which related parties	Total	Out of which related parties
Borrowings from subsidiary	-	-	-	-
Trade payables	11	-	32	15
Other tax and social security payables	12	-	13	1
Payables to members of the tax group	121	121	130	130
Payables to members of the VAT group	-	-	-	-
Other liabilities	1	-	4	3
TOTAL	**146**	**121**	**179**	**149**

NOTE 17. MATURITY OF LIABILITIES

(in € million)	As at 31 March 2023	Within one year	One to five years	More than five years	out of which related parties
Bonds	2,655	5	1,200	1,450	-
Other borrowings	248	248	-	-	-
Borrowings from subsidiary	-	-	-	-	-
Trade payables	11	11	-	-	-
Other tax and social security payables	12	12	-	-	-
Payables to members of the tax group	121	33	88	-	121
Payables to members of the VAT group	-	-	-	-	-
Other liabilities	1	1	-	-	-
TOTAL	**3,049**	**311**	**1,288**	**1,450**	**121**

NOTE 18. OTHER INFORMATION

18.1. Off Balance-sheet Commitments

Total outstanding guarantees given by the Company amount to €1,321 million as of 31 March 2023, and mainly corresponds to guarantees of commercial obligations contracted by the subsidiaries.

At 31 March 2023, there is no commitment received identified.

18.2. Compensation granted to the corporate officer

The compensation paid to the Chairman and Chief Executive Officer amount €3,546,847 for the financial year ended 31 March 2023. 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) will be 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 third and last payment was made in July 2022.

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 2022/23:

- 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 2022/23 are equal to €26,784, of which €25,445 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 2022 under this defined contribution pension plan for the fiscal year 2022/23 is equal to €317,728 and corresponds to the acquisition period from 1 April 2021 to 31 March 2022. The matching accruals accounted for fiscal year 2021/22, amounting to €394,299, have been cancelled.
  - For fiscal year 2022/23 (acquisition period), a provision for expenses was made for a gross amount of €394,381 but no payment was made before the approval by the General Meeting of Shareholders of the variable remuneration of the Chairman and Chief Executive Officer for the same financial year.
  - The amounts paid in July 2022 under this defined contribution pension plan for the fiscal year 2022/23 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.

18.3. 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 17 July 2018	Plan issued by Shareholders Meeting on 10 July 2019	Plans issued by Shareholders Meeting on 4 July 2021			Plan issued by Shareholders Meeting on 28 July 2021
	PSP 2019	PSP 2020	PSP 2021	PSP Special	We Are Alstom 2021	PSP 2022
	Performance shares	Performance shares	Performance shares	Performance shares	Free shares	Performance shares
Grant date	12/03/2019	10/03/2020	04/07/2021	04/07/2021	04/07/2021	10/05/2022
Number of beneficiaries	820	878	1,375	18	63,717	1,474
Adjusted number granted*	1,176,801	1,252,619	1,867,325	243,000	955,755	2,481,612
Adjusted number exercised since the origin	392,585	575	1,050	-	45	-
Adjusted number cancelled since the origin	784,216	62,805	109,650	-	144,585	47,286
Adjusted number outstanding at 31 March 2023	-	1,189,239	1,756,625	243,000	811,125	2,434,326
inc. to the members of the Leadership team at 31 March 2023	-	259,247	306,000	228,000	-	419,000
FAIR VALUE AT GRANT DATE (IN €)	**28.92**	**36.58**	**35.60**	**41.01**	**42.01**	**23.04**

* The number of performance shares have been adjusted as a result of transactions that have impacted the number of capital shares after grant dates.

The long-term incentive plans set up since 2016 allocate only performance shares.

The grant of these instruments is conditioned by the satisfaction of performance indicators.

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. Based on the performance conditions of the year ended at 31 March 2022, 53.5% of the initial grant (150%) has been achieved and 96.5% of the performance shares have been cancelled. On 17 May 2022, 392,585 performance shares have been delivered.

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, Free Cash Flows and objective of reduction in the energy consumption of the solutions offered to clients for the fiscal year ended 31 March 2023, 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, Free Cash Flows and objective of reduction in the energy consumption of the solutions offered to clients for the fiscal year ended 31 March 2024, as well as one relative condition linked to the performance of the Company's share. The final delivery will take place at the latest two business 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 and aims to reward integration of Bombardier Transportation success. 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 at the latest two business days following the Vesting Period, i.e. 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. The shares will be delivered on the first business day following the date of expiry of the Vesting Period, i.e. 5 July 2023.

PSP 2022 granted on 10 May 2022

This plan has been agreed by the Board of Directors of 10 May 2022. 2,481,612 performance shares have been initially granted to 1,474 beneficiaries.

The final allocation depends on four internal performance conditions based on Group adjusted EBIT margin, Free Cash Flows, objective of reduction in the energy consumption of the solutions offered to clients and Alstom employee engagement level for the fiscal year ended 31 March 2025, as well as one relative condition linked to the performance of the Company's share. The final delivery will take place at the latest fifth business day following the end of the vesting period.

MOVEMENTS

	Number of options	Weighted average exercise price per share in €	Number of performance shares
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**
Granted**	-	-	2,481,612
Exercised	-	-	(393,155)
Cancelled	-	-	(886,759)
OUTSTANDING AT 31 MARCH 2023	**-**	**-**	**6,434,315**

* 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.

** Includes 2,481,612 shares granted through PSP 2022.

18.4. 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.

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 2023	-
Dividends paid by Alstom Holdings to the Company during financial year ended at 31 March 2023	€200 million
Alstom Holdings shareholders' equity at 31 March 2023	€13.2 billion
Alstom Holdings' Sales	€403 million
Alstom Holdings' Net Profit	€2,200 million

18.5. 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.

18.6. List of subsidiaries

Alstom Holdings is Alstom's sole subsidiary and is 100% owned.

3.2.4 Statutory Auditors' report on the financial statements

(For the year ended 31 March 2023)

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 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 2023.

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 2023 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 rules required by 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 2022 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) N°537/2014.

Justification of Assessments – Key Audit Matters

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 recoverable value of the investment in Alstom Holdings

(Note 2.1 Investments in subsidiaries and Note 8.1 Investments in subsidiaries)

Identified risks

As of 31 March 2023, the net value of the investment in Alstom Holdings amounts to 14,312 M€. Alstom Holdings owns directly or indirectly all the operating entities of the Alstom group.

As described in Note 2.1 to the financial statements, investments are recorded at their acquisition cost, excluding transaction costs. 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) 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, and (ii) values in relation with current or contemplated transactions, if available. This impairment test relies on significant management estimates, such as the group's business plans, discount rate 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. Our work mainly consisted in:

- 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, if any;
- Reviewing sensitivity analyses to key assumptions;
- Verifying the appropriateness of the disclosures provided in Notes 2.1 "Investments in subsidiaries" and 8.1 "Investments in subsidiaries" to Alstom SA financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French 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.

In accordance with French law, we report to you that information relating to payment times referred to in Article D.441-6 of the French Commercial Code (code de commerce) is fairly presented and consistent with the financial statements.

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 or allocated 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 controlled companies that are included in the scope of consolidation. Based on this work, 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 verified their compliance with the source documents communicated to us. Based on our work, 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 presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed 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 2023, PricewaterhouseCoopers Audit and Mazars were in the 14th 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, 23 May 2023

The statutory auditors

MAZARS		**PricewaterhouseCoopers Audit**	
Jean-Luc Barlet	Daniel Escudeiro	Edouard Cartier	Cedric Haaser

3.3 OTHER FINANCIAL INFORMATION AS AT 31 MARCH 2023

3.3.1 Five-year summary

Information as per Article L.232-1 of the French Commercial Code

	Year ended				
	31 March 2019	31 March 2020	31 March 2021	31 March 2022	31 March 2023
1. SHARE CAPITAL AT YEAR END					
a) Share capital (in € thousand)	1,565,006	1,581,816	2,598,413	2,613,742	2,663,174
b) Number of outstanding issued shares	223,572,313	225,973,782	371,201,793	373,391,746	380,453,454
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	311	1,994	235	100	220
c) Income tax credit	18	18	4	11	18
d) Net income after tax, depreciation, impairment and provisions	1,529	2,019	222	102	234
e) Dividends(1)	1,233	-	93	93	95(1)
3. EARNINGS PER SHARE (in €)					
a) Net earning after tax, but before depreciation, impairment and provisions	1.47	8.90	0.64	0.30	0.63
b) Net earning after tax, depreciation, impairment and provisions	6.84	8.93	0.60	0.27	0.61
c) Net dividend per share(1)	5.50	-	0.25	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)	2,113	2,131	3,108	3,132	3,547
c) Amount of social charges and other welfare benefits for the year (in € thousand)	766	791	1,112	1,069	946

(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 April 1st and dividend payment's date, depending namely on treasury shares, performances shares and stocks options variations.

For the last three fiscal years the following dividends were paid:

- year ended 31 March 2020: €0;
- year ended 31 March 2021: €93 million;
- year ended 31 March 2022: €93 million.

3.3.2 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 €234 million and mainly comprised:

- €18 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;
- €195 million financial income mainly linked to the dividends received for an amount of €200 million and to interest expenses on bonds for €(45) million;
- non-recurring income: €2 million;
- €18 million net income tax credit mainly linked to the tax grouping.

Balance sheet

Total of balance sheet amounts to €17,763 million and is mainly made of:

- **assets:**
  - Investments in Alstom Holdings totalling €14,312 million in net value,
  - Advances to Alstom Holdings amounting to €3,318 million;
- **shareholders' equity and liabilities:**
  - shareholders' equity amounts to €14,714 million and is made of:
    - share capital: €2,663 million,
    - paid-in capital: €5,159 million,
    - reserves: €6,658 million,
    - net profit of the period: €234 million,
  - outstanding bonds amounting to €2,655 million,
  - other borrowings: €248 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 2023 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	-	-	-	-	-	3	-	-	-	-	-	26
Total amount of invoices involved (excl. VAT)	-	-	(0.02)	-	-	(0.02)	-	-	-	-	1.85	1.85
Percentage of total purchases for the fiscal year (excl. VAT)	-	-	(0.03%)	-	-	(0.03%)						
Percentage of sales for the fiscal year (excl.VAT)							-	-	-	-	2.60%	2.60%
(B) Invoices excluded from (A) related to disputed or unrecorded payables and receivables												
Number of invoices excluded			11						-			
Total amount of invoices excluded (incl. VAT)			1.38						-			
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			


ALSTOM

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".

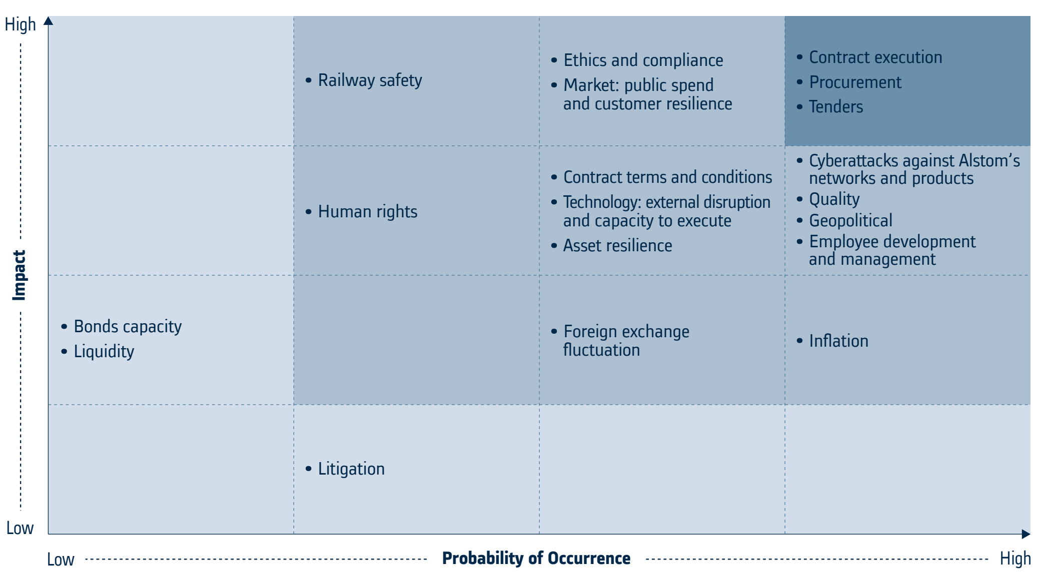
In the framework of the provisions of Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, within each of the risk categories referred to below, the risk factors Alstom considers to be the most significant as of the date of this Universal Registration Document are presented (and highlighted by an asterisk), based on an assessment taking 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.

4.1 Risk Factors

4.1.1 OVERVIEW

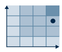
		Criticality		
Alstom Risk Factors		Low	Medium	High
1. STRATEGIC AND MARKET RISKS	Geopolitical			
	Market: public spend and customer resilience			
2. OPERATIONAL RISKS	Contract execution			
	Railway safety			
	Quality			
	Cyberattacks against Alstom's networks and products			
	Procurement			
	Technology: external disruption and capacity to execute			
	Tenders			
	Contract terms and conditions			
3. LEGAL AND REGULATORY RISKS	Ethics and compliance			
	Litigation			
4. ENVIRONMENTAL SOCIAL AND GOVERNANCE RISKS	Employee development and management			
	Asset resilience			
	Human rights			
5. FINANCIAL RISKS	Liquidity			
	Bonds capacity			
	Inflation			
	Foreign exchange			



4.2 Risk factors and risk management

4.2.1 STRATEGIC RISKS

4.2.1.1 Geopolitical



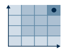
Description of the risk factors	Risk management and risk impact
Alstom has industrial and commercial operations in a large number of countries (60% of revenues are generated in Europe, 17% in Americas, 15% in Asia and 8% in Africa/Middle East and Central Asia). Considering the changing international context including tensions between some countries, Alstom is exposed in certain countries and projects with a potential adverse impact on the group's industrial and commercial operations, sales, order intake, revenues, income statement or balance sheet, despite a geographical spread of sales that limits the overall impact.	Commercial tensions between countries require the Group to be responsive and proactive so that it can limit the economic and operational impacts all while protecting its customers' interests if there are direct consequences on the business. Internal resources are dedicated to monitor the geopolitical risk and to provide strategic foresight by integrating the geopolitical risk into business activities to anticipate and implement mitigation action plans. Resilience capacity is managed by allocating affected activities in more stable regions and by rebalancing the worldwide footprint to mitigate local impact. Regarding the conflict in Ukraine, the Group's actual exposure to Russia and Ukraine is extremely limited. 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. Complying with all applicable sanctions and laws, on 9 March 2022, Alstom decided to suspend all deliveries to Russia. New projects are also not authorized until further notice. In Ukraine, a dedicated team keeps providing support to employees in the signaling software business in Kharkov. The proposed partnership with UZ (the operator of the Ukrainian railway network) for the supply of locomotives and related maintenance services, is still suspended due to the context. Given the global geopolitical developments and uncertainties the risk remains high for Alstom.

4.2.1.2 Market: public spend and customer resilience

Description of the risk factors	Risk management and risk impact
The railway market is highly dependent on public procurement and funding as well as public policy relating to the environment and transportation. Macroeconomic conditions, geopolitical events as well as climate changes have a direct impact on the public sector's capacity to allocate funds for railway capital expenses and/ or operating costs and therefore may lead to cutbacks in our customers' budgets. This can not only lead to delays in contract awards, but also reductions, or cancellations of projects or their related financing, which can negatively affect Alstom's activities and financial situation. Moreover, such changes in our customers' budgets may affect their financial robustness and can impact on-going projects by delaying customer payments.	Alstom's relationship with its customers is at the heart of the organization managed primarily by Customer Directors. They are in regular contact with customers to manage on-going projects & tenders but also to collect their needs and understand their difficulties both technical and financial. Such information is not only used by Alstom to help build a better offering, including financial solutions, but also to anticipate the impact to future business opportunities. On a broader market level, the Regional, Product Line and Central levels all have monitoring functions assessing the railway market behaviour by collecting data from regional and global organizations, such as UNIFE, UITP and other specialized study groups, to analyze shifts in public transportation policies but also to anticipate the effect to the global railway markets. Most public transit operators are backed by state budgets and therefore don't necessarily rely on their own funding capacity. Moreover, the green agenda of public bodies offers an inherent mitigation to protect rail against budget reallocation. Nevertheless, to help customers with their funding needs, Alstom has the ability to enhance its offerings by structuring tailor-made financing solutions with a strong focus on green funding through (i) a large number of Export Credit Agencies (ECA) thanks to our agreements with ECA to increase our available capacity and Alstom's extensive industrial footprint or (ii) International Financial Institutions which play a major role in funding infrastructure transportation projects or (iii) private capital solutions which can fund certain type of transit contracts (e.g. Public-Private Partnerships). The potential for reductions in customers' budget for rail projects is putting downward pressure to Alstom's growth targets by delaying future opportunities and also reducing the size of the overall market. However, given Alstom's leading position in green mobility solutions, the need for rail infrastructure allowing governments to comply with commitments made to reduce mobility-related carbon footprints is a key mitigation to this impact. In addition, Alstom's geographically diverse market shares (60% of revenues are generated in Europe, 17% in Americas, 15% in Asia and 8% in Africa/Middle East and Central Asia) allow the company the possibility to offset a decrease in market opportunities in a specific country or region, all while maintaining its global objectives and financial performance.

4.2.2 OPERATIONAL RISK

4.2.2.1 Contract execution*



Description of the risk factors

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 €87,4 billion. Contract execution risks may arise from:

- order intake that includes complex long-term projects, which also carry increased risks of unforeseen technical problems;
- backlog which includes critical projects requiring additional highly-qualified resources to resolve issues, which may result in a reduction of the number of employees available for the launch of the new projects;
- insufficient availability or suitability of project teams and experts who can support operations locally;
- supply chain failures and an inflationary environment impacting the suppliers, sub-contractors, customers or consortium partners.

These risks may impact the timely project execution, products' quality, performance, financials and thereby in turn impacting Alstom's reputation among its customers and investors.

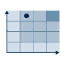
Risk management and risk impact

Management of project execution risk is based on:

- project reviews on a monthly basis to monitor the status and effectiveness of action plans, as well as 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) by regions and central functions together with the human resources department so that the right resources are available upon project launch and during the project life cycle;
- stringent selection criteria for the bid assessment, review of the existing processes addressing economic conditions e.g. supply chain, inflation;
- quick management actions & decisions to adapt to project execution deviations.

Despite all these measures and considering the geopolitical situation and economic environment, the project execution risk remains high.

4.2.2.2 Railway safety



Description of the risk factors

In the event of a railway accident involving equipment or services (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 withdraw 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 or services 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, prospects and on its reputation.

Risk management and risk impact

The safety management system in place within Alstom, is based on a strong governance involving all the levels and parts of the organization supported by:

- three key processes covering the three needs being: Ensure delivery of safe products/systems (new build), Ensure that safety is maintain ed through operation & maintenance activities (services) and manage potential safety events;
- the deployment of a railway safety culture associated with management of competences.

The monitoring of railway safety is done via different indicators out of which two activities shall be highlighted:

- the safety reviews held on projects (new build & services) aiming at ensuring that railway safety maturity is at the expected level;
- the deployment of the railway safety culture via focused trainings.

For more information, please see to Chapter 6, "Railway Safety and Healthier Mobility".

4.2.2.3 Quality

Description of the risk factors	Risk management and risk impact
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, prospects as well as 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 measures have been put in place to manage this risk. In each region, the quality organisation mirrors the operational organisation and includes, at 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 various levels of the organisation, which include the evaluation of quality performance for 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.

4.2.2.4 Cyberattacks against Alstom's networks and products

Description of the risk factors and impact

Alstom Group develops and markets a portfolio of solutions ranging from high-speed trains, metros, monorail and trams to turnkey systems, services, infrastructure, signaling and digital mobility solutions. The development and delivery of these solutions relies heavily on modern information systems and technologies. Due to the company's broad geographic footprint, diverse businesses and product ranges, and successive integration of business activities, as well as the computer connections with customers' and suppliers' IT ecosystems, it operates in a complex environment that introduces exposure to new risk scenarios.

In 2022, the global threat landscape continued to evolve with an increase of sophisticated cyberattacks targeting both enterprise and home environments (which remain an important factor of corporate cybersecurity with a high level of telecommuting). Credential phishing and patriotic hacktivism activities targeting critical infrastructure and services, including their supply chain, have been observed during the year.

The risk of cyberattacks affects Alstom's internal IT systems but also the products, systems, and services developed by the company and sold to its customer. Those risks might originate from:

- cyberattacks targeting to access sensitive data (strategic data, product data or trade secrets, customer data, or personal information) to steal or modify them;
- cyberattacks targeting to disrupt Alstom's services or IT systems hosted on the infrastructure of Alstom, its partners or suppliers;
- cyberattacks targeting to impact the availability, performance and even the security of Alstom products and solutions used by the operators (these attacks can occur in Alstom or customers premises).

Despite the ongoing efforts to fortify Alstom Group's systems and services in order to control potential risks, the manifestation of these risks could result in significant financial consequences, originating from:

- service disruption, or even the interruption of some or all of Alstom owned business;
- harm to Alstom's reputation and the trust of third parties and customers in the group and its brands;
- significant sanctions in the event of regulatory breaches;
- loss of market access if our products, solutions and services do not comply with local regulations and requirements for cybersecurity.

Risk management

These repercussions could have far-reaching implications, making it imperative for Alstom Group to remain vigilant and proactive in mitigating the risks associated with its operations and the use of its products and services. By implementing robust and sustainable risk management strategies, the company has increased the resilience of its own systems, and the one of the products, solutions, and services it sells to its customer. ALSTOM is protecting them both against potential cyber threats to minimize the impact of any materialization of risks on its business activities - for Alstom and for its customer – as for all the other stakeholders.

This risk management strategy is implemented through two global organizations dedicated respectively to Alstom's cybersecurity of products, services, and IT systems, which provide:

- an ISO 27001 certified information security management system (ISMS), including governance and risk management to monitor and evaluate the effectiveness of information security processes and measures on Alstom own IT systems;
- a clear and robust security policy framework for products, solutions and Services and for enterprise IT systems;
- derived standards and procedures on the technical and organizational controls applied during the life cycle of Alstom's products, solutions and services, from the conception phase to production, delivery, installation, commissioning, operation, and up to the decommissioning following IEC 62443 and the CENELEC TS 50701;
- continuous enhancement of the processes to define the security controls according to the level of criticality of the applications and data involved;
- a supplier risk management program to improve the supply chain cybersecurity for its products, solutions & services;
- awareness, training, and competency development regarding cybersecurity (the Alstom cybersecurity academy);
- an active participation up to and including the leadership of standardization committees or projects;
- partnerships with major players in the cybersecurity sector, bringing their indispensable expertise and innovations to the roll-out of cybersecurity mechanisms that are adapted to the railway sector.

Given the fast paced developments and increased cyber threads and despite high focus to counter cyberattacks the risk remains high.

4.2.2.5 Procurement*

Description of the risk factors

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, globalization 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%). Any default by a supplier or subcontractor or unexpected increase in these costs can have an adverse effect on the Group's activities, financial situation, results, and prospects.

Main Procurement risks arise from :

- supply chain disruptions due to geopolitical tensions, potential bankruptcy or supplier non-performance (none compliance with technical requirements, quality standards, or delivery deadlines specified by Alstom, resulting in missing parts on the production lines);
- high inflation affecting all commodities, in particular price increase on raw materials leading to increased cost to projects while the contract is being executed;
- electronic components shortages leading to availability problems causing delays in supplier deliveries and disruption to projects;
- energy shortage crisis and price impact for winter 23/24;
- CSR events: interactions with many suppliers expose Alstom to ethical, environmental, health & safety, social & human rights risks, if one of those suppliers does not meet its Corporate Social Responsibility.

Possible consequences may be penal and civil liabilities, loss of contracts, business stoppage, trials, fines, penalties, lawsuits or even reputational impacts.

Certain suppliers or sub-contractors may also:

- encounter workforce shortage leading to capacity issues;
- face cybersecurity attacks that might cause delivery issues;
- no longer have the capacity to supply Alstom due to force majeure events in the country in which the production sites are located (earthquake, flood, etc.);
- be in a quasi-monopolistic position, leading Alstom to a certain dependency.

Furthermore, the increasing local-content requirements may require Alstom to work with suppliers in countries where the railway industry is developing but not yet mature and this may lead to delays and additional costs.

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.

Risk management and risk impact

The management of procurement risks is based on a dedicated organization and governance to manage suppliers performance and suppliers risks:

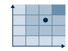
- a Global Supplier Excellence organization is in place to structure improvements in supplier performance by developing their maturity and operational efficiency, anticipating risks, preparing associated action plans and robust crisis management;
- risk management process and tools are deployed at global and regional level to assess supplier risks, based on a map of 9 typologyies of risks: quality, delivery, CSR/E&C/EHS, financial solidity, switching fluidity (Alstom's ability to switch between suppliers, and the cost and consequence of switching), dependency, early warning signs, supplier relationship and criticality of the parts at industrial / project / customer level;
- for the suppliers identified as being risky, a mitigation plan is defined, including resourcing plan, double sourcing, in-sourcing or supplier development. These suppliers are reviewed internally during monthly governance meetings organized at various levels, and the follow-up is done with the identified suppliers during supplier business reviews;
- regular audits are performed to assess the supplier's engineering, supply chain, quality, industrial, finance and organizational capability.

Procurement teams are part of the management cells created at Alstom group level, to intensively monitor and manage the action plans related to inflation, electronic component, and energy shortage:

- high inflation is managed through raw material forecasting and strong follow up, the improvement of contract price adjustment golden rules and guidelines to be applied during tender and project phase, with deviation approvals, all along execution;
- to reduce the risk of electronic component shortages, Alstom has set up a specific task force to manage the situation and is thoroughly monitoring the market evolution and critical suppliers in order to anticipate potential shortages or postponements. An internal marketplace has been set up to support and scrutinize the availability of semiconductors;
- to manage the energy shortage risk at procurement level, a safety stock strategy is in place to cover specific needs during winter, as well as dual source if needed.

This entire procurement process is underpinned by a sustainable procurement strategy. The prevention and the management of CSR risks are described in chapter 6 (section supply chain of the vigilance plan and section sustainable procurement).

Finally, supplier risk is a criterion taken into account when selecting a supplier for a new contract, and is included in supplier selection process, for a proactive management of the risks. It is also one of the main inputs in our supplier development program. The effectiveness of all these measures is reinforced by specific and comprehensive trainings aimed at raising supplier risk awareness, and global supplier performance.

4.2.2.6 Technology: external disruption and capacity to execute 

Description of the risk factors	Risk management and risk impact
The Group designs, manufactures and sells technologically complex products and solutions used particularly in major infrastructure projects. On top, the Group is committed to stay on the leading edge of innovation. The Group therefore faces the risk that products do not satisfy contractual expectations or regulatory requirements due to the combined effect of: • uneven level of maturity of the relevant technologies; • limited return on experience available in Alstom as well as within our partners and customers; • sometimes fragile supply chains; • new or even missing standards for certification.	Alstom developed specific tools and processes to manage these risks in order to: • control the development cycle for new products – DfQ (Development for Quality); • control the R&D process and increase technological maturity, through programme approval and programme review processes; • establish, maintain, and promote a list of standards to be implemented by all product lines (APSL – Alstom Preferred Standards List); • drive International Standards development to extend worldwide influence and increase trustworthiness. In addition, Alstom has defined and rolled-out a new Certification & Authorization "métier" referential to secure the authorization of our products. The impact of not fully mastering technologies in Alstom products may be high as it may result in: • missing performance committed to our customers and/or outstanding delay to redesign and revalidate, potentially resulting into penalties; • missing the expected return on R&D investment; • jeopardizing the trust of our customers and the image of the company.

4.2.2.7 Tenders*

Description of the risk factors

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.

Risk management and risk impact

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 project timetable, contractual clauses, 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 up to the submission of the tender to the customer. Upon how complex and risky the opportunity is, the audience of the reviews is adjusted to obtain the proper approvals.

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.

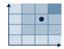
The programme for restructuring projects by sub-system referred to in the contract execution risk is also deployed in regard to requests for proposals to ensure the efficient and smooth transfer of information and data between the tender and the contract teams.

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.

Regarding Bombardier integration, a unique set of tools is in place to prepare tenders allowing complete fluidity in bid preparations. The integration of Operations activities is also now extremely robust minimizing the risks associated to the non-finalized integration that was existing two years ago.

Regarding our pipeline of opportunities, an extensive review of all opportunities exposed to inflation has been performed and actions plans put in place to protect the company. These action plans have included renegotiations of contracts to address the latest geopolitical events and associated side effects (shortage of components, energy costs etc.). In this context, we have negotiated whenever possible the implementation of escalation mechanisms in our contracts, reflecting our cost structure. This work has been done all across our portfolio of solutions with mechanisms customized by products and also geographical factors (energy impacts in Europe or Asia have not been similar as an example). Our rapid adaptation to market conditions has helped the company to properly contain the risks to an acceptable level.

4.2.2.8 Contract terms and conditions



Description of the risk factors

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) 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. This may 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.

Risk management and risk impact

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 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 including critical claims situations following specific governance;
- the implementation of strategies and correspondence management tools for critical contracts;
- the mandatory participation of contract managers in project reviews, in accordance with the Group instructions;
- shoring up the contract management teams through the implementation of a skills development programme;
- the launch of a new training program to improve overall contractual and commercial awareness of Project Team Members, considering the entire Project life cycle - from the Tender to Close Out;
- consideration of lessons learned to contribute to continuous improvement.

The management of risks posed by sales contracts is founded on:

- the application of reinforced instructions, processes and tools in order to develop contract management with critical / key suppliers / subcontractors 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 training program for the buyer community regarding contract and claim management.

Finally, 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.

4.2.3 LEGAL & REGULATORY RISKS

4.2.3.1 Ethics and compliance

Description of the risk factors

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, influence peddling 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., sales partners, 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 2023 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 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, which would have an adverse impact on Alstom's business, financial condition, earnings, and prospects.

Risk management and risk impact

Regarding compliance risks, Alstom is fully engaged in the fight against unlawful practices in relation to corruption, influence peddling and competition law. Alstom constantly seeks to improve its compliance programme 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 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. A second renewal and expansion campaign took place in 2022 to include ex-Bombardier Transportation sites, resulting in a new certification ISO 37001 until June 2026.

Alstom's 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 was distributed to all Group employees. It is available on Alstom's intranet and websites.

The E&C rules and procedures are centralised within the Alstom Integrity Programme which is deployed to employees through the framework of training and communication measures. The Integrity Programme is monitored internally and externally.

A growing community of E&C ambassadors, which was created in 2010, counts more than 490 employees. They 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, around the world. Face-to-face training and e-learning sessions are essential to explaining our policy and rules and procedures. After Bombardier Transportation was acquired, two updated classroom training modules on competition law compliance and preventing corruption and influence peddling were launched and all exposed Group employees are required to participate. A new two-year campaign was launched in 2021 and completed in 2023. Over 10,000 participants were trained, which represents 100% of 2021's target population. In 2022, over 39,000 individuals were trained online.

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).

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.

Description of the risk factors	Risk management and risk impact
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 to the rules regarding interactions with third-party consultants, specific instructions are in place presenting the rules and procedures for dealing with customers, consortiums and joint ventures, M&A activities, suppliers, and subcontractors. Additional instructions focusing on consulting companies, gifts & hospitality, political and charitable contributions, sponsorship, facilitation payments 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 2022/23 yearly integrity review was launched and involved approximately 2,500 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 or the yearly integrity review. 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 Alstom's E&C commitments. Furthermore, an annual communication plan is deployed throughout the Company to raise awareness of Alstom employees. Regarding antitrust/competition law risks, a specific instruction is in place featuring 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.

4.2.3.2 Litigation

Description of the risk factors	Risk management and risk impact
In the ordinary course of its business, the Alstom Group faces the risk of litigation related to the supply of product and services. In addition, due to the nature of its activities and the execution of complex projects, the Alstom Group may also be exposed to the risk of litigations in relation to property damage and personal injury, intellectual property rights, and disputes involving sensitive matters (e.g., ethics and compliance, competition law, criminal investigations…). Certain of these litigations can adversely impact on Alstom's business, financial situation, results, prospects, and on its reputation and that of its products and services. Furthermore, in the context of the acquisition of Bombardier Transportation, the Alstom Group could also be exposed to face new litigations, 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 is against Bombardier Inc. before the International Chamber of Commerce regarding its purchase of Bombardier Transportation. Please refer to Note 33 "Disputes" in the consolidated financial statements as of 31 March 2023 for a presentation of the Alstom Group's major litigations falling either in or outside of the Alstom Group's ordinary course of business.	A framework is in place within the Alstom Group to ensure that all litigations are adequately and promptly notified to the Legal Department to ensure proper management of such litigations, and of the associated risks, and its reporting to relevant management members and governance forums as applicable. The procedures within the Alstom Group enable an efficient management of the risks inherent to litigations by covering all the activities related to initiation, management, resolution and reporting of all litigations where the Alstom Group is involved. These procedures notably contemplate the following measures: • horizon scanning to anticipate any potential new litigation; • securing impartial legal proceedings via the definition of acceptable laws and acceptable state jurisdictions and/or arbitration rules, according to criteria validated by the Legal Department, for the resolution of any litigation; • notification of any litigation to the relevant regional/headquarter Legal Department including escalation to the Group General Counsel for (i) material litigations exceeding a specified threshold (≥€5M "Material Litigation") and (ii) litigations involving any sensitive matter; • the mandatory prior authorization of the Group General Counsel to (i) start any Material Litigation or any litigation involving a sensitive matter and (ii) before the implementation of any strategic decision in relation to their resolution; • reporting on Material Litigations through the issuance of the Litigation Report twice a year (in March and in September) to the Group General Counsel for internal review and presentation to the Group Statutory Auditors and the Audit Committee; • conduct of a risk assessment for each new litigation to determine if a risk provision is to be created and/or increased in coordination with the Finance Department; • prior approval at the relevant Group management level, depending on the amount at stake, of (i) any out of court/amicable settlement and of (ii) any payment to be made as a result of an enforceable decision rendered by a state jurisdiction (tribunal or court), or an arbitration tribunal; • assessment on a yearly basis by the Internal Control team in collaboration with the Legal Department of the compliance with the applicable Alstom Group procedures dealing with dispute resolution.

4.2.4 ENVIRONMENTAL SOCIAL AND GOVERNANCE RISKS

4.2.4.1 Employee development and management

Description of the risk factors

Alstom is currently responding to growing demand for greener and more modern mobility solutions. Its backlog for these solutions currently stands at €87,4 billion. This activity generates significant recruitment and skills development needs across all geographies. At the same time, there is a new the Labor Market context with scarcity of resources, particularly in the technical areas and functions that the group needs. On top, the Employee Engagement survey shows new expectations of our employees notably regarding career opportunities, flexibility, work-life balance, as well as health and well-being.

Workforce Management & Development risks may arise from:

- lack of anticipation of resource needs, lack of resources to execute contracts and projects which may lead to delays in our delivery and generate additional recruitment cost and cash challenges mainly driven by cost of recruitment;
- lack of attractiveness which could expose us to difficulties in recruiting externally (volume, expertise);
- difficulties to retain internal resources exposes us to a loss of knowledge & expertise (significant training costs and very long periods of acquisition of skills).

These risks may impact the timely project execution, financials (labor costs, recruitment costs, development, cash), employee engagement, and thereby in turn impacting Alstom's reputation among candidates, customers and investors.

Risk management and risk impact

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.

To ensure that certain profiles can be recruited and retained, Alstom relies on:

- anticipation of resource needs from the business & functions thanks to strong workforce planning interconnected with the sales & operations planning;
- attraction strategy articulated around a new employer branding strategy, media campaign, employee value proposition and a global top employer certification that promotes the Alstom values of diversity and inclusion and reinforced presence on social networks;
- effective talent acquisition organization in charge of the recruitment delivery & resourcing strategy in line with the business needs;
- an engaging employee development journey to offer the best Employee experience which contributes to improving the engagement and performance thanks to career opportunities, mobility, learning & development, as well we leadership programs;
- a retention strategy to improve voluntary attrition and to reduce the risk of losing talents, expertise, and recruitment pressure.

Despite all these measures and considering the new labor market context, especially the scarcity of talent, the risk remains high.

4.2.4.2 Asset resilience

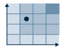
Description of the risk factors

Climate Change is expected to affect companies as weather patterns evolve in the coming years. The two main types of physical risks that could affect Alstom assets are acute events, such as the increase severity of extreme weather events like cyclones or floods; and chronic events, as rising in mean temperatures or rising sea levels.

Risk management and risk impact

Alstom conducted a climate scenario analysis to assess the exposure level of its sites. The analysis was done on Global Warming Scenario SSP2 4.5 and SSP5 8.5; the second one being selected for the analysis. The future climate risk screening assessed the physical vulnerability to both acute and chronic events towards 2030. The locations that had a high level of exposure to one of the studied climatic hazard went through a climate adaptation survey. Alstom sites are currently deploying actions to mitigate climate risk, specially the one related to heat waves and floods. Further evaluations on adaptation initiatives will be carried out in 2023.

Acute and chronic events from climate change might result in damage to Alstom installations, processes or projects, decrease of production capacity, impact on supply chain or workforce (e.g. health, safety, etc.), need for adaptation of operational ways of work and installations with potential increase of operating costs, among others.

4.2.4.3 Human rights 

Description of the risk factors	Risk management and risk impact
In the context of global and complex value chains, Alstom can be exposed to Human Rights controversies 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 also 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. The development of legislation across Europe and worldwide on companies' Duty of Vigilance means they are expected to establish adequate measures to identify Human Rights risks and mitigate them. The emergence of hard law in this field is leading to an increased risk of litigation.	The management of this risk is based on risk identification via a global Human Rights risk mapping and the implementation of mitigation measures both in Alstom's operational activity and its supply chain. In 2022, following the acquisition of Bombardier Transportation, Alstom updated its global Human Rights risk mapping and overall Vigilance plan (detailed p.340-343) with the support of an external consulting firm to cover the new Alstom perimeter, both in terms of geography and activity. To address these risks, Alstom's Sustainable Procurement program aims at monitoring or evaluating 100% of its suppliers by 2025 according to social responsibility or ethical and compliance standards as per their level of risk. In regard to Human Rights risks in Alstom operations, a CSR scorecard has been deployed to assess risks at tender stage; and due diligence and mitigation plans have been established for high risk projects with central monitoring. A roadmap to 2025 was set up following the 2022 risk mapping and gap analysis, and additional measures are being rolled out to address emerging risks. The impact of this risk ranges from reputational damages, to operational risks of disruption in Alstom's supply chain or activity, and litigation.

4.2.5 FINANCIAL RISKS

4.2.5.1 Financial risk factors

Description of the risk factors

The Group is subject to financial risks, in particular liquidity risk, lack of bonding capacity, foreign exchange fluctuation risk, and inflation risk.

Liquidity Risk: The Group finances its long-term financing needs through bond issuances, bank loans and its short-term financing needs through the issuance of commercial paper on the NEU Commercial Paper market (NEU CP) and the use of short term bank facilities such as revolving credit facilities.

In the event of a prolonged debt market closure, the Group is exposed to liquidity risk. If the group is unable to access sources of funding, insufficient liquidity would be particularly detrimental to its operational performance and in the long term, to its commercial credibility.

The Group is also rated by Moody's. Any downgrading of their rating could limit and/or increase the cost of access to the capital markets for the Group.

Lack of bonding capacity risk: 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.

The ability to have sufficient bonding capacity is a prerequisite for the Group to submit bids, obtain orders and receive instalment payments from customers.

On 31 March 2023, the total outstanding bonding guarantees related to contracts from continuing operations, issued by banks or insurance companies, amounted to €26.2 billion (€25.8 billion on 31 March 2022).

Foreign exchange risk: The Group does business in more than 70 countries under long-term commercial contracts and is exposed to currency exchange risks.

Its results can be impacted by fluctuations in exchange rates between reporting currencies of the Group entities and currencies of transactions and also, in a more significant proportion, by fluctuations between Euro and subsidiary reporting currencies. The main exposure of the Group in terms of currency exchange risks is related to the US Dollar, GBP, and PLN.

Inflation risk: This risk refers to the potential loss of purchasing power due to an increase in the general level of prices over time. In the context of a long-term contract, inflation risk can pose a significant challenge, this inflation risk assessed on a long-term contract must be considered in view of the sensitivity of the cost structure to execute the contract as projected over its duration together with its selling price structure.

The cost structure sensitivity to the inflation of Alstom is driven by the nature of costs (raw material, sub-contractors purchased, utilities and labour costs – all vulnerable to inflationary impact) and to the localisation of the costs.

Risk management and risk impact

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.

Liquidity Risk: In addition to its available cash and cash equivalents, amounting to €826 million as of 31 March 2023, the Group bolsters its liquidity through short term bank facilities and successfully refinanced its two Revolving Credit Facilities (RCF) in January 2022.

The 5-year main RCF was increased from €1.5 billion to €2.5 billion with a maturity extended to January 2028, subsequent to a first one-year extension option exercised in December 2022, and is a backstop to the Group's €2.5 billion NEU CP program.

The €1.75 billion RCF maturity was extended to January 2026, subsequent to a first one-year extension option exercised in December 2022, providing an extra liquidity buffer.

Both facilities have another one-year extension option at lenders' discretion and are undrawn as of 31 March 2023. The Group's liquidity demonstrates Alstom's commitment to a conservative financial policy and the strong support it benefits from its banking pool.

The Group's financing facilities are consistent with its credit profile and do not contain financial covenants. Any change in Alstom's financial rating would, however, impact the cost of its lines of credit and short-term debt.

Lack of bonding capacity risk: To issue bonds, the Group relies on both uncommitted bilateral lines in numerous countries and a €12.7 billion Committed Guarantee Facility Agreement ("CGFA") with sixteen tier one banks allowing issuance until 22nd July 2025 of bonds with tenors up to 7 years.

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.

Foreign exchange risk: The Group strives to hedge each entity's foreign exchange risk between its reporting currency and currencies of transaction. Whenever natural hedge is not possible, exposures resulting from these business activities should be hedged by spot or forward exchange rate transactions from the day the contract generating the exposure (present or future) comes into force. The Group only rarely hedges forecasted flows and can, in such cases, have recourse to options.

Description of the risk factors	Risk management and risk impact
If it remains high over several quarters, inflation can have multiple impacts on Alstom's business and profitability: not only price increases but also potential repercussions on the recruitments planned by the Group; increase in the Alstom's debt burden with respect to variable interest rate and 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. In 2022, inflation reached record highs in many countries (highest level in the United States since 1982). This economic situation has triggered a strong response from central banks worldwide to stabilize the inflation rate by rising key interest rates and progressively decreasing the rate of the bond purchases (the US Federal Reserve and the European Central Bank are reducing balance sheet expansions for example). This evolution in prices, also tied to certain shortages, has created a supply shock that has fueled inflationary pressures mainly on food and commodities. An economic consensus asserts that inflation remains at high level in 2023, but inflation rate will slightly decrease and reach a normalized level in 2024 and onwards, slightly above historical level.	Financial risk management is strictly centralized within the Group's Treasury and Financing Department. 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 financial instruments used to hedge exposure to fluctuations in exchange rates are described in Note 28 in "Notes to the consolidated financial statements". The Group is therefore exposed to foreign exchange risk mainly at the level of the operating margin. In 2022-23, aEBIT in foreign currencies amounted €741.8 million, including around €160.7 million in Chinese Yuan and €154.1 million in British Pound. Based on this 2022-23 aEBIT structure, an increase of 1% in the euro against all currencies would have a negative impact of €7.3 million on its aEBIT after hedging. The net cost of foreign exchange hedging in 2022-23 amounts to €26 million (as described in Note 7 "Notes to the consolidated financial statements"). **Inflation risk:** Alstom closely monitors inflation evolution and applies preventive and mitigation actions involving different functions across Alstom such as finance, legal, tender, strategy, project management, human resources and procurement departments. These actions include to prioritize tender with escalation formula in the selling price (Contract Price Adjustment clauses) covering the inflation risk for long term contracts. As a matter of fact, more than 85% of the current ongoing tenders allow for inflation protection using Contract Price Adjustment clauses. The Group also carefully follows the potential increase in its cost structures and launches appropriate negotiations with clients when exposure appears on contract execution, leveraging sometimes on local inflation protection decrees. Procurement team also pays close attention to contracts with its suppliers by reinforcing back-to-back clauses when possible to mirror the selling price structure and reduce the inflation exposure contract by contract. All these measures enable Alstom to reach a level of 70% of its March 2023 Backlog being covered by Contract Price Adjustments clauses, which are aiming at mirroring Alstom cost structure (Raw material, material purchases, labour costs etc), therefore mitigating impact of inflation. In addition, costing assumptions in tenders and projects are updated on a regular basis and are aligned with the economic consensus asserting that high inflation will remain in 2023 and normalize in 2024 and onwards. Alstom assessed that the inflationary pressure risk was at its peak in 22/23 and should be less acute in the next fiscal year. Overall the described Financial risks are considered to have a medium impact.

4.3 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:

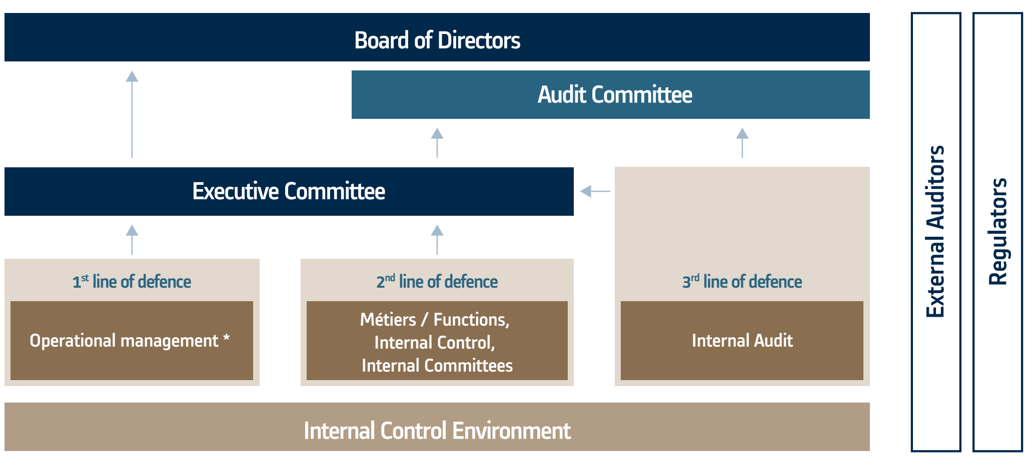
- the Group's Internal Rules and instructions including applicable laws and regulations are always complied with;
- information is complete, accurate and to the required quality, particularly financial information;
- operations are completed in an optimal manner and internal control processes are effective, 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 defence model set forth by the IFACI (Institut français des auditeurs et contrôleurs internes).



* *e.g.* Project, Tender, Site, Unit, Country, Cluster, Region.

4.3.1 INTERNAL ENVIRONMENT

4.3.1.1 First line of defence: 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 Group 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 2022, the internal control questionnaire was sent to all units, engaging more than 2,000 Department Heads around the world.

4.3.1.2 Second line of defence: 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. This section describes the roles of the accounting (including global finance centers), treasury and business performance departments in the risk management context.

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 2023.

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 flow and reconciliation 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.

Global Finance Centers

The Alstom Global Finance Centers (GFCs) are our captive global transactional Finance Shared Services Centers which leverage Alstom Core technology and service a majority of entities in the Alstom Group across various time zones and geographies. Services and activities performed by the GFCs relate to Finance Operations covering Procure to Pay, Record to Report, Order to Cash, Travel and Expense Claim Management etc along with limited support on reporting activities related to Tax, Treasury and other business performance areas. The GFCs are the backbone of finance operations and act as a strong line of defence by ensuring our processes and activities are well-line structured and standardized, and are executed in consideration of a strong control framework that ensures compliance and provides reasonable assurance to various stakeholders.

Group Business Performance

Group Business Performance department is an essential component of the group control environment, and it plays a critical role in ensuring that the organization plans and achieves its objectives effectively and efficiently. In this context, the Group Business Performance department runs the management control to monitor and evaluate the performance of different levels of the organization and to make adjustments to ensure that they are aligned with the overall goals and objectives of the group.

Group Business Performance designs and runs processes and rules to plan, monitor and evaluate financial performances of tenders, projects, functions, regions and product lines, in coordination with Group Accounting Department to comply with the IFRS. Group Business Performance also ensures that the risk levels are properly reflected in the Group financial statements.

Overall, the role of the Group Business Performance Department in managing risks is to ensure that the group's objectives are planned and achieved while minimizing potential threats to its operations, financial position, and reputation at every level of the organization especially in long term projects. Effective risk management in projects requires indeed a proactive approach, regular assessment of risks, and ongoing monitoring and reporting of the risk status.

Financing & Treasury

The Financing and Treasury Department defines rules and procedures regarding financing, cash management and bonding for the Group and its subsidiaries. In addition, it manages financial risks (liquidity, counterparty, foreign exchange and interest rate risks), 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 centrally 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 Financing and Treasury Department is solely entitled to raise bank loans and invest cash except when local regulations do not permit it or in exceptional cases. In such cases, the involvement and approval from the Financing 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 risks, see Note 28 "Financial instruments and financial risks management" to the consolidated financial statements for the fiscal year ended 31 March 2023.

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 of 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 2022/23, the Internal Control Department continued to focus on the convergence of fundamental internal control principles throughout the Group's new scope.

The Internal Control Department activities are centered around the four main pillars:

- Business partnering: support and advise the Group functions and Regions to implement sustainable processes and controls to leverage performance and cover the identified risks unique self-assessment questionnaire;
- Internal control campaign (self-assessment questionnaire): monitor the annual campaign, ensure adequacy of the controls with the Group Functions, conduct compliance tests and monitor action plans implementation;
- Internal Delegation of Authority matrix: maintain the matrix and ensure effectiveness via regular updates with the Group Functions;
- Segregation of Duties matrix: maintain the matrix and monitor implementation.

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 which are already in place. The Risk Officer network is involved in defining action plans and steering the system, as well as identifying emerging risks and giving early warnings.

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 the departments in the second line of defence, and in particular with the legal department to consolidate the Ethics and Compliance mapping and with the CSR department for 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 from the activities of the Group Is is also participating in the Group's efforts to ensure full compliance with applicable laws and the Alstom 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 all legal matters (except employee related legal matters), including major disputes affecting the 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 Ethics & Compliance programme, which aims to prevent notably the conduct of anti-corruption 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 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;
- define and implement all necessary E&C rules and policies; and
- continually monitor the performance of and improve the Alstom Integrity Programme on an ongoing basis.

The Ethics & Compliance (E&C) team has 30 E&C officers 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. She is also secretary of the Ethics & Compliance Committee to the Board of Directors. To avoid any internal conflicts of interest, the Chief Compliance Officer has the necessary competencies and independence to define and implement appropriate E&C strategy.

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 an internal and external assessors network validates EHS actions and advices 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 set-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 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.

Insurance policy

The Alstom Group's insurance policy is to purchase from leading insurers (or reinsurers) world-wide insurance policies covering all its assets, revenue, activities and subsidiaries against the financial consequences of accidental damage to property and persons.

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.

Risks are generally covered by global programs which meet the insurance criteria laid down by the Group Insurance Department and as shared with the Insurance Committee. Wherever possible, policies are on "all risks" based wordings with named exclusions.

Alstom's policy is to obtain insurance coverage on the markets at rates and within limits considered as reasonable in relation to market conditions in a still very hard (re)insurance market.

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. The maximum limit of coverage hired in 2022-23 is over €500 million to take into account the estimated maximum possible loss caused to some specific industrial sites.

For Liability/Causality, the estimation of insurance needs depends on the evaluation of the maximum reasonable identified legal risk considering the various Group activities and the risks faced. The level of coverage is also a function of the coverage capacities available in the (re)insurance markets as well as the right balance with terms and conditions offered by carriers.

In general, the insurance and coverage taken out can evolve depending on changes in market conditions and/or changes in the Group's risks. In addition, it is worth noting that insurers depend on reinsurers as well as the financial markets; and are also affected by the various crisis (such as natural events, political crisis, etc.) which may influence their risk appetite. As a consequence, there is no guarantee that ALSTOM will be able to maintain current levels of insurance with similar financial conditions in the future.

Subject to limitations, terms and conditions and exclusions of the relevant insurances policies and customary representations tied to this type of insurance, the principal covered risks are (non-exhaustive list):

- property damage and consequential business interruption 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; in addition, insurance coverage for aviation liability commitments is subject to a specific dedicated program;
- damages during transport, from the departure point to the unloading point (warehouse, construction site or destination); and
- damages during construction, assembly, 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, rail-road-protective, 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 the Bombardier Transportation risk perimeter within Alstom Group's programmes as soon as early 2021 and despite the tensions still 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 and shrinking underwriting capacity, the Group has managed to maintain its programmes, thus remaining in line with its needs.

4.3.1.3 Third line of defence: 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 work programs and plan.

The Audit Committee examine and review, on an annual basis, the organisation and operation of the internal audit of which Charter is brought to its attention, the Committee approves the internal audit plan, monitors its development and the results of its plans of action.

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.

4.3.2 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 of preparing financial and extra-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.

4.3.2.1 The Committees

Risks Committee

The Risks Committee is composed of the Executive Vice President and Chief Operating Offer, the Chief Financial Officer, the Chief Strategy Officer, the General Counsel, the Vice President ERM, Internal Audit and Internal Control, the VP Corporate Strategy, the ERM Director, the Risk Officers of the functions, regions and product lines, and on a rotational basis two senior executives. The meetings are held quarterly to review the efficiency of risk management processes, to review its organization, to control the consolidation of risk maps and to ensure the coordination of transversal risks management or launch dedicated projects to manage major headwinds.

Corporate 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 group 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 authorised by designated members of Group's Management.

The Committee meets at least two times per year to monitor the various schemes' evolution. During the 2022/23 financial year, the full Committee met on four occasions and its sub-committee met seven times, mainly to:

- supervise the completion of 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
- monitor short term market investment and inflation indices and their impact on the Group's long-term net pension liabilities and to take opportunities to derisk as funding levels increased.

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 the fiscal year 2022/23 under the chairmanship of the Chief Financial Officer.

The consolidated financial statements for the fiscal year ended 31 March 2023 and other financial information disclosed in the Annual Report were reviewed. The interim consolidated financial statements for the six-month period to 30 September 2022 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 internal procedure relating to the identification of and the terms applicable to the transmission and use of inside Information This procedure was deployed to comply with 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, implements and ensures that the Group's insurance policy examined and approved by the Insurance Committee is implemented by ALSTOM's businesses and legal entities. The Insurance Committee 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, Litigations and Insurance.

As part of its risk management governance, the Group transfers its risks to (re)insurers when this is believed to be the most efficient solution and/or when contractually required by its clients. Default by one or more of insurers could therefore lead to potential financial losses. One or more of insurers could therefore lead to potential financial losses.

The implementation of and compliance with this policy is based on an internal network of Regional Insurance Managers, 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. This policy takes into account current conditions in the (re)insurance market.

4.3.2.2 External actors

The mechanism described above is supplemented by third parties, including:

- the Statutory Auditors; and
- the Certification Body that audits the Group's activities on a three-year cycle, AFNOR selected based on our procurement processes. Its objective is to verify the conformity of the global Alstom Management System, and its implementation throughout the organisation, as per International ISO standards: ISO 9001 for quality management, ISO 14001 for environmental management, ISO 45001 for occupational health & safety management, ISO 37001 for anti-bribery management. In addition, dedicated standards are used as reference to certify specific activities, CMMI (Capability Maturity Model Integration)

for the development of Signaling programs and projects, ISO/TS 22163 for Rolling Stock projects development and manufacturing, ISO 27001 for Information Technology security management.

This organisation (AFNOR) also verifies the Company's contribution to Corporate Social Responsibility, in accordance with ISO 26000.

As Legacy Bombardier Transportation sites used other Certification Bodies, it is a step by step switch towards AFNOR at expiration date of validity of current certificates, therefore other Certification Bodies still exist in our panel.


ALSTOM

5

CORPORATE GOVERNANCE

AFR

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

This section presents all information about the Company's corporate governance in respect of fiscal year 2022/23, along with additional information providing further details on the resolutions being proposed to the Company's shareholders at the 2023 Annual Shareholders' 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 December 2022. This code is available on the websites of AFEP (www.afep.com), MEDEF (www.medef.com) and the Company.

5.1 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 2023 Annual Shareholders' 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 9 May 2023.

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 section 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.

5.1.1 BOARD OF DIRECTORS

5.1.1.1 Composition of the Board of Directors

As of 9 May 2023, the Board of Directors is composed of 12 Board Members, including two Board Members representing employees within the meaning of Article L. 225-27-1 of the French Commercial Code. Women account for 50% of the members of the Board of Directors on this date (excluding Board Members representing employees).

Six Board Members are of foreign nationality (i.e. 50%), eight are independent according to the Company and the AFEP-MEDEF Code (i.e. 80%) and only one, Mr Henri Poupart-Lafarge, Chairman and Chief Executive Officer, performs executive functions.

The Board of Directors also includes a Censor 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, Censor, participates in meetings of the Board of Directors in an advisory capacity.

Board Members and the censor are appointed for a four-year term. There is no staggering of directorships in the Articles of Association since renewals are spread over four consecutive years.

The Articles of Association do not specify an age limit applicable to Board Members other than the statutory limit.

Pursuant to the Articles of Association, each Board Member 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 Board Member hold at least 2,000 shares. Each Board Member has two years from the date he/she takes office to bring his/her shareholding to this minimum level.

The Board of Directors' internal rules provide that shares held by Board Members may be held in registered form or be deposited with an authorised intermediary in accordance with the law. In addition, the internal rules 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 Board Members living abroad.

At 9 May 2023, the Board Members together held 66,286,306 shares in the Company, of which 66,138,621 shares were held by the Caisse de Dépôt et Placement du Québec, with the remainder held by investors and individuals.

The Board of Directors' internal rules, as updated on 9 May 2023, stipulate that the Board of Directors, on the proposal of the Nominations and Remuneration Committee, regularly, and at least once a year, reviews its composition and that of its committees so as to be able to fulfil all its responsibilities in terms of operational, industrial and financial expertise, auditing and risk control, ethics and compliance, and social, environmental and governance considerations, the objective being that its composition is at all times aligned with all the Company's issues and strategy.

Along these lines, the Nominations and Remuneration Committee is responsible for overseeing the Board Member selection process described in the annex to its internal rules, as updated on 9 May 2023.

The diversity policy and this Board Member selection process are described in more detail in the paragraph entitled "Diversity policy and selection process".

The following table reflects the composition of the Board of Directors and its committees as of 9 May 2023:

Name	Sex	Age	Nationality	Number of Alstom shares held	Indepen-dent director	Committee membership: Audit	N&R[1]	E&C[2]	Integra-tion	Start 1st director ship	End current director ship	Years on the Board[3]
Mr Henri Poupart-Lafarge Chairman of the Board of Directors and Chief Executive Officer	M	54	French	120,166						2015	2023	8
Mr Yann Delabrière Lead independent director	M	72	French	14,166	√		Chairman			2017	2024	6
Caisse de Dépôt et Placement du Québec, represented by Ms Kim Thomassin	-	-		66,138,621		√			√	2021	2024	2.5
Ms Kim Thomassin, permanent representative of Caisse de Dépôt et Placement du Québec	F	51	Canadian	-								
Ms Bi Yong Chungunco	F	60	Filipino	2,000	√			√		2014	2026	9
Ms Clotilde Delbos	F	55	French	2,634	√	√				2018	2026	5
Mr Daniel Garcia Molina Board Member representing employees	M	51	Spanish	60	-				√	2021	2025	2.5
Mr Gilles Guilbon Board Member representing employees	M	59	French	224	-		√			2021	2025	2.5
Ms Sylvie Kandé de Beaupuy	F	66	French and Senegalese	2,500	√			Chair-woman		2017	2023	6
Mr Frank Mastiaux	M	59	German	2,000	√		√		Chairman	2020	2024	3
Mr Baudouin Prot	M	71	French	1,600	√		√	√		2018	2026	5
Ms Sylvie Rucar	F	66	French	2,235	√	Chair-woman	√			2015	2023	8
Mr Jay Walder	M	64	American	100	√				√	2022	2024	0.5
	50% M / 50% F [4]	Average: 61 years	-	66,286,306	80% inde-pendent [4]	67% inde-pendent	100% inde-pendent	100% inde-pendent	67% inde-pendent			Average: 5 years
Mr Benoît Raillard Censor	M	58	French	-	-	-	-	-		2021	2024	

(1) Nominations and Remuneration Committee.
(2) Ethics and Compliance Committee.
(3) On the date of the 2023 Shareholders' Meeting.
(4) The Board Members representing employees are not included in the calculation of these percentages.

During the last fiscal year, Bouygues SA, represented by Mr Pascal Grangé, resigned from the Board of Directors on 30 May 2022. Mr Serge Godin also resigned effective 29 August 2022. The directorships of Ms Sylvie Kandé de Beaupuy, Ms Sylvie Rucar and Mr Henri Poupart-Lafarge will expire at the end of the 2023 Shareholders' Meeting and renewal of their directorships will be proposed at the Shareholders' Meeting on 11 July 2023. The 2023 Shareholders' Meeting will also be asked to ratify the co-option of Mr Jay Walder as a Board Member, which was decided by the Board of Directors on 15 November 2022 to replace Mr Serge Godin. The shareholders will be asked to vote on the appointment of Bpifrance Investissement, represented by Mr José Gonzalo, at the same meeting.

Therefore, following the Shareholders' Meeting on 11 July 2023 and subject to a favourable vote, the Board of Directors would be composed of 13 Board Members and one Censor.

The proportion of women would be 45% (since Board members representing employees are not included in the calculation of this percentage), with six foreign nationalities represented (i.e. 43%) and one Board Member, Mr Henri Poupart-Lafarge, Chairman and Chief Executive Officer, performing executive functions. The proportion of independent members of the Board of Directors would be 82% (since Board members representing employees are not included in the calculation of this percentage), with 9 Board Members considered independent according to the Company and the AFEP-MEDEF Code.

5.1.1.2 Changes in the composition of the Board of Directors and committees in fiscal year 2022/23

During the last fiscal year, Bouygues SA, represented by Mr Pascal Grangé, resigned from the Board of Directors on 30 May 2022. Mr Serge Godin also resigned effective 29 August 2022 and was replaced by Mr Jay Walder, whose co-option was decided by the Board of Directors on 15 November 2022.

Situation as of 9 May 2023

	From 10 May 2022 to the Shareholders' Meeting of 12 July 2022	Shareholders' Meeting of 12 July 2022	From 12 July 2022 to 9 May 2023
Departure: End of directorship (E), Resignation (R) or Replacement as Permanent Representative (RPR)	Bouygues SA (R)(1)		Mr Serge Godin (R)(2)
Renewal of directorship		Ms Bi-Yong Chungunco(3) Ms Clotilde Delbos(3) Mr Baudouin Prot(3)	
Ratification (R)/Appointment (A)/ Co-option (C)			Mr Jay Walder (C)(3)(4)

(1) Resignation effective 30 May 2022.
(2) Resignation effective 29 August 2022.
(3) Independent Board Member.
(4) Co-opted by the Board of Directors on 15 November 2022.

Since the end of the last fiscal year and in light of these changes, the composition of committees has changed as follows:

	Situation as of 31 March 2022	Situation as of 9 May 2023
AUDIT COMMITTEE		
Chairwoman	Ms Sylvie Rucar*	Situation unchanged
Members	Ms Clotilde Delbos* CDPQ, represented by Ms Kim Thomassin	Situation unchanged
NOMINATIONS AND REMUNERATION COMMITTEE		
Chairman	Mr Yann Delabrière*	Situation unchanged
Members	Ms Sylvie Rucar* Mr Frank Mastiaux* Mr Baudouin Prot* Mr Gilles Guilbon**	Situation unchanged
ETHICS AND COMPLIANCE COMMITTEE		
Chairwoman	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* Mr Daniel Garcia Molina**	CDPQ, represented by Ms Kim Thomassin Mr Daniel Garcia Molina** Mr Jay Walder*

* Independent Board Member
** Board Member representing employees.

5.1.2 GENERAL MANAGEMENT

5.1.2.1 Combination of the functions of Chairman and Chief Executive Officer

In 2014, the Board of Directors chose to appoint a lead director when the functions of Chairman of the Board of Directors and Chief Executive Officer are combined in order to provide additional guarantees on the existence of a balanced and controlled system of 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 had been confirmed by the Board of Directors on 6 May 2019 at the time of the previous renewal of Mr Henri Poupart-Lafarge's directorship.

In connection with the renewal of Mr Henri Poupart-Lafarge's directorship, which will be submitted to the shareholders' meeting on 11 July 2023, the Board of Directors conducted a detailed review of the governance structure currently in place at the Company on the basis of:

- an in-depth analysis combining a regulatory approach (France and international), the situation of comparable companies, the position of investors and proxy advisors and Alstom's situation;
- the results of the evaluation of the operation of the Board and committees in respect of fiscal year 2022/23 conducted by an external consultant;
- several executive sessions of the Board of Directors.

Following this review, the Board Members and the Censor expressly stated that they unanimously agreed that combining the functions of Chairman and Chief Executive Officer was the most appropriate governance structure in Alstom's case, particularly because of the robust mechanisms in place (as described below) to ensure a balance of powers and the absence of conflicts of interest, and the fact that the governance structure is reviewed regularly by the Board of Directors during executive sessions.

The above-mentioned evaluation was also an opportunity for the Board Members and the censor to confirm Mr. Henri Poupart-Lafarge's skills in performing his combined functions with discernment:

- as Chairman, by creating the conditions for free and transparent expression during Board meetings, facilitating exchanges between the Board Members and the Censor, being continuously available to them, ensuring consensus on the Board during decision-making and, in consultation with the lead independent director, setting the Board of Directors' agenda and annual work plan to enable it to address all regulatory matters, topics of interest and relevant issues according to a timetable to which he ensures strict adherence;
- as Chief Executive Officer, thanks to his in-depth knowledge and full understanding of the Group's business, its strategy and execution-related matters, and his managerial skills, which make him a trusted and respected leader.

The Board Members and the Censor unanimously expressed their satisfaction and confidence in this combination of managerial and decision-making skills, which they confirmed are particularly appropriate in the context of the continued integration of Bombardier Transportation and in a changing and volatile economic and geopolitical environment, which requires stability, agility and fluidity in initiatives and decision-making.

In addition, the 2022/23 evaluation of the Board and Committees operation once again confirmed the effectiveness of the role played by Mr Yann Delabrière, the current lead independent director, both as lead independent director and in his role of Chairman of the Nominations and Remuneration Committee, as well as the professionalism and strength of his relationship with Mr Henri Poupart-Lafarge.

The relationship with Mr Yann Delabrière is described as a transparent and effective relationship of trust. Mr Yann Delabrière is perceived as proactive and, thanks in particular to his experience as an executive and non-executive corporate officer, as having a good and relevant understanding of the Group, its governance and its priorities.

On 9 May 2023, the Board of Directors therefore confirmed that the functions of Chairman of the Board of Directors and Chief Executive Officer should continue to be combined and decided that, following the Shareholders' Meeting of 11 July 2023, Mr Henri Poupart-Lafarge would be reappointed as Chairman of the Board of Directors, subject to the renewal of his directorship, and as Chief Executive Officer.

5.1.2.2 Balance of powers

Governance mechanisms

Various factors contribute to balanced, controlled and effective governance, including:

- the Board of Directors' constant and continuous involvement in implementing the strategy, out of which the Corporate Social Responsibility strategy (which includes the climate strategy). As a reminder, as part of the acquisition of the entities of the Bombardier Inc. group's Transportation division (Bombardier Transportation), an ad hoc committee composed of the lead independent director, the members of the Audit Committee and the Chairman and Chief Executive Officer was formed to review and monitor the negotiation process, and the Board of Directors was convened on three occasions in 2020/21 and on four occasions in 2021/22 specifically to discuss an agenda dedicated to this transaction. Since the completion of this transaction, the Integration Committee, chaired by an independent Board Member, has been responsible for facilitating and overseeing Bombardier Transportation's integration into Alstom and reporting on it to Alstom's Board of Directors. The duration of this committee, initially created for a two-year period from 29 January 2021, was extended for two additional years, i.e. until 29 January 2025, by a decision of the Board of Directors on 12 July 2022.
- the existence of a high proportion of independent Board Members on the Board (80% as of 31 March 2023) and on Committees that have been chaired by independent Board Members since their creation. At 31 March 2023, the Nominations and Remuneration Committee and the Ethics and Compliance Committee were composed entirely of independent Board Members. In addition, the Chairman and Chief Executive Officer is not a member of any of the Board Committees and attends Committee meetings only at the invitation of the Committee Chairs.
- the Committees cover all essential matters to ensure control of the Company (governance, remuneration, finance, integration, ethics and compliance) and, in this context, the Committees can speak directly and as they wish with members of the management team, and can call upon external consultants when necessary;

- strong involvement of the Board of Directors in terms of meetings and attendance rates of the Board Members and Censor;
- information provided on a regular basis to the Board, both at its meetings and outside of its meetings, detailing the business activities of the Group and any significant events;
- frequent interactions now formed between the Board Members and members of the management team or the functional or operational heads of the Group's key functions, particularly through their participation in and presentations at Board and Committee meetings and during site/project visits that take place on an annual basis;
- continual review of corporate governance practices and of the operation of both the Board of Directors and Committees, which allows areas for improvement and priorities to be regularly identified and the follow-up of recommendations to be assessed through:
  - an annual evaluation conducted internally and led by the lead independent director or, every three years, by an external consultant; the evaluation for fiscal year 2022/23 was in fact conducted by an external consultant,
  - meetings of non-executive Board Members (executive sessions) led by the lead independent director, which have increased significantly in the past few years. In this context, the Board of Directors' internal rules, as updated on 9 May 2023, stipulate that the Board of Directors meets at least twice a year, in a so-called "executive" session, without the Executive Corporate Officers present and under the chairmanship of the lead director, to examine i) the remuneration of the Executive Corporate Officers on the basis of their performance, and ii) the effectiveness of governance and the appropriateness of the management team in terms of implementing the strategy. In situations where the Executive Corporate Officers may have a conflict of interest, the lead director may also convene and chair, at his/her initiative and at any time, including between two Board of Directors' meetings, a so-called "executive" session in addition to the two annual sessions, according to a predefined agenda. In 2022/23, five executive sessions were held.
  - regular examination of the internal rules of the Board and its Committees, as the case may be, so as to reflect any regulatory developments and to take into account changes in governance at the Company. Thus, in fiscal year 2022/23 the Board of Directors, at its meetings on 26 September 2022 and 14 March 2023, amended its internal rules and those of the committees to adjust the committees' tasks and to take into account existing practices at the Company and regulatory developments that occurred in December 2022 following the revision of the AFEP-MEDEF Code, publication of the AMF's annual report on corporate governance and remuneration of Executive Corporate Officers of listed companies, and publication of the EU directive of 14 December 2022 on corporate sustainability reporting (CSRD directive). In particular, the Audit Committee's internal rules were amended to better reflect its competence in non-financial matters and its comprehensive risk approach.
- the availability of the Chairman and Chief Executive Officer and lead independent director to discuss key subjects regarding the Company's governance and CSR in the broad sense with institutional investors, proxy advisors and shareholders outside of and at the Shareholders' Meeting;
- the existence of a Chief Operating Officer, who supports the Chairman and Chief Executive Officer on operational and cross-functional matters (Purchasing, Quality…) and attends all Board of Directors' meetings;
- the review of the remuneration of the Chairman and Chief Executive Officer by the Nominations and Remuneration Committee, composed entirely of independent Board Members and chaired by the lead independent director, which ensures that this remuneration is aligned with the interests of all relevant stakeholders. For instance, in 2022, at the committee's initiative, a clawback clause applicable to the Chairman and Chief Executive Officer's short-term incentive ("Refundable Remuneration") was introduced into the latter's remuneration policy, the implementation of which may also have an impact on the definitive grant of performance shares not yet vested. The holding requirements for performance shares fully vested by the Chairman & Chief Executive Officer, as well as the ESG (Environment, Social, Governance) criteria, were also strengthened in the short- and long-term incentive mechanisms;
- the regular review of the composition of the management team (the Alstom Leadership Team) and the associated succession plans, including the Chairman and Chief Executive Officer, which ensures the implementation of the strategy and the continuity of the company's operations at all times. These plans are reviewed on a regular basis, and at least annually, by the Nominations and Remuneration Committee and by the Board of Directors meeting, if necessary, in an executive session. As a reminder, following the appointment of the Group's new management team in February 2021 in connection with the acquisition de Bombardier Transportation, the Nominations and Remuneration Committee made this a special area of focus in 2021/22, with regular monitoring and a detailed review during two committee meetings (September 2021 and January 2022). These meetings were an opportunity to conduct an initial review of the existing management team and their positions in this new scope, to review the succession plans for the Chairman and Chief Executive Officer (with three timeframes: emergency successors, 1-2 year successors and 3-5 year successors) and the management team, and to review the talent/leaders at senior management level and, more generally, the actions taken to develop talent and diversity within the Group.

Limitations on the Chief Executive Officer's powers imposed by the Board of Directors

The restrictions on the Chief Executive Officer's powers imposed by the Board are set forth in the Board of Directors' internal rules, which provide that the Board's 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 partnership where the Group's contribution exceeds €80 million, and any financing transaction that exceeds €400 million for new medium- or long-term loans or €1 billion for short-term treasury bills.

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 partnerships or newly created companies, the amount to be taken into consideration is the Group's financial commitment (contribution to the share capital or shareholder loan, exposure to external financing, etc.).

The internal rules also require that the Board 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. Pursuant to the internal rules of the Board of Directors as amended by a decision of the Board of Directors on 14 March 2023, as of the 2023 Shareholders' Meeting, the lead director is appointed for the duration of his/her directorship (until this date, the directorship of the lead director in office remains subject to the previous provisions of the internal rules, which provide for an appointment for a two-year period that may not exceed the duration of his/her directorship).

The lead director is eligible for reappointment. The Board of Directors can terminate his/her functions at any time.

Conditions and terms of exercise of the duties of lead director

The internal rules of the Board of Directors, as updated on 9 May 2023, set the following terms and conditions of exercise of the duties of the lead director (Article 6 of the Board of Directors' internal rules):

Operation of the Board of Directors and Board Committees

- 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 that the Chairman of the Board of Directors call a meeting of the Board of Directors to discuss a specific agenda.
- The Lead Director can convene the Board of Directors in case the Chairman of the Board is unable to do so and chair the meetings of the Board in case the Chairman is absent.
- The lead director ensures that the internal rules are applied when Board of Directors' meetings are prepared and held, and that the Board Members and the censor comply with such internal rules.
- The lead director ensures that the Board Members and censor are able to perform their duties under the best possible conditions and, in particular, that they have a high level of information prior to Board meetings.
- In situations where the Executive Corporate Officers may have a conflict of interest, the lead director may convene and chair, at his/her initiative and at any time, including between two Board of Directors' meetings, a so-called "executive" session according to a predefined agenda, and in addition to the two annual sessions whose purpose is to review i) the remuneration of the Executive Corporate Officers on the basis of their performance, and ii) the effectiveness of governance and the appropriateness of the management team in terms of implementing the strategy.
- The lead director may be the Chairman of the Nominations and Remuneration Committee.
- The lead independent director may 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 Board Members

- The lead director maintains a regular dialogue with Board Members and the Censor 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 awareness among all Board Members/the Censor with respect to conflicts of interest.
- Together with the Chairman of the Board of Directors, he/she reviews potential conflicts of interest.

Dialogue with shareholders

- The lead director is informed of the main social, environmental and governance issues of interest to shareholders and investors and maintains a permanent dialogue with them in consultation with the Chairman of the Board of Directors. He or she keeps the Board of Directors regularly informed of these discussions and their content.

The lead director reports annually to the Board of Directors and to the Shareholders' Meeting regarding his/her work.

The Secretariat of the Board of Directors is available to assist the lead director with the completion of his/her assignments.

Assessment of the lead independent director's activities in fiscal year 2022/23

On 4 July 2017, the Board of Directors decided to assign the function of lead director and chairmanship of the Nominations and Remuneration Committee to Mr Yann Delabrière, an independent director. On 10 May 2021, the Board of Directors decided to renew the directorship of Mr Yann Delabrière as lead independent director from the 2021 Shareholders' Meeting until the 2023 Shareholders' Meeting.

In fiscal year 2022/23, the activities of Mr Yann Delabrière, as lead independent director, were mainly as follows:

- He had regular discussions with the Chairman and Chief Executive Officer about the main issues related to business activity, the competitive environment, the strategy, the impacts of the inflationary environment on the Group's position and, in general, the economic and geopolitical environment, regulatory developments in terms of sustainability reporting and CSR in the broad sense and their impact in terms of the Group's organisation. Together with him, he prepared the Board of Directors' annual work plan and, especially in terms of preparing for Board meetings, reviewed all the important matters presented or decided at those meetings.
- He made himself available to the Board Members and maintained a regular dialogue with those who wished to speak with him. As Chairman of the Nominations and Remuneration Committee, he oversaw the annual evaluation of the operation of the Board and committees, which was conducted by an external consultant.
- He chaired five executive sessions, the purpose of which was not only to examine the remuneration of the Chairman and Chief Executive Officer on the basis of his performance, but also to review the effectiveness of governance and the appropriateness of the management team in terms of implementing the strategy. Pursuant to the provisions of the Board of Directors' internal rules as revised by the Board in a decision taken on 14 March 2023, these sessions are held at least twice a year, in November and May, with the November session focusing on the work covered by the Board of Directors and a review of the strategy and skills of the Board and the management team in relation to the Group's objectives, and the May session focusing on the remuneration policy for the Chairman and Chief Executive Officer. The other three sessions held during fiscal year 2022/23 were an opportunity to discuss the company's governance structure and the succession plan for the management and executive team. Feedback was provided to the Chairman and Chief Executive Officer on all the sessions.
- He spoke regularly with the Chairman and Chief Executive Officer about the composition of the management team and remains closely involved and consulted on changes to the team, the related talent pool and the succession plan.
- The lead independent director discussed governance issues and, more generally, social responsibility and sustainable development issues with certain investors and proxy advisors in preparation for the July 2022 Shareholders' Meeting, as well as matters not related to the Shareholders' Meeting during the year. The lead independent director, who is regularly called upon, makes himself available to investors and proxy advisors throughout the year in order to maintain quality dialogue with shareholders, on which he reports to the Board of Directors.
- The lead independent director continued his site visit programme, which enabled him to enhance his knowledge of the Group's activities and speak with the Group's employees.
- The lead independent director oversaw the review of the internal rules of the Board of Directors and Committees in order to adjust the Committees' tasks, take into account existing practices at the Company and regulatory developments, as described earlier in this report. Thus, in fiscal year 2022/23, at its meetings on 26 September 2022 and 14 March 2023, the Board of Directors amended its internal rules and those of the Committees;
- The lead independent director requested several comparative studies in terms of remuneration and governance to ensure the Company's alignment with best market practices. At his initiative, a detailed review of the combined governance structure currently in place at the Company was carried out on the basis of:
  - an in-depth analysis combining a regulatory approach (France and international), the situation of comparable companies, the position of investors and proxy advisors and Alstom's situation;
  - the results of the evaluation of the operation of the Board and committees conducted by an external consultant;
  - several executive sessions of the Board of Directors.
- As Chairman of the Nominations and Remuneration Committee, the lead independent director led discussions on the composition of the Board of Directors and began work on the structuring and composition of the committees, particularly in the context of regulatory developments in terms of sustainability reporting and CSR in the broad sense.

In light of all the above, on 9 May 2023, the Board of Directors decided to renew the directorship of Mr Yann Delabrière as lead independent director for a one-year period from the 2023 Shareholders' Meeting until the end of his directorship, i.e. until the 2024 Shareholders' Meeting.

5.1.3 INFORMATION REGARDING MEMBERS OF THE BOARD OF DIRECTORS

5.1.3.1 Diversity policy and selection process

Components of the diversity policy and selection process

On the recommendation of the Nominations and Remuneration Committee, the Board of Directors regularly, and at least once a year, reviews its composition and that of its committees so as to be able to fulfil all its responsibilities in terms of operational, industrial and financial expertise, auditing and risk control, ethics and compliance, social, environmental and governance considerations, the objective being that its composition is at all times aligned with all the Company's issues and strategy.

To achieve this goal, the Board of Directors ensures at all times:

- that Board Members have complementary skills assessed on the basis of each person's educational background and experience, with this complementarity reflected in a skills matrix;
- diversity assessed at a personal level on the basis of several criteria that meet regulatory requirements, where applicable:
  - nationality and/or international profile,
  - operational and industrial skills,
  - age,
  - gender,
  - compliance with rules regarding holding multiple directorships,
  - independence,
  - seniority on the Board of Directors,
  - specific needs identified within a committee,
  - representation of a shareholder/employees.

Independent Board members, whether newly appointed or co-opted, are therefore subject to a selection process that, at any given time, takes into account the Company's needs assessed on the basis of the above factors. This process, led by the Chairman of the Nominations and Remuneration Committee in coordination with the Chairman and Chief Executive Officer and the Nominations and Remuneration Committee, is outsourced to a specialised firm. In addition, the committee conducts its own studies on potential candidates before approaching them.

The Committee also analyses, on the basis of these same factors, the profile of an independent Board Member whose directorship is about to expire and, following its analysis, decides whether or not to recommend his/her reappointment to the Board of Directors.

In addition, the Board of Directors, on the recommendation of the Nominations and Remuneration Committee, reviews other Board Members (Board Members representing shareholders, Board Members representing employees) to ensure that they are able to adhere to the Board's culture.

Thus, in addition to meeting with the lead independent director and the Chairman and Chief Executive Officer, all prospective candidates, regardless of the Board Member category to which they belong, meet with the members of the Nominations and Remuneration Committee.

In addition, an onboarding programme is offered to new Board Members, which allows them to meet the Group's principal operational and functional directors, make site visits and speak with employees.

The Board Member selection process is described in the annex to the internal rules of the Nominations and Remuneration Committee.

Implementation of the diversity policy and results over the past fiscal year

During the last fiscal year, implementation of the diversity policy led to the co-option of Mr Jay Walder by the Board of Directors on 15 November 2022.

Mr Jay Walder was co-opted to replace Mr Serge Godin, who resigned, following a process carried out, according to the selection procedure in place at the Company, by a specialised external firm on the basis of a profile defined jointly by Caisse de Dépôt et Placement du Québec, CDPQ, (as a reminder, CDPQ is entitled to appoint two Board members and a Censor) and the Company, taking into account the specific needs of the Board of Directors.

The Board of Directors found that Mr Jay Walder has solid expertise in the field of transportation, having held executive positions at public transportation entities, Alstom's traditional customers. The Board of Directors also felt that his long international career and his knowledge of the US market were valuable assets for the Board of Directors.

On the basis of these considerations, the Board of Directors confirmed that it supported his co-option as a Board Member and his appointment as a member of the Integration Committee.

On 9 May 2023, the Board of Directors, on the recommendation of the Nominations and Remuneration Committee, also expressed its support for the renewal of the directorships of Ms Sylvie Kandé de Beaupuy and Ms Sylvie Rucar. Ms Sylvie Kandé de Beaupuy, who was a lawyer at the firm Clifford Chance for nearly 20 years before joining various companies, has recognised expertise in ethics and compliance, and Ms Sylvie Rucar has held numerous senior positions in finance at companies and as a consultant. These reappointments also ensure continuity in completing Bombardier Transportation's integration into Alstom.

On 9 May 2023, the Board of Directors, on the recommendation of the Nominations and Remuneration Committee, also expressed its support for the reappointment of Mr Henri Poupart-Lafarge as a Board Member and Chairman of the Board of Directors, subject to the renewal of his directorship, and as Chief Executive Officer. All the Board of Directors' considerations that led to this decision are outlined earlier in this report, in connection with the combination of the functions of Chairman and Chief Executive Officer.

In addition, on 9 May 2023 the Board of Directors, on the recommendation of the Nominations and Remuneration Committee, decided to have the Shareholders' Meeting of 11 July 2023 vote on the appointment as a Board Member of Bpifrance Investissement, the management company that handles Bpifrance's equity investments, which holds 7.5% of the company's capital at 9 May 2023 (via Lac1 fund). In this context, it was noted that Lac1 fund's objective is to invest over the long term in the capital of listed French multinationals by being involved in their governance.

Bpifrance Investissement would be represented by Mr José Gonzalo.

All information regarding candidates whose directorship is subject to renewal/ratification or whose first appointment is subject to a vote is provided in the notice of meeting brochure for the 2023 Shareholders' Meeting.

The Nominations and Remuneration Committee also reviewed the profiles, skills and independence of the Board Members as it does every year.

Skills matrix

The table below illustrates the diverse expertise of the members of the Board of Directors as of 9 May 2023 and reflects the experience of the Board Members and the skills acquired during their directorship:

	Transportation industry/ Experience in Alstom's businesses	Equipment suppliers	Management of large companies (revenue ≥€7 billion)	Finance/ Management /Risk Management	Legal/ M&A	Ethics and Compliance	Human resources management	Social and environmental responsibility/ Sustainable development	Digitalisation and cybersecurity	International experience
Mr Henri Poupart-Lafarge	√	√	√	√	√	√	√	√	√	√
Mr Yann Delabrière	√	√	√	√	√		√		√	√
Ms Bi Yong Chungunco			√		√	√	√			√
Ms Clotilde Delbos	√		√	√	√	√	√			√
Mr Daniel Garcia Molina	√			√			√	√		√
Mr Gilles Guilbon	√			√			√	√		√
Ms Sylvie Kandé de Beaupuy	√		√		√	√	√			√
Mr Frank Mastiaux	√	√	√	√		√		√	√	√
Mr Baudouin Prot			√	√	√	√	√	√		√
Mr Benoît Raillard		√	√	√	√		√		√	√
Ms Sylvie Rucar	√		√	√	√	√		√		√
Ms Kim Thomassin, permanent representative of CDPQ	√		√	√	√	√	√	√		√
Mr Jay Walder	√		√							√

5.1.3.2 Directorships and duties performed by Board Members and the Censor

This section has been prepared on the basis of information provided by the Board Members and the Censor in order to prepare the Universal Registration Document and gather the information used by the Board of Directors to qualify the Board Members as independent on the proposal of the Nominations and Remuneration Committee.

This information is accurate as of 9 May 2023:

Mr Henri Poupart-Lafarge

Age: 54.

Nationality: French.

Business address: Alstom – 48, rue Albert-Dhalenne – 93400 Saint-Ouen-sur-Seine (France).

Principal function: Chairman and Chief Executive Officer of Alstom.

First directorship: 30 June 2015 – 10 July 2019.

End of current directorship: Shareholders' Meeting in 2023 called to approve the financial statements for the fiscal year ended 31 March 2023.

Holds 120,166 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* from 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, École Nationale des Ponts et Chaussées and 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-President 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 President of the Alstom Grid Sector and was President of the Transport Sector from 4 July 2011 until his appointment as Chairman & Chief Executive Officer. He has been the Chairman & Chief Executive Officer of Alstom since 1 February 2016.

* Listed company.

Mr Yann Delabrière

Age: 72.

Nationality: French.

Business address: Alstom – 48, rue Albert-Dhalenne – 93400 Saint-Ouen-sur-Seine (France).

First directorship: 17 March 2017 – 8 July 2020.

End of current directorship: Shareholders' Meeting in 2024 called to approve the financial statements for the fiscal year ended 31 March 2024.

Independent Board Member.

Lead director.

Chairman of the Nominations and Remuneration Committee.

Holds 14,166 shares (of which 10,532 shares through MM Consulting).

Other current directorships and positions:

In France:

- Chairman of MM Consulting SAS (France) since October 2016

Abroad:

- Member of the Supervisory Board of STMicroelectronics* (Netherlands) since May 2020
- Director and chairman of the audit committee of Leddartech (Canada) since February 2021

Past directorships and positions (held during the past five years):

In France:

- Chairman of the Supervisory Board of Idemia Group from July 2020 to March 2023
- Chairman of the Board of Directors of Idemia France (Idemia Group) from July 2020 to March 2023
- 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
- Chairman of the Management Board of Zodiac Aerospace* from June 2017 to February 2018
- Director of Capgemini SE* from February 2004 to May 2018

Abroad:

–

Biography:

Mr Yann Delabrière 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 became a member of the Executive Committee in 1998. Mr Yann Delabrière was 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 Chairman of the Supervisory Board of Idemia Group and then Chairman of the Management Board from October 2018 to July 2020, at which time he again assumed the role of Chairman of the Supervisory Board until March 2023. He is also a member of the Supervisory Board of STMicroelectronics, a director and chairman of the audit committee of Leddartech and a former director of Capgemini SE and Société Générale.

* Listed company.

Caisse de Dépôt et Placement du Québec, represented by Ms Kim Thomassin

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.

End of current directorship: Shareholders' Meeting in 2024 called to approve the financial statements for the fiscal year ended 31 March 2024.

Member of the Audit Committee.

Member of the Integration Committee.

CDPQ holds 66,138,621 shares.

Ms Kim Thomassin

Age: 51.

Nationality: Canadian.

Business address: 1000, place Jean-Paul-Riopelle, Montréal (Quebec), HBZ 2B3, Canada.

Principal function: Executive Vice-President and manager 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.

Current directorships and positions of CDPQ:

In France

–

Abroad:

–

Past directorships and positions of CDPQ (carried out during the past five years):

In France:

- Member of the Board of Directors of Elior group (France) from March 2016 to April 2020

Abroad:

–

Other current directorships and positions of Ms Kim Thomassin:

In France:

–

Abroad:

–

Past directorships and positions of Ms Kim Thomassin (held during the past five years):

In France:

–

Abroad:

- Executive Vice-President, Legal Affairs and Secretariat, Caisse de Dépôt et Placement du Québec (Canada) until April 2020
- Member of the Board of Directors of Ivanhoé Cambridge Inc. (Canada), CDPQ group, from September 2017 to March 2021
- Member of the Advisory Board of Findev Canada (Canada) from May 2020 to February 2022
- Member of the Board of Directors of Ceres (Canada) from July 2019 to April 2021
- Member of the Board of Directors of Cirque du Soleil (Canada) from March 2017 to November 2020
- Member of the Board of Directors of Attraction Media (Canada) from January 2016 to April 2020
- Member of the Board of Directors of Bombardier Transportation (Canada) from September 2017 to March 2018
- Member of the Board of Directors of CCMM (Chamber of Commerce of Metropolitan Montreal) (Canada) from October 2015 to May 2019

Biography:

As Executive Vice-President and manager since April 2020, Kim Thomassin leads CDPQ's investment strategy in Québec and financing and support activities for medium and large companies in the province. She also oversees the Québec investment and operating partner teams She sits on the Executive Committee and the Investment-Risk Committee. Prior to her current position, Ms Thomassin held the role of Executive Vice-President, 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 specialised 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 minored 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. In addition to being a member of Alstom's Board of Directors, Ms Kim Thomassin is Campaign Cabinet Co-President of the Montreal Children's Hospital Foundation. In 2022, she was appointed Honorary Co-President of two organisations: the Hôpital Maisonneuve-Rosemont Foundation and the Lise Watier Foundation. In addition, she is one of four members of an expert panel on sustainable finance set up by the federal government to engage with Canadian business experts. In 2019, she was named GC Influencer by Chambers GC Influencers Global 100, a distinction that recognises the leadership and contributions of heads of legal departments 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 distinction from the Quebec Bar and the Lexpert Zenith Award as a lead attorney. In 2012, the Women's Executive Network (WXN) recognised her as one of Canada's 100 Most Powerful Women.

Ms Bi Yong Chungunco

Age: 60.

Nationality: Filipino.

Business address: Alstom – 48, rue Albert-Dhalenne – 93400 Saint-Ouen-sur-Seine (France).

Principal function: -

First directorship: 1 July 2014 – 17 July 2018.

End of current directorship: Shareholders' Meeting in 2026 called to approve the financial statements for the fiscal year ended 31 March 2026.

Independent Board Member.

Member of the Ethics and Compliance Committee.

Holds 2,000 shares.

Other current directorships and positions:

In France:

–

Abroad:

–

Past directorships and positions (held during the past five years):

In France:

–

Abroad:

- Chief Executive Officer of Luzon International Premiere Airport Development Corporation from February 2019 to August 2022

Biography:

Until August 2022, Ms Bi Yong Chungunco was 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 Head of Divestments at the LafargeHolcim group, mainly for the Asia Pacific region, and 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 that, 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 Regional Head of Legal Affairs and then Deputy Head of Legal Affairs of Lafarge, overseeing from Paris the group's mergers and acquisitions 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.

Ms Clotilde Delbos

Age: 55.

Nationality: French.

Business address: Alstom – 48, rue Albert-Dhalenne – 93400 Saint-Ouen-sur-Seine (France).

Principal function: -

First appointment: 17 July 2018.

End of current directorship: Shareholders' Meeting in 2026 called to approve the financial statements for the fiscal year ended 31 March 2026.

Independent Board Member.

Member of the Audit Committee.

Holds 2,634 shares.

Other current directorships and positions:

In France:

- Co-Manager of Hactif Patrimoine (France) since 2017
- Director of AXA since 2021

Abroad:

–

Past directorships and positions (held during the past five years):

In France, at Renault Group*:

- Acting Chief Executive Officer of Renault Group (France) until 2020
- Chair of Mobilize Invest (now Caremakers Invest), Renault Group (France) until 2020
- Chief Financial Officer of Renault Group until December 2022
- Executive Vice-President of Renault Group until December 2022
- Chief Executive Officer of Mobilize, Renault Group, until December 2022
- Director and Chair of the Board of Directors of Banque RCI SA, Renault Group (France) until December 2022
- Chair of Renault Venture Capital (now Mobilize Ventures), Renault Group (France) until December 2022
- Chair of Renault Mobility as an Industry, Renault Group, (France) until December 2022
- Chief Executive Officer, Nouvelles Mobilités brand, Renault Group until December 2022

Abroad, at Renault Group*:

- 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
- Director of Renault España (Spain) until March 2022

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 Québec group Alcan, Clotilde Delbos became CFO of the Engineered Products division in 2005, until its sale in 2011 to the Apollo Global Management investment fund 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 Renault Group 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 Renault Group's Director of Performance and Control. In April 2016, Ms Clotilde Delbos was appointed Chief Financial Officer of Renault Group and Chair of the Board of Directors of RCI Banque.

On 1 April 2019, Ms Clotilde Delbos, Chief Financial Officer of Renault Group and Chairman of the Board of Directors of RCI Banque, was also assigned responsibility for the Internal Control Department.

On 11 October 2019, she was appointed Acting Chief Executive Officer of Renault SA until Mr Luca de Meo took 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 named Executive Vice-President of Renault Group. She remained Chief Financial Officer of Renault Group 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 Executive Vice-President, Chief Financial Officer (until 1 March 2022) Renault Group and Chair of the Board of Directors of RCI Bank & Services. She is a member of the Board of Management of Renault Group.

On 1 January 2023, Ms Clotilde Delbos resigned from all her positions at Renault Group.

* Listed company.

Mr Daniel Garcia Molina

Age: 51.

Nationality: Spanish.

Business address: Alstom, Carretera de Santa Perpetua a Mollet, S/N, Santa Perpetua de Mogoda, 08130, Barcelona, Spain.

Principal function: employee in the Industrialisation Department of the Santa Perpetua site (Spain).

First appointment: 1 January 2021.

End of current directorship: 1 January 2025.

Board Member 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:

–

Abroad:

–

Past directorships and positions (held during the past five years):

In France:

–

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 an employee in the Industrialisation Department of the Santa Perpetua site (Spain).

From 2012 to November 2020, he held the positions of General Secretary of the labour union at the Santa Perpetua site and General Coordinator of its labour union for Alstom Spain.

In parallel with his other trade union positions in Spain, from December 2012 to December 2015, Mr Molina was Vice-Secretary of the European Works Council (called the European Works Forum at Alstom) and, in December 2015, he became its Secretary.

In December 2019, he again assumed the position of Vice-Secretary of the European Works Forum until December 2020.

He is currently studying business administration and management at the University of La Salle in Barcelona.

Mr Gilles Guilbon

Age: 59.

Nationality: French.

Business address: Alstom, 33, avenue du Commandant-Lisiack, 17440 Aytré (France).

Principal function: Project guarantee manager at the La Rochelle site (France).

First appointment: 1 January 2021.

End of current directorship: 1 January 2025.

Board Member representing employees within the meaning of Article L. 225-27-1 of the French Commercial Code.

Holds 224 shares.

Member of the Nominations and Remuneration Committee.

Other current directorships and positions:

In France:

–

Abroad:

–

Past directorships and positions (held during the past five years):

In France:

–

Abroad:

–

Biography:

Mr Gilles Guilbon is an alumnus of École nationale supérieure de mécanique et d'aérotechnique. He also holds an advanced degree in mechanics. He began his career in 1988 at Safran Group as Head of Methods before joining Alstom in 1991 as Head of Planning for the METEOR metro. 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 assumed various responsibilities in the Methods and Quality Department for high-speed trains and tramways. He is currently the project assurance manager.

Ms Sylvie Kandé de Beaupuy

Age: 66.

Nationality: French and Senegalese.

Business address: Alstom – 48, rue Albert-Dhalenne – 93400 Saint-Ouen-sur-Seine (France).

Principal function: CEO of SKB Consulting SAS.

First directorship: co-option on 30 January 2017 (ratification by the Shareholders' Meeting of 4 July 2017) – 10 July 2019.

End of current directorship: Shareholders' Meeting in 2023 called to approve the financial statements for the fiscal year ended 31 March 2023.

Independent Board Member.

Chairwoman of the Ethics and Compliance Committee.

Holds 2,500 shares.

Other current directorships and positions:

In France:

–

Abroad:

–

Past directorships and positions (held during the past five years):

In France:

Executive Vice-President - Senior Compliance Officer, Airbus* from November 2015 to January 2023

Abroad:

–

Biography:

Ms Sylvie Kandé de Beaupuy is currently a consultant of an investment fund operating mainly in the United States. Prior to that, she was Executive Vice-President, Chief thics & Compliance Officer at Airbus from 2015 until very recently. During her time at Airbus, she played a major role in the investigations conducted by the anti-corruption authorities, namely the National Financial Prosecutor's Office (PNF), the UK Serious Fraud Office (SFO) and the US Department of Justice (DOJ). She developed the anti-corruption programme that served as the basis for the assessment carried out by the above authorities aimed at reaching agreements with the authorities, particularly the deferred prosecution agreement with the PNF. Before joining Airbus, from 2008 to 2015 she was Senior Vice-President – Group Chief Compliance Officer and then Executive Vice-President – Group Corporate Counsel at Technip, a world leader in the oil services industry. Ms Sylvie Kandé de Beaupuy started her career as a lawyer and member of the Paris Bar and was part of the Corporate/M&A team at Clifford Chance in Paris for almost 20 years.

* Listed company.

Mr Frank Mastiaux

Age: 59.

Nationality: German.

Business address: Alstom – 48, rue Albert-Dhalenne – 93400 Saint-Ouen-sur-Seine (France).

Principal function: -

First appointment: 8 July 2020.

End of current directorship: Shareholders' Meeting in 2024 called to approve the financial statements for the fiscal year ended 31 March 2024.

Independent Board Member.

Chairman of the Integration Committee and member of the Nominations and Remuneration Committee.

Holds 2,000 shares.

Other current directorships and positions:

In France:

–

Abroad:

- Member of the Advisory Board of Boehringer Ingelheim (Germany) since 2020
- Chairman of the Advisory Board of Sunfire GmbH (Germany) since December 2022

Past directorships and positions (held during the past five years):

In France:

–

Abroad:

- Chairman & Chief Executive Officer of EnBW Energie Baden-Würtenberg* (EnBW) (Germany) from October 2012 to September 2022
- Member of the Supervisory Board of EWE AG* (Germany) from October 2012 to May 2017

Biography:

Mr Frank Mastiaux was Chairman & Chief Executive Officer of EnBW Energie Baden-Württemberg AG (EnBW), Germany's third largest energy supply company, from October 2012 to September 2022. 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 Corporate Development Director. In 1999, he was named Head of Supply Chain and Sales at VebaOel and then became Chief Executive Officer of ARAL Mineralöl-Vertrieb GmbH following the merger of Veba and ARAL in 2000. 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 CEO in charge of BP's global liquefied petroleum gas (LPG) division. In 2007, Mr Frank Mastiaux joined E.ON as founding CEO of E.ON's renewable energies division (E.ON Climate & Renewables). In 2011, he also became responsible for E.ON's expansion in high-growth markets outside Europe as CEO of E.ON International Energy.

Mr Baudouin Prot

Age: 71.

Nationality: French.

Business address: Alstom – 48, rue Albert-Dhalenne – 93400 Saint-Ouen-sur-Seine (France).

Principal function: Chairman of the Supervisory Board of Emeria (formerly Foncia Management).

First appointment: 17 July 2018.

End of current directorship: Shareholders' Meeting held in 2026 to approve the financial statements for the fiscal year ended 31 March 2026.

Independent Board Member.

Member of the Nominations and Remuneration Committee and member of the Ethics and Compliance Committee.

Holds 1,600 shares.

Other current directorships and positions:

In France:

- Director of Kering* since 1998
- Chairman of BNP Paribas Emergency and Development Fund since 2013

Abroad:

- Director of Finastra (United Kingdom) since 2017
- Senior Advisor to Partners Group (Switzerland) since 2017
- Senior Advisor to Boston Consulting Group (United States) since 2015

Past directorships and positions (held during the past five years):

In France:

- Director of Veolia Environnement* from 2006 to 2018

Abroad:

- Director of BGL BNP Paribas (Luxembourg) from 2015 to 2021

Biography:

Mr Baudouin Prot began his career as Finance Inspector after graduating from the École nationale d'administration in June 1976. He joined 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 was appointed Deputy CEO in 1992. In 1996, he accepted the position of Director of Banque Nationale de Paris and, when BNP Paribas was created, he was appointed Deputy CEO of the new group. In 2000, he 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. Since October 2016, he has served as Chairman of the Supervisory Board of Emeria (formerly Foncia Management).

* Listed company.

Ms Sylvie Rucar

Age: 66.

Nationality: French.

Business address: SR Corporate Finance Advisory – 9 bis, rue Saint-Amand – 75015, Paris (France).

Principal function: CEO of SRCFA.

First directorship: 30 June 2015 – 10 July 2019.

End of current directorship: Shareholders' Meeting in 2023 called to approve the financial statements for the fiscal year ended 31 March 2023.

Independent Board Member.

Chairwoman of the Audit Committee.

Member of the Nominations and Remuneration Committee.

Holds 2,235 shares.

Other current directorships and positions:

In France:

- Board Member of Avril Gestion (France), member of the Nominations and Remuneration Committee since August 2015

Abroad:

- Board member and member of the Audit Committee of Savannah Energy* (Great Britain) since February 2023

Past directorships and positions (held during the past five years):

In France:

- Senior Advisor at Alix Partners (US consulting firm, Paris office) from November 2010 to January 2022
- Director and Chair of the Audit Committee of CFAO (France) from June 2012 to July 2022

Abroad:

–

Biography:

Ms Sylvie Rucar began her career in 1978 at Citroën (PSA Group) and then served in the PSA Group's Finance Department from 1984 to 2007. There she worked in mergers and acquisitions, financial control and international finance, and was Group Treasurer before becoming Chief Financial Officer and Chair of Banque PSA Finance. She was a member of PSA Group's Management Committee.

In early 2008, Ms Sylvie Rucar joined Société Générale, where she was Deputy CFO and Chief Operating Officer (COO) of the Group's Investor Services department and, in mid-2009, joined the Cogepa family office. From 2011 to 2022, she advised companies on mergers and acquisitions, financing and restructuring at the Alix Partners consulting firm, serving as Senior Advisor. Ms Sylvie Rucar is a graduate of ESCP-Europe Business School.

* Listed company.

Mr Jay Walder

Age: 64.

Nationality: American.

Business address: Alstom – 48, rue Albert-Dhalenne – 93400 Saint-Ouen-sur-Seine (France).

Principal function: Chairman and Chief Executive Officer of SAB International LLC (USA)

First appointment: co-option by the Board of Directors on 15 November 2022

End of current directorship: Shareholders' Meeting in 2024 called to approve the financial statements for the fiscal year ended 31 March 2024.

Independent Board Member

Member of the Integration Committee.

Holds 100 shares.

Other current directorships and positions:

In France:

–

Abroad:

- Non-executive director, BAI Global HOLDCO Ltd (UK) since November 2022
- Advisory Board member, Harvard University, Harvard Kennedy School, Taubman Centre for State and Local Government (USA) since May 2008 (not-for-profit organisation)

Past directorships and positions (held during the past five years):

In France:

–

Abroad:

- Director and CEO, Virgin Hyperloop (USA) from November 2018 to February 2021
- Director and Chief Executive Officer, Motivate International LLC (USA) from October 2014 to September 2018
- Non-executive director, Citymapper (Great Britain) from November 2021 to July 2022
- Advisor, Lyft, Inc* (USA) from December 2018 to May 2020
- Non-executive director, Transit Wireless (USA) from April 2018 to October 2021
- Advisor, BAI Communications US Holdings (USA) from October 2021 to November 2022
- Non-executive director, Gowanus Canal Conservancy (USA) from June 2018 to April 2019 (not-for-profit organisation)
- Advisory Board member, Dubai Council for the Future of Logistics (United Arab Emirates) from 2019 to 2020
- Non-executive director, The Community Builders (USA) from November 2018 to April 2019 (not-for-profit organisation)
- Advisory Board member, Friends of the Brooklyn Queens Connector (USA) from May 2017 to March 2023 (not-for-profit organisation).

Biography:

Mr Jay Walder is a Senior Advisor at McKinsey & Company, a non-executive director on the Board of Directors of BAI Communications and a member of the Advisory Board of the Taubman Center at Harvard Kennedy School.

From November 2018 to February 2021, he was Chairman and Chief Executive Officer of Virgin Hyperloop.

Prior to that, Mr Walder served as Chairman and Chief Executive Officer of Motivate International, the largest bike sharing company in the United States, and previously as Chief Executive Officer of MTR Corporation in Hong Kong. Before joining MTR, Mr Walder was Chairman and Chief Executive Officer of the New York Metropolitan Transportation Authority.

Earlier in his career, Mr Walder was a partner at McKinsey & Company London, where he led the firm's Global Infrastructure Practice.

Prior to that, he was Managing Director, Finance & Planning at Transport for London, a lecturer in public policy at Harvard Kennedy School and a visiting professor at the National University of Singapore. He also served on the Executive Board of the International Association of Public Transport (UITP) and on the Executive Committee of the American Public Transit Association (APTA).

Mr Jay Walder received a Master's degree in public policy from Harvard University and a Bachelor's degree in economics and political sciences with honours from Binghamton University. He completed the Executive Programme in Strategic Leadership from Templeton College at the University of Oxford.

Mr Benoît Raillard (Censor)

Age: 58.

Nationality: French.

Business address: CDPQ London LLP – Private Equity, 70 Broadwick Street, London W1F 9QZ (Great Britain).

Principal function: Vice-President and Operating Partner, Private Equity for Europe at CDPQ.

First appointment: 26 January 2021, effective 29 January 2021.

End of current directorship: Shareholders' Meeting in 2024 called to approve the financial statements for the fiscal year ended 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 Veolia 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

Abroad:

- Director of TVS Supply Chain Services (SCS) (India) until July 2020
- Director of Dalcor Pharmaceuticals (Great Britain/Canada) until December 2019
- Director of Datamars (Switzerland) until October 2019

Biography:

Mr Benoît Raillard has been Vice-President and Operating Partner, Private Equity for Europe at CDPQ since November 2017. In this role, he oversees part of the 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 Benoît Raillard has over 25 years of experience in private equity, general management roles and strategy consulting. Before joining CDPQ, he was Managing Director and Operating Partner at the pan-European fund Gimv and Senior Director at Alix Partners, where he specialised in restructuring for investment funds. For 15 years, he has held general management positions at private equity-backed service companies (Elis, 5àSec). Prior to that, he worked in strategy consulting at Bain & Company, in sales and marketing management at Eli Lilly, and 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 is an alumnus of Institut d'études politiques de Paris. He currently serves on the Boards of Directors of FNZ, Veolia Water Technologies & Solutions, Alvest, Avison Young, Biogroup and Sebia. He was previously a Board member at Emeria (formerly Foncia), Datamars, TV Supply Chain Services and Dalcor.

5.1.3.3 No convictions

This section has been prepared on the basis of 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 9 May 2023.

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 an official public sanction in the last five years;
- has, while serving as a member of an administrative, management or supervisory body, been involved in a bankruptcy, receivership, liquidation or placement of a company under judicial administration in the past five years;
- has been disqualified by a court from having the right to serve as a member of an issuer's administrative, management or supervisory body or from being involved in the management or operation of an issuer's business during the past five years.

5.1.3.4 Conflicts of interest

The applicable rules and procedures in place at Alstom

The Board of Directors amended its internal rules by decisions taken of 22 September 2020 and 26 January 2021, particularly 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 Censor.

The Board Members charter appended to the Board of Directors' internal rules provides that the Board Member or censor must inform the Board of Directors as soon as he/she becomes aware of any actual or potential conflict of interest and must refrain from participating in the discussions and voting on the corresponding deliberation (bearing in mind that the censor participates in Board meetings only in an advisory capacity).

The charter specifies that the Board Member/Censor must consult the Chairman of the Board of Directors (or, when the Board Member in question is the Chairman of the Board of Directors, the Chairman of the Nominations and Remuneration Committee) prior to carrying out any activity or accepting any position or obligation that could, according to him/her, place him/her in a conflict of interest, even if this is only potential. The Chairman may, after consulting with the lead director, submit such questions to the Nominations and Remuneration Committee or to the Board of Directors. The lead director reviews potential conflicts of interest with the Chairman of the Board of Directors. The Board Member/Censor is required to present his/her resignation if a conflict of interest cannot be resolved to the Board's satisfaction.

In addition, the Chairman of the Board of Directors and the lead director may, at any time, request a written statement from the Board Members/Censor that they do not have an undeclared conflict of interest.

Upon taking office, and once a year thereafter, the Board Member/Censor must report to the Company on the existence or non-existence of an actual or potential conflict of interest by answering a questionnaire provided by the Company. He/she must notify the Company of any change making his/her statement inaccurate or respond to the Chairman of the Board of Directors' request at any time, in accordance with the Board Members charter.

In addition, pursuant to Article 6 of the Board of Directors' internal rules, the lead director plays a preventive role to raise awareness among the Board Members/Censor with respect to conflicts of interest and reviews potential conflicts of interest with the Chairman of the Board.

Procedure for evaluating ordinary agreements

In accordance with Article L. 22-10-12 of the French Commercial Code, the Company has implemented a procedure to regularly evaluate ordinary agreements entered into under normal market conditions.

The principal characteristics of this procedure, as approved by the Board of Directors on 10 March 2020 and covered by an internal instruction, 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 at certain support functions, such as the Procurement and Consolidation Departments; annually, on the basis of the 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 review of the procedure on an annual basis so that its effectiveness can be improved as necessary.

On 9 May 2023, the results of this procedure in respect of fiscal year 2022/23 were presented to the Board of Directors, which considered the agreements between Société Générale and Alstom, both of which have Mr Henri Poupart-Lafarge as a Board Member, to be ordinary agreements concluded under normal market conditions.

Other information

In addition, to the Company's knowledge, as of 9 May 2023:

- there is no direct or indirect conflict of interest, including one that is simply potential, between the duties of a member of the Board of Directors in relation to Alstom and the member's private interests and/or other duties;
- apart from the appointments of Caisse de Dépôt et Placement du Québec as a Board Member and of Mr Benoît Raillard, proposed by Caisse de Dépôt et Placement du Québec, as a Censor, as per the terms of the agreements concluded between CDPQ and the Company at the time of the acquisition of Bombardier Transportation, there is no arrangement or agreement between the Company and the principal 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 are no services agreements between the members of the Board of Directors and the Company or any of its subsidiaries that provide for the grant of benefits upon the expiration of such an agreement.

In addition, to the Company's knowledge, apart from the commitment described below:

- an undertaking 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 undertook 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 book six of the French Commercial Code or transfers enabling CDPQ to hold less than 19.8% of Alstom shares prior to a distribution).

There are no restrictions applicable to the members of the Board of Directors regarding the sale of their stake in the Company's share capital other than the internal rules set by the Group or, more generally, the applicable laws or regulations regarding the obligation to refrain from trading in the Company's shares in order to prevent insider trading.

Board Members' independence

Pursuant to the AFEP-MEDEF Code and the Board of Directors' internal rules, the Board annually assesses each Board Member's situation in light of independence criteria.

In this regard, once a year every Board Member is asked to send the Company an official statement regarding each of these criteria via the questionnaire sent to him/her by the Company, which itself performs checks according to the above-mentioned procedure to regularly evaluate ordinary agreements entered into under normal market conditions.

The Board of Directors reviewed the independence of the Board Members at its meeting on 9 May 2023 on the basis of the recommendations of the Nominations and Remuneration Committee, which it approved in full.

As in past years, the Board referred to the definition provided in the AFEP-MEDEF Code and considered a Board Member to be independent when he/she has no relationship of any kind with the Company, its Group or its Management that could compromise his/her ability to exercise independent judgement.

The Board took into account all the criteria recommended by the AFEP-MEDEF Code to assess the independence of its members and to find that, in order to be qualified as independent, a Board Member must not:

- be or have been an employee or an Executive Corporate Officer of the Company, or an employee or Executive Corporate Officer or Board Member of a company within the Company's scope of consolidation, or an employee, Executive Corporate Officer or Board Member of the Company's parent company or of a company consolidated by such parent during the past five years;
- be an Executive Corporate Officer of a company in which the Company directly or indirectly holds a directorship, or in which an employee designated as such or an Executive Corporate Officer of the Company (currently or during the past five years) holds a directorship;
- be, 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 business;
- have a close family relationship with a Corporate Officer;
- have been a Statutory Auditor of the Company during the past five years;
- have been a Board Member 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 remuneration in cash or shares or any other remuneration tied to the performance of the Company or the Group.

In accordance with the AFEP-MEDEF Code's recommendation, the Board of Directors may conclude that a Board Member does not qualify as independent even though he/she meets the independence criteria, and vice versa.

The Board checks in particular the significant business relationships criterion. When business activities or relationships are identified between the Company and the companies at which Board Members qualified as independent perform functions or hold directorships, the Board takes into account the nature of the activities/relationships, their non-significant amount as assessed from each party's point of view, the fact that the Board Member does not hold an executive position at the company or group in question and the existence of any other qualitative criterion (such as the length and continuity of the relationship) in order to assess Board Members' independence.

On 15 November 2022, and at the time of his co-option in replacement of Mr Serge Godin, the Board of Directors reviewed Mr Jay Walder's qualification as an independent Board Member

The Board of Directors considered Mr Jay Walder, co-opted to replace Mr. Serge Godin, to be free of any interest with respect to CDPQ, an entity with which there is no shareholders' or similar agreement. The Board of Directors also noted that Mr Jay Walder does not receive instructions from CDPQ and that there is no arrangement between Mr Jay Walder and CDPQ regarding decision-making within the Alstom Board of Directors.

On the basis of these factors, Alstom's Board of Directors considered that Mr Jay Walder's freedom of judgement on the Board is not likely to be compromised, as none of these factors are such as to characterise a lack of independence.

During its annual review of the independence of the Board Members, on 9 May 2023 the Board of Directors confirmed Mr Jay Walder's qualification as an independent Board Member on the basis of these same considerations.

On 9 May 2023, the Board of Directors also confirmed that Ms Sylvie Kandé de Beaupuy and Ms Sylvie Rucar, whose directorships are subject to renewal, should still be considered independent Board Members.

With regard to Bpifrance Investissement, whose appointment will be proposed at the Shareholders' Meeting on 11 July 2023, the Board of Directors found that it should be considered an independent Board Member in light of all the criteria of the AFEP-MEDEF Code.

Therefore, after reviewing all the criteria, the Board of Directors decided that, as of 9 May 2023, eight Board Members (excluding Board Members representing employees) should be qualified as independent, corresponding to 80%.

AFEP-MEDEF criteria (The independence criterion is considered met when marked with a "√")	Not be or have been an employee, manager, Executive Corporate Officer or Board Member 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 be or have been Statutory Auditor of the Company during the last 5 years	Length of directorship <12 years	<10% shareholding and voting rights	No variable remuneration tied to the Company's performance	Qualification assigned by the Board
Mr Henri Poupart-Lafarge		√	√	√	√	√	√		Not independent
CDPQ represented by Ms Kim Thomassin	v	v		v	v	v		v	Not independent
Ms Bi Yong Chungunco	√	√	√	√	√	√	√	√	Independent
Mr Yann Delabrière	√	√	√	√	√	√	√	√	Independent
Ms Clotilde Delbos	√	√	√	√	√	√	√	√	Independent
Ms Sylvie Kandé de Beaupuy	√	√	√	√	√	√	√	√	Independent
Mr Frank Mastiaux	v	v	v	v	v	v	v	v	Independent
Ms Sylvie Rucar	√	√	√	√	√	√	√	√	Independent
Mr Baudouin Prot	√	√	√	√	√	√	√	√	Independent
Mr Jay Walder	v	v	v	v	v	v	v	v	Independent

Following the Shareholders' Meeting on 11 July 2023, subject to a favourable vote by the shareholders regarding the candidates whose directorship is subject to renewal/ratification or whose first appointment is subject to a vote, this percentage would be 82%.

5.1.3.5 Ethics for the Board Members and Censor – Rules of conduct

Board Members charter

Attached to the Board's internal rules is the Board Members' Charter, which defines the Board Members' and Censor's rights and obligations and the content of which mostly complies with the AFEP-MEDEF Code's recommendations.

As a reminder, the internal rules were amended by the Board of Directors through decisions taken on 22 September 2020 and 26 January 2021, particularly in connection with the Bombardier Transportation acquisition, mainly to:

- make certain provisions of the internal rules applicable to the Censor, particularly those relating to conflicts of interests and the rules regarding the obligation to refrain from trading in the Company's shares;
- more strictly define the concept of confidential information and define the rules for disclosure of such information to be followed by a Board Member or Censor that is a legal entity;
- clarify the legal and contractual rules applicable to insider trading.

Thus, before accepting their appointment, all Board Members/Censors must familiarise themselves with the laws and regulations that relate to their position, the Company's Articles of Association, the Group's Code of Ethics, the internal operating rules of the Board of Directors and Board Committees, and the Board Members charter. Any Board Member/Censor can consult the Secretary of the Board at any time regarding the scope of these rules and the rights and obligations of their role.

All Board Members and the Censor must devote the necessary time and attention to their duties and, when accepting a new directorship, consider whether this will allow them to fulfil their duty to participate, unless they are genuinely prevented from doing so, in all meetings of the Board of Directors and the committees of which they are members, and in Shareholders' Meetings.

Pursuant to the Board Members charter, Board Members and the Censor are bound by professional secrecy and must personally protect the confidentiality of any information they obtain in connection with their duties that has not been made public.

As indicated above, these rules were also supplemented to specify the communications rules applicable to this information to be followed by a Board Member/Censor who is a legal person.

Thus, if the Board Member/Censor is a legal entity, it must:

- ensure that confidential information provided 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 Board Member/Censor, Board Members or corporate officers of such Board Member/Censor and whose identity and contact details are provided to the Company in writing prior to disclosure, and (ii) to that Board Member's/Censor's legal advisors and Statutory Auditors (if applicable) (the "Authorised Recipients");
- ensure that neither its permanent representative nor any Authorised Recipient is an employee, Board Member, Corporate Officer or consultant at an entity included on (i) the list of the Company's identified competitors, (ii) the list of the Company's five (5) largest customers (on the basis of the consolidated revenue generated by the Company with such customers during the previous fiscal year), (iii) the list of the Company's five (5) largest suppliers (on the basis of the payments made by the Company to such suppliers on a consolidated basis during the previous fiscal year). These lists will be made available to that Board Member/Censor upon request, it being specified that the list of the five (5) largest customers and the list of the five (5) largest suppliers must be updated once a year;
- require that its permanent representative and the Authorised Recipients (i) not disclose confidential information to any third party whatsoever (without prejudice to the disclosure right referred to above), (ii) implement necessary and adequate measures, notably with regard to the storage of confidential information in a separate folder or file, to secure such information from unauthorised access, use, reproduction or disclosure, and (iii) comply with all obligations set forth under the charter (including rules resulting indirectly from the charter, such as rules under the Company's Code of Conduct), where applicable; and
- provide the Company with all necessary information required by applicable rules and by the Company for the purposes of preparing and maintaining any insider list, including with respect to its permanent representative and the Authorised Recipients.

In addition, the charter states that the Board Member must also comply with the provisions of the AFEP-MEDEF Code and the legal provisions in force concerning rules applicable to plurality of directorships. Each Board Member must inform the Company of directorships held at other companies, including participation in Boards committee at such French or foreign companies. He/she must disclose any new directorship or professional responsibility to the Company as soon as possible. When the Board Member performs executive functions at the Company, he/she must also obtain the Board's opinion prior to accepting a new directorship at a company outside the Group.

The Board Members charter also reminds the Board Members' and the Censor's obligation to comply with the Group's internal rules and, more generally, with the applicable laws or regulations regarding the obligation to refrain from trading in the Company's shares, as set forth in the Group's Code of Conduct on 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 inside information and the prevention of market abuse defines the situations in which certain individuals must refrain from trading in the Company's shares. These principles are also contained in the Group's Code of Ethics.

The Group's Code of Ethics and the Code of Conduct are delivered to all Board Members/Censor at the beginning of their term and following each amendment. Compliance with confidentiality rules is also one of the essential rules of the Group's Code of Ethics.

The Code of Conduct applies to Board Members, the Censor, Executive Corporate Officers and persons equivalent to Executive Corporate Officers, and Group employees who have occasional or regular access to inside information.

The schedule of lock-up periods is provided to the persons concerned prior to the beginning of each fiscal year, and such persons are notified of the start of each lock-up period by email several days in advance.

The Board's internal rules and this Code of Conduct to which the Board's internal rules refer also remind the Corporate Officers and persons equivalent to Corporate Officers of their legal obligations to report transactions in the Company's shares carried out either by them or by persons close to them.

Pursuant to the Code of Conduct, transactions in the Company's shares are not allowed:

- during the 30 calendar days before Alstom's annual and interim results are disclosed to the public and up to the second trading day following the date on which the information is disclosed to the public;
- during the 15 calendar days before the public disclosure of revenue and orders (or other results) for the first and third quarters of each fiscal year and up to the second trading day following the date on which the information is disclosed to the public; and
- in any case, when inside information is held and up to the second trading day following the date on which such information is disclosed to the public.

5.1.4 CONDITIONS FOR THE PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD OF DIRECTORS

5.1.4.1 Organisation and functioning of the Board of Directors

The rules 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 supplement applicable laws and regulations.

The rules are regularly reviewed by the Board of Directors to determine whether its provisions need to be amended or clarified in order to comply with regulations in force or to improve the efficiency and operation of the Board and its committees.

The internal rules state that the Board of Directors:

- must be composed of independent Board Members numbering not less than half of its total members, with the independence of a Board Member determined by the Board of Directors deliberating on the proposal of the Nominations and Remuneration Committee;
- regularly reviews, on the proposal of the Nominations and Remuneration Committee, and at least once a year, its composition and that of its committees so as to be able to fulfil all its responsibilities in terms of operational, industrial and financial expertise, auditing and risk control, ethics and compliance, and social, environmental and governance considerations, the objective being that its composition is at all times aligned with all the Company's issues and strategy.
- defines, on the proposal of the Chief Executive Officer, the Group's strategy, regularly reviews the Group's previously defined policies, supervises management and ensures the quality of information provided to shareholders and the financial markets;
- examines and approves the annual budget and the medium-term strategic plan;
- discusses in advance any transaction 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;
- approves in advance acquisitions and divestitures where the unit amount exceeds €80 million, partnerships where the Group's contribution exceeds €80 million, and financing transactions where the unit amount exceeds €400 million for new medium- or long-term loans, or €1 billion for short-term treasury notes;
- is informed of acquisitions, disposals and partnerships with a unit value of more than €40 million;
- is regularly informed and has knowledge at all times of developments in the Group's business activities and results, the Group's significant risks, its financial position, indebtedness, cash position and, more generally, the Group commitments;
- creates one or more specialised committees and defines their composition and responsibilities;
- approves the composition of the Group's management team;
- assesses its own operation and that of its committees annually and, every three years, has this operation formally evaluated with the help of an external consultant;
- determines all the components of remuneration of the Executive Corporate Officers;
- meets at least twice a year, in a so-called "executive" session, without the Executive Corporate Officers present and under the chairmanship of the lead director, to examine i) the remuneration of the Executive Corporate Officers on the basis of their performance, and ii) the effectiveness of governance and the appropriateness of the management team in terms of implementing the strategy.
- 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 remuneration and on the grant of stock options or performance shares to Corporate Officers;

At least six Board of Directors meetings are included in the committee's work plan each year.

5.1.4.2 Training of Board Members/Censor

Upon being appointed to the Board of Directors, each Board Member/ Censor receives all information needed to perform his/her duties and may request any document he/she considers appropriate.

Meetings are held with those responsible for the Group's principal central functions, as are meetings that include a detailed presentation of the businesses and visits to production sites, which allow Board Members to meet with the management teams and develop a deeper understanding of issues specific to the Company, its activities and its markets.

As part of the development of continuing training initiatives, all Board Members/Censor can also participate in onboarding and training programmes designed for new Board Members.

During the annual evaluations of the functioning of the Board of Directors, the members are asked to indicate whether they feel the need to update their knowledge or broaden their skills.

The Board's internal rules specify that any further training that a Board Member or Censor may receive, as he/she considers necessary, covers the Group's specific characteristics, activities, business sectors, social and environmental responsibility issues, particularly climate issues, and all accounting and financial areas.

A Board meeting is held each year, when possible, at one of the Group's main sites, which includes an in-depth presentation of the relevant business, visits to production sites, particularly with a focus on CSR initiatives, and discussions with operational managers.

In general, Board of Directors' meetings are also an opportunity for Board Members/Censor to receive training in CSR issues, with presentations of product lines and regions that routinely cover a topic related to sustainability and the Board of Directors approving, in any case, the Group's CSR strategy, including the climate strategy.

5.1.4.3 Information to be provided to Board Members/Censor

Prior to each Board or committee meeting and with reasonable advance notice (generally a week), the Board Members/Censor receive a file on the agenda items that require prior analysis and consideration.

Outside of Board meetings, the Chairman systematically informs the Board Members/Censor of any change that has a significant impact on transactions or information previously communicated to them or on matters discussed during meetings, and regularly sends to them any significant information regarding the Company.

The Board Members/Censor also receive all press releases and financial analysts reports.

Board Members may, at any time, request further information from the Chairman of the Board, who determines whether the information is appropriate. The Board Members may also ask to meet with the Group's senior executives without the Executive Corporate Officers being present, after first informing the latter.

The Group's operational managers and function heads, as well as individuals from outside the Group, participate in meetings at the Chairman's request depending on the items on the agenda.

5.1.4.4 Board Committees

Upon the Company's listing in 1998, the Board of Directors formed two committees, the Audit Committee and the Nominations and Remuneration Committee. The role of each of these committees is to study and prepare the Board's main deliberations within their purview in order to improve the effectiveness of the Board, which is the only body authorised to take decisions.

In September 2010, the Board decided to create a third committee, the Ethics, Compliance and Sustainable Development Committee.

Following the evaluation of the Board and committees in respect of fiscal year 2019/20, the Ethics, Compliance and Sustainable Development Committee was renamed the Ethics and Compliance Committee and has focused only on ethics and compliance and human resources issues since then.

This change also had an impact on the Board of Directors' agenda and resulted in sustainable development issues, including environmental issues, being included twice a year on the Board of Directors' agenda, given that the Board Members had expressed a desire, during that same evaluation, for greater direct insight into these issues. Ethics, compliance and human rights issues were also included on the Board's agenda twice each 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, 29 January 2021, for a period of two years commencing on the same date. The duration of this committee was extended for two additional years, i.e. until 29 January 2025, by a decision of the Board of Directors on 12 July 2022.

Each Board meeting is generally preceded by a meeting of one or more committees, depending on the items on the Board's meeting agenda. The committees report to the Board on their work and observations and, as necessary, submit their opinions, proposals and recommendations to it.

Each committee's composition, powers and rules of operation are also defined by internal rules that have been proposed by that committee and approved by the Board of Directors. Each Committee reviews its internal rules to take into account changes in regulations or recommendations and can submit any modifications that it considers appropriate to the Board.

The Board of Directors can also decide at any time to create an ad hoc committee of Board Members to review a specific matter. It did so in connection with the acquisition of the entities of Bombardier Inc.'s Transportation division (Bombardier Transportation).

Board members' professional backgrounds and skills are taken into consideration by the Board for committee appointments.

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 Board Members, including the Committee Chair. The internal rules of the Nominations and Remuneration Committee, for its part, recommend that the committee consist of at least three members and that a majority of them be independent, including the committee Chairman, who casts the deciding vote in case of a tie.

In fact, at 9 May 2023, all committees are chaired by an independent Board Member, and the Ethics and Compliance Committee and the Nominations and Remuneration Committee are composed entirely of independent members.

In the course of its work, each committee is entitled to meet with any of the Group's senior executives without the corporate officers being present, retain the services of experts at its sole discretion and request any information that it may need to properly perform its duties.

Moreover, each member of a committee may propose that a meeting be held if he/she feels that it is necessary to discuss a particular issue.

As noted earlier in this report, the Chairman and Chief Executive Officer is not a member of any of the Board Committees and attends committee meetings only at the invitation of the committee Chairs.

The committees' work is the subject of an oral report at the Board meeting and each committee prepares a report on its activity during the past fiscal year, which is included in the Universal Registration Document.

During the last fiscal year, work got under way on the structuring and composition of committees to take into account the growing importance of CSR issues in the broad sense, including climate issues, and regulatory developments in this area.

As of 9 May 2023, CSR issues are distributed among the committees as follows:

Audit Committee

- Follow the process of elaboration of financial and extra-financial information
- Follow the efficiency of the internal control and risk management systems including legal risks and those of social and environmental nature
- Reviews the extra-financial performance declaration (Déclaration de Performance Extra-Financière)

Ethics & Compliance Committee

- Reviews the Group's core values and ethics and compliance policy
- Analyses the Group's risk mapping in terms of ethics and compliance and reviews the risks thus identified
- Reviews policies in respect of human rights

Nominations and Remuneration Committee

- Is in charge of governance topics including remuneration of executive management
- Reviews the main social and human capital policies of the Group, commitments and initiatives in terms of health and safety, well-being at work, working and employment conditions, representation of the employees and social dialogue

Board of Directors

These different topics are reported to the Board of Directors which, in charge of determining the strategic orientations of the Group, approves the CSR strategy, including the climate strategy

The most recent versions of the internal rules of the Board of Directors and Board Committees and the Board Members charter appended to the Board's internal rules, large excerpts of which are included in this report, are available at all times on Alstom's website.

5.1.4.5 Board of Directors

The Board's activity in fiscal year 2022/23

NUMBER OF MEETINGS

Fiscal year 2022/23	Fiscal year 2021/22	Fiscal year 2020/21
7[(1)]	7	11[(2)]

(1) In addition, the Board met five times in executive sessions.
(2) Four of these meetings were convened and dedicated specifically to the Bombardier Transportation acquisition.

Name	Individual rate of attendance at Board meetings during the 2022/23 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, Board Member until 30 May 2022 (Represented by Mr Pascal Grangé)	100% (1/1)
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 Board Member representing employees	100% (7/7)
Mr Serge Godin, Board Member until 29 August 2022	100% (2/2)
Mr Gilles Guilbon Board Member representing 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 Censor	100% (7/7)
Ms Sylvie Rucar	86% (6/7)
Mr Jay Walder, Board Member since 15 November 2022	100% (3/3)
Overall average attendance rate	**99%**
Overall average attendance rate in fiscal year 2021/22	100%
Overall average attendance rate in fiscal year 2020/21	93%

The main topics discussed in fiscal year 2022/23 were as follows, with the committee Chairs reporting on the work of the committees at each subsequent Board meeting:

Subject	Activity
Business review	• Update on the Group's activity, particularly in terms of commercial results, the Group's development compared with its competitors, execution of the main projects and EHS (Environment, Health, Safety) results, at each Board meeting. • Follow-up of specific action plans (supply chain, electronic component crisis) put in place to deal with the energy crisis and the inflationary environment
Accounting and financial issues	• Regarding the financial statements: ■ review and approval of the parent company and consolidated financial statements for fiscal year 2021/22, the consolidated financial statements for the first half of 2022/23 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 publication; ■ review of the appropriation of 2021/22 profit and decision to propose payment of the dividend in shares; ■ approval of management planning documents. • Review of the Group's financial position, cash flow changes, indebtedness, liquidity position and financial rating (at the time the annual and half-year financial statements are approved and on a regular basis). • Market update: changes in share price, debriefing following presentations of the annual and half-year results to analysts, financial reporting and investor relations issues in the broad sense (at each Board meeting). • Renewal: ■ of the Chairman & Chief Executive Officer's annual authorisation to grant sureties, guarantees and security; ■ of the Chairman & Chief Executive Officer's annual authorisation to issue bond products. • Annual authorisation given to the Chairman & Chief Executive Officer to implement a share buyback programme.
Risks	• Information on the progress of the main pending lawsuits and investigations. • Regular information on control, internal audit and risk management systems. • Review of the Group's risk mapping at the time of the review of the three-year strategic plan
Strategy	• Integration of Bombardier Transportation: 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. • Presentation of guidelines for developing the new strategic plan • Review and approval of the CSR strategy, including the climate strategy. • Focus on Regions and Product Lines. • Approval of the three-year strategic plan. • Generally speaking, update on strategic and operational issues included on the agenda of each Board meeting to ensure alignment between General Management and the Board Members.
Governance	• Composition of the Board of Directors: review of directorships and proposal to renew directorships expiring at the Annual Shareholders' Meeting on 11 July 2023 / Co-option of a new Board Member. • Review of the composition of the committees. • Review of the independence of Board Members. • Review of the lead independent director's activity during the last fiscal year (the conclusions of discussions with investors and proxy advisors throughout the year, in particular). • Presentation of the findings of the evaluation of the operation of the Board of Directors and committees in fiscal year 2022/23 conducted by an external consultant / Acknowledgement of desired changes. • Review of the Board's annual work plan and the 2022/23 schedule of Board and committee meetings. • Review of regulated agreements and of implementation of the procedure for evaluating ordinary agreements entered into under normal market conditions. • Review of changes to the management team (including the succession plan) and individual presentations of certain members. • Five meetings held with all Board Members present but without the Chairman & Chief Executive Officer present (executive sessions), which addressed governance (effectiveness, combination of the functions of Chairman and Chief Executive Officer), implementation of the strategy and the Chairman & Chief Executive Officer's remuneration. • Decision to amend the internal rules of the Board of Directors and committees (extension of the duration of the Integration Committee, adjustments to the duties of the Audit, Ethics and Compliance and Nominations and Remuneration Committees to take into account regulatory developments and market practices).
Remuneration	• Remuneration policy: determination of the remuneration policy applicable to the Chairman & Chief Executive Officer. • Decision to maintain the remuneration policy for members of the Board of Directors. • Setting of the amount of the Chairman & Chief Executive Officer's variable remuneration for fiscal year 2021/22 according to the achievement of financial and personal objectives, and setting of objectives for determining his variable remuneration for fiscal year 2022/23. • Review of attainment and modification of the performance conditions of the performance share plan that came into effect on 17 May 2022 (PSP 2019). • Grant of the 2022 performance share plan. • Adjustment of the performance conditions of the 2020 and 2021 performance share plans. • Decision to launch an employee shareholding plan (We Share Alstom 2023).
Ethics and Compliance	• Presentation of the Group's ethics and compliance programme, the strategy and implementation of the three-year vision. • Presentation of the deployment of the Alstom compliance programme to cover the Group as a whole.

Subject	Activity
Sustainable development	• As part of the Board of Directors' visit to the Saint Bruno (Canada) site: review of the sustainable development objectives and associated action plans (particularly as regards the fight against climate change, green mobility and innovation) concerning products and production processes, along with 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 and approval of the CSR strategy, including the climate strategy, in preparation for a presentation to the Shareholders' Meeting on 11 July 2023 / Update on market and regulatory developments resulting from the European directive of 14 December 2022 on corporate sustainability reporting (CSRD directive)
Universal Registration Document and Shareholders' Meetings	• Review and approval of the 2021/22 Universal Registration Document. • Shareholders' Meeting: drafting of the agenda, resolutions and meeting notices for the Annual Shareholders' Meeting on 12 July 2022; • The lead director's report on his discussions with investors and proxy advisors

5.1.4.6 Audit Committee

Composition

At 9 May 2023, the Audit Committee has three members: Ms Sylvie Rucar, committee Chairwoman, Ms Clotilde Delbos and Caisse de Dépôt et Placement du Québec, represented by Ms Kim Thomassin.

Two of the three members of this committee are independent, including her Chairwoman. This composition complies with the AFEP-MEDEF Code, which 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 control of financial and non-financial accounting information. It is responsible for monitoring (i) the process according to which the financial and non-financial information is developed, (ii) the efficiency of internal controls and risk management systems, (iii) the statutory audit of annual financial statements and consolidated financial statements by the Statutory Auditors, and the independence of the Statutory Auditors.

In particular, the Audit Committee ensures: (i) the regularity, fairness and accuracy of the Company's financial statements and any other information or financial or non-financial report communicated to shareholders, the public and securities market authorities; (ii) the Company's compliance with applicable legal and regulatory obligations regarding financial and non-financial information; and (iii) the proper functioning of the Company's internal audit function.

As part of its duties, as stated in its internal rules as amended by a 14 March 2023 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 for approval, and the additional report of the Statutory Auditors, and discussing such documents with General Management and the Statutory Auditors;
- examining with General Management and the Statutory Auditors the generally accepted accounting principles and methods and various accounting treatments applied to prepare the financial statements, along with any changes to such accounting principles, methods and rules, while ensuring their relevance;
- examining and monitoring the process of producing and processing the financial and non-financial 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 and social and environmental risks) and significant off-balance sheet commitments at the time of the committee's review of the financial statements;
- reviewing and evaluating – at least annually – the effectiveness of the internal control procedures and risk management procedures in place, including those associated with the preparation and processing of financial and non-financial accounting information; it ensures that the main risks are identified, managed and brought to its attention. In particular, the Audit Committee seeks the opinion of the Ethics and Compliance Committee on the risk mapping as it relates to ethics and compliance and on the procedures in place for preventing the main identified risks;
- examining and reviewing, on an annual basis, the organisation and operation of the internal audit function whose Charter is made available to it; the committee approves the internal audit programme, monitors changes to it 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 Shareholders' Meeting and on the amount of fees the Company intends to pay them;
- approving the statutory auditors charter governing relations with the Statutory Auditors and examining, on an annual basis, the amount of fees paid by the Group to the networks to which such Statutory Auditors belong, including for non-audit services 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 non-audit services referred to in the preceding paragraph which may be entrusted to them (any other service being excluded).

The committee may consult the Chief Financial Officer, the Group General Counsel, the Accounting Director, the Director of Management Control, the Director of Internal Audit and Risk Management, the Head of Treasury and any other senior executive of the Group that it deems appropriate, under the conditions it determines and, in all cases, without General Management present.

It consults the Statutory Auditors without General Management or any other senior executive of the Group present at a frequency determined by it.

The committee may also perform any other assignment the committee itself or the Board of Directors deems necessary or appropriate. The committee may decide on its own to seek any external assistance it deems necessary.

Unless the committee decides otherwise, the Statutory Auditors attend all meetings.

The Audit Committee's activity in fiscal year 2022/23

NUMBER OF MEETINGS

Fiscal year 2022/23	Fiscal year 2021/22	Fiscal year 2020/21
4	5	4

Attendance rate	Individual attendance rate in fiscal year 2021/22
Ms Sylvie Rucar	100% (4/4 meetings)
Ms Clotilde Delbos	100% (4/4 meetings)
CDPQ (represented by Ms Kim Thomassin)	100% (4/4 meetings)
Overall average attendance rate	**100%**
Overall average attendance rate in fiscal year 2021/22	100%
Overall average attendance rate in fiscal year 2020/21	92%

The Chief Financial Officer, the Director of Internal Audit and Risk Management, the Accounting Director, the Director of Management Control and representatives from each of the two audit firms attended all four meetings. The Group General Counsel attended three meetings. The Head of Treasury and the Director of Management Control attended two meetings. The Head of Governance, the Chief Compliance Officer, the Head of CSR and Sustainable Development and the Head of Information Systems Security Director attended one meeting.

The Audit Committee discussed the following topics during its various meetings, which the committee Chairwoman reported on at the following Board of Directors meeting:

Subject	Activity
Accounting and finance	• Review of the half-year and annual consolidated financial statements, review of the annual company financial statements (financial statements, notes and management report), including detailed presentations by the Finance Department of the principal risks facing the Group (risks related to the business, contract performance and main lawsuits), changes in the 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. • Review of the progress of the activities related to the convergence of the accounting procedures and organisations • Final review of the financial integration of Bombardier Transportation, the opening balance sheet and allocation of the purchase price.
Non-financial information	• Presentation of changes in regulations on non-financial information and its impacts on the role played by the committee. • Detailed review of issues related to carbon neutrality, taxonomy and implementation of the European directive on non-financial disclosure.
Risks	• Presentation of the updated risk mapping, analysing changes in the main risks since the previous fiscal year and specifying the mitigation plans put in place. • Detailed review of litigation and investigations presented by the Legal Department. • In-depth review of the results of the post-acquisition audit of Bombardier Transportation focusing on the corruption risk profile, anti-corruption system and internal control measures. • In-depth review of the management and mitigation mechanisms for one of the Group's top ten risks.
Audit and internal control	• Review of the prior year's internal audit campaign and the principal lessons learned from it and monitoring of the progress of corrective measures resulting from the audits. • Approval of the 2023/24 audit plan and strengthening of the anti-corruption internal audit resources in accordance with the Sapin II law. • Review of the internal control procedures implemented at the Group and evaluation of internal control carried out by the Company through the annual evaluation questionnaires. • Presentation of the detailed results of the annual internal control campaign and of the action plans implemented to improve internal control and risk control, eliminate weaknesses and ensure compliance with applicable regulations.
Statutory Auditors	• Report of the Statutory Auditors on the half-year and annual financial statements. • Statutory Auditors' observations and recommendations on internal control. • Review of the amount of fees paid to the Statutory Auditors in respect of the past fiscal year and verification of compliance of the audits with the guidelines in the statutory auditors charter governing relations between the Company and its Statutory Auditors. • On the basis of presentations by General Management and the Statutory Auditors, the committee verified the relevance of the accounting methods and treatments used in preparing the financial statements.

5.1.4.7 Nominations and Remuneration Committee

Composition

At 9 May 2023, the Nominations and Remuneration Committee has five members: Mr Yann Delabrière, lead director and Chairman of the committee, Mr Frank Mastiaux, Ms Sylvie Rucar, Mr Baudouin Prot and Mr Gilles Guilbon (as Board Member resprenting the employees).

All members of this committee are independent except for the Board Member representing the employees, in line with the AFEP-MEDEF Code, which recommends that a majority of the members of committees in charge of nominations and remuneration be independent.

Duties

Pursuant to its internal rules, the committee is responsible for examining and making recommendations or proposals to the Board on the following matters:

- the separation or combination of the functions of Chairman of the Board of Directors and Chief Executive Officer;
- the appointment (and removal) of the Chairman of the Board of Directors and of the Chief Executive Officer;
- the composition, which it reviews regularly and at least once a year, of the Board of Directors and the Board Committees, particularly in terms of expertise, and their operation;
- the reappointment of Board Members whose directorship is expiring and the appointment of new Board Members, including in case of an unforeseeable vacancy, according to the selection procedure described in the annex to its internal rules, as well as the removal of Board Members;
- the appointment (and removal), on the proposal of the Chief Executive Officer, of any other Executive Corporate Officer of the Company and members of the management team;
- the succession plans for the Company's Executive Corporate Officers and members of the management team;

- the Company's application of the corporate governance principles that the Company abides by, notably regarding the policy on the remuneration of Executive Corporate Officers. The committee gives the Board its opinion on the section of the annual report dedicated to informing shareholders about these matters and on the Board's work;
- the definition of independent Board member of the Company and the list of independent directors, which will be included in the Company's annual report;
- all the components of the remuneration of the Company's Executive Corporate Officers, including grants of stock-options and performance shares, as well as remuneration and benefits of any kind (including pensions and severance indemnities) paid by the Company or other Group companies. The committee reviews and defines the rules for determining the variable portion of such remuneration, ensures their consistency with the annual performance evaluation of Executive Corporate Officers and the Company's strategy, and then monitors the application of these rules;
- the Company's general policy on stock-option plans, including the frequency of grants, as well as any proposed option plans, including their beneficiaries;
- the Company's general policy on employee shareholding plans and any proposed plans;
- the Board Members' remuneration and applicable allocation rules.

The Chief Executive Officer informs the committee of the remuneration of the members of the management team and the procedure for determining this remuneration.

In addition, the committee annually reviews the Company's main social and human capital policies, the commitments and main 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 social dialogue (in case of a specific event, such as a restructuring).

The committee prepares and submits to the Board of Directors for approval the annual evaluation of the operation of the Board and its committees (including its own operation) which is formally evaluated with the help of an external consultant every three years. In any case, it devotes an item on its agenda to a discussion on the operation of the Board of Directors and its committees once a year.

The committee also prepares the annual evaluation of the Company's Executive Corporate Officers without the Executive Corporate Officers concerned present.

The committee addresses any other matter related to any of these topics which the Board of Directors or the committee deems necessary or appropriate.

Activity of the Nominations and Remuneration Committee in fiscal year 2022/23

NUMBER OF MEETINGS

Fiscal year 2022/23	Fiscal year 2021/22	Fiscal year 2020/21
6	7	5

Attendance rate	Individual attendance rate in fiscal year 2022/23
Mr Yann Delabrière	100% (6/6 meetings)
Mr Gilles Guilbon	100% (6/6 meetings)
Mr Frank Mastiaux	100% (6/6 meetings)
Mr Baudouin Prot	100% (6/6 meetings)
Ms Sylvie Rucar	100% (6/6 meetings)
Overall average attendance rate	**100%**
Overall average attendance rate in fiscal year 2021/22	100%
Overall average attendance rate in fiscal year 2020/21	100%

During one of its meetings in fiscal year 2022/23, the committee met in an executive session, without the members of the management team present.

The Nominations and Remuneration Committee discussed the following topics at its various meetings, which the committee Chair reported on at the following Board of Directors meeting:

<table>
<tr><th>Subject</th><th>Activity</th></tr>
<tr><td>Governance</td><td>Composition of the Board of Directors:
review of the Board Members’ profiles, particularly in terms of skills in light of the renewal of some members’ directorships and review of Mr Jay Walder’s profile as a replacement for Mr Serge Godin and recommendation to the Board of Directors;
recommendation to the Board of Directors on reshaping the committees.
Review of the independence of Board Members and recommendation to the Board of Directors.
Review of the lead independent director’s activity during the last fiscal year (the conclusions of discussions with investors and proxy advisors throughout the year, in particular).
Supervision of the evaluation of the operation of the Board and committees in fiscal year 2022/23 carried out by an external consultant / Validation of the findings for presentation to the Board of Directors and development of an action plan
Review of the Corporate Governance section of the 2021/22 Universal Registration Document.</td></tr>
<tr><td>Remuneration</td><td>Recommendation to the Board of Directors concerning the remuneration policy for the Chairman and Chief Executive Officer and proposal to examine a clawback mechanism, and review of the shareholding policy.
Review of achievement of the performance conditions of the 2019 performance share plan and recommendation to the Board of Directors of adjustments to the 2020 and 2021 performance share plans.
Recommendation to the Board of Directors concerning the remuneration policy for Board Members.
Review and recommendation to the Board of Directors regarding the amount of the Chairman and Chief Executive Officer’s variable remuneration in respect of fiscal year 2021/22.
Review and recommendation to the Board of Directors regarding the structure of the Chairman and Chief Executive Officer’s variable remuneration in respect of fiscal year 2022/23.
Review of the components of the remuneration fairness ratio.
Presentation of the remuneration paid to the management team.
Review and proposal for a new employee shareholding plan (We Share Alstom 2023).</td></tr>
<tr><td>Diversity, inclusion and succession plans</td><td>Annual review of the composition of the management team and the associated succession plan (including the Chairman and Chief Executive Officer, in an executive session). Following the appointment of the Group’s new management team in February 2021 in connection with the acquisition de Bombardier Transportation, the Nominations and Remuneration Committee made this a special area of focus in 2021/22, with regular monitoring and a detailed review at two committee meetings (September 2021 and January 2022). These meetings were an opportunity to conduct an initial review of the existing management team and their positions in this new scope, to review the succession plans for the Chairman & Chief Executive Officer (with three timeframes: emergency successors, 1-2 year successors and 3-5 year successors) and the management team, and to review the talent/leaders at senior management level and, more generally, the actions taken to develop talent and diversity within the Group.
Gender balance policy within the governing bodies and associated action plans.
Human capital: presentation of performance indicators.</td></tr>
<tr><td>Relations with investors and proxy advisors/legal developments</td><td>With a view to implementing 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 changes or market practices in the area of corporate governance and remuneration.</td></tr>
</table>

5.1.4.8 Ethics and Compliance Committee

Composition

At 9 May 2023, the Ethics and Compliance Committee has three members: Ms Sylvie Kandé de Beaupuy, committee Chairwoman, Ms Bi Yong Chungunco and Mr Baudouin Prot.

To date, all members of the committee, including her Chairwoman, are independent.

Duties

Pursuant to its internal rules, as amended in September 2022, the Ethics and Compliance Committee focuses on ethics and compliance matters and also reviews human rights policies, while the Board of Directors is responsible for all sustainable development matters, including environmental issues (see the specific information on the breakdown of these topics presented supra in this report regarding the Board Committees).

The Committee is responsible for examining topics within its perimeter and to make recommendations or proposals to the Board.

Thus, the 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;
- reviews the Group's Code of Ethics and the rules and procedures put in place (including those governing relationships with third parties and the alert procedure), and is informed of the procedures for their dissemination and application;
- reviewing the presentation of the Group's ethics and compliance risk mapping, analysing identified risks and being informed of changes in risks and the characteristics of the measures taken to manage them;
- reviews the Chief Compliance Officer's presentation of the Company's annual activity report on ethics and compliance and the actions undertaken, and examines and expresses an opinion on the action plan for the following year and monitors its progress;
- the committee is informed of any breaches of the ethics and compliance policy and reviews the action plans implemented following such breaches;
- examining relations with stakeholders regarding ethics issues;
- reviews the human resources policies concerning human rights (other human resources matters are the responsibility of the Nominations and Remuneration Committee).

As appropriate, the committee sends the Audit Committee information that it deems necessary in light of the ethics and compliance risk mapping.

Activity of the Ethics and Compliance Committee in fiscal year 2022/23

NUMBER OF MEETINGS

Fiscal year 2022/23	Fiscal year 2021/22	Fiscal year 2020/21
9	5	3

Attendance rate	Individual attendance rate in fiscal year 2022/23
Ms Sylvie Kandé de Beaupuy	100% (9/9 meetings)
Ms Bi Yong Chungunco	100% (9/9 meetings)
Mr Baudouin Prot	100% (9/9 meetings)
Overall average attendance rate	**100%**
Overall average attendance rate in fiscal year 2021/22	100%
Overall average attendance rate in fiscal year 2020/21	100%

The Group General Counsel and the Chief Compliance Officer attended all nine meetings.

The Ethics and Compliance Committee discussed the following topics at its various meetings, which the committee Chairwoman reported on at the following Board of Directors meeting:

Subject	Activity
Ethics and compliance	• Bombardier Transportation integration plan from an ethics and compliance point of view. • The Group's Ethics and Compliance goals and performance indicators in fiscal year 2022/23. • 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, particularly given the expansion of that department's responsibility for competition and human rights law and the acquisition of Bombardier Transportation. • Review of the Group's risk mapping with respect to ethics, compliance and competition. • Information about the progress of past and/or pending procedures and investigations.

5.1.4.9 Integration Committee

Composition

At 9 May 2023, the Integration Committee has four members: Mr Frank Mastiaux, committee Chairman, Caisse de Dépôt et Placement du Québec, represented by Ms Kim Thomassin, Mr Daniel Garcia Molina and Mr Jay Walder, independent director.

Its composition therefore complies with its internal rules, which stipulate that it must be composed of four 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

Pursuant to its internal rules, the committee's role is to facilitate and oversee Bombardier Transportation's integration into Alstom. It acts as a body that enables the Chairman and Chief Executive Officer to understand the issues related to the integration of the two companies, whose short-, medium- and long-term impacts it will assess.

The committee's responsibilities may include, but are not limited to, reviewing:

- employee values, culture and engagement;
- convergence of the product portfolio;
- optimisation of the industrial footprint;
- evaluation of synergies.

Activity of the Integration Committee in fiscal year 2022/23

Fiscal year 2022/23	Fiscal year 2021/22
3	3

The Chairman & Chief Executive Officer attended the three meetings held during the fiscal year.

Attendance rate	Individual attendance rate in fiscal year 2022/23
Mr Frank Mastiaux	100% (3/3 meetings)
Bouygues SA, represented by Mr Pascal Grangé, member of the committee until 30 May 2022	-
CDPQ, represented by Ms Kim Thomassin	66% (2/3 meetings)
Mr Daniel Garcia Molina	100% (3/3 meetings)
Mr Serge Godin, member of the committee, until 29 August 2022	100% (1/1 meeting)
Mr Jay Walder, member of the committee since 15 November 2022	100% (1/1 meeting)
Overall average attendance rate	**93%**
Overall average attendance rate in fiscal year 2021/22	93%

During its various meetings last fiscal year, the Integration Committee continued to work on the topics described below, which the committee Chairman reported on at the following Board of Directors meeting:

- update on the ongoing integration programme and review of priorities;
- focus on the interim procedures in place, the organisation and value creation;
- risk review.

Annual evaluation of the operation of the Board and committees and follow-up actions

Since 2004, the Board has conducted an annual evaluation of its organisation and operation and that of its committees.

Thus, pursuant to the internal rules of the Nominations and Remuneration Committee, the committee prepares and submits to the Board of Directors for approval the annual evaluation of the operation of the Board and its committees (including its own operation) which is formally evaluated with the help of an external consultant every three years.

The internal evaluation is based on a questionnaire prepared by the Nominations and Remuneration Committee and sent to each Board Member, and on individual meetings with the lead independent director; the evaluation includes an assessment of each Board Member's individual contribution in the form of a self-evaluation.

Given that the 2020/21 and 2021/22 evaluations were conducted internally, the 2022/23 evaluation was outsourced to Russell Reynolds Associates, the firm that conducted the previous external evaluation (for fiscal year 2019/20), which enabled it to follow up on the recommendations it had previously made. This exercise was based on a questionnaire sent to each Board Member and to the Censor and on individual meetings; it also included an assessment of each Board Member's individual contribution in the form of a self-evaluation.

The results of this evaluation were noted by the Nominations and Remuneration Committee on 13 March 2023 and presented to the Board of Directors on 14 March 2023.

These results were largely positive on all matters subject to evaluation, including combination of the functions of Chairman and Chief Executive Officer and the role of the lead independent director.

However, some areas for improvement were identified, as shown in the table below:

Subject	Finding	Areas for improvement/change
Bombardier Transportation Post-Integration Strategy	The integration of Bombardier Transportation has been a major strategic priority and the focus of the Board of Directors' attention and work over the past three years.	Beyond the integration of Bombardier Transportation, the Group's longer-term strategy must now be reviewed in a more holistic context that takes environmental issues into account.
Risk management	A more comprehensive approach to risk management must be taken.	The Audit Committee must play a central role in this comprehensive approach and report regularly to the Board of Directors.
CSR	The Board Members wish to continue their involvement and training in this area in a changing regulatory environment in which sustainability is known to be an issue for which the Board of Directors as a whole is responsible.	The most appropriate governance structures must be set up to ensure that these issues contribute to the evolution of the strategy. Discussions and work on the structuring and composition of the committees are already under way.
Management team	The whole Board of Directors recognises the scale and quality of the integration work carried out by the Chairman and Chief Executive Officer and the management team in connection with the Bombardier Transportation integration.	The dialogue with general management regarding the talent pool, including the succession plans for the management and executive team, must continue.

5.1.5 REMUNERATION 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 2023 Annual Shareholders' Meeting, the following resolutions will be voted on by the shareholders:

- approval of the remuneration policy for the Chairman and Chief Executive Officer;
- approval of the remuneration policy for members of the Board of Directors;
- approval of the information relating to the remuneration of the Chairman and Chief Executive Officer and the members of the Board of Directors mentioned in Article L. 22-10-9 I of the French Commercial Code;
- approval of the fixed, variable and exceptional components making up the total remuneration and benefits of any kind paid during the fiscal year ended 31 March 2023 or allocated in respect of the same fiscal year to the Chairman and Chief Executive Officer.

5.1.5.1 Guiding principles of the remuneration policy for Corporate Officers

1. Definition, review and implementation of the remuneration policy

Definition

The remuneration policy applicable to Corporate Officers is set by the Board of Directors on the recommendation of the Nominations and Remuneration Committee and is then submitted annually to the shareholders for approval. The responsibilities of the Nominations and Remuneration Committee in this respect are defined in its internal rules. The Board of Directors and the Nominations and Remuneration Committee carefully analyse comments about remuneration made by shareholders and proxy advisors at the governance roadshows that took place during the last fiscal year.

This definition process applies to both the remuneration policy applicable to the Chairman and Chief Executive Officer and to the policy applicable to members of the Board of Directors.

The remuneration policy for Corporate Officers is aligned with the Company's corporate interest, contributing to its sustainability and in line with its business strategy defined in accordance with the recommendations of the AFEP-MEDEF Code to which the Company refers. In particular, the principles underlying the remuneration policy for the Chairman and Chief Executive Officer, which form the basis of the Board's and the Nominations and Remuneration Committee's discussions, are as follows:

- **Balance.** The Chairman and Chief Executive Officer's remuneration consists of a fixed annual portion, a variable annual cash portion and an annual grant of performance shares. The Board of Directors ensures that these three components remain balanced and that greater weight is given to the short- and long-term variable components directly linked to the performance of the Group and the Executive Corporate Officer. The Board of Directors takes into account all the components of the Chairman and Chief Executive Officer's remuneration when making an overall assessment of the financial conditions during his directorship.
- **Performance.** The remuneration policy for the Chairman and Chief Executive Officer is mainly based on variable long-term remuneration, the objectives of which are aligned with those of the Company, thus ensuring that a predominant portion of his remuneration is based on implementation of the Company's strategy. The short-term portion (cash) of variable remuneration is based on collective objectives, applicable to the entire Group and strictly quantifiable, and on objectives that are specific to the Chairman and Chief Executive Officer, quantifiable for a part, and related to his general management duties for another part. The long-term component (performance shares) is based on performance conditions, the achievement of which is assessed after at least three years and which are consistent with the Group's long-term objectives, such as those set out in the Alstom in Motion strategic plan.
- **Transparency.** The Company makes public all components of the Chairman and Chief Executive Officer's remuneration. Since they are not considered confidential in relation to the Company's competitors (which, for the most part, are not listed and are therefore not subject to the transparency requirements related to the Company's listing), the objectives to be achieved and actual results are disclosed in detail. This transparency principle also underlies the remuneration policy for members of the Board of Directors.
- **Requirement.** The performance criteria and conditions on which the variable portion of remuneration is based are defined by the Board of Directors so as to ensure alignment with best market practices, on the basis of comparative analysis against a group of CAC 40 and SBF 120 companies of similar size (in terms of market capitalisation and revenue) and/or with comparable activities, as well as certain foreign companies, with the aim of having an international perspective. The Board of Directors also ensures that a high level of consistency is maintained with the remuneration arrangements and conditions governing the Group's other employees (through a uniform variable remuneration structure applicable to all Alstom executives).

Drawing on these principles, the remuneration policy seeks to produce a clear, motivating and coherent framework that supports the Group's objectives and facilitates the implementation of its industrial and commercial strategy and Alstom's sustainability, in strict compliance with its corporate interest.

Review

The remuneration policy for Corporate Officers is designed to ensure stability.

Thus, the remuneration policy for the Chairman and Chief Executive Officer is reviewed annually by the Nominations and Remuneration Committee in order to measure its effectiveness, confirm its alignment with the Group's strategy, take into account the remuneration and employment conditions of the Group's employees, particularly through an analysis of remuneration ratios, analyse the votes cast by shareholders at Shareholders' Meetings regarding remuneration and comments about remuneration made by them, and by proxy advisors, at governance roadshows and, where applicable, make recommendations and proposals to the Board of Directors.

To gain insight into changes in market practices, the Nominations and Remuneration Committee may consult studies produced by outside firms.

Implementation

The remuneration policy is strictly implemented by the Board of Directors in accordance with the resolutions adopted by the Shareholders' Meeting. No payment, grant or commitment may be made by the Board of Directors if it contradicts the remuneration policy approved by the shareholders, under penalty of being declared void.

For example, on the Nominations and Remuneration Committee's recommendations, the Board sets the performance criteria related to the Chairman and Chief Executive Officer's annual variable remuneration at the beginning of the fiscal year and, during the year, the characteristics of any free performance share grant plan that may be created (particularly for the Chairman and Chief Executive Officer's benefit) in accordance with all the guiding principles of the remuneration policy and the provisions of the remuneration policy applicable to the Chairman and Chief Executive Officer, as approved by the shareholders for the fiscal year in question.

2. Method for evaluating performance criteria

By no later than the meeting at which the financial statements for the fiscal year are approved, the Board of Directors, on the recommendation of the Nominations and Remuneration Committee, assesses the level of achievement of the performance criteria to which the Chairman and Chief Executive Officer's annual variable remuneration is subject. Most of these criteria – 60% to 70% – relate to the Group's financial performance or are tied to its social and environmental objectives. The other objectives (30% to 40%) are specific to the Chairman and Chief Executive Officer and based on quantifiable criteria or on criteria related to the execution of his general management missions.

The Board of Directors has discretionary power (separate from the statutory power of derogation provided for in Article L. 22-10-8 of the French Commercial Code) when applying the remuneration policy so as to ensure that the actual annual variable remuneration of the Chairman and Chief Executive Officer accurately reflects the Group's performance. If the Board of Directors were to decide, on the proposal of the Nominations and Remuneration Committee and owing to exceptional circumstances, to use this discretionary power, it would need to continue to comply with the principles set out in the remuneration policy and provide shareholders with a clear, precise and full explanation of its choice. This discretionary power would apply only to a limited portion of the annual variable remuneration 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 range of plus or minus 15%), without ever exceeding the ceiling specified in the remuneration policy. Thus, the Board of Directors could decide, on the proposal of the Nominations and Remuneration Committee, that it would be consistent with the remuneration policy – previously approved by the shareholders – to take into account the occurrence during the fiscal year of new circumstances – unforeseeable when the Board determined the remuneration policy for the fiscal year in question – significantly impacting, upwards or downwards, the level of achievement of the performance criteria related to the annual variable remuneration. In this case, the Board could decide, to a limited extent, to change (as described above) the amount of the annual variable remuneration so that it more accurately reflects the Group's actual performance.

On the recommendation of the Nominations and Remuneration Committee and as soon as possible after approval of the financial statements for the fiscal year, the Board of Directors also notes the level of achievement of the performance conditions related to the Chairman and Chief Executive Officer's long-term incentive (performance shares) for which the performance period is ending. These performance conditions are fully quantifiable.

3. Management of conflicts of interest

The Company complies with the recommendations of the AFEP-MEDEF Code on the management of conflicts of interest. The Company's Board Members charter, as appended to the Board of Directors' internal rules, specifies the obligations of all Board Members and the Censor 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 all Board Members, the Censor and the Executive Corporate Officer before they engage in any activity or accept any position or assignment that may cause them to have an actual or potential conflict of interest. This charter requires all Board Members and the Censor to resign in the event of a conflict of interest that cannot be resolved to the Board of Directors' satisfaction.

Along these same lines, the lead director is asked to take preventive action to raise awareness among the Board Members and the Censor regarding conflicts of interest and to review any potential conflict of interest with the Chairman of the Board of Directors.

The Chairman and Chief Executive Officer is excluded from all discussions, exchanges or voting, by both the Nominations and Remuneration Committee and the Board of Directors, regarding the determination of his remuneration and the objectives underlying his variable remuneration or the assessment of their level of achievement.

4. Amendment of the remuneration policy and terms of application to newly appointed Corporate Officers

The 2023/24 remuneration policy for the Chairman and Chief Executive Officer presented to the 2023 Shareholders' Meeting does not include any change relative to the 2022/23 remuneration policy approved by 94.19% of the shareholders at the Shareholders' Meeting on 12 July 2022 (8th resolution).

The remuneration policy for the members of the Board of Directors for 2023/24 includes all the rules applicable to them for fiscal year 2022/23 as approved by 99.53% of the shareholders at the Shareholders' Meeting of 12 July 2022 (9th resolution).

In the event of the appointment of a new Corporate Officer, the remuneration policy applicable to him/her (that of the Chairman & Chief Executive Officer or that of the members of the Board of Directors), as described below, will be implemented, where applicable with the necessary adaptations.

5.1.5.2 Remuneration policy for 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 Shareholders' Meeting

In accordance with the resolution passed by the shareholders at the Combined Shareholders' Meeting of 1 July 2014, the annual remuneration 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 remuneration of members of the Board of Directors are described in the Board's internal rules.

The distribution is based on a fixed portion and a predominant variable portion, proportional to the Board members' participation in Board and committee meetings. The committee Chairs and the lead director receive an additional fixed portion. One-half of the fixed and variable portions are paid during the fiscal year and the remainder the following fiscal year.

The allocation rules, approved by the Board of Directors, stipulate that, starting in fiscal year 2021/22, the fixed portion is distributed among the members of the Board of Directors in the amount of €30,000 per Board Member, plus an additional €20,000 for the Chairman of the Audit Committee and €15,000 for the Chairs of the other Board committees. The variable portion is distributed at a rate of €4,000 per Board meeting attended and €3,500 per committee meeting attended. In addition, the additional annual amount allocated to the lead director was set at €30,000 by the Board of Directors.

This remuneration policy applies to all Board Members, including those representing employees, with the exception of the Chairman and Chief Executive Officer, who does not receive any remuneration related to his position as a Board member. If a censor is designated to attend Board of Directors' meetings, he/she does not receive any remuneration.

2. Remuneration policy in respect of fiscal year 2023/24

For fiscal year 2023/24, members of the Board of Directors, other than the Chairman and Chief Executive Officer and the Censor, will receive:

- annual fixed remuneration of €30,000;
- variable remuneration of €4,000 per Board meeting that the Board Member attends;
- variable remuneration of €3,500 per committee meeting that the Board Member attends.

The fixed amounts are increased each year by €20,000 for the Chairman of the Audit Committee and by €15,000 for each of the Chairs of all other committees.

The lead director receives additional fixed remuneration of €30,000 per year.

In addition, Board Members are reimbursed for the expenses incurred in connection with their duties, including travel and accommodation expenses.

The Board of Directors also includes two members representing employees, who each have a permanent employment contract with the Company and receive remuneration under this contract. The notice periods and conditions of dismissal or termination applicable to them are the same as those under the ordinary rules of law.

In accordance with Article L. 22-10-8-II of the French Commercial Code, the remuneration policy for members of the Board of Directors will be the subject of a resolution voted on at the 2023 Shareholders' Meeting called to approve the financial statements for fiscal year 2022/23.

5.1.5.3 Remuneration policy applicable to the Chairman and Chief Executive Officer

3. General principles

Mr Henri Poupart-Lafarge has been Chairman and Chief Executive Officer of the Alstom Group since 1 February 2016. His current directorship was renewed for four years by the Shareholders' Meeting held on 10 July 2019. Since that Shareholders' Meeting, Mr Henri Poupart-Lafarge is no longer bound to the Company or to any other Group company by an employment contract.

As indicated earlier in this report, on 9 May 2023 the Board of Directors confirmed that the functions of Chairman of the Board of Directors and Chief Executive Officer should continue to be combined and decided that, following the Shareholders' Meeting of 11 July 2023, Mr Henri Poupart-Lafarge would be reappointed as Chairman of the Board of Directors, subject to the renewal of his directorship, and as Chief Executive Officer.

The remuneration policy described below will apply to Mr Henri Poupart-Lafarge once he is reappointed as Chairman and Chief Executive Officer.

The remuneration policy for the Chairman and Chief Executive Officer therefore applies to Mr Henri Poupart-Lafarge, the current Chairman and Chief Executive Officer who is expected to be reappointed following the Shareholders' Meeting of 11 July 2023, and to any new Executive Corporate Officer who may be appointed.

On the basis of the guiding principles described above, this policy seeks to support the Company's strategy and align the Chairman and 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 Nominations and Remuneration Committee:

- greater weight given to the variable components according to 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 remuneration is based on the long term (minimum period of three years), with quantifiable objectives;
- short-term incentive is based on quantifiable objectives that are strictly aligned on the objectives of the Group and on objectives that are specific to the Chairman and Chief Executive Officer, that are, for a part quantifiable, and, for another part, related to the execution of his general managment missions;
- remuneration for overperformance (which, however, is capped);
- no exceptional remuneration.

In order to set the Chairman and Chief Executive Officer's overall remuneration and the level of its various components, the Nominations and Remuneration Committee issues recommendations supported by market studies, from independent specialised firms, which allows a comparison with similar functions at CAC 40 and SBF 120 companies and at foreign companies, while also ensuring consistency with the internal practices applicable to Alstom's other senior executives and Executive Corporate Officers.

The various components of the Chairman and Chief Executive Officer's total remuneration are as follows:

Fixed remuneration

Fixed remuneration is intended to recognise the importance and scope of the Chairman and Chief Executive Officer's responsibilities and his experience. It is set for a minimum period of two years, except in the case of a significant change in the scope of the Chairman and Chief Executive Officer's responsibilities or a substantial change in macroeconomic conditions.

Short-term incentive

The short-term incentive is intended to motivate the Chairman and Chief Executive Officer to achieve the annual performance objectives set for him by the Board of Directors in line with the Group's objectives.

It is fully tied to the achievement of performance criteria defined by the Board of Directors on the recommendation of the Nominations and Remuneration Committee. These performance criteria are, for 60%, based on quantifiable objectives also applicable for the rest of the Group, and, for 40%, based on objectives that are specific to the Chairman and Chief Executive Officer that are, for one part, quantifiable (including commercial performance) and, for another part, related to the execution of his general management missions (including the definition and the implementation of the strategic roadmap of the Group).

The level of achievement of these criteria is therefore mostly measured on the basis of performance indicators used more generally within the Company. This last point ensures the relevance of the types of criteria used and their alignment with the Company's strategy. At least one of these criteria takes social or environmental issues into account.

The short-term incentive represents 100% of the fixed annual gross remuneration when objectives are achieved and is capped, in the event of overperformance, at 170% of the fixed annual gross remuneration, with no floor set.

The results achieved, the level of achievement of each criterion and the amount of the short-term variable portion are determined by the Board of Directors by no later than at the meeting during which the financial statements for the fiscal year are approved. The Board of Directors has discretionary power when applying the remuneration policy so as to ensure that the Chairman and Chief Executive Officer's actual annual variable remuneration accurately reflects the Group's performance, according to the terms detailed in the hereabove section: "Definition, review and implementation of the remuneration policy - Method for evaluating performance criteria".

The short-term incentive ("Refundable Remuneration") is subject to a clawback mechanism. This mechanism may be implemented by the Board of Directors, on the proposal of the Nominations and Remuneration Committee, in the event that all or part of the Refundable Remuneration was collected as a result of proven fraud or embezzlement affecting the financial statements 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 obvious error in the calculation of the Refundable Remuneration or in the event of gross negligence by the person concerned. This mechanism may only be implemented in one of the two fiscal years following the year in which this remuneration was paid. The refund is made up to the amount of the Refundable Remuneration net of social security charges for the fiscal year in question that the Executive Corporate Officer would not have received if there had been no obvious and significant error. In other cases, the refund may relate to the entire Refundable Remuneration net of social security charges for the fiscal year in question.

Long-term incentive

Long-term remuneration is designed to incentivise the Chairman and Chief Executive Officer (and the Group's other senior managers and executives) to achieve the Company's strategic objectives over the long term and support the alignment of its interests with those of the shareholders.

It results from the performance share plans granted annually, which are entirely subject to the achievement of strict internal and/or relative performance conditions based on simple and measurable key criteria of Alstom's strategy. Achievement of the performance conditions is determined after the end of the third fiscal year following the grant date. The Board of Directors will not determine whether performance conditions have been achieved or deliver shares under a given plan prior to the end of this third fiscal year. The vesting of shares is also subject to the Chairman and Chief Executive Officer's actual continued presence 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 pledged to adapt these performance conditions to new issues that emerge in the coming years, as regards the nature of the conditions and the results to be achieved, while continuing to set strict conditions and remaining transparent about these 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 non-implementation of the clawback clause (mentioned above) during the vesting period of said performance shares.

The long-term remuneration thus defined and as valued under IFRS 2 recognised in the consolidated financial statements is limited to one year of the target short-term remuneration, i.e. 200% of the fixed short-term remuneration.

In addition, the total amount of annual grants to the Corporate Officers may not exceed 2.5% of the overall amount authorised by the Shareholders' Meeting for performance share grants within the Group, or 10% of the overall grant under the plan in question.

Grants are also subject to holding requirements (described below) and to a prohibition on the use of hedging instruments.

Multi-year remuneration

The Company's policy does not provide for multi-year remuneration.

Exceptional remuneration

The Company's policy does not provide for exceptional remuneration.

Remuneration tied to directorship

The Company's policy does not provide for remuneration of the Executive Corporate Officer that is tied to being a Board Member of the Company or, where applicable, of a Group company.

Non-compete undertaking

The Company's policy is to enter into a non-compete undertaking with its Executive Corporate Officer.

In light of the intimate knowledge of the mobility sector and new issues related to digitisation acquired by the Company's Chairman and Chief Executive Officer, it is in the Company's interest to provide for a non-compete undertaking that binds the Chairman and Chief Executive Officer. This undertaking (described below) applies for a period of two years from the end of his directorship. The consideration for this commitment is a total gross indemnity equal to 1.5 times the average annual gross fixed and variable remuneration, excluding performance shares, received over the last three fiscal years. The Board of Directors reserves the right, particularly in the event of gross misconduct or major financial difficulty, to unilaterally waive the benefit of this undertaking as of the date the Executive Corporate Officer's term of office ends.

In any case, the non-compete undertaking is not applicable if the Chairman and Chief Executive Officer retires at the end of his directorship. In this case, no indemnity would be due to him.

Severance indemnity

The Company's policy does not provide for a severance indemnity for the Chairman and Chief Executive Officer.

Retention conditions of performance shares under a vesting period

If the Chairman and 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 granted under performance conditions, subject to the following limits:

- retention is only possible in case of a forced departure, i.e. in case of dismissal and not resignation;
- no full vesting is authorised before the vesting date specified in the relevant plans' rules. Consequently, no early delivery of performance shares is possible;
- the performance conditions must continue to apply throughout the specified vesting period;
- the number of shares fully vested, as determined after measuring 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. prorated reduction); and
- in any event, the appropriateness of the full vesting of the performance shares will be assessed in view of the Company's situation at the date of departure and at the originally scheduled vesting date, and no performance shares may be granted if the Company is facing major financial difficulties.

Supplemental pension plans

To allow the build-up of retirement savings, the Company's policy provides for defined contribution supplemental pension plans for its Chairman and Chief Executive Officer. These group defined contribution supplemental pension plans ("Article 82" and "Article 83" of the French Tax Code) also benefit the Group's other senior executives and executive corporate officers. Following the closure (in 2016) and then the winding-up (in 2019) of the "Article 39" supplemental pension plan, the Company's remuneration policy no longer provides for the use of defined benefit supplemental pension plans for its Executive Corporate Officer.

The specific arrangements applicable to the Chairman & Chief Executive Officer are described below.

Other benefits

The Company's policy provides that the Chairman and Chief Executive Officer is entitled to a company car, supplemental health cover, a death/disability insurance policy, as for other Group employees who have a certain degree of responsibility, and a private unemployment insurance policy, the costs of which are shared by the Company and the Chairman & Chief Executive Officer.

4. Remuneration policy

At its meeting on 9 May 2023, on the proposal of the Nominations and Remuneration Committee, the Board of Directors defined the structure and composition of the Chairman and Chief Executive Officer's remuneration in respect of fiscal year 2023/24 in accordance with the principles described above.

In defining the structure and composition of this remuneration, the Board of Directors relied in particular on the results of comparative studies carried out by an independent firm presenting the market practices of various panels of companies whose size, market capitalisation and revenue and/or activities are similar to that of the Group:

- a group of French CAC 40 and SBF 120 companies including Arkema, Bolloré, Bureau Veritas, Compagnie de Saint-Gobain, Dassault Aviation, Eiffage, Forvia, Groupe Seb, Legrand, Michelin, Nexans, Renault, Safran, Solvay, STMicroelectronics, Technip Energies, Thales, Valeo, Veolia and Worldline.
- a group of German companies including Continental AG, EON, HeidelbergCement, Hella, Infineon, Kion Group, Knorr-Bremse, MTU Aero Engines, Rational, RWE, Siemens Energy, Thyssenkrupp and Traton.
- a group of European companies including Akzo Nobel, Asmi, Bae Systems, Brembo, Continental AG, Forvia, Ferguson PLC, Kion Group, Knorr-Bremse, Legrand, Leonardo, MTU Aero Engines, Nexans, Prysmian, Renault and Rolls-Royce.

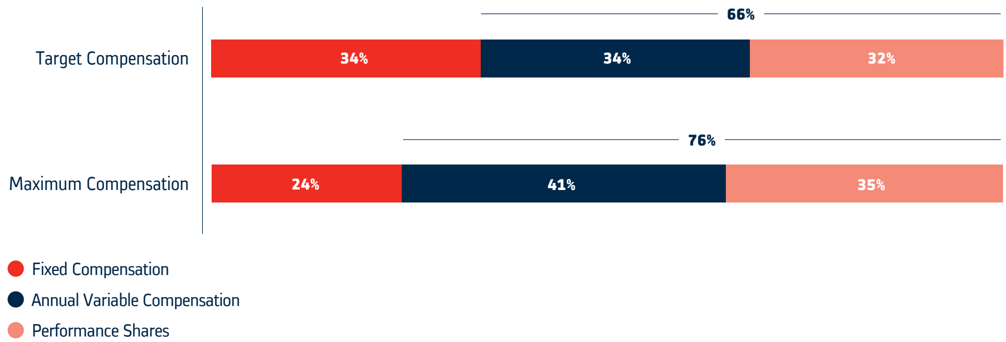
This three-fold segmentation allowed the Board of Directors to have a thorough representation of the remuneration market trends and levels relevant to the Chairman and Chief Executive Officer, according to the Group's size, activity and footprint.

The analysis covered all the components of remuneration (fixed remuneration, short- and long-term incentive, other benefits) received by the Chairman and Chief Executive Officer.

In accordance with Article L. 22-10-8-II of the French Commercial Code, the remuneration policy for the Chairman and Chief Executive Officer will be the subject of a resolution voted on at the 2023 Shareholders' Meeting called to approve the financial statements for fiscal year 2022/23.

In accordance with the general principles set out above, the structure of the Chairman and Chief Executive Officer's remuneration (cash and shares) (excluding post-directorship remuneration) has the following characteristics:

1. Greater weight given to the variable components (based on a "pay for performance" approach) with the following breakdown.



In the Chairman and Chief Executive Officer's remuneration structure, variable components at the target level represent 66% and variable components at the maximum level represent 76% (including performance shares for which the grant in May 2023 is proposed, according to the IFRS valuation).

2. Alignment of the performance criteria with the Group's financial and social/environmental objectives, based on a balanced breakdown.

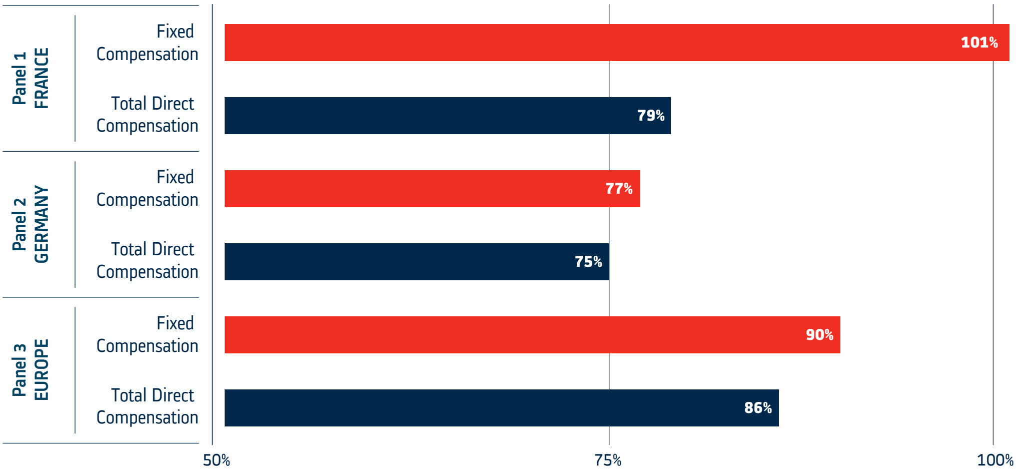
To meet applicable requirements and ensure alignment with market practices, the Chairman and Chief Executive Officer's remuneration is analysed in relation to various panels of companies of similar size, activities and market capitalisation in France (CAC 40 & SBF 120), Germany and Europe.

PANEL 1 - FRANCE			
Arkema	Eiffage	Nexans	Technip Energies
Bolloré	Forvia	Renault	Thales
Bureau Veritas	Groupe Seb	Safran	Valeo
Compagnie de Saint-Gobain	Legrand	Solvay	Veolia
Dassault Aviation	Michelin	STMicroelectronics	Worldline

PANEL 2 - GERMANY			
Continental AG	Infineon	RWE	
EON	Kion Group	Siemens Energy	
GEA Group	Knorr-Bremse	Thyssenkrupp	
HeidelbergCement	MTU Aero Engines	Traton	
Hella	Rational		

PANEL 3 - EUROPE			
Akzo Nobel	Forvia	Leonardo	Rolls-Royce
Asmi	Ferguson PLC	MTU Aero Engines	
Bae Systems	Kion Group	Nexans	
Brembo	Knorr-Bremse	Prysmian	
Continental AG	Legrand	Renault	

The Chairman & Chief Executive Officer's remuneration relative to these panels is as follows (100% representing the median level of each panel for the considered compensation item) :



The total direct remuneration includes the fixed remuneration, the target annual variable remuneration and the IFRS valuation of the performance shares granted in fiscal year 2022/23.

Remuneration during the directorship

Fixed remuneration

The fixed annual remuneration of the Chairman & Chief Executive Officer has remained the same since 1 April 2021 at €950,000.

Short-term incentive

The target short-term incentive represents 100% of his annual fixed gross remuneration when objectives are fully achieved and, in case of overperformance, is capped at 170% of his annual fixed gross remuneration. No floor is set.

On the proposal of the Nominations and Remuneration Committee, at its meeting on 9 May 2023, the Board of Directors defined the objectives related to the Chairman and Chief Executive Officer's short-term incentive in respect of fiscal year 2023/24.

The collective objectives related to the Group's overall performance will represent 60% of the target variable remuneration and will be based on economic criteria such as adjusted EBIT, free cash flow and gross margin on orders received, and on criteria related to ethics and compliance programmes, workplace safety, representation of women in management and reduction of greenhouse gas emissions in the Group's operations.

The economic performance indicators will represent 73% of the Group's overall performance objectives, i.e. 44 out of 60 points, as the Board of Directors has chosen to give greater importance to performance criteria related to societal, environmental and governance issues.

Objectives that are specific to the Chairman and Chief Executive Officer are based on criteria set by the Board of Directors. They are, for a part, quantifiable (commercial performance) and, for another part, related to the execution of his general management missions (definition and implementation of the strategic orientations, development of teams and organizations).

For reasons of confidentiality, details of the objectives to be achieved cannot be indicated here.

Their level of achievement will be assessed by the Board of Directors on the basis of the fiscal year 2023/24 results. In the event of overperformance, the collective performance criteria and the criteria that are specific to the Chairman and Chief Executive Officer may represent up to 120% and 50%, respectively, of the fixed annual gross remuneration (i.e. an overall cap of 170%).

Objective		Target weight	Maximum weight in case of overperformance
Group (Financial)	Free cash flow	20%	40%
Group (Financial)	Adjusted EBIT	15%	30%
Group (Financial)	Gross margin on orders received	9%	18%
Group (ESG)	Rate of reported accidents (with or without time off work)	4%	8%
Group (ESG)	Rate of participation in ethics and compliance programmes	4%	8%
Group (ESG)	Percentage of management positions held by women	4%	8%
Group (ESG)	Percentage reduction in greenhouse gas emissions in operations	4%	8%
Total of collective objectives		**60%**	**120%**
Specific	Definition and implementation of the strategic orientations	15%	18.75%
Specific	Development of teams and organizations	10%	12.5%
Specific	Commercial performance	15%	18.75%
Total of objectives specific to the Chairman & Chief Executive Officer		**40%**	**50%**
TOTAL OBJECTIVES		**100%**	**170%**

The Board may use its discretionary power when applying the remuneration policy so as to ensure that the Chairman & Chief Executive Officer's actual annual variable remuneration accurately reflects the Group's performance according to the terms detailed in the hereabove section : "Definition, review and implementation of the remuneration policy - Method for evaluating performance criteria".

The short-term incentive ("Refundable Remuneration") is subject to a clawback mechanism. This mechanism may be implemented by the Board of Directors, on the proposal of the Nominations and Remuneration Committee, in the event that all or part of the Refundable Remuneration was collected as a result of proven fraud or embezzlement affecting the financial statements 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 obvious error in the calculation of the Refundable Remuneration or gross negligence by the person concerned. This mechanism may only be implemented in one of the two fiscal years following the year in which this remuneration was paid. The refund is made up to the amount of the Refundable Remuneration net of social security charges for the fiscal year in question that the Executive Corporate Officer would not have received if there had been no obvious and significant error. In other cases, the refund may relate to the entire Refundable Remuneration net of social security charges for the fiscal year in question.

In accordance with Article L. 22-10-34-II of the French Commercial Code, the payment of variable remuneration will be subject to the approval, by the Shareholders' Meeting called in 2024 to approve the financial statements for fiscal year 2023/24, of the components of remuneration paid during or allocated in respect of that fiscal year to the Chairman and Chief Executive Officer.

Long-term incentive

The characteristics of the performance share grant policy applied to the Chairman and Chief Executive Officer for fiscal year 2023/24 are as follows:

Performance conditions	All performance shares are subject to internal and/or relative performance conditions. In the event of a major change in the Group's strategy or structure, the Board of Directors has pledged to adapt these performance conditions to new issues that emerge in the coming years, as regards the nature of the conditions and the results to be achieved, while continuing to set strict conditions and remaining transparent about these changes.
Vesting and performance period	Achievement of the performance conditions is determined after the end of the third fiscal year following the grant date. The Board of Directors will not determine whether performance conditions have been achieved or deliver shares under a given plan prior to the end of this third fiscal year.
Limits applicable to the grant	The Board of Directors has defined the following principles regarding grants to the Executive Corporate Officers: • the IFRS 2 value (which is used to prepare the Group's consolidated financial statements) of all annual grants is limited to one year of the annual fixed gross remuneration and target short-term incentive, where the latter corresponds to the remuneration received when the objectives set are fully achieved. Thus, remuneration in performance shares is capped at 100% of the target short-term remuneration (target fixed and variable), i.e. 200% of the fixed short-term remuneration; • the total amount of annual grants to the Corporate Officers may not exceed 2.5% of the overall amount authorised by the Shareholders' Meeting for performance share grants within the Group, or 10% of the overall grant under the plan in question.

Holding requirement	Pursuant to the decision taken by the Board of Directors on 10 May 2022, the Chairman and Chief Executive Officer is required to hold in registered form 100% of the performance shares fully vested during the entire term of his directorship (as renewed, where applicable). This holding requirement no longer applies once the value of the shares held by him in registered form represent three years of his last annual fixed gross remuneration. For the calculation of the holding requirement cap, the following is taken into account: ● the annual fixed gross remuneration applicable on the date of the last full vesting of performance shares; and ● the respective share market prices at the time of each full vesting of the performance shares held in registered form by the Chairman and Chief Executive Officer. As of 31 March 2023, the holding requirement was satisfied as Mr Henri Poupart-Lafarge held a number of registered shares on that date representing more than three years of his last annual fixed gross remuneration.
Prohibition on hedging instruments	The Chairman and Chief Executive Officer makes a formal commitment to refrain from using hedging instruments on the performance shares granted by the Company during the entire term of his directorship. To the Company's knowledge, no hedging instrument has been set up.
Possibility to make vesting of shares subject to non-implementation of the clawback mechanism	Pursuant to the decision taken at its meeting on 10 May 2022, the Board of Directors may decide to make the definitive grant of a portion of the performance shares to the Chairmanand Chief Executive Officer subject to non-implementation of the clawback clause (mentioned above) during the vesting period of said performance shares.
Sale lock-up periods	No transactions in the Company's financial instruments may be carried out during the 30 calendar days preceding the publication of the Company's annual and half-year results (this period is reduced to 15 calendar days for quarterly results) and up to the second trading day following this publication. During periods where trading is allowed, the Company's Code of Conduct creates an obligation to consult the Ethics Officer in case of any doubt regarding the ability to complete a transaction.
Frequency	Annual

The grant level, as determined by the Board of Directors, on the proposal of the Nominations and Remuneration Committee, takes into consideration all the components of the Chairman and Chief Executive Officer's remuneration and market practices.

The general characteristics of the performance shares granted to the Chairman & Chief Executive Officer are the same as those of all other grants under the same plan offered to the Company's other executives.

Benefits in kind

Benefits in kind for the Chairman and Chief Executive Officer are limited to a company car, supplemental health cover, a death/disability insurance policy and a private unemployment insurance policy, the costs of which are shared by the Company and the Chairman and Chief Executive Officer.

Remuneration at the end of the directorship

Non-compete undertaking

The non-compete undertaking entered into with the Chairman and Chief Executive Officer is limited to a two-year period commencing on the end date of the Executive Corporate Officer's directorship. Consequently, at the end of his directorship (for any reason and at any time), the Chairman & Chief Executive Officer must refrain from showing an interest in, participating in, associating in any way with or engaging with, directly or through a legal entity, as a corporate officer, employee or consultant, any company worldwide with a significant portion of its business (15% of revenue 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 consideration for this commitment, the Executive Corporate Officer would receive a total gross indemnity equal to 1.5 times his average annual gross fixed and variable remuneration, excluding performance shares, received during the three fiscal years preceding the end date of his directorship; this indemnity would be paid monthly, in 24 equal amounts, during the entire term of the non-compete undertaking.

If the non-compete undertaking is breached at any time by the Executive Corporate Officer:

- the Company would be released from its obligation to pay the financial consideration; and
- the Executive Corporate Officer would be required to repay to the Company all the amounts already paid pursuant to the non-compete undertaking.

The Company, acting through its Board of Directors, reserves the right, particularly in the event of gross misconduct or major financial difficulty, to unilaterally waive the benefit of this non-compete undertaking as of the date the Executive Corporate Officer's term of office ends, in which case the Executive Corporate Officer would be released from any obligation and no indemnity would be due to him in this respect.

In any event, this non-compete undertaking does not apply if the Executive Corporate Officer retires at the end of his directorship. In this case, no indemnity would be due to him.

The Board of Directors believes that, under certain conditions, the possibility of requiring Executive Corporate Officers to be subject to a non-compete undertaking is beneficial to the Company. This is particularly the case with Mr Henri Poupart-Lafarge given his knowledge, acquired over more than 20 years, of the mobility sector and new issues related the sector's digitisation. The Board of Directors believes 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.

Retention conditions of performance shares under a vesting period

If the Chairman and 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 granted under performance conditions, subject to the following limits:

- retention is only possible in case of a forced departure, i.e. in case of dismissal and not resignation;
- no full vesting is allowed before the vesting date specified in the relevant plans' rules. Consequently, no early delivery of performance shares is possible;
- the performance conditions must continue to apply throughout the specified vesting period;
- the number of shares fully vested, as determined after measuring 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. prorated reduction); and
- in any event, the appropriateness of the full vesting of the performance shares will be assessed in view of the Company's situation at the date of departure and at the originally scheduled vesting date, and no performance shares may be granted if the Company is facing major financial difficulties.

Supplemental pension plans

In terms of supplemental pension plans, pursuant to the Company's remuneration policy, the Chairman and Chief Executive Officer is entitled to:

- the defined contribution supplemental pension plan ("Article 83") as follows:
  - contributions are paid annually and equal 1% of the annual remuneration up to four times the annual Social Security ceiling, 4% of the annual remuneration between four and eight times the annual Social Security ceiling, and 11% of the annual remuneration between eight and 12 times the Social Security ceiling,
  - since 1 July 2014, 95% of contributions are paid by the Company;
- the defined contribution supplemental pension plan ("Article 82"). The calculation of this annual contribution is based on the total annual remuneration (fixed and variable remuneration due in cash) as follows:
  - 10% of the gross fixed remuneration between 8 and 12 times the annual Social Security ceiling and 20% of his fixed remuneration in excess of 12 times the annual Social Security ceiling,
  - 20% of his annual variable remuneration as determined by the Board of Directors,
  - the base remuneration (fixed and variable due in cash) used to calculate the contribution may not, in any case, be more than €2,000,000,
  - no contribution is paid if the calculation of variable remuneration equals zero,
  - the Chairman and Chief Executive Officer has agreed, once the tax and social security obligations relating to these contributions are fulfilled, to keep the amounts paid in the dedicated pension savings vehicle, at least for the duration of his directorship.

5.1.5.4 Components of remuneration paid during or allocated in respect of fiscal year 2022/23 to the Corporate Officers

Remuneration paid during or allocated in respect of fiscal year 2022/23 to members of the Board of Directors

TABLE 3 OF THE AFEP-MEDEF CODE – TABLE ON REMUNERATION ALLOCATED UNDER A DIRECTORSHIP AND OTHER REMUNERATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS

Gross amounts	Fiscal year 2021/22			Fiscal year 2022/23		
Non-executive corporate officers	Amounts paid during the fiscal year (in €)	Amounts allocated in respect of the fiscal year (in €)	Variable portion allocated in respect of the fiscal year (in €)	Amounts paid during the fiscal year (in €)	Amounts allocated in respect of the fiscal year (in €)	Variable portion allocated in respect of the fiscal year (in €)
Mr Olivier Bouygues(1)	37,714	-	-	-	-	-
Mr Pascal Grangé, permanent representative of Bouygues SA(2)	79,214	68,500	38,500	39,500	9,000	4,000
Ms Bi Yong Chungunco	76,000	75,500	45,500	75,000	89,500	59,500
Mr Yann Delabrière	131,500	127,500	52,500	113,000	124,000	49,000
Ms Clotilde Delbos	75,500	75,500	45,500	68,000	72,000	42,000
Mr Daniel Garcia Molina	54,250	65,000	35,000	64,500	68,500	38,500
Mr Serge Godin(3)	45,750	72,000	42,000	55,500	21,500	11,500
Mr Gilles Guilbon	54,250	68,500	38,500	68,000	79,000	49,000
Ms Sylvie Kandé de Beaupuy	91,000	90,500	45,500	90,000	104,500	59,500
Mr Frank Mastiaux	108,500	119,000	66,500	93,500	104,500	59,500
Mr Baudouin Prot	97,000	96,500	66,500	89,000	110,500	80,500
Ms Sylvie Rucar	124,000	120,000	70,000	102,000	109,000	59,000
Mr Jay Walder(4)	-	-	-	-	26,750	15,500
TOTAL	**974,678**	**978,500**	**546,000**	**858,000**	**918,750**	**527,500**

(1) Board Member who resigned on 25 March 2021
(2) Board Member who resigned on 30 May 2022
(3) Mr Serge Godin donates his remuneration 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. Mr Serge Godin resigned on 29 August 2022
(4) Board Member co-opted by the Board of Directors on 15 November 2022

The non-executive corporate officers do not receive any other remuneration from the Company or the Group companies, with the exception of the Board Members representing employees who are remunerated under their employment contract.

Pursuant to the remuneration policy, the Chairman and Chief Executive Officer does not receive any remuneration tied to his directorship and the Censor does not receive remuneration in connection with his/her role.

In accordance with its own internal operating rules, Caisse de Dépôt et Placement du Québec, Board Member represented by Ms Kim Thomassin, also does not receive any remuneration tied to its directorship.

The total remuneration paid to the Board Members in fiscal year 2022/23 was €858,000 (€974,678 in fiscal year 2021/22). The total remuneration granted to the Board Members for fiscal year 2022/23 was €918,750 (€978,500 for the previous fiscal year) and represents about 71% of the total package authorised by the shareholders (approximately 75% for fiscal year 2021/22).

The variable portion of the remuneration granted to the Board Members for fiscal year 2022/23 represents nearly 57% of the total remuneration granted for that year (approximately 56% for fiscal year 2021/22).

The difference between the amounts allocated and paid over a single fiscal year results from the fact that half of the remuneration allocated to the Board Members in respect of a fiscal year is paid during that fiscal year (remuneration for the first half of the fiscal year) and the balance is paid during the following fiscal year (remuneration for the second half of the fiscal year).

In accordance with Article L. 22-10-34-I of the French Commercial Code, these components of remuneration will be the subject of a resolution voted on at the 2023 Shareholders' Meeting called to approve the financial statements for fiscal year 2022/23.

Remuneration paid during or allocated in respect of fiscal year 2022/23 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 components of remuneration described below will be the subject of a resolution voted on at the 2023 Shareholders' Meeting called to approve the 2022/23 financial statements, with the actual payment of the annual variable remuneration being subject to a positive vote by the shareholders.

Fixed remuneration

For fiscal year 2022/23, Mr Henri Poupart-Lafarge's total fixed remuneration was €950,004.

Variable remuneration

At its meeting on 9 May 2023 and on the proposal of the Nominations and Remuneration Committee, the Board of Directors noted that:

- for the collective objectives, all quantifiable and based on seven 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,
  - the rate of completion by managers of the annual integrity questionnaire,
  - the percentage reduction in greenhouse gas emissions in the group's operations (scope 1 & 2),
  - the percentage of management positions held by women,

  their achievement was assessed at 89.6% for a target level of 60% and a cap of 120%;

	Target	Cap	Performance level for the fiscal year	Achievement level for the fiscal year	Amount corresponding to the level of achievement (in €)
COLLECTIVE OBJECTIVES	60%	120%			
Free cash flow	20%	40%	€199 million	26.6%	252,700
Adjusted EBIT	15%	30%	€852 million	20.2%	191,948
Margin on orders received	9%	18%	Confidential (1)	18%	171,000
Rate of reported accidents with and without time off work	4%	8%	1.8 accidents per million hours worked	4% (2)	38,000
Rate of completion by managers of the annual integrity questionnaire	4%	8%	99% of managers completed the questionnaire(3)	8%	76,000
Percentage of management positions held by women	4%	8%	23.9% women in the executives & professionals category(4)	4.8%	45,600
Percentage reduction in greenhouse gas emissions (scope 1 & 2)	4%	8%	5% (5)	8%	76,000
2022/23 OVERALL ANNUAL PERFORMANCE				**89.6%**	**€851,248**

(1) The Board of Directors believes that the margin on orders received is an extremely relevant indicator of how the business is conducted by the Company's Executive Corporate Officers because it reflects the strategic determination to focus on projects with the best prospects of being profitable. However, as this indicator is highly sensitive from a competition standpoint and so as not to provide competitors with strategic information, the Board was of the opinion that publicly disclosing the Company's objectives and performance in this area would harm the Company's interests.

(2) Due to deaths that occurred in fiscal year 2022/23, the level of achievement noted by the Board of Directors for this performance criterion was capped at 100%.

(3) The Company's objective was to have at least 90% of the managers for whom the questionnaire was intended (more than 2,500 people) complete it. The maximum level is considered achieved when 95% of the target population completed it.

(4) The Company's objective was to have 23.8% of the Group's management positions held by women (executives and professionals category) by the end of March 2023. The maximum performance level is considered achieved if this percentage reaches or exceeds 24.3%.

(5) The Company's objective was to achieve an absolute reduction in the Group's scope 1 & 2 greenhouse gas emissions (in kt CO_2) (emissions from energy consumption at permanent sites and direct emissions at mobile sites) of 2.5% compared to a reference for fiscal year 2021/22. The maximum performance level is considered achieved if this percentage reaches or exceeds 5%.

- for the objectives specific to the Chairman and Chief Executive Officer, their achievement was assessed at 40% for a target level of 40% and a cap of 50%.

	Comment	Target	Achievement level for the fiscal year	Amount corresponding to the level of achievement (in €)
OBJECTIVES SPECIFIC TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER		40%		
Strategy	The objective set by the Board of Directors was to have a strategic roadmap redefined, including the Group's commercial, operational, CSR and footprint components. The Board of Directors, having considered the following factors: • the strategic roadmap has been defined, including all of its components, and has been reviewed by the Board of Directors; • the activity portfolios of the product lines and their implementation strategies have been reviewed; • the CSR objectives have been defined and the corresponding roadmap has been initiated; • the definition of the 10-year strategic plan by the general management and its review by the Board of Directors are scheduled for 23/24. found that this objective was achieved at 80%.	12%	9.6%	91,200
ONE Alstom	The objective set by the Board of Directors was to continue the actions related to the Group's organisation (including strengthening the culture, implementing the AIM 2025 strategy and rolling out the necessary IT solutions and tools) and talent management (by strengthening the talent pools and the management team's succession plans). The Board of Directors, having considered the following factors: • the values of the Group and the understanding of its strategy are rightly distributed, as demonstrated by the annual engagement survey; • IT tools and solutions are being implemented in line with the predefined schedule; • voluntary attrition has been stabilized and Group headcount has been increased to support the right execution of its projects; • the strengthening of the management's team is scheduled for 23/24. found that this objective was achieved at 80%.	8%	6.4%	60,800
New economic environment	The objective set by the Board of Directors was to develop action plans and measures aimed at adapting the Group's policies, tools and practices in order to cope with major economic challenges (inflation, supply of components and geopolitical crises). The Board of Directors, having considered the following factors: • a wide array of measures has been successfully deployed, aiming at mitigating and controlling the impacts of inflation on the contracts of the Group; • systemic actions have been taken in order to mitigate the risks relating to supply of components and to avoid supply chain disruptions, due to sanitary and geopolitical contexts; • no material production delays have been recorded due to these external factors; • 76% of new contracts and 72% of backlog are assorted with Contract Price Adjustment clauses linked to inflation. found that this objective was achieved at 120%.	12%	14.4%	136,800
Customer relations	The Board of Directors, having considered the following factors: • the commercial momentum of the Group has been confirmed for all of its regions (including Signalling activities); • Gross Margin on order intake has positively evolved; • the book-to-bill ratio has reached 1.2 for the Group (as well as for its Signalling activities). found that this objective was achieved at 120%.	8%	9.6%	91,200
2022/23 OVERALL ANNUAL PERFORMANCE			**40%**	**€380,000**

The Board of Directors therefore determined, at its meeting of 9 May 2023, that Mr Henri Poupart-Lafarge's variable remuneration for fiscal year 2022/23 was €1,231,248, corresponding to achievement of his objectives at 129.6%.

Mr Henri Poupart-Lafarge's annual fixed and variable remuneration has changed as follows over the past three years:

	Allocated in respect of fiscal year 2020/21 (in €)	Allocated in respect of fiscal year 2021/22 (in €)	Allocated in respect of fiscal year 2022/23 (in €)
Annual fixed gross remuneration	796,883	950,000	950,000
Annual variable gross remuneration (1)	795,600	1,138,872	1,231,248
(%/fixed)	(93.6%) (2)	(119.9%)	(129.6%)
TOTAL	**1,592,483**	**2,088,872**	**2,181,248**

(1) Mr Henri Poupart-Lafarge's annual variable remuneration 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 Company's Shareholders' Meeting of the components of remuneration paid during or allocated in respect of the past fiscal year to Mr Henri Poupart-Lafarge.

(2) On the basis of annual fixed remuneration of €850,000. As a reminder, on 11 May 2020 the Board of Directors decided to reduce Mr Henri Poupart-Lafarge's fixed remuneration by 25% for the first quarter of 2020/21, with an equivalent amount paid to the Alstom Foundation to support the fight against Covid-19.

Grant of performance shares

Long-term incentive plan ("PSP 2022")

The Board of Directors, acting pursuant to the authorisation granted by the Shareholders' Meeting of 28 July 2021 (17th resolution), having taken note of the recommendations of the Nominations and Remuneration Committee, decided to grant on 10 May 2022 a long-term incentive plan ("PSP 2022"), benefiting 1,474 people, including Alstom's Chairman and Chief Executive Officer.

The grant to the Chairman and Chief Executive Officer relates to a target number of 50,667 shares, which may vary between 0 and 76,000 shares (in the event of overperformance) depending on the level of achievement of the performance conditions. The IFRS 2 valuation and the calculation of the cap on performance shares granted were determined on the basis of the maximum number of shares that may be fully vested at the end of the performance period. This maximum grant, based on the cap on shares granted, represented 0.02% of the share capital at 10 May 2022. It is subject to the holding requirements as defined in the remuneration policy in force at the date of grant.

This plan makes the full vesting of all the shares granted to all beneficiaries (2,481,612 shares, i.e. 0.66% of the share capital at 10 May 2022) conditional on the fulfilment of five performance conditions:

- four internal performance conditions measured in terms of the level of achievement of:
  - the Alstom Group's adjusted EBIT margin objective set by the Board of Directors and assessed at the end of fiscal year 2024/25. This indicator represents 25% of the total performance conditions,
  - the Alstom Group's free cash flow objective set by the Board of Directors and assessed at the end of fiscal year 2024/25. This indicator represents 25% of the total performance conditions,
  - the 2024/25 objective of reducing the energy consumption of solutions offered to customers (with reduction defined as the average of the reduction percentages) set by the Board of Directors and assessed at the end of fiscal year 2024/25 compared with those offered before March 2014. This indicator represents 15% of the total performance conditions;
  - The 2024 objective 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 share calculated 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 fiscal year 2024/25. This indicator represents 20% of the total performance conditions.

On the recommendation of the Nominations and Remuneration Committee, the Board of Directors:

- maintained the exclusion of any vesting of performance shares if the growth in the Company's TSR is less than that of the index's TSR. The Board of Directors therefore took into account the comments made by several investors and proxy advisors to the lead director over the last fiscal year;
- wished to maintain and strengthen the conditions for assessing the Company's performance in terms of environmental, social and governance commitments by extending a performance condition based on the decarbonisation of solutions offered by Alstom and adding 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 incentive is based.

By applying these conditions, the number of fully vested performance shares will be determined as follows (internal conditions set on the basis of the accounting standards in force at the time of the grant):

After publication of the 2024/25 results		Minimum required level	Target performance	Maximum level considered
2024/25 adjusted EBIT margin percentage (weight: 25%)		≤5%	=6.5%	≥8%
		No shares	12,667 shares	19,000 shares
2024/25 free cash flow 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 compared with those offered before 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. Index TSR (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 fully vested shares will be calculated by linear interpolation.

In line with the remuneration 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 target fixed and variable remuneration for one year.

Finally, the Board confirmed its commitment, in the event of a major change in the Group's strategy or structure, to adapt these performance conditions to new issues that emerge in the coming years, as regards the nature of the conditions and the results to be achieved, while continuing to set strict conditions and remaining transparent about these changes.

The Chairman and Chief Executive Officer has made a commitment to refrain from using hedging instruments on all performance shares during the entire term of his directorship. To the Company's knowledge, no hedging instruments were set up for options, shares resulting from the exercise of options or performance shares up to the end of the holding period set by the Board of Directors.

Summary of changes in performance share plans under a vesting period

The table below shows the level of achievement of each of the performance conditions of the performance share plans being vested (PSP 2020, PSP 2021 and special, PSP 2022 and PSP 2023) and the number of confirmed performance shares for Mr Henri Poupart-Lafarge (all unavailable until the end of the relevant plan):

Plan	Initial grant*	Performance conditions	Weight	Year of vesting and achievement level	Total number of confirmed shares
PSP 2020 *	55,787	-	-	2022/23	-
		TSR	30%	0%	-
		Adjusted EBIT margin	40%	73.33%	16,364
		Free cash flow	20%	73.33%	8,182
		Energy consumption reduction	10%	73.33%	4,091
	TOTAL		**100%**	**51.33%**	**28,637**
PSP 2021	51,000	-	-	2023/24	-
		TSR	25%	-	-
		Adjusted EBIT margin	25%	-	-
		Free cash flow	30%	-	-
		Energy consumption reduction	20%	-	-
	TOTAL		**100%**		**-**
Special PSP	23,000	-	-	2024/25	
		Growth in the margin on specific projects	30%		-
		Synergies	20%		-
		Net earnings per share	30%		-
		Employee engagement	20%		-
	TOTAL		**100%**		
PSP 2022	76,000	-	-	2024/25	
		TSR	20%		-
		Adjusted EBIT margin	25%		-
		Free cash flow	25%		-
		Energy consumption reduction	15%		-
		Employee engagement	15%		
	TOTAL		**100%**		
PSP 2023	76,000			2025/26	
		TSR	20%		
		Adjusted EBIT margin	25%		
		Free cash flow	25%		
		Energy consumption reduction	15%		
		Employee engagement	15%		
	TOTAL		**100%**		

* The initial grant of PSP 2020 was adjusted following the 7 December 2020 capital increase with preferential subscription rights.

Grant of performance shares in fiscal year 2023/24

Pursuant to the current remuneration policy approved by the 2022 Annual Shareholders' Meeting, the Board of Directors on 9 May 2023 decided to grant performance shares under a long-term incentive plan ("PSP 2023"), which will be subject to approval as part of the fixed, variable and exceptional components of remuneration making up the total remuneration of the Chairman and Chief Executive Officer at the Annual Shareholders' Meeting in 2024 called to approve the financial statements for the fiscal year ended 31 March 2024.

Long-term incentive plan ("PSP 2023")

The Board of Directors, acting pursuant to the authorisation granted by the Shareholders' Meeting of 28 July 2021 (17th resolution), having taken note of the recommendations of the Nominations and Remuneration Committee, decided to grant on 9 May 2023 a long-term incentive plan ("PSP 2023"), benefiting 1,471 people, including Alstom's Chairman & Chief Executive Officer.

The grant to the Chairman and Chief Executive Officer relates to a target number of 50,667 shares, which may vary between 0 and 76,000 shares (in the event of overperformance) depending on the level of achievement of the performance conditions. The IFRS 2 valuation and the calculation of the cap on performance shares granted were established based on the maximum number of shares that may be fully vested at the end of the performance period. Based on the cap on shares granted, this maximum grant represents 0.02% of the share capital at 9 May 2023.

This plan makes the full vesting of all the shares granted to all the beneficiaries (2,439,122 shares, i.e.0.64%. of the capital at 9 May 2023) conditional on the fulfilment of five performance conditions:

- four internal performance conditions measured in terms of the level of achievement of:
  - the Alstom Group's adjusted EBIT margin objective set by the Board and assessed at the end of fiscal year 2025/26. This indicator represents 25% of the total performance conditions,
  - the free cash flow objective for fiscal year 2025/26. This indicator represents 25% of the total performance conditions,
  - the 2025/26 objective of reducing the energy consumption of solutions offered to customers (with reduction defined as the average of the reduction percentages) set by the Board and assessed at the end of fiscal year 2025/26 compared with those offered before March 2014. This indicator represents 15% of the total performance conditions, and
  - the 2025 objective 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 share calculated 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 fiscal year 2025/26. This indicator represents 20% of the total performance conditions.

On the recommendation of the Nominations and Remuneration Committee, the Board of Directors:

- maintained the exclusion of any vesting of performance shares if the growth in the Company's TSR is less than that of the index's TSR;
- aligned the "target" objectives of the adjusted EBIT margin and free cash flow conditions with the Group's new objectives;
- wished to maintain and strengthen the conditions for assessing the Company's performance in terms of environmental, social and governance commitments by extending a performance condition based on the decarbonisation of solutions offered by Alstom and 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 incentive is based.

By applying these conditions, the number of fully vested performance shares will be determined as follows (internal conditions set on the basis of the accounting standards in force at the time of the grant):

After publication of the 2025/26 results		Minimum required level	Target performance	Maximum level considered
		≤ 25/26 objective -1.5 pts	= 25/26 objective	≥ 25/26 objective + 1.5 pts
2025/26 adjusted EBIT margin (weight: 25%)		No shares	12,667 shares	19,000 shares
		≤ 25/26 objective -€500 M	= 25/26 objective	≥ 25/26 objective +€500 M
2025/26 free cash flow in € million (weight: 25%)		No shares	12,667 shares	19,000 shares
Reduction in energy consumption of solutions offered to customers in 2025/26 relative to those offered before March 2014 (weight: 15%)		Reduction ≤ 24%	Reduction = 26%	Reduction ≥ 28%
		No shares	7,600 shares	11,400 shares
Engagement score of Group employees as measured by the 2025 engagement survey (weight: 15%)		≤ 67%	= 69%	≥ 71%
		No shares	7,600 shares	11,400 shares
TSR at publication of 2025/26 results vs. Index TSR (weight: 20%)	<100% of the index	=100% of the index	=110% of the index	≥120% of the index
	No shares	7,600 shares	10,133 shares	15,200 shares

Between each performance condition threshold, the number of fully vested shares will be calculated by linear interpolation.

In line with the remuneration policy applicable to the Chairman and Chief Executive Officer, the IFRS 2 value of the grant, i.e., €1,359,940 (€1,376,749 for PSP 2022) is lower than the beneficiary's target fixed and variable remuneration for one year. The Board of Directors ensured that the IFRS value of the grant to the Chairman and Chief Executive Officer was significantly lower than the cap authorised by the policy.

Subject to approval of the 2023/24 remuneration policy for the Chairman and Chief Executive Officer by the 2023 Shareholders' Meeting called to approve the financial statements for fiscal year 2021/22, the Board of Directors may decide to cancel all or some of the performance shares not yet fully vested by the Chairman & Chief Executive Officer in the absence of implementation of the clawback clause, during the vesting period of said performance shares.

Finally, the Board confirmed its commitment, in the event of a major change in the Group's strategy or structure, to adapt these performance conditions to new issues that emerge in the coming years, as regards the nature of the conditions and the results to be achieved, while continuing to set strict conditions and remaining transparent about these changes.

The Chairman and Chief Executive Officer has made a commitment to refrain from using hedging instruments on all performance shares during the entire term of his directorship.

Multi-year remuneration

Not applicable.

Exceptional remuneration

Not applicable.

Remuneration tied to directorship

Not applicable.

Benefits in kind

The Chairman and Chief Executive Officer is entitled to a company car corresponding to a benefit in kind of approximately €6,296 (accounting valuation) per year, as well as supplemental health cover, a death/disability insurance policy and a private unemployment insurance policy (for a benefit valued at €8,947), the costs of which are shared by the Company and the Chairman & Chief Executive Officer.

Supplemental pension plans

The Chairman and Chief Executive Officer is covered by a supplemental pension plan based on two separate elements that did not change in fiscal year 2022/23:

- a defined contribution pension plan ("Article 83" plan under the French Tax Code):
  - the amounts paid under the defined contribution plan for fiscal year 2022/23 totalled €26,784, €25,445 of which was paid by the Company;
- a defined contribution pension plan ("Article 82" plan under the French Tax Code):
  - the amounts paid in November 2022 under this defined contribution plan for fiscal year 2021/22 totalled €317,728 (gross) and correspond to the vesting period from 1 April 2021 to 31 March 2022. The €394,299 provision recorded in 2021/22 was reversed,
  - for fiscal year 2022/23, a provision for charges was recorded in a gross amount of €394,381; however, no payment will be made before approval by the 2023 Annual Shareholders' Meeting of the Chairman and Chief Executive Officer's variable remuneration in respect of the same year.

As of 31 March 2023, 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 and Chief Executive Officer, amount to approximately €228,121 (excluding any voluntary individual contributions potentially made by Mr Henri Poupart-Lafarge, which the Company need not be aware of).

On the recommendation of the Nominations and Remuneration Committee, on 6 May 2019 the Board of Directors noted the conditions for winding up the "Article 39" scheme (closed and for which the accumulated rights were frozen on 31 December 2016) from which Mr Henri Poupart-Lafarge benefited on the date of his resignation under the employment contract with Alstom Executive Management SAS, taking into 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 Shareholders' 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 and subject to his continued presence at the Company on each payment date. The amount of this balancing payment includes an individual discount from the amount of the recorded liability, which was calculated on the basis of a proposal by external actuaries;
- the amount of this balancing payment, valued by the Company's actuarial advisers, is €3,375,000 (gross) and is subject to charges and taxes in accordance with the legislation in force at the time of the various payments. The payment would include a discount of approximately 20% from the amount of the obligations (excluding tax) at 31 March 2019 to take into account the impact of the conversion of rights subject to a condition of continued presence into a fully vested 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;
- the commitment made by Mr Henri Poupart-Lafarge, after payment of the related social security and tax contributions, is to keep all the amounts paid into this pension plan at least until the end of his directorship.

Payment of the balance due to Mr Henri Poupart-Lafarge was made in thirds in three annual instalments, in July 2020, July 2021 and July 2022, subject to a condition of continued presence.

A first payment was made in July 2020 in the amount of €1,125,000, followed by two further payments of the same amount in July 2021 and July 2022.

It is therefore noted that the amounts paid to Mr Henri Poupart-Lafarge in July 2022, as part of the payment in three instalments of the €3,375,000 balancing payment, to offset the loss of rights acquired under his Article 39 supplemental pension plan (wound up at the end of the 2019 Shareholders' Meeting) amounted to €1,125,000.

Post-directorship indemnities or benefits

No such remuneration was paid during or allocated in respect of fiscal year 2022/23.

The Board of Directors believes that the amounts described above, paid during or allocated in respect of fiscal year 2022/23 to Mr Henri Poupart-Lafarge, comply with the remuneration policy for the Chairman and Chief Executive Officer approved by the shareholders at the Shareholders' Meeting of 12 July 2022 and contribute to the Company's long-term performance.

Remuneration ratios

In accordance with Order No. 2019-1234 of 27 November 2019, below are the ratios between the remuneration of the Chairman and Chief Executive Officer and the average and median remuneration of Alstom employees other than Corporate Officers in France (for Alstom Transport, Alstom TT and Alstom Executive Management, which represented more than 97% of the French workforce at the end of 2022) as well as the annual change in this remuneration, in the Group's performance, in the Chairman and Chief Executive Officer's remuneration and in the average remuneration of employees in this same scope over the five most recent fiscal years. The ratio for the listed company (Alstom SA) is not presented as the company has no employees.

The figures presented below take into account the historical scope of Alstom in France for fiscal years 2018/19, 2019/20 and 2021/22 and therefore do not include the former legal entities of Bombardier Transportation until fiscal year 2021/22.

As of fiscal year 2022/23, the figures presented also include the average and median remuneration calculated for all employees of the Alstom Group worldwide (as defined below). At the end of March 2023, the workforce outside France represented 84% of the Alstom Group's total workforce.

Remuneration ratios[(a)] and comparative change in remuneration, performance and ratios

	2018/19	2019/20	2020/21	2021/22	2022/23
France					
Average employee remuneration	61,269	63,271	58,990	63,075	64,805
(change from the previous fiscal year)	3%	3%	-7%	7%	3%
Median employee remuneration	50,214	50,806	51,304	53,000	54,283
(change from the previous fiscal year)	3%	1%	1%	3%	2%
Worldwide					
Average employee remuneration					53,553
Median employee remuneration					46,371
Remuneration of the Chairman & Chief Executive Officer, Mr Henri Poupart-Lafarge	3,158,802	3,492,572	1,718,048	3,366,237	3,480,873
(change from the previous fiscal year)	17%	11%	-51%	96%	3%
Remuneration ratio compared to the employee median (France)	63	69	33	64	64
(change from the previous fiscal year)	13%	9%	-51%	90%	0%
Remuneration ratio compared to the employee median (Worldwide)					75
Remuneration ratio compared to the employee average (France)	52	55	29	53	54
(change from the previous fiscal year)	14%	7%	-47%	83%	1%
Remuneration ratio compared to the employee average (Worldwide)					65
Change in adjusted EBIT (from the previous fiscal year)	**11%**	**4%**	**-3%**	**19%**	**11%**

(a) According to the AFEP guidelines, remuneration includes the elements paid or allocated during the fiscal year plus:

- for Executive Corporate Officers and employees: fixed remuneration, benefits in kind, variable remuneration (received in respect of the previous fiscal year) and long-term remuneration allocated during the fiscal year based on IFRS 2 valuation (excluding the exceptional plan, discussed below);
- for employees (France): fixed remuneration, benefits in kind, variable remuneration (received in respect of the previous fiscal year), long-term remuneration allocated during the fiscal year based on IFRS 2 valuation, other individual bonuses, incentive plans, profit-sharing and overtime pay. Full-time employees on a permanent contract.
- for employees (Worldwide): fixed remuneration, variable remuneration (received in respect of the previous fiscal year), long-term remuneration allocated during the fiscal year based on IFRS 2 valuation, incentive plans and profit-sharing. Foreign currencies converted into euros at the exchange rate at the end of March 2023. Full-time employees on a permanent contract.

As a reminder, due to the change in the grant date of the long-term remuneration plans, Mr Henri Poupart-Lafarge did not receive any performance shares in fiscal year 2021/22.

For purposes of comparability with previous fiscal years and continuity of presentation, the remuneration paid to the Chairman & Chief Executive Officer in fiscal year 2021/22 does not include the long-term incentive plan related to the successful integration of Bombardier Transportation (Special PSP) granted in July 2021 (valued at €801,090), which is strictly exceptional and non-recurring.

5.1.6 TABLES SHOWING THE REMUNERATION OF EXECUTIVE CORPORATE OFFICERS BASED ON AMF RECOMMENDATIONS AND THE AFEP-MEDEF CODE

TABLE 1 – SUMMARY OF THE REMUNERATION AND PERFORMANCE SHARES GRANTED TO THE EXECUTIVE CORPORATE OFFICER AS OF 31 MARCH 2023

Henri Poupart-Lafarge Chairman and Chief Executive Officer	Fiscal year 2021/22 (in €)	Fiscal year 2022/23 (in €)
Remuneration allocated in respect of the fiscal year (detailed in table 2)	2,103,519	2,196,495
Valuation of performance shares granted during the fiscal year (detailed in Table 6)(1)	2,407,080(2)	1,376,749
TOTAL	**4,510,599**	**3,573,244**

(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 presence at the Company but before the effect of spreading the expense.
(2) Including €801,090 for the Special PSP granted in July 2021 which is strictly exceptional and non-recurring.

TABLE 2 – SUMMARY TABLE OF THE REMUNERATION OF THE EXECUTIVE CORPORATE OFFICER AS OF 31 MARCH 2023

	Fiscal year 2021/22		Fiscal year 2022/23	
Henri Poupart-Lafarge Chairman and Chief Executive Officer	Amounts allocated in respect of the fiscal year (in €)	Amounts paid during the fiscal year (in €)	Amounts allocated in respect of the fiscal year (in €)	Amounts paid during the fiscal year (in €)
Fixed gross remuneration	950,004	950,004	950,004	950,004
Annual variable gross remuneration(1)	1,138,872	795,600	1,231,248	1,138,872
Exceptional gross remuneration	-	-	-	-
Remuneration allocated due to directorship	-	-	-	-
Benefits in kind(2)	14,643	14,643	15,243	15,243
TOTAL	**2,103,519**	**1,760,247**	**2,196,495**	**2,104,119**
Supplemental pension plans ("Article 82" and "Article 83")(3)	1,422,730 (provision booked)	1,396,861	296,302 (provision booked)	1,468,173

(1) Variable remuneration in respect of a fiscal year may only be paid in the following fiscal year subject to the prior approval of the shareholders convened at the Annual Shareholders' Meeting concerning the components of remuneration of the Chairman & Chief Executive Officer paid during or allocated in respect of the previous fiscal year.
(2) Company car and private unemployment insurance policy.
(3) Including, for fiscal years 2021/22 and 2022/23, the annual payment of one-third of the balancing payment to offset the loss of rights acquired under the previous "Article 39" supplemental pension plan.

TABLE 4 – STOCK-OPTIONS GRANTED BY THE ISSUER AND ANY GROUP COMPANY TO THE EXECUTIVE CORPORATE OFFICER IN FISCAL YEAR 2022/23

Not applicable.

TABLE 5 – STOCK-OPTIONS EXERCISED BY THE EXECUTIVE CORPORATE OFFICER IN FISCAL YEAR 2022/23

Not applicable.

TABLE 6 – PERFORMANCE SHARES GRANTED TO THE EXECUTIVE CORPORATE OFFICER BY THE ISSUER AND BY ANY GROUP COMPANY

76,000 performance shares were granted by the Company to Mr Henri Poupart-Lafarge in fiscal year 2022/23 (PSP 2022).

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 performance shares initially granted(1)	Maximum number of performance shares being vested(1)(2)	Valuation at time of grant (in €)(3)	Performance share vesting date and availability date
2020 Plan (PSP 2020)	55,787	28,637(4)	1,635,830(5)	No later than the twentieth business day following the date of publication of the 2022/23 consolidated financial statements
2021 plan (PSP 2021)	51,000	51,000	1,605,990(6)	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(7)	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(8)	No later than five business days after the end of the three-year vesting period from the grant date or, if later, on the date of publication of the 2024/25 consolidated financial statements
2023 plan (PSP 2023)	76,000	76,000	1,359,940(9)	No later than five business days after the end of the three-year vesting period from the grant date or, if later, on the date of publication of the 2025/26 consolidated financial statements

(1) For PSP 2020, number adjusted following the 7 December 2020 capital increase with preferential subscription rights.
(2) Fully conditional grants with the requirement that Mr Henri Poupart-Lafarge hold the shares until the end of his mandate and until a target shareholding level is reached.
(3) Performance shares are valued on their grant date under IFRS 2, after taking into account a discount related to the probability of continued presence at the Company but before the effect of spreading the expense.
(4) The initial adjusted grant related to 55,787 performance shares. Under the performance conditions related to the fiscal year 2022/23 results, 27,150 performance shares, i.e. 48.67% of the initial grant, were cancelled and 28,637 performance shares, i.e.51.33% of the initial grant, vested. These shares were delivered on 15 May 2023.
(5) IFRS unit value at grant of €32.08.
(6) IFRS unit value at grant of €31.49.
(7) IFRS unit value at grant of €34.80.
(8) IFRS unit value at grant of €18.12.
(9) IFRS unit value at grant of €17.89

TABLE 7 – PERFORMANCE SHARES THAT BECAME AVAILABLE TO THE EXECUTIVE CORPORATE OFFICER IN FISCAL YEAR 2022/23

Plan number and date	Number of shares that became available during the fiscal year	Delivery date	Vesting conditions
PSP 2019 granted on 12 March 2019	20,482	17 May 2022	The Chairman and Chief Executive Officer is required to hold in registered form 100% of the performance shares fully vested during the entire term of his directorship (as renewed, where applicable). This holding requirement no longer applies once the value of the shares held by him in registered form represent three years of his last annual fixed gross remuneration. 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 remuneration.
TOTAL	**20,482**	**-**	

TABLE 10 – SUMMARY TABLE OF THE MULTI-YEAR VARIABLE REMUNERATION PAID TO EACH EXECUTIVE CORPORATE OFFICER

Not applicable.

TABLE 11 – SUMMARY OF THE STATUS AND COMMITMENTS RELATED TO THE TERMINATION OF THE EXECUTIVE CORPORATE OFFICER'S DUTIES AT 31 MARCH 2023

Executive Corporate Officer	Employment contract	Supplemental pension plan	Indemnities or benefits due or potentially due as a result of the termination or change in duties	Indemnities related to a non-compete clause
Henri Poupart-Lafarge				
Chairman and Chief Executive Officer	No*	Yes	No	Yes

* Mr Henri Poupart-Lafarge gave up his employment contract at the end of the 2019 Annual Shareholders' Meeting.

5.1.7 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 December 2022. 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	Explanation
ARTICLE 15.2 **(STAGGERING OF DIRECTORSHIPS)** "Directorships should be staggered so as to avoid replacing the entire body and to favour a smooth replacement of Board Members".	No staggering of directorships has been formalised in the Articles of Association since, in practice, renewals are spread over four consecutive years.
ARTICLE 16 **(BOARD COMMITTEES)** "It is recommended that issues relating to social and environmental responsibility be the subject of preparatory work carried out by a specialised Board committee".	Following the 2019/20 evaluation, the Board Members expressed the desire to have direct insight into these issues and that they be addressed by the Board of Directors as a whole. Discussions and work on the organisation and composition of the committees to ensure that the most appropriate governance structures are in place at the Company are currently under way.

5.1.8 RULES REGARDING SHAREHOLDER PARTICIPATION IN SHAREHOLDERS' MEETINGS

Information on these rules, which is required by Article L. 22-10-10 of the French Commercial Code and forms an integral part of the Board of Directors' report, is included in section 7 of this Universal Registration Document.

All shareholders have the right to participate in Shareholders' Meetings under the conditions provided 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 Shareholders' Meetings.

5.1.9 ELEMENTS THAT COULD HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

Information on these rules, which is required by Article L. 22-10-11 of the French Commercial Code and forms an integral part of the Board of Directors' report, is included in section 7 of this Universal Registration Document.

5.1.10 SUMMARY TABLE OF DELEGATIONS OF COMPETENCE REGARDING SHARE CAPITAL INCREASES CURRENTLY IN FORCE

This table, which is required by Article L. 225-37-4 of the French Commercial Code and forms an integral part of the Board of Directors' report, is included in Section 7 of this Universal Registration Document.

5.2 Management team

5.2.1 ROLE

The management team (which succeeded the former Executive Committee effective 1 February 2021) is headed by the Chairman & Chief Executive Officer and includes the Presidents of each region and product line and the managers of each function. Finance, Human Resources, Legal, Strategy, Communications and Digital Transformation are represented on the management team by their respective Directors.

The Chairman and Chief Executive Officer ensures that the management team pursues the Company's performance objectives through its actions and management decisions.

More specifically, the management team's role is to implement in practical terms the financial and strategic policies set by the Board of Directors. The management team meets once a week to decide on various matters, and particularly the following:

- strategic matters in accordance with the policies set by the Board of Directors;
- location and sharing of production efforts;
- allocation of capital;
- organisation of job mobility and recruitment;
- product portfolio development, review of launches and streamlining efforts;
- monitoring and implementation of the Company's most critical procedures.

The management team systematically reviews the Group's financial and operational performance, discusses and approves appointments to key positions, reviews the most significant pending legal proceedings and ensures that best legal practices are implemented. It approves product, marketing and commercial plans and reviews budget policies before the Board of Directors approves the budget.

The Internal Audit and Control Department keeps the management team apprised of the status of projects 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 respective Directors report on the status of their product development plans and progress made on operational improvement initiatives.

Finally, in connection with the acquisition of Bombardier Transportation, the management team regularly reviews the progress of the various programmes and initiatives aimed at integrating the company's activities and teams into the Group.

The management team met 20 times in fiscal year 2022/23.

5.2.2 COMPOSITION

The management team is composed of the following people as of 31 March 2023:

	Main function	Executive Committee/ management team entry date	Age
Henri Poupart-Lafarge	Chairman & Chief Executive Officer	October 2004	53
Danny Di Perna	Executive Vice-President & Chief Operating Officer	February 2021	57
Müslüm Yakisan	President – DACH Region (Germany, Austria, Switzerland)	January 2020	54
Andrew De Leone	President – Africa, Middle East & Central Asia Region	February 2021	40
Michael Keroullé	President – Americas Region	March 2021	51
Ling Fang	President – APAC Region	July 2018	57
Gian Luca Erbacci	President – Europe Region	November 2015	61
Jean-Baptiste Eyméoud	President – France Region	November 2015	55
Benjamin Fitoussi	President – Rolling Stock & Components, Development & Operations	January 2020	50
Bruno Marguet	President – Rolling Stock & Components, Platforms	June 2019	60
Matthew Byrne	President – Services Product Line	February 2021	48
Jean-François Beaudoin	President – Digital & Integrated Systems Product Line	July 2016	45
Anne-Sophie Chauveau-Galas	Chief Human Resources Officer	May 2019	47
Laurent Martinez	Chief Financial Officer	July 2018	54
Emmanuelle Petrovic	General Counsel	May 2019	50
Bruno Tourne	Chief Communications Officer	February 2021	44
Alexandre Domingues	Chief Digital Transformation Officer	February 2021	62

As of 31 March 2023, women represented 18% of the management team (vs. 16% as of 31 March 2021). At Group level, at 31 March 2023 women held 19% of the most senior positions (Executive Corporate Officers and senior executives) and represented 23.9% of executives and professionals (compared to 18.3% and 23.2% respectively at 31 March 2022 and 16.5% and 22.3% respectively at 31 March 2021) and 19.7% of the total workforce (vs. 18.8% and 19.2% at 31 March 2022 and 31 March 2021 respectively).

The "Alstom in Motion" (AiM) 2025 strategy has given an added boost in terms of Diversity & Inclusion and sets the percentage of executive and professional positions held by women at 28% by 2025. This is an overall target that has been applied in each Region, with intermediate targets that are set for each year and whose achievement is assessed at the end of each fiscal year.

Several measures, based on a systemic approach, have been implemented to achieve all these objectives:

- Alstom's management team has established a quarterly routine for reviewing the trend of the gender-related performance indicator by region, product line and function, and for discussing measures that can be taken to bring more women into the company,
- In 2022, Alstom's Executive Corporate Officers and their teams participated in workshops on stereotypes and microaggression in an effort to raise awareness of this issue, lead by example and provide guidance to their teams,
- Since last year, Alstom's women's network of excellence has become global, with a presence in all Alstom's regions. The activities of this network focus mainly on providing women with additional means and resources to develop their leadership skills and manage their careers;
- To help expand the talent pool of women, all senior leadership programmes worldwide must ensure that at least 30% of the participants are women. In 2022, this target was exceeded for all programmes worldwide, with gender-balanced participation (50%) in a programme for senior executives,
- A number of mentoring programmes designed to give senior female executives the potential to hold higher positions, for example by developing their overall knowledge of the Group's activities, continue to be offered worldwide and in some regions,
- In 2022, time was set aside during employee evaluation meetings in the regions/PL/functions and during the ALSTOM employee evaluation meeting, which revealed the talent pool of women by "profession" (project management, industry, engineering, etc.). There was also quarterly monitoring of the actions in the development plan related to the women identified in this talent pool.
- Last year, the guiding principle was also validated: for each open position at the senior management level, the shortlist must include at least one woman.

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 talent management initiatives were put in place:

- a regular review of female talent with the management team; and
- monitoring of an individual development plan to prepare them for more senior positions.

5.2.3 REMUNERATION OF THE MANAGEMENT TEAM MEMBERS

The financial elements recognised for all of fiscal year 2022/23 describing the remuneration and benefits granted to the management team are described in Note 35.3 to the consolidated financial statements for fiscal year 2022/23.

The remuneration of the management team members, i.e. 16 individuals excluding the Chairman and Chief Executive Officer, is set annually by the Chairman & Chief Executive Officer and reviewed by the Nominations and Remuneration Committee. It consists of a fixed component and a variable component tied to the achievement of performance objectives set at the beginning of the fiscal year. It is supplemented by a grant of performance shares.

For fiscal year 2022/23, variable remuneration is tied:

- firstly, to achievement of the Company's overall performance objectives in terms of EBIT, free cash flow, margin on orders received, rate of reported accidents with and without time off work, rate of completion by the managers of the annual integrity questionnaire, percentage of management positions held by women, percentage reduction in greenhouse gas emissions (scope 1 & 2); and
- secondly, achievement of specific individual objectives.

All members of the management team share the same overall performance objectives, irrespective of the Region or Function. These objectives represent 60% of the target variable remuneration 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. They represent 40% of the target variable remuneration and can vary within a range of 0% to 50%. The achievement of variable remuneration objectives is assessed by the Chairman and Chief Executive Officer and approved by the Nominations and Remuneration Committee.

Variable remuneration is based on industry practices, remuneration surveys and advice from specialised international firms.

The total gross remuneration paid to the members of the management team, excluding the Chairman and Chief Executive Officer, 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 2022 to 31 March 2023, amounted to €10,808,718.

For fiscal year 2022/23, the fixed portion represented €6,658,498. The variable portion tied to the fiscal year 2021/22 results and paid in fiscal year 2022/23 represented €4,150,220, excluding the Chairman & Chief Executive Officer.

Some members of the management team are entitled to supplemental pension schemes. The total amount of the defined benefit obligations recognised for the members of the management team (excluding the Chairman and Chief Executive Officer) is €129,686 at 31 March 2023. The amount borne by the Group (paid or recognised) in connection with defined contribution schemes (excluding the Chairman and Chief Executive Officer) for the fiscal year was €1,000,382.

The members of the management team, excluding the Chairman and Chief Executive Officer, were granted 343,000 performance shares (for an IFRS 2 value of €18.12) in fiscal year 2022/23 under the annual long-term incentive plan ("PSP 2022").

The members of the management team, excluding the Chairman and Chief Executive Officer, collectively hold 189,561 shares at 31 March 2023.

5.3 Executive and employee shareholding

5.3.1 STOCK-OPTIONS AND PERFORMANCE SHARE PLANS

5.3.1.1 Grant policy

In principle, the Company sets up a long-term remuneration plan each year in France and abroad, in accordance with the authorisations granted by the Shareholders' Meeting, and 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 Nominations and Remuneration Committee, which reviews all the terms and conditions of the plans and the grant criteria. Grants are made at regular intervals.

As of fiscal year 2021/22, the long-term remuneration plans, which had previously been granted at the last Board of Directors' meeting of the current fiscal year, are granted at a Board of Directors' meeting at the beginning of the following fiscal year. In the context of the long-term incentive plans put in place in fiscal year 2007/08, the Board of Directors wanted to combine the grant of stock-options with the grant of free shares. Since 2016, the Board no longer intends to use stock-options in connection with these plans and makes the delivery of all shares subject to internal and relative conditions and a condition of continued presence (please refer to the characteristics of these plans on 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 from among the Directors of profit centres, Functional Directors, Country Presidents, Directors of large projects and, more generally, holders of key positions who are employees of the Alstom Group and its subsidiaries and have made a significant contribution to the Group's results.

Since 2004, the number of beneficiaries has represented approximately 2% of the Group's workforce.

Individual grants to members of the management team are based on the level of responsibilities and are in line with market practices. Grants are made under the plan set up each year, and the characteristics of the performance shares granted to the management team are the same as those of all other grants.

For information on the grants made to the Chairman and Chief Executive Officer in prior fiscal years, please refer to the section on the remuneration of Corporate Officers in the Board of Directors' report.

5.3.1.2 Main characteristics of performance shares

- **Frequency:** Annual grant. Starting in 2016, the grant took place in March in order to occur closer to the beginning of the following fiscal year. As of fiscal year 2021/22, it takes place after the end of the year.
- **Performance conditions:** Yes. For plans granted up to 2017, the full vesting of all performance shares is subject to internal performance conditions that must be achieved over three fiscal years following the grant of the performance shares and an external performance condition that must be achieved at the end of three fiscal years following the grant 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 presence at the Group:** Yes, barring an exception provided for in the plan.
- **Delivery date:** At one time at the end of a period of approximately three years for all beneficiaries.
- **Holding requirement:** None (except as provided in the section below).
- **Specific holding requirement for management team members:** Yes, since fiscal year 2007/08.

5.3.1.3 Holding requirements for 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 time during which they serve on the management team, a number of shares resulting from the free grant under these plans corresponding to 25% of the definitive grant of performance shares, and must agree to refrain from using hedging instruments on all the performance shares.

Moreover, the rules of the Group's Internal Code aimed at preventing insider trading prohibit all sales of shares during periods preceding the approval of the Group's results and when inside information is held. In addition to these lock-up requirements applicable only to insiders, specific legal obligations also apply to all recipients of performance shares, whether or not they are insiders, which prohibit them from selling any performance shares during the periods determined by law.

5.3.1.4 Summary of the main characteristics of the option plans granted and valid at the end of fiscal year 2022/23

As of 31 March 2023 there are no more options that can be exercised.

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-OPTION GRANTS AS OF 31 MARCH 2023

There are no longer any stock options as of 31 March 2023.

5.3.1.5 Conditional stock-options granted to Alstom's Corporate Officers in fiscal year 2022/23 and options exercised by the Executive Corporate Officer

In fiscal year 2022/23, no options were granted by the Company to Mr Henri Poupart-Lafarge, Chairman (being Alstom's only Executive Corporate Officer).

No options were granted by the Company to other Corporate Officers of the Company in fiscal year 2022/23.

5.3.1.6 Conditional stock options granted in fiscal year 2022/23 to the ten non-corporate officer employees of Alstom who received the largest grants

Not applicable.

5.3.1.7 Stock options exercised in fiscal year 2022/23 for the ten non-corporate officer employees of Alstom with the highest number of options exercised

Not applicable.

5.3.1.8 Summary of the main characteristics of the outstanding free performance share grant plans at the end of fiscal year 2022/23

The total number of shares that may be created under the free performance share grant plans and not yet delivered represents 1.48% of the share capital at 31 March 2023 (subject to achievement of the performance conditions).

TABLE 9 – HISTORY OF PERFORMANCE SHARE GRANTS

The data have been updated to take into account the adjustment related to the capital increase with preferential subscription rights carried out on 7 December 2020.

	2020 plan (PSP 2020) (performance shares)	2021 plan (PSP 2021) (performance shares)	2021 plan (Special PSP) (performance shares)	2022 plan (PSP 2022) (performance shares)	2023 plan (PSP 2023) (performance shares)
Date of Shareholders' Meeting	10 July 2019	10 July 2019	10 July 2019	28 July 2021	28 July 2021
Date of Board meeting	10 March 2020	4 July 2021	4 July 2021	10 May 2022	9 May 2023
Initial number of beneficiaries	878	1,375	18	1,474	1,471
Initial number of performance shares granted	1,145,625	1,867,325	243,000	2,481,612	2,439,122
Initial number of adjusted performance shares	1,252,619	N/A	N/A	N/A	N/A
including to Mr Henri Poupart-Lafarge	55,787	51,000	23,000	76,000	76,000
Cumulative number of shares cancelled or lapsed at 31 March 2023	62,805	109,650	-	47,286	-
Number of remaining performance shares at 31 March 2023	1,189,239	1,756,625	243,000	2,434,326	2,439,122
Vesting or delivery date of shares (subject to performance conditions)	No later than the twentieth business day following the date of publication of the 2022/23 consolidated financial statements	No later than two business days after the end of the vesting period	No later than two business days after the end of the vesting period	No later than five business days after the end of the vesting period	No later than five business days after the end of the vesting period
Percentage of the capital liable to be created (calculated based on the capital at 31 March 2023)	0.31%	0.48%	0.06%	0.64%	0.64%
Number of shares that can be delivered to members of the management team[(1)(3)]	259,247	306,000	228,000	419,000	388,500
including to Mr Henri Poupart-Lafarge	55,787	51,000	23,000	76,000	76,000

	2020 plan (PSP 2020) (performance shares)	2021 plan (PSP 2021) (performance shares)	2021 plan (Special PSP) (performance shares)	2022 plan (PSP 2022) (performance shares)	2023 plan (PSP 2023) (performance shares)
Performance conditions[(2)]	The percentage of shares delivered varies according to: three internal performance conditions: the Group's adjusted EBIT margin, the cash conversion rate and the reduction in energy consumption of solutions offered to customers. These three conditions will be assessed at the end of fiscal year 2022/23. In order for 70% of the shares to be delivered, the margin, conversion rate and energy consumption reduction must be more than or equal to the predefined levels for that fiscal year; a relative performance condition, assessed at 31 March 2023, based on the performance of the Company's share calculated as the percent change between the share price at the grant date and the share price at the end of fiscal year 2022/23, adjusted for any dividends paid 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 price performance must be higher than or equal to a predefined percentage of that of the Index. **Rate of achievement of performance conditions:** 51.33% of the shares initially granted are delivered and 48.67% of the shares initially granted are cancelled pursuant to the performance conditions tied to the fiscal year 2022/23 results.	The percentage of shares delivered varies according to: three internal performance conditions: the Group's adjusted EBIT margin, free cash flow and reduction in energy consumption of solutions offered to customers. These three conditions will be assessed at the end of fiscal year 2023/24. In order for 75% of the shares to be delivered, the margin and energy reduction must be more than or equal to predefined levels for that fiscal year, and the free cash flow must be more than a predefined level for all the 2021/22, 2022/23 and 2023/24 fiscal years; a relative performance condition, assessed at 31 March 2024, based on the performance of the Company's share calculated as the percent change between the share price at the grant date and the share price at the end of fiscal year 2023/24, adjusted for any dividends paid during the vesting period ("Total Shareholder Return" or "TSR"), compared with 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 price performance must be higher than or equal to a predefined percentage of the Index.	The percentage of shares delivered varies according to: three internal performance conditions: growth in Alstom's margin on specific projects, creation of synergies and earnings per share. These three conditions will be assessed at the end of fiscal year 2024/25. In order for 80% of the shares to be delivered, margin growth, synergies and earnings per share must be more than or equal to predefined levels for that fiscal year; a relative performance condition, assessed at the end of fiscal year 2024/25, based on the Group's employee engagement score as measured through an opinion survey, compared with that same engagement score for other companies as measured in the study provided by Qualtrics in 2024/25. In order for 20% of the shares to be delivered, the Group's employee engagement score must be more than or equal to the score provided by the Qualtrics study.	The percentage of shares delivered varies according to: four internal performance conditions: the Group's 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 more than or equal to predefined levels for that fiscal year; a relative performance condition, assessed at 31 March 2025, based on the performance of the Company's share calculated as the percent change between the share price at the grant date and the share price at the end of fiscal year 2024/25, adjusted for any dividends paid during the vesting period ("Total Shareholder Return" or "TSR"), compared with 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 price performance must be higher than or equal to a predefined percentage of the Index.	The percentage of shares delivered varies according to: four internal performance conditions: the Group's 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 fiscal year 2025/2026. 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 predefined levels for that fiscal year; a relative performance condition, assessed at 31 March 2026, based on the performance of the Company's share calculated as the percent change between the Company's share price at the grant date and the share price at the end of fiscal year 2025/26, adjusted for any dividends paid during the vesting period ("Total Shareholder Return" or "TSR") compared with 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 price performance must be higher than or equal to a predefined percentage of the Index.
Holding period for shares	None[(3)]	None[(3)]	None[(3)]	None[(3)]	None[(3)]

(1) Refers to the management team as of 31 March 2023. The number of Mr Henri Poupart-Lafarge's rights is presented in the section of the Board of Director's report on the remuneration of Executive Corporate Officers.
(2) Vesting is also subject to a condition of continued presence at the Group, except as provided for under the plan.
(3) A specific holding requirement applies to plan beneficiaries who are members of the management team.234234

5.3.1.9 Performance shares granted free of charge to the Alstom's Executive Corporate Officer and Performance shares acquired by the latter in fiscal year 2022/23

76,000 performance shares were granted to Mr Henri Poupart-Lafarge during the last fiscal year under the PSP 2022 plan.

20,482 performance shares were delivered to him under the PSP 2019 plan in fiscal year 2022/23.

5.3.1.10 Performance shares granted free of charge in fiscal year 2022/23 to the ten non-corporate officer employees of Alstom who received the largest grants

The ten largest performance share grants in fiscal year 2022/23 represent a total of 239,000 performance shares.

The ten largest amounts of shares vested in fiscal year 2022/23 represent 62,616 performance shares under the PSP 2019 plan granted in March 2019.

5.3.2 FREE SHARE GRANT

In fiscal year 2021/22 and in accordance with the authorisation granted by the Shareholders' Meeting of 10 July 2019 (14th resolution), on 4 July 2021 the Board of Directors approved an equal grant 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 these 15 shares would ultimately be paid to 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 subject to a condition of continued employment. In other countries, 5,750 people will receive the cash equivalent of these 15 shares.

5.3.3 PROFIT-SHARING, INCENTIVE PLANS AND SAVINGS PLAN

5.3.3.1 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 employees in France over the last three years are as follows:

Year ended 31 March (in € million)	2020	2021	2022
Employee profit-sharing	1.3	2	2.4

* Including the Bombardier Transportation scope as of 2021.

5.3.3.2 Incentive plans

More than 99% of the employees of the Group's French subsidiaries benefit from an incentive plan. The amounts paid under such incentive plan in respect of fiscal year 2022/23 are not yet known since such amounts depend on a series of criteria defined in agreements specific to each subsidiary whose results are known within six months of the end of the fiscal year, i.e. by no later than 30 September of each year.

The amounts paid out in respect of incentive plans over the last three fiscal years are as follows:

Fiscal year ended 31 March (in € million)	2020	2021	2022
Employee incentive plans	20.1	27	28.3

* Including the Bombardier Transportation scope as of 2021.

5.3.3.3 Employee savings plan and retirement savings plan

Employees of the Group's French subsidiaries can invest their employee savings from profit-sharing, incentive plans or voluntary savings in a savings plan (group savings plan or company savings plan) not invested in the Company's shares, or in a group retirement savings plan (PERCO, PERCOL or PERU).

The Group's PERCOL and PERU plans allow employees to receive a 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. In addition, a supplemental pension scheme for Engineers and Executives is included in the PERU.

In 2022, employees of all French subsidiaries contributed €10.4 million to their savings plan and €13.3 million to their retirement savings plan. These payments resulted in a matching contribution of €3.3 million by Alstom.

5.3.3.4 Employee shareholdings under the Group savings plan

Within the Group savings plan, the Company carries out capital increases reserved for employees who are members of the 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 beneficiaries are held directly or through a company mutual fund (fonds commun de placement d'entreprise (FCPE)) depending on the country of residence.

Subscribers to the offering must hold their shares or mutual fund units for five years, unless an early release event occurs.

In December 2022, a new offering known as "WE SHARE ALSTOM 2023" was launched. This offering was proposed in 21 countries based on two formulas:

- a "Multiple" formula (through a swap agreement with a structuring bank) with a matching contribution of 50% of the personal contribution and a discounted subscription price of €21.54, in which subscribers receive, at maturity, the amount of their contribution (limited to €500) and the matching contribution, plus a multiple of the protected average increase in Alstom's share price over the lock-in period;
- a "classic" formula with a discount only, offered in France at a subscription price of €18.85, in which the subscriber is exposed to changes in the share price.

The operation, which closed on 23 March 2023, was subscribed by 13,341 employees in the 21 participating countries. The employees' contribution was approximately €10.1 million and the matching contribution paid was around €2.9 million. The operation resulted in the issuance of 4,236,222 new shares.

At 31 March 2023, the Group's employees and former employees held 2.46% of the Company's capital directly or through a mutual fund.

5.3.4 SUMMARY OF TRANSACTIONS IN THE COMPANY'S SHARES BY CORPORATE OFFICERS AND PERSONS MENTIONED IN ARTICLE L. 621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE IN FISCAL YEAR 2022/23

As of 9 May 2023, the following transactions have been reported to the AMF:

Reporter	Number and date of the decision/AMF information	Financial instru-ment	Type of transaction	Date of transaction	Date of receipt of the declaration	Location of the transaction	Unit price (in € unless otherwise stated)	Transaction amount (in € unless otherwise stated)
MM Consulting legal entity linked to Mr Yann Delabrière	2022DD838934 1 May 2022	Shares	Acquisition of 1,000 shares	25 April 2022	1 May 2022	Euronext Paris	21.50	21,500
MM Consulting legal entity linked to Mr Yann Delabrière	2022DD838935 1 May 2022	Shares	Acquisition of 1,000 shares	26 April 2022	1 May 2022	Euronext Paris	21.50	21,500
Mr Henri Poupart-Lafarge	2022DD842406 18 May 2022	Shares	Acquisition of 20,482 perfor mance shares	17 May 2022	18 May 2022	Outside a trading platform	23.03	471,700.46
MM Consulting legal entity linked to Mr Yann Delabrière	2022DD858482 29 August 2022	Shares	Acquisition of 111 shares	25 August 2022	29 August 2022	Euronext Paris	21.05	2,336.55
Caisse de Dépôt et Placement du Québec	2022DD858669 30 August 2022	Shares	Acquisition of 770,856 shares through a dividend payment	26 August 2022	30 August 2022	Euronext Paris	21.13	16,288,187.2 8
Mr Henri Poupart-Lafarge	2022DD858749 31 August 2022	Shares	Acquisition of 86 shares through a dividend payment	26 August 2022	31 August 2022	Euronext Paris	21.13	1,817.18
Ms Clotilde Delbos	2022DD858834 31 August 2022	Shares	Acquisition of 21 shares	26 August 2022	31 August 2022	Euronext Paris	21.13	473.73
Ms Sylvie Rucar	2022DD859116 1 September 2022	Shares	Acquisition of 19 shares	25 August 2022	1 September 2022	Euronext Paris	21.13	401.47
Ms Sylvie Kandé de Beaupuy	2022DD865836 10 October 2022	Shares	Acquisition of 500 shares	6 October 2022	10 October 2022	Euronext Paris	17.725	8,862.5
Mr Jay Walder	2022DD874938 6 December 2022	Shares	Acquisition of 100 shares	2 December 2022	6 December 2022	Euronext Paris	24.69	2,469
MM Consulting, legal entity linked to Mr Yann Delabrière	2023DD894646 16 April 2023	Shares	Acquisition of 1,000 shares	7 April 2023	16 April 2023	Euronext Paris	23.17	23,170

5.4 Statutory Auditors' special report on regulated agreements

For the year ended 31 March 2023

This is a free translation into English of the statutory auditors' special report on regulated agreements issued in French and is provided solely for the convenience of English-speaking user. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders' Meeting of Alstom SA,

In our capacity as your company's auditors, we hereby report to you on regulated agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms conditions and reasons underlying company's interest of agreements that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of article R. 225-31 of the French Commercial Code, it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with the guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes) for this type of engagement.

AGREEMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements authorized during the year

We have not been informed of any agreements authorized during the last year and requiring the approval at of the Shareholders'Meeting by virtue of article L. 225-38 of the French Commercial Code.

AGREEMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

We have not been informed of any agreements approved in prior years and which remained current during the last year.

Paris La Défense and Neuilly-Sur-Seine, 23 May 2023

The Statutory Auditors

Mazars		PricewaterhouseCoopers Audit	
Jean-Luc Barlet	Daniel Escudeiro	Cédric Haaser	Edouard Cartier

5.5 Statutory Auditors

5.5.1 PRINCIPAL STATUTORY AUDITORS

PricewaterhouseCoopers Audit

Represented by Mr Édouard Cartier and Mr Cédric Haaser

63, rue de Villiers

92200 Neuilly-sur-Seine, France

Mazars

Represented by Mr Jean-Luc Barlet and Mr Daniel Escudeiro

61, rue Henri-Regnault

92400 Paris La Défense, France

PricewaterhouseCoopers Audit and Mazars were reappointed at the 2021 Annual Shareholders' Meeting for a term of six fiscal years expiring at the end of the Shareholders' Meeting called to approve the financial statements for the year ended 31 March 2027.

PricewaterhouseCoopers Audit and Mazars are members of the Compagnie Régionale des Commissaires aux Comptes de Versailles.

5.5.2 REMUNERATION OF THE STATUTORY AUDITORS FOR FISCAL YEAR 2022/23

The Statutory Auditors' remuneration for fiscal year 2022/23 are described in Note 34 to the 2022/23 consolidated financial statements.

5.5.3 STATUTORY AUDITORS CHARTER

In May 2016, following approval by the Audit Committee, Alstom and the Statutory Auditors formalised a statutory auditors charter, which defines the Group's external audit process in accordance with the applicable laws and rules. By formalising this charter, the parties officially pledged to comply with the charter and achieve greater transparency and efficiency.

The main rules defined apply to the following topics:

- principles for allocating audit assignments and fees between the two firms;
- work process between the two firms and relations with Alstom, particularly with the Internal Audit Department;
- relations between Alstom's Statutory Auditors and the Audit Committee;
- principles 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.

6.1 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 FY 2022/23 and FY 2021/22 cover activities within the whole Alstom perimeter. Details of methodology are presented page 333

A PROACTIVE POLICY OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

Responding to strategic opportunities from global and local challenges

The world faces persistent large-scale challenges resulting from accelerating demographic, environmental, and economic dynamics. To ensure resilience, growth and long-term success Alstom's strategy is oriented towards responding to these challenges, with a broad programme of Sustainability and Corporate Social Responsibility.

Critical importance of climate and environmental issues

- The United Nations estimates the world population will grow to 9.7 billion in 2050, an increase of 2 billion from 2019(1). Allied with economic growth, this will increase demand for passenger and freight mobility.
- The Intergovernmental Panel on Climate Change (IPCC) completed its Sixth Assessment Report in 2022. This confirmed that human-induced climate change has already resulted in an average global temperature increase of 1.1°C over pre-industrial levels(2). The changing climate is making extreme weather events more common, and contributing to catastrophic events like floods and bushfires. Limiting warming to 1.5°C would require global greenhouse gas emissions to peak before 2025 and to be reduced by 45% by 2030 compared to 2019 levels.
- The COP 27 United Nations Summit on Climate Change held in Sharm-el-Sheik, Egypt in November 2022 saw the reaffirmation of global intentions to act on climate action, and a continued commitment to 1.5°C. Although countries could not agree on phasing down all fossil fuel use, highly-developed nations did pledge to increase support to vulnerable countries. Countries' current pledges leave the world on a trajectory to see 2.5°C of warming by 2100(3), with global emissions from energy combustion and industrial processes increasing 0.9% in 2022(4) to establish a new high. Action to reduce transport emissions was a theme at COP27 and initiatives to make mobility more sustainable through coordinated action to increase the provision of rail and the attractiveness of active mobility (walking and cycling) were launched and received meaningful support. Alstom's contribution to the debate included the commissioning of a study that shows how increasing the provision of urban rail can make African growth more sustainable.
- As transport accounts for 27% of carbon emissions from energy use(5), decarbonisation of the sector is crucial to achieving the goals of the Paris Agreement.This is particularly crucial as transport emissions are still growing and a decarbonisation pathway remains complex to implement. For passenger road transport, electrification is accelerating, complemented by a growing supply of renewable energy. However, the path to decarbonise heavy road freight appears less clear. As a transport mode that is already broadly electrified and among the most energy efficient, a modal shift to rail from more polluting transport modes is essential. The rail sectors' well-to-wheel carbon emissions account for only 3% of total transport emissions, while representing 8% of global motorised passenger transport and 7% of global freight(6). Rail also brings added advantages in comparison to road, including by requiring up to 90% less land than cars for high-capacity transport within cities(7) Rail emissions will fall as diesel traction is progressively replaced through track electrification and investment in rolling stock with hydrogen and battery traction increases. Hydrogen in particular provides a credible alternative where high autonomy is required.

(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 CLimate Change (2022) Nationally determined contributions under the Paris Agreement. Synthesis Report.
(4) IEA (2023) CO_2 Emissions in 2022.
(5) IEA (2021) Greenhouse Emissions from Energy: Overview.
(6) IEA (2019) The Future of Rail: Opportunities for Energy and the Environment.
(7) UITP 2021.

- With the climate challenge requiring large-scale transformations in infrastructure and technology circular economy models for the use of materials will be critical to limiting the impacts on natural resources. Moving from a linear resource use model is critical, as the global material footprint, the quantum of raw materials extracted for final consumption demands, has increased by 68% between 2000 and 2019, to 96 billion metric tons[(1)].
- Cities are also affected by poor air quality, with a large contribution from road transport, especially of fine particulates from fuel combustion. The World Health Organisation estimates that more than 90% of people live in places where air pollution guidelines are not met[(2)], making poor air quality and related health effects a strong focus of public authorities. The electrification of passenger vehicles should therefore also deliver health benefits.
- The loss of biodiversity is another large-scale challenge facing the world. Between 1990 and 2020 the world lost 420 million hectares of forest due to deforestation[(3)], while some one million plant and animal species face the threat of extinction within decades[(4)]. With healthy ecosystems essential to sustaining life it is crucial to step-up action to tackle the biodiversity crisis.
- Conflict in Ukraine continued throughout the period bringing tragedy to the people involved. The conflict had major impacts on energy markets, as Europe sought new gas sources and implemented extensive measures to conserve energy. This also lead to a marked acceleration of the switch to renewable resources.

Sustainability and Corporate Social Responsibility practices increasingly important for clients and financial partners

- As for many businesses railway operators are increasing the integration of Sustainability and CSR aims in their strategies. A growing number are sourcing renewable energy for at least part of the supply for their electrical fleets and are further lowering emissions by progressively eliminating diesel from their trains, 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 carbon neutrality by 2050 at the latest. All of the six largest US rail operators have also committed to substantial emissions reductions by 2030, with some also committed to carbon neutrality by 2050.
- As a result, sustainability performance continues to grow in importance within tenders in the mobility sector. This is reflected in an uplift in the number of tenders where sustainability criteria are included, and a spread to new countries and customers. As well as technical performance and economic competitiveness clients are now expecting more sustainable products delivered by companies with sustainable business practices, with expectations also extended to the supply chain. 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.

Expectations on sustainable business practices

- The finance sector continues to increase its focus on sustainability and CSR performance. This holds the promise to provide the investment and finance flows required for a large-scale economic transformation towards more sustainable systems and practices. In the three years to 2022 European equity funds with an ESG focus grew at more than twice the rate of alternatives. This commitment demonstrates 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 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, spreading to food and housing. 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[(5)], with about 20% of the working population having difficulty accessing transport[(6)]. In emerging countries this percentage can be higher than 80%[(7)]. Access to affordable and sustainable transport must be considered a fundamental right and a key part of socio-economic development strategies.

(1) UN Statistics Divisions 2022.
(2) World Health Organisation (2021): New WHO Global Air Quality Guidelines.
(3) UN Food and Agriculture Organisation (2020): Global Forest Resources Estimate.
(4) PBES (2019) Global Assessment Report on Biodiversity and Ecosystem Services
(5) 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).
(6) Laboratoire de la mobilité inclusive, 2017.
(7) FIT, Highlights of the International Transport Forum 2011: Transport for Society, OECD, 2011.

- Investment in rail projects can underpin sustainable development and stimulate socio-economic development. In urban areas, new rail projects can alleviate congestion on roads, allow denser population growth and deliver a multiplier effect by stimulating economic activity around stations. Rail investment should be accelerated as a climate solution, but also to deliver these broader benefits. This would bring particular benefits where there is currently limited rail infrastructure; a study commissioned by Alstom showed that dramatically increasing investment in urban rail in Africa's cities so that it accounts for 20% of urban transport could allow the avoidance of up to a gigatonne of CO_2 emissions by 2050, while also seeing the removal of 28 million cars from roads and creating 258 jobs for each new kilometre of rail built.
- More and more people, particularly the young, are demanding a step change in action to fight climate change. Their attempts to pressure political and business leaders to speed up societal and economic transformations towards sustainability are making important contributions to public debate. Many people are 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 demand 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 for employees in order to remain competitive in talent attraction and retention, when many job markets continue to see very low levels of unemployment. This is an important focus for Alstom, which saw total net employment of the Group increase by 5,400 during the year.
- Operating internationally and in multiple jurisdictions brings inherent complexity to organisations. Companies need to ensure high standards of Corporate Governance to manage and control legal, regulatory and reputational risks. Allied to this, companies should ensure the highest standards of ethics and compliance, through both process and culture.
- 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 came 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 enforced not just in their own operations but also in their 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). Alstom's business model contributes to the provision of access to affordable and sustainable transport, which underpins several of the SDGs. Furthermore, Alstom's programme of Corporate Social Responsibility brings contributions to a broader range of the goals.
- 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.

Alstom's mission: provide the solutions that enable sustainable transport systems

Transport enables access to work, medical services, education, and cultural and leisure activities and its availability is therefore essential for social progress and sustainale 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 focus on innovation and eco-design allows the Company to provide the systems and solutions that enable the zero emission transformations of rail companies. Every day around the world more than 90 million passengers are transported by Alstom's trains and systems, making safe and sustainable journeys within cities, between cities and suburban and regional areas and between cities.

Sustainability and Corporate Social Responsibility is fully integrated in Alstom's strategy

Alstom's 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 (page 8). Additional information concerning risk factors are provided in Chapter 4 (page 157), "Corporate governance" in Chapter 5 (page 185), and the Company's history and organisation chart in Chapter 7 (page 365).

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 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.

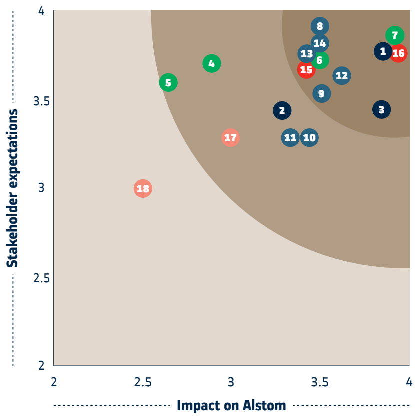
Alstom's Sustainability and CSR policy, which was last updated in March 2021, is the overarching Policy of the Company, linking the six other key policies (Quality, Railway Safety, EHS, Eco-design, Ethics & Compliance, Security). Sustainability is fully integrated in Company strategy and key processes.

Dialogue with stakeholders

The efficiency and success of Alstom's sustainable development activity and actions depend 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. The Company engages with these stakeholders on an ongoing basis, at both a corporate and local level.

Alstom also periodically engages on a more systematic basis by undertaking a stakeholder dialogue campaign to update its materiality matrix. This was last done in 2020/21, with the next exercise to be completed next year.

Alstom's materiality matrix (2020/21) records the scale and impact of different challenges, classified in five groupings (Business Ecosustem, Environment, Social, Governance and Societal). It identifies the priority issues for stakeholders, perception of Alstom performance on these issues and potential gaps.



BUSINESS ECOSYSTEM

1. Product safety
2. Innovation for smart mobility & enhanced passenger experience
3. Customer relations & satisfaction

ENVIRONMENT

4. Environmental footprint of manufacturing & construction sites
5. Resilience to climate change
6. Environmental footprint of products and solutions
7. Contribution to low-carbon mobility

SOCIAL

8. Employees' and contractors' safety and security
9. Employees' health & well-being
10. Employee engagement
11. Employees' development & talent management
12. Diversity & equal opportunity
13. Sustainable supply-chain
14. Human Rights

GOVERNANCE

15. Responsible Governance
16. Business ethics

SOCIETAL

17. Contribution to local socio-economic development
18. Community investment

More details on Alstom's sustainable development materiality matrix are available on www.alstom.com

Sustainability and CSR Strategy

Corporate Social Responsibility is fully integrated into Alstom's strategic plan "Alstom in Motion 2025", which sets out the Company's ambition to be the leading global innovative player for a sustainable and smart mobility. To contribute to this ambition, Alstom's Sustainability and CSR Strategy, built around four pillars, defines targets to make the company more innovative, sustainable and responsible. Its development incorporated the results of the materiality matrix exercise, along with the extra-financial risk mapping.

Enabling decarbonisation of mobility

Alstom embeds responsible innovation at the very core of its R&D strategy to create and develop an extensive range of low carbon/high-performance mobility solutions.

Creating a positive impact on society

Alstom is committed to accelerating local development, wherever it operates and to supporting inspiring and transformative community projects.

Caring for our people

Alstom responsibility journey is a collective one. That is why the Group makes sure all teams are on board and that Alstom is a safe, inclusive, and great workplace.

Acting as a responsible business partner

Alstom always acts with integrity and purpose, building strong partnerships to thrive as a trusted and responsible leader.

Ambitious targets have been set for each of the four strategic pillars of Alstom's Sustainability and CSR Strategy. Further detail on the actions implemented to meet the targets, and progress to date, is provided in dedicated sections for each pillar following in this chapter.

Strategic pillar	Main targets	2022/23 Results	Progress	Target year	SDG
Enabling the decarbonisation of mobility	-25% energy consumption in solutions	-23.4%	On progress	2025	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
	100% newly-developed solutions eco-designed	65%	On progress	2025	
	100% electricity from renewable sources	57%	On progress	2025	
	25% Recycled content in newly-developed rolling stock	22.5%	On progress	2025	
Caring for our people	Total Recordable Injury Rate at 2.0	1.8	Reached	2025	3 Good health and well-being; 4 Quality education; 5 Gender equality
	Global Top Employer certification	Attained	Reached	2025	
	28% of women in managers, engineers & professionals	23.9%	On progress	2025	
	Learning culture: 22 hours per employee per year	22.2 hours	Reached	2025	
Creating a positive impact on society	250,000 beneficiaries from Community Investment programmes and Alstom Foundation activities	299K	Reached	2025	4 Quality education; 10 Reduced inequalities; 11 Sustainable cities and communities
	12 countries with CSR label	7 countries	On progress	2025	
Acting as a responsible business partner	Global ISO 37001 certification	Attained	Reached	2025	8 Decent work and economic growth; 12 Responsible consumption and production; 16 Peace, justice and strong institutions; 17 Partnerships for the goals
	100% of suppliers monitored or assessed on CSR and E&C as per their level of risk	74%	On progress	2025	
	500 suppliers trained in Sustainability and CSR	202	On progress	2025	

Reached On progress

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 to end extreme poverty, protect the planet and ensure prosperity for all by 2030. 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 the 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 strongly contributes to Target 11.2 to provide 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 ten further goals, illustrated above.

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 Officer, placing sustainable development at the heart of the organisation and the strategy of the Group. Sustainable Procurement, Eco-design, 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.

(1) More information on www.unglobalcompact.org.

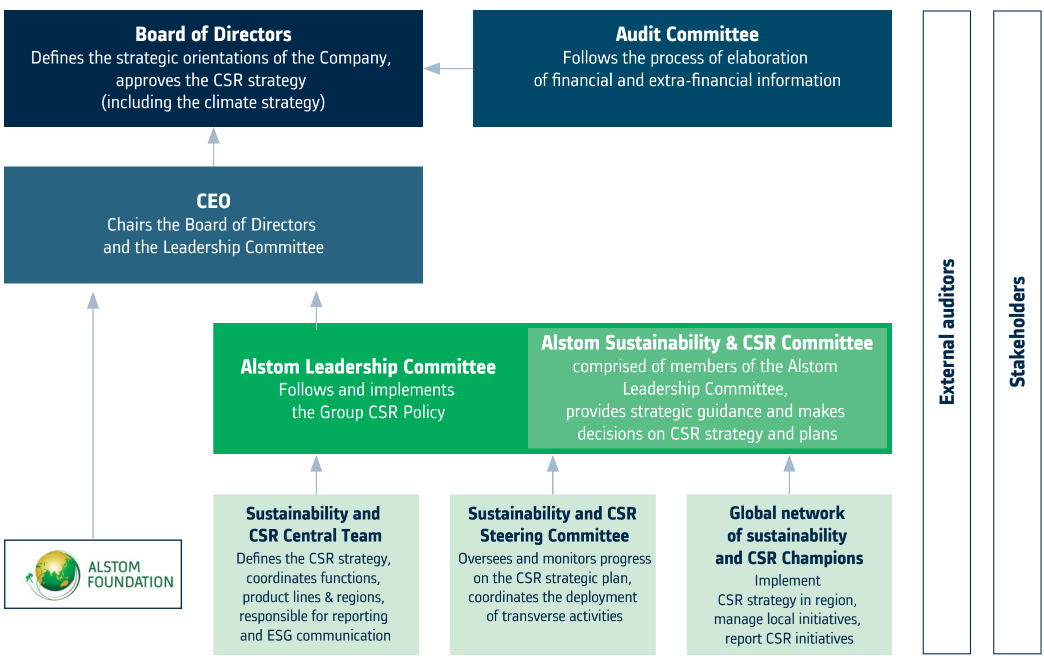
Progress on Alstom's Sustainability and CSR performance is discussed within the Board of Directors, as a minimum once a year.

At the leadership team level Alstom's Sustainability and CSR Committee is 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 meets quarterly, providing 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 Region representatives meets on a quarterly basis to oversee and monitor progress on CSR initiatives, and to 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, one or more CSR champions (60 in total) support Country Managing Directors 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 Alstom Foundation.

In addition, specific CSR topics are monitored through transverse Steering Committees which is the case for example on energy and Scopes 1 & 2 emissions or human rights.



To raise employee awareness of sustainable development topics Alstom has deployed a Sustainability and CSR e-learning in both English and French since 2018, with an updated version of the e-learning released during 2022. The e-learning is mandatory for all new employees and recommended for specific teams: Engineering, CSR & Sustainability, EHS, Communication, Sales & Marketing and Procurement. 13,312 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.

Strong sustainable rating profile by all main agencies

- MSCI: **AA rating**
- CDP: **B-rating** on climate change
- S&P Global: **72/100 score**
- SUSTAINALYTICS: Industry leader **score 19** (lower better)
- Moody's ESG Solutions: **70/100 score**
- ecovadis: Platinum rating **74/100 score**
- ISS-oekom: Prime status with **B-rating**

Presence in ESG index

- Dow Jones Sustainability Indexes: Member of Dow Jones Sustainability Indices 12th consecutive tear, top 5% in industry
- EURONEXT: Member of CAC40 ESG

A year of achievement

The 2022/23 year saw continued strong progress on Alstom's sustainability journey. Key highlights from the year are shown below.

- Alstom Belgium attained AFNOR CSR label on ISO 26000 standard
- Signed enlarged Combined Guarantee Facility Agreement with sustainability provisions
- Participation at COP27 contributing study on urban rail in Africa
- 80% of employees are proud to work for Alstom (Engagement Survey, 2022)
- Joint Finance and CSR task force implemented to answer EU Taxonomy regulation
- 3 new solar installations ordered to produce additional 6,179 MWh starting FY23/24

ALSTOM SUSTAINABILITY AND CSR RISK AND OPPORTUNITY MAPPING

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.

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, Eco-design, 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.

16 main risks or opportunities have been identified as a result. These 16 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: " Employee development and management"[(1)]; "Procurement", "Ethics and Compliance", "Health & Safety", "Human Rights", and "Railway Safety and Healthier Mobility™", "Asset resilience".

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 risks and opportunities	Description of the extra-financial risks and opportunities	Main stakeholders concerned	Relevant strategic pillar
Energy and Greenhouse gas emissions performance of operations[(2)]	Energy costs, contribution to climate change and reputational damage if environmental performance was not in line with target.	Customers, civil society, investors	Enabling the decarbonisation of mobility
Low carbon solutions[(2)]	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	Enabling the decarbonisation of mobility
Asset resilience	Operational impacts on installations, solutions and supply chain resulting from weather events in relation to climate change.	Customers, investors	Enabling the decarbonisation of mobility
Eco-design 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	Enabling the decarbonisation of mobility
Biodiversity	Biodiversity loss potential impacts on activities, opportunities to develop programmes to preserve and restore biodiversity	Customers, local communities, civil societies, NGOs	Enabling the decarbonisation of mobility
Health and Safety	Health and Safety of employees, contractors and visitors and potentially associated litigation, reputational and operational risks.	Employees, contractors, investors, customers	Caring for our people
Recruitment, Engagement and retention [Employee development and management in Chapter 4]	Ability to attract, recruit and retain employees. Engagement and motivation of employees through rewarding policies, attractive value proposition, risk of loss of productivity and attractivity in increasingly competitive environment.	Employees, investors	Caring for our people
People development [Employee development and management in Chapter 4]	Employees career development; supporting competitiveness through talent development; developing and matching skills with needs efficiently.	Employees	Caring for our people

(1) Employee development and management as presented in chapter 4, covers both Recruitment, Engagement and retention, People development and Diversity and equal opportunity risks

(2) These risks are addressed under Alstom Climate Action section

Extra-financial risks and opportunities	Description of the extra-financial risks and opportunities	Main stakeholders concerned	Relevant strategic pillar
Diversity and equal opportunity [Employee development and management in Chapter 4]	Provide an inclusive work environment to attract diverse talents, offer equal opportunity to avoid any form of discrimination.	Employees, investors	Caring for our people
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	Creating a positive impact on society
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	Creating a positive impact on 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	Acting as a responsible business partner
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	Acting as a responsible business partner
Human Rights	Human Rights risks for Alstom employees, supply chain and communities, and associated legal operational and reputational risk for Alstom.	Employees, suppliers , investors, NGOs, customers	Caring for our people
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	Acting as a responsible business partner
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	Acting as a responsible business partner
Tax evasion	Unfair payment of taxes with reputational damage if the Group were suspected of participating in tax evasion schemes.	Civil society, customers	Acting as a responsible business partner

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 lutte 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. Regarding food waste, since it is only linked to meals taken in the canteens, it is not considered as a material topic for the Company.

Information related to collective agreements is available page 297.

Actions to fight against discrimination and promote diversity, as well as measures taken in favour of people with disabilities, are included in the "2. Caring for People" section under "Diversity and equal opportunities".

Finally, additional information on other risks and issues of interest to stakeholders is presented on page 340.

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 is a classification system which aims to identify if a company's activities are considered as environmentally sustainable. To be qualified as environmentally sustainable, an economic activity, performed by a company, has to meet 4 overarching conditions : eligibility then substantial contribution (SCC), does not significantly harm (DNSH) and finally minimum safeguard (MS)) 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 and 19 December 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.

Passing this primary identification, an economic activity could be considered Taxonomy-aligned once technical screening criteria (TSC) bringing a substantial contribution at least to one of the environmental objectives are met, while Doing No Significant Harm (DNSH) to the remaining 5 objectives and respecting Minimum Safeguard (MS) about Human Rights, Taxation rules, Bribery and Fair competition. Those 3 successive steps should be successfully completed for an activity to be Taxonomy-aligned.

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 2023, the Group is required to disclose the proportion of :

- its Turnover,
- Capital Expenditure and
- Operating Expenditure (KPI's) associated with its Taxonomy-eligible and Taxonomy-aligned economic activities for the 2 climate objectives .

From 2023/24 financial year, the reporting requirements will be extended to all six environmental objectives.

The Taxonomy-eligible and Taxonomy-aligned KPIs have been based on the data from the Consolidated Financial Statements information for the financial year ending 31 March 2023, which were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (see chapter 3)

ALSTOM'S ASSESSMENT OF TAXONOMY-ELIGIBLE AND ALIGNED ECONOMIC ACTIVITIES

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.

In FY 2021/22, Alstom identified 4 activities eligible for the climate change mitigation objective, of which manufacture of low carbon technologies for transport was the most significant.

	Alstom's main eligible activities identified under Climate Delegated Act			
EU sector	3. Manufacturing	6. Transport		
EU activity	3.3 Manufacture of low carbon technologies for transport	6.3. Urban and suburban transport, road passenger transport	6.14. Infrastructure for rail transport	6.15. Infrastructure enabling low-carbon road transport & public transport
EU short definition	Manufacture, repair, maintenance, retrofitting, repurposing and upgrade of low carbon transport vehicles, rolling stock and vessels.	Purchase, financing, leasing, rental, and operation of urban and suburban transport vehicles for passengers and road passenger 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.	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 transhipment, and infrastructure required for operating urban transport.
Alstom activities	Rolling stock and Services	Operation incorporated in service product Line	Signalling and Systems for mainline and regional solution	Signalling and Systems for urban solution
ELIGIBILITY	**100% of turnover | 100% of CapEx | 100 % of OpEx**			

Using preliminary assessment performed last year to identify Taxonomy-eligible activities, and based on definitions in Annex I and Annex II of the Climate Delegated Act of the EU Taxonomy, the Group completed the analysis of alignment for its activities. The mapping of the full portfolio of products, solutions and services (so-called Product Mapping) has been completed by applying susbstantial contribution criteria (SCC) for each activity in order to identify products/solutions passing the first step of alignment with respect to climate change mitigation objective.

All manufacturing of electrical trains and bimode trains comply with SSC requirement on 3.3 activity and pass it. Similarly, for the activity 6.3, solutions are all electric and fulfill the requirement of zero direct CO2 emissions. Urban infrastructure, falling under category 6.15, being not dedicated to the transport/storage of fossil fuels and operating only electrical rolling stock with 0 direct (tailpipe) CO2 emissions validates this first requirement. However for projects outside urban environment (relating to 6.14), non-electrified lines on the one hand and freight lines or mixed freight/passenger lines likely to transport fossil fuels on the other hand have been isolated and a conservative approach has been applied for this fiscal year. A dedicated analysis is planned for next year to complement this approach.

If necessary, to complete the Product Mapping, a more in-depth analysis at the contract level was carried out to apply the technical contribution criteria with sufficient precision.

EU sector	3. Manufacturing	6. Transport		
EU activity	3.3 Manufacture of low carbon technologies for transport	6.3. Urban and suburban transport, road passenger transport	6.14. Infrastructure for rail transport	6.15. Infrastructure enabling low-carbon road transport & public transport
	Evaluation of eligible activities against alignment criteria			
	step 1 - Substantial contribution to climate change mitigation			
Substantial contribution (SCC)	0 direct (tailpipe) CO_2 emissions		The infrastructure is not dedicated to the transport or storage of fossil fuels	
			Electrified (or planned to be) trackside infrastructure and associated subsystems	Vehicles with zero tailpipe CO_2 emissions operated on infrastructure

For the second step to demonstrate that the activity does not significantly harm (DNSH) the other 5 environmental objectives, the analysis has been based on environmental and impact studies and assessments which have been performed on potentially aligned entities meeting the substantial contribution criteria.

A mapping of entities according to EU taxonomy activities has been set up to assess DNSH relevance as per their localisation (Climate change adaptation, Sustainable use and protection of aquatic and marine resources, Protection and restoration of biodiversity and ecosystems, transition to circular economy for what is related to waste management and pollution prevention and control with regard to noise and vibrations). Information used for the evaluation is based on Group policies and procedures and are supplemented by site environmental reports (monthly reporting), climate risk assessment, biodiversity diagnosis, compliance with Afnor ISO 14001 certification and information additional collected on the sites. For rolling stock manufacturing sites classified in 3.3, environmental information (climate, water, waste and biodiversity) has been collected and compiled to meet DNSH. In general, a conservative approach was applied when the available documentation was not sufficient enough to validate a criteria: It should be noted in particular that compliance with European standards, as mentioned in the EU Taxonomy regulations, that could be applied for project sites located outside the EU, could only be partially documented.

DNSH for "Transition to the circular economy" and "Pollution prevention and control" relevant to Products were evaluated through the previously mentioned Product Mapping. Information used for the assessment mainly include an environmental dashboard for the solutions designed, environmental declarations of products and other relevant eco-design information. For rolling stock solutions, classified in 3.3, the information of product eco-design have been collected and compiled to meet the relevant DNSH.

As before, on these criteria, a conservative approach has been applied when the documentation available was not sufficient to validate one of them: It should be noted in particular that compliance with European Standards, such as mentioned in the EU Taxonomy regulation (noise, vibration and waste management on project sites) which may apply for projects located outside the EU, could only be partially documented.

EU sector	3. Manufacturing	6. Transport		
EU activity	3.3 Manufacture of low carbon technologies for transport	6.3. Urban and suburban transport, road passenger transport	6.14. Infrastructure for rail transport	6.15. Infrastructure enabling low-carbon road transport & public transport
	step 2 - Do Not Significantly Harm (DNSH) to 5 others objectives			
Climate change adaptation	Climate risk and vulnerability assessment to identify physical climate risk material for the activity			
Sustainable use and protection of water and marine resources	Identification of risks related to preserving water quality & avoiding water stress- Water use and protection management plan where necessary			
Transition to a circular economy	Design for durability and recyclability of products considering reuse and traceability of hazardous substances and waste management of operations	Waste Management in use phase and end-of life	> 70% of construction demolition waste on project site are reused or recycling. Waste generation limited during construction and demolition	
Pollution prevention and control	Where applicable, no use of hazardous substances describe in the Appendix C	Vehicles comply with the requirements of the Euro VI heavy duty emission type approval	Where appropriate, noise and vibrations from use of infracstructure mitigated. Measures taken to reduce noise, dust and pollutant emissions during construction or maintenance works.	
Protection and restoration of biodiversity and ecosystems	Environmental Impact Assessment (EIA) or Screening completed. Mitigation measures implemented in/near biodiversity-sensitive areas			

Finally, for the 3rd step, Minimum Safeguard (MS), 4 dimensions are covered : human rights, corruption, fair competition and taxation. Analysis relied mainly on:

- processes applied and deployed by the Group, including but not limited to Code of Ethics, the sustainable procurement policy, the Vigilance plan. These processes are further detailed later in this chapter. The assessment encompasses the supply chain.
- Absence of severe breach or conviction related to the 4 dimensions.

The protocol followed to determine the eligibility and alignment criteria has been precisely documented by listing the assumptions made and calculation methodologies applied in a European Taxonomy reporting manual. The alignment of activities was assessed with the help of a specialized working group led by experts in Finance and CSR and supported by the contribution of internal expertise such as EHS, Eco-design, as well as external on the Climate and Biodiversity part. This manual will be updated each year annually with the assumptions.

EU sector	3. Manufacturing	6. Transport		
EU activity	3.3 Manufacture of low carbon technologies for transport	6.3. Urban and suburban transport, road passenger transport	6.14. Infrastructure for rail transport	6.15. Infrastructure enabling low-carbon road transport & public transport
	step 3 - Respect of Minimum Safeguards (MS) : Human rights, Corruption and Fair competition, Taxation			
ALIGNMENT	**59 % of turnover | 54% of CapEx | 47% of OpEx**			

EU sector	3. Manufacturing	6. Transport		
EU activity	3.3 Manufacture of low carbon technologies for transport	6.3. Urban and suburban transport, road passenger transport	6.14. Infrastructure for rail transport	6.15. Infrastructure enabling low-carbon road transport & public transport
	3.3	6.3	6.14	6.15
Taxonomy-Aligned Turnover	57%	0	0	2%
Taxonomy-Aligned Capex	52%	0	0	2%
Taxonomy-Aligned Opex	40%	0	0	7%

For details, please refer to Turnover, CapEx and OpEx tables and methodology in the section 6.4 Synthesis of indicators / Key figures 2022/23, page 355 to 359.

SHARE OF TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED ECONOMIC ACTIVITIES RELATED TO CLIMATE CHANGE MITIGATION OBJECTIVE

Product mapping and Localisation mapping are used and applied in the consolidation tool for the calculation of key performance indicators on revenue, capital expenditure (CapEx) and operating expenditure (OpEx).

TAXONOMY-ELIGIBLE AND ALIGNED TURNOVER

The Turnover for the Group amounts to **€16.507 billion** with an eligibility rate of 100% and an alignment rate of **59%**

- 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 Taxonomy-aligned turnover rate has been calculated as that proportion of turnover related to the Group's Taxonomy-aligned 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 AND ALIGNED CAPITAL EXPENDITURE

The Capital Expenditure for the Group amounts to **€0.57 billion** with an eligibility rate of **100%** and an alignment rate of **54%**.

- 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 Taxonomy-aligned Capital Expenditure rate has been calculated as that proportion of the Capital Expenditure that is associated with the Group's Taxonomy-aligned economic activities (numerator) over the Capital Expenditure (denominator).
- The Capital Expenditure (denominator) consists of additions to tangible, intangible fixed assets, right of use assets as well as development costs 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 Capital Expenditure made during the year has been considered at the closing exchange rate.

TAXONOMY-ELIGIBLE AND ALIGNED OPERATING EXPENSES

The Taxonomy qualified Operating Expenses for the Group amounts to **€0.63 billion** with an eligibility rate of **100%** and alignment rate of **47%**. The Taxonomy-eligible Operating Expenses mainly consists of non-capitalized portion of research and development costs, short-term lease, maintenance and repair which are 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).
- The Taxonomy-aligned Operating Expenses rate has been calculated as that proportion of the Operating Expenses that are associated with the Group's Taxonomy-aligned 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 alignment of the KPI's (59% for turnover, 54% for CapEx and 47 % for OpEx) for the FY2022/23 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. It should be noted that this is a first alignment exercise, and 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. In line with the deployment of the CSRD (Corporate Sustainability Reporting Directive), Alstom is working on the adaptation of its reporting processes to extend it to its entire value chain (upstream and downstream) and complete its holistic approach with new levels of granularity. 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

Key topics	Main CSR targets and KPI	2022/23	Progress	SDG
Energy and Greenhouse gas emissions performance of operations	2025: 100% electricity supply from renewable sources	57%		7 Affordable and clean energy; 9 Industry, innovation and infrastructure; 12 Responsible consumption and production; 13 Climate action
	2030: 40% reduction in Scope 1 & 2 emissions (TCO_2)	22%		
Low carbon solutions	2025: 25% energy reduction in solutions	23.4%		9 Industry, innovation and infrastructure; 12 Responsible consumption and production; 13 Climate action
	Scope 3 Use of SoldProducts – Passenger (gCO2/pkm)	4.6 gCO_2/pkm		
	Scope 3 Use of SoldProducts – Freight (gCO2/pkm)	9.2 gCO_2/tkm		
Eco-design and circular economy	2025: 100% of newly-developed solutions eco-designed	65%		9 Industry, innovation and infrastructure; 12 Responsible consumption and production
	2025: 25% recycled rate in newly-developed Rolling stocks solutions	22.5%		

Reached On progress

Alstom Climate Action

The Group's ambition is to be net-zero emission by 2050, while contributing to increase low carbon mobility for the transport sector

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. Emissions in the transport sector increased to account for 27% of the global emissions in 2019. To be aligned with a Net Zero scenario, transport sector emissions should fall by about 20% by 2030[(1)], rail being one of the key pillars to achieve this reduction.

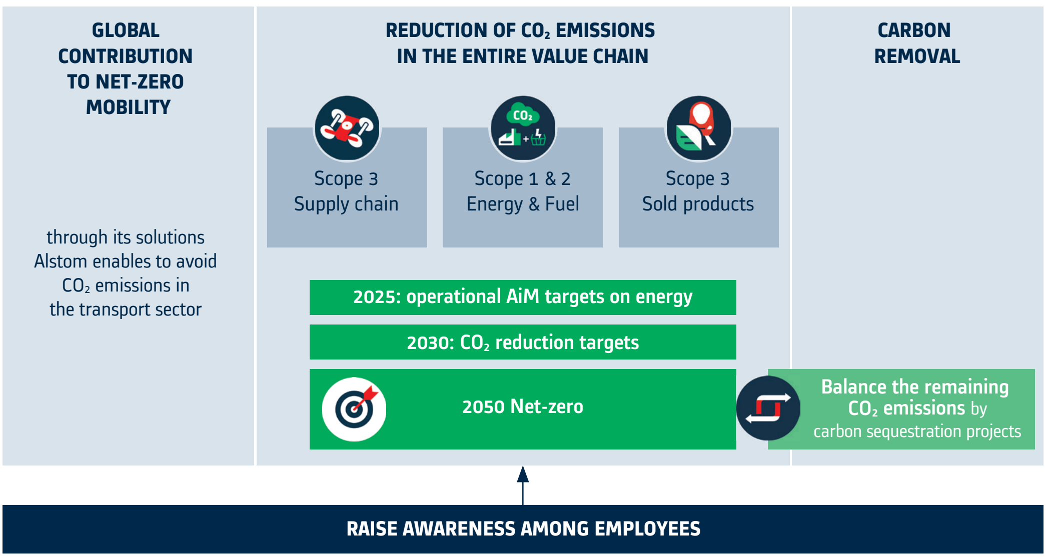
The International Energy Agency (IEA) states that rail is the least emissions-intensive mode of passenger transport and that its expansion in their Net Zero Scenario will help reduce overall emissions. The IEA recommendations to improve the impact of rail include to upgrade rolling stock, raise efficiency and enhance digital technologies, to enhance rail networks through integrated planning and to further electrify, improve efficiency and invest in digital technologies; developments that Alstom is currently adressing to favour low carbon mobility[(2)].

(1) IEA (2022), Transport, IEA, Paris https://www.iea.org/topics/transport
(2) IEA (2022), Rail, IEA, Paris https://www.iea.org/reports/rail

Net zero strategy & Policies

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 THE VALUE CHAIN BY 2050



Global contribution to Net Zero Mobility

Rail is among the most energy efficient modes of transport for freight and passengers - while the rail sector carries 8% of the world's passengers and 7% of global freight transport, it represents only 2% of total transport energy demand[1]. The modal shift from other type of passenger transport to rail will play a key role in the decarbonisation of the mobility sector.

Alstom launched in 2022 a project to account the positive impact of its solutions. With its partner, EcoAct, Alstom has defined a methodology based on the UNFCCC standard for Clean Development Mechanism (CDM). The principle is to compare baseline emissions against project emissions. The baseline emissions refer to emissions that would have been generated by the transport of passengers if Alstom solutions would not be in place, taking into account alternative transportation means like cars, buses or walking. The project emissions are associated with the transportation of the passengers travelling with Alstom rolling stock. They include the expected CO_2 emissions related to traction, to the production of the train from raw materials and an estimate for railway infrastructure construction[2].

This year the company has refined its methodology for estimating the amount of emissions avoided based on passenger train sales, first results will be published next year.

Reduction of CO_2 emissions in the value chain

2025 operational objectives:

The Alstom in Motion strategy includes operational energy efficiency and transition ambitions:

- decarbonising its operations, with the goal of achieving 100% renewable electricity supply from renewable sources in its operations by end of 2025;
- reducing the energy consumption of the portfolio of solutions by 25% by 2025 compared to 2014.

CO_2 reduction mid-term objectives:

As part of its Net Zero engagement, Alstom has set mid-term targets covering its main emission sources:

- Alstom is committed to reduce absolute direct GHG emissions (scope 1) and indirect GHG emissions (scope 2) from Alstom sites by 40% by 2030/31 from 2021/22 baseline – in line with 1.5°C SBTi scenario
- Alstom is committed to reduce GHG emissions (scope 3) from the use of sold products from its portfolio of rolling stock solutions by 42% per passenger-km and 35% per ton-km by 2030/31 from a 2021/22 baseline – in line with B2DS SBTi scenario
- Alstom is committed to reduce the intensity of GHG emissions (scope 3) from purchased goods and services by 30% by 2030/31 from a 2022/23 baseline.

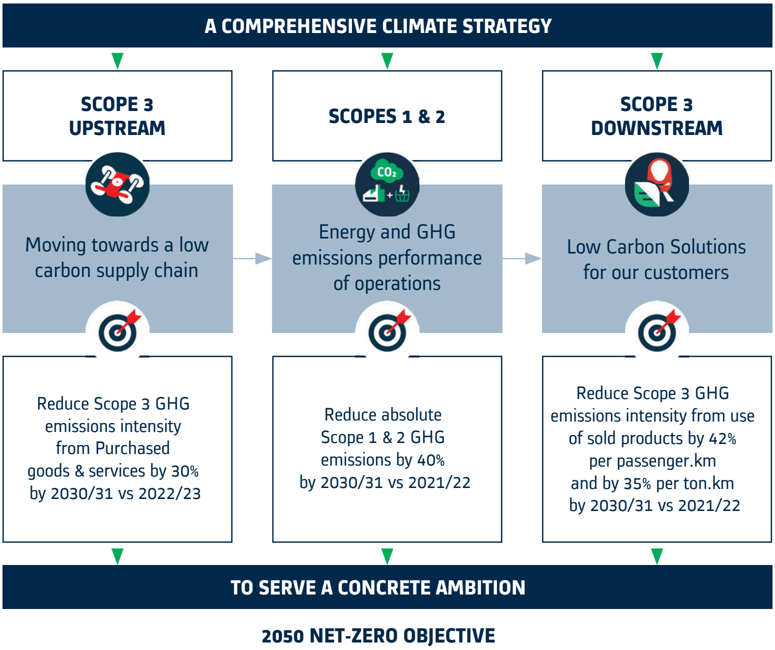
(1) IEA (2022), The future of Rail, IEA, Paris https://www.iea.org/reports/the-future-of-rail
(2) UIC - https://uic.org/IMG/pdf/carbon_footprint_of_railway_infrastructure.pdf

Climate awareness programme

As part of its engagement towards Net Zero, Alstom is deploying awareness sessions in all regions to increase the commitment of its employees on Alstom's climate action. Besides webinars and conferences held during the year, the Climate Fresk is now part of its official training programme. The Climate Fresk is a 3 hours collaborative workshop that teaches the fundamental science behind climate change and empowers people to take action. Internal trainers are deploying the workshop in France, Germany, Belgium and Canada. At the end of March 2023, more than 300 persons have participated to a Climate Fresk workshop.

Process and action plan

Alstom draws on its technological expertise and innovative capabilities to meet the current and future needs of operators and passengers. The company offers products from the broadest portfolio range in the rail industry. The Group's solutions support the low carbon transitions of its customers, cities and countries. For Alstom, the entire value chain has to move towards Net Zero, which includes all the phases of solutions, from design to utilisation. Alstom efforts towards low carbon solutions are reflected in its processes, action plans and results for the different steps of products life cycle.



Energy and Greenhouse gas emissions performance of operations (Scope 1 & 2)

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. In 2022, the evolution of electricity and gas prices have confirmed the risk related to energy costs and have demonstrated the efficiency of energy conservation, for cost reduction and business continuity.

Alstom has defined its roadmap to reduce Scope 1 &2 emissions with 2 main levers to be implemented by 2025. Alstom aims to:

- become more energy efficient while improving the performance and cost effectiveness of its processes;
- source its electricity consumption from renewable energies.

Further considerations like alternatives to gas will also be explored to sustain convergence to targets beyond 2025.

Energy efficiency

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).

Alstom is continuing to deploy its energy-saving plan which has already delivered good results. This plan is targeting the 40 largest consumers, representing 83% 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 2022, sixteen sites were fully equipped with LED (Katowice, Savigliano, Santa Perpetua, Nola, Charleroi, Villeurbanne, Le Creusot, Madhepura, Saharanpur, Satee, China Dispen, Fes, Cebu, Hyderebad, China BTRE, Catee) and 53 other sites partially.

Moreover, specific energy efficiency plans have been deployed in the European global region in order to face the energy crisis and allow to reduce the energy intensity by 15%, on this perimeter, between 2021 and 2023.

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. The Company is signing contracts for the supply of electricity from renewable energy sources where it is economically viable. The initiative engaged few years ago on the legacy Alstom perimeter is now being extended to the full perimeter. Thus, Alstom's electricity supplies come totally from green sources in Belgium, the Netherlands, Brazil, and Sweden, India, China, Italy, Spain, the United Kingdom and partially in the United States, Germany, Switzerland, Poland and France through contracts with its electricity suppliers. In APAC, the share of electricity from renewable energy sources in 2022 has risen from 4% to 84%. In FY 2022/23, 15 sites have completed feasibility study for installation of solar panels and 3 have already ordered new systems.

Main results and performance indicators

Details of energy consumption

(in GWh – raw values)	2021	2022
Natural gas	465	389
Butane or propane and other gases	15	16
Domestic fuel / diesel	8	11
Steam/heating network	116	99
Electricity	393	377
Coal, heavy fuels and other fuels	0.5	0.3
TOTAL ENERGY CONSUMPTION	**998**	**892**

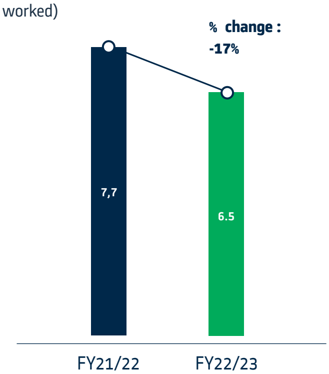
Source: Alstom Teranga.

The decrease in the consumptions reflects the good results of energy saving plan implemented in 2022, especially due to the energy crisis impacting natural gas and electricity. The volume of steam consumed for heating has also slightly decreased due to the adjusted temperature set point applied in European countries and saving actions on sites especially in Germany where urban heating is quite common.

The volume of domestical fuel / diesel has increased due to ramp up activities on site in Saharanpur, Sahagun, Salzgitter and Kassel. Other good practices have been deployed in line with energy guidelines such as the site compacting analysis for unused space, switch off unused industrial equipment and installation of thermostat on radiators.

The energy intensity has established at 6.5 kWh/hours worked for the year 2022 (vs 7.7 kWh/hours worked in 2021) reflecting the efforts made to save energy.

EVOLUTION OF ENERGY INTENSITY
(kWh/hours worked)



The deployment of well-established energy management practices and energy saving actions bring positive results in terms of efficiency. Alstom set up this year a dedicated steerco to manage the energy crisis at the top level of the organization. In addition, quarterly meeting was implemented with operations, CSR and EHS to track the progress of energy saving plan and solar panel's implementation. A review with Regions on their planned CAPEX & OPEX for energy & CO_2 reduction has also been completed to secure convergence to target.

Renewable energy

	2021	2022	target
Share of electricity from renewable sources	42%	57%	2025: 100%

In total, in 2022, 57% of electricity supply comes from renewable sources on the full perimeter, which is showing a 15 percentage-point increase progression compared to last year. The strategy of green electricity purchase continues to be extended. The green electricity produced on site represented more than 1% of energy consumed by the Group in 2022.

Scope 1 & 2 emissions

Categories	2021	2022	% of change
Direct CO_2 emissions related to the consumptions of natural gas butane, propane, coal and oil – Scope 1	100	85	-15%
Direct CO_2 emissions from company cars (using gasoline or diesel oil) – Scope 1	6	7.5	+25%
Other direct CO_2 emissions related to HFC fugitive emissions – Scope 1	2	1	-50%
Total CO_2 emissions – Scope 1	**108**	**94**	**-13%**
Indirect CO_2 emissions related to the consumption of steam, heat network and electricity – Scope 2 market based	122	85	-30%
TOTAL CO_2 EMISSIONS – SCOPE 1 AND 2 MARKET-BASED	**230**	**179**	**- 22%**

The CO_2 emissions reflect the decrease in the energy consumptions due to the implementation of energy saving actions in 2022 in the major energy consumers. At the end of 2022, the GHG emissions from energy consumption have decreased by 22% compared to 2021. The share of green electricity in energy supply still contributes significantly to the reduction of CO_2 emissions.

Low Carbon Solutions (Scope 3)

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 affecting the good environmental performance of rail resulting from lack of energy efficiency or inability to decarbonise electricity mix and contributing to climate change.

The main levers to reduce CO_2 emissions from our solutions are the energy efficiency gains, the alternative energy traction and the engagement with our customers.

Design of energy efficient solutions

Alstom's eco-design approach integrates the energy efficiency of rail systems into its priorities (see "Eco-design and circular economy section", page 284). 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 to improve their accuracy and consider all drivers for energy efficiency.

In terms of energy efficiency, innovation is managed under the Company's R&D and Innovation processes and is positioned as a System approach 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:

- Since December 7, 2022, the first TGV M test train, from Alstom's Avelia Horizon range, has been at the Velim test site in the Czech Republic. The Avelia Horizon™ addresses ambitious goals in terms of competitiveness of the rail sector and profitability: 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.
- Alstom's Innovia product range represents the mass transit solution for airports, rapidly growing cities and dense urban areas. Alstom continues to lead the way in all fields: safety and security (as the only supplier to offer extra-wide emergency walkways for its elevated systems), reliability (Innovia systems provide close to 100% availability) and energy sobriety (monorails are equipped with permanent magnet motors for optimal energy efficiency, and energy consumption is kept low by the optimised drive mode provided by automatic operation).
- The research project "Automated regional trains in Lower Saxony, Germany" is entering the next phase. Together with the German Aerospace Center (DLR) and the TU Berlin, Alstom is developing technical solutions to gradually digitise rail passenger transport in Germany. The project will explore the possibilities of automation in regional transport via the European Train Control System (ETCS). Automation is expected to bring energy efficiency to the traction operation of the trains.
- Alstom will provide maintenance for Line 2 of the Panama Metro, which includes maintenance service of the traction and auxiliary substations, and the Hesop™ power system, an Alstom reversible substation solution that allows for the recovery and transfer of more than 99% of the energy generated by the braking of trains for re-use in the electrical network of the stations for services such as escalators, lighting and ventilation. At the end of 2022, 126 Hesop™ units have been sold 10 countries worldwide: Australia, UK, Italy, Panama, United Emirates, Saudi Arabia, Germany, Greece, Israel and France.

Zero (direct) Emission-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.

Today electrical rail solutions and systems represent most of the Company's orders. The supply of new build 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.

- 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. In addition, electrification has the lowest emissions as it is the most energy efficient energy supply considering from well to wheel.
- 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. As part of its "green modernisation offer", Alstom Services product line offer to customers: green re-tractioning and train-life extension. Green re-tractioning is the name given to solutions that can replace or reduce the use of diesel. The main focus being providing alternatives to diesel traction for non-electrified and low frequency lines and implementing battery, hydrogen re-tractioning. Hybrid solutions to reduce CO_2 and NOx emissions are also available, to make part of a journey emission-free where complete transformation is not possible, for example, enabling diesel trains to run on electric batteries for the section of their journey through urban areas.

(1) 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 latest battery technology that Alstom is currently developing can increase distances to over 120 km of autonomy and the technology continues to progress. Irish Rail is ordering 18 additional battery-electric multiple units (BEMUs), aiming to boost the sustainability of Ireland's busiest commuter belt. The trains will be capable of journeys of more than 80 kilometres outside the electrified DART network under pure battery power, thereby taking older diesel rolling stock off those non-electrified lines. Energy stored in the battery system will be charged via fast charging stations at chosen terminus locations and by recovering braking energy while the new battery-electric trainsets are on the move.
  - Hydrogen solutions: Hydrogen-based solutions are preferable for long-range needs. Hydrogen trains offer a clean, reliable and cost-efficient alternative tracks that aren't electrified. The Coradia iLint, it is now used as the world premiere 100% hydrogen train route, in passenger operation in Bremervörde, Lower Saxony, Germany. This regional train only emits steam and condensed water while operating with a low level of noise. The 14 vehicles with fuel cell propulsion belong to Landesnahverkehrsgesellschaft Niedersachsen (LNVG). Alstom regional solutions will gradually replace 15 diesel trains. They will be fuelled daily and around the clock at the Linde hydrogen filling station. Thanks to a range of 1,000 kilometres, the Alstom multiple units of the Coradia iLint model, which are emission-free in operation, can run all day long on just one tank of hydrogen on the network.

Engagement with customers

Alstom is already working closely with customers to propose efficient solutions that can reduce their energy consumption. Indeed, rail operators are frequently among the biggest energy consumers in their countries, so every improvement in efficiency that can be achieved can have a significant positive impact on the GHG emissions from customers. Several of its customers have already started their own climate action journey and are deploying actions to reduce the energy consumption or to source from renewable electricity for their traction operations.

In 2022, Alstom worked together with Schneider Electric Sustainability Services towards the reduction of GHG emissions from the use of sold products. The objective of the project was to build a framework to be able to discuss climate action and sustainability with customers. In the pilot phase of the project, which concluded this year, the Sustainability & CSR team discussed with European, American and Asian customers on their own climate journey and the initiatives that they have deployed. Some of customers are already sourcing themselves with renewable electricity for 100% of their traction operations. This is allowing them to propose a transport offer with very low direct carbon emissions.

A positive sign that the rail industry is moving towards decarbonisation is the Climate pledge of the UIC, where 33 railway operators have engaged to reduce GHG emissions by 2030, reach carbon neutrality by 2050 and contribute to the United Nations Sustainable Development Goals. For the next year, Alstom will continue to engage with customer to foster cooperation in climate action[1].

GHG emissions related to products and services sold (Indirect GHG emissions – scope 3 downstream)

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 2022/23 fiscal year, the carbon footprint of products and services sold by the Company was estimated at approximately 29 million tons of CO_2 over an average lifespan of 30 to 40 years.

The geographic distribution of scope 3 emissions for Rolling Stock Sold Products is the following:

- Asia/Pacific: 45%;
- Africa/Middle-East/Central Asia: 33%;
- Europe (France + Europe Region): 19%;
- Americas: 3%

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.

(1) UIC - RAILWAY CLIMATE RESPONSIBILITY PLEDGE

Main results and performance indicators

	2021/22	2022/23	Target
% reduction of energy consumption in Alstom solutions	22.0%	23.4%	2025: 25%
CO2 emissions of Alstom passenger transport solutions sold during the fiscal year (gCO2/pass.km)-Scope 3 (1)	4.6	4.6	2030: 2.6
CO2 emissions of Alstom freight transport solutions sold during the fiscal year (gCO2/ton.km)- SCope 3 (2)	9.2	9.2	2030: 5.9

(1) Calculation based on yearly IEA and ADEME emissions factors. Transport solutions include light rail, metro and suburban, mainlines and e-bus solutions.
(2) Calculation based on yearly IEA and ADEME emissions factors.

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 23.4% more energy efficient on average than in 2014 in line with its target for 2025.

Performance on intensity of Scope 3 Use of Sold products is stable. The carbon intensity is directly linked to the energy mix where the rolling stock is operating. For some of the key markets, the decarbonisation of the grid is going at a slower pace than expected, which combined with important sales in certain countries have resulted in a steady carbon performance.

Moving towards a low carbon supply chain (Scope 3 upstream)

A significant part of Alstom's indirect carbon footprint is generated by its activities with suppliers. Indeed, around 20% of the Group's total CO_2 emissions are related to the sourcing of goods and services integrated into the manufacturing of products, capital goods, transportation and distribution services, as well as business travel of its employees. The category Purchased Goods & Services is the most impactful one, representing more than 90% of the total Supply Chain Scope 3 carbon footprint.

The Group has proceeded to a supply chain analysis and identified the most carbon-intensive commodities purchased covering 80% of the total procurement spend. Based on the results, Alstom has established the following reduction target:

- Purchased Goods & Services: 30% reduction in economic intensity (in gCO2/€) vs. FY22/23 baseline by 2030/31;
- Transportation & Logistics: 30% reduction in physical intensity (in gCO2/Ton.km) vs. FY22/23 baseline by 2030/31.

As part of the strategy, suppliers to Alstom Group are strongly encouraged to measure and reduce their greenhouse gas emissions. In this perspective, in 2022, the Group has launched a major decarbonization action plan with the support of a specialized consultancy. All Procurement Domains and Regions, as well as the Supply Chain Department have brought their contribution, while around 20 strategic suppliers have been consulted to better understand their current Climate reduction strategies and how they could partner with Alstom to implement carbon reduction actions and accelerate the use of low-carbon innovation.

The Procurement decarbonization plan targets the top 100 suppliers contributing to Alstom's carbon emissions and is divided in three main pillars:

- knowledge development and capacity building (Suppliers and Buyers);
- supplier engagement;
- and low-carbon innovations with suppliers.

As part of the decarbonization plan, Alstom aims to have a better control of its CO_2 emissions to monitor the reduction targets. In this sense, the Group is preparing the launch of the implementation of a major project to collect primary data from suppliers in order to:

- improve the monitoring of CO_2 emissions by using supplier-specific Emission Factors;
- have a better understanding of their maturity and engage with them on carbon reduction action plans;
- and allow Buyers in collaboration with other associated Departments to take into account suppliers' carbon footprint in procurement decisions.

As regards transportation and distribution, operations are managed by external transportation providers. Alstom measures the carbon footprint of transports from the services purchased to carriers, such as:

- the flows of goods transported between goods suppliers and the Distribution Centers Storage (so-called "Platforms"), or directly towards Alstom's production sites;
- intercompany flows (between Alstom production sites/entities);
- as well as the flows of finished products delivered to customers.

In 2022, 10 strategic carriers have been engaged in Climate Change dedicated workshops and consulted on their offer of low-carbon solutions. The optimization and consolidation of upstream transportation flows, the use of alternative fuels (e.g., Sustainable Aviation Fuels (SAF) for air freight, biofuel for sea freight), electric trucks, rail freight, or a reinforced load management are the main actions that the Group is currently investigating with its transportation providers to reduce its CO_2 emissions.

Governance of the Scope 3 Supply Chain

The Group's Procurement Organisation, under the responsibility of the Chief Procurement Officer (CPO), is in charge of engaging with suppliers for carbon reduction and implementation of the decarbonization plan.

The reporting, monitoring, and reduction of CO_2 emissions from Scope 3 Supply Chain requires the involvement and coordination of a large panel of both internal and external stakeholders. In this sense, a CPO Decarbonization Board has been put in place to ensure the continuous monitoring of actions deriving from the decarbonization plan and suppliers' decarbonization plans. The Board is composed by the CPO, the Heads of Procurement Domains and Regions, and takes place on a quarterly basis.

Strategic decarbonization actions, as well as risks and opportunities with suppliers are raised within the Steering Committee – Scope 3 Supply Chain, which gathers on a quarterly basis.

Furthermore, the reduction of CO_2 emissions from activities with suppliers is managed as part of the railway industry initiative Railsponsible (see more page 323 on Sustainable Procurement Chapter) within the Decarbonization of Supply Chains Working Group where Alstom is a leading member. The objective is to align on the use of tools, common methodologies and the development of low-carbon solutions with suppliers. In 2022, Railsponsible has participated in the railway international trade fair, InnoTrans. On this occasion, Alstom's CPO has hosted a round table together with Railsponsible member companies on the acceleration of circular economy practices to decarbonize the railway industry supply chain and have awarded two suppliers for their performance in this field, namely: Schneider Electric and Lucchini.

Supplier engagement initiatives

In November 2022, a Supplier Summit has taken place in Canada, Montreal with Alstom strategic suppliers in Americas Region. For the event, dedicated workshops on the decarbonization of supply chains have taken place. A total of 30 suppliers have been engaged on knowledge development focusing on key carbon definitions (GHG Protocol, life-cycle assessment – LCA), and have participated in the identification of opportunities, challenges, and motivation to accelerate the decarbonization of their activities.

Moreover, in FY22/23, 50 suppliers have been trained on the accounting of CO_{2e} emissions and product carbon footprint, while more than 30 buyers have participated in the Climate Fresk workshop, as part of their training plan.

The decarbonization plan identified the integration of eco-design criteria in engineering specifications as a key lever to reduce CO_{2e} emissions from purchased goods. For instance, the target of having at least a minimum of 25% recycled content in newly-developed rolling stock solutions (see more Eco-Design and Circular Economy, page 284) is part of the Climate Change requirements on suppliers.

Main results and performance indicators

Main Supply Chain Scope 3 emissions	2021/22	2022/23
Purchased Goods & Services ($kTCO_2$)	-	6 544
Transportation and Logistics ($kTCO_2$)	33	56

In FY 2022/23, the carbon intensity KPI for Purchased Goods and Services reached 950 gCO_2/ € value added, and for Transportation and Logistics 41 gCO_2/tkm.

Calculation methodology for scope 3 supply chain categories has been updated during FY22/23, more details regarding methodology change are available on page 333.

Carbon inventory

Alstom accounts its carbon inventory following the guidelines of the GHG protocol. The main CO_2 emissions are operations, the sold products and the supply chain.

Scopes	Categories	2021/22	2022/23
Operations - Scopes 1 and 2	Direct CO_2 emissions related to the consumptions of natural gas butane, propane, coal and oil[1] – Scope 1	100	85
	CO_2 emissions from company cars (using gasoline or diesel oil) – Scope 1	6	7.5
	Other direct CO_2 emissions related to HFC fugitive emissions – Scope 1	2	1
	Total CO_2 emissions – Scope 1	108	94
	Indirect CO_2 emissions related to the consumption of steam, heat network and electricity [2] – **Total Scope 2 market based**	**122**	**85**
Total CO_2 emissions – Scopes 1 and 2 market-based		**230**	**179**
Supply Chain - Scope 3 upstream	Purchased goods & services*	NA	6,544
	Capital goods*	NA	79
	Fuel and energy-related activities	19	17
	Waste in operations	4	4
	Transportation*	33	56
	Business travel*	6	30
	Employee commuting	80	56
Total CO_2 emissions – Scope 3 upstream*		**NA**	**6,786**
Sold products - Scope 3 downsteam	Use of sold products[3]	32,000	29,000
Total CO_2 emissions – Scope 3 downstream		**32,000**	**29,000**
TOTAL EMISSIONS ($KTCO_2$)		**32,372**	**35,965**

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 (2021 data base) or, if not available IEA (2020 data base). Emission factors used to calculate the absolute TCO_2 from Sold Products come from a 30 years average of IEA WEO STEPS - 2020 - 2050 (due to the long life operations of our products).
(3) The absolute TCO_2 from a current Emission factor for electricity (IEA) is 39 million TCO_2.
* As the calculation methodology for several scope 3 emissions categories has been updated during FY22/23, figures with a * are not comparable with the one published for FY21/22. More details regarding methodology change are available on page 333.

Asset resilience

Strategy & Policies

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 employees of being exposed to severe weather events like heat or cold waves on 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)

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.

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 plan

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 (see Chapter 4). 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 a selection of its suppliers. With support of external advisor, Alstom conducted a Nat Cat[1] Analysis as well as a Future Climate Risk Screening of its assets. The Nat Cat analysis consisted in assessing site exposure to natural catastrophes (also named acute climate risks from the best available hazard maps, selected among those provided by scientific literature and market at global scale These maps refer to current climate conditions. The results from this analysis are the baseline for the future climate risk screening.

The Future Climate Risk Screening, also aimed at assessing the physical vulnerability of assets to climate change including both acute and chronic long term change in the mean and variability of climate patterns heavier rainfall, longer drought, higher temperature, etc due to climate change climate risks, based on Climate data extracted from Global Climate Models providing projections for various climate scenarios. Alstom completed the analysis based on the Global Warming Scenario SSP5 8.5[2] ("pessimistic scenario", end of century warming at 3.3 to 5.7°C), even though a scenario on scenario SSP2 4.5[2] ("optimistic scenario", warming at 2.1 to 3.5°C) was also conducted. All climate projections are computed with time horizons 2030 and 2050 and compared to a baseline which reflects current climate conditions.

The assets that were identified at risk went through a first screening to evaluate their preparedness to potential climate hazard that was identified from the assessment. The main climate perils for Alstom assets can be summarized in: Heat Wave, Cold Wave, Tropical cyclone and Flooding. For each of the assets, the main risk was signalled and a climate adaptation survey was answered. Alstom sites are currently deploying adaptation initiatives to ensure business continuity and the safety of employees. For example, sites that are exposed to heat waves have already deployed actions like flexible working hours for employees, extreme weather event training annually and individual protection equipment. The buildings itself are also equipped to have a controlled ambient temperature or are built to withstand extreme weather as local legislation requires. Critical equipment is also identified and actions like storage in temperature controlled rooms or special protection can be carried out. Finally, almost all screened sites have an alert system managed by local authorities, which allow to be better prepared in case of extreme weather event. Additional mitigation measures will be considered after this year survey.

Alstom's processes for managing Climate Change related risks include an annual prevention programme, validated by Alstom's insurers and based on the best available standards. The objective is to ensure that appropriate prevention and protection as well operational measures are in place. Like every year, together with our insurers, Alstom select, validate and plan a programme of loss prevention visits based on various parameters. Those visits aim to identify possible hazards and issues, such as heating and electrical installations, environmental exposures or potential hazards. The inspection is also about obtaining additional information about risks. During the FY 2022/23, more than 25 sites have been visited and depending on the result, recommendations have been made. 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, 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.

At the end of January, Alstom inaugurated a new climatic chamber at the Centre d'Essais Ferroviaires (CEF) in Petite-Forêt, near the Valenciennes production site, France. This new equipment is intended to put to the limit the heating, air conditioning and insulation systems of rolling stock and verify their quality. With rails running through it and halogen lights simulating sunlight, the climatic chamber can be used to test trains, road vehicles or various large objects in all kinds of climatic conditions: high heat (up to +70 degrees Celcius) or extreme frost (as low as -45 degrees). As for the standards, they are specific to each country: for example, Nordic countries, requires tests between minus 40 and 28°C.

Alstom has been awarded a new contract to supply 25 additional Coradia Nordic regional trains to Norske tog. Norske tog's new regional trains "Class 77" will operate as a commuter and fast rail service between Ski and Stabekk in the greater Oslo region. The expanding fleet of trains will ensure improved transport services throughout the busy region. The Coradia Nordic trains for Norske tog have been specially adapted to meet the needs of the Norwegian rail network and are fully suitable for Norwegian weather conditions.

(1) Natural Catastrophe Analysis
(2) IPCC Scenarii

Alstom reinforce existing practices in this field with a instruction on "Environment & Climatic Adaptation" 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 systematically deployed for every new project.

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 fiscal year 2022/23, 2 events have been recorded; a hailstorm at Belfort, France and floods in South Africa.

	2021/22	2022/23
Number of natural disasters generating damages and operating losses of more than €2 million	0	2

Eco-design & 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 eco-design 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 eco-designed 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.

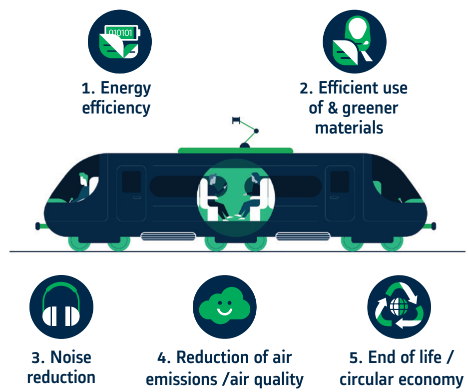
This approach is particularly relevant in the context of rising client expectations in terms of eco-design and the acceleration of associated regulations that are set up progressively according the green deal ambitions. the difference.

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 eco-design approach is based on life-cycle thinking, consideration of customer and stakeholder expectations, and continuous improvement.

The priorities set in Alstom's eco-design policy focus on



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 eco-design referential, supported by a network of more than 300 experts (eco-designers, acoustics experts, materials experts and energy engineers).

(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.

Based on environmental assessments including life cycle analysis, Alstom identified environmental priorities and selected two key performance indicators (Kpis) to follow the deployment of eco-design and circular economy activities of its panel of solutions. During 22/23 fiscal year, the Group has taken a third commitment to accelerate the use of recycled materials in its rolling stocks:

- 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.
- 25 % of recycled rate in newly-developed Rolling stocks solutions in 2025

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 eco-design process along with instructions, standards, and competency assessment.

Eco-design work plan

The Alstom eco-design work plan is based on the principle of continuous improvement. Updated regularly, it addresses following activities:

- the 2025 energy consumption reduction, circular economy and eco-design of solutions 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 locomotive (Traxx 3 - Europe) and Single deck EMU UK Suburban trains, Ebigate (Level crossing), Electrification Tram (LAC)and Green modernisation (Green retractioning) and Maintenance Data Solutions (HealthHub™Signalling) 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. In 2022/23 , the RSC solutions road map have been defined while services practices were improved;
- the operational performance. Over 2022/23 fiscal year, the deployment of 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 pursued while improvement of the tool have been implemented;
- the environmental assessment. To this end, a dedicated roadmap for life-cycle assessment and life cycle thinking is maintained and implemented; This year a simplified Carbon tool was developed in order to assess quickly different traction versions of Rolling stocks;
- the environmental risks and opportunities linked to solutions and products. In 22/23, new EU initiatives such as Eco-design for Sustainable Product Regulation (ESPR) were assessed. Comparative Environmental assessment of green traction solutions have been done in order to characterize environmental strengths and area of improvement;
- 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 substances and as of today 95 % of substances have been phased out; In 22/23, several regulatory dossiers such as PF-Gases and Eco-design for Sustainable Product Regulation (ESPR) were addressed;
- the human resources and competencies. Eco-design engineers and experts are assessed according to the eco-design competencies assessment grid. In 2023, eco-design assessment grids have been updated.

Each Alstom site with development and design activities is required to define its yearly eco-design objectives. At solutions level, specific and relevant objectives are captured in the eco-design dashboard.

Processes and action plans

Alstom's eco-design 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 eco-design and the circular economy in the Company's culture. General trainings "Eco-design for All" are progressively deployed. New eco-designers have been trained on modules such as "Recyclability and End of life", "Life Cycle Assessment", "Regulations on dangerous substances" and "Emissions and air quality"; E-Learning Hazardous substances and E-Learning eco-design are now proposed.
- 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 eco-design concept. The convergence plan defined in 21/22 , was progressively deployed . and will continue in 2023/24;
- 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, RER NG and Sydney Metro.

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 36 % thanks to efficient traction and auxiliaries, electrical braking and enhanced HVAC and energy management provisions;

(1) The Union of European Railway Industries.

- 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,
  - 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, the seats designed for Regional trains Coradia Stream™are made with Ecolabelled parts (FSC; PEFC, OEKO).
- reduction of noise and vibrations for new and for modernised rolling stocks. For example the new TGV M is particularly performant, with a breakthrough in terms of comfort for driver. The noise level has been sharply reduced in the cab thanks to optimization of the power unit architecture;
- reduction of air emissions and air quality: Optimised electrical braking allows several tons of emissions per year and per fleet to be avoided; Improved filters -PEPA-F (virus and Particulate Matters (PM);
- 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. New metros seats performs a higher recyclability rate , 10 % higher than previous generation. Alstom also integrate high recycled content in its trains. For example, 75 % of recycled materials can be present in new metallic parts for carbody trains.
  - Life-cycle and environmental assessment (LCA). Few years ago, an internal verification panel was set up in order to improve accuracy and standardise Group practices. This year, internal verification were conducted for important studies.

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 eco-design 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 277);
- the eco-design coverage of its solutions, including circular economy aspects:

	2021/22	2022/2023	Target
% of newly developed solutions with eco-design	51%	65%	2025: 100%
Recycled rate in newly-developed Rolling stocks solutions	NA	22.5 %	2025: 25 %

Newly developed solutions are classified as "eco-designed" 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 portfolio solutions (<four years) and solutions benefitting from development and R&D programmes This year locomotive (Traxx 3 - Europe), Single deck EMU UK Suburban trains, Ebigate (Level crossing), Electrification Tram (LAC)and Green modernisation (Green retractioning) and Maintenance Data Solutions (HealthHub™Signalling) were covered.

Biodiversity

Strategy & Policies

"Zero environmental damage" being one of the ambitions of Alstom's EHS policy, the Group has always taken care to reduce the impact of its activities on the environment.

As biodiversity is emerging as a new material topic for the Company, Alstom's teams have been working this year to start assessing the potential impacts from activities in order to build a relevant biodiversity programme for the years to come. This approach should embrace biodiversity stakes in a wide sense considering potential impacts and positive contribution through sites, projects and products.

Processes and action plan

In 2022, Alstom started to address it by performing a high-level assessment on 126 sites with the help of a consulting firm specializing in biodiversity.

The aim of this assessment was to map both sensitive areas and potential endangered species located in these areas.

Following the results of this study, next year will be dedicated to the definition of a global strategy to manage biodiversity around Alstom's sites, with the objective that this strategy takes into account the different issues depending on the type of activities carried out on the sites.

Main results and performance indicators

The result of this first assessment highlighted few sites presenting Key Biodiversity Areas (KBA) within a 10 km radius, meaning areas contributing significantly to the global persistence of biodiversity, based on threatened biodiversity, geographically restricted biodiversity, ecological integrity, biological processes, irreplaceability.

In a first step, major sites have been selected for a deeper diagnosis: list of the protected areas and protected species in order to define the sites where preservation and/or regeneration measures should be prioritised. The diagnosis will continue with the analysis of additional sites next year.

Also since 2020 some projects have been launched. In France, Alstom 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. The main actions being deployed are: the implementation of a differentiated management of green spaces, the maintenance and development of wooded areas, the putting up of birdhouses for chickadees and reptile and Amphibian shelters.

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 the French public establishment ONF ("Office National des Forêts") foundation "Agir pour le Forêt" and will allow local biodiversity natural recovery. La Rochelle has a partnership with the Non-Governmental Organisation "Bleu Versant" to deploy a programme to restore soil permeability. In Algeria also, trees have been replanted on Mostaganem project in collaboration with local authorities. Alstom Germany has supported a reforestation programme of the organization Bergwaldprojekt e.V., an association that works for the protection, preservation and care of the forest in Hartz region. 50 Alstom employees have voluntarily help to reforest 9000 square meters with 1800 trees (1500 sycamores and 300 beech trees).

2. CARING FOR PEOPLE

Wherever it operates around the world, Health and Safety 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 is key to ensuring the Company's success. Recognising the importance of having a skilled and diverse workforce working together to deliver the best products and services for tomorrow's mobility, the Group strives to ensure a healthy working environment in which there is ample opportunity for learning, development and progress. The value Alstom adds to its customers strongly relies on the skills and competencies of its workforce and its ability to develop them, as well as its capacity to guarantee a diverse and inclusive work environment.

Key topics	Main CSR targets	2022/23 Results	Progress	SDG
Employees' and contractors' health & safety	2025:TRIR = 2	TRIR = 1.8		
	2025: IFR1 <1	IFR1 = 0.8		
Recruitment, Engagement and Retention	2025: Be Global Top Employer	Global Top Employer		
People Development	2025: 22 hours of training by employee	22.2 hours		
Diversity & equal opportunity	2025: 28% of women in managers, engineers and professionals	23.9%		

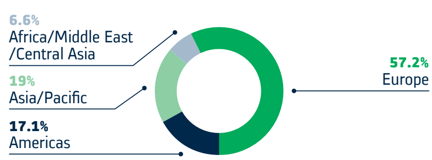
Reached   On progress

ALSTOM WORKFORCE

63 countries
175 nationalities

1/5 employee is a woman
40.7 years old in average

Repartition of workforce:



Employees' and contractors' health and safety

Safety

Strategy and policies

The Alstom's EHS policy, updated in July 2022, 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.

The Health and Safety ambitions are:

- Zero accidents and incidents with focus on preventive actions; supported by Alstom Zero Deviation Plan (AZDP);
- Continue to improve employees' and contractors' Health and Wellbeing; create a positive culture and attractive workplace that fosters and develops work health, and wellbeing for employees and contractors and promote social, mental and health factors.

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 FY2022/23, more than 56% 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.

The approach is supported as well by:

- Visible and active EHS Leadership under the responsibility of the EHS operational management;
- 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 by the central team and Regions to share with the EHS network the highlights, the progresses, good practices and key points related to EHS.

In addition, an EHS monthly Steering Committee was implemented last 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 good practices, etc.

Process and action plans

AZDP

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.

The AZDP plan is applied to all Alstom employees and subcontractors. This programme 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.

AZDP programme was updated this year and identified 56 critical requirements for audit and 239 requirements for those the entities have to perform a self-assessment and implement an action plan accordingly to manage continuous improvements.

In 2022/23 fiscal year, the Group achieved 81% of compliance for the critical requirements (the objective was to reach 80% of compliance). Following the formal audit campaign, the results per directive were deeply analysed. Three areas of improvements below the objective were identified: management of contractors, work at height and management of chemicals. Alstom will focus on these three areas next year.

An annual centrally-managed audit programme 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 90 audits. 100 formal audits were performed in FY2022/23.

APSYS

Alstom developed a programme called APSYS (Alstom Performance System) to measure the progress on different operations topics. Safety and ergonomics are including in this programme. 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 2022/23 fiscal year, Alstom conducted 42 assessments. This year, the assessors focused on risk assessment, management of contractors and findings according to their safety visit on the shopfloor. The findings and actions were tracked at site level with the support of Region EHS.

Next year, a new roadmap dedicated to EHS will be introduced with different items including Leadership & vision, Health and well-being, environment, safety, etc.

Trainings and Return on Experience

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, a new training module in virtual reality has been launched to train employees on Log out Tag out (LOTO) process, for ensuring equipment is properly shut off.

There are seven training programmes delivered by Alstom University, including the High-Risk Activities e-learning programme which was updated this year.

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. 134 return of experience sessions, following severe or potentially severe accidents, were recorded during the year.

Main results and performance indicators

Alstom is now consolidating the Total Recordable Injury Rate (TRIR) which includes Lost-Time Injury and other work-related recordable events such as injury resulting in restricted work or transfer to light duty tasks. By expanding the coverage of its KPI, Alstom is further developing its prevention programme on a larger basis of cases and aligned with industry best practices and Sustainability Accounting Standards Board (SASB) standards. Like the injury Frequency Rate (IFR1), TRIR covers employees, temporary workers and contractors.

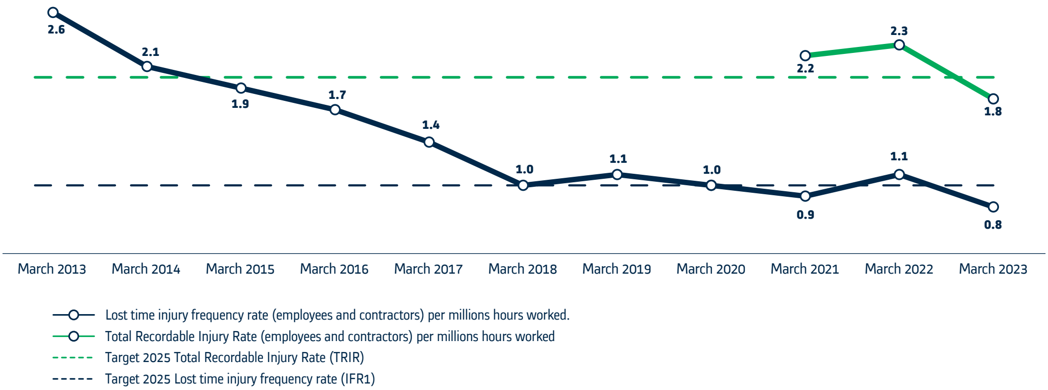
	2021/22	2022/23
Number of fatalities at work (Alstom employees)(1)	1	0
Number of fatalities at work (contractors)(1)	0	2
Number of travel fatalities (Alstom employees)(2)	0	1
Number of occupational severe accidents(3)	5	5
Total recordable injury rate (Alstom employees) - TRIR (4)	2.5	1.8
Total recordable injury rate (contractors) – TRIR(4)	1.8	1.4
TOTAL RECORDABLE INJURY RATE (EMPLOYEES AND CONTRACTORS) TRIR (4)	**2.3**	**1.8**
Lost time injury frequency rate (Alstom employees) – IFR1(5)	1.1	0.8
Lost time injury frequency rate (contractors) – IFR1(5)	0.9	0.8
LOST TIME INJURY FREQUENCY RATE (EMPLOYEES AND CONTRACTORS) – IFR1 (5)	**1.1**	**0.8**

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) TRIR: The number of occupational fatalities and injuries (with lost time and other recordable), excluding first aid, per million hours worked.
(5) 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.

During 2022/2023, there were 142,364,135 hours worked by employees and 44,930,455 by subcontractors.

The Injury Frequency Rate and Total Recordable Injury Rate are on-track versus target. However Alstom regrets two fatal accidents for two Contractors recorded during the year. The first fatality occurred on a project in India on July with a contractor being hit by a train during technical support activities. The second fatality occurred on a site in Chile on July when a contractor felt from the roof during maintenance activity.

Following analysis reinforced risk assessment and reinforced training were put in place.



	2021/22	2022/23
Number of formal AZDP audits conducted during the fiscal year	77	100
% of Alstom employees trained using the e-learning module on High Risk Activities*	76.1%	75.9%

Source: Alstom (EHS Library).
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 well-being

Strategy and policies

Employee's health & well-being in Alstom is considered as an essential part of employees' experience which lead to the success of the Company.

During the FY2022/23, with the support of the EHS Region Directors, the Health & wellbeing roadmap was defined for the three coming years and deployed across the Group. Four pillars were identified:

- Work life balance and flexible policies - provide a flexible workplace where everyone finds the right balance from them
- Mental Health - care about mental health by being attentive to what employees need to thrive
- Physical health and working conditions - ensure healthy working conditions where everyone is enabled to perform qualitative work
- Sense of belongings & working atmosphere - aim to make everyone feel a sense of belongings, sharing common goals and values

Working groups, comprised of multicultural people across the Group and multiple competences, including Human Resources people, Health specialist, EHS and ergonomists, were set in 2022 to define concrete actions for coming years on the four pillars.

Process and action plans

At global level, following the deployment of the Health & well-being roadmap, 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.

During the FY2022/23, a Health & well-being standard was designed and covers organization, mental health, stress management, physical conditions, etc. to help the sites to develop a Health & well-being management system. This standard will be launched in all sites by the end of 2023.

In addition, work location flexibility guidelines are available across the Group to define a new hybrid work model and develop a common approach of flexibility to meet the new employees' expectations in terms of work organization.

End of 2022, a survey on mental and physical health was launched on 14 sites which had lowest and highest scores on Employee Engagement Survey, in order to have a deeper analysis and to identify some drivers to launch an action plan in the following year.

At local level, actions plans have been implemented on working from home, childcare, parent leaves, in order to adapt to local situation.

Ergonomic

An ergonomic network was set up to improve working conditions by analysing 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 Alstom employees. The ergonomist teams is focusing on:

- Mobilise: 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 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 Industrial Ergonomic Referents from sites, and 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.

In addition, Ergonomic working groups were set up mobilizing cross functional teams on Ergonomic enhancement and innovation at Alstom.

Occupational health

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.

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 and performance indicators

Occupational health

	2021/22	2022/23
Number of recognised occupational diseases during the calendar year	49	35

Source: Alstom Teranga.

Well-being

Following the Employee Engagement Survey, Alstom defined some targets to track the improvements related to health and well-being for the coming years.

ANNUAL EMPLOYEE ENGAGEMENT SURVEY - EXTRACTS

	2021/22	2022/23
"I feel that my physical health & safety (inc. working conditions) is taken into account at Alstom"	-	72%
"I feel that my mental health is taken into account at Alstom"	-	56%
"I feel that my work-life balance is taken into account at Alstom"	59%	60%

Source : 2022 Annual Employee engagement survey (sum of yes)

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	2021	2022
Europe	3.7%	4.4%
Africa/Middle East/Central Asia	3.0%	3.4%
Asia/Pacific	2.5%	2.5%
Americas	3.3%	3.2%
Alstom	**3.3%**	**3.8%**

Source: 2022 Social survey conducted in 32 countries representing 97.9% of Alstom's total headcount.
2021 Social survey was conducted in 35 countries representing 97.6% % of Alstom's total headcount

Health and life insurance

	2021	2022
Ratio of employees covered by a life insurance in case of accidental death or total and permanent disability during calendar year	91.0%	97.6%

Source: 2022 Social survey conducted in 32 countries representing 97.9% of Alstom's total headcount.
2021 Social survey was conducted in 35 countries representing 97.6% % of Alstom's total headcount

Recruitment, Engagement and Retention

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.

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).

To properly support the Company on its strategic success, the HR organisation is built around central teams, namely Total Reward, HR Digital Solutions, HR Operations and Talent Management 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.

Employee Engagement is the key to the success of Alstom and Enhancing Employee Engagement is one pillar of Alstom in Motion 2025 People Strategy. 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.

To present Alstom's approach to address Recruitment, engagement and retention risk, a presentation from the perspective of HR opportunities is proposed according to the following breakdown: talent acquisition & employer branding, total reward and social dialogue.

Talent Acquisition & Employer Branding

Strategy & Policies

With more than 80,000 employees at end of 2022/23 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.

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 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 are now also assessed.

Process and action plans

In the global context of skills shortage and restricted talent pools, leading to stiff competition for these talents and skills, Alstom has significantly accelerated the amount of Talent acquisition initiatives since the start of FY 2022. Due to a surge in hiring in FY 22-23, HR team has put into place a companywide "Attraction & Retention" programme gathering the energy and initiatives of 70 HR representatives. A total of 40 initiatives & actions have been identified and rolled-out to fast-track hiring and improve retention.

Employer Branding

A global Employer Branding strategy and an associated roadmap have been redesigned building on the foundations of Alstom's Employer branding campaign launched in 2021. To reinforce its attractiveness to key talent groups in key business Regions, the Group has for example decided to hire digital recruitment marketers directly embedded into its key business Regions of Europe, APAC and Americas yet attached to its Global Employer branding team.

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. The company is continuously considering enriching its digital ecosystem to accelerate recruiters' performance and leverage date for strategy building and tactics. Alstom has increased its followership on LinkedIn by 22% to 1,127,699 followers that remains the primary social media channel and has achieved substantial followership on Facebook, Twitter and other social media channels. To showcase its employer value proposition, the Group continues its focus on real employee stories, reflecting its culture and values, through employee testimonials across various communication channels.

Global Talent Acquisition ambition

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 has put in place in 2022 a bold global referral framework removing existing policy limitations and boosting the referral payment level to ensure it leverages its employee network of contacts to expand its ability to hire great talent at scale and with speed. The Group has set a strategic ambition to reach globally 40% of total hires through employee referrals by 2025. To date over 9,000 talents worldwide have been referred through this programme since its launch last October.

Further to this initiative Alstom has launched since end of Nov 2022 an ambitious programme to build a sustainable Talent acquisition model and accelerate the performance of its internal talent acquisition engine over the coming years by simultaneously :Changing talent acquisition organization, attaching its recruiters to Alstom regions with a newly established talent acquisition committee connecting end to end talent attraction activities from Employer branding, recruiting and onboarding of new joiners and alumni management, to ensure a greater proximity to business leaders and increased performance of talent acquisition practice.

The programme is based on the following principles:

- Innovating with the design of a new cohesive Early Career model across Alstom in its key markets, setting the ambition to reach 30% of the overall hiring volume from young talents, with a structured programme to its university relationships and young talent career pathing options to ensure Alstom's long-term access to future technical and leadership talents.
- Introducing a talent sourcing function to quickly identify talent in the market and create talent pipelines and speed up ability to deliver on candidate short-lists.
- Designing a Talent Acquisition Academy that is a dedicated learning channel for all key stakeholders participating in hiring (Recruiters, Hiring Managers and Human Resources Business Partners) to embed a culture of learning and continuous up-skilling.
- Promoting more diversity in every hire we make by designing new job ad guidelines putting a greater focus on performance expected in the job.

On the Employer branding front and with the help of new Regional Digital marketers, Alstom will review this year its Employer Value Proposition pillars in tune with talent market dynamics while leveraging employees' voice.

This will lead to design a new holistic Talent Acquisition strategy that will become for the newly built "One Global Talent Attraction community" a reference document that will be continuously enriched and adapted to business needs and markets' reality.

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 Programme is in place for all new employees as well as the introduction of new Function specific programmes. 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).

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 reissued its Internal Mobility Charter in 2022, to reinforce its commitment to encourage internal mobility and development.

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.

Alstom has also developed MyCareer Path, in order to share career opportunities and identify talents for vacant internal positions, based on their skills and professional experience.

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.

For the internal mobility the timeframe of the last four month (1 December to 31 March) is considered. During this period, 3.4% (2,760) of employees have taken a role outside their functional domain. 31% of the open positions were filled with internal resources of which 59% were promotions.

Main results and performance indicators

As a measurement for continuous improvement, Alstom conducts Employee Engagement Survey every year to measure employee engagement and identify areas for future improvement. Employee Engagement Survey addresses to all permanent employees in 16 languages. More than 51,000 employees expressed their voices by answering the survey reaching a high participation rate at 73% 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).

The Top Employers Certification has led to Alstom reach the status of Global Top Employer for the first time and 2 years in advance from schedule, with now 22 countries certified across 4 regions. As a further commitment to improving the holistic employee experience - especially oriented towards younger generations of talent- Alstom has initiated a new survey and received the certification "Happy Trainee" from the auditing company Choose my company. 4 countries received accreditation for the first year of participation, including Brazil, Canada and France for the category "Happy Trainee" and the UK for the accreditation "Happy Apprentice". The Group is making a commitment to continuously evaluate the experience it offer to young talent joining us for internship and/or apprenticeship and are planning to roll-out the survey this year into more countries and also identify an action plan for each country on how to improve experience based on collected feedbacks and data.

	Top Employer 2019	Top Employer 2020	Top Employer 2021	Top Employer 2022*	Global Top Employer 2023
Top Employer Certification	1 country (Spain)	6 countries (new certifications in France, Poland, the United Kingdom, Belgium and Italy)	14 countries (new certifications in USA, Canada, Mexico, India, Australia, China, Hong Kong, Singapore)	14 countries (same)	22 countries (new certifications in Chile, Egypt, Panama, Romania, Saudi Arabia, Sweden, Thailand, United Arab Emirates)

* 2022 certification cycle was marked by the integration of legacy Bombardier Transportation sites, which resulted in successful re-certification of all 14 countries participants.

Talent Acquisition

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 most of the early leavers in one year. Indicator is monitored globally and locally.

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.

During the year 2022/2023, the labour market experienced a context of strong tensions linked to several factors:

- A strong macroeconomic recovery (post-COVID) that has had a positive impact on employment (full employment seen in many markets, Asia, US, Europe, etc.)
- A structural shortage of technical skills, particularly in the highly skilled workforce (Managers & Engineers)
- A candidate-friendly job market, resulting in new behaviours and new expectations on the part of employees ("Great resignation", work-life balance, etc.).

Despite these multiple tensions, the voluntary attrition rate has remained stable (+0.6pts) thanks to its attraction and retention strengths such as its buoyant market and growth prospects, its order book, Green Mobility products and the career and development opportunities offered within the group.

In this context of strong labour market tensions, the population of Talents / high potential is particularly in demand. This requires us to implement a dynamic Talent Management policy in order to constantly meet their expectations (development, careers, compensation, work-life balance, etc.). All our actions allow us to contain the increase in departures of these populations, which remains 3 times lower than the average resignation rate.

	2021/22	2022/23
New Hire Attrition Rate (Tenure < 180 days)	17.6%	19.2%
• Managers, Engineers and Professionals	17.5%	20.9%
• Other employees	17.9%	16.3%
Voluntary attrition rate (Permanent Employees)	6.6%	7.2%
• High Potential population	0.8%	2.3%
Involuntary attrition rate (Permanent Employees)	1.6%	1.4%

Source: Alstom HRIS.

Total Rewards

Strategy & Policies

Alstom has developed a Total Rewards strategy and supporting policies that aim at providing to its employees a consistent remuneration structure, wherever they are located and whatever are their activities,PSP levels of responsibility and individual situations.

This overall framework is based on the following principles:

- Fairness and non-discrimination: reward decisions are taken in the frame of objective, robust and non-biased processes, including the use of a global position grade system and global tools, deployed for all Alstom entities. Respect of gender equality is essential and closely monitored, thanks to a dedicated and publicly disclosed reporting,
- Alignment on market standards: local compensation and benefit schemes are systematically assessed, on a yearly basis, in light of the latest market practices, in order to ensure that that Alstom programmes are not only compliant with regulatory standards but also competitive and provide the right level of coverage for its employees,
- Support to the short- and long-term objectives of the Company: a significant part of the compensation is driven by extra-financial performance, through the implementation of short-term and long-term incentive schemes that reflect the ambitions of Alstom. Consequently, the Corporate Social Responsibility objective of Alstom are fully ingrained in its Total Rewards policy.
- Differentiation based on the performance and the potential of the employees: while aiming at ensuring a decent level of income for its employees, Alstom Total Rewards policy also relies on selectivity to ensure that best performers, key talents, and potentials are identified and compensated accordingly.
- Value sharing: Alstom Total Rewards policies ensure, through the definition of the salary increase budgets, the prevalence of variable pay schemes, profit-sharing and specific employee shareholding programmes that its employees benefit from a fair redistribution of the value it creates and it ensures a real alignment with the interests of its shareholders.

Process and action plans

Remuneration schemes

Alstom's policy is to review the employees' compensation packages on a yearly basis, with a specific attention given to gender equity, and to have open negotiations with employee representatives where they exist. In each country where Alstom operates, remuneration surveys are conducted through dedicated external providers, in order to ensure that remuneration policies are aligned with up-to-date local market practices.

Due to Alstom's presence in numerous countries, and the influence of local economic factors, no comprehensive global indicator can be developed to monitor this action. However, in 2022/23, the following considerations have especially driven the application of remuneration policies and practices of Alstom:

- Finalization of the alignment of the compensation policies and processes that was made necessary by the acquisition of Bombardier Transportation;
- Streamlining of the remuneration package definition tools and processes to cope with the need to improve the attraction capabilities of Alstom, and the retention of its critical employees;
- Continuation of the close monitoring of inflation at a global scale and its impact on local salary references, and implementation of ad hoc measures in the most impacted countries while protecting the competitiveness of Alstom activities.

Performance linked to remuneration schemes

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 24,796 employees were eligible for this remuneration scheme on 31 December 2022.

Several indicators based on Corporate Social Responsibility were used in this Short-Term Incentive programme based on the Group performance in line with the Alstom strategy:

- Safety at work, monitored through the Total Recordable Injury Frequency Rate (TRIR);
- Ethics & Compliance, with the measurement of the deployment of the Yearly Integrity Review among the top 2,500 employees of the Company;
- Diversity & Inclusion, monitored trough the percentage of women holding a Manager, Engineer or Professional position in the Company;
- Environment, with the measurement of the decrease of greenhouse gas (GHG) emissions in scope 1 & 2 of Alstom activities.

The objective of the incentive is to foster employees' commitment to the performance of the company, to reward eligible employees according to company targets and to communicate on the results of business performance. Among the different targets, one was set for climate action. The targeted reduction of emissions is aligned with the target that was presented before, towards 2030.

More details on CSR criteria used in Short-Term Incentive programme are available in chapter 5 ("Compensation paid during or awarded in respect of the financial year 2022/23 to Mr Henri Poupart-Lafarge, Chairman and Chief Executive Officer").

The global short-term incentive programme of Alstom is completed in some countries by specific profit-sharing schemes (such as France, Brazil, Egypt, Germany, Mexico, Chile, South Africa and Italy), meant to reward collective performance, depending on the achievement of agreed criteria, including additional safety at work or operational targets (including, in some cases, specific environmental targets). Such programmes cover 20,865 employees, as of Dec. 31, 2022.

Shareholding schemes

To reward the long-term performance of the Company and further align the interests of the shareholders and the employees, several shareholding and equity-based schemes are in place, all of them implemented in the context of the authorization voted at the General Meeting of Alstom:

- Performance share plans are granted on a yearly basis, assorted with long-term targets reflecting the strategy of the Company, with a mix of financial, corporate social responsibility and share performance targets (chapter 5 "Executive and employee shareholding" to have more details on the criteria used in the Performance Share plans). Between 2020 and 2022, 1,145,625, 1,867,325, and 2,481,612 performance shares have been granted to around 900 and 1,400 beneficiaries (for both 2021 and 2022,after the acquisition of Bombardier Transportation) around the world, with a vesting period of three years, based on internal and external performance conditions.
- On a global scale, and to associate all employees with the success of the new group, an equal allocation of free share plan ("We Are Alstom 2021") was launched, with the grant to all employees of 15 Alstom shares, covering around 70,000 Alstom employees worldwide (or the equivalent in cash in countries where grant of shares was not possible due to tax or legal constraints). The plan was assorted with a vesting period of two years, expected to end on July 4, 2023.
- Furthermore, to complete the Rewards structure of Alstom, foster investment in Company share by its employees and thus further share the long-term value creation of Alstom, an employee shareholding scheme ("We Share Alstom 2023") was launched in 2022/23. The eligible employees (67 681 in 21 countries) were given the opportunity to invest in Alstom shares at preferred conditions including a matching of the Company. The subscription period, closed on February 20, 2023, resulted in a participation rate of 20 % for a total of 4,236,222 shares allocated.

On 31 March 2023, current and former employees held 2.46% of the Alstom share capital, either directly or through the Alstom employee shareholding scheme (FCPE).

Employee benefits

On top of compensation and equity-based remuneration components, Alstom also aims at providing to its employees a fair, comprehensive and competitive social coverage. To support this ambition, and also as a consequence of the acquisition of Bombardier Transportation, a global review and (where needed) redefinition of local employee benefit schemes (including Health, Death & Disability, Pension and other perks) has been rolled out in all Alstom countries. This exercise, carried out with the assistance of external global providers, results in a systematic assessment of the local schemes versus the minimal requirements of Alstom (see below) and of their alignment on local market practices. On March 31, 2023, it is estimated than less than 10% of such schemes are still to be modified to meet the expectations of the Company, and the corresponding corrective action plan has been defined.

Furthermore, irrespective of local market standards, and in line with the Corporate Social Responsibility ambitions of the Company, the Total Rewards policy sets up a minimum level of benefits to be provided to employees in terms of life insurance coverage (especially for accidents at work) and health coverage. 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 year's salary. In some countries, employer contributions to insurance policies are considered as taxable benefits, leading some employees to decline this offer.

Alstom Total Rewards 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.

In order to associate its employees with the success of the new company, Alstom granted on 4 July 2021 "We Are Alstom 2021" an equal allocation of 15 Alstom Free shares (or in the countries where, for tax or legal reasons the grant of free shares would be difficult or even impossible, the cash equivalent of such 15 shares) to around 70,000 Alstom employees worldwide representing more than 90% of the employees at the time of the grant. The shares or the cash equivalent will be issued or paid in July 2023 after a 2 years vesting period.

Main results and performance indicators

	2021/22	2022/23
Ratio of employees covered by Short Term Incentive (STI)	26.4%	32.5%
Ratio of employees covered by Long Term Incentive (Performance Share Plans – PSP)	2%	2%
Ratio of employees participated in a global Employee Shareholding programme	-	20%

Social dialogue

Strategy & Policies

Alstom respects the rights of its employees to participate in trade unions and workers' organizations. This includes the right to organize, join, and bargain collectively. The statement is available in Alstom's code of ethics, available on the Company's website (Ethics & Compliance, alstom.com).

At central level, Alstom concluded European agreements on consultation with social partners in the implementation of workforce transformation or adaptation projects, as well as on measures to encourage employability and support employees. The 45, 840 employees of the 24 European countries, including the United Kingdom since the Brexit, are represented in the European Work Forum.

Composed of 29 permanent members, the Forum has met 13 times during the year 2022. During the EWF meetings usual agenda topics are covered such as the strategic overview, the market trends and competitiveness, the capacity and workload of Alstom sites, the financial situation of the company, the evolution of investment plans, the professional development and risk prevention and any important transformation topic of the company. The year 2022 has been characterized by two projects of workforce adaptation in Germany and Switzerland, which have been the subject of specific methodology agreements to disciplining the consultation process with the employee representatives.

At local level, Alstom has collective agreements in all countries covered by collective bargaining mechanisms and aims to put in place more agreements and practices that address social issues and ensures employees' expectations are channelled across the Group.

In addition, in order to foster a constructive social dialogue wherever the company operates, Alstom reviewed its delegation of authority (DOA) procedures in 2022. The DOA procedure, based on a real approval process, guarantees that any transformation projects impacting the working environment and the employment level is compliant with Alstom social commitments and human values. During 2022, several projects were submitted for approval (as example: Labour Negotiation in Toronto, Renewal of Country Collective Bargaining Agreement in Italy, Workforce adaptation in Germany and Switzerland).

Process and action plans

The annual employee engagement survey included 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.

In addition, the social survey conducted in 32 countries representing 97.9% of Alstom's total workforce, revealed that 63,7% of employees were covered by a national or company collective agreement.

In 2022, 208 collective agreements were signed in the surveyed countries. These agreements were concluded at site, country or legal entity level, and most of them were covering one or more of the following aspects:

- Career development (covered by 7% of the agreements concluded)
- Work time flexibility (covered by 25% of the agreements concluded)
- Employability/lifelong learning (covered by 12% of the agreements concluded);
- Stress management (covered by 5% of the agreements concluded);
- Equal opportunities) (covered by 7% of the agreements concluded);
- Environment; Health, and Safety (covered by 9% of the agreements concluded);
- Non-discriminatory, Anti-harassment (covered by 5% of the agreements concluded);
- Restructuring and reorganization (covered by 11% of the agreements concluded).

Among these, particularly positive agreements for employees were signed in various countries because of a constructive social dialogue. To encourage the practice of the latter, some countries such as France have established agreements in favour of employee representation.

Main results and performance indicators

	2021	2022
Ratio of employees covered by a national or company collective agreement	59,9%	63,7%
Number of collective agreements signed	212	208
Number of countries which had a consultations/negotiations process with trade unions	23	22
Number of incidents related to freedom of association	0	0

Source:
2021 Social survey conducted in 35 countries representing 97.6% of Alstom's total headcount.
2022 Social survey conducted in 32 countries representing 97.9% of Alstom's total headcount.

People Development

Strategy and policies

As an inclusive and responsible Employer, Alstom aims to develop diverse people and to grow talents and leaders across the organization. Fuelling the talent pipeline for a new company of more than 80,000 employees in a context of a business growth and in a very dynamic environment with the recruitment of more than 18,000 hires (breakdown on page 347) to ensure business execution, represents a key challenge that requires the most advanced solutions.

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 programme across the Board to nurture and develop leaders of tomorrow on soft skills (Executive development programme for top executive partnering with INSEAD, Women executive mentoring by Member of the Executive Committee, Alstom Leadership programme for key talents in upper-middle to senior level positions, and regional and local development programme for local leaders and managers);
- learning culture and solutions – Alstom recognizes 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.
- 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.

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 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;
- competencies development – 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 programmes. This also provides key inputs for collective development programmes.

In addition of the People Management Cycle, Alstom provide 360° feedback as a behavioural perception tool to provide a view on how people (manager, peers, direct reports) perceive the participant in his/her leadership role and how the participant evaluate himself/herself. The awareness generated from the results give the opportunity to self- develop him/herself. In 2022,the Group has updated the tool with the competencies of the AIR Leadership Model, and 20 HR were trained to manage a debriefing session. The number of 360 ° feedbacks run until now is 92.

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 1200 different courses (face to face and virtual classrooms) and online content comprised of more than 4,700 in-house and 42,000 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.

The global learning orientations established for the 2022/23 fiscal year and shared with all the regions focused on:

- Implementation of an employee-centered L&D Model enabling Upskilling and reskilling based Individual development plans (Alstom Learning Processes have been entirely redesigned accordingly);
- Implementation a single Learning Experience Platform for all learning management activities, improving learner experience, enabling social learning and competency-based training assignments (Web and Mobile Application have been released for all devices platforms in November 2022);
- Promotion of an Anchored Learning & Knowledge Sharing Culture through the "Minds-Up World Challenge 2023" started in October 2022 and enabling change management for adoption of the new processes and tools.

Development programmes

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.

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 2022/23, more than 1100 internal trainers have been running training courses of the Alstom University Catalogue and more than 90% of the training sessions have been delivered by internal trainers. Recent changes in the organization also required the redesign of Internal Trainer Instruction.

The network of internal trainers is animated on a regular basis by Alstom University: every month the latest learning news are shared with the entire Trainer Network through Monthly Calls.

Moreover in June 2022 a gathering of some Master Trainers from all Alstom Regions was organized in Station F (large Start-Up incubator in Paris) to reward them for their exceptional contribution in sharing their expertise with their peers and train them in regard to the leading-edge technologies that can be leveraged in learning (AR/VR and the metaverse). The event being "hybrid" it was complemented with two days of instructional design workshops in the Metaverse leveraging Virbela virtual island: all trainers at Alstom could therefore participate in the event through their avatars whilst connecting from any region of the world.

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).

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 814 Senior Experts and 95 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 programmes are implemented for Senior & Master Experts in order to develop technical expertise in the organisation.

Main results and performance indicators

Learning Solutions

The evolution of number of training hours per employee occurred at the time of the implementation of a worldwide initiative entitled "Minds Up World Challenge" which has enabled the change towards entirely new "employee centered L&D model" and the generalization of a Learning Experience Platform (LXP) enabling easier access to learning across Alstom and better tracking of activities. These measures were adopted since the 2025 People Strategy included the "Anchored Learning & Knowledge Sharing" initiative at the source of this change. The aim was to increase time spent in learning, fostering knowledge sharing at scale and benchmarking as a daily routine. At the same time, there's naturally been a change in methodology with the figures are coming from the record in LXP of time spent in learning by people from all countries at Alstom.

The NPS result is mostly due a change of calculation methodology, including a new grading scale as well as an extension of the scope which encompasses all employees at Alstom and all forms of learning (including classroom training, e-learning, learning from tutorials, podcast, etc.).

	2021/22	2022/23
Percentage of employees who have had training	90.7%	90.1%
Average number of training hours/employee	19.0	22.2
Total number of training hours	1,378,436 hrs	1,703,791 hrs

Source: iLearn - Learning Dashboard

	2021/22	2022/23	Target
Net Promoter Score = Willingness of trainees to recommend the training they have received	45	39	2025: 42

Source: iLearn - Learning Dashboard

"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 "percentage of people who strongly recommend this course to a colleague or peer" (Promoters considering rating of 9 or 10) minus the "percentage of people who do not recommend the course" (Detractors considering rating of 0 to 6)

Performance and talent management

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.

	2021	2022
Ratio of eligible employees who had their objectives set	86%	87%
Ratio of individually recognized exceptional performances of employees	29.2%(1)	37.0%(2)

Source:
(1) 2021 Social survey conducted in 35 countries representing 97.6% of Alstom's total headcount.
(1) 2022 Social survey conducted in 32 countries representing 97.9% of Alstom's total headcount.

Diversity & equal opportunity

Strategy and policies

Diversity and inclusion are part of Alstom in Motion 2025 strategy. The strategic vision is clearly stated in the Company value "inclusive": The company designs 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.

Alstom wants to implement a holistic approach, integrating inclusion and diversity into talent attraction, hiring, assessment, development, promotion, and retention. Every part of the organization can participate in the inclusion and diversity efforts as described in the Employee Inclusion Journey.

To establish a culture of inclusion through the organization, the Group has embedded the Inclusive Leadership Pillar inside Alstom Leadership Model describing what is expected to be demonstrated by everyone who play a leading role in the organization.

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.

During the FY2022/23, a Global Anti-Discrimination and Anti-Harassment Policy has been formalized and launched across all the Group to reflect company's position of zero tolerance against discrimination and harassment and to provide guidance in terms of steps to be taken in such conditions.

Alstom has established a robust governance at Group level as well as within the regional entities around the world to reach D&I objectives. This D&I Governance is supported by:

- Diversity & Inclusion Steering Committee is in charge to develop corporate D&I strategy, define global initiatives on D&I, ensure internal and external communication on D&I and evaluate progress on the organization's diversity Goals. Comprised of members from the Alstom executive committee, senior business & global function leaders & members from the HR leadership team, the committee meets once every quarter;
- Diversity & Inclusion Champions Network is responsible to promote, facilitate and support the implementation of the corporate diversity initiatives at regional and or business unit/project level. The network is chaired by the Global Diversity Champion and the Global Talent Development Director and comprises of D&I representatives from the Regions.

The Alstom Diversity & Inclusion Strategy, the Diversity & Inclusion Governance and the most relevant D&I policies as Alstom's Diversity Charter and Global Anti-Discrimination and Anti-Harassment Policy are available on the Company's website: Diversity & Inclusion (alstom.com).

Processes and action plans

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 2022/23 have been:

- 3 Virtual Conferences on Stereotypes and Microaggressions with 2,000 participants organized;
- 4 Awards 4 Inclusion Awards: 40 projects submitted during Alstom Management Convention for 4Awards4Inclusion Awards: one of Alstom's flagship initiatives to promote and recognise best practices that make Alstom a more inclusive and diverse company. On an annual basis, it is the opportunity to showcase achievements and successful programmes in order to inspire each other. By all levels of the organisation, an initiative that meets the criteria for each award can be submitted through the network of Diversity & Inclusion Champions. The initiatives are reviewed and selected by the Diversity & Inclusion (D&I) Steering Committee with the support of an external D&I Expert;
- Inclusive Behaviours e-learning path launched.

Supporting gender equality

The Global AWE – Alstom Women of Excellence Network was established consolidating several Regional and Country AWE networks. 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 programme called "WILL" (Women In Leadership Levels). The Executive Committee members become, for nine months, mentors of a selected number of women with the potential to grow in senior leadership roles in the future. The same kind of programme is implemented in APAC (WILL APAC) with the APAC Executive Committee. An interesting new initiative has been launched in the AMERICAS Region called the AME Women's Leadership programme, 100-day challenge with weekly readings, podcast, conversations, exercises, web conferences, workshops. In addition, with women from other companies, France Region has organized for the 3rd year in a row, the France Leadership Women programme.

Some women working for Alstom are involved in initiatives concerning STEM (Science, Technology, Engineering, Mathematics) studies for girls. Many countries organize visits in schools or visits for girl students in Alstom factories and participate in external dedicated events or welcome young girl students for a training period.

To support the development of women, all global and regional leadership programme must guarantee that at least 30 % of the participants are women. This target was exceeded for all the global programmes and for some Regional programmes (Global/Cross Regions Alstom Leadership Programme 2022, Global/Cross Regions Global Executive Leadership Programme 2022, Global/Cross Regions Great Grow Expands Alstom Talents Programme…).

A specific focus on the development of women has also been made during this year through the annual People Review exercise, where in the succession plan, it is always requested to indicate a woman.

In addition, Alstom Total Rewards policy and processes strictly forbids any form of discrimination when defining and reviewing the remuneration of Alstom employees. Since 2021/22, the Company monitors monthly 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 assesses the salary gaps (fixed compensation and short term incentive) by grades, considering also performance and potential levels of each employee, as assessed during the People Management Cycle. The regular follow-up of this analysis ensures a high level of awareness on the matter among the management of the company and can trigger ad hoc corrective actions when and where needed. This has been reinforced by adjustments in the remuneration package definition and salary review processes, to ensure a continuous improvement of this indicator.

Promoting cultural diversity

Alstom is fully aware of the strength resulting from the large number of nationalities, cultures and approaches that its employees represent. The year 2022 has been dedicated to move forward on the cultural integration side of the two legacy companies, a journey started in 2021. To continue the cultural integration journey a network of 100 AIR Values Champions was set up beginning of last year. The AIR Values champions have nominated across all Alstom geographies and product line and function to ensure the best representation of whole company. The main objective of this network was to share initiatives going on at Regional, Countries and Product Line Level to promote the knowledge, the appropriation and the connection with daily business of its Agile, Inclusive and Responsible Values to leverage the integration. The AIR Champions have been equipped through specific trainings to promote these integration activities . Every quarter the network shared the updates through meetings organized by the Central Talent Management Team.

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 organizes 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.

In Alstom there are three Employees Resources Groups dedicated to Disability Inclusion : 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 in 2022“Disability Confident Leader” status, under a government scheme to encourage employers to recruit and retain disabled people and people with health conditions and thus find new talents.

Alstom is also continuing its partnership with The Valuable 500 , the network of 500 CEOs and their companies who have joined by making a commitment to action for disability inclusion: in 2022, Alstom has been involved in a new initiative called the “ Generation Valuable”.

Alstom marked the International Day of Persons with Disabilities 2022 with an online conference call “How to include persons with disabilities at Alstom: From hiring to everyday work life”. The aim of this event was to highlight what leaders can do to hire, and accommodate special needs of persons with disabilities. More than 1600 Managers attend to this conference.

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.

Main results and performance indicators

In France, where gender equality has been a focus for the Group, Alstom has reached 94 points (out of 100) in 2022 for its largest legal entity, Alstom Transport SA, +5 points versus last year, and 88 for its second largest entity, Alstom Crespin, same score as last year.

Gender equality

	2021/22	2022/23
Percentage of women in the workforce	18.8%	19.7%
Percentage of women: Managers, Engineers & Professionals	23.2%	23.9%
Percentage of women: Executives & Senior Managers	18.3%	19%
Percentage of women in STEM related positions(1)	16.1%	16.1%
Percentage of women trained in training sessions(2)	20.4%	21.5%

Sources: Alstom HRIS. As of 31 March 2023.
(1) STEM defined with job functions: Engineering, Industrial, Digital Transformation, IS&T, Project & BID management
(2) Source: iLearn - Learning Dashboard

Gender pay gap

Currently, for all Managers, Engineers and Professionals, the actual gap between male salaries and female salaries is measured at 3.3% as of 31 March 2023 versus 5.3% last year.

	2021/22	2022/23
Gender pay gap for Managers, Engineers and Professionals	5.3%	3.3%
Gender pay gap for Senior Managers	10.3%	8.7%
Gender pay gap for Executives	2.7%	2.6%

In terms of short-term incentive payout, the gap between female and male employees can be analysed through the difference of achievement of individual targets for the given exercise (achievement of collective targets result from global indicators that are not linked to individual situations).

	2021/22*	2022/23*
Gender bonus gap (achievement of individual targets)	0%	0%
Gender bonus gap for Senior Managers	+1% in favour of women	+1% in favour of women
Gender bonus gap for Executives	+2% in favour of women	0%

* This refer to fiscal year pay out.

Employment of disabled people

	2021	2022
Percentage of employees with disabilities	2.3%(1)	2.42%(2)

Source:
(1) 2021 Social survey was conducted in 35 countries representing 97.6% of Alstom's total headcount
(2) 2022 Social survey conducted in 32 countries representing 97.9% of Alstom's total headcount

3. CREATING A POSITIVE IMPACT ON SOCIETY

As a global Group operating in 63 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. Alstom also continues to commit to local communities near its sites, through continuous dialogue and contribution in a long-term engagement.

Through local programmes 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** on its Charleroi Site in Belgium in 2023. This recognition brings the number of CSR Commitment labels to seven with the following countries already assessed : Australia, France, India, Italy, Spain and the United Kingdom. The renewal of the labels over the years with improved scores demonstrates the local teams' commitment to a continuous improvement approach to the principles and management of social responsibility, in aspects such as company governance, respect for human rights, labour practices, environment, fair operating practices, treatment of consumers, and participation in community development. Alstom aims to expand the number of countries covered by the label to 12 by 2025

Key topics	Main CSR targets	2022/23 Results	Progress	SDG
Relationship with local communities	2025 : Reach 250K beneficiaries from social programmes	299K	Reached	

Reached   On progress

Encouraging local development

Strategy and policies

By providing mobility solutions worldwide, the Group anchors its projects in local economies. Alstom is able to meet local content requirements especially from public procurement policies, to comply with demanding regulations, to respond to localisation conditions from institutions/States/Cities financing the projects, as well as to satisfy growing expectations from its customers and stakeholders on local footprint. 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 the development of relations with regional economic stakeholders. The development of local ecosystems is part of Alstom's local development strategy. The Group's main objectives consist in:

- promoting innovative local institutions and companies;
- participating in regional supply chain growth;
- and contributing directly or indirectly to the development of the territories where it operates (see Sustainable procurement, page 320)

Wherever Alstom extends its industrial footprint, new businesses emerge and grow, especially thanks to its collaboration with a large number of suppliers. Indeed, in every country where it intervenes, Alstom relies on a network of local suppliers and drives it to meet contractual requirements or regulations and to ensure the implementation of its projects. For instance, the construction of Alstom's factories 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 strategy, Alstom contributes to local development by participating in R&D programmes and promoting the most promising technologies through collaboration with innovation clusters.

Alstom follows the impact of its local development strategy by monitoring:

- the alignment of the number of employees versus sales by destination,
- the part of regional ordered amount,
- the number of suppliers' employees trained by the supplier quality teams

Processes and action plans

Alstom's main contributions to social and economic local development are made of tailor-made solutions to respond to specificities 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 regional ecosystems and offer customized solutions for every local development project.

As part of the procedure, Alstom's teams first contact economic institutions, local and international companies already located in the project country. Second, they coordinate the establishment 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 contractors, and in particular both small and medium-sized enterprises (SMEs) or start-ups. They can deploy robust supplier development programmes, with a focus on product development, compliance with international standards, capacity ramp-up and technology transfer, or implement skills development programmes and partnerships with training organizations. A special attention is brought to strengthen suppliers' skills and capabilities, as well as to address 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 Programme 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 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. In 2022/23, 60 suppliers have been onboarded in this program and as a result, 30 development plans have been defined and are ongoing. This support will be reinforced with the opening of a Supplier Academy to propose a learning path for each item of the development assessment tool ; the content of this educational offer will be enriched all along the next fiscal year.

Some sponsorships or collaborations with associations or institutions can also be conducted, as well as inclusive actions with specific categories of suppliers (employing minorities, disabled people, seniors, women …).

Moreover, Alstom can support 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 83 countries is one of the key pillars of its procurement policy and its international expansion.

Main results and performance indicators

On the one hand, Alstom's current global presence in 63 countries illustrates its ability to adapt its organisation in order to reinforce its international presence. This ensures close proximity to its customers, which is key to establish privileged relationships. On the other hand, the very large geographical coverage of Alstom's suppliers and contractors, is representative of the Group's impact on local footprint worldwide.

The Group's recent initiatives demonstrate the concrete implementation of its local development strategy worldwide:

Americas

- **In the United States**, Alstom has strong partnership in multiple states, and with stakeholders of Local, State and Federal government. Alstom is active in its participation and leadership in industry events, including various APTA (American Public Transportation Association) sub-committees and especially at in the New York State at the NYS MWBE (New York State Minority/Women Owned Business Enterprises) forum. In particular, representatives from Alstom participated with > 600 attendees in June 2022 at the Inglewood California DBE (Disadvantaged Business Enterprises) Summit. Representatives from Alstom's Services Product Line participated with > 500 attendees in October 2022 at the "Competitive Edge Conference" in NY, NY ; this event was focused on local New York city businesses with a special tie to DBE, M/WBE (Minority/Women Owned Business Enterprises), SBE (Small Business Enterprises), and SDVOB (Service-Disabled Veteran Owned Business).

  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, M/WBE and SBE. Alstom's FTA funded projects have met the DBE goals for US in 2022.

  Besides, Alstom's projects such as the Amtrak HST and Metra commuter cars will directly benefit Alstom, its customers and suppliers. Alstom builds the Next Generation of High-Speed trainsets for the Northeast Corridor of the US (Amtrak project) and uses materials from around 200 suppliers in 27 states 40% of the $590 million high speed train investment went to Small & Disadvantaged Business Enterprises, including 24 Minority/Women-owned Business Enterprises and 68 Small Business Enterprises. Alstom will continue to utilize many local suppliers developed for the Amtrak HST and other projects, to boost local US content.

- **In Canada**, Alstom maintains its leadership role as the only railway manufacturer established with an industrial capacity in the country, including a strong local supply chain. The impact of Alstom's supply chain in Canada can be seen especially in regions outside of urban areas since the company's manufacturing sites are away from main economic centres. Yet again, the company has purchased goods and services from over 1,200 suppliers in 2022 located in 7 of the 10 Canadian provinces. It actively supports many business associations, local Chambers of Commerce and partners from other industries and, in particular, the "Association des Manufacturiers Exportateurs du Québec".

  Finally, Suppliers' day were organized this year at Montreal, Canada, (with a dedicated workshop on CO_2 emissions reduction) and Kansas City, gathering hundreds of participants from suppliers and Alstom teams.

- **In Latin America**, Alstom has played a strategic role in the rail industry, with a forecast of production around 1,000 cars for next 5 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 locally.

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.

  Alstom in India buys good & services worth approximately €700 million, 80% of which are from Indian suppliers. The group collaborates with close to 1000+ Indian suppliers, of which 40% are small & medium enterprises (SMEs). The company has sponsored supplier development programmes for over 29 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 programmes.

- 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 160 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 215 local jobs in trackwork, OCS, signalling, and power supply installation through this project.

- **In Taiwan,** Alstom provides an integrated metro system for Taipei Metro. In this context, the Company works on the development of its pool of qualified local suppliers. Leveraging on the Taiwan Railway Association's network, and referencing past signalling projects for proven subcontractors, this helps identifying new potential suppliers to boost local development. Alstom also involves more than 39 local workers in signalling installation through the Xinzhuang depot extension and Microcab projects.

- **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 programmes through dedicated partnerships with local Technical and Further Education "TAFE" as well as training organizations, creating a new generation of skilled railway manufacturing professionals.

  Alstom Australia is the nation's leading rolling stock manufacturer spending over 3800MEUR annually across 25 sites, including 3 manufacturing facilities, engaging with 850 Australian suppliers and supporting 3000 indirect jobs, apprenticeships, and traineeships. The company is responsible delivering significant local content commitments with suppliers between 50-65% for major rolling stock projects, as well as local content commitments for services projects. Alstom Australia partners with industry and local suppliers through conducting supplier days as well as industry and careers showcase. The company also delivers upon a Local First Strategy through delivering social benefits including up to 20MEUR social procurement spend, skills, training and job creation programmes including workforce diversity employment, plus industry participation including research and development programmes established with local universities and has launched the Mobility Supply Chain Centre of Excellence; a partnership between the Victorian Government, Alstom and the education sector to further support research and development into public transport technology innovations.

Africa/Middle East/Central Asia

- **In South Africa:** Alstom is present in 6 locations and is committed to long term partnerships for the revitalization of the rail industry in the country. As a reliable local growth partner, Alstom is actively participating in the development of an inclusive and sustainable rail industry though localization, job creation and skills development. First Alstom's strategy in South Africa is illustrated by significant investments in the country which include Alstom Ubunye, Gibela Rail Consortium and most recently with Bombela Maintenance and Alstom Rolling Stock South Africa. Contractual commitments with PRASA includes a €53m Gibela investment in the local manufacturing facility, and the development of maintenance capabilities with technical support being provided for 19 years. Alstom Ubunye site in Nigel has also been fully modernized, and is a 80,000m² manufacturing facility with a large range of activities.

Besides each Alstom site is BBBEE contributor (Broad Based Black Economic Empowerment) level 2 or 3. Alstom South Africa purchased about €200 million of goods and services over 2021/22, 79% of which are from South African suppliers. The group collaborates with over 500 suppliers in South Africa, including 120 suppliers providing components to Alstom trains for its projects across the country. This strong relationship with the local economy results in an important socio-economic footprint and in over 9000 jobs supported in South Africa. Alstom also contributes to the economy through the localization of its activities: Gibela has spent over €3,73bn so far on local content as part of the PRASA contract and has successfully localized its supply chain by achieving a localization rate of over 65%. Finally, Alstom Gibela has dedicated €5,31m to supplier development since 2014, with a range of interventions including access to financing, trainings, and free material issue; this robust supplier development programme focuses on technology transfer, capacity ramp-up and compliance with international standards.

- **In Kazakhstan,** Alstom remains the only manufacturer of electric locomotives and point machines in Central Asia and Caucasian region. It employs over 950 people and has 3 depots, 2 plants and a repair centre. 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. EKZ has started a localization plan on main commodities since 2022 for its locomotive projects KZ4 and KZ8. In FY21/22, 31% of locomotive content was produced locally compared to 4% in 2012. The localization levels will increase as the traction cubicles will be produced Alstom JV EKZ from 2022, and as freight and passenger locomotives should reach about 40% local content. In addition, traction transformers for the passenger locomotives will now be produced in EKZ (traction transformers for freight have been manufactured locally since 2020).
- **In Egypt**, Alstom has started also a localization plan for its railway activities through sourcing, qualification and development of Egyptian suppliers for the National Authority of Tunnels, the Egyptian National Railways and Monorail projects.
- **In Morocco**, Alstom supports the Kingdom's goals of growing its industrial base through knowledge transfer and new production and engineering capability. Alstom has invested €15.5 million into the creation of two production lines in Fez. Besides, Alstom's strategy is to localize procurement activities in Morocco as much as possible. Alstom objective is to continuously increase the localization rate and to reach 53% by 2025 (versus 41% in FY2021/22).

Europe:

Alstom organized several suppliers' days throughout Europe gathering hundreds of providers: at Česká Lípa in Czech Republic, at Chorzów in Poland, at Bruges in Belgium , at the Santa Perpetua in Spain. Nordics also held a digital Suppliers' Day on April 6th 2022, with 230 invited suppliers, with a focus on EHS and Sustainability areas.

- **In Spain**, Alstom is going to supply 152 high-capacity commuter trains for Renfe, 10 Coradia stream trains for FGC for airport service (including 15-year maintenance and the construction of a depot), 3 X05 Citadis Trams for ATM and is completing the production of 50 new-generation metro trains for TMB. In December 2022, Alstom has been awarded a contract to supply 49 additional Coradia Stream high-capacity trains to Renfe; all the trains will be manufactured at Alstom's Santa Perpètua factory, Barcelona. 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. Finally, Alstom Trapaga works with a company employing disabled people for the delivery of bus bars.
- **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. Besides, Alstom and Eversholt Rail, leading British train owner and financier, signed in November 2021 a Memorandum of Understanding aimed at delivering the UK's first ever brand-new hydrogen train fleet. They will work together, sharing technical and commercial information necessary for Alstom to design, build, commission and support a fleet of 10 three-car hydrogen multiple units (HMUs). This fleet will be built by Alstom in Great Britain. Alstom continues to engage both local and global suppliers for these important projects, including supplier days and engagement events and offering broader opportunities to promote responsible and environmental improvements within the supply base. Local suppliers, and in particular Small & Medium Sized Enterprises are selected to bid to key tenders. Additionally, Alstom suppliers can benefit from trainings and assessments from the 'Supply Chain School for Sustainability', organization of which Alstom is an active member and more than 100 Alstom UK employees have enrolled for training with the School. Alstom has also joined Scottish Engineering and their Rail Cluster Builder; this organization connects business in Scotland and supports access to major clients and projects to develop skills and business opportunities.
- **In Sweden,** Alstom won the project in Turkey called 'Bandırma-Bursa-Yenişehir-Osmaneli High Standard Railway Line' with 50% Swedish localisation. Besides Alstom cooperates with leading universities, such as KTH (the Royal Institute of Technology) on Sustainable Railways in Europe, Uppsala university on a development of a balise and Mälardalen university for Rolling Stock activities.

- 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 3 countries, supplying to Alstom sites worldwide. Besides Alstom continues its strong partnership with all customers in the region, public and private ones, as well with a number of 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. Finally, Alstom organized 3 suppliers' day at Vienna (Austria), at Hennigsdorf and at Bautzen (Germany), gathering a significant number of key suppliers for various projects.
- **In France**, Alstom has an important industrial footprint and has led several projects and initiatives specifically dedicated to SMEs on innovation, management training, industrial performance, diversification, export and international development:
  - For the Toulouse 3rd metro line, a responsible purchasing policy is implemented, for example through Alstom active participation within the Totem Cluster or through several initiatives taken in Occitanie French region. On this subject, 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 strengthen its CSR commitment by continuing 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. The site has hired in particular 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, which brings inclusion and professional equality to the heart of its strategy, regularly works with the sheltered sector through "Entreprises Adaptées" (EA) and "Etablissements ou Services d'Aide par le travail" (ESAT). ,which contributes to employ people with disabilities on Alstom sites in France. In 2022, the purchases with the inclusive economy suppliers (i.e. covering the following inclusive pillars: Disability, Integration, Social & Solidarity Economy, City Policy Priority Neighbourhoods, Rural revitalization zones) represented 129 million euros for France, accounting for 6.4% of total spend ; this was achieved through 427 suppliers.
  - Alstom France has also been contracting with the major temporary labour suppliers to help developing more inclusive solutions for its sites. First of all, those companies implement targets and regular governance to track the rates of disabled people proposed at site and at regional levels. They have been bringing specific actions to make sure to reflect Alstom values in their recruitment process or in their communication campaigns for Alstom. Besides they support also Alstom to bring much more women in the plants, deploying programmes to enrol women especially in the industry, committing to reach a target of 26% of women in France. Finally, many discussions are ongoing regarding the insertion topics, to boost even further diversity on the interim population.
  - The Group is an active member of the "Compétitivité, Accompagnement, Rail, Emploi" CARE Programme (Competitiveness, Support, Rail, Employment). This programme aims to reinforce the industrial performance of SMEs in the French railway industry through an industrial maturity diagnosis led by an independent expert (Planning, Flow Management, Quality and Supply) and regular monitoring of improvement actions. In partnership with the Federation of Railway Industries (FIF) and BPI France, Alstom plans to extend this project throughout France. 2 groups of 6 local SMEs have already been deployed for the region Hauts de France On June 20th 2022, was launched the first group of SME for the region Auvergne Rhône Alpes.
  - 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 participates to training sessions towards SME to increase their CSR awareness.
  - 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: 1 Alstom employee has been acting as a mentor for a local company since April 2022. Besides the site is part of the regional Programme Boost'Innov to help a small & medium-sized company to build its strategy.

The year 22/23 has been marked by the strengthening of the links between Alstom and its ecosystems all over the world with the opening of two new Innovation Stations. Innovation Stations are versatile structures located in strategic areas to boost collaboration with local partners. They are designed according to their ecosystems. Alstom opened a new Innovation Station in Singapore in January 2022, followed by another in Stockholm in February 2023. Together with the existing one in Tel Aviv, they form a powerful network to connect the group to local players and boost the development of innovative products and services.

Regarding its involvement with start-ups, Alstom has launched a worldwide campaign to identify companies working on Circular Economy topics. With the support of two specialized scouting partners, several start-ups have been selected and invited to pitch in front of Alstom experts. The most relevant ones will enter Alstom global and transverse programme to ensure smooth and effective collaborations.

NUMBER OF EMPLOYEES BY REGION VERSUS SALES BY DESTINATION IN 2022/23

	% of employees	% of Sales by destination
Europe	57%	60%
Africa/Middle East/Central Asia	7%	8%
Asia-Pacific	19%	15%
Americas	17%	17%

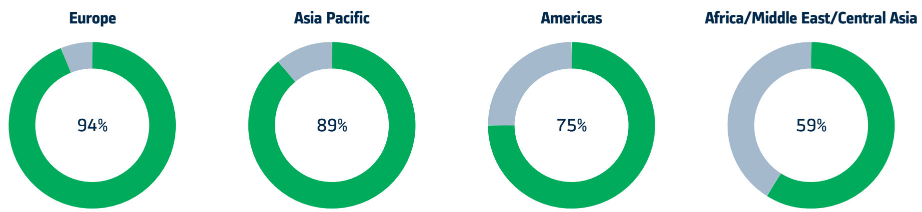
SUPPLIERS' EMPLOYEES TRAINED BY SUPPLIER QUALITY TEAMS

	2021/22	**2022/23**
Total in number*	1,200	**1,300**

* Estimation using a conservative approach.

Additional trainings are provided to suppliers on sustainable procurement topics, see the chapter "Sustainable Procurement", page 320.

SHARE OF REGIONAL ORDERED AMOUNT BY REGION (TO EXTERNAL SUPPLIERS TIER 1):

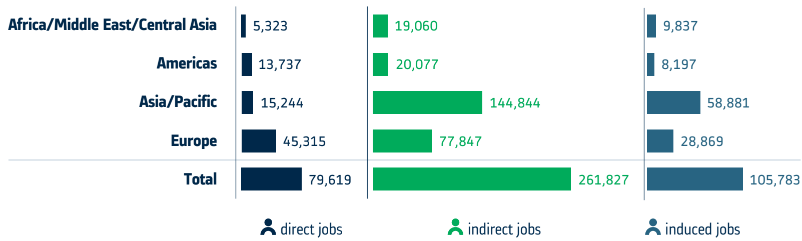


Social Impact assessment

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 the entities ecological footprint, their role as corporate citizens and their overall participation to national development.

Up to now four impact assessments have been conducted over recent years highlighting Alstom's contribution in India, Morocco, Kazakhstan, South Africa, generally 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 after Summer 2023 for the United Kingdom, Italy, the USA, Canada and France.

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 2022.

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.

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. The number of beneficiaries is the key indicator measuring the effectiveness of these policies, addressed under the Alstom In Motion strategy – commitment to society, and the objective set is to reach a total of 250,000 beneficiaries by 2025.

Community investment

Alstom consistently applies its global Community Investment Policy last updated in 2021, 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 covers:

- responding to local social needs;
- supporting development through education;
- encouraging the development of local enterprises;
- 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, bike race, walks or sale of products (fruits, chocolates, etc.). Engaging in collecting or donating clothes, toys, books or food is also greatly practiced in many countries, 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:

- collection and donations of cash, blood, goods (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 diversity; human rights; STEM (Science, Technology, Engineering, Mathematics);
- general manpower and financial support to disadvantaged communities;
- grants, donations (cash, goods, 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;
- relief to disasters such as earthquakes, floods, war, etc

Supporting development through education

Alstom promotes education among young people through: the development of individual skills and employability, the raising of awareness on key topics linked to Alstom values (e.g. 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.

Encouraging the development of local enterprises

See the section on Local Development, page 304.

Protecting the environment

Alstom is willing to participate in the global effort to fight again climate change and pollution and provide a better environment to population. This is translated into local actions in favour of the environment such as:

- protecting nature and reducing CO_2 emissions through planting trees and supporting biodiversity (for example installing beehives, helping animals, etc)
- cleaning up sites (beaches, forests, cities) from garbage, plastic and other polluting materials, and supporting recycling initiatives

Volunteering

To support its Community Investment Policy, Alstom has developed a Volunteering Policy which encourages volunteering amongst its workforce. 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). 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 budget of €2.2 million per year, the Foundation supported 33 projects in 2022/23. 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 Pakistan in September 2022 and supported the population in Turkey strongly impacted by the major earthquakes in February 2023. A donation was also made in Chile to help fight the forest fires in February 2023.

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. The Board is supported by a Secretariat which undertakes the day-to-day running of the Foundation and implements the Board's decisions.

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. 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.

A global cash budget of €5.6 million was spent on 2022/23 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 ~€1.5 million, are borne by country or project budgets. In addition, Alstom's Joint Venture in South Africa – Gibela – spent during the year over €4 million on Broad-Based Black Economic Empowerment-related skills development and local enterprise development.

Main results and performance indicators

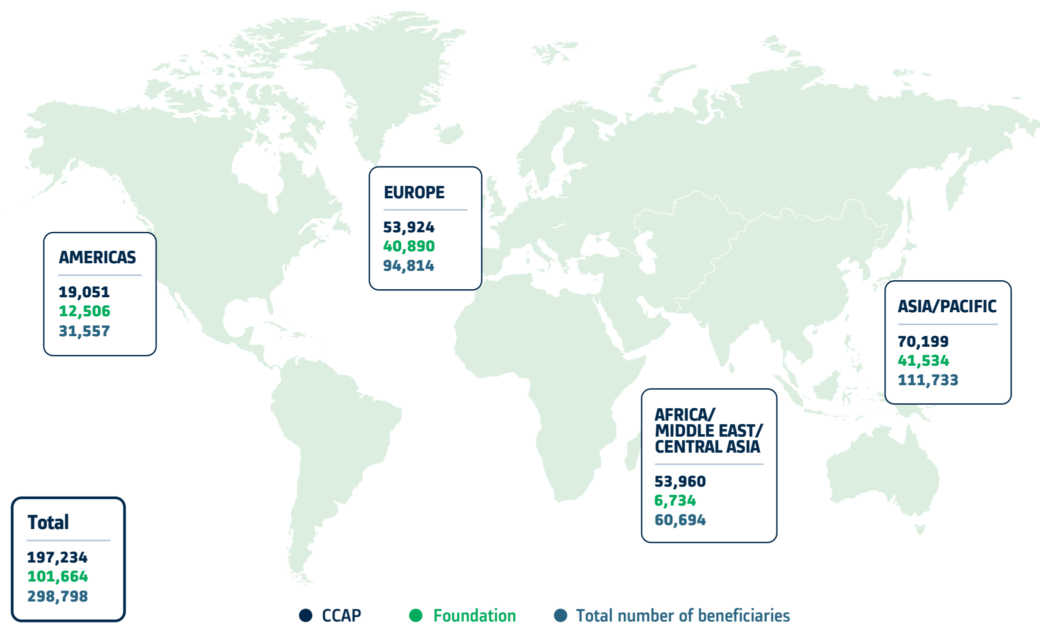
Alstom follows the impact of its community investment policy by monitoring the number of people who benefit from Alstom Foundation projects and local country actions every year.

NUMBER OF BENEFICIARIES FROM SOCIAL PROGRAMMES (*1,000)

	2021/22	2022/23	Target[1]
Alstom Foundation	60	102	2022/23: 50
Actions in support to communities from Country Community Action Plans (CCAPs)	185	197	2022/23: 170
TOTAL	**245[2]**	**299[2]**	**2022/23: 220**

(1) Target 2024/25: 250,000 beneficiaries.
(2) Data corresponds to an estimation inferior or equal to the value, defined according to internal rules and based on a conservative approach

NUMBER OF BENEFICIARIES FROM SOCIAL PROGRAMMES BY REGION



It is estimated that close to 11,000 persons of the Alstom workforce engages in some sort of philanthropic activity, giving freely of their time, money, and expertise.

The Alstom Foundation

In September 2022 the Board of Directors selected 33 projects for support from the 2022/23 budget. Examples of these projects are included below, according to the four axes of 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 92 projects that were active during the fiscal year 2022/23 across 33 countries indicates that around 97,000 individuals have benefitted directly from them, plus 4,500 additional ones have benefitted from the Emergency Fund donations of the Foundation mentioned earlier in three countries, reaching a total of 102,000 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 2022 BOARD – EXAMPLES

Axis	Country	Project title	Partner
	Ukraine	**Provision of post-emergency electrical support for medical purposes (mobile operating units) in Kiev**: 12 electrical generators to carry out critical activities (Sterilization, radiology, ventilation & lighting) and 500 solar lamps for patients to provide lighting and battery recharging	Electriciens sans frontieres
	Canada	**Imagining my sustainable community** – An educational programme in sustainable design for students in grades 7 to 10, guided by design mentors to create a scale model of their sustainable city using key SDG pillars (waste & water management, public transportation, alternative energy, green building design, etc)	N°9 The Culture of Sustainability
	Ethiopia	**First Mile Project** - Improved access to basic services (schools, markets, health facilities) through trail infrastructure, i.e. trail bridges and foot trail networks	Helvetas Swiss Intercooperation
	France	**Tech da Power** - Women empowerment though skill development in cybersecurity	DesCodeuses

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 197,000 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).

The following paragraphs highlight the inputs and outcomes of a selection of activities from the list of 650 undertaken during the fiscal year. Overall, around 4,500 person-days of Alstom time were committed to these activities.

ALSTOM CCAP EXAMPLES 2022/2023

Priorities	Responding to local social needs	Supporting development through education	Encouraging the development of local enterprises	Protecting the environment
Examples	**Canada**: Donation made to the Montreal Children Hospital Foundation through an agreement covering more than 113,000 EUR over 3 years to support children and their families **India**: >30,000 meals were prepared and donated to needy people in collaboration with NGOs such as Rise Against Hunger **UAE**: To celebrate the 8th anniversary of the Dubai tram, Alstom teams participated in a Cycling Challenge to raise money for the Al Jalila Foundation and support patients with musculoskeletal conditions	**France:** Alstom has a partnership with the Blaise Pascal Foundation for the promotion and development of mathematics and computer science. "Girls, Maths & IT" days are organized with schools in areas close to Alstom sites **Brazil:** Alstom sites continue to run an Apprentice Programme for underprivileged students (14-24y) with NUBE & SABER, to develop them, qualify them and favour their inclusion in the labour market	**India**: Alstom has partnered with NSRCEL, the startup hub at IIMM Bangalore, to implement a Sustainability Incubation Programme and support startups and innovation in the fields of electric mobility, last-mile connectivity, green buildings, logistics and supply chain, etc **Australia**: For the Victorian Supplier Day in Ballarat and to reinforce the local chain, Alstom hosted a networking and information day with presentations from the senior leadership team, procurement representatives and speakers from the Department of Transportation & the Victoria University	**Germany:** Alstom employees organized an event with NGO "Bergwaldprojekt" to plant 1800 trees and reforest the Harz area **Italy**: Alstom employees were invited to collect old running shoes for Esosport to recycle them into material used for the construction of children's playgrounds, athletic tracks, fitness corners or gym pads **China**: Alstom employees went to the Grass Beach Ecological Industrial Park to participate in a clean-up event to remove 22 sacks of trash along the 1.5 km riverside

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); Human rights (page 307); Customer Relationship (page 309); Railway Safety (page 312); Tax Evasion (page 314).

Key topics	Main CSR targets	2022/23 Results	Progress	SDG
Ethics and Compliance	2025: All regions covered by ISO 37001 certification	All regions certified		12 Responsible consumption and production; 16 Peace, justice and strong institutions
Sustainable Procurement	2025: 100% of total purchase volume covered by screenings, online assessments and/or on-site audits	74%		12 Responsible consumption and production
Customer relationship	2025: Average Net Promoter Score (NPS) >8	8.3		9 Industry, innovation and infrastructure; 12 Responsible consumption and production
Railway safety & healthier mobility	2022/23: 75% of Safety review OK (*)	82.1%		9 Industry, innovation and infrastructure; 11 Sustainable cities and communities

Reached On progress

Ethics and Compliance[VP]

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, influence peddling 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 corruption risk is present due to the nature of Alstom's international business activities involving high value public works projects with public administrations and governmental bodies financed (partially or in whole) by 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).

(1) Office of Foreign Assets Control.
(2) Bureau of Industry and Security.

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 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 Customers, 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.), internal and external audits and recommendations emanating from public authorities and 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 all employees.

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 is the secretary of the E&C Committee.

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 E&C 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 increased to 14 regional compliance officers and managers, 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 an expanding community of 490 E&C ambassadors, all volunteers, who come from diverse functions. These ambassadors agree to devote part of their time to ethics and compliance matters. 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 and 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 address bribery through the implementation of an anti-bribery management system. The audits focus 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.

Since 2019, Alstom is certified ISO 37001 for countries and operational sites in all its regions. A first renewal audit campaign took place and certified Alstom ISO 37001 until 14 June 2023. A second renewal and expansion campaign took place in 2022 to include ex-Bombardier Transportation sites, resulting in a new ISO 37001 certification until June 2026.

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 270 projects were evaluated during the fiscal year. In larger, more complex projects involving consortium partners or 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. These compliance risk assessments are regularly reviewed by the Project teams, with the support of the Regional Compliance Officers, throughout the life of the project.

In all projects and activities, the use of commercial agents is 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. Over the years, as part of Alstom's continuous improvement approach, Alstom has developed its training offering and deployed new training modules, which consist today of 11 main trainings as follows: Code of Ethics, Competition Compliance class, E&C Class, Alert Procedure, Conflicts of Interest, Working with External Third Parties, Advanced Global Data Protection, E&C for Procurement, Gatekeeper training for Finance, Gatekeeper training for Legal, and Trade sanctions awareness.

Alstom E&C Alert Procedure	E-Ethics 2020 Code of Ethics	Conflicts of Interest
What is the Alert Procedure? What issues can be reported? How can one report?	A variety of case studies representing ethical situations faced in daily work.	Identify and take the necessary steps about conflict-of-interest situations at work.
format: micro- e-learning **population:** All MEPs **Completion** > 97% of target	**format:** e-learning **population:** All MEPs **Completion** > 96% of target	**format:** micro- e-learning **population:** All MEPs **Completion** ≈ 97% of target

Competition Compliance Class	E&C: Working With External Third Parties	E&C Class
Application of Alstom's competition policy and alert procedure and awareness on basic principles.	Covers responsibilities of engaging external 3rd parties, focusing on consultants.	Awareness on company ethical values, principles and rules. Detailed explanations applying compliance procedures in day-to-day activities.
format: classroom training **population:** targeted MEPs **Completed by** > 10,000 employees (100% of 2021 target)	**format:** e-learning **population:** All MEPs **Completion** > 90% of target	**format:** classroom training **population:** targeted MEPs **Completed by** > 10,000 employees (100% of 2021 target)

Newly launched in 2022

Gatekeeper Training for Legal	Gatekeeper Training for Finance	Advanced Global Data Protection	E&C: Trade sanctions Awareness	E&C for Procurement
Recorded classroom course focuses on members of Legal as Gatekeepers who defend against Corruption & Fraud.	Recorded classroom course focuses on certain members of Finance as Gatekeepers who defend against Corruption & Fraud.	Raise awareness and provide guidance on applicable data protection laws and regulations.	Learn about Trade Sanctions & how Alstom deals with it around the world, & how to be compliant with these rules.	2 Modules – E&C for procurement.
format: recorded classroom training **population:** Legal	**format:** recorded classroom training **population:** Finance	**format:** e-learning **population:** targeted MEPs	**format:** e-learning **population:** targeted MEPs	**format:** e-learning **population:** Procurement

With regards to the three training modules described at the top (Alert procedure, E-Ethics 2020 and Conflicts of Interest), in addition to making these a Group objective for the Company, the Alstom Leadership Team (ALT) (formerly known as the Executive Committee) made the completion of these learnings part of the bonus scheme. This year, Alstom launched a series of E&C Gatekeeper Trainings, for the Legal & Finance Departments. This initiative will be expanded in 2023 to include the Procurement Department.

Also, a number of communication tools were adopted as part of a detailed communication plan in order to increase the visibility of the compliance activities. Among these activities are "E&C Days", which are an all-day or half-day compliance event that 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 programme 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.

The E&C team works continuously with the E&C ambassador community to fully integrate them into the Integrity Programme. 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. An Award ceremony takes place annually to reward local E&C ambassador initiatives. 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 programme.

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 eleventh exercise was launched in October 2022 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 2,500 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.

Main results and performance indicators[VP]

The E&C Department uses various indicators to monitor the performance of the Alstom Integrity Programme.

	2021/22	2022/23	Target
Number of E&C Ambassadors	460	490	2025: >600
ISO 37001 certification	All regions certified	All regions certified[(1)]	2026: Maintain certification for the Alstom Group
Number of people trained in E&C class	7,117	11, 915[(2)]	2022/23: 9,617

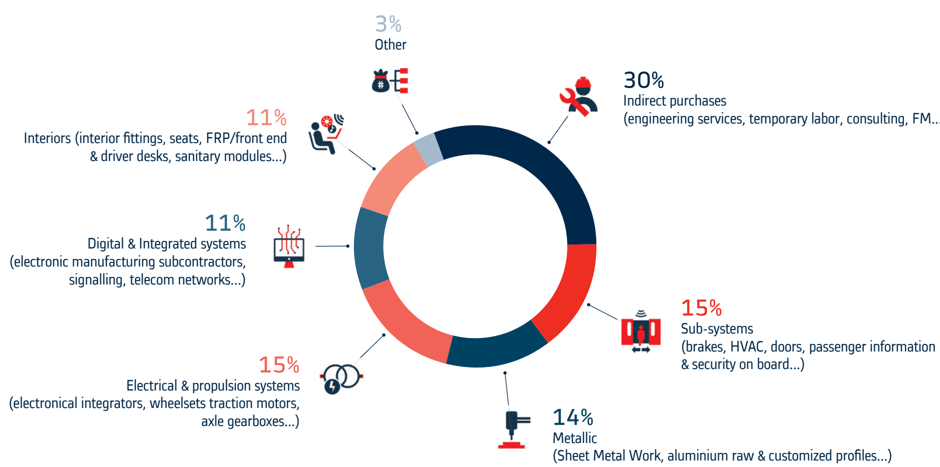
(1) Includes ex-Bombardier Transportation sites
(2) The two-year learning campaign, launched in April 2021, had as a goal to train 9,617 employees, considered as more exposed to the risks of corruption and anti-trust, according to the function and the grading. At the end of the cycle, in March 2023, 11,915 employees had attended and completed these classes – which exceeded Alstom's initial targets by more than 37%. This reflects the global increase of employees over the Group. This achievement demonstrates Alstom's proactivity in its risk management and its ability to train those considered at risk on E&C.

Sustainable procurement[VP]

With more than 250 sites located in 63 countries, Alstom is an international mobility actor and has a significant local footprint. As procurement activities account for nearly 60% of sales, it represents a source of both opportunities and risks. Indeed, on the one hand, procurement is a major contributor to the Alstom's global performance and relies on a wide panel of around 21,400 suppliers. In this perspective, the quality of the relationships with its suppliers and contractors is paramount.. On the other hand, Procurement 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.

Alstom's Procurement community is organized by Domain (Procurement commodities) 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 principle, while local Procurement is led by Procurement teams organized by Alstom's sites location.

The main procurement commodities (in % of purchasing amount) are detailed below:



Strategy and policies

Sustainable Procurement mission is the integration of Sustainable Development principles into the procurement strategy. It is defined into the Group Sustainable Procurement Policy, signed by the Chief Procurement Officer (CPO), and available on its website, which covers 5 main pillars, as follows:

- 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 network

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.

The main performance indicators used 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
- the number of the procurement community members, as well as the number of suppliers, that Alstom has trained in sustainable procurement (the target is to train 500 suppliers by 2025).

Processes and action plans

Risk mapping

Every year, the suppliers (including contractors) risk mapping is updated. Given their number, geographic footprint and diversity, Alstom assesses in priority suppliers that account for the highest levels of CSR risks.

The priority list is built based on 3 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 established according to the energy consumption, pollution risks, health and safety aspects. For the supplier's country, the level of risk considers corruption, political instability, respect for human rights, and environmental stakes.

Supplier CSR commitment

First procurement teams ask their providers to comply with Alstom Sustainable Development values and principles detailed in the "Ethics & Sustainable Development Charter for Alstom's Suppliers and Contractors". This is mandatory 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 engaged to meet 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. In particular, 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 required in this charter.

In accordance with the ISO 37001 standard, the Charter integrates Alstom's alert procedure. Suppliers and 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 2023, there was 98% of purchase amount covered by the key suppliers having signed the Ethics and Sustainable Development Charter.

Assessments and audits of suppliers, action plan and improvement monitoring

Alstom's suppliers (including contractors) are evaluated based on CSR criteria, using 5 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" led by Alstom's supplier quality teams;
- onsite CSR audits, conducted 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 meet Alstom's requirements, suppliers are required to define 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.

First, to comply with its Ethics & Compliance policy and the French "Sapin II" law addressing lack of transparency and corruption risks, Alstom has establish "Due Diligence" procedures to verify the situation of its commercial agents, consortium and 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 required, some suppliers get an additional enhanced screening on CSR risks (fraud, corruption, bribery, money laundering, anti-trust, human rights, conflict minerals, environmental and modern slavery) relying on enlarged sanctions and enforcement lists, politically exposed persons lists and adverse medias quotes.

(1) Suppliers with whom Alstom has a spending exceeding €100,000, excluding the charter included in the general conditions of purchase.

In addition, suppliers identified throughout the risk mapping are also evaluated by EcoVadis on 4 pillars: Environment, Labour & Human Rights, Ethics and Sustainable Procurement. The online assessments run by EcoVadis are documentation-based. EcoVadis CSR experts analyse suppliers' answers to sustainability questionnaires and their supporting attached evidence. The evaluation system is in line 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.

625 EcoVadis assessments were conducted for 2022-23. The average score of suppliers assessed by Alstom is 60/100 and has improved by +3 points compared to the previous fiscal year. Besides, there were 236 assessments with compliant score, led in the 2 past fiscal years that can complete the Ecovadis coverage as of 31/03/2023.

For all new Alstom's suppliers, preliminary evaluations called "Quick Industrial Assessments" are carried out onsite by Alstom's procurement teams. They address 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 dedicated questions on child labour, working conditions, hazardous substances and waste management, recycling processes.

During the 2022/23 fiscal year, 572 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, 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 CSR audits. Indeed Alstom has been auditing the manufacturing and/or installation bases of selected suppliers and contractors, located mainly in Asia Pacific, Africa Middle East and Latin America regions. For these **on-site** CSR audits, Alstom engaged external 3rd parties recognized worldwide, such as TUV and SGS. These audits are mainly based, but not only, on the international Social Accountability 8000 standard. The 3rd parties auditors check suppliers' sustainability maturity on the following topics: child labour, forced labour, employment contracts, health & safety, freedom of association, discrimination, disciplinary practices, working hours, wages & compensation, environment, monitoring of compliance and anti-bribery. In FY 2022/23, 54 CSR onsite audits were conducted in the above mentioned regions.

The Group will continue to strengthen the implementation of onsite audits based on the risk mapping, the results of the screenings, assessments and audits performed and the possible alerts received.

In this frame, for fiscal year 2022/23, screenings, online assessments and onsite audits cover 74% of the total purchase volume.

Since March 2018, the Sustainable Procurement Leadership Committee is the central governance to address cases of CSR non-compliance. According to the criticality of the situation, the Committee can decide to launch an onsite CSR audit, suspend or terminate the business relationship with the supplier. Sessions are organised with Procurement managers, directors and Alstom top management.

The riskiest suppliers of the Sustainable Procurement Leadership Committee are possible inputs for the Global Supplier Risk Assessment as described in chapter 4.

Conflict Minerals due diligence

In order to comply with Conflict Minerals regulations, every financial year, Sustainable Procurement launches a specific survey on conflict minerals in order to track the origin of minerals contained in the goods purchased by Alstom and check 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 are implemented if needed, for not compliant suppliers.

Alstom encourages also its suppliers to use recycled minerals or to 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 put in place a sustainable procurement training programme for both Procurement Community and Suppliers.

3 different kinds of trainings have been provided during the 2022/23 period:

- an introduction to sustainable procurement (embedded in the induction e-learning) for Alstom procurement newcomers;
- a mandatory complete Sustainable Procurement training webinar for all Procurement population;
- thematic webinars have been conducted by Sustainable Procurement, such as Conflict Minerals due diligences, EcoVadis (general presentation and improvement actions sessions), induction to Circular Economy, CO_2 emissions towards both Procurement Community and Suppliers.

During the fiscal year 202/23, 794 people of the procurement community have been trained to the complete Sustainable Procurement training. As of end of March 2023, 62% of procurement teams have completed the Sustainable Procurement training. 202 suppliers and 197 people from procurement have been trained to these CSR thematic webinars.

Procurement Internal Audit

In addition, each year, part of Alstom's Procurement teams are evaluated on a demanding internal audit (APSYS), that aims to measure the maturity of the Procurement function on 3 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 reviewed, with a focus on the CSR management of suppliers and on Sustainable Procurement complete training. The results of these yearly audits demonstrate the compliance on this item.

Premium partnership and relationships with local ecosystems

Alstom has a premium partnership programme called "Alliance™". It aims to develop a collaborative approach with its strategic suppliers in 4 main areas: Business Development, Operational Excellence, Product & Process innovation and After Sales Market. As of end of March 2023, 10 suppliers already joined the programme and committed to reach ambitious objectives. By the end of 2023, Alstom aims to onboard more than 30 Alliance™ partners. Supplier differentiation is a key factor in achieving "strategic" status. As part of the governance process, Alstom regularly evaluates the mutual interests, achievements and common benefits of each partnership, as well as the entry of new potential companies into the programme. With the redesign of the programme in 2022, Alstom put a strong emphasis on **CSR criteria** already during the partner selection phase. This is reflected in:

- A higher Ecovadis score which is required,
- Clear carbon footprint reduction targets,
- Strong Eco-design requirements (with regards to e.g. energy consumption and noise reduction), on environmental innovation and on the use of recycled materials/products,
- Stronger focus on Diversity & inclusion criteria.

Procurement teams regularly drives inclusion actions to promote diversity and support Small and Medium Sized Enterprises or start-ups (see "Encouraging local development" page 304) through dedicated initiatives (trainings, supplier development, sponsoring and partnerships), with the possible help of specific associations and institutions (innovation clusters …).

Sustainable Products and Services

In addition to commit to Alstom technical requirements, suppliers are increasingly challenged to propose green innovative solutions in order to improve the environmental performance of Alstom products.

Moreover, Alstom is co-developing GHG-free HVAC solutions. Besides, Procurement uses a catalogue of low impact materials (see page 286), such as new floor covering for regional trains that fulfil all requirements of the famous ecolabel Blue Angel.

Sector initiative: Railsponsible

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 17 members and aims to lead 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 decided to use the same online evaluation platform – EcoVadis – to measure the CSR performance of their suppliers, what is beneficial for both suppliers and members. Once the evaluation is completed, 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 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 3 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).

Alstom participates to several workshops, such as on supplier CSR audit and on supplier decarbonization methodologies.

On 31 March 2023, 2,622 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

Alstom Group is regularly assessed by EcoVadis and its Sustainable Procurement was rated 80/100 in May 2021, what positions the Group on the top companies on this axis.

	2021/22	2022/23	Target
Part of purchase amount covered by the key suppliers having signed the Ethics and Sustainable Development Charter[1]	96%	98%	2022/23: 99%
Part of total purchase volume covered by screenings, online assessments and/or on-site audits	62%	74%	2022/23: 70%
Number of procurement community members trained in Sustainable Procurement	583	794	2022/23 : 600
Number of suppliers enrolled in Alstom Sustainable Procurement training programme	>100	202	2022/23: 200

[1] Suppliers with whom Alstom has a spending exceeding €100,000, excluding the charters included in the general conditions of purchase.

After a stable level of performance in FY2021/22 due to the actions taken to integrate the teams and suppliers of the new organization within a perimeter that has significantly increased, Alstom has been improving its sustainable procurement performance since 2022.

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 comes into effect in 2023. A new Norwegian law, the Transparency Act, became effective from July 2022. This Act requires companies to make sure human rights and decent working conditions are respected in their operations and supply chains.

Human rights and environmental due diligence legislation at the EU level is expected for 2023. 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 320 completes this approach.

Alstom's Vigilance Plan is published on page 340 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 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).

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.

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).

Process and action plans

Risk mappingVP

The analysis and prioritisation of human rights related risks are established at different levels:

- At global level : a global risk mapping for human rights was done in FY202122 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;
- At tender and project level : a CSR risk assessment with a strong focus on Human Rights is performed for projects of a certain size (see section on Strengthening the integration of Human Rights risks in the tender process and project management below);
- On the Group's supply chain : a risk mapping of suppliers is done annually (see chapter "Sustainable Procurement", page 320).

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 340) 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 287) 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 three sites were audited over 2022/23. The selection focused on large sites in India.
- 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. In 2022/23, 54 audits took place on sites in Bahrain, Brazil, China, India, Italy, Morocco, Philippines, Singapore, South Africa and Turkey. 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 organises a follow-up audit.

These two actions come in addition to the assessments mentioned in the "Sustainable Procurement" section (page 320).

Strengthening the integration of Human Rights risks in the tender process and project management

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 304). To strengthen the Group's capacity to address these risks, a human rights risk scorecard for new tenders and projects has been developed.. It is based on specific Human Rights criteria and a risk mapping per country 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.

The objective is to identify potential risks, relating to Human Rights, Communities, the Environment, Armed Conflicts etc, around projects and define mitigation measures ahead of bid submissions, including the undertaking of specific Human Rights due diligence assessments when relevant. In FY2022/23 a due diligence checklist was drafted to support bid teams in establishing project-level risk mappings. In addition, external consultants were appointed to develop Enhanced CSR Due Diligence Guidelines on projects with a higher exposure to Human Rights or CSR risks. These guidelines were deployed on a pilot project in FY2022/23. Other mitigation measures include rolling out awareness sessions for the project teams, naming a CSR representative in the project team or establishing a bespoke mitigation plan.

The human rights scorecard is integrated in the Ethics and Compliance assessment process, and the associated instruction was updated in FY2022/23 to reflect the new mitigation measures expected per risk level. In FY2022/23, the specific monitoring on high-risk projects is pursued, involving operational teams as well as central functions.

In addition to the internal risk assessments relating to Human Rights, central functions are developing bespoke solutions to address client requirements in bids on the topic of Human Rights over the project lifecycle. Such requirements have involved the development of a supplier panel risk management tool or a Method Statement to address Modern Slavery risks.

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 2023, more than 1,600 employees had completed the module. 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 343). In FY202223, a new question was added to the Social Survey to monitor the deployment of Human Rights programmes at country level, beyond specific points relating to forced/child labour already covered.

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.

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. The Sustainable Procurement launches an annual campaign which involves sending a specific survey on conflict minerals to targeted suppliers 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 (for more information see "Conflict Minerals due diligence" p.322).

Main results and performance indicators[VP]

	2021/22	2022/23
Number of internal on-site social audits of subcontractors	9	4
Number of external on-site social audits of subcontractors and suppliers	21	54
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 (1)	3	1

(1) Events covered by several notifications are only counted once.

The alert raised in 2022/23 was investigated but it concerned a political matter, unrelated to Alstom's activity. For more information on the cases reported via the Alert Procedure, see page 343 of the Vigilance Plan.

Main results and performance indicators linked to sustainable Procurement are detailed in the "Sustainable Procurement" section - page 320.

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.

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 target of 8.

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.

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, originally in Finance department, under its umbrella; One of the objectives of this organization is to anticipate and mitigate risks that, if created at tender stage, can become unmanageable at project stage.

Processes and action plans

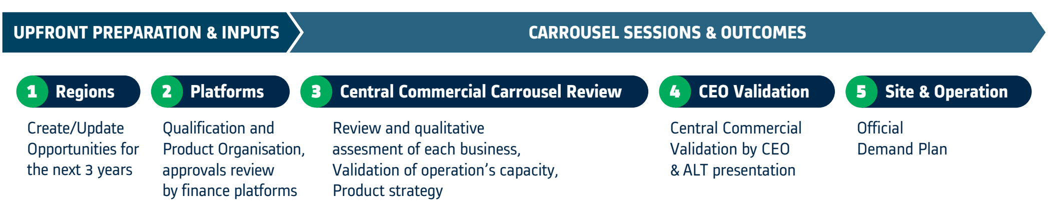
Integrate customers needs at the heart of the Group planning

Since 2013, Alstom has been running an annual process – called the Marketing Carousel (renamed in 2021, former 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.

In 2022, the CCO department reinforce the Company Commercial Strategy by implementing a quarterly Commercial Carousel reviews:

- to ensure a continuously sustainable Commercial visibility of the Market and Customer needs;
- to ensure Solid data quality in the Commercial Tool Wall-C;
- to guarantee reliable Inputs for the Financial as well as the S&OP budget exercise ensuring accurate Industrial and Engineering workloads at ALSTOM group Level.

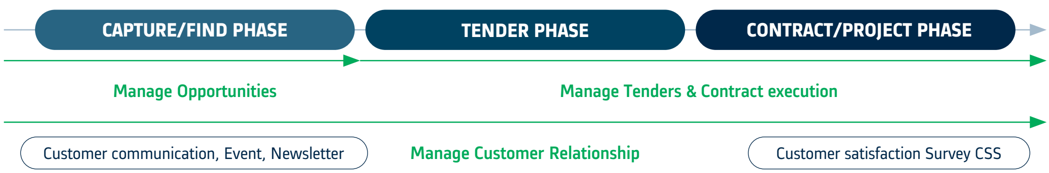


Measure customer satisfaction

To support customer satisfaction, early 2022, Alstom had received the AFNOR CSR Commitment label for alignment with the ISO 26000 standard in 7 countries: France, Italy, United Kingdom, Australia, Spain, Belgium and India 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 in the Regions.



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. 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. Last year, the questionnaires were updated to take into account to cover all businesses, and with new questions. In particular, questions were added to have the perception of customer regarding Cybersecurity management, or detailed product feedback. 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.

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.); all is accessible by computer, mobile phone or tablet at any time and even without connection. 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

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 customer satisfaction survey was rolled-out with the same process and the same tool as the previous years covering the perimeter of the new Alstom. More than 300 surveys were planned. Trainings on this process and tool are available in our Learning platform. By the end of the fiscal year, 300 projects were surveyed, with an average NPS of 8,3. This overall result is above the objective, with an increase compared to last year and demonstrates the confidence of our customers.

An NPS inferior to four (over a scale of 10) triggers an alert to the Regional Management Teams, and to the Quality Management Teams. This alert generates an action plan to regain customer satisfaction.

	2021/22	2022/23	Target
Average Net Promoter Score (NPS)	8.1	8.3	2025: 8

Railway Safety and Healthier Mobility™ VP

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 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 evolution of Alstom activities in greener and/or new mobilities with no regulations or standards in place for some mobilities such as autonomous vehicles, results in an increase of the risks.

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 reenforces the railway safety governance within the organization.

In addition, Alstom participates to discussions with States an Ministries of Transportation, working groups with Unions as UNIFE(2) and standardization committees to promote and reenforce the vision of the future transportation system. Some of this exchanges are specific to Railway Safety.

Applicable requirements for Quality and Railway Safety are also included in the Group Management System. It is regularly audited and certified following ISO 9001 and ISO/TS22163 (IRIS) standards.

Processes 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;
- the global Railway safety governance with Railway Safety follow up via dedicated boards at Alstom, Regions, and Sites levels;
- 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).

(1) IEC62278 or EN50126-1: Railway applications – Specification and demonstration of reliability, availability, maintainability and safety (RAMS).
(2) UNIFE: Union des Industries Ferroviaires Européennes or European Rail Supply Industry Association

Dedicated railway safety processes at Alstom level exist. 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 was implemented from 2021 to 2023 according to a roadmap including three phases. For 2023/24 a full coverage is expected.
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 trains.
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 was enlarged with new trainings and the deployment is ongoing still focusing on the Alstom Railway Safety e-training for new comers.

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 sanitary issues and improvement of air quality onboard (virus, bacteria, VOC ,PM,..). 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, Airmid… : virology and health labs, and recognized operators;
- capitalize on worldwide knowledge thanks to enlarged network: operations, maintenance…;
- provide accurate and verified solutions with robust protocols

The action plan seeks to cover short, medium- and long-term perspective:

- short term actions to protect passengers and technical staff, recommend available solutions for immediate support during sanitary issues;
- medium term actions to restore confidence: Validate complementary solutions;
- long term actions to promote healthier mobility: Develop innovative and sustainable solutions to improve air quality and 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

Railway Safety

The Railway Safety is monitored though different indicators among which:

	2021	2022	Target
% of Safety review OK (1)	77.0%	82.1%	2022: 75%

(1) Measures the capacity to anticipate safety concerns in projects execution, considering results of safety reviews done at the different milestones of projects execution. Calculated over 12 months. During calendar year 2022, the number of safety reviews performed and registered is 760.

Since three years, despite some fluctuations, the target of 75% is achieved. This figure does not include some old legacy Bombardier Transportation projects, as check lists used for safety reviews were not consistent.

	2021/22	2022/23	Target
% of participation in Alstom Railway Safety E-training (1)	90%	94.2%	2022/23: 90%

(1) % 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 achievement by end of this fiscal year reaches the same level as the one achieved in 2020/21 before the merge with Legacy BT.

Healthier Mobility™

This year (22/23) following solutions were studied, tested and are on-progress :

- antibacterial paints for hand bars and ceramics coating;
- antiviral and antibacterial liquid paint and varnish;
- antiviral and antibacterial fabrics & film;
- sanitization technologies by lighting for passenger area and driver cabin with reflective and/or UV-C protective films;
- micro-texturized films to protect passengers against pathogens;
- active and passive Air treatment;
- new PEPA-F Filters :
  - baseline B with passive electrostatic effect to improve the filter performance and air quality onboard;
  - baseline D developed to capture fine particle or particle matter (PM);
  - baseline C developed to capture VOC (Volatile Organic Compound);
- touchless boarding device to active the opening of the doors without contact;
- μ-sensors to measure air quality onboard (benchmark, protocols and test to be launched with laboratories);

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 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.

The Alstom Tax & Customs function within Finance aims to determine and apply the correct tax treatment across all its business transactions, to ensure the Group pays the right amount of tax, in accordance with the tax laws of the territories in which it operates. And make sure that no illegal steps are taken to avoid paying taxes.

Processes and action plans

The VP Tax and Customs leads an in-house team of tax specialists who each have defined responsibilities to manage a specific geographic region and/or specialist topic as part of a Central team who co-ordinate and lead transversal topics.

Each country where Alstom has a footprint is under the responsibility of a Regional Tax Director ("RTD") who has the responsibility for overseeing the tax management of the countries in their scope. Regular communication between the Regional Tax team and Central tax team occurs on an informal basis and through a series of Tax Committees which also form the basis of the tax governance and approval processes.

External service providers are used on a selective basis, for example when the Company needs additional resource or expertise.

To ensure strong tax governance the Tax & Customs function support the Country FD's with regard to the implementation of internal controls to support the correct calculation and payment of taxes. Tax & Customs function also work with the Internal Controls team to determine the appropriate audit testing of key controls for tax purposes.

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 analysed according to DAC 6 principles.

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. .

A group reorganisation has taken 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.

In July 2022, Alstom Group in France has entered the Trust-based relationship with French Tax Authorities.

Following the increase of the size of the Group, 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 14th of February 2023.

Panama is a country where Alstom operates, and which has been included in the black list 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 187 people.

The United Arab Emirates is a low-tax country where Alstom operates. However, CIT will be introduced starting June 2023.

In this country, Alstom has leaded the consortium that has been granted the "Route 2020" Dubai Metro project: the extension of a metro line, the delivery of rolling stock for the "2020 Exhibition" and the maintenance, one of the Company's most important projects.

In addition, Alstom has a branch named ATSA branch that has taken over the APM O/M services contract i.e., automated people mover.

Further to the acquisition of Bombardier Transportation Alstom has inherited of two legal entities located in Mauritius. 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 26.5% .

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), Eco-design, Innovation, country representatives and Product platforms. The collection and consolidation of all information was the subject of a dedicated process between January and April 2023. 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).

Supply Chain Scope 3 emissions

In the previous fiscal year, the categories covering the supply chain were accounted with a different methodology that the one presented for FY2022/23. For comparison reason, the values that were published in previous year are no longer reported. In addition, the reference year for the categories Purchased goods and services, as Transportation is set on FY2022/23.

The new methodology, covering the spend base method, is used for the following categories:

- Purchased goods and services;
- Transportation and Distribution;
- Capital goods;
- Business travel.

The calculation of emissions for the purchase of goods and services covers 94% of the amount spent.

CO_2 emissions from transportation and distribution are closely monitored, primarily based on the collection of data from transportation providers.

Alstom's logistics chain has been impacted by the intensification of the war in Ukraine, since transiting through Russia and Ukraine was no longer possible. In particular, the transportation flows from Asia to Europe forced the Group to seek for alternative transport routes and solutions.

In addition, the Covid-19 crisis was still intense in China, where several lockdown periods kept ports and routes closed, pushing Alstom to look for alternative careers and routes for the transportation of goods. The reopening of operations in China left several ports congested, which caused delays in deliveries and consequently led to the use of alternative freight solutions, especially airfreight.

However, Alstom has increased the effectiveness of its transports, creating dedicated working groups in regions where transportation flows were higher. This allowed the Group to reinforce the consolidation of transport and global visibility of flows. Furthermore, Alstom invested in digitalization projects that support the logistic operations, making transport more intelligent and efficient.

As in the case of transportation and distribution, the carbon footprint of business travel activities has increased based on a methodological change, the integration of the Bombardier Transportation legacy complete scope and the return to pre-pandemic travel requirements. However, in general, travel is still lower compared to the Alstom Group legacy FY 2019/20 scope on a like-for-like basis, while employees are encouraged to take the train whenever possible and reduce flights, or favour online meetings. Moreover, Alstom plans to have a better control of the carbon footprint from business travel through a change of the internal travel platform, which will highlight the CO_2 emissions and propose sustainable mobility alternatives in order to raise awareness among travellers about the impact of their journeys.

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. Moreover, the Swedish sites, Pinto, Brampton, Ubunye, 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 77% 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 147 reporting units with 30 basic indicators.. Monthly and quarterly reporting are completed by a yearly reporting campaign with 22 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 2022 to March 2023, while environmental data are consolidated in a calendar year, i.e. from January to December 2022.

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 **32** countries, on the figures of calendar year 2022 – Australia, Austria, Belgium, Brazil, Canada, Chile, China, Czech Republic, Denmark, Egypt, France, Germany, Hungary, India, Israel, Italy, Kazakhstan, Mexico, Morocco, Netherlands, Philippines, Poland, Romania (excluding Cluj-Napoca), Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Thailand, United Kingdom (UK) and United States of America (USA) – representing **97.9%** of Alstom's workforce.

HRIS data is presented over the fiscal year, i.e. from April 2022 to March 2023, while data from the Social Survey is consolidated over the calendar year, i.e. from January to December 2022.

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 44 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..

6.2 Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial statement

(For the year ended 31 March 2023)

This is a free English translation of the report by one of the Statutory Auditors 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.

In our capacity as Statutory Auditor of the company ALSTOM SA (hereinafter the "Entity"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), (Cofrac Inspection Accreditation, n°3-1862, scope available at www.cofrac.fr)), we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), for the year ended 31 March 2023 (hereinafter the "Information" and the "Statement", respectively), presented in the group 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 we have performed as described under the "Nature and scope of procedures" and the evidence we have obtained, nothing has come to our attention that cause us to believe that the consolidated non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

PREPARATION OF THE CONSOLIDATED NON-FINANCIAL STATEMENT

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with 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 uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

RESPONSIBILITY OF THE ENTITY

Management is responsible for:

- selecting or establishing suitable criteria for preparing the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- preparing the Statement by applying the Entity's "Guidelines" as referred above; and
- implementing 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 by the Board of Directors.

RESPONSIBILITY OF THE STATUTORY AUDITOR APPOINTED AS INDEPENDENT THIRD PARTY

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main 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 report on:

- the Entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the French duty of care law and against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy)
- the compliance of products and services with the applicable regulations.

APPLICABLE REGULATORY PROVISIONS AND PROFESSIONAL GUIDANCE

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des Commissaires aux comptes) applicable to such engagement, in particular the professional guidance issued by the Compagnie nationale des Commissaires aux comptes, Intervention du commissaire aux comptes – Intervention de l'OTI – déclaration de performance extra-financière, and acting as the verification programme and with the international standard 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 of the French Commercial Code and French Code of Ethics for Statutory Auditors (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement.

MEANS AND RESOURCES

Our work engaged the skills of 12 people between October 2022 and May 2023 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 in particular the Sustainable Development and CSR, Eco-design, Compliance, Quality, Human Resources, Health and Safety, Environment and Purchasing departments.

NATURE AND SCOPE OF PROCEDURES

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information, we:

- obtained an understanding of all the consolidated entities' activities and the description of the main risks associated;
- assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector;
- 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 avoidance legislation;
- verified that the Statement provides the information required under Article R. 225-105 II of the French Commercial Code where relevant with respect to the main risks, and includes, where applicable, an explanation for the absence of the information required under Article L. 225-102-1 III, paragraph 2 of the French Commercial Code;

- verified that the Statement presents the business model and a description of the main risks associated with of all the consolidated entities' activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, measures and the outcomes thereof, including key performance indicators associated to the main risks;
- verified that the Statement includes a clear and supported explanation of the reason why there is an absence of policy regarding one or more risks, in accordance with the article R225-105 I.
- referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix. For certain risks (Low-carbon solutions, Asset resilience, Eco-design and circular economy, Biodiversity, People development, Encouraging local development, Relationships with local communities, Ethics and compliance, Sustainable Procurement, Human Rights, Customer relationship, Railway Safety & 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 Dandenong and Wulkuraka in Australia, Agua Branca and Taubaté in Brazil, La Rochelle, Valenciennes, Belfort and Tarbes in France, Görlitz, Hennigsdorf, Braunschweig, and Mannheim in Germany, Matranovak in Hungary, Sri City, and Coimbatore in India, Bologna and Lecco in Italy, Cluj offices and Uzina in Romania, Gibela and Ubunye in South Africa, Barcelona, and Trapagaran in Spain, Zurich and Villeneuve in Switzerland, Wembley, Old Oak Common, Crewe, Ilford and Central Rivers in the United Kingdom;
- verified that the Statement covers the consolidated scope, i.e. all the entities within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- obtained an understanding of internal control and risk management procedures the Entity has implemented and assessed the data collection process aimed at ensuring 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 Appendix, implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities, namely Dandenong and Wulkuraka in Australia, Agua Branca and Taubaté in Brazil, La Rochelle, Valenciennes, Belfort and Tarbes in France, Görlitz, Hennigsdorf, Braunschweig and Mannheim in Germany, Matranovak in Hungary, Sri City and Coimbatore in India, Bologna and Lecco in Italy, Cluj offices and Uzina in Romania, Gibela and Ubunye in South Africa, Barcelona, and Trapagaran in Spain, Zurich and Villeneuve in Switzerland, Wembley, Old Oak Common, Crewe, Ilford and Central Rivers in the United Kingdom, and covers between 22% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- assessed the overall consistency of the Statement in relation to our knowledge of all the consolidated entities

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie nationale des Commissaires aux comptes); a higher level of assurance would have required us to carry out more extensive procedures.

Neuilly-sur-Seine, 23 May 2023

One of the Statutory Auditors,

PricewaterhouseCoopers Audit

Cédric Haaser	Aurélie Castellino-Cornetto
Partner	Sustainable Development Director

APPENDIX: LIST OF THE INFORMATION WE CONSIDERED MOST IMPORTANT

Key performance indicators and other quantitative results:

- Share of electricity supply from renewable sources, Scopes 1 & 2 emissions (tCO_2) and % of change, Share of green electricity produced on site, Energy consumptions, Group energy intensity;
- Energy reduction in solutions, Emissions Scope 3 passenger Sold Products (gCO_2/pkm), Emissions Scope 3 freight Sold Products (gCO_2/tkm), Scope 3 emissions for Rolling Stock Sold Products; Emissions Scope 3 related to Purchased Goods & Services ($ktCO_2$);
- Number of natural disasters generating damages and operating losses of more than €2 million;
- Share of newly developed solutions eco-designed, Recycled rate in newly-developed Rolling stocks solutions, share of products sold last year that can be reused or recycled;
- Total recordable injury rate, TRIR, lost time injury frequency rate – IFR1, number of formal AZDP audits conducted in FY 2022/23, Share of Alstom employees trained using the e-learning module on High Risk Activities, Number of recognized occupational diseases during the calendar year, number of occupational severe accidents, Number of fatalities at work; absenteeism rate, Annual Employee Engagement Survey results;
- Number of countries certified Top Employer, New Hire Attrition Rate (Tenure < 180 days);
- Average number of training hours/employee, Net Promoter Score for trainings, Percentage of employees who have had training, Total number of training hours;
- Percentage of women in managers, engineers, and professionals, Percentage of women in the workforce, Percentage of women executives & senior managers;
- Suppliers' employees trained by supplier quality teams, Regional ordered amount disclosed per region Europe / AMECA / APAC / AMERICAS, Number of jobs supported (direct, indirect, induced);
- Number of beneficiaries from social programs, Number of Country Community Action Plans implemented at the end of the fiscal year,
- Maintenance of ISO 37001 Certification, Number of E&C Ambassadors, Number of people trained in E&C class (vs. targeted population);
- Part of total purchase volume covered by screenings, online assessments and/or on-site audits, Number of EcoVadis assessments conducted in 2022-23, 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 suppliers enrolled in Alstom Sustainable Procurement training program;
- 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 area of non-respect of human-rights, child exploitation, forced labour, freedom of association from alert procedure and social survey leading to internal investigation;
- Average Net Promoter Score (NPS), Number of projects surveyed by the end of the year;
- Share of safety review OK, Number of safety reviews performed and registered, Percentage of participation in Alstom Railway Safety E-training;
- Effective Tax Rate of the group, no tax evasion reported by any instances of tax authority.

Qualitative information (actions and results):

- Climate Fresk sessions, The research project "Automated regional trains in Lower Saxony, Germany" entering the next phase;
- Nat Cat analysis conducted, New climatic chamber at the Centre d'Essais Ferroviaires (CEF) in Petite-Forêt;
- Alstom eco-design work plan, Energy consumption Coradia stream;
- Steerco to manage the energy crisis, LED lighting deployment initiative at Group level, Equipped with LED of sixteen sites In 2022, Green sources of supply in a selection of countries;
- In 2022, high-level assessment on 126 sites, reconstruction plan done in partnership with the French public establishment ONF ("Office National des Forêts") foundation "Agir pour la Forêt";
- Alstom's EHS policy updated, AZDP program updated with 56 critical requirements for audit and 239 requirements, New roadmap dedicated to EHS, APSYS assessments conducted in 2022/23, Health & wellbeing roadmap defined in 2022/23, Mental and physical health survey launched on 14 sites in 2022;
- 22-23 "Attraction & Retention" program, Global Employer Branding strategy and roadmap, Employer branding linkedIn campaign 2022, Sustainable Talent acquisition model Program launched in 2022, Internal Mobility Charter 2022, Survey and certification "Happy Trainee", Alstom Total Rewards strategy and supporting policies;
- Initiatives to promote diverse and inclusive workplace in 2022/23;
- The global learning orientations established for the 2022/23 fiscal year, in 2022 a gathering organized in Station F;
- Contract sign with the Public Transport Authority of Western Australia (PTA), suppliers' days organize throughout Europe, New Innovation Station open in Stockholm beginning of 2023;

- Alstom global Community Investment Policy, Foundation budget of €2.2 million per year, 33 projects selected in 2022/23, AFNOR ISO 26000 label certificates;
- E&C Gatekeeper Trainings launched in 2022 for certain members of Finance, Eleventh Yearly Integrity Review launched in October 2022;
- The 3 different trainings provided in the 2022/23 as part of the sustainable procurement training program, Alliance™' partnership program and the 11 suppliers that joined the program;
- Global Instruction drafted on Alstom's Duty of Vigilance, Due diligence checklist on project-level risk mappings, developed team solutions to address Human Rights requirements End of March 2023, more than 1,600 employees had completed the module, 300 employees trained on 'Modern Slavery', In FY 2022/23, new question added to the Social Survey on Human Rights;
- Customer relationship survey questionnaires updated in 2022 to cover all businesses, and with new questions;
- Discussions with States and Ministries of Transportation, working groups and standardization committees to promote and reenforce the vision of the future transportation system, Annual action plan defined by the Railway Safety Core team, solutions studied, tested and on-progress: antibacterial paints for hand bars for and antiviral and antibacterial liquid paint and varnish;
- Proof of filing to the authority of the "annual Country By Country Report", Trust-based relationship agreement with French Tax Authorities.

6.3 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 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="5">Alstom commitment</td><td colspan="4">Code of Ethics</td></tr>
<tr><td colspan="4">Sustainable Procurement Policy</td></tr>
<tr><td colspan="4">UN Global Compact Commitment Letter</td></tr>
<tr><td colspan="4">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>
<tr><td></td><td colspan="2">Hazardous Substances
Regulation Commitment Form
EHS Critical Contractors Requirements</td><td></td></tr>
<tr><td rowspan="3">Governance</td><td colspan="4">Sustainable Procurement Leadership Committee</td></tr>
<tr><td colspan="4">Sustainability and CSR Steering Committee</td></tr>
<tr><td colspan="4">Sustainability and CSR Committee of Alstom Leadership team</td></tr>
<tr><td rowspan="2">Continuous improvement</td><td colspan="4">Action plans & improvement programs</td></tr>
<tr><td colspan="4">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 157). 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 was renewed in 2021/22 fiscal year following the acquisition of Bombardier Transportation; in addition, risk scorecards relating to Human Rights are also carried out at tender level;
- the Procurement Department is responsible for the risk mapping and management processes specific to the supply 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 Health and 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 159.

Risk category	Human Rights (p. 324)	Health and Safety (p. 287)	Environment (p. 343)	Risk management covering Alstom's supply chain (p. 320)
Potential risks	H&S conditions on production sites or in 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 Environmental risks on 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	% of total purchase volume covered by screenings, online assessments, and/or on-site audits % of the purchase amount covered by key suppliers who have signed the Ethics and Sustainable Development Charter Number of procurement community members and suppliers trained in sustainable procurement
Risk identification and priorization processes	Global Human Rights Risk mapping Prioritisation of issues Project specific risk scorecard partly based on country risk mapping	Identification of high-risk activities whether executed directly by Alstom or indirectly by contractors Analysis of hazardous chemical substances	Risk mapping established on every site	Annual supplier risk mapping according to three criteria: • product family; • supplier's country; • volume of purchases by Alstom.

Risk category	Human Rights (p. 324)	Health and Safety (p. 287)	Environment (p. 343)	Risk management covering Alstom's supply chain (p. 320)
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, Region and Product Line teams for the management of transversal programs	Local management measures Specific follow-up at central level in three areas: • Waterborne discharge; • Airborne emissions; • 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
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	Human Rights and Vigilance Plan Instruction Code of Ethics with case studies 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 Alstom Management System compliant with ISO 45001 Dedicated training course for employees and contractors on construction sites Several training programs including e-learning programs such as High-Risk Activities, I am EHS Responsible	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 CSR training programme for Procurement Community and Suppliers
Monitoring system, deployment and impact assessment	Assessment of the living conditions of contractors integrated in the AZDP audit programme (see "Health and Safety", page 287) Independent audit program of selected suppliers and contractors	Audits on production sites in accordance with APSYS ("Alstom Performance System") referential Three-year centrally-managed audit program	ISO 14001 audit and certification Assessment tools Environmental objectives and periodical result reviews	• Online screening tool for suppliers and contractors, run by an external solution provider • Online documentary assessments, carried out by the external company Ecovadis • On-site evaluations: "Quick Industrial Assessment" done by procurement teams and "Supplier Process Audits" done by supplier quality teams; • Onsite CSR audits, performed by external specialized agencies • Conflict minerals enquiries • Internal Audit (APSYS) of a selected number of procurement managers every year, which includes the CSR management of suppliers' and contractors

Alert Procedure

Details on the Alstom Alert Procedure is available on page 343.

2022/23 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.

Consolidating Alstom's Human Rights programme

Several actions were deployed in the 2022/23 fiscal year to build on Alstom's Human Rights programme, following the enlargement of the vigilance plan to the full new scope of Alstom last year:

- The external social audit programme is now in its third year, 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 more than 1,600 workers.
- 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, develop awareness of project teams around this topic and establish local partnerships if relevant. Three projects are currently under specific monitoring.
- An internal communication campaign was launched on the Human Rights scorecard targeting the Bid and Legal communities.

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 annual third-party audits. Based on this review, 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.

Three new alerts were raised through the Alstom procedure in FY2021/22. They were all investigated and found to be unsubstantiated.

One human rights and environmental issue was raised by a third party in the 2021/22 fiscal year in relation to one of Alstom's projects. In response, Alstom initiated enhanced due diligence to assess the project's human rights and environmental impacts and is monitoring the project.

In FY2022/23 an alert was raised by a third party. This alert was investigated but it concerned a political matter, unrelated to Alstom's activity.

ENVIRONMENTAL DATA[VP]

The Company can be exposed to different environmental risks, including air and water pollution or the loss of environmental certifications and operating permits. However,

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 of Alstom. 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 contributes to the process of environmental improvement of the sites.

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. 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 Alstom Climate Action);
- share of recycled and recovered waste;
- water consumption related to its activity.

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 chooses an environmental management based on continuous improvement as described in the Environmental Management System Manual. The procedures 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. 81% 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 risks 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.

Environmental fines/penalties

In 2022, Alstom Kanona depot in United States get a fine for failing to submit the 2021 Annual Certification Report (ACR) relating to stormwater discharges associated with industrial activity.

Waterborne discharge

In 2022, 42% 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 2022, 39% 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 2022, 120 sites are under this management plan.

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).

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.

In 2022, global action plan is deployed to reduce water consumption in the depots focus on cleaning stations specially to implement water recycling process.

Results: At the end of 2022 water intensity is 10 l/HW. This indicator reflects the volume of water consumed related to Alstom activity, measured in hours worked (Alstom employees and contractors).

Details of water consumption

(in thousands of cubic meter)	2021	2022
Public network	1,142	1,269
Ground water *	170	142
Surface water	1	0.5
Total Water Consumption	**1,313**	**1,412**

* This figure doesn't include the geothermal usage as the water pumped is reinjected into the groundwater without any impact.

Waste management

2025 Goal: Recovery rate for all waste produced above 90% and recycling rate above 80%.

The Company is pursuing its waste recovering target, particularly in countries where waste recovery is not develope. Since 2020 a new objective has ben set regarding recycling focusing on materials recovery and re-use. Target has been set at 90% for 2022

Results: At the end of 2022, the recovery rate is at 90% and the recycling rate at 71%.

Waste production

(in metric tons)	2021	2022
Hazardous waste	5,904	5,585
• of which recovered	4,315	4,029
Non-hazardous waste	58,516	60,284
• of which recovered	52,416	55,397
Total Waste Production	**64,420**	**65,869**

* Waste from ISO14001 projects which were not consolidated in the reporting, were counted in 2019 and 2020 (not in 2021).

The volume of waste is quite constant in 2022.

Initiatives to optimise waste treatment have been deployed, such as in Germany, where in 2022 sites conducted an in-depth analysis of their waste streams to optimise recycling. In 2023/24, Alstom will continue to investigate and develop on-site waste recycling solutions.

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).

Detail of non-methane VOC emissions

(in tons)	2021	2022
VOC emissions	521	401

The main contributors are Wroclaw, Crespin, Vagonka and Bruges sites which have high painting activities.

In 2022, due to the decrease in painting activities, the company reduced its VOC emissions by 23%. In Wroclaw and Ceska Lipa, actions to reduce VOC emissions, such as replacing solvent-based paints with water-based paints, installing activated carbon filters and replacing cleaners, were implemented.

The VOC emissions reduction roadmap is still being deployed covering: new paint booth specifications (in order to favour booths equipped with carbon activated filters), 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.

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 2022/23, the following aspects related to employee awareness and the recognition for best practices should be highlighted:

- The first edition of the EHS world cup to promote a proactive EHS approach to effectively prevent and minimize accidents, but also which is based on awareness and improving EHS culture, trainings, involvement of management in day to day EHS activities.
- In Africa/Middle East/Central Asia, digitalization actions of tools (checklist reports, operational documentations) allowed the reduction of paper and improved the quality of processes (less time, accurate data, tracking).

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 2022					At 31 March 2023				
	Europe	Americas	Asia/ Pacific	Africa/ Middle East/ Central Asia	Total	Europe	Americas	Asia/ Pacific	Africa/ Middle East/ Central Asia	Total
Employees	44,361	11,904	12,981	4,849	74,095	45,901	13,723	15,230	5,329	80,183
% of employees	59.9%	16.1%	17.5%	6.5%	100.0%	57.2%	17.1%	19.0%	6.6%	100.0%
Out of which long-term absentees (LTA)	1223	610	10	67	1910	1082	385	24	62	1553

Source: Alstom HRIS.

BREAKDOWN BY TYPE OF CONTRACT

	At 31 March 2022				At 31 March 2023			
	Permanent contracts	Fixed-Term contracts	Interns	Total employees	Permanent contracts	Fixed-term contracts	Interns	Total employees
	69,317	3,579	1,199	74,095	74,513	3,976	1,694	80,183
% of total employees	93.6%	4.8%	1.6%	100%	92.9%	5%	2.1%	100%
% of women	18.8%	17.2%	24.6%	18.8%	19.6%	17.9%	26.9%	19.7%
% of men	81.2%	82.8%	75.4%	81.2%	80.4%	82.1%	73.1%	80.3%

Source: Alstom HRIS.

	At 31 March 2022			At 31 March 2023		
	Full-time employees	Part-time employees	Total employees	Full-time employees	Part-time employees	Total employees
	72,465	1,630	74,095	78,419	1,764	80,183
% of total employees	97.8%	2.2%	100%	97.8%	2.2%	100%
% of women	18.1%	49.2%	18.8%	19.6%	45.8%	19.7%
% of men	81.9%	50.8%	81.2%	80.4%	54.2%	80.3%

Source: Alstom HRIS.

BREAKDOWN BY CATEGORY

At 31 March 2022								At 31 March 2023							
Managers and professionals				Other employees				Managers and professionals				Other employees			
Total	% of total employees	% of women	% of men	Total	% of total employees	% of women	% of men	Total	% of total employees	% of women	% of men	Total	% of total employees	% of women	% of men
39011	52.6%	23.2%	76.8%	35,084	47.4%	14%	86%	47677	59.5%	23.8%	76.2%	32506	40.5%	13.7%	86.3%

Source: Alstom HRIS.

WORKFORCE CHANGES DURING FISCAL YEAR

At 31 March 2022						At 31 March 2023					
Hiring on permanent contracts	Hiring on fixed-term contracts	Resignations(1)	Redun-dancies(1)	Dismissals(1)	Other departures(2)	Hiring on permanent contracts	Hiring on fixed-term contracts	Resignations(1)	Redun-dancies(1)	Dismissals(1)	Other departures(2)
9,703	2,327	4,500	373	604	2,741	13,999	2,695	5,148	361	494	2,998

Source: Alstom HRIS.
(1) Calculated on permanent headcount only.
(2) Including retirement and end of Fixed Term Contract (FTC).

TOTAL HIRES

At 31 March 2022							At 31 March 2023						
total hires	% of managers	% of non-managers	% of women	% of men	% of permanent contracts	% of non-permanent contracts	total hires	% of managers	% of non-managers	% of women	% of men	% of permanent contracts	% of non-permanent contracts
13,211	48.6%	51.4%	20.8%	79.2%	73.5%	26.5%	18,226	50.8%	49.2%	23.0%	77.0%	76.9%	23.1%

Source: Alstom HRIS.

TOTAL TURNOVER

At 31 March 2022							At 31 March 2023						
total turnover	% of managers	% of non-managers	% of women	% of men	% of permanent contracts	% of non-permanent contracts	total turnover	% of managers	% of non-managers	% of women	% of men	% of permanent contracts	% of non-permanent contracts
11.9%	12.6%	11.3%	13.4%	11.6%	12.0%	16.6%	12.8%	13.5%	11.8%	13.6%	12.4%	12.7%	17.7%

Source: Alstom HRIS.

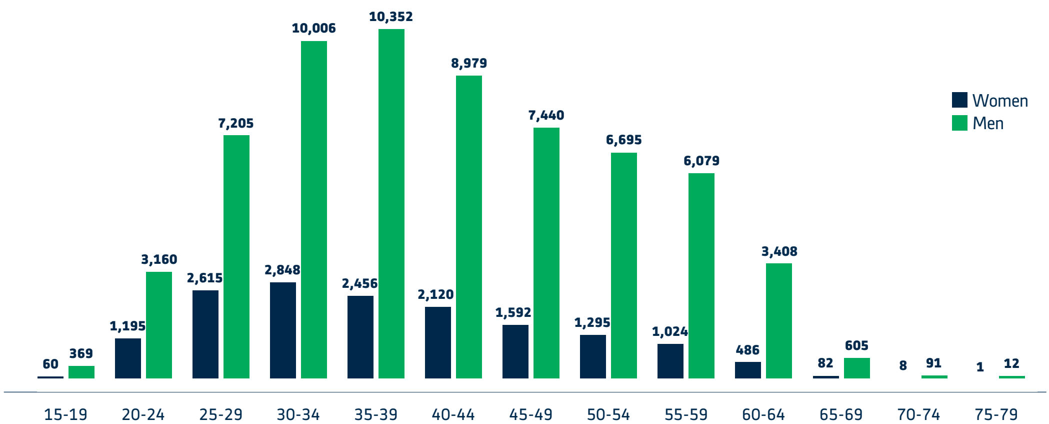
Diversity indicators

BREAKDOWN BY GENDER

At 31 March 2022				At 31 March 2023			
Men		Women		Men		Women	
Total	% of total employees	Total	% of total employees	Total	% of total employees	Total	% of total employees
60,141	81.2%	13,951	18.7%	64,401	80.3%	15782	19.7%

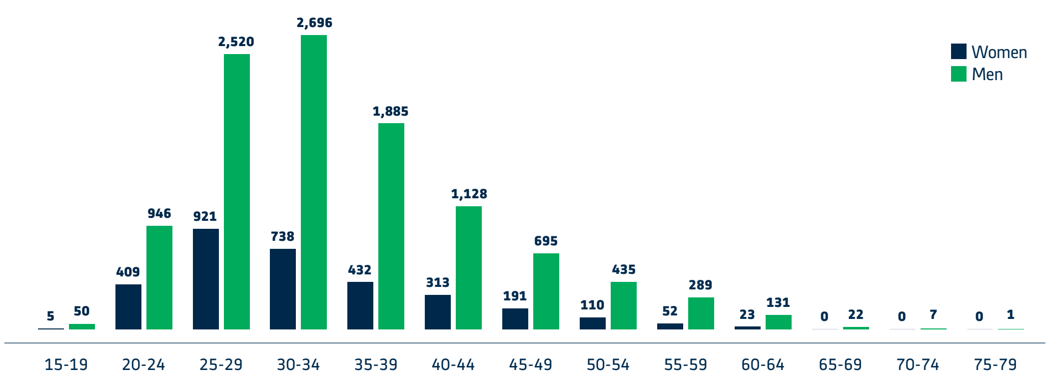
Source: Alstom HRIS.

AGE PYRAMID BY GENDER AS OF 31 MARCH 2023



Source: Alstom HRIS.

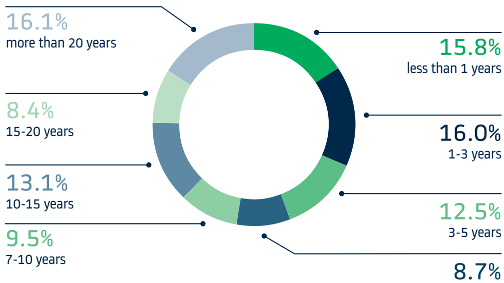
AGE PYRAMID OF NEW HIRES 2022/23 – PERMANENT CONTRACTS



Source: Alstom HRIS.

LENGTH OF SERVICE

Seniority Employees Permanent based on “Adjusted Seniority” as of 31 March 2023.



Source: Alstom HRIS

RELATIONS WITH GOVERNMENTS, INTERNATIONAL & NATIONAL 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 and national organisations and think tanks, in the development of policies.

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,
  - 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 268);
- 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 and chairs the Vehicle & Equipment Industries' committee.
- 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.
- Alstom took part to several events supporting sustainable mobility organized by the French presidency of the EU Council in early 2022 and to the conference Accelerating Electrification of Transport in Europe organized in January 2023 by the Swedish Presidency of the EU Council.
- The Company contributes to the Platform for Electro-Mobility, a voluntary group of 46 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. The first projects supported by Europe's Rail have started during this financial year, Alstom being the coordinator of RAIL4EARTH, a project focused on decarbonization and sustainability of the rail system.
- Alstom is a member of "Hydrogen Europe", the industry association of the "Clean Hydrogen Joint Undertaking". Hydrogen Europe represents more than 440 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, the Sustainable Transport Forum 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 has joined the Northeast Hydrogen Hub, a coalition of seven states and over 100 partners to advance clean energy projects, including hydrogen trains, in the Northeast region of the United States.
- Building on the solid foundations laid in 2021 following the acquisition of Bombardier Transportation, Alstom has broadened and deepened its engagement with elected officials in Canada in 2022. At all levels of government, Alstom has maintained fruitful interactions and has maintained its positioning as a trusted partner of governments dedicated to ambitious environmental goals. Under various initiatives aimed at decarbonizing the economy, in particular the transportation industry, Alstom has promoted multiple sustainability projects across the country such as green hydrogen propulsion, electrified rail infrastructure or high-speed technology. More precisely, in early 2023, the company has reached an agreement with the Government of Québec to conduct a technological demonstration of a Coradia iLint in the province for the coming summer season. Furthermore, Alstom exercised leadership within all the organizations it is a member of. Chambers of Commerce, Boards of Trade, railways clubs and other associations have benefitted from Alstom's involvement by an increased sharing of its knowledge in matters related to innovation and sustainable mobility.

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.

6.4 Synthesis of indicators/Key figures 2022/23

All the data reported are compliant with Alstom methodology principles presented on page 333. It should be noted that 2020/21 data are reflecting Alstom situation and performance before the integration of Bombardier Transportation sites. 2021/22 is established as the new year of reference and 2021/22 and 2022/23 indicators are calculated on a comparable scope.

In addition, Alstom has chosen to report its environmental, social and governance performance in accordance with the standards set by the Global Reporting Initiative (GRI), the Task Force on Climate Related Financial Disclosures (TCFD) and the Sustainability Accounting Standards set by SASB. Cross-reference tables are available below.

Indicators	2020/21	2021/22	2022/23	GRI 2021 reference	Page
ENVIRONMENTAL INDICATORS					273
Energy and CO_2					273
Energy consumption from natural gas[(1)] (in GWh)	221	465	389	302.1	
Energy consumption from butane/propane and other gases[(1)] (in GWh)	6	15	16	302.1	
Energy consumption from domestic fuel [(1)] (in GWh)	9	8	11	302.1	
Energy consumption from steam/heat [(1)] (in GWh)	42	116	99	302.1	
Energy consumption from electricity [(1)] (in GWh)	191	383	377	302.1	
Energy consumption from coal, heavy fuels and other fuels[(1)] (in GWh)	0	0.5	0.3	302.1	
Total in energy consumption[(1)] (in GWh)	469	998	892	302.1	
Energy intensity[(1)] (in kWh/hours worked)	7.0	7.7	6.5	302.3	
Share of electricity from renewable sources[(1)] (in %)	60	42	57		
Direct CO_2 emissions from natural gas, butane, propane, coal and oil consumption[(1)] (in kilotons CO_2 eq.) – Scope 1	49	100	85	305.1	
Indirect CO_2 emissions from steam, heat and electricity consumption[(1)] (in kilotons CO_2 eq.)	45	122	85	305.2	
Total CO_2 emissions related to energy consumption[(1)] (in kilotons CO_2 eq.)	94	222	170		
Other direct CO_2 emissions from HFC [(1)] (in kilotons CO_2 eq.)	1	2	1	305.3	
Company cars CO_2 emissions from gasoline or diesel oil (in kilotons CO_2 eq.) – Scope 1[(1)]	4	6	7	305.1	
Total CO_2 emissions from energy consumption and other direct emissions[(1)] (in kilotons CO_2 eq.) – Scopes 1 and 2	99	230	179	305.1/2	
CO_2 emissions of Alstom passenger transport solutions sold during the fiscal year (gCO_2/pass.km)	4.6	4.6	4.6	305.3	
CO_2 emissions of Alstom freight transport solutions sold during the fiscal year (gCO_2/ton.km)	9.3	9.2	9.2		
Reduction of solutions energy consumption (in %)	21.7	22.0	23.4		
Share of newly developed solutions covered by an eco-designed process (in %)	36	51%	65%		
Natural disasters generating more than €2 million in damages for products and operating losses (in numbers)	0	0	2		
Water and releases					344
Water consumption from public network[(1)] (in thousands of m^3)	647	1,142	1,269	303.5	
Water consumption pumped from groundwater[(1)] (in thousands of m^3)	126	170	142	303.5	
Water consumption pumped from surface water[(1)] (in thousands of m^3)	0	1	0.5	303.5	
Total water consumption[(1)] (in thousands of m^3)	773	1,313	1,403	303.5	
Water intensity (in l/hour worked)	11.5	10	10		
Airborne emissions					345
Non-methane volatile organic compounds (VOCs) emissions [(1)] (in tonnes)	138	521	401	305.7	
Waste management					345
Hazardous waste[(1)] (in tonnes)	2,771	5,904	5,585	306.3	
Recovered hazardous waste[(1)] (in tonnes)	1,726	4,315	4,029	306.4	
Non-hazardous waste[(1)] (in tonnes)	34,077	58,516	60,284	306.3	
Recovered non-hazardous waste[(1)] (in tonnes)	30,235	52,416	55,397	306.4	

Indicators	2020/21	2021/22	2022/23	GRI 2021 reference	Page
Total waste production[1] (in tonnes)	36,848	64,420	65,869	306.3	
Percentage of recovered waste[1] (in %)	88	88	90	306.4	
Percentage of recycled waste (in %)	71	67	71	306.4	
Management system					344
Proportion of employees working in sites or projects certified ISO 14001 (in %)	90	80	81		
SOCIAL INDICATORS					287
Occupational Health and Safety					289
Number of fatalities at work (Alstom employees and contractors) (in numbers)	0	1	2	403.9	
Number of travel fatalities (Alstom employees) (in numbers)	0	0	1	403.9	
Number of occupational severe accidents (incl. fatal accidents) (in numbers)	0	5	5	403.9	
Lost time injury frequency rate (employees and contractors) – IFR1	0.9	1.1	0.8	403.9	
Total recordable injury rate for employees and contractors TRIR	2.2	2.3	1.8		
Number of Alstom Zero Deviation Plan audits conducted in a fiscal year (in numbers)	59	77	100		
Proportion of Alstom employees trained to e-learning module on High Risk Activities[1] (in %)	81.5	76.1	75.9	403.5	
Number of recognised occupational diseases for the entire Alstom scope[1]	35	49	35	403.10	
Ratio of employees covered by a life insurance in case of accidental death or total and permanent disability[1] (in %)	97.6	91	97.6	401.2	291
Workforce and organisation					
Number of countries covered by a Top Employer Certification	14	14	22		287
Distribution of employees by type of contract (in numbers)				2-7	346
Permanent contracts (CDI)	37,000	69,317	74,513		
Fixed-term contracts (CDD)	2,732	3,579	3,976		
Interns	746	1,199	1,694		
Total employees	40,478	74,095	80,183	2-7	287
Distribution of employees by region (in %)				2-7	346
Africa/Middle East/Central Asia (in %)	10.8	6.5	6.6		
Asia/Pacific (in %)	19.1	17.5	19.0		
Europe (in %)	57.9	59.9	57.2		
Americas (in %)	12.2	16.1	17.1		
Distribution of employees by category (in %)				2-7	346
Managers and professionals (in %)	54.8	52.6	59.5		
Other employees (in %)	45.2	47.2	40.5		
Employees' movements in a fiscal year				401.1	346
Hires on permanent contracts (in numbers)	4,802	9,703	13,999		
Hires on fixed-term contract (in numbers)	1,315	2,327	2,695		
Resignations (in numbers)	1,434	4,500	5,148		
Share of resignations (in %)	4.0	6.6	7.2		
Economic redundancies (in numbers)	317	373	361		
Non-economic redundancies (permanent staff)	359	604	494		
Other (incl. retirements, excluding disposals and acquisitions) (in numbers)	1,844	2,741	2,998		
New hire Attrition rate (180 days period) (in %)				401.1	287
Total (in %)	-	17.6	19.2		

Indicators	2020/21	2021/22	2022/23	GRI 2021 reference	Page
Employee Initiative (in %)	-	12	16.5		
Employer Initiative (in %)	-	2	2.2		
Managers, Engineers and Professionals (in %)	-	17.5	20.9		
Other employees (in %)	-	17.9	16.3		
Turnover rate for employees on permanent contracts					287
Total turnover rate (in %)	9.2	11.9	12.8		
Voluntary attrition rate (in %)	4.0	6.6	7.2		
Focus on the High Potential population (in %)	1.7	0.8	2.3		
Involuntary attrition rate (in %)	2.8	1.6	1.4		
Turnover by regions (in %)					347
Africa/Middle East/Central Asia (in %)	16.9	17.1	14.4		
Asia/Pacific (in %)	11.5	17.2	16.5		
Europe (in %)	5.9	8.0	9.0		
Americas (in %)	15.6	17.6	16.6		
Hires by Region (permanent contracts) (in %)				401.1	347
Africa/Middle East/Central Asia (in %)	13	7.3	7.6		
Asia/Pacific (in %)	29	33.8	31.6		
Europe (in %)	44	42.1	39.2		
Americas (in %)	14	16.8	21.6		
Absenteeism rate(1) (in %)	3.1	3.3	3.8		300
Africa/Middle East/Central Asia (in %)	2.8	3.0	3.4		
Asia/Pacific (in %)	1.8	2.5	2.5		
Europe (in %)	3.8	3.7	4.4		
Americas (in %)	2.4	3.3	3.2		
Competencies and careers					300
Proportion of trained employees(1) (in %)	92.3	90.7	90.1	404	
Average training hours per employee(1) (in hours/employee)	16.6	19.0	22.2	404.1	
Total number of training hours(1) (in hours)	621,306	1,378,436	1,703,791	404.1	
Diversity and equal opportunity (in %)				**405**	301
Proportion of women in the workforce	19.2	18.8	19.7	405.1	
Proportion of female managers or professionals	22.3	23.2	23.9	405.1	
Proportion of women as senior managers and executives	16.5	18.3	19	405.1	
Proportion of women in STEM related positions	16.1	16.1	16.1	405.1	
Proportion of women trained(1)	20.6	19.9	21.5	405.1	
Proportion of employees with disabilities(1) – Alstom	2.5	2.3	2.4	405.1	
Social dialogue				407	297
Share of employees covered by a national collective agreement or a company agreement(1) (in %)	60.4	59.9	63.7		
INDICATORS RELATED TO ETHICS AND COMPLIANCE				2	315
Ethics and Compliance ambassadors (in numbers)	370	460	490		
Certification ISO 37001 (in % of regions included)	100	100	100		
Employees having received an "E&C class" training (in number)	-	7,117	11, 915		
INDICATORS RELATED TO HUMAN RIGHTS					324
Number of internal on-site social audits of subcontractors	4	9	4		
Number of external on-site social audits of subcontractors and suppliers	8	21	54		

Indicators	2020/21	2021/22	2022/23	GRI 2021 reference	Page
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	1	3	1		
SOCIETAL INDICATORS					304, 315
Product safety					329
Safety review OK (measure the ability to anticipate safety issues in project execution)[1] (in %)	78.9	77.0	82.1		
Ratio of participations to online trainings (in %)	93	90	94.2		
Relationships with customers					327
Net Promoter Score (out of 10)	8.4	8.1	8.3		
Relationships with local communities				413	310
Country Community Action Plans implemented (in numbers)	37	44	44		
Number of beneficiaries from social programmes (in thousands of people)	203	245	299		
RESPONSIBLE SOURCING					320
Part of the purchase amount covered by the key suppliers having signed the Ethics and Sustainable Development Charter (in %)	99	96	98		
Part of total purchase volume covered by online assessments, or/and on site audits or/and screening (in %)	64	62	74	414.2	
Number of procurement community members trained in Sustainable Procurement (in number)	332	583	794		
Number of suppliers enrolled in Alstom Sustainable Procurement training programme	-	>100	202		

(1) Indicators reported on the calendar years 2020, 2021 and 2022.
(2) Modified scope or methodology.
Figures in green font represent key performance indicators for the Company.

EU TAXONOMY METHODOLOGY

Technical Screening Criteria

For Alstom products and solution under 3.3 and 6.3 activities(under rolling stock and services products), Manufacturing or maintenance performed on Diesel trains do not comply with SSC consequently do not pass alignment criteria, rather than maintenance and manufacturing of Electrical trains, Hydrogen trains, Bimode trains are in line with technical criteria.

For Alstom products under 6.15 activity, all solutions passed the SSC criteria being all electrical (no direct CO_2 emissions) and none of them transport or store fossil fuels.

For Alstom products under 6.14, only solutions dedicated to transport of passengers and done on electrified infrastructure are considered in line with 6.14 SSC criteria. Others had been excluded of alignment approach.

Does Not Significantly Harm (DNSH)

According to Article 3 of the Taxonomy Regulation, an activity can be classified as environmentally sustainable if it does not significantly harm the following objectives:

Climate change adaptation: In 2022, Alstom commissioned a study to assess climate resilience of its assets and potential impact on its business. The exposure of assets has been conducted based on scenario consistent with the IPPC (SSP5 8.5 and SSP2 4.5) and projections have been have been computed in 2030 and 2050 and compared to a baseline which reflects current climate conditions. The locations that had a high level of exposure to one of the studied climatic hazards went through a climate adaptation survey. Alstom sites are currently deploying actions to mitigate climate risks, especially the ones related to heat waves. Additional details regarding the study are available on page 273 in the Asset resilience section of the chapter 6.

Sustainable use and protection of aquatic and marine resources: Compared to other environmental issues, water consumption is not considered as a material topic for Alstom. However, as part of its EHS strategy and aware of the sensitivity of the water resource, the Group nevertheless seeks opportunities to improve its water efficiency and monitors both quantity and quality of waterborne discharges. Water management is part of the overall ISO14001 certified environmental management system. All the units have maintained their ISO 14001 certification this year, which guarantees the implementation of appropriate control measures for the risks identified on each site. Further details of water performance for 2022/23 are available on page 343 in the appendix of chapter 6.

Transition to a circular economy: The circular economy is at the heart of Alstom's value chain. Firstly, on main sites (covering manufacturing, maintenance and installation units) , the Group is committed to managing its waste and achieving its sorting and recycling objectives. Upstream, through its eco-design approach, the Group is committed to reducing the energy consumption of its solutions and products by 25%. The Group is also committed to ensuring that 100% of newly developed solutions are eco-designed by 2025. Circular economy is also included in the company's waste management process and covered by ISO14001 certification. Further details on Alstom'eco-design strategy are available on page 284 in the Eco-design and Circular Economy section.

Pollution prevention and control: The prevention and control of pollution from Alstom's products and activities is at the heart of its EHS policy. The strong Alstom rules and processes related to hazardous substances management allows projects alignment regarding REACH, POP, RoHS and other applicable regulations. The Group that is an active member of the UNIFE[1] "Chemical Risks" group has supported clarification statement related to appendix C prepared upcoming challenges: To assess alignment to this DNSH, the group relied upon Industry trade association UNIFE's position paper relating to "Taxonomy implementation DNSH criteria (Appendix C) to be consistent with RoHS directive", the FAQ dated December 9th, 2022 and to the two Notices on EU Taxonomy released by the Commission in December 2022".

Alstom's European Infrastructure activities abide to European legislations on noise and vibrations, which are in addition subject to prior authorities' Environmental Impact Assessments and anchored in Environmental Management Plans agreed upon with Clients

Protection and restoration of biodiversity and ecosystems: In line with the requirements of the Taxonomy to assess the impact of its activities on biodiversity, in 2022, Alstom conducted an Key Biodiversity areas analysis on its sites with the help of an expert firm. Alstom is also committed to reducing the environmental footprint of its sites as part of its AiM strategy to limit any environmental impact on its environment. Further details on Biodiversity approach are available on page 286 in the Biodiversity section.

Minimum Safeguards

As stated in Article 3 of the Taxonomy Regulation, to be considered as environmentally sustainable, an activity must also be carried out in accordance with minimum safeguard. The minimum safeguards cover the activities of Alstom SA and its fully consolidated subsidiaries

Human Rights: Alstom aims to comply with the Guidelines for multinational enterprises of the OECD and the United Nations Guiding Principles. Details regarding Alstom commitment to Human Rights Due Diligence are available in the Human Rights section starting page 324. This commitment is encompassed in Alstom Code of Ethics (available at https://www.alstom.com/company/commitments/ethics). Communication regarding action plan and results of actions are available in both Human Rights section and Alstom Vigilance Plan (page 340). The respect of human rights concerns the Group entire value chain, details regarding processes applied to the value chain to make sure human rights and decent working conditions are respected are available in the Sustainable Procurement section (page 320). 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. For any concerns or suspicion, Alstom's Alert Procedure can be use by any person or third party (www.alstom.ethicspoint.com). Alerts are recorded and investigated as per alert procedure rules. Alstom also monitors other types of alerts such as those raised externally via NGOs, the media or online platforms. Over FY2022/23, Alstom has not been held liable or found to be in breach of labour law or human rights. Alstom aims to engage with all stakeholders on CSR and Human Rights issues. Issues raised by the Business and Human Rights Resource Centre (BHRRC) or a National Contact Point of the OECD will be addressed.

Taxation: Alstom adheres to international standards such as OECD Tax Guidelines, EU and domestic tax legal framework of countries where it operates. Alstom Tax team is working to promote and strengthen tax good governance mechanisms, fair taxation, and global tax transparency in order to tackle tax fraud, evasion and avoidance. Alstom treats tax governance and compliance as important elements and as such has implemented adequate tax risk management strategies (page 331) and processes with a team of tax experts. The VP Tax and Customs leads an in-house team of tax specialists who each have defined responsibilities to manage a specific geographic region and/or specialist topic as part of a Central team who co-ordinate and lead transversal topics. Alstom is committed to complying 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. In the Financial Year 2022/2023, Alstom has not been finally convicted in court for any major violation of Tax laws.

Corruption & Fair Competition: Within the Group's Legal Department, the E&C department is responsible for implementing Alstom's Ethics & Compliance programme, which aims to prevent, detect and remediate corrupt conduct, influence peddling, anti-competitive practices, violations of human rights, export controls and trade sanctions, and data privacy in connection with the Group's activities and to ensure the compliance by all employees with the Code of Ethics, and the laws and regulations in these areas of law in the countries where Alstom carries out its activities. The E&C Instructions specify the principles expressed in the Code of Ethics, in particular, regarding the prevention of Corruption and Bribery with Customers, 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, Facilitation Payments, respect for Human Rights, Export Controls & Trade Sanctions, and Data Privacy. The E&C activities are the responsibility of all Alstom employees and are implemented at all management levels of the organisation. Alstom's instructions feature strong principles, rules, and approval procedures to ensure the proper level of awareness and compliance within Alstom. The knowledge of the above is reinforced by regular communication and annual mandatory training campaigns around the world, and our website provides our business partners and external stakeholders Alstom's E&C commitments.

The Alstom Alert Procedure, which is available 24 hours a day, seven days a week through a secure website, a toll-free hotline and an icon on the employees' computers, 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. In addition, the E&C Programme is audited both internally and externally through the ISO 37001 certification process. While in the last 10 years Alstom pled guilty (2014) and was condemned once (2019) for alleged improper practices based on conduct going back about 20 years (see Note 33, page 117), Alstom's E&C programme has constantly evolved during the years as part of Alstom's continuous improvement approach, and Alstom has put in place an extensive range of remediation measures in order to address such risks. These remediation measures include a revised Code of Ethics, enhanced Group Instructions, development of training programs, significant increase in E&C staff and E&C Ambassador community, reinforced control activities and ceasing the use of Commercial Advisors paid by success-fees. For Further details, see section Ethics and Compliance, page 315.

ALSTOM PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING FY 2022-23

				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm')										
Economic activities	Codes	Absolute Turnover	Proportion of Turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum Safeguard	Taxonomy-aligned propotion of turnover year N	Taxonomy-aligned propotion of turnover year N-1	Category (enabling)	Category (transitional)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
		MEUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy aligned)																				
3.3 Manufacture of low carbon technologies for transport	C29.1, C30.2, C30.9, C33.17	9,359	57%	100%	NA	NA	NA	NA	NA	NA	Y	Y	Y	Y	Y	Y	57%		E	
6.3 Urban and suburban transport, road passenger transport	N77.39	-	0%	100%	NA	NA	NA	NA	NA	NA	Y	NA	Y	Y	NA	Y	0%			T
6.14 Infrastructure for rail transport	F42.12, M71.20, F43.21, H52.21	-	0%	100%	NA	NA	NA	NA	NA	NA	Y	Y	Y	Y	Y	Y	0%		E	
6.15 Infrastructure enabling low-carbon road transport and public transport	F42.11, F42.13, F71.20	307	2%	100%	NA	NA	NA	NA	NA	NA	Y	Y	Y	Y	Y	Y	2%		E	
Turnover of environmentally sustainable activities (Taxonomy aligned) activities (A.1.)		**9,666**	**59%**														**59%**			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
3.3 Manufacture of low carbon technologies for transport	C29.1, C30.2, C30.9, C33.17	4,124	25%																	
6.3 Urban and suburban transport, road passenger transport	N77.39	317	2%																	
6.14 Infrastructure for rail transport	F42.12, M71.20, F43.21, H52.21	1,355	8%																	
6.15 Infrastructure enabling low-carbon road transport and public transport	F42.11, F42.13, F71.20	1,045	6%																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities (A.2.)		**6,841**	**41%**																	
TOTAL A (A.1. + A.2.)		**16,507**	**100%**														**59%**			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)			**0%**																	
TOTAL A + B		**16,507**	**100%**																	

ALSTOM PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING FY 2022-23

				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm')										
Economic activities	Codes	Absolute Capex	Proportion of Capex	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum Safeguard	Taxonomy-aligned proportion of Capex year N	Taxonomy-aligned proportion of Capex year N-1	Category (enabling)	Category (transitional)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
		MEUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy aligned)																				
3.3 Manufacture of low carbon technologies for transport	C29.1, C30.2, C30.9, C33.17	298	52%	100%	NA	NA	NA	NA	NA	NA	Y	Y	Y	Y	Y	Y	52%		E	
6.3 Urban and suburban transport, road passenger transport	N77.39	0	0%	100%	NA	NA	NA	NA	NA	NA	Y	NA	Y	Y	NA	Y	0%			T
6.14 Infrastructure for rail transport	F42.12, M71.20, F43.21, H52.21	0	0%	100%	NA	NA	NA	NA	NA	NA	Y	Y	Y	Y	Y	Y	0%		E	
6.15 Infrastructure enabling low-carbon road transport and public transport	F42.11, F42.13, F71.20	10	2%	100%	NA	NA	NA	NA	NA	NA	Y	Y	Y	Y	Y	Y	2%		E	
CapEx of environmentally sustainable activities (Taxonomy aligned) activities (A.1.)		**308**	**54%**														**54%**			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
3.3 Manufacture of low carbon technologies for transport	C29.1, C30.2, C30.9, C33.17	129	23%																	
6.3 Urban and suburban transport, road passenger transport	N77.39	5	1%																	
6.14 Infrastructure for rail transport	F42.12, M71.20, F43.21, H52.21	82	14%																	
6.15 Infrastructure enabling low-carbon road transport and public transport	F42.11, F42.13, F71.20	44	8%																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities (A.2.)		**260**	**46%**																	
TOTAL A (A.1. + A.2.)		**569**	**100%**														**54%**			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
CapEx of taxonomy non eligible activities (B)			**0%**																	
TOTAL A + B		**569**	**100%**																	

ALSTOM PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING FY 2022-23

				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm')										
Economic activities	Codes	Absolute Opex	Proportion of Opex	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum Safeguard	Taxonomy-aligned proportion of Opex year N	Taxonomy-aligned proportion of Opex year N-1	Category (enabling)	Category (transitional)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
		MEUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy aligned)																				
3.3 Manufacture of low carbon technologies for transport	C29.1, C30.2, C30.9, C33.17	257	41%	100%	NA	NA	NA	NA	NA	NA	Y	Y	Y	Y	Y	Y	40%		E	
6.3 Urban and suburban transport, road passenger transport	N77.39	0	0%	100%	NA	NA	NA	NA	NA	NA	Y	NA	Y	Y	NA	Y	0%			T
6.14 Infrastructure for rail transport	F42.12, M71.20, F43.21, H52.21	0	0%	100%	NA	NA	NA	NA	NA	NA	Y	Y	Y	Y	Y	Y	0%		E	
6.15 Infrastructure enabling low-carbon road transport and public transport	F42.11, F42.13, F71.20	42	7%	100%	NA	NA	NA	NA	NA	NA	Y	Y	Y	Y	Y	Y	7%		E	
OpEx of environmentally sustainable activities (Taxonomy aligned) activities (A.1.)		**298**	**47%**														**47%**			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
3.3 Manufacture of low carbon technologies for transport	C29.1, C30.2, C30.9, C33.17	181	29%																	
6.3 Urban and suburban transport, road passenger transport	N77.39	10	2%																	
6.14 Infrastructure for rail transport	F42.12, M71.20, F43.21, H52.21	98	16%																	
6.15 Infrastructure enabling low-carbon road transport and public transport	F42.11, F42.13, F71.20	43	7%																	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities (A.2.)		**332**	**53%**																	
TOTAL A (A.1. + A.2.)		**630**	**100%**														**47%**			

B. ACTIVITÉS NON ÉLIGIBLES À LA TAXONOMIE		
OpEx of taxonomy non eligible activities (B)		**0%**
TOTAL A + B	**630**	**100%**

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. 157) Chapter 5 (p. 185)
		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. 258) Chapter 5, "Remuneration of the management team" (p. 246) and "Long-term Incentive Plan" (p.236)
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. 273) Chapter 6, "Sustainability and CSR strategy and main targets" (p. 258)
		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, "Alstom Climate Action" (p. 273) Chapter 6, "Asset resilience" (p. 282)
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. 160) Chapter 6, "Alstom Sustainability and CSR Risk Mapping" (p. 265)
		b/Describe the organization's processes for managing climate-related risks.	CDP: C2 Chapter 6 "Asset resilience" (p. 282)
		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, "Asset resilience" (p. 282) Chapter 4, "Risk factors, Internal Control and Risk Management" (p. 160) Chapter 6, "Alstom Sustainability and CSR Risk Mapping" (p. 265)

Theme		Recommendations of the TCFD	Alstom disclosure
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. 273)
		• 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. 282)
		• c/Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	CDP: C4 Chapter 5, "Remuneration of the management team" (p. 246) and "Long-term Incentive Plan" (p. 236) Chapter 6, "Enabling the decarbonisation of mobility" (p. 273) Chapter 6, "a proactive policy of corporate social responsability (CSR) (p. 258)

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 4
	RT-IG-000.B	Number of Employees	Number	80,183
Energy Management	RT-IG-130a.1	• (1)total energy consumed	Gigawatthour *	892
		• (2)percentage grid electricity	%	Electricity consumed on sites represent 42% of total energy consumption
		• (3)percentage renewable	%	57% of electricity from renewable sources
Employee Health and Safety	RT-IG-320a.1	• (1)total recordable incident rate (TRIR)	Rate	1.8 TRIR
		• (2)fatality rate	Number	0.002
		• (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*	1.7 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)1.52 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 "Eco-design and Circular Economy", p. 284
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 ", see p. 14

* Different unit of measure to SASB standard.

The elements presented for FY 2022/23 and FY2021/22 cover activities within the whole Alstom perimeter while earlier data is based on Alstom legacy perimeter unless otherwise stated. Details of methodology are presented page 31


ALSTOM

7

ADDITIONAL INFORMATION

AFR

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

7.1 Information on the Group and the parent company

7.1.1 IDENTITY OF THE COMPANY

7.1.1.1 LEI

96950032TUYMW11FB530

7.1.1.2 Company name and registered office

Alstom

48 rue Albert Dhalenne, 93400 Saint-Ouen-sur-Seine, France

Tel.: + 33 1 57 06 90 00

7.1.1.3 Legal form

French limited company with a Board of Directors governed in particular by the French Commercial Code.

7.1.1.4 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.

7.1.1.5 Registration number

389 058 447 RCS Bobigny.

7.1.1.6 Code APE

7740Z.

7.1.2 SPECIAL PROVISIONS OF THE ARTICLES OF ASSOCIATION

7.1.2.1 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.

7.1.2.2 Fiscal year

(Article 19 of the Articles of Association)

The fiscal year starts on 1 April and ends on 31 March of each year.

7.1.2.3 General Meetings

(Article 15 of the Articles of Association)

Convening and deliberations – 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 Articles of Association and to replace the words "Ordinary Shares" at each occurrence with the word "Shares".

7.1.2.4 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.

7.1.2.5 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.

7.1.2.6 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.

7.1.3 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.

7.1.4 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".

7.1.5 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.

7.1.6 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 2023 amounted to € 2.323 million.

The related depreciation amounted to € 1.194 million. These amounts include neither operating leases nor rights of use on leased buildings and lands. A global office workplace policy is being implemented across the Group favoring collaborative working environment.

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
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*
Czech Republic	Ceska Lipa
Egypt	Cairo*
France	Aix-en-Provence*
	Aytré – La Rochelle
	Belfort
	Crespin
	Le Creusot
	Ornans
	Petit-Quevilly*
	Saint-Ouen-sur-Seine*
	Tarbes
	Valenciennes
	Villeurbanne*
	Vitrolles*
Germany	Braunschweig*
	Bautzen
	Görlitz
	Hennigsdorf
	Kassel*
	Mannheim
	Salzgitter
	Siegen
Hungary	Matranovak
India	Bangalore*
	Chennai – SriCity
	Coimbatore*
	Madhepura
	Savli-Baroda

Country	Site
Italy	Bologna*
	Florence*
	Lecco*
	Nola
	Roma*
	Savigliano
	Sesto
	Vado Ligure
Kazakhstan	Nur Sultan
Mexico	Mexico City*
	Sahagun
Morocco	Fez*
Netherlands	Ridderkerk
	Utrecht*
Poland	Katowice
	Warsaw*
	Wroclaw*
Singapore	Singapore*
South Africa	Johannesburg (Gibela)
	Johannesburg (Ubunye)
	Johannesburg (Boksburg)
Spain	Barcelona – Santa Perpetua
	Madrid*
	Trapagaran
Sweden	Motala*
	Vaesteras
	Stockholm*
Switzerland	Villeneuve
Thailand	Bangkok*
Turkey	Istanbul*
United Kingdom	Crewe
	Derby
	Manchester*
	Hatfield*
	London*
	Widnes
USA	Grain Valley (MI)
	Hornell (NY)*
	Melbourne (FL)*
	Pittsburgh (PA)
	Plattsburg (NY)
	Rochester (NY)*
	Warrensburg (MI)

7.1.7 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.

7.1.8 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 2023" of this Universal Registration Document.

7.1.9 DETAILS OF SHAREHOLDINGS ACQUIRED DURING THE FISCAL YEAR 2022/23

(Information pursuant to article L. 233-6 of the French Commercial Code)

No acquisition of equity stakes took place within Alstom's scope of consolidation at 31 March 2023.

7.1.10 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 2023, the closing date of the latest published statutory and consolidated financial statements.

7.1.11 LEGAL PROCEEDINGS AND ARBITRATION

The reader is invited to refer to the Note 33 of the consolidated financial statements as of 31 March 2023 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.

7.2 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 2023, the Company's share capital amounted to €2,663,174,178 divided into 380,453,454 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 2022/23 fiscal year (which are detailed in the table included in the "Changes in share capital" section below).

At this same date, there were 380,453,454 voting rights.

At the date hereof, the Company is not aware of pledges recorded over its securities or those of its significant subsidiaries.

7.2.1 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 at 31 March 2023 and their used during the elapsed fiscal year*:

Nature of the delegation/authorisation	Date of the GM	Duration and maturity	Cap (nominal amount)	Use during 2022/23 fiscal year
Delegation of authority to decide to increase the capital by **incorporation of premiums, reserves, profits** or other items, while maintaining **the preferential subscription right**	12/07/2022 (14th resolution)	26 months (11/09/2024)	Shares : € 911 000 000(1) (approximately 35% of the capital at 31 March 2022)	None
Delegation of authority to decide to increase the capital by issuing ordinary shares and/or any securities giving access to the share capital of the Company or a subsidiary and/or to debt securities**, while maintaining the preferential subscription right******	12/07/2022 (15th resolution)	26 months (11/09/2024)	Shares: €911,000,000(2) (approximately 35% of the capital at 31 March 2022) Debt securities: €1,500,000,000(3)	None
Delegation of authority to decide to increase the capital by issuing ordinary shares and/or any securities giving access to the share capital of the Company or a subsidiary and/or to debt securities **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)**	12/07/2022 (16th resolution)	26 months (11/09/2024)	Shares: €260,000,000(4) (approximately 10% of the capital at 31 March 2022) Debt securities: €1,000,000,000(5)	None
Delegation of authority to issue shares and securities giving access to the Company's share capital and/or to debt securities **with cancellation of the preferential subscription right in the event of a public exchange offer initiated by the Company******	12/07/2022 (17th resolution)	26 months (11/09/2024)	Shares: €260,000,000(4)	None
Delegation of authority to decide to increase the capital by issuing ordinary shares and/or any securities giving access to the share capital of the Company or a subsidiary and/or to debt securities **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)**	12/07/2022 (18th resolution)	26 months (11/09/2024)	Shares: €260,000,000(4) Debt securities: €1,000,000,000(5)	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 Company's Savings Plan******	12/07/2022 (19th resolution)	26 months (27/09/2023)	2% of capital on the day of the AGM(6)	3 349 551 shares were issued
Delegation of authority to decide on a capital increase **reserved for a category of beneficiaries**(7) with cancellation of the preferential subscription right**	12/07/2022 (20th resolution)	18 months (11/01/2024)	0.6% of capital on the day of the GM(6)	886 671 shares were issued

Nature of the delegation/authorisation	Date of the GM	Duration and maturity	Cap (nominal amount)	Use during 2022/23 fiscal year
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**	12/07/2022 (21st resolution)	26 months (11/09/2024)		None
Authorisation to **increase the amount of issues** in the event of a capital increase with or without preferential subscription right**	12/07/2022 (22nd resolution)	26 months (11/09/2024)	15% of the initial issue and within the limits of the ceilings set by the GM	None
Delegation of authority to issue shares or any securities giving access to the Company's share capital **as compensation for contributions in kind** consisting of shares or securities giving access to the Company's share capital**	12/07/2022 (23rd resolution)	26 months (11/09/2024)	Shares: 10% of the capital on the day of the decision to issue(4)	None
Delegation of authority to issue shares in the Company **with cancellation of the preferential subscription right following the issue by subsidiaries of securities giving access to the Company's share capital****	12/07/2022 (24th resolution)	26 months (11/09/2024)	Shares: €260,000,000(4)	None
Authorisation in respect of free **grant of 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)(8)	2 481 612 performance shares were allocated

* Excluding share buy-back programme and authorisation to cancel shares bought back by the Company
** Suspened during a public offer period.
(1) Independent Cap
(2) Cap common to the 16th, 17th, 18th, 23rd and 24th resolutions of the GM of 12/07/2022 and to the 17th resolution of the GM of 28/07/2021.
(3) Cap common to the 16th and 18th resolutions of the GM of 12/07/2022.
(4) Sub-cap common to the 16th, 17th, 18th , 23rd and 24th resolutions of the GM of 12/07/2022, which is deducted from the cap provided for in the 15th resolution of the GM.
(5) Sub-cap common to the 16th and 18th resolutions of the GM of 12/07/2022, which is deducted from the cap provided for in the 15th resolution of the GM.
(6) Cap common to the 19th and 20th resolutions of the GM of 12/07/2022.
(7) 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.
(8) Charged against the global cap provided for by the 15th resolution of the GM of 12/07/2022.

It will be proposed to the 2023 General Meeting to renew the share buyback authorisations and the financial authorisations (including the ones related to employees shareholding). It will also be proposed to this same meeting to renew the authorisation in respect of free grant of shares that was granted by the General Meeting held on 28 July 2021.

7.2.2 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 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
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

	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 2020				**225,973,782**	**1,581,816,474**
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	-	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**
Capital increase arising from the free grant of performance shares under the 2019 and 2021 PSP plans (17 May 2022)	392,010	2,744,070	-	**373,783,756**	**2,616,486,292**
Capital increase due to the payment of the dividend in shares (26 August 2022)	2,432,331	17,026,317	-	**376,216,087**	**2,633,512,609**
Capital increase arising from the free grant of performance shares under the "We are Alstom 2021" plan and the 2020 and 2021 PSP plans (16 February 2023)	1,145	8,015	-	**376,217,232**	**2,633,520,624**
Capital increase reserved for employees "We Share Alstom 2023" (23 March 2023)	4,236,222	29,653,554	56,450,425	380,453,454	2,663,174,178
31 MARCH 2023				**380,453,454**	**2,663,174,178**

(1) 2% subordinated bonds due December 2008 redeemable in Company shares.
(2) Further to the request of the heirs of a deceased beneficiary.

7.2.3 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 2023:

	Capital at 31 March 2023				Capital at 31 March 2022				Capital at 31 March 2021			
	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)(2)	Number of Shares	% of capital(1)	Number of voting rights	% of voting rights(1)(2)
Public	275,807,904	72,49%	275,807,904	72,49%	302,114,171	80.91%	302,114,171	80.91%	289,634,815	78.03%	289,634,815	78.03%
Caisse de Dépôt et Placement du Québec	66,138,621	17,38%	66,138,621	17,38%	65,367,765	17.51%	65,367,765	17.51%	64,893,536	17.48%	64,893,536	17.48%
Bpifrance Investis-sement	28,545,000	7,50%	28,545,000	7,50%								
Bouygues S.A.	588,230	0,15%	588,230	0,15%	581,441	0.16%	581,441	0.16%	11,581,441	3.12%	11,581,441	3.12%
Employees(3)	9,373,609	2,46%	9,373,609	2,46%	5,328,369	1.43%	5,328,369	1.43%	5,092,001	1.37%	5,092,001	1.37%
TOTAL	**380,453,454**	**100.00%**	**380,453,454**	**100.00%**	**373,391,746**	**100.00%**	**373,391,746**	**100.00%**	**371,201,793**	**100.00%**	**371,201,793**	**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, of which approximately 1,41% of the capital and voting rights held through a company mutual fund at 31 March 2023.

In 2022/23, the following legal ownership threshold crossings were reported:

- By letter received on 28 July 2022, J.P. Morgan Chase & Co. (c/o CT Corporation, 1209 Orange Street, Wilmington, United States), acting on behalf of companies it manages, declared that on 26 July 2022 it had fallen below the 5% Company capital and voting rights thresholds and reported holding on behalf of such companies 19,566,960 ALSTOM shares representing the same number of voting rights, i.e., 5.23% of the share capital and voting rights.
- By letter received on 4 August 2022, J.P. Morgan Chase & Co. (c/o CT Corporation, 1209 Orange Street, Wilmington, United States), acting on behalf of companies 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 0 ALSTOM shares and no voting rights.
- By letter received on 13 September 2022, Causeway Capital Management LLC (11111 Santa Monica Blvd, 15th Floor, Los Angeles, CA 90025, United States), acting on behalf of clients and funds it manages, reported having crossed upwards on 9 September 2022 the 5% Company capital and voting rights thresholds and reported holding on behalf of such clients and funds 18,977,089 ALSTOM shares representing the same number of voting rights, i.e., 5.04% of the share capital and voting rights.
- By letter received on 28 December 2022, Causeway Capital Management LLC (11111 Santa Monica Blvd, 15th Floor, Los Angeles, CA 90025, United States), acting on behalf of clients and funds it manages, reported having crossed downwards on 23 December 2022 the 5% Company capital and voting rights thresholds and reported holding on behalf of such clients and funds 18,762,924 ALSTOM shares representing the same number of voting rights, i.e., 4.99% of the share capital and voting rights.
- By letter received on 6 February 2023, Bpifrance Investissement (27-31 avenue du Général Leclerc – 94710 Maisons-Alfort, France), acting on behalf of clients and funds it manages, reported having crossed upwards on 31 January 2023 the 5% Company capital and voting rights thresholds and reported holding on behalf of such clients and funds 19,174,275 ALSTOM shares representing the same number of voting rights, i.e., 5.09% of the share capital and voting rights.
- By letter received on 10 February 2023, Bpifrance Investissement (27-31 avenue du Général Leclerc – 94710 Maisons-Alfort, France), acting on behalf of clients and funds it manages, reported having crossed upwards on 7 February 2023 the 5.5% Company capital and voting rights thresholds and reported holding on behalf of such clients and funds 21,148,850 ALSTOM shares representing the same number of voting rights, i.e., 5.62% of the share capital and voting rights.
- By letter received on 17 February 2023, Bpifrance Investissement (27-31 avenue du Général Leclerc – 94710 Maisons-Alfort, France), acting on behalf of clients and funds it manages, reported having crossed upwards on 14 February 2023 the 6% Company capital and voting rights thresholds and reported holding on behalf of such clients and funds 22,707,482 ALSTOM shares representing the same number of voting rights, i.e., 6.03% of the share capital and voting rights.

- By letter received on 23 February 2023, Bpifrance Investissement (27-31 avenue du Général Leclerc – 94710 Maisons-Alfort, France), acting on behalf of clients and funds it manages, reported having crossed upwards on 22 February 2023 the 6.5% Company capital and voting rights thresholds and reported holding on behalf of such clients and funds 24,763,628 ALSTOM shares representing the same number of voting rights, i.e., 6.58% of the share capital and voting rights.
- By letter received on 27 March 2023, Bpifrance Investissement (27-31 avenue du Général Leclerc – 94710 Maisons-Alfort, France), acting on behalf of clients and funds it manages, reported having crossed upwards on 24 March 2023 the 7.5% Company capital and voting rights thresholds and reported holding on behalf of such clients and funds 28,545,000 ALSTOM shares representing the same number of voting rights, i.e., 7.50% 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 2023, 147 685 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.

7.2.4 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.

7.2.4.1 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".

7.2.4.2 Stock options

See section "Corporate governance – Interest of the officers and employees in the share capital – Stock options and performance share plans".

7.2.5 POTENTIAL SHARE CAPITAL

	Total number of shares that may be issued	Corresponding share capital increase (in €)	% of the share capital at 31 March 2023
Shares that may be issued on the basis of performance share plans*	5 623 190	39 362 330	1,48%

* 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 2023. Number adjusted following the capital increase by way of the issuance of new shares (with preferential subscription rights maintained) carried out on 7 December 2020.

7.2.6 SHARE BUYBACKS

(Disclosure pursuant to articles 241-1 et seq. of the AMF's General Regulation)

7.2.6.1 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 12 July 2022 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 2022 (i.e., a theoretical number of 18,669,588 shares), for a maximum purchase price of €45 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 2022/23 fiscal year.

7.2.6.2 Presentation of the Alstom share buyback programme submitted to the 2023 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 2023 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 2023, a theoretical maximum number of 19,022,672 shares with a nominal value of €7 per share and a theoretical maximum amount of approximately € 856,020,240 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 € 856,020,240.

Term

The share buyback programme shall expire at the end of a period of 18 months as from the 2023 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.

7.2.7 SECURITIES NOT REPRESENTING CAPITAL

In the 2022/23 fiscal year, the Company issued no bonds.

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%.

7.2.8 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 2023 shows a net result of 233,659,250.73.

It will be proposed to the 2023 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 33% of adjusted net profit, Group share.

The dividends paid over the three previous fiscal years were as follows:

Fiscal year ended on:	31 March 2022	31 March 2021	31 March 2020
Dividend per share (in €)	€0.25	€0.25	-
TOTAL	**€93,445,939**	**€92,800,448.25**	**-**

See the section entitled "Financial Statements – Statutory Financial Statements – Appropriation of net income".

7.2.9 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)

7.2.9.1 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".

7.2.9.2 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".

7.2.9.3 Agreements of which the Company is aware in application of article L. 233-11 of the French Commercial Code

None.

7.2.9.4 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 2023 and the legal thresholds crossed during the past year.

7.2.9.5 List of holders of any security granting special control rights

None.

7.2.9.6 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 1,41% of the Company's share capital and 1,41 % of its voting rights at 31 March 2023.

7.2.9.7 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".

7.2.9.8 Specific rules governing the appointment and replacement of Directors, and amendments of the Company's Articles of Association

None.

7.2.9.9 Board of Directors' powers

The Annual General Meeting held on 12 July 2022 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 2023 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".

7.2.9.10 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 2028) and the €1.75 billion revolving credit facility (which currently matures in January 2026) 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 Alstom eventual drawings 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 2023.

The committed bonding facility of a maximum amount of €12.7 billion (currently maturing in July 2025) 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 and to cancel the bonding commitment. For further information on these credit lines and facilities, see Note 32 to the consolidated financial statements.

7.2.9.11 Agreements providing indemnities to Board members 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".

7.2.10 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.

7.2.10.1 Stock market news

On 31 March 2023, the share price closed at €25.08 and the Group's market capitalisation stood at €9,541,772,626 billion.

7.2.10.2 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.

7.2.10.3 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: Estelle Maturell-Andino

7.2.11 SHARE LISTING

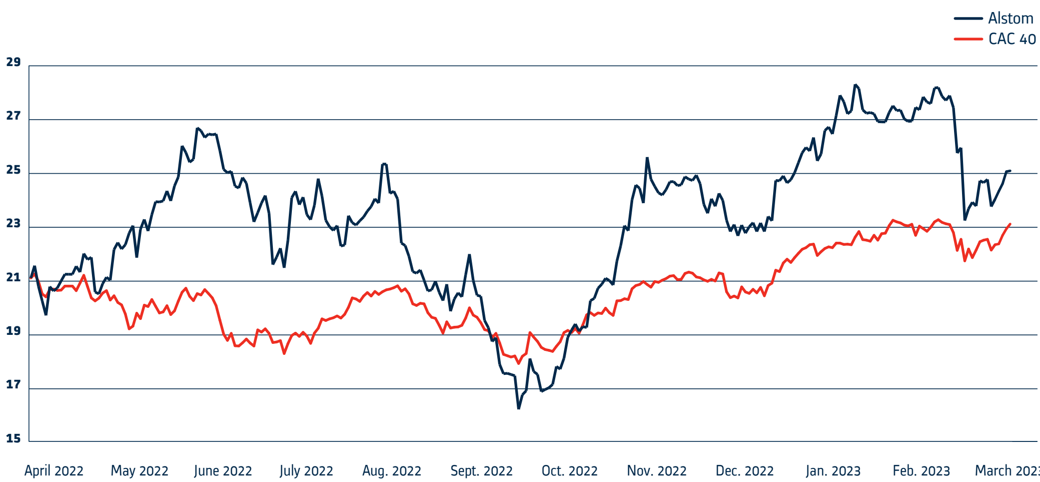
7.2.11.1 Alstom share at 31 March 2023

Listing market:	Euronext Paris
ISIN Code:	FR0010220475
Stock code:	ALO
Par value:	€7
Number of shares:	380,453,454
Stock market capitalisation:	€9,541,772,626
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.

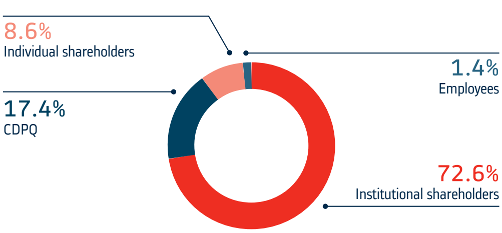
CHANGE IN SHARE PRICE (IN €) – APRIL 2022/ MARCH 2023



Alstom basis as of 1st April 2022: €21.09
Source: Euronext

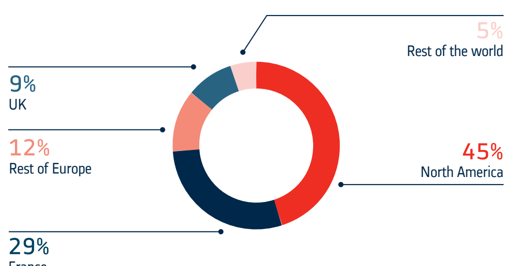
7.2.11.2 Shareholding structure

According to a shareholder study carried out by IHS Markit as of 31 March 2023, the share capital was distributed as follow:



Source: Alstom

SHAREHOLDING BY GEOGRAPHIC ZONE



Source: Alstom

7.3 Information on the Universal Registration Document

7.3.1 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 2022, the Auditors' reports relating thereto and the Group's management report, as shown at pages 50 to 128, 134 to 146, 129 to 133, 147 to 149 and 32 to 47, respectively, of Universal Registration Document no. D.22-0494 filed with the AMF on 9 June 2022 ;
- 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.

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.

7.3.2 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Mr. Henri Poupart-Lafarge

Chairman & Chief Executive Officer

Alstom

7.3.3 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 384 to 387 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, 6 June 2023

Henri Poupart-Lafarge

Chairman & Chief Executive Officer

7.4 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 56 to 132
Annual financial statements	Pages 137 to 148
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 384 to 387)
Statement by the person responsible	Page 383
Statutory Auditors' report on the consolidated financial statements	Pages 133 to 136
Statutory Auditors' report on the statutory financial statements	Pages 149 to 152

7.5 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 36 to 46
1.2	Key financial performance indicators	Article L. 225-100-1, I., item 2 of the French Commercial Code	Chapter 2 / pages 37, pages 46 to 50
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 352 to 355
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 46 Chapter 3 / page 123
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 1 / page 32 ; Chapter 7 / pages 376
1.6	Existing branches	Article L. 232-1, II of the French Commercial Code	Chapter 7 / pages 369 and 370
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 371
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/ pages 28 to 31
1.10	Research and development activities	Articles L. 232-1, II and L. 233-26 of the French Commercial Code	Chapter 1 / pages 20 to 23
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 153
1.12	Information on supplier and customer payment terms	Article D. 441-6 of the French Commercial Code	Chapter 3 / page 154
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 159 to 175
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 273 to 287
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 178 to 182
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 97 to 104 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 315 to 319
2.6	Vigilance plan and report on the effective implementation thereof	Article L. 225-102-4 of the French Commercial Code	Chapter 6 / pages 340 to 341

No.	and required information	Reference texts	Chapter / Pages
3	**CORPORATE GOVERNANCE REPORT**		
Information on compensation			
3.1	Remuneration of corporate officers	Article L. 22-10-8, I., paragraph 2 of the French Commercial Code	Chapter 5 / pages 223 to 233
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 233 to 236
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 228 and 233
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 230
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 227 to 232
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 241
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 241 and 242
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 234 to 236
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 / pages 230 and 231
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 / pages 230 and 231
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 195 to 205
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 / pages 122 and 148 Chapter 7 / page 371
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 374 and 375
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 189 and 190
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 186 and 187; 210 to 215
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 186 and 187; 193 and 194
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 191
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 244

No. and required information		Reference texts	Chapter / Pages
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 366
3.24	Procedure for evaluating routine agreements – Implementation	Article L. 22-10-10, item 6 of the French Commercial Code	Chapter 5 page 206
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 1 / page 32 ; Chapter 7 / pages 376, 380 to 382
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 1 / page 32 ; Chapter 7 / pages 374 to 377
4.2	Acquisitions and disposals by the Company of its own shares	Article L. 225-211 of the French Commercial Code	Chapter 7 / pages 378 and 379
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 376
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 / pages 377 to 379
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 253
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 379

No. and required information		Reference texts	Chapter / Pages
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 24 and 25
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 / pages 159 to 175 ; Chapter 6 / pages 265 and 267
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 258 to 265; 315 to 320; 324 to 326
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 261 to 265; 352 to 355
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 287 to 303 ; 346 to 349
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 273 to 287; 333 and 334
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 287 to 314
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 315 to 320
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 324 to 326
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
5.11	Collective agreements applicable within the Company and their impacts on the Company's economic performance and on employee working conditions	Articles L. 225-102-1, III and R. 225-105 of the French Commercial Code	Chapter 6 / pages 290 and 291 ; 297 and 298
5.12	Certification from the independent third-party organisation on the information presented in the NFPS	Articles L. 225-102-1, III and R. 225-105-2 of the French Commercial Code	Chapter 6 / pages 335 to 337
6	**OTHER INFORMATION**		
6.1	Additional tax information	Articles 223 quater and 223 quinquies of the French Tax Code	N/A
6.2	Injunctions or financial sanctions for anti-competitive practices	Article L. 464-2 of the French Commercial Code	Chapter 3 / pages 117 to 119

7.6 Reconciliation table – Headings of appendix I and appendix II of delegated regulation (EU) 2019/980 of 14 March 2019

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11	**PROFIT FORECASTS OR ESTIMATES**	
11.1	Statement indicating if the already published forecast or estimate is (or is not) still valid at the date of the registration document	N/A
11.2	Statement setting out the principal assumptions	N/A
11.3	Statement that the profit forecast or estimate has been established on a basis comparable with historical financial information and is consistent with the issuer's accounting policies	N/A
12	**ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT**	
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