



## CHAIRMAN AND CEO'S ANSWERS<sup>1</sup> TO THE WRITTEN QUESTIONS RECEIVED IN THE CONTEXT OF THE ANNUAL GENERAL MEETING OF 11 JULY 2023

### 1. Questions received from Forum pour l'Investissement Responsable (*Sustainable Investment Forum*)<sup>2</sup>

#### I. ENVIRONMENT

##### 1. Reduction of greenhouse gas emissions (GHG)

- a) **In the context of the Paris Agreement, how does each of your actions related to the reduction of your direct and indirect GHG emissions contribute to your objective of decarbonization across all scopes (percentage of emissions reduced through action)? What is the share of negative emissions in your decarbonisation objectives?**

The achievement of our decarbonization objectives on the different scopes is the subject of several action plans and roadmaps that are specified and strengthened over time.

The decarbonisation of our scopes 1 and 2 by 2030 is based on the reduction of energy intensity (by around 15%) with, for example, the deployment of a LED installation programme, the on-site production of electricity from renewable sources (up to 10%), the supply of electricity from renewable sources on the basis of PPAs (*Power Purchase Agreements*) and certificates of origin, and the decarbonization of gas for the residual.

The decarbonisation of scope 3 – Use of Products, includes efforts to reduce the energy consumption of products through innovation and R&D, the gradual transfer towards alternative solutions to diesel and the decarbonisation of the electricity mixes of the countries in which Alstom carries out its projects or the customers for which these projects are carried out.

The decarbonisation of scope 3 – Purchases of goods and services, will be achieved through training and informing suppliers on expectations in terms of low-carbon purchasing, the evolution of purchasing specifications, the integration of CO<sub>2</sub> criteria in the selection of suppliers and products purchased, low-carbon innovation with suppliers.

We do not count negative emissions towards our 2030 decarbonisation targets.

- b) **Could you associate a necessary amount of investment to each of the actions deployed, linked to the reduction of your direct and indirect emissions, resulting from your decarbonisation strategy?**

We do not publish an investment amount for each action. Nevertheless we published this year for the first time the amount of our CAPEX and OPEX aligned with the European taxonomy, of which amounts are respectively 54% and 47% .

- c) **On which reference scenario(s) is your decarbonisation strategy based? Is it aligned with a 1.5°C scenario?**

Our strategy is based on a 1.5°C scenario for Scopes 1 and 2 and Below2°C for Scope 3 – Product Use, ensuring consistency with the SBTi (*Science-based Target Initiative*) criteria.

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<sup>1</sup> Acting on delegation granted by the 9 May 2023 Board of Directors, in accordance with Article L. 225-108 of the French Commercial Code

<sup>2</sup> Questions received 20 March 2023

## 2. Biodiversity

### a) **Have you recently carried out any work to assess the impacts and dependence (direct and indirect) of your activities on and towards biodiversity?**

We carried out for the first time this year a census of the impacts on biodiversity of 126 industrial sites with in particular a risk mapping of sensitive areas and protected species located in these areas.

We did not identify any significant dependencies.

Our solutions do not contain a significant amount of materials from biodiversity.

### b) **If not, why? If so, has your quantification of the dependence (direct and indirect) of your activities on biodiversity (expressed as a percentage of turnover, net banking income, etc.) changed compared to last year?**

We did not perform any financial figures as part of this analysis.

### c) **Based on your evaluation work, what are your expenses in favor of biodiversity (protection, restoration...)? Please let us know an amount.**

Expenditure on biodiversity is not counted as such. These include actions such as a partnership with the *Office National des Forêts's "Agir pour la Forêt"* Foundation which aims at rebuilding local forests around the Valenciennes and Crespin industrial sites, a soil permeability restoration programme in La Rochelle, or reforestation in Germany. These shares can be estimated to be less than € 1 million.

## 3. Circularity

### a) **In a context of inflation, geopolitical crises, global warming and biodiversity degradation, how do you assess the financial and economic impacts of the scarcity or difficulties of access to your strategic natural resources on your economic models?**

This risk is assessed as part of our risk mapping across Procurement (high impact/high likelihood) and geopolitical (significant impact/high likelihood) risks. Procurement risks especially include:

- supply chain disruptions due to geopolitical tensions, possible bankruptcies or non-performance of suppliers (non-compliance with technical requirements, quality or delivery times specified by Alstom, resulting in deficiencies on production lines);
- High inflation affecting all purchasing families, in particular rising raw material prices, leading to an increase in project costs during contract execution.

A management unit has been set up within the Alstom group to monitor and intensively manage inflation action plans. High inflation is managed through rigorous forecasting and monitoring of raw materials, improvement of golden rules and guiding principles for adjusting contract prices to be applied during the tender and project phase, with variance approvals, throughout execution.

With regard to geopolitical risk, internal resources are dedicated to strategic monitoring and forecasting by integrating geopolitical risk into projects and activities in order to anticipate and implement action plans to cope with. Resilience capacity is managed by allocating affected activities to more stable regions and rebalancing the

global footprint to mitigate local impact. The implementation of this strategy is not properly accounted for in terms of consolidated financial impact.

**b) Have you evaluated the increase in costs caused by these difficulties (specify the evolution of costs as a percentage or in value)?**

We do not report on cost increases.

**c) What measures have you taken as a result to reduce your consumption and circulate your business model (specify the share of the company's activities concerned by these solutions)?**

A mapping of the use of critical materials has been established by the eco-design teams, which will allow, in the future, to define and implement mitigation measures. Alstom has defined its roadmap for the Circular Economy, based on three criteria:

- The deployment of a systematic eco-design programme covering in particular the energy efficiency of railway systems, the use of greener, recyclable and natural raw materials, the circular economy and end-of-life management with the following objectives:
  - o 25% recycled content in newly developed rolling stock by 2025
  - o 100% eco-designed solutions by 2024/25. 65% of newly designed solutions in 2022/23 were covered by an eco-design approach.
- The development of the Services activity based on the circular economy integrating the development of repair and reuse for maintenance and renovation activities;
- The development of recycling and material recovery for the waste management of our sites with the objective of recovering waste up to 90% and at least in the form of material recovery up to 80% by 2025.

Energy is also a major issue for our customers, who are sometimes among the first consumers in their territories. Energy efficiency is an integral part of our eco-design programmes and we have set a specific target to reduce the energy consumption of our solutions by 25% by 2025 compared to 2014. Today, the solutions in the portfolio have on average reduced their energy consumption by 23.4%.

## II. SOCIAL

### 4. Environmental, Social and Governance criteria in remuneration

**a) Could you specify how the E&S criteria integrated into the short- and long-term variable remuneration policies (if applicable) of your managers reflect the most material E&S issues facing your company?**

Alstom's short-term and long-term variable compensation policies incorporate ESG criteria directly aligned with the Group's strategic and operational priorities. The following are thus taken into account:

- the Group's environmental impact with an objective integrated into short-term variable remuneration based on the reduction of greenhouse gas emissions in the Group's activities (scopes 1 & 2) and an objective in long-term remuneration, based on the reduction of energy consumption of Alstom solutions offered to customers;
- the occupational safety of Group employees, with an objective integrated into short-term variable compensation based on the rate of reported incidents;
- ethics and compliance in the conduct of business, with an objective integrated into short-term variable compensation based on the completion rate of an annual integrity questionnaire by the Group's managers,

- diversity within management, with an integrated objective in short-term variable compensation based on the percentage of women in the Group's engineering and management population;
- employee engagement, with an objective integrated into long-term variable compensation based on the average percentage of engagement identified through the Group's annual survey.

These criteria account for 16% and 30% respectively in the short-term and long-term variable compensation plans of Group employees.

**b) How does the Board of Directors ensure that E&S objectives are met, in particular on the basis of what quantitative criteria? Is the level of requirement systematically reassessed when attainment rates are high?**

All of the above objectives are strictly and entirely based on quantitative and predefined criteria, the level of achievement of which is noted at the end of the fiscal year by the Board of Directors, on the proposal of the Nominations and Remuneration Committee. The level of requirement of the criteria is reviewed, plan after plan, in a logic of continuous reinforcement.

**c) Can you describe how the remuneration (bonus, long-term, integration, other) of your employees (excluding managers) integrates environmental and social (E&S) criteria? Please specify the number of employees concerned and detail as precisely as possible the E&S criteria and their share in employee remuneration.**

With regard to short-term remuneration (bonus), for which more than 21,000 employees are eligible, the weight of ESG criteria amounts to 16%, distributed as follows:

- 4% on safety at work;
- 4% on ethics and compliance;
- 4% on greenhouse gas reduction;
- 4% on diversity M/F within management.

The remaining weight is dedicated to collective financial objectives (for 44%) and individual, specific to each employee (for 40%).

With regard to long-term remuneration (performance shares), of which approximately 1,470 Group executives are beneficiaries, the weight of ESG criteria amounts to 30%, distributed as follows:

- 15% on the reduction of energy consumption in the solutions offered to customers;
- 15% on the level of commitment of Group employees.

The remaining weight is dedicated to financial objectives (50%) and stock market performance objectives (20%).

## **5. Share buybacks**

- a) As part of your value-sharing policy, how much of your share buybacks have you allocated to the benefit of your employees over the last five financial years (excluding performance shares)? What proportion of employees was concerned in France, internationally?**
- b) Over the same period, could you spread the allocation of your share buybacks (cancellation, employee share ownership operation, allocation of performance shares, other beneficiaries, other allocations)?**
- c) More generally, do you have a policy defining the allocation of your share buybacks? Is this policy public? If so, can you describe it?**

In the last five financial years, Alstom has not carried out share buybacks. Alstom has not defined a policy in this area.

## 6. Living Wage

*For two years in a row, you have not provided a definition of living wage to the FIR. This question is particularly important for responsible investors, and it makes even more sense in a context of global inflation. It is essential for us to have a clear definition to assess the Group's vision of its global strategy.*

*Living wages can be defined as: "The remuneration received for a normal working week by a worker in a given place, sufficient to ensure a decent standard of living for the worker and his family. Elements of a decent standard of living include food, water, shelter, education, health care, transportation, clothing, and other basic needs, including provision for unforeseen events," Global Living Wage Coalition definition. The living wage is also quite distinct from the local legal minimum wage.*

**a) So, since last year, have you adopted a definition of living wage such as the one mentioned above or equivalent? If so, which one?**

The remuneration policy of the Alstom group is not based on the definition of a living wage as corresponding to your criteria. However, the Alstom group's remuneration policy aims to ensure that all its employees receive remuneration that is fair, balanced and in line with market practices, allowing, among other things, to ensure decent living conditions and minimum social protection for them, as well as for their families, in the event of serious and unforeseen events. Beyond the challenges of decent remuneration, this policy also helps to ensure the Group's attractiveness in relation to its markets of establishment and to strengthen its retention capacities and the commitment of its employees.

**b) What specific measures have you put in place to ensure that a living wage is guaranteed to all your employees and those of your suppliers (working with specialized initiatives, studies to determine the level of living wages for each country, integrating the criterion into your supplier charters, due diligence of suppliers...)?**

For **its employees**, the Alstom group bases its total compensation policy on the following fundamental principles:

- Strict compliance with legal and conventional minima for all its locations and all its employees,
- The definition of salary grids systematically aligned with the medians of the remuneration markets of the Group's various countries, as based on studies carried out by specialized and independent service providers, and reviewed and updated at least annually,
- The use of analyses and decision-making tools to ensure, among other things, that for equal performance, employees with the lowest salaries are targeted as a priority by increase measures
- The implementation, when necessary, of additional *ad hoc* measures, collective, categorical or individual, aimed at contributing to the preservation of the standard of living and purchasing power of employees in countries experiencing exceptional inflation
- Beyond monetary remuneration, the deployment of a universal minimum base of coverage against accident risk and systematic benchmarks to ensure that social safety nets are at least in line with the median of local markets.

For **Alstom's suppliers and subcontractors**, signing the Ethics and Sustainable Development Charter is a prerequisite for being among the Group's suppliers. By signing it, suppliers undertake to respect the principles of the Universal Declaration of Human Rights of the United Nations, the Fundamental Conventions of the International Labour Organization, as well as any other international, national and local convention or regulation applicable to their activities in the countries where they operate.

The "labour standards" paragraph of this Charter mentions in particular:

- "compliance with applicable legal and regulatory provisions concerning the minimum wage";
- "respect for the freedom of association of their employees in accordance with the applicable legal provisions" (*which is an important right to guarantee collective bargaining systems*);
- The "elimination of all forms of illegal, forced or compulsory work", the "suppression of child labour" and the "elimination of discrimination of all types in employment and occupation" (*which contributes to fairer pay*).

Potentially at-risk suppliers resulting from the annual CSR risk mapping are assessed:

- **Online by Ecovadis:** they must answer detailed questions (including evidence) about their processes, actions and results achieved, about work and human rights. Social dialogue (collective agreements...), working conditions (health & benefits coverage, remuneration/bonus systems...), non-discrimination, absence of forced / child labour, human resources management (recruitment, evaluation, diversity & inclusion...) are thus addressed.
- **On site by specialist companies** such as TÜV or SGS (if necessary): these audits are mainly based, but not only, on the international social standards SA (Social Accountability) 8000. Verifications include employee contracts, freedom of association, absence of forced / child labour, wages and allowances paid, working hours, compliance with local and international social regulations, etc. A verification of the wages practiced versus the hours of work performed is made by the auditors: compliance with the minimum wage according to local law, overtime, date of payment ...

In addition, initiatives are in place with our suppliers to promote diversity and inclusion (for example, vis-à-vis women, minorities, people with disabilities...), especially in the USA, South Africa, France.

**c) Have you set minimum pay thresholds in all your countries of operation for your employees and employees of your suppliers and where do they stand in relation to local minimum wages? If so, do you conduct audits to ensure that these thresholds are respected and evolve according to the cost of living?**

With regard to **employees**, the salary scales defined by Alstom in its various countries of operation are systematically in line with or above conventional and regulatory minimums. The annual exercise of revision and updating of these same grids (see above) confirms this position. Among the factors taken into account when adjusting pay scales, particular attention is also paid to the evolution of the cost of living in each of the countries (inflation data – historical and forecast – are part of the information systematically analysed as part of this exercise).

For **the employees of our suppliers**, we have not set minimum remuneration thresholds. Regarding audits, we refer you to answer b) above.

**d) Have you considered and mapped systemic risks that may hinder the payment of a living wage to your employees and employees of your suppliers (such as the non-respect of freedom of association)?**

With regard to **employees**, the risk mapping produced by the Group does not constitute systemic risk of this nature. It should be recalled that Alstom's social policy is based on international standards such as the United Nations Universal Declaration of Human Rights and the standards of the International Labour Organization. Alstom adheres to the United Nations Global Compact, which aims, among other things, to ensure the proper application of a number of values in the fields of human rights.

As for **Alstom's suppliers**, they are mapped every year on social and CSR criteria, according to their country and their activity. Depending on their level of CSR risk and the annual purchase volume, they are evaluated online and/or on-site.



Failure to respect freedom of association as well as other risks (discrimination, forced labour, child labour, etc.) that may lead to indecent remuneration is included in Alstom's Ethics and Sustainability Charter for Suppliers and Subcontractors, Ecovadis assessments and on-site social audits, as discussed in the response to (b) above.

## 7. Employee savings

- a) **Scope France: apart from investments in your company's securities, what proportion of the employee savings funds offered to your employees is labelled responsible (SRI, Greenfin, CIES, Finansol or foreign labels)? Please mention the name of the labelled funds, the share, as a percentage of assets under management and as a percentage of funds excluding employee shareholding, of labelled savings funds, the percentage of the Group's employees who benefit from them and the evolution compared to last year.**

Our employee and retirement savings plan offers seven funds (excluding the company's securities fund), including three dedicated funds.

Among the four multi-company funds, two funds are labeled responsible:

- The "AXA ES LONG TERM 2" fund is labeled  with an outstanding amount of about 1% of the total outstanding amounts of employee and retirement savings funds (2% of labelled funds), i.e. an increase of 156% compared to last year, and invested by 4% of total savers, i.e. an evolution of 214% compared to last year.
- The "AMUNDI CONVICTIONS ESR – F" fund is labeled  with an outstanding amount of about 24% of the total outstanding amounts of employee and retirement savings funds (98% of labelled funds), i.e. an increase of 186% compared to last year, and invested by 66% of total savers, i.e. an evolution of 20% compared to last year.

- b) **If so, please explain why not all your employee savings funds are labelled? If some are not labeled but incorporate ESG criteria, explain how these criteria attest to a robust and selective ESG approach?**

All our funds apply a committed ESG approach, investing in underlying funds labeled or recognized at least 8 by the SFDR (*Sustainable Finance Disclosure Regulation*).

For example, among our dedicated funds:

- The **Alstom Socially Responsible Moderate** fund applies a significantly engaging approach by investing at least 90% of its assets in underlyings that are either SRI labelled or AMF category 1. This fund represents 21% of total assets under management and invested by 64% of savers.
- As for the **Alstom Low Carbon Solidarity Balance** fund, more than 90% of the fund is invested in companies or strategies that contribute to reducing greenhouse gas emissions globally. Thus, the selection of private equities and bonds will be carried out with a target carbon intensity target (tons of CO2 emitted per million euros of turnover) permanently 20% lower than that of the reference universe, the sovereign bonds selected are those of the signatory countries of the Paris agreements. The Fund is also a Solidarity FCPE and invests 5 to 10% in securities issued by solidarity companies.
- The **Alstom Cap futur** fund also aims to build a portfolio whose carbon emission level is at least 20% lower than the carbon level of the investment universe. This objective is achieved by assessing issuers' carbon emissions calculated by data by distinguishing three subsets (the "Scopes") and their environmental, social and governance (ESG) practices, taking into account ESG criteria in the selection of securities in the portfolio.

These 3 dedicated funds represent approximately 53% of the total assets of our employee and retirement savings funds.

- c) In your other countries of establishment: What are the employee savings schemes, excluding employee shareholding, set up for your employees outside France? Do they incorporate robust ESG criteria? If so, which ones? If not, why?**

In our other countries of operation and in particular in our pension systems such as Canada or Great Britain, funds are offered, with the aim of integrating ESG investments into their portfolios.

- d) How do you involve your employees in the choice and control of the responsible commitment of funds?**

The supervisory boards of dedicated funds made up of employee and management representatives meet regularly with the fund management companies. During these Boards meetings, it is, among other things, presented, the annual report which incorporates the periodic report from the SFDR (*Sustainable Finance Disclosure Regulation*) which mentions the achievements in terms of sustainable investment.

### III. GOVERNANCE

#### 8. Tax

*For corporate fiscal responsibility to be in line with corporate social responsibility, the Board of Directors must be fully involved in choices built around fiscal citizenship (aligned with principles such as those of the B Team initiative). In this logic, the FIR expects that a public fiscal responsibility report, reviewed and signed by the Board of Directors, detailed country by country, exists, and that it is aligned with GRI 207. For example:*

- a) Do you publish a document detailing your tax responsibility commitments? How does it fit into your social responsibility policy, going beyond mere compliance? Is it reviewed and approved by the Council? (Please attach a link or specify the location of this document in addition to a detailed explanation). Do you specify the tax practices that you consider unacceptable?**

The Non-Financial Performance Statement included in Alstom's Universal Registration Document (Chapter 6 of our URD 2022/23, p.331) includes tax liability commitments. This document is approved by the Board of Directors.



It details the Group's tax strategy and policy as well as the main governance bodies. Alstom is committed to respecting the laws of the countries in which it operates, in a responsible and ethical manner. Alstom is also committed to developing a collaborative and transparent approach with tax authorities. All contributions are consistent with the Group's economic and commercial activity. Alstom is not involved in artificial tax arrangements.

Alstom carries out transactions between affiliated companies in compliance with OECD principles, and reports all international transactions concerned in accordance with the DAC 6 rules.

The Group's tax governance also ensures that the appropriate tax treatment is applied to all Group operations. The Group's tax governance is ensured by specialized committees that ensure the correct processing of transactions and their compliance with the Group's tax policy.

The Group's tax strategy, policy and governance has been established by the Tax Department under the responsibility of the Finance Director. The Group's tax policy will be presented for review to the Audit Committee so that it can be validated by the Board of Directors.

**b) Do you make your tax reporting public country by country? If not, how do you prepare for the European directive planned for 2024 which will involve country-by-country reporting for EU member countries? Do you plan to publish country-by-country reporting that goes beyond the obligations of the Directive?**

Alstom presents the Group's tax burden without detailing by country.

Alstom is committed to comply with the obligations of the European Directive planned for 2024 and will therefore publish the country-by-country reporting that is currently communicated only to the tax authorities.

## **9. Lobbying**

**a) What are the public decisions targeted by your lobbying activities? Please detail them for the last two years focusing on human rights (including fundamental social rights), climate and governance lobbying for the main jurisdictions in which you lobby (including the EU, US, emerging markets and other regions)?**

Chapter 6 of the Universal Registration Document, in its section "Relations with governments, international organisations and think tanks", describes and specifies the lobbying activities of the Alstom group. The Company contributes to the public debate in the field of rail transport, sustainable mobility, climate and carries in particular the following messages:

- the importance of open markets and fair competition to support sustainable growth,
- the need for continued public and private sector investment in sustainable technology,
- the need for a stable, transparent and long-term sustainable development policy,
- promoting sustainable and zero-carbon transport strategies based on shared, electric and hydrogen mobility, rather than individual and fossil fuel transport,
- the definition and effective enforcement of balanced regulations to support a broad portfolio of low-carbon, sustainable and high-efficiency solutions, as well as the need for a stable and predictable regulatory environment.
- increasing the resilience of transport infrastructure to respond to the impacts of climate change.

In accordance with the Code of Ethics and the Ethics and Compliance Policy, Alstom does not make any political contributions.

Alstom maintains strict adherence to the following principles:

- All applicable lobbying laws and regulations must be strictly adhered to,
- Any lobbying must advance sound public policies and consider the impacts on all interested stakeholders
- Alstom employees lobbying on behalf of Alstom must ensure at all times that they comply with all requirements imposed by laws and regulations, the Code of Ethics and the Ethics and Compliance Policy.

**b) How do you monitor and ensure alignment between your ESG objectives and the positions of the professional associations of which you are a member, as well as any potential divergence with your own positions? Do you publish a report detailing how the positions of your company and professional associations are aligned but also where they may differ from each other?**

Due to the nature of Alstom's business whose business model is aligned with the objectives of sustainable development, our positions and those of our professional associations do not present a significant risk of this nature.

**c) What resources do you allocate to your lobbying activities (human and financial resources) for all your markets around the world?**

A public document specifies our activities in this area and the main amounts of our contributions (€2.2 million in 2021 – 2022 figure currently being published)

[https://www.alstom.com/sites/alstom.com/files/2022/07/20/Policy\\_Influence\\_Transparency\\_Document\\_July\\_2022\\_EN.pdf](https://www.alstom.com/sites/alstom.com/files/2022/07/20/Policy_Influence_Transparency_Document_July_2022_EN.pdf)

## **10. IRP & environment**

**a) What measures are you taking to anticipate the effects, in the short and medium term, of the ecological transition on jobs and on the evolution of skills needs within your Group, but also in your value chain (subcontractors, suppliers, franchisees, etc.)?**

**b) How is the environmental issue discussed with the social partners? At what level(s) (local, national, European, world) and in what frameworks? Can you also indicate whether these exchanges are based on information sharing, consultations or negotiations? We thank you for being precise about the different scenarios that may arise.**

**c) What resources do you give to the social partners so that they can get involved in your Group's environmental policy (training, specific commissions, etc.)?**

**d) Have the environmental prerogatives explicitly attributed to the CSE (Workers' Council) by the Labour Code ("Climate and Resilience" law) led to new practices in this area in your company?**

Like all economic and market actors, Alstom is facing new challenges in matching the know-how of its employees to the needs and priorities of tomorrow. Taking into account the ecological issue in the HR strategy and the management of jobs and skills is essential, and is reflected in the following measures:

- Each position is described by a set of 15 skills, updated every year to integrate present and future developments in techniques and know-how.
- The academies managed by each of the functions offer the necessary training allowing employees to adapt to technological changes (example: TCMS in engineering)

- Finally, the expertise programs are reviewed annually to take into account the needs related to the ecological transition with its new technologies (Hydrogen, eco-design, energy management, data management, cyber Security,...).

Alstom's commitment to a socially responsible business model helps define and create the jobs to meet the challenges of tomorrow. In a highly competitive talent market, the communication on the Group's ambitions to become a forerunner in green mobility is certainly a lever for attracting sought-after, innovative and committed profiles.

Beyond HR issues, the environmental dimension remains more than ever a priority for Alstom, its employees, entities and subcontractors and is a major focus of the Global Strategy. Thus, integrated into all the Group's activities, environmental issues are discussed whenever necessary with all the company's stakeholders, and in particular employee representatives.

In particular, in order to ensure strong involvement in CSR issues, Alstom has set up a training programme on responsible purchasing for the purchasing community and suppliers. Thematic webinars are conducted on the topics of carbon emissions, circular economy, as well as evaluation and improvement of CSR performance (Ecovadis). In fiscal year 2022/23, 202 suppliers participated in this program. In addition, 794 Alstom procurement staff received mandatory comprehensive training on responsible purchasing during this period.

In addition, in application of the Climate and Resilience Act of 22 August 2021, the strategy, action plans and achievements in terms of sustainable development, as well as numerous environmental data, are detailed within the URD, published each year and accessible to all. These elements are also shared in the Economic, Social and Environmental Database (BDESE), accessible to Central Social and Economic Committee (CSE C) members and which since 2022 includes 7 sections dedicated to the following items: Environmental certificates, Environmental policy, Environmental assessment, Decarbonization trajectory, Strategy and action plan, Published documents (reports, assessments, ...), Climate fresco workshop (training module).

In parallel with the purely regulatory framework defined by law, Alstom is gradually working to include more issues relating to the ecology and sustainability of its activities in its discussions with the social partners, at all levels of representation. The Group's CSR strategy and its CSR objectives have therefore been integrated into the agenda of the European Work Forum, the main employee representative body in Europe and are regularly presented to the CSE C. Similarly, contextual issues such as energy sobriety and rising energy costs were also addressed with CSE C.

Enabling employees and social partners to make proposals on these subjects is an important lever for the Group to develop. Communication actions are therefore regularly carried out in this direction, as illustrated by the "climate fresco" workshop in which representatives of central staff participated and aimed at raising awareness of climate issues to encourage the emergence of individual and collective initiatives.

## 2. Questions received from Ms. Yutong LI<sup>3</sup>

**We know that the company has two ways of returning profits to shareholders: dividends and share buybacks. I have noticed that your company has been very active in the use of share buybacks over the past few years. So, I would like to know why you did the share buyback rather than just distributing dividends? What are the interests for you to buy back your own share? So, what are the differences for you between redemption and dividend. In addition, what are the criteria on which you base this allocation between share buybacks and dividends? I am aware that you have an employee share ownership plan, but could you give me reasons other than these, please, because I found that there was a significant gap between your share buyback program and the needs of the employee share ownership plan.**

While ALSTOM does have an authorization from the shareholders' meeting, which it requests to be renewed every year, it has not implemented this authorization in recent years and has therefore not repurchased its own shares.

This non-use is specified on page 378 of the Company's Universal Registration Document 2022/23 (Chapter 7, paragraph 7.2.6 Share Buybacks). For financial years prior to 2022/23, this information is also available in Chapter 7 of the Universal Registration Document in the paragraph on share buybacks.

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<sup>3</sup> Questions received 28 June 2023