

# ETHICS AND SUSTAINABLE DEVELOPMENT CHARTER FOR SUPPLIERS AND CONTRACTORS



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# I- Preamble

Sustainable development is a driver of Alstom's strategy and ambitions to support the transition to more sustainable transport systems worldwide. It means strongly and actively responding to Alstom's stakeholders' needs and expectations while anticipating new environmental, social and economic developments, and be able to address associated risks and opportunities.

As a signatory member of the United Nations Global Compact initiative, Alstom supports the Sustainable Development Goals ("SDGs") and is committed to the highest standards in respect of labour and human rights, protection of the environment, ethics in business, and promotes these pillars within its sphere of influence. Alstom's policy is to comply with all applicable national laws and regulations and with the guiding principles of the Organization for Economic Cooperation and Development (OECD), the United Nations Universal Declaration of Human Rights, the International Labour Organization's Fundamental Conventions, the International Chamber of Commerce and applicable corporate due diligence legislations.

Those core values and principles are defined in Alstom's Code of Ethics, available on the Alstom website ([www.alstom.com](http://www.alstom.com)) and reflected in this Ethics & Sustainable Development Charter ("Charter").

As part of Alstom Sustainable Procurement Policy, Alstom asks its suppliers and contractors ("Suppliers") to commit themselves to responsible and sustainable business practices, to implement a management system that ensures compliance with the laws, values and principles expressed in the section II of this Charter ("Principles"), to prevent and mitigate the risks of non-compliance and to adopt a continuous improvement approach in respect of those Principles.

This document is applicable to all Alstom suppliers and contractors, whatever their activity and the country where they operate, and is not amendable.

Alstom requires suppliers to cascade and promote the Principles in this Charter to their own suppliers and contractors in order to contribute to a responsible and sustainable value chain.

Compliance towards the Principles is a mandatory prerequisite to work with Alstom. By adhering to this Charter, suppliers accept to take part in the Supplier Ethics and Compliance ("E&C") and Corporate Social Responsibility ("CSR") performance process described in section III of this Charter.

This Charter constitutes an integral part of all contractual agreements entered between Alstom and suppliers. Once signed, and as long as a contractual relationship is in place, it will bind the suppliers and any of their legal entities providing goods and services to Alstom.

## II- Principles to be fulfilled by suppliers and contractors

For all the Principles listed in the following sections, suppliers shall be fully compliant with all applicable laws and regulations and with the minimum standards of the United Nations' Universal Declaration of Human Rights, the Fundamental Conventions of the International Labour Organization (ILO), the Guiding Principles of the Organization for Economic Co-operation and Development (OECD) and of the United Nations (UN), the rules of conduct of the International Chamber of Commerce (ICC) and any other relevant international conventions, which are applicable to their activities in the country(ies) in which they operate.

If the principles promoted by Alstom in this Charter are more demanding than the applicable laws and regulations, this Charter will take precedence.

Suppliers are also expected to establish an appropriate management system regarding business conduct, social and environmental stakes (e.g. based on SA8000, ISO 37000, ISO 30400/15, ISO 45000, ISO 14000, ISO 50000, ISO 26000, ISO 20400, ISO 59000 families, or other equivalent standards).

### 1- Ethics and Compliance :

Alstom has a firm commitment to conducting business with the highest level of integrity. Suppliers shall strictly comply with all applicable laws and regulations related to their activities and business environment.

#### 1.1 Prevention of Corruption and Bribery

Alstom has a zero tolerance policy that prohibits all unlawful payments and practices and does not tolerate corruption of any kind in its business transactions. Alstom is fully committed to complying with the requirements of the OECD Anti-Bribery Convention, French criminal law, the US Foreign Corrupt Practices Act, the French Anti-corruption Act of 2007 and the French Anti-corruption law Sapin II, the UK Bribery Act 2010, and with all applicable anti-corruption and anti-bribery laws and regulations in the countries where it is present and operates. Bribes, kickbacks, facilitation payments, and money laundering are strictly prohibited. A bribe or kickback is the giving or accepting of money, fees, commissions, credits, gifts, donations, favours, or anything of value that is either directly or indirectly provided in return for favourable treatment. Facilitation payments are payments made to expedite or secure performance of a routine task by a government official such as obtaining a visa, government permit or customs clearance. Suppliers commit to adhere to these same prohibitions when conducting business.

#### 1.2 Compliance with Trade Sanctions

The aim of these regulations is to counter terrorism, drug trafficking, proliferation of weapons of mass destruction, threats to peace or stability and violations of human rights. Alstom has a firm commitment not to conduct prohibited business with any individual, entity or country that is the subject of trade sanctions. Suppliers shall be fully compliant with any applicable trade sanctions regulation.

#### 1.3 Gifts and Hospitality

Suppliers are expected to refrain from offering gifts and hospitality to Alstom employees. Alstom will refuse all gifts and hospitality that are not of reasonable, modest and symbolic value, nor occasional, transparent and cannot be reciprocated. Suppliers shall not provide any gifts or hospitality to third parties on behalf of Alstom.

#### **1.4 Conflicts of Interest**

Alstom expects its suppliers to identify and avoid situations where there is an actual or potential conflict of interest in relation to the supplier's relationship with Alstom. Suppliers shall disclose to Alstom any actual or potential conflict of interest as soon as they become aware of such conflict of interest.

#### **1.5 Compliance with Competition law**

Competition laws ensure that companies compete fairly in the market. Suppliers shall comply with the applicable competition and antitrust rules. In particular, they shall not enter into any agreement with competitors that has the purpose or effect of fixing prices, distorting a bidding process, sharing markets or customers, limiting production or boycotting a customer or supplier, nor abuse a possible dominant position on the market. They shall ensure not to exchange with competitors any competitively sensitive information that could potentially restrict competition.

#### **1.6 Data Privacy**

All suppliers will undertake to collect and process all personal data in compliance with Alstom Data Privacy Charter available on Alstom website ([www.alstom.com](http://www.alstom.com)), current data protection laws and regulations applicable to the processing of this data in the specific jurisdiction where services are provided. Any personal data handled by suppliers will be processed only on behalf of Alstom and suppliers are not permitted to use personal data on their own behalf or on behalf of a third party.

#### **1.7 Protection of Confidential Information and Intellectual Property Rights**

Suppliers shall comply with all the applicable laws governing confidential information and intellectual property rights. Suppliers shall not share or disclose any of Alstom's confidential or proprietary information without Alstom's prior written consent.

#### **1.8 Compliance with Export Controls**

Export controls ensure that exports of certain goods, services, software or technology are kept out of the hands of unauthorized users and are not used for unauthorized purposes. Alstom expects its suppliers to be fully committed to complying with applicable export controls when conducting business. Applicable export controls are those determined by a company's physical location as well as the country of origin of goods, services, software and technology.

## 2- Social and human rights :

Suppliers shall comply with all laws and regulations governing human rights and fair labour practices, including laws and regulations that may come into effect after the signature of the Charter by the supplier, and with the principles laid down within the framework of the Declaration of the International Labour Organization (ILO) of 1998-as amended in 2022, relating to the protection of fundamental principles and rights at work, in particular with regards to the following risks and employment practices.

### 2.1 Modern slavery including human trafficking, forced, bonded or indentured labour

All work shall be voluntary on the part of the employees. Suppliers shall strictly prohibit and prevent all forms of modern slavery, including human trafficking, forced, bonded or indentured labour. This includes transporting, harbouring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labour or services, and applies to all types of workers, including temporary, youth or migrant workers.

Suppliers shall fully comply with the applicable immigration and labour laws in the countries in which they operate and to provide all employees with a written employment contract in a language they understand clearly.

Suppliers shall respect the basic rights of liberty and freedom of movement of their employees. Workers must have free access to their documentation, including passports, identity papers and travel documents, in accordance with the applicable law.

### 2.2 Child labour

Suppliers shall not use child labour. The term “child” refers to any person under the age of 15, under the age for completing compulsory education and/or under the minimum age for employment in the applicable local law, whichever is highest. Young workers under the age of 18 are not to engage in work that is likely to be harmful to their health or development in accordance with ILO’s labour standards, e.g. overtime or night shifts.

### 2.3 Working hours

Standard working hours and overtime shall not exceed the maximum allowed by local law. Suppliers shall operate in accordance with the International Covenant on Economic, Social and Cultural Rights and with ILO standards regarding reasonable limitation of working hours, rest periods and annual leave.

### 2.4 Wages and benefits

Suppliers shall pay workers at least the minimum compensation required by local laws and provide all legally social benefits. Workers shall be paid for overtime at a premium rate in accordance with local regulations. There shall be no illegal disciplinary wage deductions, fines, or reduction in benefits from the workers’ pay. Wages shall be regularly paid and in a traceable manner in accordance with ILO’s labour standards.

## **2.5 Occupational Health and Safety**

Suppliers shall comply with all applicable occupational health and safety laws and regulations.

Suppliers shall ensure that their activities are safe for the health of their employees, their own contractors, the local community and the users of their products.

Suppliers shall adopt a proactive attitude to physical, mental health and safety issues. Risks linked to their activity shall be identified, evaluated and either eliminated or mitigated.

When suppliers provide accommodation for the workers, they shall ensure living conditions are safe, clean, hygienic, and habitable, and that consideration has been given to the physical and mental health and well-being of workers.

Alstom is working actively to continuously improve the safety of all persons working on its sites or the site of its customers.

When performing work at sites, suppliers are expected to achieve high standards of occupational health and safety, because a person's physical integrity (safety) may be at stake. In this respect, suppliers are responsible for immediately notifying the existence of any abnormal situation observed to the relevant Alstom managers at the affected site.

When a contract involves high-risk activities, suppliers shall commit to meet the specific EHS (Environment, Health & Safety) Requirements for Critical Contractors available on the Alstom website ([www.alstom.com](http://www.alstom.com)).

## **2.6 Harassment and bullying**

Suppliers shall ensure that their employees are afforded an employment environment that is free from physical, psychological, sexual and verbal harassment, intimidation or other abusive conduct.

## **2.7 Non-discrimination, diversity, equity, and inclusion**

Suppliers shall comply with all non-discrimination laws and regulations and commit to a work environment where employees are treated equally and with dignity, respect and fairness, regardless of their race, colour, religion, gender identity, age, ethnic or national origin, disability, sexual orientation or preference, marital status, citizenship status, political preference or other personal characteristics, unless this is justified by the requirements of the employment in line with ILO conventions. Suppliers shall also provide equal employment opportunities to applicants without discrimination.

## **2.8 Social dialogue and freedom of association**

Suppliers shall respect the rights of workers to exercise lawful rights of free association, of assembly and of collective bargaining, including forming or joining trade unions of their choosing within the appropriate local legal framework, and respect the right of workers to refrain from such activities.

## **2.9 Grievance practices**

Any suppliers' worker shall have the right to submit a grievance without suffering prejudicial consequences, and to have it examined according to applicable procedures provisions of national regulations.

## **2.10 Responsible sourcing of minerals (applicable to goods providers only)**

Suppliers shall comply with applicable laws and regulations regarding direct and indirect responsible sourcing of minerals, including tin, tungsten, tantalum and gold originated from conflict-affected areas and high-risk areas ("Conflict Minerals"), as well as other minerals or materials that are subject to specific due diligence frameworks (e.g. bauxite,



cobalt, mica, titanium, lithium, copper, platinum...). As such, suppliers shall conduct appropriate due diligence and ensure that the minerals and materials contained in the purchased products are sourced responsibly and do not contribute to the financing of armed conflict, to forced labor or to other related illegal activities.

Suppliers are expected to provide Alstom with supporting data on their supply chain of these minerals when requested.

## 3- Environment :

### 3.1 Climate change and decarbonization

Alstom has taken a commitment on Net-Zero emissions by 2050 and has set a greenhouse gas reduction target of -30% on Purchased goods and services and on Transports and Logistics by 2030, compared to 2022. To fulfil this strategy, suppliers shall pursue efforts to be compliant with :

- Climate change mitigation, where their activity leads to significant greenhouse gas emissions;
- Climate change adaptation, where their activity leads to an increased adverse impact of the current climate and the expected future climate, on the activity itself, or on people, nature, and assets.

Suppliers are thus expected to build, implement, or manage a Greenhouse Gas emissions reduction strategy, on which they commit. This includes, but not only, the calculation of their company's Scope 1, 2 and 3 (i.e. direct and indirect CO<sub>2</sub>e emissions), based on a recognized methodology (Greenhouse Gas Protocol or equivalent), as well as the Product Carbon Footprint (PCF) of the goods and services supplied to Alstom. These measurements are key to identify the main sources of impacts in order to drive the suitable reduction roadmap. In this frame, Alstom encourages suppliers to define and commit on SBTi-validated (Science-Based Target initiative or other recognized validation third party) reduction targets.

To drive the decarbonization of its supply chain, Alstom has implemented a Carbon tool allowing suppliers to declare their Greenhouse Gas emissions data and to follow their reduction action plans over the years, with the support of Alstom teams. Every efforts and actions taken by suppliers to reduce their GHG emissions are considered for new business attributions.

### 3.2 Environmental management of operations on-site

Suppliers shall observe and comply with the following concerns and prohibitions with regard to their own operations as well as their supply chain :

- When applicable, suppliers shall have a valid EHS permit to work.
- **Energy efficiency in offices and facilities** (based on ISO50001 or equivalent standard): Suppliers are encouraged to use renewable energies (i.e., wind, solar, biomass, geothermal energy and hydropower) as much as possible in the production of the goods and services supplied to Alstom.
- **Pollution prevention and control:** Suppliers shall not cause harmful soil alteration and pollution, water pollution, air pollution, harmful noise emission, which significantly affect the natural basis for the preservation and production of food, access to sanitary facilities and to drinking water, or which have a harmful effect on health.
- **Waste management:**
  - Suppliers shall, as a minimum, follow the waste hierarchy (Prevention, Reuse, Recycle, Recovery, Disposal) with an emphasis on reusing and recycling waste or recovery for energy and maintain all records of waste identification, collection, storage, transfers and disposals to satisfy all duty of care requirements.
  - Suppliers shall not import and export hazardous wastes and other wastes in accordance with the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, as amended from time to time.
  - Suppliers shall, where possible, seek to use packaging which is easily recycled or reused by Alstom to support circular economy principles.



- **Land artificialization, deforestation and protection of biodiversity** : Land artificialization causes losses in biodiversity, land permeability, contributes to climate disruptions, lowers water quality, and should be considered as one of the main factors eroding biodiversity globally. In this frame, Alstom aims at reaching a deforestation-free supply chain, in alignment with the United Nation's New York Declaration on Forests, the OECD-FAO (Food and Agricultural Organization) Business Handbook on Deforestation and Due Diligence in Agricultural Supply Chains, and with the EU deforestation-free regulation (2023). Therefore suppliers shall:
  - Consider the implication of land use change on their sites.
  - Ensure that their activities do not facilitate the unlawful eviction of important native or protected species,
  - Prevent unlawful eviction or deprivation or degradation of land, forests and waters in the acquisition, construction and operational use of their properties,
  - Seek to enhance the biodiversity within their sites and prevent any impact on biodiversity within a suitable radius of their operations (impacting communities or key biodiversity areas).
- **Water** : Suppliers shall support the sustainable use and protection of water (in quantity and quality) and marine resources by ensuring the prohibition of causing water pollution, or excessive water consumption which significantly affects the natural basis for the preservation and production of food, access to sanitary facilities and clean water or has a harmful effect on health.

### 3.3 Ecodesigned products, circular economy and hazardous substances (applicable to goods providers only)

Suppliers shall integrate ecodesign principles into the development of their products in order to reduce and mitigate negative environmental, health and safety impacts from their products during their life cycle, while maintaining and/or improving the quality of usage of their products.

Suppliers shall seek, develop and propose low environmental footprint solutions i.e. being energy and material efficient, with high proportion of recycled content, Zero Substance of Concern detected, low noise/particles emissions, easy recyclable solutions, energy efficiency and/or any other relevant solutions.

When Alstom's ecodesign requirements apply, suppliers shall demonstrate their compliance through specific documentation and evidence :

- Suppliers are encouraged to shift from linear to circular economy with a specific focus on increasing the recycled content, especially when it comes to the use of critical, strategic, and scarce materials. Suppliers shall provide inflow and outflow data in the 'Material record and recyclability potential template' (ENG-RSC-EN-XS-FRM-0004) and information related to critical raw materials in the hazardous substances declaration (ENG-FRM-001).
- Suppliers providing goods shall sign the Alstom Hazardous Substances Regulation Commitment (SCG-FRM-010) (regardless their location) and comply with Alstom rules and legal obligations for the placing on the market and use of hazardous substances listed in the Railways Industry Substances List (RISL) – <http://www.unife.org/railway-industry-substance-list.html>), as explained in the instruction ENG-STD-003 available in Alstom website. They shall also provide to Alstom up-to-date safety data sheets and hazardous substances declarations (ENG-FRM-001). Suppliers and their own suppliers shall never use prohibited substances in any equipment and packaging supplied.

### III- Complying with Alstom’s standards – Supplier E&C and CSR performance process

In order to comply with corporate due diligence laws and regulations that apply to Alstom, Alstom is required to perform risk assessments on its suppliers and their supply chains on a regular basis to identify, prevent and minimize the risk of its suppliers not complying with the Principles in this Charter. Such risk assessments may consider the country where the suppliers are located, the nature of the goods or services provided, specific regulatory requirements and/or any other relevant risk factors. Such risk assessments may generate online assessments and/or the provision of information by suppliers upon request to demonstrate compliance with the Principles contained in this Charter. The results of these risk assessments may be used for the selection of suppliers to be audited on their compliance with the Principles, by Alstom or a third party mandated by Alstom for this purpose.

By agreeing to this Charter, suppliers accept to be assessed, provide information and/or permit Alstom to perform an audit as outlined in section III of this Charter. When the results of an assessment or audit of the suppliers do not meet Alstom’s requirements, suppliers are required to define and implement appropriate improvements and/or a corrective action plan and ensure that such improvements and corrective actions are implemented.

### IV- Reporting concerns

Suppliers and their employees may use the Alstom Alert Procedure if there is a reason to suspect a violation of the Charter, Alstom rules and policies, or the law. Use of the Alert Procedure must be in accordance with the laws and regulations applicable in the country where a reporter lives or works. There are 2 methods by which you may contact us, 24 hours per day, 7 days per week, 365 days per year:

- The secure website: [www.alstom.ethicspoint.com](http://www.alstom.ethicspoint.com)
- Toll-free hotline (dial in numbers by country available on the secure website)

### V- Supplier agreement

I HEREBY ACKNOWLEDGE that I am an authorized representative of the Supplier referenced below, have carefully reviewed and understood the substance of this Charter, and confirm that this Supplier complies therewith.

I further agree that the Principles in this Charter shall be incorporated in all contracts entered between Alstom and this Supplier.

Supplier’s Company Name : .....

Supplier’s Representative Name : .....

Supplier’s Representative Position : .....

Date, Signature, & Company’s stamp :

Original copy to be signed and sent back to the Procurement representative.