

Business & Human Rights Resource Centre
Ms. Elodie Aba (Legal Researcher)
Mr. Mauricio Lazala (Deputy Director)

Re: Your email dated 15 March 2016 – Alstom in your Weekly Update - Invitation to respond

Dear Ms. Aba, Dear Mr. Lazala,

We are writing to you in response to your request for our position regarding concerns raised in the report “Dirty Profit 4” by Facing Finance.

First, we would like first to thank you for offering us a response right and for the explanations you have provided on your internal governance process for the Weekly Update.

Turning now to the sections of the “Dirty Profit 4” report (the “Report”) referring to Alstom, we wish to explain hereafter why they contain largely outdated and inaccurate information.

The introductory paragraph of the Report (page 10) refers to the transaction with General Electric whereby, with effect as of 2 November 2015, Alstom sold its energy activities to General Electric. This introductory paragraph correctly explains that, as a result, “*Alstom is now entirely focused on its transport business*”. However, the Report fails to draw the logical conclusion from this opening statement and mentions several power projects by wrongfully indicating that these projects are under execution by Alstom.

This applies specifically to references in the Report to activities in the Sarawak Corridor of Renewable Energy in Borneo, the construction of the Belo Monte Dam in Brazil, or the construction of the coal power stations Kusile and Medupi in South Africa. All these projects are power related assets that have transferred to General Electric in the context of the transaction described in the above-mentioned introductory paragraph. Since these projects are now within the scope of General Electric, you may wish to give them also a chance to react.

Regarding the Merowe Dam project in Sudan, please note that this is a past project that has been completed. As of today, Alstom has neither sales in Sudan nor any personnel, and we do not own any property nor carry out any business activities in this country.

With respect to references in the Report to activities in Israel, Alstom confirms that it has supplied equipment for the light rail tramway (“LRT”) in Jerusalem, which is today in operational service. However, Alstom firmly refutes the allegations whereby it would have breached applicable laws when performing this project. In particular, Alstom would like to clarify that legal action was initiated in France by the France Palestine Solidarity Association (AFPS) in connection with this project and the final court ruling in 2013 determined that Alstom was not responsible for breaching international law including human rights international rules or the UN Global Compact while carrying out the construction of the Jerusalem tramway.

Finally, regarding the references in the Report to the position taken towards Alstom by certain private and pension funds, Alstom would like to clarify that Norges Bank, the “Norwegian Government Pension Fund” cited in the article as having put Alstom on its watch list, actually removed Alstom from this list by decision of 22 December 2015 following a recommendation by its Council on Ethics. It shall be noted that this decision was based on the recognition, by the Council on Ethics, of the substantial progress made by Alstom’s compliance program over the past years.

In connection with the references in the Report to Alstom and the World Bank, Alstom would further like to clarify that it has successfully completed the three year independent compliance monitoring established with the World Bank as was attested by the World Bank decision dated 21 February 2015. It needs to be emphasized that in connection with this decision, the World Bank’s Integrity Compliance Office (“ICO”) has determined that Alstom has implemented a corporate compliance program in line with the World Bank’s integrity compliance guidelines.

While Alstom has enhanced the design and implementation of its compliance program during the applicable monitoring period under the guidance of the ICO, Alstom is of the view that a robust compliance program requires constant development and improvement. This is why Alstom is committed to continue the enhancement of its integrity program and its efforts to maintain the highest standards of ethical business behavior in the coming years.

Sincerely,



Pierrick Le Goff
General Counsel



Michael A. Julian
Chief Compliance Officer