



14 April 2019

## CODE OF CONDUCT OF RÉSEAU DE TRANSPORT D'ÉLECTRICITÉ (RTE)

**(independence of RTE and non-discrimination in accordance with the French Energy Code)**

Under the measures aimed at promoting non-discrimination in network access, a necessary condition for building a more closely integrated internal electricity market, article L 111-22 of the French Energy Code requires that the transmission system operator list *“in a code of conduct approved by the French Energy Regulatory Commission (CRE), the internal organisational measures taken to prevent the risks of discriminatory practices in third party network access”*. It also requires that the compliance officer referred to in article L 111-34 produce *“an annual report on the application of this code, to be submitted to the CRE”*.

Within this national legal framework, this “code of conduct” contains all of RTE's commitments to users of the transmission system in terms of non-discrimination.

This code takes a broad approach to preventing the risks of discriminatory practices, in that it deals successively with the general provisions adopted for guaranteeing RTE's independence and the internal organisational measures adopted to ensure the absence of discriminatory practices and measures.

These provisions represent a logical continuation of the special obligations required of RTE since the passing of the Law of 10 February 2000, even more so since RTE was formally created as a legally independent company on 1 September 2005 and in particular since the 2011 publication of the French Energy Code, which narrowly defines the independence of RTE, given the status of ITO (“Independent Transmission Operator”), from the vertically-integrated undertaking (VIU) to which it belongs.

This particular dimension, which forms the basis for the system operator's **necessary independence** from the VIU and other electric system operators and players, implies an extensive definition of the term “non-discrimination”. The organisational measures introduced in this respect must in reality guarantee that all parties concerned by the proper running of the French electricity market are treated impartially and equally.

As such, **the non-discrimination** practised by RTE requires that it both demonstrate transparency and protect the confidentiality of information.

**Guaranteeing transparency** means giving current or potential users of the transmission system the same level and current or potential players on the electricity market the same quality of information with regard to the general regulations on the organisation and running of the internal electricity market, so that they are equally placed and, on this point, able to compete on an equal footing. It also means, when drawing up and modifying these regulations and mechanisms, establishing a dialogue and strong relations with the industry regulator, the Energy Regulatory Commission, thereby helping to guarantee that the system operator acts neutrally and impartially towards all operators.

**Protecting the confidentiality** of the sensitive information entrusted to RTE by network users and electricity market players means giving an assurance that will strictly observe the regulations on undistorted competition, and managing relations with network customers so that none of them is able to accuse RTE of biased decisions.

These commitments lie at the heart of the missions entrusted to RTE by the legislator, and our managerial structure must also be designed in such a way as to ensure that employees abide by the principles they enshrine in the long term.

As a result RTE's internal measures and behaviour have been set out in a code covering the following five areas:

- Guaranteeing RTE's independence from the VIU and other players in the electrical power system and electricity market,
- Guarantee non-discrimination in accessing the network and the electricity market,
- Ensuring transparency in relations with the regulator, network users and other players on the electricity market,
- Protecting the confidentiality of sensitive information,
- Guaranteeing sustained employee commitment and compliance with requirements.

Under article 19 of RTE's articles of association, the Chairperson of the Management Board is responsible for defining and implementing the code of conduct. The chief compliance officer, pursuant to article L. 111-34 the French Energy Code, is responsible for overseeing the code's application and compliance and producing the annual report to be submitted to the CRE.

Chairman of the Management Board,

A handwritten signature in black ink, consisting of a large, stylized 'F' and 'B' intertwined, with a long horizontal stroke extending to the right.

François Brottes

## CHAPTER 1

### RTE'S INDEPENDENCE FROM THE VERTICALLY-INTEGRATED UNDERTAKING AND OTHER PLAYERS ON THE ELECTRICITY MARKET

#### 1.1. Independence of RTE

On 1 September 2005, RTE became a limited company with a Management Board and a Supervisory Board, responsible for balancing electricity flows, operating, maintaining and developing the French electricity transmission system, and managing international interconnectors.

To guarantee all customers fair and non-discriminatory treatment, the French laws of 10 February 2000, 9 August 2004 and the decree of 30 August 2005 provided RTE, a subsidiary of EDF, with legal, structural and decision-making independence.

In 2011 the Energy Code reinforced this independence from the other components of the VIU to which RTE belongs (in particular EDF SA and all controlled subsidiaries practising electricity production or supply activities).

In 2017 when EDF sells 49.9% of RTE's capital to the Caisse des dépôts et consignations and to CNP Assurances, the VIU's scope is to change in order to take into consideration the electricity production subsidiaries controlled by the Caisse des dépôts et consignations.

#### 1.2. The independence of RTE's managers

The Chairperson of the Management Board is appointed by the Supervisory Board, with the agreement of the French Minister for Energy. The other members of the Management Board are also appointed by the Supervisory Board, on the recommendation of the Chairperson of the Management Board. The Supervisory Board may not remove the Chairperson or any other member of the Management Board, without first consulting the CRE.

The Management Board has the widest powers to act in any situation. It is the only body with authority to implement procedures relating directly to the operation, maintenance and development of the public electricity transmission system.

RTE has acquired all the capabilities it needs to perform its duties appropriately, such as legal, procurement, finance, human resources, audit and risk, property, communications, institutional relations, research & development and IT departments.

The Chairperson of the Management Board has sole responsibility for defining and enforcing the code of conduct and will report annually to the CRE.

To confirm the independence of the managers of RTE, articles L. 111-30 to 111-33 of the Energy Code stipulate that they must comply with strict regulations concerning both the incompatibility of holding other responsibilities within the VIU either before or after, or during the course of, their terms of office, or holding any interests within the same VIU. In addition, the professional interests of employees in management positions at RTE are guaranteed by measures set forth in article L 111-29 of the Energy Code.

### **1.3. The independence of RTE's employees**

RTE's other employees are bound by the restrictions laid down in article L. 111-33 of the Energy Code, subject to the dispensatory arrangements set forth in article 13 of ordinance no. 2011-504 of 9 May 2011 codifying the legislative part of the Energy Code. They are permitted to retain only interests acquired or in the process of being acquired through *“free share distribution schemes, option distribution schemes (or stock-options), profit-sharing and incentive schemes or any other arrangement granting them an interest in the other companies of the VIU”*, which were ongoing on the date the ordinance came into force.

Besides these obligations, article L. 111-20 of the Energy Code states that *“employees of the company tasked with operating the transmission system may neither carry out activities nor hold professional responsibilities at other companies which form part of the VIU”*.

The remuneration paid to senior executives and other employees of RTE may only be determined on the basis of RTE's own indicators, and in particular performance indicators.

### **1.4. Chief Compliance Officer**

RTE has chosen to appoint a compliance officer, who is an employee of the company (chief compliance officer). The chief compliance officer, subject to the powers attributed specifically to the Energy Regulatory Commission, is responsible for ensuring that the company's practices are compliant with the obligations requiring it to be independent from the other companies of the VIU. He was appointed by the Supervisory Board on 26 July 2016, after his appointment was approved by the CRE on 29 June 2016.

He is responsible for overseeing compliance with the commitments set out in the code of conduct, ensuring that all of the provisions guaranteeing RTE's independence are properly implemented, and producing an annual report for the Energy Regulatory Commission. He informs the CRE immediately of any substantial failing in this implementation. He verifies the implementation of the Ten-Year Network Development Plan for the electricity transmission system. He reports on his activity to the supervisory board and can make recommendations to them concerning the code of conduct and its implementation. To carry out his duties, he in particular attends the meetings of the supervisory board and the various RTE management bodies. He has full powers of investigation in documents and on site and RTE is required to provide him with all the information necessary for carrying out his duties or for the ten-year plan.

The Energy Regulatory Commission (CRE) certifies that RTE has complied with its obligations under the regulations on independence governing its status as part of a VIU. As such, RTE implements any new or additional organisational measures that may be needed in order to guarantee its independence within the VIU.

Each year, the Chairperson of the Management Board submits RTE's investment programme to the CRE for official approval. The CRE also receives the annual report on the implementation of the code of conduct, drafted by the chief compliance officer.

The tariffs for using the transmission system are determined by the Energy Regulatory Commission.

### **1.5. RTE's Supervisory Board**

The Supervisory Board oversees the Management Board's management of RTE at all times, notably to guarantee its economic supervision rights. It carries out any checks and inspections that it deems necessary. It also deliberates key strategic, economic, financial and technological decisions.

However, it may not issue any instructions to the Management Board concerning day-to-day management or decisions relating to the management of the system, in particular actions contributing to the operation, maintenance and development of the network.

A minority of its members are bound by strict regulations prohibiting them from holding other responsibilities in the other companies of the VIU before, during or after their terms of office, and from holding interests in the other companies of the VIU.

Within the scope of the independence of the transmission system operator within the VIU, in addition to protecting sensitive information as described in chapter 4 hereinafter, RTE must prevent information which may be commercially beneficial about its own activities being disclosed in a discriminatory manner within the VIU, and in particular to the representatives of the shareholders.

## CHAPTER 2

### GUARANTEEING NON-DISCRIMINATION IN ACCESS TO THE NETWORK AND ACCESS TO THE ELECTRICITY MARKET

#### 2.1. Non-discrimination guarantee

As the operator of an essential infrastructure, a high and extra-high voltage network, excluding and preventing the risk of discriminatory practices is a key requirement for RTE.

This requirement consists of guaranteeing that all network users and players on the electricity market in objectively comparable situations are treated strictly equally, or in other words, only treating them differently if they are in situations that can be objectively viewed as different, for example in terms of the nature of demand or the characteristics of the public transmission system.

This obligation applies to all RTE services and activities which, if this principle of non-discrimination is not observed, would be likely to put certain network users and market players at an unjustified competitive disadvantage, in particular in terms of competition, in relation to other users.

It mainly concerns the following fields:

- network connection conditions,
- access to electricity market instruments,
- consultations and loss purchasing,
- network access agreements,
- interconnector management.

As a result of strong management commitment and the internal organisational measures described in Chapter 7 hereinafter, RTE's employees have made a long-term commitment to these objectives and obligations.

#### 2.2. Handling of claims

The system set up by RTE to address claims is open to everybody and to all players, without any discrimination.

Any customer who wishes to make a claim contacts their customer relations contact. Within a maximum of 10 days, the customer relations contact acknowledges receipt of the claim. A final answer is sent by the customer relations contact within a maximum of 30 days after receipt of the claim by RTE. When the claim raises a problem requiring examination taking more than 30 days, a letter is sent to the customer telling them why this response deadline is being exceeded. The claims handling procedure is governed by a set of internal directives, and indicators are used to ensure that the response deadlines are not exceeded.

## CHAPTER 3

### ENSURING TRANSPARENCY IN RELATIONS WITH THE REGULATOR, NETWORK USERS AND OTHER PLAYERS ON THE ELECTRICITY MARKET

Continuing the various initiatives undertaken since its creation on 1 July 2000, RTE undertakes to pass on any information relating to the general regulations on the organisation and running of the electricity market to both the regulator and current and potential users of the high and extra-high voltage transmission system, to help prevent the risk of discrimination in this context.

#### **3.1. Transparency in dealings with the CRE**

This concerns the following three areas:

- **Drafting and disseminating the general regulations of organisation of the electricity market**

RTE proposes the mechanisms needed for the proper running of the French electricity market and sets them down in the form of agreements with market participants. After consultation, these mechanisms are formalised with the market players in the form of sets of regulations published which explicitly describe the mechanisms in a completely transparent manner; the players agree to comply with said regulations by means of participation agreements. These official regulations concern the daily programming, the balancing mechanism, the balance responsible and flow reconstitution system, system services, the capacity mechanism, the regulations for promoting demand reduction on the energy markets (NEBEF system), and access to the public transmission system for imports and exports.

Before these regulations can be introduced or amended, the following steps are required:

- consultation with users via the Market Access Committee (CAM) and the Interconnector Access Operating Committee (CFAI) of the Electricity Transmission System Users Committee (CURTE). The consultation process is clearly described in each of the official sets of regulations concerned.
- presentations and discussions with the CRE's services and a formal approval application before the new regulations officially come into force.

- **Standard framework agreements**

Along the same lines, in order to provide guarantees of non-discrimination and fair treatment of all parties concerned, RTE forwards and submits all agreements intended to govern its relations with users of the public transmission system and market participants to the CRE before they are implemented.

Standard framework agreements drawn up in consultation with customers via the Network Access Committee (CAR) of CURTE are thus validated for all categories of agreement: network access agreements for drawing off and injecting energy, agreements for participation in market mechanisms, connection agreements, etc.

- **The specific energy loss offsetting purchase procedure**

To offset losses on the public transmission system, RTE regularly organises open consultations with all market players who have previously applied for and obtained qualification. Information and conditions for becoming a supplier are available from the RTE “Customer Portal”.

RTE undertakes to send the CRE information about the consultations organised during month M at the beginning of month M+1. This information concerns the consultation regulations, the list and details of tenders received and the list and details of tenders accepted.

### **3.2. Transparency in dealings with current or potential network users and electricity market players**

This concerns the following four areas:

- **The technical reference document**

Under the terms of decree no. 2003-588 dated 27 June 2003, RTE is required to publish a “technical reference document”, setting out the general principles that govern how the public transmission system is managed and used.

As indicated by the CRE in its decision of 7 April 2004, access to this document is a key aspect in our relations with network users. It is worth emphasising that users helped to finalise the document via the CURTE.

- **Information on market regulations**

All of the regulations on market mechanisms, standard framework agreements and the technical reference document are published on the RTE “Customer Portal”, thereby ensuring that all players are able to review contractual clauses currently applied and the associated pricing conditions.

- **Information provided concerning the operation of the French electrical power system**

RTE undertakes to publish on its “Customer Portal” any data useful to electricity market players wishing to engage in international transactions via the mechanisms for accessing interconnectors between France and neighbouring countries. It also undertakes to publish information which will enable them to gain a transparent view of the operation of these mechanisms: available capacities, allocated capacities, results of auctions for different timescales.

The same applies to the adjustment and balance responsible mechanisms. RTE publishes all non-confidential economic data about these mechanisms that can be used by the players to prepare their bids and manage the financial risks of discrepancies. RTE publishes all data concerning demand reduction within the scope of the NEBEF system (list of demand reduction operations, demand reduction volumes activated on the system). RTE publishes the list of certified capacities for the capacity mechanism. RTE also publishes, in complete transparency, data enabling players to verify that these mechanisms are applied in a non-discriminatory fashion, whilst respecting the principle of economic precedence, particularly the available margins and the reasons for balancing operations.

Consumption forecasts for different timeframes complement this data.

RTE also undertakes to publish historical records for all of this data.

Other information on the operation of the electrical power system can also be accessed on the RTE website (“Data and Analyses” tab). Through this site all the players on the electrical power system and the stakeholders can view the data on éco2mix, the data in open data and all associated publications and analyses.

- **Ad hoc transparency bodies**

Within the CURTE (Transmission System Users' Committee), RTE undertakes to work with users of the public transmission system and players on the electricity market to obtain feedback from the mechanisms already in place and to identify possible ways of improving them.

There are specialist committees responsible for dealing with each mechanism:

- the Network Access Committee (CAR),
- the Market Access Committee (CAM),
- the Interconnector Access Operating Committee (CAI),
- the System and Network Prospects Committee (CPSR).

Reports on the work carried out by each of these bodies are published on the “RTE customer consultation website” (<http://www.concerte.fr/>).

RTE undertakes to be vigilant as required to respond adequately to players with less representation or presence within the CURTE.

### 3.3. The publication of inside information within the scope of the REMIT regulation

European regulation no. 1227/2011 of 25 October 2011 concerning the integrity and transparency of the energy wholesale market (REMIT) is intended to prohibit market manipulation and inside trading and requires that market participants publish the inside information they possess.

The REMIT regulation applies to exchanges of wholesale energy products as defined by its article 2(4). Market participants, that is, any natural person or legal entity carrying out transactions, including issuing orders, on one or more wholesale energy markets, are required to comply with the obligations set forth in the REMIT Regulation. By "wholesale energy market", the REMIT regulation means "*any market within the Union on which wholesale energy products are traded*".

- **The concept of inside information and its publication**

The REMIT regulation defines inside information, in article 2(1), as "*information of a precise nature which has not been made public, which relates, directly or indirectly, to one or more wholesale energy products and which, if it were made public, would be likely to significantly affect the prices of those wholesale energy products*".

Point b of article 2(1) states in particular what is meant by "information": "*information relating to the capacity and use of facilities for production, storage, consumption or transmission of electricity or natural gas or related to the capacity and use of LNG facilities, including planned or unplanned unavailability of these facilities*".

Article 4 of the REMIT regulation in particular lays down the obligation for market participants to publicly disclose in an effective and timely manner inside information they possess. RTE is subject to this obligation as a market participant.

RTE publishes inside information on two bases:

- i. as market participant subject to the REMIT regulation publication obligations;
- ii. as facilitator within the scope of the publication of inside information sent by market participants.

- **RTE's role as "*person professionally arranging transactions*"**

As a "*person professionally arranging transactions*" as defined by article 15 of the REMIT regulation, RTE:

- i. shall inform the regulator immediately if RTE has reason to suspect that transactions could constitute inside trading or market manipulation;
- ii. shall draw up and maintain effective measures and procedures for detecting such offences.

RTE shall assume this responsibility by complying with the applicable legislative and regulatory provisions and the indications given by the CRE and ACER.

As a reminder, article 3(1) of the REMIT regulation states that "*Persons who possess inside information in relation to a wholesale energy product shall be prohibited from:*

- a) *using that information by acquiring or disposing of, or by trying to acquire or dispose of, for their own account or for the account of a third party, either directly or indirectly, wholesale energy products to which that information relates;*
- b) *disclosing that information to any other person unless such disclosure is made in the normal course of the exercise of their employment, profession or duties;*
- c) *recommending or inducing another person, on the basis of inside information, to acquire or dispose of wholesale energy products to which that information relates".*

Article 5 of the REMIT regulation also stipulates that "*Any engagement in, or attempt to engage in, market manipulation on wholesale energy markets shall be prohibited*". Market manipulation and attempt to manipulate the market are defined respectively in articles 2(2) and 2(3) of the REMIT regulation.

## CHAPTER 4

### PROTECTING THE CONFIDENTIALITY OF SENSITIVE INFORMATION

#### 4.1 A general policy incorporated into management practices

The vital need for the transmission system operator to protect the confidentiality of sensitive information in its possession has been covered by a specific policy since 2001. The policy was updated in 2004 in the form of a Directive, in order to put even greater emphasis on the need for confidentiality requirements to be incorporated into RTE's management.

It is based on the following three principles:

- Management is responsible for setting out the requirements within its organisation and chooses appropriate internal checks.
- RTE's various departments keep the confidentiality regulations that apply to their particular area of activity updated (see below). They incorporate them into training courses and ensure that all supervisors and managers are familiar with them.
- The quality policy helps detect and correct any discrepancies.

Special guidelines are laid down to raise staff awareness, so that each employee recognises the importance of maintaining confidentiality, both for RTE and for him or herself. This also extends to temporary employees, service providers and trainees. All newcomers joining the company are made aware of the confidentiality requirements. Temporary employees must sign confidentiality agreements.

A standardised classification system is also adopted, with all information and media classed under one of four security levels: Confidential, Restricted, RTE, Free. Thus, for each level there are specific instructions on how various types of documents should be drafted, and whether they should be sent in hard copy or electronically, and stored or destroyed. Information classed as sensitive under article L. 111-72 of the Energy Code is necessarily classed in the "Restricted" or "Confidential" categories. Employees receive complete copies of the regulations in the form of a "pocket" brochure.

An annual report is produced, detailing how this policy is being implemented. It is drafted on the basis of contributions provided by each RTE entity.

## 4.2. Business line-specific reference documents

For each of RTE's business lines, a confidentiality guide enables the entire department to adopt the relevant confidentiality requirements, and guarantees consistently within RTE on the following points:

- Identifying sensitive information in the activities of the area concerned;
- Organising procedures for protecting information by classifying it appropriately.

These guidelines cover all of the activities concerned by confidentiality requirements.

- Confidentiality regulations in the “Customers and Markets” field. This reference document identifies sensitive information concerning data on market mechanisms (balancing, programming, interconnector access, balance responsible entities, capacity mechanism, demand reduction), network access, including metering and invoicing data, loss purchasing, system services and connection studies;
- “Confidentiality of Engineering Development, Maintenance and Operation business lines” Reference Document;
- “Publication of data and documentary management” confidentiality regulations, concerning the publication and transmission of statistical data produced by RTE for other institutional bodies.

RTE's “support” activities are also covered by a reference document.

- “Real Estate and Logistics” confidentiality regulations, which set out in particular the regulations on physical separation between the offices of RTE and those of other companies or entities of the EDF group;
- “Purchasing – Procurement” confidentiality regulations, which concentrate on the need for confidentiality in our dealings with suppliers and service providers;
- “Accounting and Finance” confidentiality reference document, containing a reminder of business ethics within the RTE scope.

### **4.3. The RTE Information System: a crucial area**

The Information System (IS) is a key element in the non-discrimination approach. RTE requires a high-performance, upgradeable and secure information system, to enable it to guarantee transparent access to non-sensitive data, keep sensitive data completely confidential and ensure that the operations needed to satisfy customers are fully traceable.

That is why RTE retains full and independent control over its IS. The company has defined an Information System Security Doctrine, which is based on three fundamental documents:

- The IS Security Policy structured around three principles:
  - o confidentiality: the system's ability to restrict access to information only to the relevant people;
  - o availability: the system's ability to remain accessible and usable where required by authorised parties;
  - o integrity: the system's ability to remain intact, uncorrupted and uncompromised.
- The charter governing the use of information technology resources provided to all users.
- The guide “Protection of Sensitive Information – IS and Telecoms Reference Document”, which forms part of the set of reference documents described above.

RTE's intention is to ensure that managers and employees working with the IS adopt this doctrine, by introducing suitable internal checks. It also wants the doctrine to be shared by users of the tools and data, who share responsibility for the security of the IS on a daily basis.

### **4.4. An ad hoc oversight of the movements of employees leaving RTE for competitors in the electricity sector**

In order to protect the confidentiality of some information “*which when disclosed could infringe the rules of free and fair competition and non-discrimination*”, and which may come to the attention of employees during the course of their work for the public electricity transmission system operator, article L. 111-74 of the Energy Code requires that the Chairperson of the Management Board consult a committee regarding the movements of RTE employees who have had access to such information and who wish to continue working in the electricity sector outside RTE.

RTE thus ensures that whenever an employee leaves the company to work elsewhere in the electricity industry, after having had access to confidential information during the course of his or her work for the operator, every effort is made to guarantee that this change of job does not grant any competitive advantage to the person's new employer.

## CHAPTER 5

### THE TEN-YEAR NETWORK DEVELOPMENT PLAN (TYNDP)

Pursuant to article L. 321-6 of the Energy Code, each year RTE drafts a Ten-Year Network Development Plan (TYNDP) based on the existing supply and demand and on reasonable medium-term hypotheses of changes to production, consumption and electricity exchanges on cross-border networks. In particular the TYNDP takes into consideration the multi-year generation adequacy report and multi-year energy programming, and the regional plans for connection to the renewable energy network.

The TYNDP specifies the main transmission infrastructures which need to be built or modified significantly in the next ten years, a list of the investments already decided and the new investments to be made in the next three years, by supplying a schedule of all planned investments.

The TYNDP is subject to examination by the CRE, which consults network users and makes the summary of this consultation public. It verifies whether the TYNDP covers all investment needs and is consistent with the European ten-year plan drawn up by ENTSO-E.

For implementation of the TYNDP, RTE draws up an annual investment plan, which it submits to the CRE for approval in advance.

If for reasons other than essential reasons beyond its control, RTE does not make an investment which should have been made within three years in accordance with the TYNDP, if the investment is still relevant in view of the TYNDP, the CRE may give RTE formal notice to comply with this obligation.

The chief compliance officer verifies the compliance with the TYNDP and informs the CRE immediately of any draft decision postponing or cancelling an investment provided for in the TYNDP.

Beyond the legal obligations, RTE incorporates into the TYNDP both the suggestions from the public within the scope of the consultation opened organised for the previous version and also the comments from the members of the CURTE System and Network Prospects Committee.

The TYNDP is now structured into a collection of free-standing articles, each of which constitutes a section and which complement each other. The reader can thus focus on the centres of interest without being required to read the plan in full. The document firstly recalls the network's development challenges then covers the hypotheses of electricity consumption in the medium-term taken from the Generation Adequacy Report, and finally describes the study and analysis methods used by RTE on its network. Finally, it gives an overview of the main electricity transmission infrastructures planned for the next ten years.

## **CHAPTER 6**

### **RELATIONS BETWEEN RTE AND THE SUBSIDIARIES IT CONTROLS**

Within the scope of article L. 111-46 of the Energy Code and its articles of association, RTE owns some companies 100% and others jointly, as well as holding interests in other companies.

These companies are not directly covered by the obligations laid down in articles L. 111-9 et seq. of the Energy Code. Nevertheless, the relations between RTE and its subsidiaries must abide by the obligations of the Energy Code.

## CHAPTER 7

### GUARANTEEING SUSTAINED EMPLOYEE COMMITMENT AND COMPLIANCE WITH REQUIREMENTS

#### 7.1. Organisation of RTE

The managerial structure of the company, particularly the business line and entity managers, are responsible for implementing RTE's commitments as contained in this code of conduct.

Two specific points should be noted:

- RTE regional delegates, reporting directly to the Chairperson of the Management Board, were appointed by the latter in April 2015 to “now guarantee, at regional level and in each of [their] roles, the independence of RTE as defined by the Energy Code and compliance with the code of conduct by all employees”.
- Since 2016 the general secretariat has been a contact point with the CRE's services on all matters concerning the implementation of RTE's certification as transmission system operator. To this end, the general secretariat creates and updates monitoring tables concerning in particular matters connected to RTE's independence (approval of agreements between RTE and the VIU, following up the CRE's requests, etc.)

#### 7.2. Guaranteeing employee commitment

This commitment is necessary at every stage of RTE employees' professional careers.

The “welcome kit” handed to all new recruits contains a comprehensive description of the obligations with which all RTE employees are required to comply, in view of their responsibilities within the system operator.

Training courses also include a substantial section on non-discrimination.

On-line training resources available to all employees are periodically used to raise staff awareness of these issues. These are incorporated into each unit's initial training programmes for new recruits, and are permanently available to employees, whilst awareness and knowledge testing resources are on hand for the management.

For employees working in departments more closely concerned by non-discrimination requirements (customer relations, contract management, information system), specific training courses have been designed, such as “*Confidentiality in RTE: Stakes, Risks and Behaviour*”.

It is worth underlining that, in addition to this, compliance with non-discrimination requirements is also a separate criterion used to assess the professionalism shown by each employee at their annual appraisals.

Lastly, when an RTE employee leaves for another company in the electricity industry, measures are taken to avoid any risk of discrimination (see Chapter 4).

The finalisation of this code of conduct and its updating is also an opportunity to remind all employees of these requirements.

**7.3. Once this operation has been completed, the next step will be to guarantee sustained compliance with the principles set out in the document. To achieve this, RTE intends to take action in three further areas.**

- **Use of internal audits**

RTE includes non-discrimination in its internal audit policy, in order to guarantee that all its organisations and procedures in this area are both effective and pertinent.

- **Audits by the RTE and Chief Compliance Officer and the CRE**

The specific responsibilities placed upon RTE by the law bring some of its activities or responsibilities under the direct and permanent control of CRE. Furthermore, since creation of the post in 2011 the chief compliance officer has in particular been responsible for verifying RTE's implementation of the commitments shown in this code of conduct and has full investigative powers.

These procedures focus on RTE's independence and non-discrimination.

Rather than seeing them as restrictive, RTE wishes to turn external audits into an advantage for its development approach. As such, it is committed to taking all necessary steps to facilitate the work of the chief compliance officer and the CRE auditors as well as any appointed auditors duly appointed by them, in complete transparency.

- **A quality policy designed to measure and correct failings**

In an attempt to guarantee its customers an increasingly level of satisfaction, all components and processes of the internal control policy and general provisions emphasise the importance of non-discrimination.

The strategy, which is intended to allow RTE to identify areas where the objectives set have not been met and correct the situation, has already proved successful and RTE is committed to pursuing it in the years to come.

These priorities represent three key means of ensuring that the code of conduct is properly implemented.

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