

GrDF code of conduct



Editorial

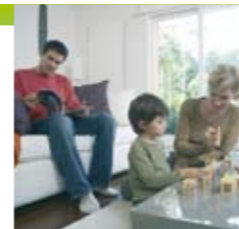
GrDF : new identity but unchanging values !

Laws relating to opening up the electricity and gas markets led integrated groups to separate their distribution network management activities, from energy supply. 1st January 2008 marks a new step in this process : Gaz de France distributor which comprised, up until now, the Gaz de France Distribution Network (GRD) and EDF Gaz de France Distribution has become a subsidiary in the form of a Société Anonyme : GrDF¹ ("Gaz réseau Distribution France" which stands for Gas Distribution System Operator France).

With this new identity, GrDF underlines the independence from supply activities whilst preserving existing commitments made since 2004 towards consumers, gas suppliers, local authorities and public administrations.

GrDF continues to run public service assignments, within the regulated domain, by guaranteeing third parties non-discriminatory access to the distribution network. Users are offered transparent and objective information, their requests are dealt with impartially. With these changes and to act in accordance with the law, GrDF created a 'code of conduct' in 2005 which defines the actions taken to avoid any discriminatory practice in terms of network access. This code of conduct was sent to the CRE (French Energy Regulator) for the first time in March 2005 and it is updated every year. Top priority is given to putting it into practice in GrDF daily activities and raising awareness among all of GrDF's employees.

GrDF sends a report to the CRE every year regarding how the code of conduct has been deployed. The analyses and controls carried out show that the code



has been integrated in GrDF's activities. GrDF's neutrality regarding all gas suppliers has been ensured: access conditions to the natural gas distribution network rely on technical solutions and a catalogue of services that impartially apply to every party. Organisational changes have been taken to protect the confidentiality of commercially sensitive information (information on employees and partner companies, site security and protection of IT systems). This context of evolution into a subsidiary requires careful attention. The code's principles will be appropriated by each employee over time within a process of continuous improvement.

Constant evolution of the environment, network users' expectations and recommendations formulated by the CRE in its "Annual report on codes of conduct enforcement and electricity and gas network operators independence" are taken into account by GrDF. In its 2008 version, the code of conduct emphasises our wish to affirm our new identity, to reinforce our training



process, and awareness among our employees and procedures regarding non-discrimination and complaints. 2008 is an important stage in constructing the GrDF subsidiary specified by new communication and reaffirmed ambition : to serve all users of the natural gas distribution network with complete impartiality.

22nd January 2008
Laurence Hézard – Managing Director of GrDF

¹Gas distribution system operator France (GrDF) is entirely owned by Gaz de France. It employs a workforce of 12,500 people, operates the longest natural gas distribution network in Europe (186,000 km) and serves more than 9200 municipalities, representing 76% of French population. A common service with the electricity distribution network operator originating from EDF will ensure operation and maintenance of networks for the two subsidiaries (GrDF and ERDF), particularly concerning breakdown service, reading meters and close relations with provinces and municipalities.



All you need to know about the code of conduct...

A legally-based, daily guide for GrDF

Extract from the European Parliament and Council directive of 26th June 2003 concerning common rules for the internal gas market :

"When the distribution system operator is part of a vertically integrated undertaking, it shall be independent, in terms of its organisation and decision making, from other activities not related to distribution."

*One of the minimum criteria to be applied is:
"The distribution system operator shall establish a compliance programme which sets out measures taken to ensure that discriminatory conduct is excluded and ensures that observance of it is adequately monitored."*

French law of August 9th regarding the electricity and gas public service and for electric and gas companies states that :

"The person responsible for operating an electricity or gas distribution system serving more than 100,000 customers in mainland France (...) shall set out a code of conduct, addressed to the CRE, containing the internal organisation measures taken to prevent any discriminatory practice regarding third-party access to the system."

The code of conduct, known as "compliance programme" in the directive, sets out measures that should be implemented to ensure objective, transparent and non discriminatory practices that respect the confidentiality of commercially sensitive information. The code must be sent to the CRE and a control system must be set up within the companies to verify compliance with good working practices.

Within GrDF, the Finance Strategy Director is responsible for developing and implementing the code of conduct. The GrDF Audit Risk and Compliance Internal Inspection Director is responsible for monitoring implementation of the code.



Our commitments

GrDF's code of conduct principles

The GrDF code of conduct is based on four principles (objectivity, transparency, non-discrimination, confidentiality) applied in the activity and the professionalism of the distribution system operator teams.

1. Remaining objective in all circumstances,

relying on the reference guides established to inform users about the public distribution network (gas suppliers and customers) and deal with their needs.

2. Transparent practices,

giving public distribution network users all the elements they need to make decisions and ensure that their needs are met.

3. Distribution without discrimination,

guaranteeing that all public distribution network users, in similar circumstances, receive equal treatment and service.

4. Confidentiality for commercially sensitive information,

protecting information which, if revealed, could undermine the free and fair competition rules.



Whether you are a gas supplier or a customer, GrDF is committed to its code of conduct



...to you, gas supplier or customer

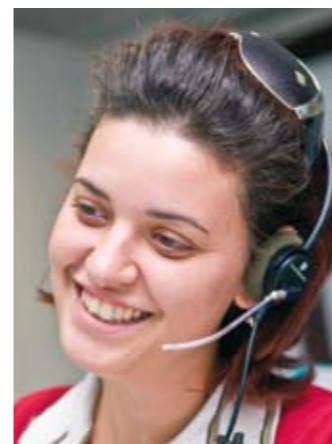
- **On our website** (www.grdf.fr) you will find the general conditions for your natural gas transport or delivery contracts as well as the price and conditions for all our services.
- **Your contacts within GrDF are instructed to honour** the code's commitments on a daily basis and are regularly evaluated on their implementation.
- **Do you think you have not been dealt with impartiality ?** We will reply to all your questions in a clear and personalised way.

...to you, gas supplier

- **Are you a gas supplier with a transport contract ?**
Your personalised and secure access to our IT system allows you to express and monitor your requests concerning your own or your clients' accounts. Your requests are processed in compliance with the procedures set out within the framework of the Gas Work Groups GTG2007 (which can be consulted on the website www.gtg2007.com). Your personalised access also means you can consult consumption data for your clients and monitor your invoice.
- **Have you received a Distribution complaint from a customer ?**
If you have to come up with a reply, we promise to provide you with all the information you need for your answer within one month from the day we are contacted.

...to you, customer

- **Are you a customer with a direct delivery contract ?** You have a personalised and secure access to our information system so that you can consult your contract and your consumption data.
- **Disclosure of the information relating to your contract is limited** to your gas supplier, your contacts within GrDF and you.
- **Your connection request** is subject to a technical-economic study carried out in conditions which ensure fair and equal treatment.
- **You have all the information you need** when you are connected to the natural gas network and we specifically provide access to the whole list of possible gas suppliers.
- **When you wish to change your gas supplier,** the time periods and conditions for this change remain identical whichever supplier you choose.
- **Are you formulating a complaint that affects us directly ?**
We promise to reply within one month from the day we are contacted.





The code of conduct, our daily measures

The organisational measures taken to guarantee our commitments

The commitments presented by GrDF require several organisational actions to be implemented during the 2008 exercise in the following areas :

Management actions

- Maintain an appraisal structure regarding non-discrimination and set up associated internal tools
- Follow-up workers' awareness-raising and training actions from GrDF on the code of conduct
- Integrate respecting non-discrimination when evaluating each worker's professionalism and when giving associated recognition
- Measures to protect commercially sensitive information on the GrDF premises and in the computer applications created and used by them

Quality actions

- Analysis of complaints as a quality improvement tool for the GrDF's practices
- Make existing processes compliant and integrate non-discrimination principles in continuous process management

Communication actions

- Establish and deploy an external communication plan
- Update and implement an internal communication plan

Four checking measures

- Quality audits
- Internal controls
- Internal and external audits
- Compliance controls

