

# CODE OF BUSINESS CONDUCT AND PREVENTION OF CORRUPTION

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RATP  
GROUP





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# COMBATTING CORRUPTION

## Combatting corruption

### Combatting corruption and influence peddling

The Group is committed to creating and maintaining a culture of trust that does not tolerate any illegal business practices.

#### ▶ PRINCIPLES

Corruption is a criminal act committed by any person who solicits or accepts an undue advantage to carry out or abstain from carrying out an act which is within the scope of their duties.

Corruption can cover many forms such as conflict of interest, influence peddling, facilitation payments and be concealed through various mechanisms such as gifts, hospitality, donations, etc.

Given its international presence, the RATP Group is subject to numerous laws and regulations. In most countries where the Group operates, national legislation prohibits corruption and influence peddling.



#### In practice

The RATP Group has a zero-tolerance policy towards any form of corruption or influence peddling.

Group employees must be prohibited from all forms of active or passive corruption or influence peddling, regarding private individuals or public officials. Facilitation payments are also strictly prohibited. Stakeholder relationships should be based on integrity and transparency.

#### Consequently, it is prohibited to:

- ▶ solicit or offer a bribe, whether directly or indirectly;
- ▶ promise, offer or accept any benefit that may affect the beneficiary's behaviour;
- ▶ accept or make payments in a country different from where the service is carried out and/or in a country different from the place of registration of the third party in question;
- ▶ accept or offer facilitation payments (unofficial small payments to facilitate or guarantee the occurrence of acts that an employee is entitled to expect from a public official: obtaining a visa, a licence, etc.).
- ▶ accept any fee, kickback or any other thing of value pursuant to any agreement or as a result of a referral

#### Employees must :

- ▶ perform their daily activities with transparency and integrity, by applying the principles of this Group Code of Conduct;
- ▶ fully comply with all principles laid out here in their everyday relations with RATP Group partners;
- ▶ be vigilant and professional;
- ▶ respect the separation of decision-making and payment functions, and organise the traceability of payments;
- ▶ limit cash payments.

Finally, Group employees must act with integrity and honesty, paying particular attention at "key" periods such as during or prior to phases in a tendering process or whenever a contract is renewed or amended.

Any employees subject to pressure or solicitations (bribery in particular) from third parties must inform their superiors. The same applies with abnormal situations, unusual requests, or complex invoicing or payment systems.



## Examples

1

*The director of a Group subsidiary operating abroad is waiting for an operating licence to be renewed. A number of months go by and the matter becomes urgent so, to unblock the process, other expats who have been there for several years explain that the subsidiary just has to give €100 to the official in question to speed things up.*

### **Can the director pay the amount requested?**

▶ To do so is equivalent to making a facilitation payment. Such payments are prohibited by the Group and by many laws.

2

*During a tender process, the representative of an organising authority suggests that an RATP employee make a donation to a foundation campaigning for children's rights. The foundation is run by his wife.*

### **How should the employee react?**

▶ The organising authority representative's request seems suspicious, especially given the timing and his family relationship with the foundation's director. The employee must immediately report this request to avoid ending up in a corruption case. Indeed, making such a donation could be considered as bribery, concealed through the foundation, to facilitate the awarding of the tender.

3

*In the context of a public contract awarding process, an employee learns that a friend of his, who is also a local elected official, is a member of the contract award committee. Given the importance of this contract for the Group, the employee solicits the local elected official to help influence the decision in the Group's favour. He will obviously thank him for doing so.*

### **Does this solicitation seem legitimate to you?**

▶ No. Soliciting a public official to use their position to affect a decision is tantamount to influence peddling. Such an act is prohibited and could expose the Group to legal and financial consequences.



### Group policy on gifts, hospitality and benefits

The RATP Group is committed to being very vigilant with respect to the practice of gifts and hospitality.

#### ▶ PRINCIPLES

Gifts and hospitality are common practices in business life and contribute to the development and maintenance of business relationships.

However, if they are excessive, inappropriate or too frequent, they may constitute an act of bribery or corruption or generate situations of fraud or conflicts of interest.

Group employees must comply with applicable national laws and rules implemented by the Group, its subsidiaries or Business Units at local level.

Depending on the country, customs and traditions are different. Employees must therefore be informed and adapt their behaviour accordingly, while complying with the rules of this code.



#### In practice

The general rule is to avoid creating or finding oneself in a situation of obligation with regard to customers, suppliers, contractors, elected officials and public authorities.

Gifts and hospitality must be proportionate to the desired business objective and not create any obligation or conflict of interest on the part of the beneficiary.

No employee is permitted to make any personal gain for themselves or their relatives through their status as an RATP Group employee and their duties.

**Gifts and hospitality may be acceptable, provided they meet the following criteria:**

- ▶ they are for an amount which is reasonable and proportionate with practices of the industry sector and the country. This assessment is necessarily made on a case by case basis and takes into account the local standard of living and the person concerned;
- ▶ they do not create an obligation on the part of the person who receives them;
- ▶ gifts of token or minimum value, and promotional items of low value are preferred.

**Conversely, employees are required to refuse any gift, benefit or hospitality:**

- ▶ at certain periods of business life and particularly during a tender or contract renewal process;
- ▶ which is unrelated to their professional activity;
- ▶ which is illegal;
- ▶ in the form of cash or cash equivalents;
- ▶ in the form of discounts, goods or services.

**In some cases, it may be difficult to refuse a gift or hospitality to avoid offending local partners:**

- ▶ in the case of a refusal, employees must return the gifts, where possible, with a note referring to this Code of Business Conduct and the rules applicable to the Group;
- ▶ if this is not possible, employees must inform their superiors in complete transparency.

Any costs incurred by our employees in connection with hospitality, seminars or events are met by the Group and cannot be reimbursed by third parties. Conversely, the payment of third-party expenses by the Group must be done in a limited manner, with increased vigilance when dealing with public officials.



## Examples

1

*When bidding for a major renovation project, an RATP Group employee is offered an invitation to lunch with one of the suppliers. This invitation is not out of the ordinary, as many lunches are often arranged with suppliers to discuss operational issues.*

### **Can he accept the invitation to lunch?**

▶ No, given the period in which the invitation is offered, it is preferable to refuse the invitation. Such an invitation could be perceived by the other candidates as an attempt to influence and disregard competition rules.

2

*An employee receives an invitation to an international sporting event from a company with which RATP Dev is in consortium for several projects.*

### **Can he accept this gift?**

▶ Before accepting this gift, the employee should inquire about its value, to ensure that it is reasonable. If the amount is not disproportionate and the gift was not made with a view to influencing the employee, this gift may be accepted.



## Combatting corruption

### Group policy on conflicts of interest

RATP Group is committed to being very vigilant with respect to conflicts of interest.

#### ► PRINCIPLES

A conflict of interest is any situation where an employee's personal interests (family, financial, etc.) could conflict with those of the Group.

The conflict of interest may therefore be such as to affect the impartial exercise of the employee's duties and responsibilities, particularly in terms of his or her ability to take a decision in a fair, independent manner and in the interest of the Group.

Furthermore, a conflict of interest can also, in certain situations, be a way of concealing the obtaining or granting of an undue advantage and therefore corruption.

Conflict of interest situations may have a significant commercial, financial and even criminal impact on the RATP Group.

Indeed, conflicts of interest may expose the Group and/or its employees to accusations of bias and/or dishonesty.



#### In practice

In carrying out their professional activities, employees must act solely in the interests of the Group and refrain from obtaining any benefit or personal gain, whether directly or indirectly, for themselves or for any third parties.

The general rule is to avoid creating or finding oneself in a situation where a conflict of interest is deliberately concealed in order to gain an undue advantage arising from this conflict.

All conflicts of interest, whether potential or real, must be reported and declared to superiors. This reporting obligation also covers conflicts of interest between employees and their relatives (family, friends, etc.).

#### To limit potential conflicts of interest, employees must avoid:

- ▶ acquiring any direct or indirect interests in a competitor, supplier, or customer;
- ▶ having any personal financial interest in a transaction in which the Group is involved;
- ▶ carrying out any professional activity outside the Group;

- ▶ any personal business relationships, whether directly or indirectly, with customers, suppliers or competitors of the Group;
- ▶ holding national or European political office or must inform their superiors, where appropriate.

#### If this is not possible, then existing or potential conflicts of interest must be reported to superiors by means of a prior declaration so as to:

- ▶ manage the associated risks;
- ▶ protect those concerned;
- ▶ protect the Group.





## Examples

1

*When bidding for a subcontracting service, three companies are in competition with each other. The director of one of the companies is also the brother of the RATP Group buyer in charge of the bidding procedure.*

### **Can the company in question respond to the bidding procedure?**

► The situation outlined is a perfect case of potential conflict of interest. It is essential that the buyer declares this situation to his or her superiors. To limit any risks associated with this conflict of interest, the company has the right to respond to the bidding procedure, but it is recommended that the buyer should not be involved in the sub-contractor selection process.

2

*When setting up a new subsidiary in a foreign country, an interim HR consultant is responsible for defining the subsidiary's wage policy. As part of his duties, the consultant takes care of the hiring process. It transpires that some of the people hired are the consultant's friends or even family members and do not necessarily have the required experience.*

### **Are such hires legitimate?**

► As part of a recruitment process, an employee may be asked to recommend someone they know. However, the person recommended must go through the selection process defined by the company to make sure they have the skills and qualifications required for the post. In this particular case, the situation described suggests that the consultant has favoured his personal connections to the detriment of the Group. Such conduct may lead to the consultant's contract being terminated.

## Combatting corruption

### Political funding, sponsorship, patronage and charity work

As a major player in the city, the RATP Group undertakes to promote local regions and communities.

#### ► PRINCIPLES

The RATP Group is, in essence, politically neutral. As such, the Group's political contributions, whether financial or in the form of providing equipment or personnel, are prohibited or strictly regulated in many countries.

In terms of donations, patronage and sponsorship, the Group must not be associated with organisations whose reputation is questionable.

If the Group is called upon to make a donation, no consideration or undue advantage should be expected, which could constitute an act of corruption.



#### In practice

The RATP Group is prohibited from funding elected officials or candidates for political office in France or abroad, whether directly or indirectly (via associations or foundations owned / or headed by those persons or their relatives), as well as political parties.

However, the Group respects the individual commitment of its employees who, as citizens, may be involved in political and/or charitable activities. Their commitment is personal and should not imply or affect the Group's activities or its image.

The RATP Group's Foundation undertakes sponsorship, patronage and project support programmes wherever the Group operates in France and abroad. It is therefore recommended to contact the Foundation in order to discuss any project of this nature, it being specified that for RATP, which is a public industrial and commercial establishment operating in Paris and the Paris region, the Foundation alone is authorised to provide grants and undertake patronage programmes.

**Sponsorship and patronage programmes or charity work that RATP Group employees would like to undertake are permitted provided they meet the following conditions:**

- ▶ they must be validated by the relevant chain of command (subsidiary or head office in accordance with the delegations) with prior information to the Group's Communications department;
- ▶ there must be a written contract specifying the use of funds allocated by the Group and providing for termination of the contract in the event of contrary use;
- ▶ they must not seek to obtain any undue advantage or influence;
- ▶ they must be documented in detail.

Indeed, it is essential to ensure that these operations are not used for corruption purposes.



## Examples

1

*The RATP Group wishes to operate in a new country and bid on a call for tenders for the construction of tram lines in the capital. RATP Dev is approached by a relative of the city's mayor about an exhibition of urban art. The organiser of this exhibition nevertheless seems to have been convicted in the past of corruption offences.*

### **Under these conditions, could we consider patronage?**

▶ No, the RATP Group, by supporting such an exhibition project, could see its image associated with that of the organiser. The Group would therefore be exposed to reputational risk. In addition, this patronage operation, which is concurrent with a call for tenders, could be perceived as an attempt to influence the tender decision in favour of the Group.

2

*As part of its business, RATP has just been preselected to head a project in the Paris region. During this bidding procedure, a local elected official, who is a member of the project award committee, suggests that RATP make a donation to an association that is close to his heart. In return, he will do what is necessary to ensure that the RATP Group is finally awarded the project.*

### **Should I accept such a proposal?**

▶ No, making such a donation in the course of a bidding procedure could be regarded as corruption. Indeed, it could influence the decision of the local elected official.

## Combatting corruption

### Group policy on lobbying activities

The RATP Group carries out responsible and transparent lobbying activities.

#### ▶ PRINCIPLES

As part of its business, the RATP Group may have to interact, in writing or verbally, with a public decision-maker in order to have an influence on decision-making.

This is an activity that aims to make the Group's positions known and to provide technical insights on complex issues to public decision-makers.

If the lobbying activity is carried out without complying with the applicable regulatory framework, it may present a risk of drift towards situations of corruption, conflict of interest, illegal taking of interests or influence peddling.

Such a situation may pose a legal and reputational risk for the Group and its employees.



#### In practice

It is legitimate for the Group, as part of its lobbying activities, to make its positions known to public decision-makers and to provide insights on complex technical issues. Nevertheless, these activities must be strictly controlled and reported.

The Group undertakes to carry out this activity in full transparency and comply with applicable provisions in force.

Legal entities, as well as senior managers, employees and members of the Group whose main or regular activity is to influence public decisions by communicating with public decision-makers must adhere to an obligation of transparency.

This also applies to lobbying firms that the Group may use in the event of outsourcing, as well as professional federations or associations to which the Group belongs.

#### The Group undertakes to:

- ▶ promote transparent lobbying, with integrity and contribution to public debate, among its employees and third parties who participate - on its behalf - in public decision-making processes;
- ▶ be transparent with regard to the organisation of its lobbying activities;
- ▶ only provide information or put forward arguments to public officials that are reliable, verifiable and updated;

- ▶ respect other stakeholders who may have divergent positions.

#### Group employees must:

- ▶ carry out lobbying activities in accordance with the law and regulations applicable in every country where the Group operates, as well as with the principles defined in this code;
- ▶ respect the ethical obligations to which public decision-makers may be subject, and to this end request whether they are subject or not to any obligations concerning gifts, hospitality or benefits;
- ▶ refrain from offering gifts, hospitality, benefits or from paying expenses aimed simply at influencing public decision-makers or compromising their impartiality;
- ▶ comply with the policy outlined in this code with regard to gifts, hospitality and benefits aimed at public decision-makers;
- ▶ abstain from any attempts to obtain information or decisions by illegal means.

Depending on the country, the laws applicable to lobbying may differ and include additional obligations (registration, declaration, etc.). Any concerned employee should check with his or her superiors for information on the conduct to be adopted and the applicable rules.



## Example

1

*As part of his activities, the director of an RATP Group subsidiary is invited to a seminar by a country's Minister of Transport. The seminar's objective appears to be related to the reform of rail transport. Numerous directors from other companies will also be invited to this event, as well as their partners.*

### **Should the director respond favourably to this invitation?**

► Before responding to this invitation, the subsidiary director must check that the seminar has not been organised at a critical time (during a call for tender with an organising authority, etc.). Also, he must find out what exactly is on the seminar agenda and naturally disclose the invitation. In this particular case, the invitation appears legitimate, but must not include family members of company representatives.



## Combatting corruption

### Relations with third parties

The RATP Group's success is based on establishing relationships built on trust, loyalty and transparency with our suppliers, subcontractors, customers and business partners.

#### ► PRINCIPLES

In the course of its business activity, the RATP Group is called upon to interact with numerous third parties, be they individuals or legal entities: subcontractors, suppliers, agents, intermediaries, customers, etc.

Working with third parties may, however, constitute a risk area for the Group. Indeed, the actions of these third parties may incur the Group's liability, and/or damage its image.

Consequently, the RATP Group ensures that the third parties with which it has a business relationship comply with any legal and regulatory obligations in force, as well as with the principles and obligations outlined in this code.



#### In practice

All third parties called upon to collaborate with the RATP Group should operate with transparency, integrity and in accordance with the laws and regulations of the countries in which they operate, including those relating to combatting corruption, influence peddling and compliance with competition law.

**To manage these relations and ensure compliance with the principles mentioned in this code and with applicable laws, RATP Group employees are required to:**

- ▶ comply with due diligence procedures for third parties implemented by the Group before entering into any business relationship;
- ▶ check that a third party has not been the subject of legal proceedings for acts of corruption and influence peddling or, at the very least, has not been convicted of corruption and influence peddling offences;
- ▶ ensure that a third party has the technical and financial capabilities to carry out the work assigned to it;
- ▶ be able to document the selection of a third party and the nature of its services;
- ▶ to sign contracts for any business relationship, in particular with regard to commercial intermediaries

with the assistance of the Legal department and include appropriate anti-corruption clauses;

- ▶ ensure that any remuneration paid to third parties corresponds to a legitimate and effective service carried out for the RATP Group;
- ▶ where appropriate, comply strictly with legal requirements relating to the award and performance of public contracts in all countries where the Group operates.

Finally, the Group is committed to highlighting its values to stakeholders and providing them with this code.

In the event of any failure to comply with the provisions outlined above or if there are any doubts as to the veracity of the information obtained, the employee must immediately inform his or her superiors.

Any inappropriate or illegal conduct by a third party must likewise be reported to superiors.



## Examples

1

*For one of its projects, the Group is about to contract with a supplier. Given the urgency and the need to use this supplier, no prior third party due diligence procedure has been carried out. However, one employee has, in a previous job, had the opportunity to work with this entity and indicates that it is a reliable supplier.*

### **Can the Group sign the contract with the supplier?**

► The Group may be held liable for the actions of a third party with whom it collaborates. A matter of urgency is not a criterion for derogating from the prior due diligence procedure for third parties. If the supplier was involved in a case of corruption, the Group could be held liable.

2

*For several years, the Group has been working with an intermediary to develop its activities in new countries. Recently, the intermediary mentioned the existence of additional costs relating to the payment of certain expenses in connection with a public official to facilitate the establishment of the joint venture. The following month, these expenses are invoiced by the intermediary under the heading «additional expenses».*

### **Are these expenses likely to pose a risk for the RATP Group?**

► The expenses could be considered as public corruption. Although these expenses were incurred by an intermediary appointed by its joint venture partner, the RATP Group is liable for the actions of third parties working with it and/or on its behalf. In this case, the joint venture partner should have clarified the actual nature of these expenses before making any payment and if necessary refused to pay them. Checks on third parties must be carried out both prior to entering into a business relationship and in the course of performing the contract, as the Group's liability may still be incurred.

## Combatting corruption

### Combatting fraud

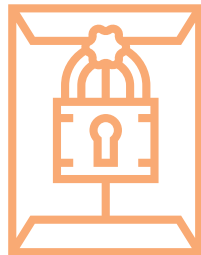
The RATP Group rejects all forms of fraud.

#### ► PRINCIPLES

Fraud is an intentional and unlawful act carried out by a Group employee or employee external to the Group, in order to obtain an undue advantage or benefit (for himself or a third party) or cause harm to the company.

Fraud can cover many forms, such as theft, fraud, misappropriation of funds or assets, corruption, provision of misleading information, etc. It may be external or internal to the company.

Fraud puts at risk both the Group's activities and its image and reputation.



#### In practice

RATP Group has a zero-tolerance policy towards all forms of fraud, whether they be internal or external.

As part of their duties, employees have access to various assets of the Group, whether material (equipment, cash etc.) or immaterial (commercial information, intellectual property etc.). It is important to ensure that these assets and data belonging to the Group are protected and used wisely.

Group employees must ensure that the Group is not exposed to a risk of internal or external fraud.

##### Consequently, it is prohibited to:

- ▶ misappropriate Group assets for personal use;
- ▶ pass on any confidential information (financial, commercial, strategic) to anyone not authorised to receive it (internal or external);
- ▶ make any payments without the approval of a superior.

##### Managers and employees must:

- ▶ prepare and send detailed accounting statements and tax returns to the authorities which reflect the reality of each subsidiary;
- ▶ comply with rules relating to the auditing of accounts

and financial statements (segregation of duties, recording of transactions in the appropriate period etc.);

- ▶ promote dialogue with their teams to maintain healthy transparency;
- ▶ ensure that the Group's trademarks are not used by third parties without permission;
- ▶ help protect the Group assets against any risk of loss, theft, damage or misuse, particularly with regard to any sensitive business information as well as intellectual property.

Finally, Group employees should not use the Group's assets (including intellectual property) or any information received in the course of their duties for any interest other than that of the Group.

Any employees subject to pressure or solicitations from third parties must inform his or her superiors. The same applies to any abnormal situations, unusual requests, or complex invoicing or payment systems.



## Examples

1

*As part of a bidding procedure for a major renovation project, the financial manager of the RATP Group receives an email from the managing director of a recently created subsidiary within the Group. This director would like funds (€100,000) to be transferred swiftly to the bank account just opened in the company's name. He claims to have obtained approval from the Group's President. Indeed, the opening and deployment of this entity require resources which are currently not available to the director.*

### **Can the financial manager make the transfer?**

▶ The managing director's request appears rather urgent. However, the transfer of such an amount must comply with the rules and formalities defined by the Group. A transfer of funds cannot be made on the basis of a simple email. Indeed, such a process may sometimes conceal attempted fraud via identity theft.

2

*As part of a construction project, a large amount of waste materials are stored in a warehouse. The Group is currently thinking about what kind of waste management policy to implement. Meanwhile, an employee collects some of these materials he thinks could be used for work he is carrying out at his home. He also borrows some tools.*

### **Can the employee collect these waste materials and borrow tools?**

▶ The tools and materials mentioned, although used, are and remain the property of the RATP Group. Using any such items for personal purposes is tantamount to theft. The employee may face disciplinary action and criminal sanctions.

### Combating fraud

#### ▶ FOCUS ON GOVERNMENT RELATED ACTIVITIES WITHIN THE UNITED STATES



In addition to combating fraud globally, the RATP Group requires all employees to take additional steps to refrain from activities that may defraud the U.S federal, state and local governments.

#### **Practices we require:**

- ▶ submit invoices to customers that represent accurate and complete information and comply with the terms of contracts and agreements
- ▶ provide products and services that meet the specifications of our agreements
- ▶ make statements to federal, state and local governments that are supported by accurate information
- ▶ retain records in support of claims which may include but are not limited to: cost detail, price detail, quotes, bid information, purchase orders, invoices, contract terms and conditions, and records of negotiations

In compliance with the federal False Claims Act, it is prohibited to knowingly submit a false record or statement to a U.S. government official.

**The False Claims Act requires contractors to report violations of law to the U.S. government. As a result, employees and agents must properly report potential violations by using RATP Dev's whistleblowing system.**



# COMPLIANCE WITH COMPETITION RULES

## Compliance with competition rules

### Group policy on competition law

Respect for fair and undistorted competition is a crucial factor in the RATP Group's development in France and abroad.

#### ▶ PRINCIPLES

Competition law sanctions any company that abuses its dominant position on the market or enters into agreements and/or cartels that have the purpose or effect of artificially distorting the functioning of the economy.

It also controls any benefit granted by states to their national companies, through public resources (state benefit).

Finally, it controls mergers and acquisitions between companies to ensure that these operations do not hinder the free functioning of competition for example by creating illegal monopolies (merger control).

These competition rules exist in most countries where the Group operates; they all have the same objectives but vary to some extent between countries. They are becoming more stringent.

New countries regularly adopt regulations on the subject.

Competition law rules are applied by specific regulators (competition authorities) but also by the courts.



#### In practice

Public transport is open to competition within the European Union and in growing number of countries, including the United States.

This opening provides a development opportunity for the RATP Group and its subsidiaries throughout the transport chain and in each of its activities.

The RATP Group has what it takes to be among the world's leading public transport groups. To this end, Group companies must strictly comply with national and international provisions relating to competition law (also known as «anti-trust law») to ensure open and fair competition in France and abroad. Our success in this area depends on the commitment of each and every one of us.

The sanctions applicable in the event of anti-competitive practices (cartels and abuse of a dominant position) are severe and multiple.

The RATP Group and its subsidiaries may be ordered to pay substantial fines (max. 10% of RATP Group turnover).

Other risks include the prohibition to bid for public contracts, the cancellation of any agreements

concluded, the payment of damages, injunctions or commitments, or significant damage to the RATP Group's image and reputation.

Furthermore, any breach of competition law committed by a subsidiary incurs the liability of RATP. Offending employees may also be punished (fine or even imprisonment).

In general, a country's competition rules apply as soon as a transaction or practice has an effect on its territory. Thus, the companies, managers and employees of an international group may incur risks in this country even though the practices or operation are decided or carried out outside this country.

Due to the risks associated with violations of competition law, it is essential to contact the Legal department or compliance department in case of doubt about the legality of a commercial practice, and for any question related to the thematic sheets on competition law.

This is also the case if the RATP Group is a victim of anti-competitive practices. Detecting them would make it possible to assert the rights of injured

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companies and obtain compensation or sanctions against our competitors.

Finally, the competition authorities sometimes solicit RATP Group employees or managers directly to obtain information from them on the activities of Group companies, or to obtain the Group's opinion on a proposed merger between companies that would have an impact on it. Any person solicited, whether orally or in writing, must submit the matter to the Legal department as soon as possible.



### Group policy on competitive bidding procedures

The RATP Group complies with the general principles of bidding procedures for public procurement contracts.

#### ▶ PRINCIPLES

The awarding of public contracts through consultations is subject, where appropriate, to rules on advertising, transparency and competitive bidding within the European Union and in many countries worldwide, including the United States.

These rules are established to ensure freedom of access to public contracts and equal treatment of candidates. Thus, public funds are handled in the general interest and competition is preserved, which makes it possible to optimize public entity procurement.

Any failure to comply with these rules can have serious consequences:

- cancellation of the procedure or nullity or termination of the contract;
- a temporary or permanent ban on bidding for public contracts;
- a temporary ban on carrying out the function or activity in the exercise of which the offence was committed;
- the payment of damages to injured parties;
- criminal sanctions.



#### In practice

RATP Group companies may act as buyers or advise purchasers in the context of the award of contracts and public procurement contracts (supplies, services or works). They respect the applicable rules.

By definition, a consultation must meet the buyer's needs. In order to promote competition between candidates, the buyer has the obligation to ensure equal treatment between all potential candidates. Therefore, the requirements of the specifications and the criteria for judging the tenders used to determine the most advantageous tender or the technical specifications of the consultation must not have the effect of favouring or disadvantaging a particular candidate. They must therefore be strictly proportionate and justified by the subject matter of the contract

#### Equal treatment of candidates means in practice that buyers pay particular attention to:

- ▶ the objective definition of requirements, which should not be based on the bid or any product of a candidate;
- ▶ sending identical relevant information to all candidates;

- ▶ applying the same criteria to all candidates, which cannot be amended or supplemented during the procedure.

Freedom of access to public procurement leads the buyer to ensure that any publication prior to the consultation is appropriate and that the specifications are clear and unambiguous.

Transparency of the procedure applies at all stages of the procurement, from the notice of public tender to the notice of award, from the selection of applications to the selection of tenders, from the negotiation with candidates to the information requirements at the end of the procedure.

During the performance of the contract, any subsequent amendments to the contract that may be necessary must be sufficiently limited so as not to affect the initial consultation.

The support of the purchasing department (where applicable) for the award and execution of public contracts is essential, in conjunction with the Legal department where appropriate.



## Examples

1

*An RATP Group subsidiary is involved in preliminary studies for the award of a public contract in France. Subsequently, another Group company applies for the award of the operating contract.*

### **Does this situation pose any risks to public procurement rules?**

▶ No, there is no risk unless stipulated otherwise in the specifications. However, the following conditions must be met: (i) all information was provided by the consulting subsidiary to the authority, which then forwarded it to all candidates within the same time frame; and (ii) the advising subsidiary did not forward inside information to its applying sister company. It will be necessary to put in place mechanisms to ensure watertight integrity between the affiliates to prevent any risk of conflict of interest.

2

*When drawing up the specifications for its public contract, an RATP Group company directs the technical specifications to favour one candidate over the others.*

### **Does this situation compromise the general principles for public contracts?**

▶ Yes, because a specification should not be technically directed to favour one candidate over another.



# Group policy on the prohibition of abuse of a dominant position

RATP Group companies must not engage in practices that could be considered abusive.

### ▶ PRINCIPLES

In order to preserve free competition, competition law does not generally condemn the holding of a dominant position, but it sanctions any abuse committed by a dominant company.

A company commits abuse if it takes advantage of its dominant position to restrict competition.

In general, and even if the assessment criteria are multiple, it is presumed that a company is in a dominant position if it holds exclusive rights conferring a monopoly, or more than 40% market share for services or products that meet the same need for the final consumer, in a relevant geographical area (according to EU anti-trust law).

Other criteria may also be taken into account, such as the ownership of essential infrastructure (essential for competitors to carry out their activity).

A dominant company has a particular responsibility not to distort competition. As a result, commercial behaviour that could be implemented by non-dominant companies without risk cannot be implemented by a dominant company, which limits its ability to act.



### In practice

RATP is in a special position because of its historical monopoly resulting from its public service mission, in Paris and the greater Paris, its notoriety and its infrastructure. For this reason, it is particularly careful not to distort competition.

**RATP Group companies and their employees are therefore careful not to implement practices that could be considered as abuse of dominant position.**

**These practices are varied:**

- ▶ excessively low prices (below cost);
- ▶ conversely, excessively high prices (exploitation of customers);
- ▶ discriminatory practices (offering different terms to companies in a comparable situation, in particular);
- ▶ the denigration of competitors;
- ▶ any practice intended to exclude a competitor from a market (for example, directing specifications in such a way as to make a competitor's bid less relevant);
- ▶ using public monopoly resources for competitive activities carried out by RATP subsidiaries;
- ▶ exclusivity clauses which prevent any switch to other competitors;
- ▶ refusal to provide access to a resource which is essential to a competitor's activities, or to provide essential services;

- ▶ associated sales of products or services;
- ▶ discounts that encourage the partner not to contract with a competitor, etc.

Although one set of practices, when examined separately, may not suffice to constitute abuse of a dominant position, this could be the case if they are examined together. Therefore, RATP Group employees must be wary of repeated cases or clauses whose anti-competitive impact, when combined, could be reinforced.

RATP Group employees must also be vigilant in the event of the Group's activity in markets neighbouring the market where there is a risk of being in a dominant position, such as transport engineering or new mobility. Indeed, abuse can be characterised in a neighbouring market (in terms of services/products and geographical area), and not only in the market in which the company has a strong competitive position.



## Examples

1

*An RATP Group company has a contract that is about to expire. Taking advantage of its privileged relationship with the organizing authority, the subsidiary takes the opportunity to discredit companies that could compete with it for the award of the next contract, by considerably exaggerating the difficulties they encounter and by sharply criticizing the personalities of their managers/employees.*

### **Can such behaviour be considered as abuse of a dominant position?**

▶ It could, insofar as such information is exaggerated or inaccurate (for the difficulties) and difficult to verify (for the personalities). However, it is permissible to make a measured sales pitch if it is objective and verifiable.

2

*RATP wishes to support the activity of a subsidiary soon to apply for a call for tenders by providing RATP's sales and marketing resources, its image (logo, trademark), brand awareness, as well as giving it extensive access to its customer database.*

### **Can this support be challenged by a competitor of the subsidiary as abusive?**

▶ Yes. Indeed, RATP should have supported its subsidiary only by means that are reproducible by its competitors, or that are accessible to them under similar conditions, with the costs incurred by RATP for this support being fully paid by the subsidiary.

## Compliance with competition rules

### Group policy on cartels

RATP Group companies and their employees must strictly refrain from participating in agreements between competitors.

#### ► PRINCIPLES

Agreements or concerted practices between competitors which have as their object or effect the prevention, restriction or distortion of competition, in particular by determining prices jointly, or by sharing markets/customers, are prohibited.

They may take the form of written, oral or even tacit statements. Their existence can be demonstrated by any means (e.g. informal exchanges between competitors).

Some practices are always considered anti-competitive: their mere finding will lead to a conviction by the competition authorities, regardless of whether the practice has actually affected competition or not. This is particularly the case for market allocations.

For other contracts, agreements or clauses, an analysis of their advantages and disadvantages for competition will have to be carried out.

In many countries, procedures allow a company to denounce the existence of a cartel between competitors and to benefit from full immunity from fines. Secret agreements are often discovered in this way.



#### In practice

RATP Group companies, their board members, senior managers and employees must ensure not to engage in concerted practices or cartels with competitors of Group companies.

In particular, it is prohibited to coordinate an offer with one or more competitors by means of an artificially high or low amount of cover offer, or by unjustifiably abstaining from submitting an offer. This practice constitutes a distribution of markets and customers, which is a very serious behaviour.

The exchange of sensitive information, i.e. any exchange of prices, scales, market shares, production, etc., is also prohibited. This is particularly the case for forecast information, but also for past information, if it is recent and detailed. In the context of a call for tenders, any exchange of information between competitors during the procedure is strictly prohibited. Each candidate (or consortium) must prepare its offer in complete independence.

Group employees must be particularly careful when participating in the work of professional organisations or associations. During official meetings, if commercially sensitive information is exchanged (usually covered by business secrecy), it is advisable to leave the meeting and to note in the minutes of the meeting the company's disagreement with the exchange that took place.

In addition, RATP Group employees must be extremely vigilant during informal exchanges on the margins of official meetings, as it is often in these contexts that sensitive information is exchanged between members of competing companies.

In addition, the formation of temporary consortium of companies must be justified on legitimate grounds, i.e. sufficient technical or economic imperatives (in other words, the contribution of each member must be essential). On the contrary, the absence of technical and economic necessity makes it possible to presume that a consortium is anti-competitive, which allows its members to indirectly result in a market distribution between them (especially if the consortium includes most of the market players). The conditions for the use of subcontracting must also be examined because of the risks involved in the distribution of contracts.

Partnership contracts and agreements between competitors may also lead to anti-competitive practices in certain conditions. They must be carefully analysed to assess whether they put the RATP Group at risk.

Any exchange of commercial information and any agreement / project with a competitor requires referral to the Legal department.



## Examples

1

*During a call for tenders, two competitors wishing to apply agree that one of them will submit an artificially uncompetitive bid to deliberately lose the contract in favour of the other.*

### **Is this a prohibited anti-competitive agreement?**

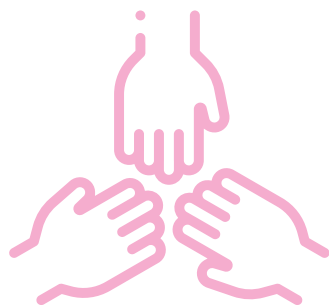
► Yes, because the competitors agreed on their responses to the call for tenders. This is an offer of coverage since one of the candidates will make an artificially high or low offer so that the choice of the organising authority is made for the other candidate, which is a very serious behaviour.

2

*Two employees of competing French companies meet to share markets to strengthen their respective positions in the face of the entry of an English competitor. One takes notes on a piece of paper and on his personal computer as a precaution, the other on a USB stick that he takes care to hide in his personal vehicle. They also used their personal mobile phones to discuss matters.*

### **Could a competition authority seize the piece of paper, the computer, the USB stick or mobile phones?**

► Yes, in most countries, a competition authority may, with the permission of a judge and with police assistance, seize any material and immaterial media that made it possible to carry out the offence, including any personal media or any located at the home of either participant or in their personal vehicles.



## Compliance with competition rules

### Group policy on merger control

The RATP Group complies with competition law rules applicable to business combinations.

#### ▶ PRINCIPLES

In parallel with the control of company behaviour on markets, competition law monitors the very structure of markets through the control of business combinations between firms (mergers).

The transactions covered by these rules are mergers and acquisitions and the creation of joint ventures, such as operating companies created after a consortium response to a consultation.

In order to preserve the competitive balance of the markets, the competition authorities analyse, then authorise, amend or, very rarely, prevent such business combinations. Indeed, certain business combinations could result in the creation or strengthening of dominant positions that could undermine free competition.

Most countries have a requirement for prior notification of the transaction if it exceeds certain thresholds. Any failure to notify is severely sanctioned.



#### In practice

Any proposed business combination must be analysed by the Legal department to check if it is subject to an obligation of prior notification to competition authorities in the countries concerned by the operation.

In most countries, there is a prohibition on the practical implementation of the operation until it has been formally authorised by the competent competition authority.

This implies in practice that the company taking control of the target company does not have the right to influence (or attempt to influence) the strategy of the target company, to appoint its managers/executives, and even to obtain certain information that could be useful in preparing the integration of companies after authorisation. Group employees and managers who are required to work on equity investment or acquisition projects must not violate this prohibition on early implementation.



In the event of non-compliance with the rules on merger control, the RATP Group may be very severely sanctioned. Thus, in case of doubt, the matter should be referred to the Legal department.



## Examples

1

*An RATP Group company acquires an independent carrier. This operation is subject to prior authorisation by a competition authority of a European Union Member State. However, the delays caused by the authorisation procedure do not allow the operation to be implemented on the date initially requested.*

### **Is it possible not to opt out of the authorisation procedure?**

▶ The acquiring company is required to request this prior authorization within the time limits imposed by the procedure. The Group's employees involved in this project must take into account at a very early stage the legal constraints of time limits in the transaction's completion schedule in order not to put the RATP Group at risk of violating the competition law rules of this European Union Member State.

2

*As part of this operation, an RATP Group employee learns that the carrier being acquired will bid for a tender which, in his opinion, it has no chance of winning, and which will mobilise all its teams. The acquiring RATP subsidiary believes that the teams should save their forces for another more relevant call for tenders. The RATP Group employee therefore decides to dissuade the manager from responding to the call for tender.*

### **Is this attitude consistent with competition law rules?**

▶ The RATP subsidiary (through its senior managers and employees) has no right to influence, or attempt to influence, the target company's strategy before it has received formal authorisation from the competition authority. However, minimum contractual obligations may be imposed on the target company during the negotiation period (reasonable management and in accordance with past practice, absence of decisions on large investments or on the conclusion of major contracts, management in accordance with competition law).

## Compliance with competition rules

### Group policy on state benefit

RATP Group must use the public resources from which it benefits without distorting competition

#### ▶ PRINCIPLES

The fact that a company receives resources of public origin which confer a selective advantage on it, or that it enjoys the status of a public company, is likely to constitute state benefit under certain conditions.

Such public benefit may enable a Member State of the European Union, such as France, to give an advantage to a company (to the detriment of its competitors) and thus to prevent fair and undistorted competition.

This is why state benefit is controlled at European Union level.

The public resources that can constitute state benefit are very varied: subsidies, tax relief, selective tax niches, etc.

State benefit may be granted by any authority or body which handles public funds, including a local authority in the context of its functions as a mobility organising authority.

State benefit that has been granted without authorisation and distorts competition must be repaid. There are also sanctions for non-compliance with the procedure, even if it has been found that competition is not in fact distorted.



#### In practice

The RATP Group may receive financial compensation paid by organising authorities for mobility to cover any costs incurred in discharging public service obligations as stipulated in contracts.

**By way of exception to the general principles relating to state benefit, public service compensation received by the RATP Group in return for the operation of public passenger transport services need not be authorised before payment if:**

- ▶ its amount covers only the costs incurred by the activities, as well as a reasonable profit for the RATP Group (i.e. such compensation must not be excessive in relation to these criteria, otherwise it would be considered as state benefit); and if
- ▶ the public service contract was awarded on a competitive basis.

Accordingly, the RATP Group must not use financial compensation received to finance public service activities for purposes other than those for which they are intended (e.g. to finance another public service activity or competitive activity in parallel) if it is not specified in the contract with the organising authority or if it does not receive any payment in this context.

Indeed, this could indicate that the compensation provided for in the contract was excessive.

As a French industrial and commercial establishment, RATP benefits from an implicit and unlimited State guarantee which could, under certain specific conditions, constitute state benefit. Therefore, in tendering procedures where the organising authority requests a financial guarantee from RATP for the benefit of its applicant subsidiary, the RATP Group is careful to ensure that no excessive financial advantage is granted to this subsidiary. Otherwise, this intervention by RATP could artificially give this subsidiary an advantage over its competitors belonging to private groups. RATP Group employees working on these issues must contact the Legal department to have them analysed.

In the context of a recapitalisation of a subsidiary, the RATP Group ensures that the consideration received by the Group is sufficient, as a private investor would do. Otherwise, this capital contribution could constitute state benefit.



## Examples

1

*As part of a plan to renew ageing rolling stock, a mobility organising authority provides financial assistance to transport operators. They shall use the vehicles only for public transport service contracts expressly referred to in vehicle financing contracts.*

### **Do these subsidies harm competitors of subsidised companies?**

▶ Insofar as the subsidies only cover the costs of acquiring new rolling stock, and it is used under the conditions provided for in the contracts with the organising authority, the subsidies paid do not distort competition.

2

*For the preparation of the opening up to competition and diversification of the Group's activities, an RATP Group subsidiary acquires shares in the capital of start-up active in new forms of mobility.*

### **Do these shares constitute incompatible state benefit?**

▶ No, the RATP Group in these circumstances is acting as a prudent investor, by ensuring it will draw sufficient benefits - including financial benefits - from these equity investments.



## Remember

**Faced with a question regarding compliance with laws and our values, ask yourself these questions first:**

- ▶ Am I acting within the law?
- ▶ Is my personal interest at stake?
- ▶ Could a family member or a relative benefit from my decision?
  - ▶ Could a third party think that my situation influences my decision-making within the Group?
- ▶ Have I failed to comply with an essential approval process in the Group?
  - ▶ Would my decision have a negative impact on stakeholders?
- ▶ What effect would my decision have if it is known internally or in a newspaper article?
  - ▶ Would I be comfortable explaining my decision to my superiors or to the legal authorities?



**If in doubt, do not hesitate to contact your manager or RATP Dev Compliance Officer ([complianceofficer@ratpdev.com](mailto:complianceofficer@ratpdev.com)).**

## Reporting non-compliance

- ▶ Any employee who witnesses or has knowledge of conduct or situations contrary to one or more of this Code of Conduct's rules and obligations may refer the matter to his or her superiors.
- ▶ If using the aforementioned channel presents difficulties or the reported alert cannot lead to appropriate monitoring, the employee may use RATP Dev whistleblowing system by contacting the local Ethics Officer who has a dedicated email address or the Compliance and Ethics Committee via the following email address: [compliancealert@ratpdev.com](mailto:compliancealert@ratpdev.com).
- ▶ This system guarantees strict confidentiality of the identity of the whistleblower, the facts reported and the persons concerned by the alert.
- ▶ The RATP Group is also committed to ensuring that no employee benefitting from whistleblower status is subject to any reprisals. For more information, please refer to the whistleblowing system user guide.



**RATP**  
**GROUP**