

The Rte logo consists of the letters 'Rte' in a blue, sans-serif font, enclosed within a white circle. The background of the entire slide is a scenic photograph of a mountain valley with green hills, a grassy field in the foreground, and a blue sky with white clouds.

Rte

Le réseau
de transport
d'électricité

Green Bond Allocation & impact Reporting



We are encouraged, by the success of the operation, to continue employing this type of financing instrument which illustrates RTE's position as a driver of energy transition : our investments leading to net zero are about to increase sharply.



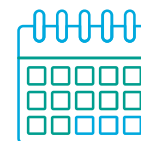
Thomas Veyrenc, Member of the Managing Board, Managing Director of the Finance, Purchasing and Risks Division

Key figures

Inaugural Green Bond January 2022



€ 850M



12 years

maturity



0.75%

coupon rate



8 green

projects Financed



€ 506M

allocated as of
31 December 2022



179

investors of which

65% Green

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RTE's sustainable business strategy



Focus on low carbon company

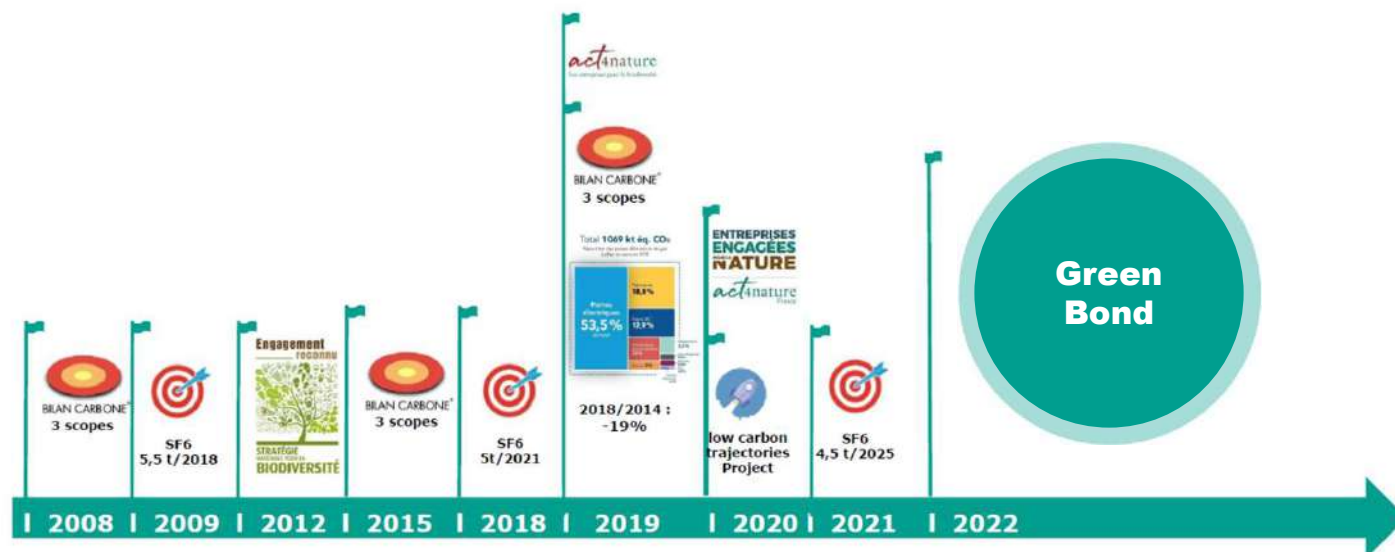
Scope 1 direct emissions generated by RTE operations

Scope 2 indirect emissions

Scope 3 other indirect emissions related to the life of cycle of products purchased by RTE.

RTE's CO² emissions

**Scope 1, 2 & 3
= 1,022 Kt CO²**



RTE is at the heart of energy transition



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CARBON NEUTRALITY BY 2050 REMAINS THE KEY OBJECTIVE OF EUROPEAN AND NATIONAL ENERGY POLICY

France aims to attain carbon neutrality by 2050. The country has made this objective a commitment to the European Union and the United Nations through the Paris climate agreement.

To achieve it, France's energy system must be completely transformed so that electricity can replace fossil fuels as the country's number one energy source.

The most recent national low-carbon strategy (SNBC 2) published in 2020 sets out the roadmap for achieving carbon neutrality through a trajectory of decreasing greenhouse gas emissions until 2050.

On the demand side, the SNBC is primarily founded on energy efficiency: it aims for a 40% reduction in final energy consumption in France over 30 years.

On the supply side, the SNBC rests on two pillars: decarbonised electricity and domestically produced biomass. It thus excludes large-scale imports of green gases, non-sustainable biomass and decarbonized fuels, contrary to plans in some other European countries.

The SNBC 2 also provided the framework for RTE's *Energy Pathways to 2050* study published in the autumn of 2021 and providing different scenarios for reaching carbon neutrality, all implying increasing electricity consumption (at least + 15% by 2050) and renewables development. Consequently, the President of the French Republic set out guidelines for the development of the electricity mix in Belfort in February 2022, announcing an acceleration in the deployment of renewable energies (focusing on solar and offshore wind power), the construction of new nuclear reactors and the reindustrialisation of the country.

Recently, RTE has updated the 2030-2035 pathways regarding a changing context : mid-term more ambitious EU climate targets, will to strengthen French energy and industrial sovereignty, a reduced perspective on biomass potential and a within a european energy and geopolitical crisis.

As a result, to achieve the goals of accelerated decarbonization and energy sovereignty, we need strong, rapid growth in electricity consumption, faster and higher than estimated in 2021.

France has the means to manage these growing electricity needs by relying on four essential levers: energy efficiency, sobriety, RES and nuclear production.

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18 key lessons, based on the best possible compromises, emerge from this study. They demonstrate that achieving carbon neutrality by 2050 is achievable at a manageable cost in France, provided that changes at the economic, societal, industrial and technological levels are made quickly.

"RTE's "Futurs énergétiques 2050" study is intended to document and analyze the electricity mix options, their advantages, disadvantages, impacts and consequences. This is essential to inform the public debate", Xavier Piechaczyk, Chairman of the Executive Board of RTE





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Green Financing Framework overview

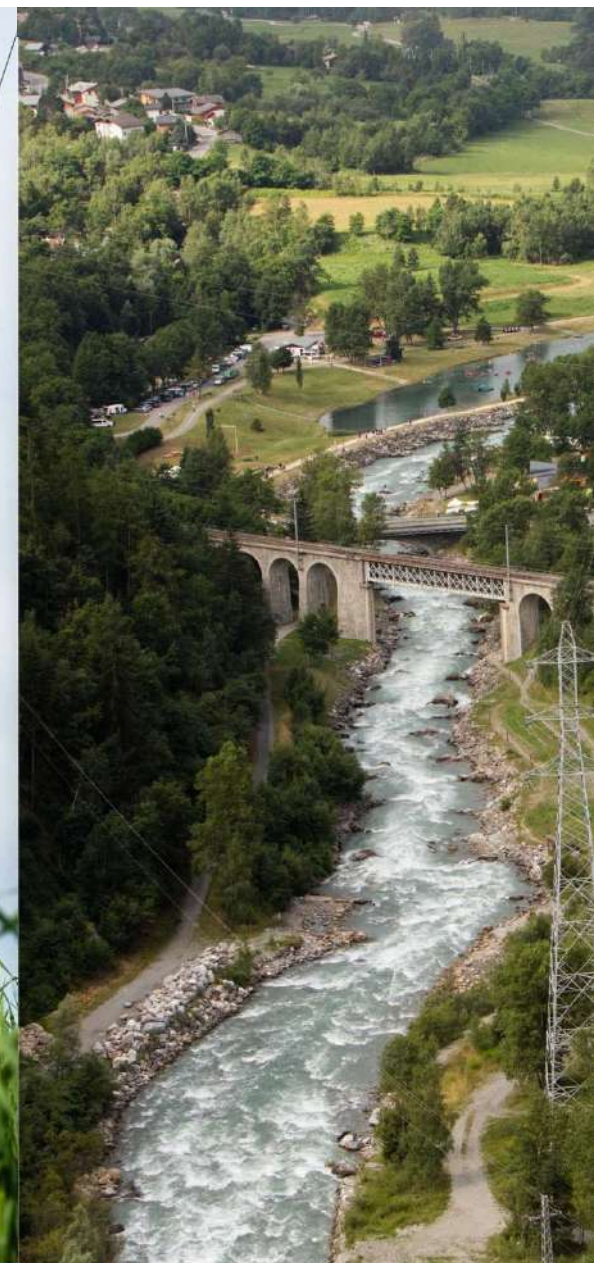


Overview of RTE's Green projects



In line with its Raison d'être and CSR policy, RTE released in November 2021 a green financing framework aligned with the Green Loan Principles 2021 (GLP) published by the Loan Market Association (LMA), the Green Bond Principles 2021 (GBP) overseen by the ICMA and the EU Taxonomy as published in the Delegated Act.

RTE Green eligible projects are primarily capital expenditures but may also include maintenance costs for projects related to the CO₂ reduction.



Presentation of eligible project categories

Transmission & Distribution of electricity:

- a. Interconnected European system
- b. Renewable energy generation facilities

The eligible categories listed below will generate positive environmental impacts and advance the UN Sustainable Development Goals, specifically 7, 9 & 13



Eligible Green Projects categories

Eligible expenditures

Transmission and distribution of electricity

1. Developing the interconnected European system

2. Developing the transmission and distribution infrastructure and equipment when:

- The average system grid emissions factor, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system, is below the threshold value of 100 gCO₂e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period

3. Developing infrastructure dedicated to creating direct connection or expanding existing direct connection to renewable energy generation facilities;

4. Optimizing the electricity network, which includes:

- The installation of equipment to increase the controllability and observability of the electricity system and to enable the development and integration of renewable energy sources such as: sensors and measurement tools and communication and control
- Construction/installation and operation of equipment and infrastructure where the main objective is an increase of the generation or use of renewable electricity generation
- Installation of transmission and distribution transformers

Evaluation summary

RTE's Sustainable working group

The Sustainable working group will meet at least once a year. It will include representatives from Treasury, CSR, as well as operational departments when relevant

Process for Project Evaluation and Selection

- RTE's Sustainable working group will review the evaluation and the selection of the projects and will meet at least once a year
- It will verify the compliance of the selected pool of eligible projects with eligibility criteria defined by this Framework and will manage any future update of the Framework

Management of proceeds

- Proceeds will be managed on a portfolio basis by Treasury. Treasury will establish a Sustainable Register, that will be reviewed annually by the Sustainable working group
- Pending full allocation, unallocated proceeds may temporarily be invested in accordance with RET's investment guidelines in money market SRI funds, in cash and deposits

For Bond issuances

RTE commits on a best effort basis to achieve full allocation within 24 months

In case of refinancing, disbursements related to Eligible Green Projects made in the 3 calendar years prior to the issuance may be allocated to each Green Bond



Green Loan
Principles



The
Green Bond
Principles

V.E considers that RTE's Green Financing Framework is aligned with the ICMA's Green Bond Principles 2021 and LMA's Green Loan Principles 2021



"The Environmental Objective is clearly defined; it is considered relevant and set in coherence with sustainability objectives defined in international standards."

"The Expected Environmental Benefits are clear and precise, these are considered relevant, measurable, and will be quantified for the eligible category in the reporting."

"We consider the Eligible Category follows the Technical Screening Criteria specified by the EU Taxonomy Climate Delegated Act adopted on June 4th, 2021"





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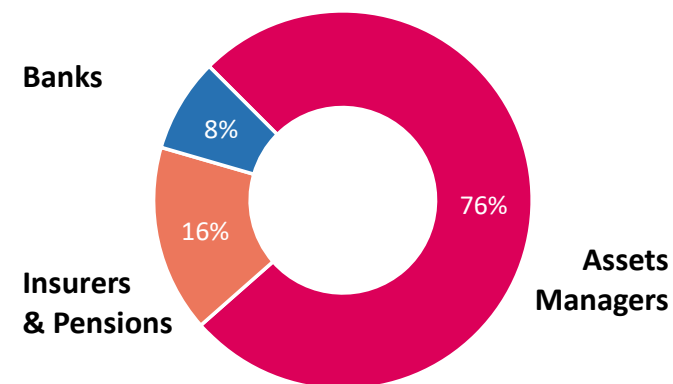
Inaugural green bond issuance summary

In January 2022, after having marketed its deal the day before with a presentation of its new green financing framework as well as a credit update, RTE successfully launched its debut green bond issuance with a 12 year maturity and an annual coupon of 0.75%.

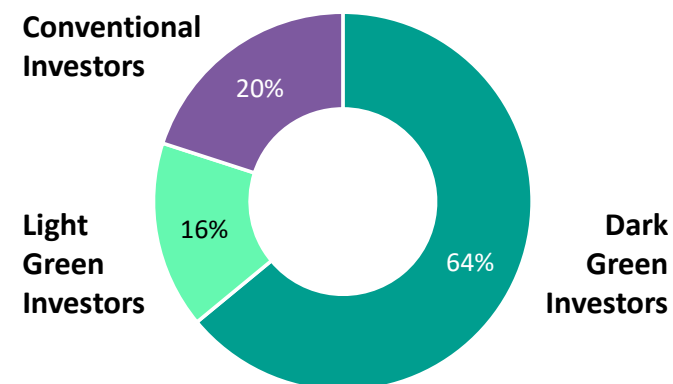
The momentum for this new bond was extremely strong ultimately ending 3.6x oversubscribed. A significant portion of the transaction was allocated to “Green investors” (64%) predominantly Asset Managers (76%).

Issuer	RTE
Form of issuance	Green Senior Bond
Documentation	EMTN
Active Bookrunners	BNP, CITI, CACIB, CIC, MUFG & NATIXIS
Tenor	12 years
Re-offer / Spread	0,848% / MS + 43 bps
Size	850M€
ISIN	FR0014007LP4
Second Opinion	Vigeo Eiris

Investor Profile



Share of Green Investors





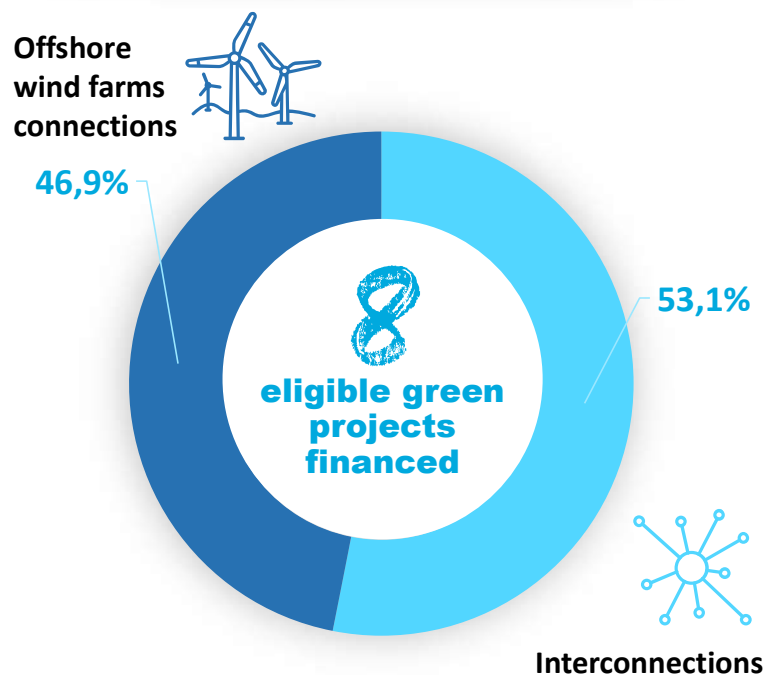
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Allocation reporting

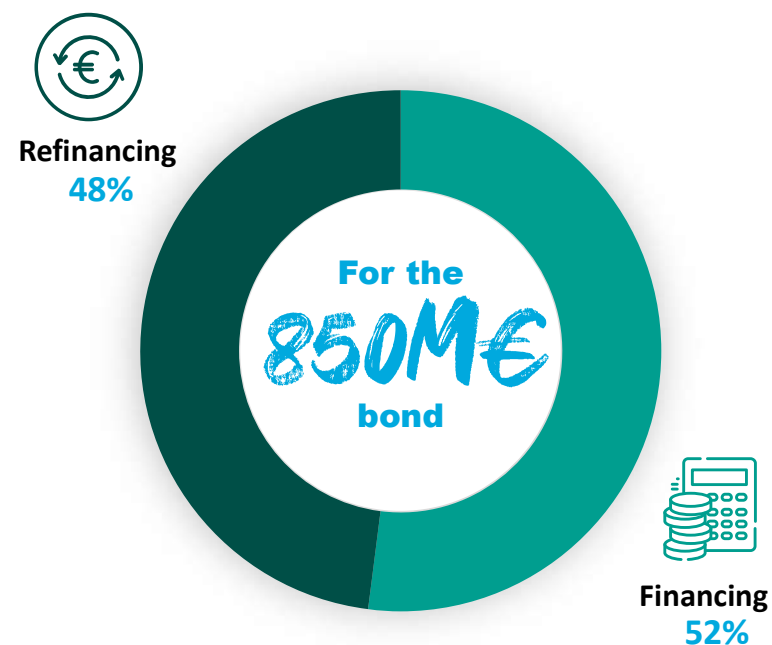


A portfolio with large projects for inaugural green bond

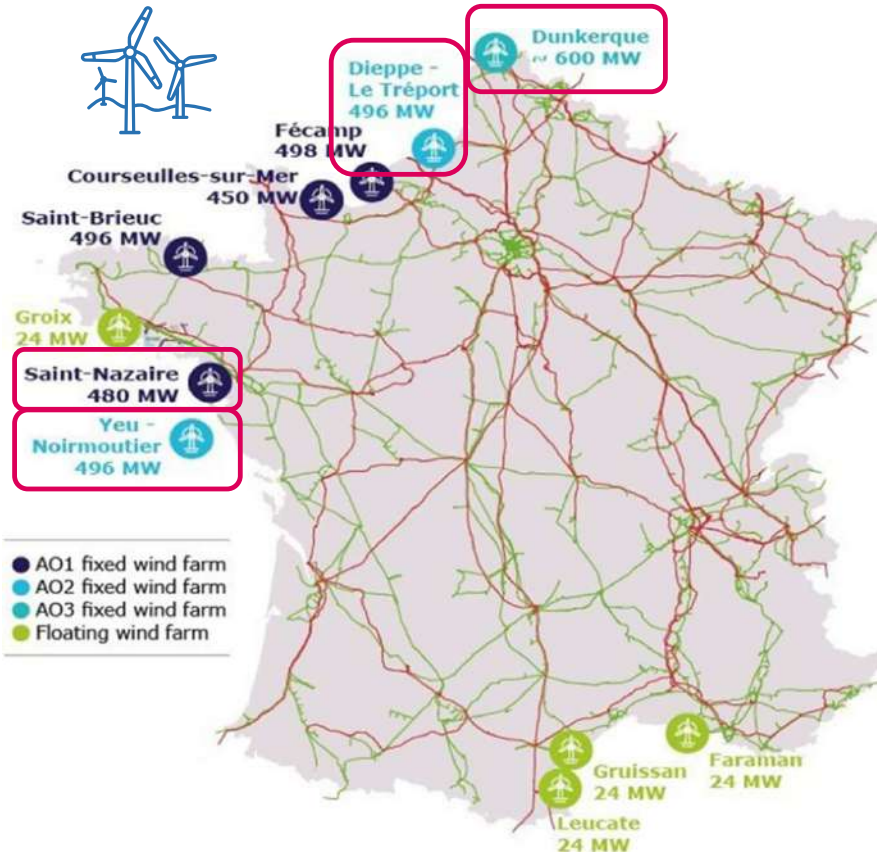
Number of projects by category



Financing and refinancing breakdown

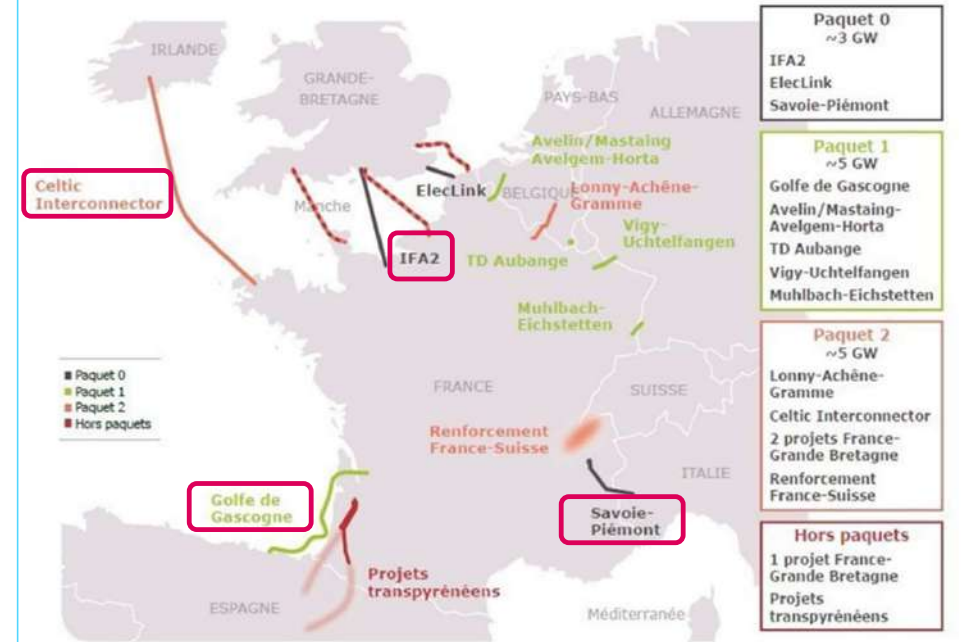


4 offshore grid connections



8 Projects

4 interconnections



€506M¹ allocated as of December 31, 2022

As of 31 December 2022, €506.4M out of the €850M raised through the debut green bond have been allocated:



4 projects

Noirmoutier
Saint Nazaire
Dunkerque
Dieppe

Cash-outs
€213.5M



4 projects

IFA2
Celtic
Golfe de Gascogne
Savoie Piémont

Cash-outs
€292.9M

TOTAL AMOUNT
8 projects

€506.4M

Non-allocated amount of cash
(343,6M€) has been invested in
either bank deposits or SRI funds
over the period.

¹ : Figures in this allocation reporting comprises only RTE share excluding subsidies and as of date, 68% of these capital expenditures have been financed by debut green bond.



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Impact reporting



2022



Interconnections

Interconnections
achieved

1600 MW

Annual output
(+: export & -: Import)

-3 368,2 GWh

Estimated annual avoided
GHG emissions¹

- 467 481 TCO²e



Offshore grid connections

Capacity of renewable
energy plant(s) to be
served by transmission
systems

480 MW

Renewable energy power
connected to the
network

620,7 GWh

Estimated annual avoided
GHG emissions¹

140 530,56 TCO²e

Total

-2 747,5 GWh

-326 951 TCO²e

Avoided CO² emissions

Electricity produced by wind parks rather than by fossil based power plants has a significantly lower CO² impact. The eligible projects contribute to avoiding these carbon emissions. Over 2022 their impact is still relatively small, but it is expected to increase significantly in the coming years.

The balance of cross-border power exchanges in 2022 was -16.5 TWh, making France a net power importer for the first time **since 1980**, linked to a particularly unfavourable situation for nuclear and hydroelectric plants, explaining the unfavorable emissions expansion achieved by Interconnections.

The interconnections between France and neighboring countries are specific tools which enable in particular to develop renewables energies by offering other outlets.

Methodology

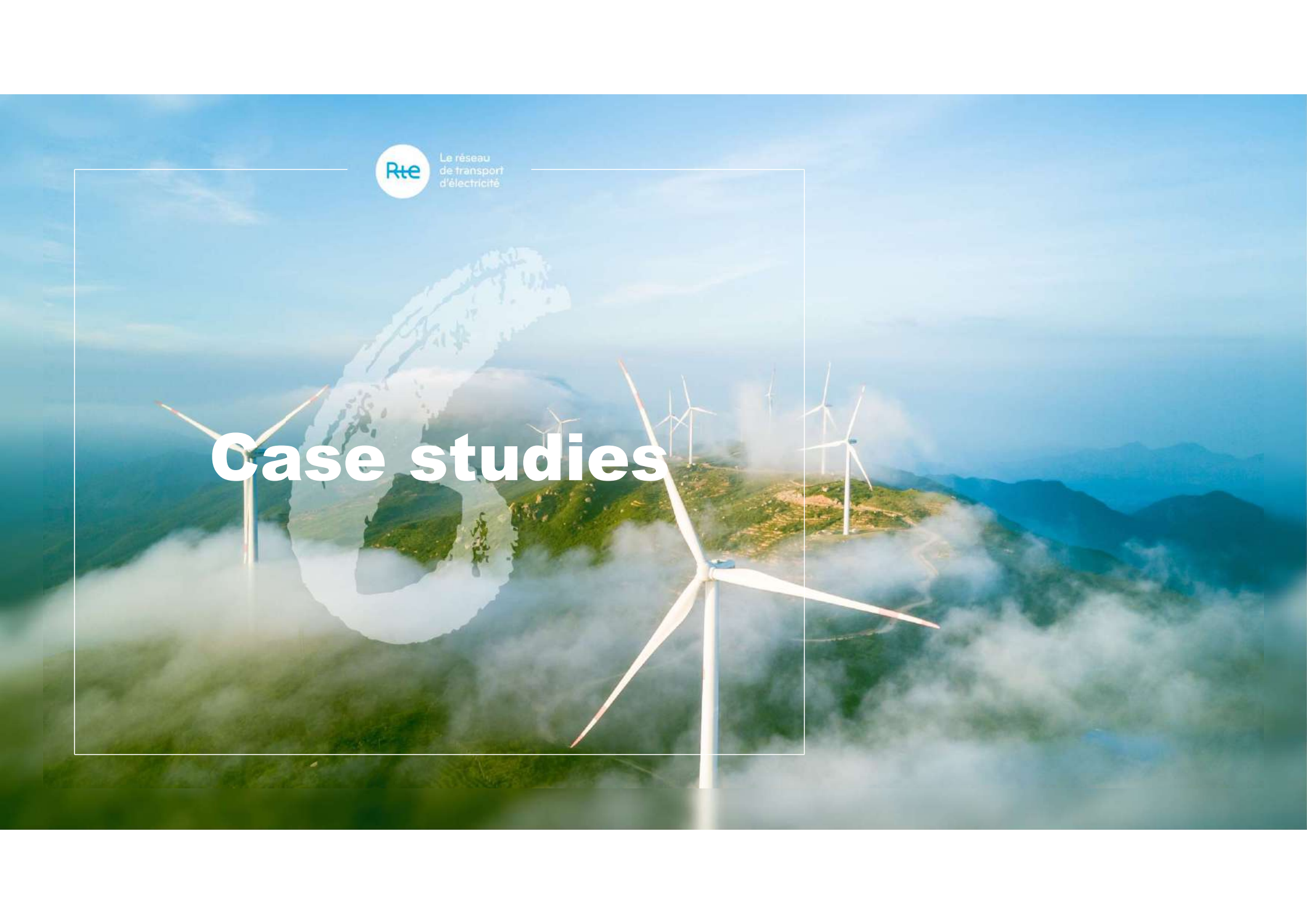
Interconnections : avoided annual GHG emissions are estimated as the net balance of physical flows multiplied by the difference between the average emission factor of neighboring country and that of France.

Offshore Grid connections : avoided annual GHG emissions are estimated as the product of the European emission factor and the energy power connected to the network



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Case studies



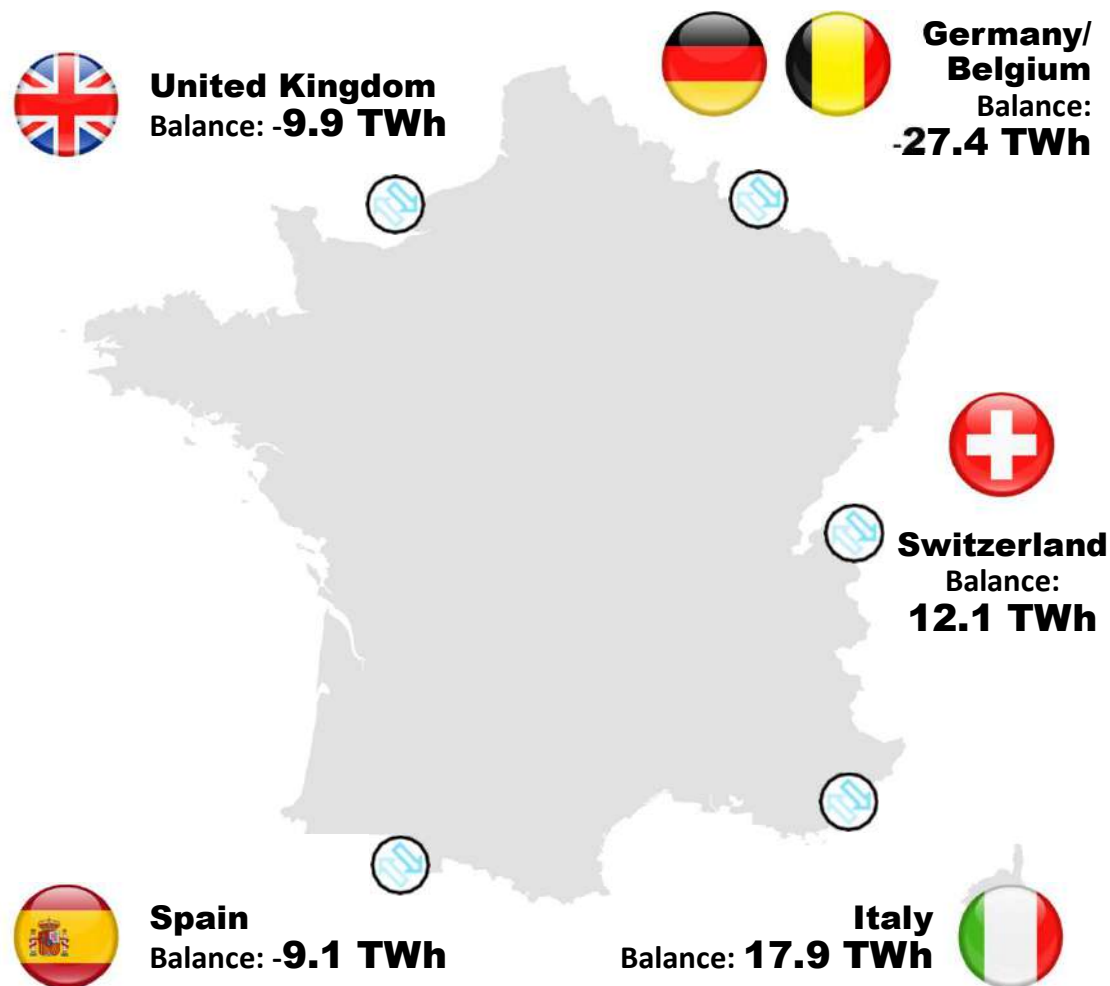
Located at the heart of the European electricity market

French cross-border commercial exchanges in 2022 (TWh)

Exports: **40.5 TWh**

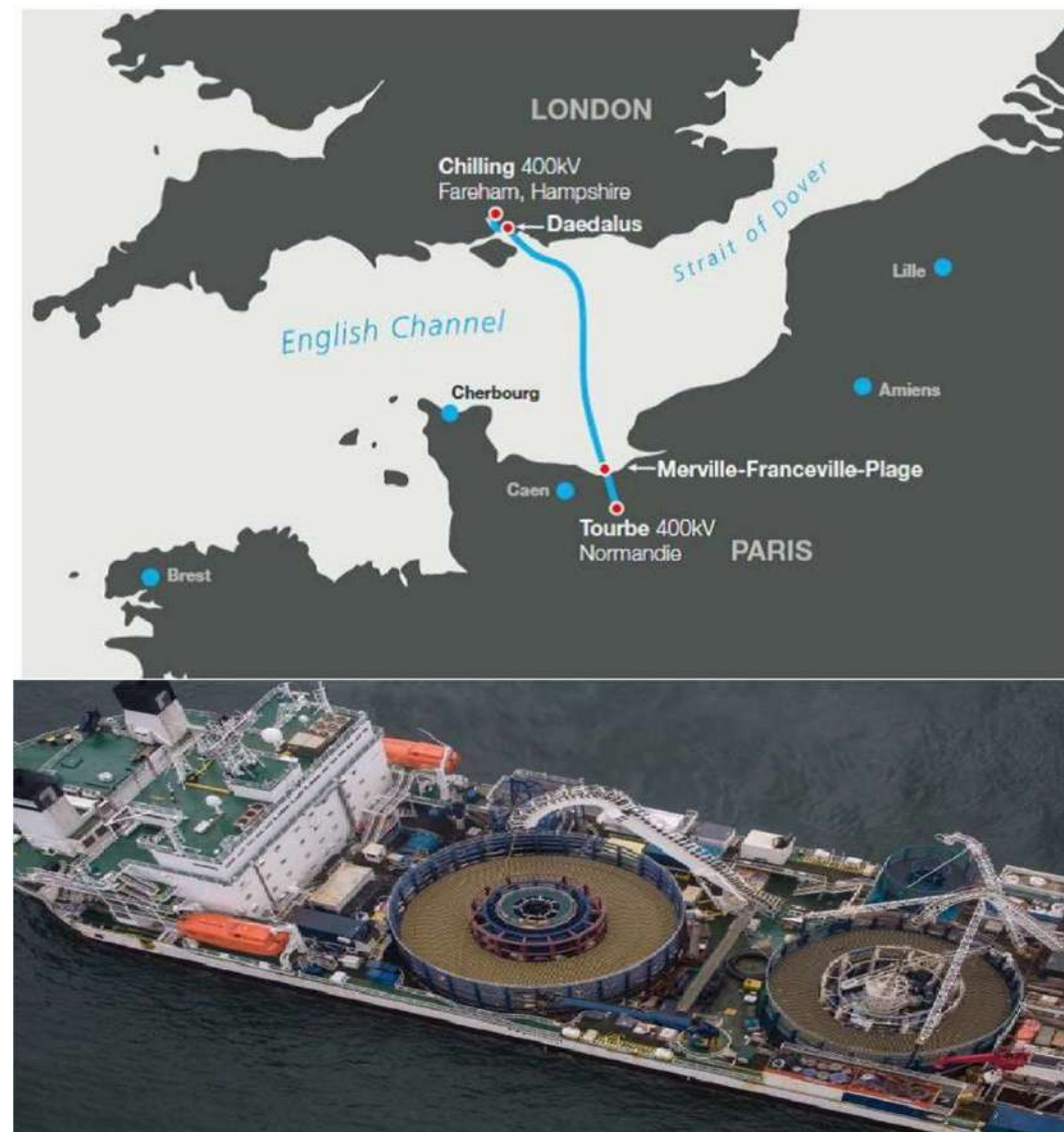
Imports: **57 TWh**

Balance
-16.5 TWh



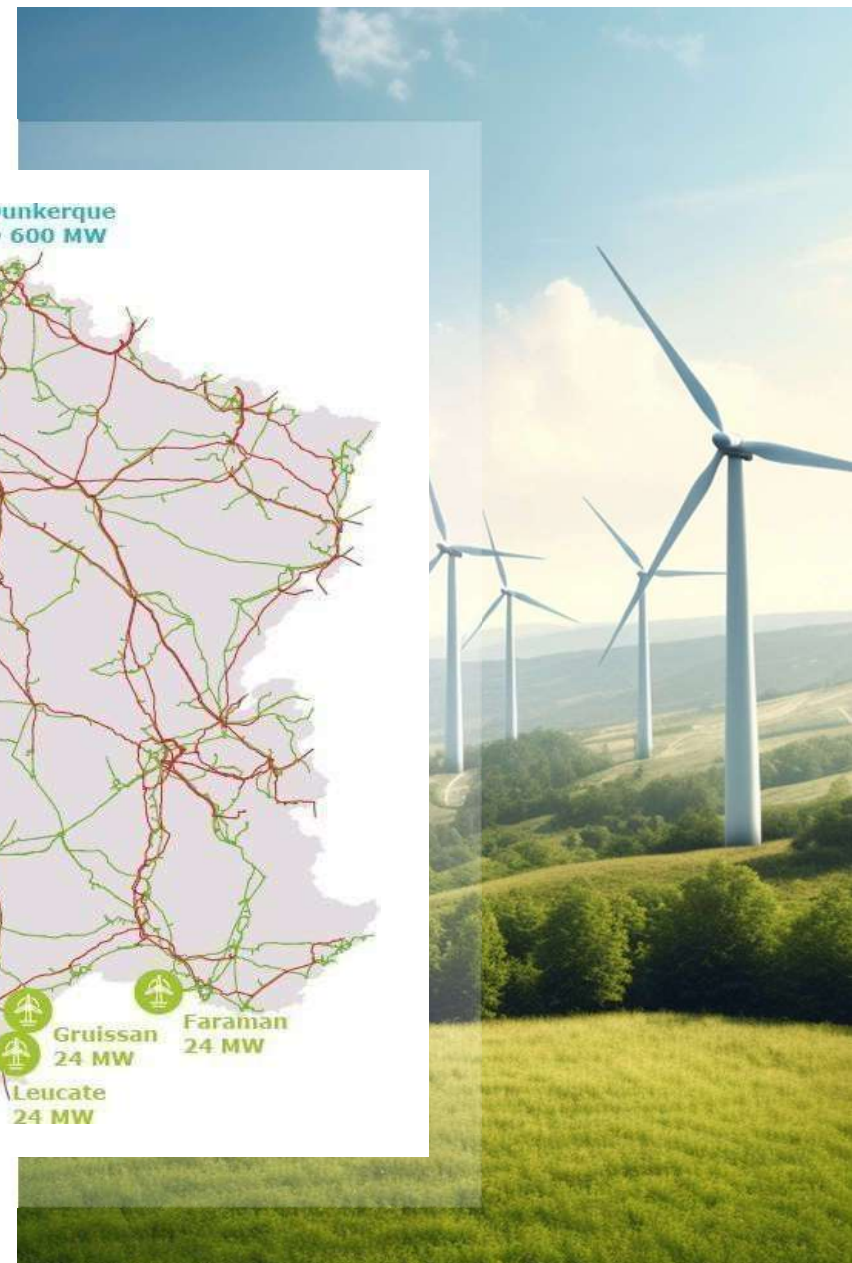
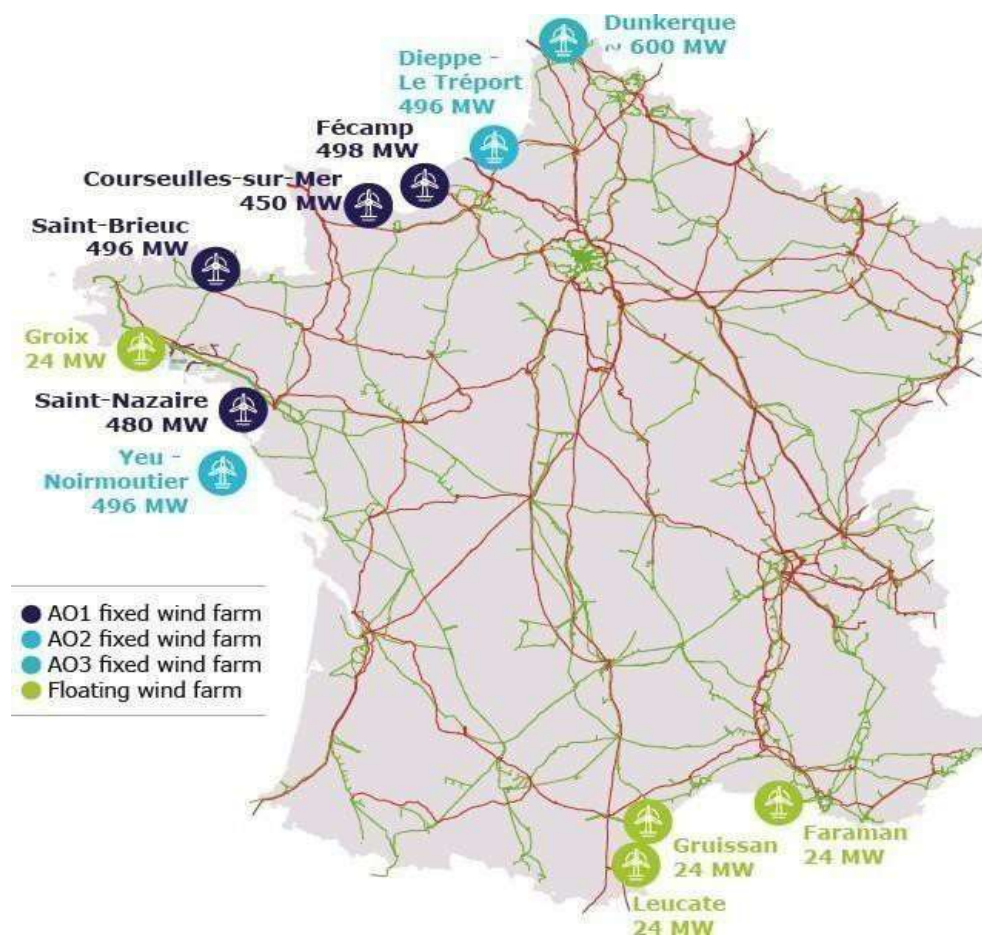
Focus on IFA2 Interconnection

Description	A 230 km HVDC ¹ line, rated at 1,000 MW, between Great Britain (National Grid) and France (RTE), including 200 km undersea
Cost	~€800 M (National Grid and RTE)
Completed	January 2021
Aims	<ul style="list-style-type: none"> • Allows to mutualize the production means • Enables to strengthen the security of supply • A better using of energy mix : additional generation units and differences in consumption patterns • Promotes the use of renewable energies



Connection of the offshore wind farms

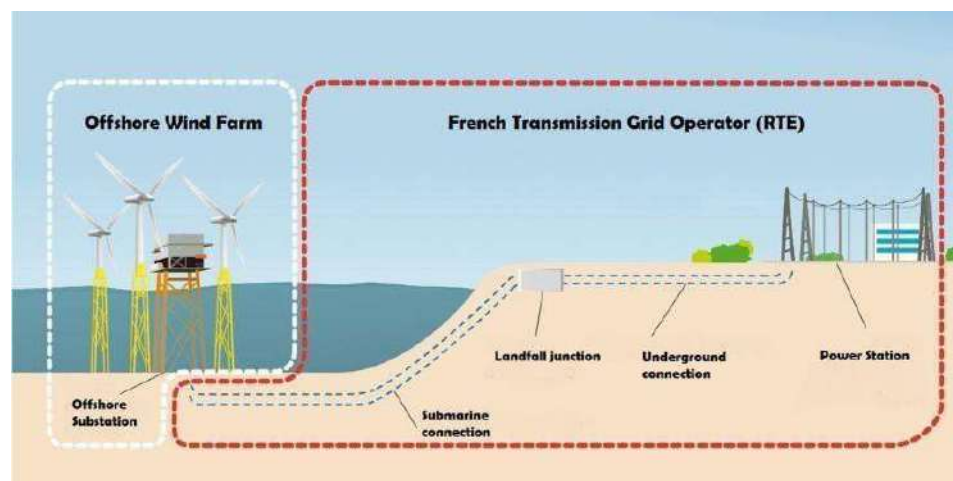
A new offshore grid to accommodate 18 GW of wind power until 2035



RTE is now financing offshore wind farm connections

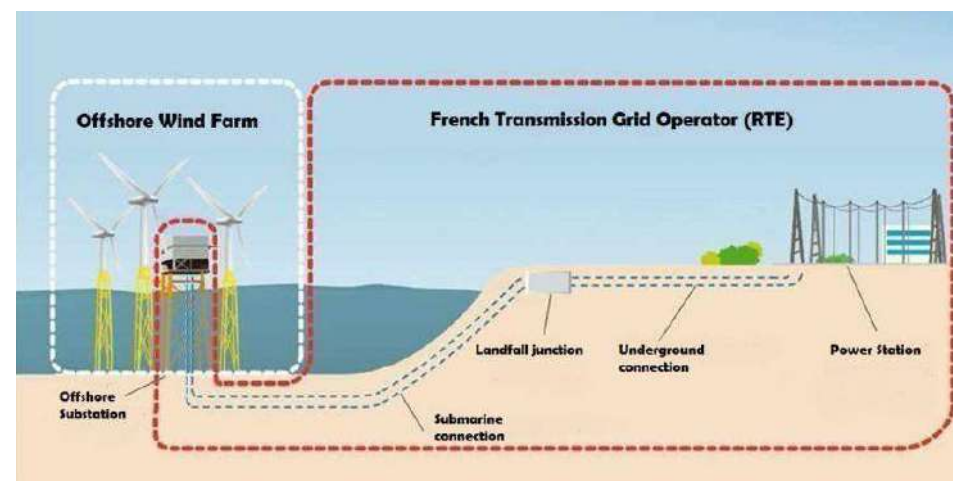
2019 TYNDP

Tenders 1 & 2



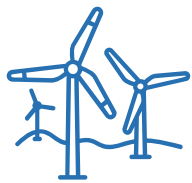
- RTE in charge of grid connection, fully financed by RTE
 - Tender 1: July 2011, 4 x 500 MW
 - Tender 2: March 2013, 2 x 500 MW
- } Cumulative length of the 6 projects: 278 km

Tender 3



- RTE in charge of i) grid connection and ii) offshore substation, both fully financed by RTE
- Tender 3: June 2019, 1 x 600 MW

Focus on Saint-Nazaire off-shore wind farm



The Saint-Nazaire offshore wind farm project in key figures

- 80 wind turbines
- Installed capacity of 480 MW
- A 225 kV submarine link, long of 33 km from a power substation in sea to the coast
- Budget of €285m, that is around 15% of the total cost of the project
- Commissioning in 2022

Saint-Nazaire project



Underground cable links



Landfall construction



Underground and overhead cable links



Prinquiau substation

A metal-enclosed substation (PSEM)



Offshore wind farm EMF
80 wind turbines
480 MW



Submarine cable lines
2 cables of 33 km





Le réseau
de transport
d'électricité

Independent limited assurance report



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RTE RESEAU DE TRANSPORT D'ELECTRICITE

Limited Assurance Report from the
Statutory Auditor on the information related
to the allocation, as of December 31, 2022,
of funds raised through the green bonds
issued by RTE Réseau de Transport
d'Electricité on January 12, 2022

Mazars
Société Anonyme d'Expertise Comptable et de Commissariat aux
Comptes à Directeur et Conseil de Surveillance
61, rue Henri Regnault – 92400 Courbevoie
Capital social de 8 320 000 euros – RCS Nanterre N° 784 824 15



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Limited Assurance Report from the Statutory Auditor on the information related to the allocation, as of December 31, 2022, of funds raised by RTE Réseau de Transport d'Electricité through the green bonds issued on January 12, 2022

To the **Chief Executive Officer**,

In our capacity as statutory auditors of RTE Réseau de Transport d'Electricité (the "**Company**"), and in accordance with your request, we have undertaken a limited assurance engagement on the following information (the "**Information**");

- the allocation, as of December 31, 2022 of funds raised through the green bond issued by the Company under number FR0014007LP4 on January 12, 2022 (the "**Issuing**") which amount to 850 million euros, contained in the green financing report (the "**Green Financing Report**")
- the projects financed and/or refinanced by the **Issuing** and identified as eligible by the Company ("**Eligible Green Projects**")
- the output indicators for each Eligible Green Project

The **Information** has been prepared in the context of the green bond offering dated January 12, 2022 (the "**Green Bond Offering**") and the green financing framework defined by the Company (the "**Green Financing Framework**").

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the section "*Summary of the work we performed as the basis for our assurance conclusion*" and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Information is not prepared, in all material respects, in accordance with the Company **Green Financing Framework** used, and the **Green Financing Report** (see below under "*Understanding how the Company has prepared the Information*").

We do not express an assurance conclusion on information in respect of earlier periods not covered by the **Green Financing Report** or on any other information not included in the **Green Financing Report**. We have not reviewed and do not provide any assurance over other individual project information reported.

Understanding how the Company has Prepared the Information

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure sustainability information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the **Green Bond Offering** and the **Green Financing Framework** available on the internet site or on demand.

The Company's Responsibilities

Management, the Treasury and the sustainable working group of the Company are responsible for:

- Selecting or establishing suitable criteria for preparing the **Information**
- Selecting the **Eligible Green Projects** regarding the eligibility criteria set out in the Green Financing Framework (the "**Eligibility Criteria**")
- Preparing the Information in compliance with the **Green Bonds Offering** and the **Green Financing Framework**
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the **Information** is free from material misstatement, whether due to fraud or error
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Chief Executive Officer of the Company.

As we are engaged to form an independent conclusion on the **Information** as prepared by management, we are not permitted to be involved in the preparation of the **Information** as doing so may compromise our independence.

However, we have no responsibility for:

- Challenging the **Eligibility Criteria**, and, in particular, we give no interpretation on the final terms dated January 10, 2022, related to the Green Bond Offering;
- Forming an opinion on the effective use of the funds allocated to the **Eligible Green Projects** after such funds have been allocated.

Professional Standards Applied

We performed a limited assurance engagement in accordance with the professional guidance of the French Institute of Statutory Auditors ("**CNCC**") applicable to such engagements.

Our Independence and Quality Control

We have complied with the French Code of Ethics (Code de Déontologie) for Statutory Auditors as well as the provisions set forth in Article L.822-11 of the French Commercial Code (Code de Commerce). In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Our work was carried out by an independent and multidisciplinary team with experience in sustainability reporting and assurance.

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information, we:

- Understood the procedures implemented by the Company for producing the **Information** by inquiries of management
- Verified the compliance, in all material respects, of the **Eligible Green Projects**, with the Eligibility Criteria, by performing substantive testing on a sample basis
- Verified the appropriate segregation of the funds raised from the Issuing and their exclusive allocation to **Eligible Green Projects**
- Performed the necessary reconciliations between the Information and the accounting records from which it is derived and performed substantive tests, on a sample basis and using other selection methods, to verify the concordance of the Information with supporting documents underlying the accounting records

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

This report has been prepared within the context described above and may not be used, distributed or referred to for any other purpose.

The statutory auditor,

Mazars

Courbevoie, November 27, 2023

Mathieu Mougard

Partner



Le réseau
de transport
d'électricité

Financing & Treasury Department



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