

Joint statement between Total S.A. and Institutional Investors as participants in Climate Action 100+

Total takes major new steps to achieve its ambition to get to Net Zero by 2050

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This joint statement has been developed between Total S.A. and institutional investors – as participants in the global investor initiative Climate Action 100+ – EOS at Federated Hermes, the global stewardship service provider, and BNP Paribas Asset Management.

Introductory comments by Total:

Total supports the aim of the Paris Agreement, with its call to reduce greenhouse gas emissions in the context of sustainable development and eradicating poverty, together with the Paris goals to limit planetary warming to well below 2 degrees centigrade compared with pre-industrial levels.

A transformation of the world's energy systems is needed to achieve these Paris goals. The dual challenge of "more affordable energy for all and less carbon emissions" is a challenge for society as a whole, where governments, investors, companies and consumers all have important roles to play.

Total is at the center of the climate challenge and has set the ambition to become the responsible energy major. Our mission is to provide energy that is reliable, affordable, cleaner and accessible to as many people as possible.

The worldwide energy mix needs to evolve to be consistent with the Paris goals. Total integrates such an evolution in its business strategy by promoting the use of natural gas together with hydrogen and biogas, investing in low carbon electricity primarily produced from renewables, focusing investments on low cost oil and biofuels, and investing in carbon sinks such as nature-based solutions and CCUS.

Total is developing as a broad-energy company, with oil and gas, low-carbon electricity and carbon-neutrality solutions as integrated parts of its business. Total believes its low-carbon strategy provides a competitive advantage which creates long term value for its shareholders.

Moreover, Total is committed to reducing its carbon footprint when producing, transforming and delivering energy to markets.

First, Total has made public a target to reduce its absolute emissions from its operated oil & gas facilities to less than 40 Mt by 2025. This target, that is an element of executives' (and CEO) compensation, has been set in absolute terms, taking account of the growth of the company which will represent the equivalent of around 10 Mt by 2025. Total will continue to reduce these emissions further beyond 2025.

Beyond its own operations, Total has also set the ambition to reduce the carbon intensity of the energy products used by its customers with intermediate steps of 15% by 2030 compared to 2015 and 25% to 40% by 2040. Although the pace of transition will depend significantly on the pace at which public policies will evolve, together with consumer behavior and resulting demand, Total's mission is to offer less carbon intensive and affordable energy products to its customers. And this ambition is already in action as Total has already achieved a 6% reduction since 2015, the best performance amongst the majors.

Transparency is a key prerequisite to providing a clear picture to investors, regulators and the public at large of the way Total integrates climate into its strategy and develops a course of action. Total has been among the first to support the Task Force on Climate-related Financial Disclosures (TCFD), in addition to many other initiatives related to carbon pricing and the fight against climate change.

Total values the long-term relationship with its investors and acknowledges the positive role that can be played by ongoing engagement and open dialogue with investors, other industry players, governments and society.

Introductory comments by the Institutional Investors:

Long-term institutional investors and their representatives manage retirement savings and investments for millions of people and believe climate change to be one of the greatest systemic risks facing society and the prospects for long-term investment. All parts of society have a role to play to help achieve the goals of the Paris Agreement to restrict global warming to well below 2°C above pre-industrial levels and pursue efforts to limit climate change to 1.5C. This includes companies across all sectors. The oil and gas sector has long been a focus of investors' climate-related concern due to the significant share of global greenhouse emissions represented by the industry's operations and products. As the energy transition proceeds towards net zero global emissions, significant and rapid action to decarbonise both its products and operations will be vital to the long-term future of the industry.

Climate Action 100+ is a collaborative engagement initiative launched in December 2017. Through the initiative, more than 450 investors with over than \$40 trillion in assets collectively under management are engaging companies on improving governance, curbing emissions and strengthening climate-related financial disclosures. Its aim is to engage systemically important greenhouse gas emitters and other companies across the global economy that have significant opportunities to drive the clean energy transition and help achieve the goals of Articles 2.1(a) and 4.1 of the Paris Agreement (the 'Paris Goals').

We are pleased to welcome this announcement of Total's ambition to get to net zero emissions by 2050 and the steps it is taking on the journey, which together demonstrate its commitment to being a leader on climate change. We look forward to continuing to engage with Total, working together towards the achievement of this 2050 net zero ambition.

Joint Statement:

In light of the above, we, Total and the Institutional Investors participating in Climate Action 100+, are pleased to jointly announce the additional steps indicated below that Total is taking:

1. Strategy

Total supports the goals of the Paris Agreement and the Board of Directors confirms that the strategy of the Company aims to be consistent with these goals: Total's strategy is built around the anticipated market evolutions stemming from the Paris goals and aims at capturing business opportunities linked to the decarbonization of energy. This strategy is resilient with long-term hydrocarbon prices aligned on a scenario well below 2°.

2. Getting to Net Zero

Total's Board of Directors has reviewed the achievements and ambitions of the company in the fight against climate change and decided to take additional steps towards the Paris goals, with a view for Total to get to Net Zero by 2050 together with society.

Total shares the ambition to get to Net Zero emissions by 2050, together with society, for its global business across its production and energy products used by its customers (scope 1+2+3). In order to help the world and Total to get to Net Zero, Total will develop an active advocacy for policies that support Net Zero, including carbon pricing, and will mobilize its capabilities not only to deliver its own ambitions but also to help countries and corporations get to Net Zero as well. Total will work together with other businesses to enable decarbonization of energy use.

To achieve that ambition, where Governments in a given region commit to take policies and regulations aiming at Net Zero, Total will commit to achieve Net Zero emissions by 2050 across all its production and energy products used by its customers in such a region. As the EU has set the target to achieve Net Zero emissions by 2050 and thereby lead the way for other regions to become carbon neutral over time, Total takes that commitment for all its businesses in Europe¹.

Three major steps to get Total to Net Zero:

- 1. Net Zero across Total's worldwide operations by 2050 or sooner (scope 1+2)**
- 2. Net Zero across all its production and energy products used by its customers in Europe¹ by 2050 or sooner (scope 1+2+3)**
- 3. 60% or more reduction in the average carbon intensity of energy products used worldwide by Total customers by 2050 (less than 27.5 gCO₂/MJ) - with intermediate steps of 15% by 2030 and 35% by 2040 (scope 1 + 2 + 3)**

In pursuit of getting to Net Zero, Total aims to further update and extend its reduction commitments as public policy, low carbon technologies and the actions of other businesses, including its customers, further advance, with the support of Total.

¹ Europe means the EU + Norway + UK

3. Capital Expenditure Allocation

Total is committed to pursuing a resilient business strategy in its various segments, which it believes is consistent with the goals of the Paris Agreement. This includes the following:

- Total will continue to stress test its portfolio, including new material capital expenditure investments, against relevant scenarios. This will include an assessment of each new material capex investment including in the exploration, acquisition or development of oil and gas resources and other energy and technologies for consistency with the Paris goals. Total will report annually on the criteria used, including relevant oil, gas and carbon price assumptions and progress made.
- To assess the resilience of its portfolio, Total assumes a long-term oil and gas price scenario compatible with the Paris goals, using a price trajectory converging to the IEA Sustainable Development Scenario (SDS).
- The Upstream unit will prioritize the generation of value and cash over volume. Even if CO2 prices do not currently apply in all countries where it operates, Total integrates a CO2 price of 40\$/t in all investment decisions and will run a sensitivity test at 100\$/t from 2030 onwards.
- Total confirms its target of a renewable generation gross capacity of 25 GW in 2025 and will continue to expand its business to become a leading international player in renewable energies. Total currently allocates more than 10% of its Capex to low carbon electricity, the highest level among the Majors. To actively contribute to the energy transition, Total will further increase its allocation of Capex in favor of low carbon electricity to 20% by 2030 or sooner.

4. Annual reporting – Review of Progress

Total publishes an update on its progress towards its different objectives on an annual basis. Total has been an early supporter of the TCFD and will continue to support and promote the implementation of its recommendations.

At least every 5 years, Total will review its ambitions, strategy and targets informed by improvements to national and international policy, updated scenarios on decarbonization trajectories and any other developments to assess societal progress in the energy transition.

5. Climate policy engagement and transparency

Total recognizes the importance of ensuring that its membership in relevant trade associations does not undermine its support for the objectives of the Paris Agreement on climate change.

In 2019, Total undertook and disclosed a comprehensive review of these memberships to assess alignment with the company's stated positions.

Total will continue to track and provide information about its trade association activities on climate change-related topics, areas of misalignment and actions taken in that regard.

Total and Institutional Investors participating in Climate Action 100+ will continue to work together towards the achievement of its 2050 net-zero ambition.
