Re: “Duty of care / Total SA”

Ms,

We acknowledge having read your letter dated October 22, 2018, displaying the concerns of local governments and associations that you represent regarding climate change impacts.

Total is fully aware of the climate issues, has long been recognizing them publicly, takes them into consideration in its strategy, and in this regard, develops concrete actions.

In 2016, following the Paris Agreement, Total was the first oil and gas producer to dedicate a report dealing with climate-related issues. This annual report, published every year since 2016, a copy of which is enclosed herewith, details this strategy and the actions related to it. These actions are structured around three key strands:

1. improve the energy efficiency of our operations;
2. grow on the integrated gas chain, an essential alternative to coal;
3. develop our presence on the whole low-carbon electricity chain;
4. promote bioenergies (biofuels, biogas);
5. develop carbon storage, through nature based solutions (forests...), or capture/storage/use of carbon dioxide.

To illustrate how this strategy is implemented, we assess our investment decisions with a carbon internal price since 2008. Since 2015, we support carbon pricing strategies, and since 2011 we invest heavily in low carbon trades (electricity production and sale with Total Spring and Direct Energie, renewable energies with SunPower, TotalSolar and Total Eren, batteries with Saft, energy efficiency with Greenflex). We are also a founding member of the Oil and Gas Climate Initiative (OGCI), which finances the development of innovative technologies for the climate.

Total sets itself objectives of reducing greenhouse gas (GHG) emissions, notably through the reduction and elimination of all routine flaring of gas, and the enhancement of our facilities' energy efficiency. Thus, we have reduced our emissions by 30% since 2010. We aim at improving our facilities' energy efficiency by 1% on average each year.

While pursuing our mission to provide affordable energy to the greatest number of people, we want to develop our activities in low carbon energy (natural gas, renewable energies, electricity, biomass).
We recently implemented an energy intensity indicator, assessing our energy products’ average GHG emissions throughout their entire life span: from the oil or gas well to the final use as hydrocarbon fuels; from solar panels production to the sale of electricity for solar energy. We believe that our strategy should allow us to reach our ambition of reducing this indicator by 15% between 2015 and 2030; in the longer term, we plan to continue and even accelerate our efforts, depending on technological advances and public policies.

Total is present in more than 130 countries. Our activities are strictly regulated and controlled by public authorities, including regarding our GHG emissions. Total respects the regulations applicable to its worldwide activities.

Furthermore, contrary to what you are stating, in its annual management report, Total not only describes the risks of its activities regarding climate change, but also the way in which Total takes into account climate change related issues in its strategy and investment decisions, as part of the reporting required by article L. 225-102-1 of the trade code. This information is also part of the reporting “TCFD” (Taskforce on Climate-related Financial Disclosures). You will find all these elements in the abstract of our 2017 Reference Document enclosed herewith.

The first “duty of care” plan published by Total, also to be found in its annual management report, complied with the objectives of the March 27, 2017 law. This law was adopted in order to ensure that firms contribute to the prevention of serious harm to human rights in their supply chain management (for example the Rana Plaza disaster in 2013), and the prevention of serious environmental offences resulting from their operations (for example the factory explosion in Bhopal in 1984).

Even though the risks related to climate change are different from the ones mentioned above, which is incidentally what led us to not considering the risks linked to our GHG emissions as part of this new legislation (as this risk is addressed in our reference document), Total’s Management Board agreed that the duty of care plan of Total, which will be included in the 2019 annual management report will process the risks linked to climate change.

We have taken note of the concerns of the local governments and associations that you represent and offer to meet them in order to discuss the ways in which we can pursue our shared ambition of tackling climate change.

Please accept, Ms, the expression of my highest consideration.

Aurélien Hamelle