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PRESENTATION

Renaud Lions ***TotalEnergies SE - SVP of IR***

Good afternoon, and good morning if you are joining us from the Americas. For the ones who are present today in London, we hope that you had a nice lunch. We are delighted to welcome you to TotalEnergies' Strategy, Sustainability and Climate Investor Day 2023. We are today, as I was saying, in London: last time was in 2019, a long time ago.
Before detailing the program of the afternoon, I invite Jan from the security of the hotel to join me for the safety instructions. Thank you.

Safety Instructions

Renaud Lions ***TotalEnergies SE - SVP of IR***

Thank you, Ian. Appreciate it. The program for today will be structured in 2 sessions. First, we'll have Patrick and Helle, who will be presenting the strategy and climate updates and progresses. After those 2 presentations, we'll have a Q&A session. Live session, you will be able to ask any question you want. And then we'll be moving to the second part of the afternoon, where Helle, Namita and Jean-Pierre will focus on the key elements of our sustainability model and all the various aspects from financial resilience to

biodiversity or people. And then we'll have, again, a short Q&A.
But for now, I invite Patrick to the floor for a sustainability moment.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

First of all, welcome to you, everybody.

[Slide 3]

In TotalEnergies, we have decided that every morning for the first meeting, there is a safety moment. And since last year, we have introduced another ritual because corporations work with rituals if you want to change the culture, that every afternoon meeting begins with a sustainability moment. So I will do it myself because it's an opportunity to introduce today to you our new program, called Sustainab'ALL, which has been built from a bottom-up approach during the year 2022 by our colleagues in the Company: 27,000 colleagues worked on this program. So it's clearly a bottom-up approach.

The question we asked them at the beginning of last year was: the SDGs [Sustainable Development Goals], what do they mean for us, for TotalEnergies? And the idea was to put in place some specific KPIs or thematic on which we want to work collectively in order to progress, but linked to business. That means that embedding sustainable development goals into our strategy, our projects, our operations, or businesses. At the end came 10 KPIs: I will not describe them to you. And it's continuing to be a bottom-up approach because each site, each subsidiary have to decide for themselves a goal for '23 to '25 to progress on each of these thematic. And more importantly, in my eyes, they have to come back each year with a success story. So we'll make the collection of the success stories of sustainability within the Company. And I hope that it will feed the next Sustainability and Climate report. And the idea is to celebrate it, to go deep in the culture and also, by the way, to have a cross-fertilization because in a large corporation many ideas could come from one business and give ideas to the other. So that's our Sustainab'ALL program.

And of course, in the program, we speak about energy. And we want to be ourselves for our own operations at the forefront: consuming low-carbon energies, engaging our suppliers, innovating in low-carbon energies; It's about our people; It's about the natural resources that we should preserve; And it's about sharing value. It's exactly the program that we will, today, this afternoon, on which we'll come back to you.

[Slide 4]

So again, we have a structure of meetings with investors we changed last year. In February, we celebrate, for the time being we celebrate, our financial results of the previous year, and we give you the financial objectives for the next year. So we've done that beginning of February. In March, because there is Board involvement, we issue today our Sustainability & Climate report, which will be the base of the resolution to the general assembly of shareholders: we have committed since 2021 that each year, we'll report on the progress, and we will also update our objectives year after year in order to be better on the sustainability and climate commitments.
And so this is why we come today. We come today to report to you. Of course, it will be my presentation, all that is supported by the strategy of the Company. The strategy of the Company is fundamentally

described to you deeply in September. So today, I will not come back again. We don't change the strategy of the company. We stay the course, we make no U-turn. So you will not hear anything new. I think we are in an energy business, which is a long-term business. And so when you have a strategy, if you want to deliver profitability, it has to be consistent for many years. You can adapt, but not fundamentally change. So we'll come back on what we are doing within TotalEnergies, which is building a multi-energy company, and 2022 has reinforced this conviction. So I will set the scene about the strategy, reminding you the fundamentals, which, of course, are the core of all the progress and achievements we do in terms of climate, in terms of people, in terms of sustainability. So this is the fundamental idea of this part.
Then Helle will make the climate report and will update the targets. All that being validated by the Board, again, who worked a full day on all these topics last week. And then we'll have a Q&A, like Renaud said. Don't worry, Jean-Pierre, Namita and Helle will not make 20 slides. It's 4 or 5 slides, just to zoom on some specific aspects, which might be of interest for some of you. So the second part will be a little shorter.

[Slide 5]

Having said that, I will jump into the presentation. Our purpose is, and I think it's important: more energy, less emissions. The whole company is driven by the idea that we are an important player in that field, and that our mission is to supply energy to as many people as possible. The world population is growing and they aspire legitimately to a better living standard, so more energy. And this is what we observed for the last 20 years, year after a year. So, we need to provide more energy.

Of course - and this is the whole challenge of the energy transition - we need to dramatically lower emissions, and this in two ways: on one side, to change the way in which we produce hydrocarbons. We must produce hydrocarbon with a much lower Scope 1 + 2, which is the primary responsibility of a company being involved in oil and gas, but also, on the other side, to contribute to the transition by investing in the new decarbonized energy system, which is the other pillar of our strategy.

All this while being always more sustainable. And let's be clear, the ultimate objective is to continue to grow to increase our returns and to increase our returns to shareholders.

[Slide 6]

This strategy is driven by some fundamentals of demand that you all know in the room. This slide is simply a reminder that the Company's strategy is not driven by supply but by demand. Demand, of course, for oil. There is still a growing demand for oil, even though at the same time we are seeing an acceleration of innovation to substitute all uses, such as EVs in transportations or batteries more generally, and maybe hydrogen tomorrow. The vision today is that oil demand continues to grow for now, but it could plateau and then decline. So, we need to keep that in mind and manage our oil portfolio to keep as well optionality, because the timing of all this is not very clear. One of the uncertainties of this energy transition is the pace at which demand for the various components of the world's current energy system will change. Another driver is that oil might also be substituted by low-carbon liquids such as biofuels, already partly done, or e-fuels tomorrow.

Then we have natural gas. Because electricity is at the core of the transition and because renewables are intermittent, you need to have flexible generation capacities. Gas is one way to offer this necessary flexibility. From this perspective, backing out coal and the complement of intermittent renewables is a

fundamental contribution of gas to this transition. We intend to drive growth in LNG as we are a large players in this sector. We intend to continue to grow and develop this business because we see transition from coal to gas in many emerging countries as very pragmatic, despite the challenges of LNG price. Then, of course, there may be some alternative gases like biomethane or hydrogen in the future.

The last and third pillar of our strategy; and that's why Total has become TotalEnergies, is electricity. You will hear us talk more and more about Integrated Power as we report on this new segment starting next quarter. Electricity goes hand-in-hand with decarbonization, which leads to a higher demand for electricity. Renewables, of course, are one way to decarbonize this power generation but we should not forget electricity storage as well, which is part of the transition. And this is the third the market we want to address in our strategy.

[Slide 7]

This slide introduces the whole speech of this afternoon because, in fact, I hear some investor voices saying that, yes, we are investing in green, but that green is less profitable and that we are not doing it for the right reason. No, we're doing it for a good reason, and I think it's a very good reason, which is to fundamentally prepare the future of our Company and to create its future revenue growth.

What we demonstrated last year is that we were the most profitable major in 2022. We now have the figures of all our peers and it's true in terms of ROACE at 28.2%: we are at the top of the leader board. And it's also true, more importantly for our investors, in terms of net cash flow per share growth. This means that TotalEnergies is a company that is reactive to higher energy price. We don't always have that reputation, but part of what we've done since 2015 is to lower the breakeven to less than $25 per barrel. And of course, when price is high, it's good: we benefit much more of it.

And at the same time, this is the green part of the slide, we have invested $15 billion over the last 6 years in low-carbon energies. Last year alone we invested $4 billion and this year $5 billion. We are now at a pace that we will maintain over the next years. We'll see that later in the presentation. And we have grown our renewable portfolio to 17 gigawatts of gross capacity, which is by far the largest portfolio within the majors.

My message is: yes, it's absolutely achievable and we'll achieve it. It's our commitment to continue to deliver high profits, to be the most profitable, while preparing for the future and investing in these new and low-carbon energies: low-carbon electricity low-carbon molecules.

[Slide 8]

So of course, the best demonstration to you, investors, will be the cash allocation. Before we talk about climate and low-carbon energies, that's the reality check. And again, I'm just repeating what we announced to you in September and February, and this scheme will come back.

The first priority given by the Board is to have a sustainable ordinary dividend through cycles. We've never cut the dividend in the last 35 years and we'll continue to do so. That was a commitment when I became CEO and I have stuck to it, including in 2020. And we will support the dividend increase by share buybacks when we do it, but more fundamentally, by the underlying cash flow growth of our revenues. And we are at the pace of an additional $1 billion per year. So, the Board will then decide how much of the $1 billion

we allocate to ordinary dividend to have a sustainable ordinary dividend. For '23, we announced an increase of more than 7% of our interim dividends.

Then we have CapEx: we support our multi-energy strategy, both on hydrocarbons and low-carbon energies. I will come back in a specific slide on this $14-18 billion per year guidance and $16-18 billion in 2023, including $5 billion in low-carbon energies.

Balance sheet: that's the good news of 2022. Now my CFO can rest, but he is not resting, I can tell you, we're keeping him awake. The target has always been to remain a grade A credit rating through the cycles. We have now set a new target, which is AA credit rating. And we have, in fact, all the metrics: it is now up to the rating agencies to decide as we will continue to strengthen our balance sheet .

Then we might have surplus cash flow, as we did in '22 and will in '23, after allocating priorities 1 and 2. And what do we do with it? We'll share it through buybacks or, as we did in '22, through a special dividend in case of very high prices, as we experienced last year. For '23, the Board is going step by step and has decided to buy back $4 billion in the first half of '23, keeping up the pace of the second half of '22 despite a lower price environment, but we have the capacity to maintain it. We'll see in the second half of the year, according to the environment, what to do.

At the end, the main commitment we've taken in TotalEnergies, which proves the profitability of the company, is to ensure a 35-40% cash payout through the cycles, which has been a step forward for our shareholders. And last year, we delivered 37%.

[Slide 9]

This strategy is designed to build a multi-energy company. And this chart explains you what we want to achieve in terms of production and in terms of sales.

On the production side, we are targeting a growth of our production capacities with a production increase of 4% per year, mainly coming from 2 energies: natural gas, LNG, and electricity. On oil, which represents today more or less 55% of our production, we will maintain this share as oil production could grow marginally. Let's not forget that we must fight a natural decline of around 4% in our portfolio. So, we need to add green fields to just maintain our production. It's a challenge but if we have opportunities, we could do more. But that's the target.

On natural gas, we are more aggressive, particularly in LNG, and we are growing. The share of natural gas in our production should remain around 40%, but in a larger company.

And then there is electricity, the third pillar, which will grow: it represented 5% of our production in 2022. Next year it should be around 10% and rise to 20% by the end of the decade.

On the sales side, we have a different pattern. Why? Because for us, the answer to the uncertainty of the decline in oil is more integration between Upstream and Downstream. Today, we are a company that refines and sells more than it produces. We have decided to put integration at the core of our model: so, let's do it. Let's do it in order not to sell more than what we produce or to refine more. The idea is to respond to a potential change in the market because part of the sales are for transportation: if you have - and I will come back to that in the presentation - more EVs, you will need less petroleum products. So for petroleum products, there is an alignment and it will go down to 30%.

Gas, we have a core position there: we're on the top of what we produce. We can market more and leverage our global footprint. So, we target 50% of our sales.

And electricity will be consistent. On Integrated Power, integrated is the right word: to have as much production as sales. That's a fundamental target we have.

On top of it, you have low-carbon molecules, which will grow. For this decade, we see it as more of a starting decade, because the issue is to develop this market for molecules, which are generally more expensive than their competitors. So we need to find markets. In addition, the limitation sometimes comes from feedstock to be able to produce these molecules.

[Slide 10]

So this strategy is supported for the decade with a capital investment policy, I don't know if policy is the right word. It's $14 billion to $18 billion through cycles. What does it mean? It's $14-16 billion at $50 per barrel, it's $16 18 billion, I would say at $80 per barrel, and then we navigate. It's a disciplined one.

And what you see on this chart is that, in fact, we have 1/3 going to low-carbon energies, as an average. More on Integrated Power, but the pace we have reached last year - $4 billion per year - is for us the right pace to build this Integrated Power business. So, low-carbon molecules could grow a little.

Then we have gas, which represents 20-25% of our CapEx, and oil, the remaining 45%.

We have identified for those who ask us generally the question: 30% of our CapEx are going to new projects in oil and gas. It's including exploration, greenfield projects and new LNG plants. So, it's 33% on low-carbon energy projects, 30% on new hydrocarbon projects, and the remaining part, which is more or less 35%, on maintenance. Maintenance of our existing assets because we must maintain them in refining, in marketing and in Upstream as well. And it requires some capital.

So this is, I think, an important slide. You can see that it's, of course, aligned with the strategy of increasing these low-carbon energies in the portfolio, but also keeping at the same time optionalities to be able to meet the demand on our oil and gas businesses and aggressively on LNG.

[Slide 11]

A word about Upstream oil. In our strategy, Upstream oil is built around 2 mottos: low cost and low emissions. When we invest in new projects, we have some criteria, - which will you'll be reminded of in another slide: less than $20 per barrel and less than 19 kilograms of CO_2 per barrel. We have an algorithm where we want each new project to be lower than the average of the company, and the company is lowering. It was 20, now it's 19. The new target is less than 19. So we apply these criteria to any new investments, but we find new ones, very good ones.

We have a large portfolio of new projects that meet these criteria. These criteria are there to, on one side, maintain the cash engine of the company and, on the other side, to be able to say: "no, there is absolutely no stranded asset in this portfolio". I will show you why I said that, but we have major projects in construction in Brazil, 2 projects to FID this year as well in Brazil and in Angola.

You have observed that in the last month, since we met in February, we have announced a new and low-cost oil acquisition in Abu Dhabi. Quite happy to have access to this new concession. It's $4 per barrel of access cost and less than $5 of production cost. All that is very good and it's long term.

And then we also have options in our portfolio, and that's good news coming from exploration for TotalEnergies, since cost of access is quite low. The first good news I can confirm is on Suriname. We had a program of 3 appraisal wells. The first 2 wells are positive. I think we are probably not far to be able to move to an oil development in Suriname. And then we have Namibia, where I explained you in February that we'll spend $300 million this year for 3 wells, 3 DST. We'll have all the static and dynamic data to tell the story and to be able to see, with the idea that if it's as good as my explorers are telling me, then we could move quickly. Time to market is of essence. I have in mind the model of Block 17. When I joined the Company, I was lucky to join it in Block 17, we discovered it in '97 and we put into production in 2001.

[Slide 12]

I am demonstrating on this slide the resilience of the oil portfolio of TotalEnergies, which we, again, position with a low breakeven and a low cost, less than $20 per barrel. We have evaluated our portfolio by comparing it to what could be the demand for oil, according to the various scenario of IEA, either the NZE scenario at 1.5 degrees, the APS at 1.7 degrees or the STEPS at 2.5 degrees. And you can see that in the oil production cost merit curve, our portfolio is positioned on the first 50 million-barrel of oil per day. So it's clearly safe, in particular because we benefit from quite a number of long plateau assets in our portfolio in the Middle East. I have often said that the last drop of oil will be produced in this region. So, positioning the Company in these countries is a way to protect the portfolio and to continue to maintain the cash engine of this portfolio.

[Slide 13]

For oil, the last part of the strategy is the oil downstream integration that I mentioned in the vision we share. The integration is not because of Scope 3, there are more fundamentals behind it and Scope 3 is the result of the integration. The fundamental is that it's market driven. The analysis shows that oil Downstream is quite exposed to Europe. Europe is, for us, an opportunity because we are at the forefront of the green deal and the transition, but it's also a constraint. And you have refineries in Europe: if you wait until the last minute to transform them, there will be a lot of social impact. It's not the right way. So we need to anticipate the evolution of demand in Europe. We strongly believe that Europe will do what they have announced in terms of transitioning our energy. And I think it's even reinforced by this war between Ukraine and Russia. So, we need to be prepared in refining by transforming one after another oil refineries into bio refineries.

We have done it for 2 refineries, we will have to do it for the others. Reducing our refining exposure to oil products is a must. Otherwise, we'll not be ready. And by the way, this is the constrained part. There is also a positive part: the opportunities' part. Because we are transforming ourselves, we are now among the leaders in sustainable aviation fuel businesses. That's another way of looking at it. There is a negative part and a positive part. The condition to be a leader is to find the different feedstocks and we are becoming a good expert in finding different types of waste, like in Grandpuits, to convert them into biofuels: it is an opportunity.

And this is an explanation of what we just announced about our retail in Europe. It's very clear to us that our retail network will not be very useful for EVs. EV customers will charge their cars at home or at the office, just like you do with your iPhone. We think that 70% of the market will be there. The situation with a network offering charging points is not very obvious. It works very well on highways, where people make long drives. But for short drives, in cities, it doesn't. So we have to think about it. That means the best way is to transform this network, as some of our peers consider it with shops, network of shops in addition of network of retail stations. We are not experts in building network of shops, to be honest. We are good at energy. I'm ready to look at diversification in energy but not at selling bread or hotdogs or I don't know what other things in shops. That's not our business. So, we had to think about it and the idea is to partner with people who know about it.

We have announced that we will partner with Couche-Tard in Belgium and Luxembourg where we have a large market share. But again, the concept is to have a network of shops with fuel pumps and not a retail of fuel stations with a shop annex. It's about reversing the concept. These guys have a lot of experience. They have demonstrated it. So we accepted this partnership. They proposed to acquire our business in Germany and Netherlands where we have a limited market share and since the valuation was good, we decided that it was part of the transition that we will do.

Here again, in Europe, there will be an accelerated transition: it's a constraint for our oil product network. But it's also an opportunity because at the same time, with our Marketing division, we are accelerating and taking positions on EV charging where it makes sense. And it makes sense for us in 2 segments. One of them is highways, motorways, where today, in France, we have taken 40% market share on all French motorways by acquiring concessions. It's done and we are installing fast-charging points because we see business there. And we will do it as well on the B2B segment. We think that there is - in cities and EV hubs - a market for taxis and professionals who want to charge during the day. We'll develop some specific EV charging hubs. It's a different approach on which we want to move.

We'll also develop pan-European networks dedicated to trucks, like the one we have today for diesel, called AS24, which runs from Poland to Portugal. We'll develop one network for EV trucks, and another was announced last month with Air Liquide for hydrogen, should hydrogen become one of the fuels for heavy duty.

So that's what we are looking for on this slide: integration of our oil business. Again, we'll be stronger by being integrated in case of evolution of demand and supply. that's a strategic view, and taking opportunities of this change in transportation businesses, but also accepting to anticipate the evolution of the demand during these next 10 years.

[Slide 14]

LNG, we'll not repeat what you know very well about TotalEnergies. We are #3 in the world. We have grown a lot. We were at less than 20 million tons in 2015. Last year, we sold 48 million tons. We have growth in front of us coming from Qatar, where we have acquired these 2 positions, and from the U.S.

On PGN, news came in last month as we have agreed with Exxon and Santos to launch the integrated feed with an optimized scheme. We have worked strongly with them. We are very much in line. It's optimized in the sense of cost and it's also low-carbon projects since on the Upstream part, we will reinject the CO2

in the reservoir. And on the Downstream part, we have selected an electrical-driven train scheme with 4 small trains each of 1 million ton per year capacity. And we have also integrated that between PNG and Papua LNG in order to optimize the capacities as Papua LNG will have access to 2 million tons of capacity of PNG. So it's optimized and very well located. Everything is green now to go to FID, end of the year, beginning of next year, probably.

And on Mozambique, you know that we are working to check if conditions are there to restart. Security, as I told you in February after visiting the site, is today acceptable. We are now having a review from an expert on the human rights part. We have some feedback. One of the ideas is that the Mozambique LNG project must be involved right from today, we have already started but it should be in a larger way, in sharing the prosperity that will come when production starts in 5 years. But we must engage with all the population. We have already started with 4,000 people to whom we are bringing revenues, but we should do it in a larger way in the region and share the prosperity with them now and not to wait revenues from gas, in order to have supporters or allies in this Mozambique province. So I think this is a good lesson that we draw from the reports. We will put it into action in the coming months. We'll come back on it. And then the last condition in Mozambique is that our contractors stick to the EPC contracts and do not inflate the costs. Otherwise, we can wait longer.

[Slide 15]

Integrated Power is the third pillar of what I described: oil, LNG and Integrated Power. You will get the results from next month - April. Why “integrated” is an important word? Because of course, we need to have production capacities. And the production will be with renewables, but renewables are also intermittent. So, we need to have flexible generation as well, and we will produce it from CCGTs. We have some objectives that we set to ourselves by 2030. This is consistent with the idea that this business will represent 15-20% of the energy produced and sold in the company. In fact, we need to reach this level. We are on this path.

Storage, of course, to manage the intermittency. Storage is going also with trading because we know that electricity is a volatile commodity: hourly one, daily one. So, we can optimize all that, but we need to have assets to optimize. Traders do nothing. If they don't have assets to manage the exposure of the producing capacity to the market. That's the idea.

And then we have customers, the idea behind again integration. We don't have to have more customers than producing capacities because, otherwise, we are exposed to spot markets, and that's not very profitable like always.

This business has to be designed and to deliver ROACE above 10%. You will be able to see quarter after quarter if we are there. My view is that maybe we'll be higher than that in the first quarter of '23. We will demonstrate to you that you can develop this business. But I know the results of the first 2 months. So it's not too much a big challenge for Stéphane, who is in the room. We really want to demonstrate that, yes, this can be a business which makes sense in the portfolio of the company. And if we are able to deliver such a ROACE, while being still in a growing mode and building the business, I think it could be even better when we stabilize it. So that's what we are willing to deliver to our shareholders.

[Slide 16]

I spoke about low-carbon energies, so the low-carbon molecules.

Biofuels, I mentioned that we have bio refineries conversion, well positioned in Europe, in particular.

Biogas, you have noticed that we made some steps. We are doing local steps, not billion steps, 100 million steps in France, in the U.S., in Poland because we strongly believe that if you want to be good in this business, the key is access to feedstock and permitting. Access to feedstock is understanding very well the local ecosystem in terms of farming ecosystem and waste ecosystem. And you don't transfer that from one country to the other. It's more complex. Technology is not rocket science. We are willing to develop the business, but by making acquisitions, local acquisitions, one by one. We acquired the #1 in France. Now we have acquired the #1 in Poland, and we'll continue to do it like that.

And then biopolymers, recycling is important in our circular economy from polymers, for the business on which our chemical division is investing.

[Slide 17]

A word about CCS: carbon, capture and storage. We are targeting 10 million tons per year by 2030. It's for our emissions and it's also for the emissions of our customers: we want to develop that as well as a service. Of course, Europe is at the core of our strategy. Why? Because we have a position in the North Sea and because Europe, with the Green Deal, has to develop CCS. There is some news, which came this week or last week, important news: in the Net Zero Industrial Act, there is a target of 50 million tons per year of CCS. Each producer of oil and gas having its share of the burden. TotalEnergies represents 3% or 4% because we are not such a big producer in the EU. We produce in Norway and in the U.K., but it's not in the EU. We also produce in the Netherlands. But for me, the signal is important as it's a recognition that CCS is necessary to go to Net Zero, as part of the Western debate.

We have some projects: one in Norway and one in Denmark where we just acquired a license. We have a large presence there. Our Aramis project, in the Netherlands, together with Shell, where we have infrastructure and one in the U.K. We are looking as well for more CCS, but linked to our assets and that could offer capacities to others. But the fundamental strategy is moving to our assets: in the U.S. with Cameron LNG, where we have a potential CO_2 storage right next to the plant. So quite easy when we will expand. In Qatar, developed by Qatar Energy. And in Asia, where we have just taken a license with Inpex and Woodside to create a storage around Ichthys to store CO_2. And PNG, I described it. So that's our step-by-step deployment in CCS.

[Slide 18]

I will conclude this presentation by telling you again that, yes, it's possible to be profitable AND to invest in a large way for the future. This is what we do. Today, in fact, we have a balanced multi-energy strategy. On one side, we continue, because it's our mission, to deliver in a large way what we call the system A which is today's energies: oil and gas fundamentally. Maintaining oil production, developing optionality. And energies for the future according to the evolution of the demand. We'll see at what pace the transition will take place. Integrating our business to be safe from the Downstream point of view. LNG, we still believe gas is part of the transition and we continue to be aggressive in LNG.

And at the same time, we contribute to building the System B, which is the low-carbon energy system we all need. With Integrated Power. I just described what we want to do: the idea is to capture value from volatility in this market by leveraging our global footprint, our balance sheet and our project management capacities.

And in low-carbon molecules, for this decade, we want to position ourselves in these potentially attractive and high-value markets. But by keeping our pace of development in line with demand and trying to match what we see as demand. There are obvious markets where there is already a good demand today like biogas and sustainable aviation fuels. There are others, which need to be developed and on which we will adapt the pace of our investments to what we want to do.

I haven't said a word about hydrogen, and I know some of you are interested. It's not because we don't like it. It's just because I missed it in this busy slide, in the bottom right corner. In fact, at TotalEnergies, we have a short of 500,000 tons in Europe in our refining system and the EU is offering a good idea in their complex regulation to valorize green hydrogen in refineries. So, we are looking primarily to do that, because not only can we use green hydrogen as a feedstock - as we do today to replace grey hydrogen -, but we can also displace some of the hydrogen - produced today from reformers and crackers - with green hydrogen to become a fuel gas instead of natural gas. So, less emissions and more revenues for 500,000 tons, which is sizable. We can monetize those volumes and use this short in order to develop upstream projects. And of course, like many companies, we are now looking to the U.S. to see how we could develop 1 or 2 projects with the benefit of the fiscal incentive of the IRA.

That's what I wanted to tell you about our model to set the scene. Now, Helle will explain you how it all translates into our greenhouse gas emissions and the target we have set for ourselves. Thank you.

Helle Kristoffersen ***TotalEnergies SE - President of Strategy & Sustainability***

[Slide 19]

Thanks Patrick, and hello everyone. To follow on to Patrick's summary of our strategy, I will give you an update on our climate road map, showing the progress we make on less emissions. The takeaway from my charts and our climate realizations is that we are indeed transforming into a multi-energy company. And at the same time, our efforts to produce hydrocarbons in a much more responsible way are also paying off for sure.

[Slide 20]

So first, a good summary chart preannounced by Patrick that shows both the actuals for our emissions in 2022 and the update on our targets. All the new targets are in red. And for memory, our reference year is 2015, except for methane where we use 2020 as all the countries from the Glasgow methane pledge.

There are two reasons why we have updated our targets. First thing, we promised last year to all of you, our investors, that we would quantify milestones for 2025 across the table. So we've done that. And the second reason goes back to what Patrick just said, the pace of evolution of our transformation and of our portfolio is quicker than what we had in mind a couple of years ago. So it seemed fair to update some of these targets.

Let me start with our direct emissions from our operated activities: Scope 1 and 2 and methane. You can see that our Scope 1 and 2 emissions for 2022 were 40 million tonnes, a 13% reduction versus 2015. But bear in mind that in 2015, we did not have all the gas-fired power plants that we have added to our portfolio since then because of our strategy. So we count them of course in our Scope 1 and 2 emissions. But I'll show you a little later that if we just carve out oil and gas, the reduction of our emissions between 2015 and today is much higher. So we've improved much more if we look at oil and gas assets only.

We've kept our target for 2030 unchanged from last year: 40% or more reduction versus 2015 net emissions. As we showed you last year, this is well calibrated versus all the external benchmarks that are relevant for our direct emissions. I'll come back to that as well.

On the other hand, you can see that we've changed 2025 target, moving it from less than 40 million to 38 million tons for scope 1 +2 emissions. The reason for that reduction is the energy efficiency program we announced back in September of $1 billion over 2023 and 2024. During the bottom-up exercise, we found that the expectation from that program is that we will save energy, we'll save money, but we will also save CO2. And the order of magnitude of the C02 emission reduction is 2 million tons. So we have essentially lowered 2025 by those 2 million tons. It's a question of accountability internally and towards you, our investors.

On methane, we are executing our road maps towards 0 methane, and you see the results here for 2022. I just want to remind you that when we have a target of reducing methane emissions by 50% in 2025, and by 80% in 2030, we go way beyond the 150 countries that have now signed up for the methane pledge as they have signed up for 30% reduction in 2030.

Of course, our industry is one of the contributors to methane emissions. So it's fair that we should do more than average, but we are way above the country pledges here.

On indirect emissions, the emissions from our energy products when they are used by our customers, the famous Scope 3 category 11. We have essentially 3 sets of targets. The first one is life cycle carbon intensity of our sales. We've reduced life cycle carbon intensity by 12% in 2022 versus 2015. Given that result, we have decided to be more aggressive for the years 2025 and 2030: we've strengthened the carbon intensity targets from above 10% reduction to 15% reduction in 2025 and from above 20% reduction to 25% reduction in 2030.

It may look easy on paper, it's just a PowerPoint. But I can tell you that reaching 25% reduction for 2030 means that we will have to continue to execute properly our transformation strategy. Otherwise, we will not get there. But be assured that we will do it. So that's carbon intensity, first indicator.

Second one is worldwide Scope 3 for our oil sales. That's a new indicator, if you remember, that we came out with last year. You have the actuals for 2022: 254 million tons of CO2 Scope 3 oil worldwide. And here again, we have decided to strengthen the objectives going forward. We've added a new objective for 2025, which is effectively moving up the objective we had for 2030. The new target for 2030 is 40% reduction in Scope 3 Oil worldwide. Pretty clear, but also stringent targets.

The last indicator is Scope 3 worldwide for all our energy products. Actual is 389 million tons for 2022. For this indicator, we are sticking to what we told you earlier: It's not going down because when oil is going down as I just described, our gas sales are going up at the same time. So we stick to the ceiling, which is

that we will not go above 400 million tons. I'll come back to give you a little more color on that a little later. So that's for the overall targets and the new road map.

[Slide 21]

I now compare that with some of the external benchmarks. I want to convey the messages that on both Scope 1 and 2 emissions from operated facilities and the lifecycle carbon intensity indicator we're very much in line with the IEA scenarios that go below 2°C.

So to the left, we have plotted the trajectory for our direct Scope 1 and 2 emissions from operated facilities. We've plotted our trajectory against the 3 scenarios that Patrick already commented from the IEA latest scenarios from the end of 2022: STEPS (leading to 2.5°C), APS (leading to 1.7°C) and Net Zero Emissions (leading to 1.5°C).

As you can see, our targets are very much aligned with the Net Zero Emission scenario, which is not new because we already showed that to you last year. Here is a graph that illustrates that pretty well.

And then to the right, we have the lifecycle carbon intensity graph. As you can see, the new targets that I just commented, 15% reduction in 2025 and 25% reduction in 2030, are very much aligned on the APS scenario from the IEA, leading to 1.7°C.

Just want to remind everyone that when we do these benchmarks, it's relevant because the world's emissions as they appear in these scenarios or in other scenarios is the sum of the Scope 1 emissions of all the countries. You remember that, I think.

[Slide 22]

Another important chart: what third parties say about our climate strategy? Are we up to the challenge? We've just referenced to couple of these evaluations here. You'll find more in the full report, of course. I'm happy to share with you that for the second year, Transition Pathway Initiative has reaffirmed that our long-term emission reduction targets are ambitious enough to reach net zero by 2050 and to align with their own calculations for the 1.5°C benchmark. We're 1 of the 6 companies that get the highest score, which is 4 stars, and they analyzed close to 600 companies.

Another new benchmark from ISS, and I think there's somebody from ISS in the room. ISS has its own ESG model, a proprietary model called the “net zero alignment model” that assesses companies’ greenhouse gas disclosures, intermediate targets, net zero targets for 2050 and decarbonization strategies. And we're one of the 3 Oil and Gas companies that received a net zero overall alignment status from ISS. Our alignment status is “Aligning”, and we're happy for that, of course.

To the right, a couple of other benchmarks that just show that what we do on our own emissions back to Patrick's responsible hydrocarbon theme. What we do is very much in line with the expectations of society. Net Zero Emissions, I just commented, are also in line with the 2030 reductions of Europe's green deal, fit for 55. And we showed you last year through 2 external reports that Net Zero Emissions are also aligned with the trajectories of those countries that have committed to net zero by 2050. So we do believe that what we do on our direct emissions is well calibrated and, of course, a lot of work.

[Slide 23]

I'll give you a little more color on all this, starting with the Scope 1+2 from operated oil and gas facilities. As I said earlier, when we compare ourselves to 2015, we have today these gas-fired power plants that we didn't have in the portfolio back then. If I take them out and only look at oil and gas facilities, our reduction in 2022 was 29% versus 2015, which is really a remarkable result. And on top of that, the 2 million tons that we expect from our energy efficiency programs are largely going to be derived from oil and gas facilities. So our energy efficiency programs will continue to accelerate the decline of our emissions from Scope 1 and 2 on oil and gas.

You have a couple of examples of that to the right. And as you can see, the examples are indeed from E&P on one side and from Refining & Chemicals on the other side. Overall, I think we shared that with you in September, but the payback of this investment of $1 billion is going to be less than 4 years. We'll save money, as I said. And if you look at the cost of CO2 abatement, it means that we'll be paying $50 per ton of CO2 avoided, which is half the cost of the European ETS. So it's really a good investment on all metrics.

[Slide 24]

Back to the full scope 1 and 2 of our emissions, so including the gas-fired power plants, the CCGTs in blue because, of course, we sign up for all the assets we have. The chart here reminds you of the levers that we are going to use to get to the 40% reduction or more by 2030. And I guess the message of the chart is really that most of the work is going to come from self-help. So of course, there'll be some portfolio changes, but you can see that in red, it's not going to be a big contributor. And we do count in nature-based carbon sinks for 5 million to 10 million tons also, but it's not the biggest contributor either. It's really our own hard work that will do the bulk of the work to get there.

Again, 2 examples. You may remember the Go Green program that we announced a couple of years ago already, which means that by the middle of this decade, we will power our industrial assets in Europe and the U.S. with our own renewable power. So Go Green with our own molecules, and that's going to save us more than 2 million tons. And then to the right, a kind of landmark project embedded into the transformation of the platform of Grandpuits, that's going to be a biorefinery. Embedded into that, there are actually various solutions to produce both renewable hydrogen and low-carbon hydrogen. We do that in conjunction with our partner, Air Liquide, and that's also going to be just one example of how we're going to reduce emissions in Refining & Chemicals, even within an oil-free platform like Grandpuits.

[Slide 25]

So then, of course, I come to methane emissions. Patrick stressed that we want to grow in natural gas. It's very important, therefore, that we stay at the forefront of the battle against methane emissions. You hear us talk about that at each and every meeting. It's absolutely critical.

Again, a reminder of our achievements in 2022. Also, remember that we are having a gold status with the OGMP 2.0, which is a framework from the UN to monitor, measure and report methane emissions. We want to continue to show leadership and stewardship. Remember the targets I just commented for 2025 and 2030.

As an important milestone on this road map, we launched last year a worldwide campaign in order not to just estimate, but to actually measure for true the methane emissions from our operated sites all over the world. I think it is really a landmark endeavor from us as an oil and gas company. And I have a little video

that I'm going to launch now to show you exactly how we did those actual measurements. Can we have the video, please?

Video: AUSEA

Helle Kristoffersen *TotalEnergies SE – President of Strategy & Sustainability*

Thank you. The next step on AUSEA and these real side-by-side measurements is, of course, that we're going to share the technology with our partners on all our non-operated assets so that we play the stewardship role we want to play in the industry and get other people to join in on lowering emissions from methane. I repeat that the only acceptable goal is really to aim for zero emissions when it comes to methane.

[Slide 26]

Next chart here is just a repetition on our road map for Scope 3 oil between now and 2030. So the new target is minus 30% in 2025, minus 40% in 2030. As Patrick said, the reason why we are able to come up with those targets is our strategy. The first reason is economic integration, aligning what we produce, what we refine and what we sell when it comes to oil, and therefore, eliminating the oil sales that we do today with low cash flow impact (because it's third-party purchases that we resell). You heard us explain that several times in the past.

The second reason is that we do have a large market share in Europe where the markets are evolving fast, as Patrick said. And therefore, it means transforming our Downstream in Europe to be on top of those evolutions. I won't elaborate again, but that's the fundamental reason. And because of that strategy, we can come up with these targets. On worldwide Scope 3 oil, I think it's fair to say that we really stand out with these targets, amongst our peers.

[Slide 27]

As Patrick also said, the flip side, of the constraints in Europe are the opportunities. Patrick already commented some of the elements on this chart: as we reduce oil sales in Europe, we also speed up investments in the new infrastructure to promote the new mobility solutions for our customers.

We're going to spend $1 billion equity in new infrastructure projects for mobility over the next 5 years in Europe, which after debt financing means that we enable more than 2 billion low-carbon infrastructures. Chart here focuses on e-mobility for passenger cars and hydrogen mobility for trucks. Patrick commented most of it, but we are indeed going to equip highway service stations with fast-charging points and have dedicated hubs. We have 2 ventures when it comes to hydrogen-based transport for trucks.

We're very proud of the 40% share we got in the first charge point tenders in France on the highways last year. 40% is way above our market share in service stations on the highways. We spent a lot of time with our people from the marketing and services branch to calibrate how we would answer those tenders. We are satisfied with the outcome, which puts us as a clear #1 in that market, which is what we wanted to be.

[Slide 28]

Now moving on to Scope 3 from gas, which is essentially the delta between the global Scope 3 number and the Scope 3 Oil number. There's a 4 million that is linked to biofuels, but other on that, the rest is gas. As you heard from Patrick, we want to grow in gas. And because we're growing in gas, Scope 3 from our gas-related sales will not go down. It's actually going to go up.

In 2022, we're talking about 130 million tons of CO2. We stand by the fact that those Scope 3 emissions will go up because of the positive role we see for gas in the transition, and you've heard us say that often. Selling gas to customers that would otherwise use coal or fuel oil is a net positive for the planet.

We told you last year that 99% of our LNG customers are in countries that have a net zero strategy and road map. The reason why they buy LNG from us is that they back out coal or fuel oil in their energy systems. That's good news, of course, since natural gas emits half the emissions of coal.

So for the first time this year, we've tried to quantify what is this mitigation impact of natural gas on the global emissions. We've done a comprehensive work customer by customer, country by country to try to assess how much coal is displaced, meaning how many emission reductions do we enable when we sell gas or LNG compared to a situation where the customer would otherwise use coal or sometimes fuel oil. Results are in the table that you see to the right. You'll be able to read all the details in the report as we're trying to be transparent on how we did this.

When our LNG customer is known, we have simply compared the gas emissions of the LNG sales to the fuel that this customer would have otherwise used (typically a utility). When the final customer is not known, we do the same. We compare the emissions of natural gas, but this time, to the weighted average of the flexible power sources that the country in question has, so fuel oil or coal. And to be sure that we are not overestimating the impact, we're multiplying that then by the share of power in the natural gas demand of the country.

So we're trying to be on the conservative side here. And when you do all that customer by customer, country by country, the net is roughly 70 million tons of "saved emissions" or "enabled emission reductions", thanks to our gas sales.

In terms of emission factors, we've used the data from the IEA. If you look at the table, when you have the time, you'll see, of course, that these emission factors are not the same for each country because they depend, for instance, on the age of the infrastructure. The coal plants may be more or less efficient, and therefore, the impact of our coal to gas substitution is not uniform country by country either. All this is something that would have probably come to yourself intuitively as a conclusion.

Despite all these differences country by country, the average conclusion is, I would say, without surprises because you can see in the table that the large contributors to the 70 million tons are for instance countries like China or South Korea where very clearly when we sell LNG, the use of coal goes down. And so I would say the net takeaway is that even when our gas-related Scope 3 emissions go up, the world is better off.

[Slide 29]

Last chart here on Scope 3, just to give you an update on what we call the OneB2B customer solution that we created last year. If you remember, it's a dedicated group of more than 30 experts now that works with our customers to help them on their decarbonization journey, offering them multi-energy solutions for

their own use to decarbonize their own operations. The customers come from the 11 sectors that are listed here. It's a sector-based approach, which also means, of course, that we can use best practices from one customer to another customer in a given sector. And again, the best thing is probably to have one of these customers speak for me. So we have a short video from Holcim, global leader in cement, one of the so-called hard-to-abate industries. And well, that customer is going to tell you what it is, and what we're talking about. Can I have the video again? Thank you.

Video: Holcim

Helle Kristoffersen ***TotalEnergies SE - President of Strategy & Sustainability***

So that's all I wanted to share with you. There's a wealth of more details and stories and data in the report. But now I think we are ready for Q&A. Is that it, Renaud? Thank you.

QUESTIONS AND ANSWERS

Renaud Lions ***TotalEnergies SE - SVP of IR***

Thank you, Helle. Thank you, Patrick. Let's now to open our first Q&A session.

Michele Della Vigna ***Goldman Sachs Group, Inc., Research Division - Co-Head of European Equity Research & MD***

I had 2 questions I wanted to ask. The first one is on the long-term contracting strategy for LNG. You've benefited tremendously in the last year from having a good share of spot gas and flexibility in your portfolio. But if we look beyond 2027, we could have a few years of oversupplied gas market. So I'm wondering if this may be actually a good time to start to increase again the share of long-term contracts in your LNG portfolio. And then my second question is on Brazil. This is a country where you've made tremendous entries in the last few years. You built a profitable portfolio. But we've also seen, for the first time, the government breaching the fiscal stability of some of the contracts with these 4 months of export tax. And I was wondering whether you feel confident this is just a one-off and if it somehow changes your attitude towards investment in Brazil.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

Thank you, Michele. On the first question: of course, today, we share your views about the market, which is clearly in favor of the seller today, and which will become probably a market biased in favor of buyers by '27-'28, but it's super cyclical. LNG plants are massive investments, and nobody wants to launch them countercyclically. It's an opportunity for us, of course, to sign some long-term contracts. PNG is the right example. We are governed by the idea that we want to have a 70% long term and 30% short-term portfolio. We don't want to increase it because suddenly, we make more money with the short term. Sometimes there are periods in the market where you cannot sign contracts or you have to accept to sign them at a level which is not good for us. These years are much better: we are back to 12%, even 13% Brent. So we come back to something which is attractive, to cover some of these projects, to protect them one way or the other. And I think we see some buyers who are also more willing today to go out of a pure JKM

indexation, short-term indexation. It's always a balance, and sometimes, you win. In the end, I think it's better to keep this type of share. Opportunities: our teams are working on it, like, by the way, in Qatar: the Qataris are willing to sign some long-term contracts, and we share that view. And again, 70%-30%, we are comfortable with that. We know that we will win sometimes and we'll lose sometimes. But when we win, we can win a lot with spot, but we can also lose. Take 2020: people are looking at our results in '22, but in 2020, I can tell you Stéphane was not smiling so much. But this is the advantage of the balance sheet: we can manage the exposure, but not suddenly going to short-term only. It would be a mistake because, again, these are giant investments that we need somewhere. So that's the first point.

Second: Brazil, I'm not surprised. We know Brazil, it is an interesting country. Remember, when we came first in Brazil in 2016, the first deal around Iara with our colleagues from Shell, the first meeting I had with Brazilian President Temer was about: please don't move anything. And by the way, it was not the federal state, it was the Rio state, which is a more complex story. You always have in these emerging countries a strong need of money for social policies. So the fact that you have an oil and gas business... It would have been surprising to see the U.K. increase their taxes and not Brazil, to be honest. The reaction of the industry has been in solidarity: all the foreign companies together, together, I must insist, I think I can only applaud this behavior. We united everybody, all our Brazilian MDs together. We decided to take action on legal courts because it's a matter of principle, about fiscal stability.

Of course, the first instance, the “referee”, did not give us a positive answer, but it's not done yet. And by the way, we obtained an answer, which is a little strange to me: “don’t worry this is only for 4 months because, otherwise, it has to go to the parliament, and we don't know…”. Governments are facing, after COVID, all this inflation: it's all over the place, and Brazil is not immune. Look at what happened in Europe. Governments have to spend money for social protection in various plans. They need to find the money, and there is a good scapegoat, I would say. But we also have to remind them, and it's why we joined our efforts with our colleagues, that there are some contractual clauses and that we need to stick to that. Again, it's a matter of size and reaction. It's important to maintain and to defend our contracts, and this fiscal stability clause exist, we need to remind it to each government. So does it change my views? I would say, no, because in all these licenses, we have Petrobras. And they know the story about Petrobras. So somewhere, it protects us, because everything they decide for us is also for Petrobras, a national company. You all remember the issues that Petrobras faced and managed successfully to get out of these stories that were there in 2015.

For me, risk in Brazil is also for more local businesses: exchange rate, inflation… you have to tackle many of them. But it's a huge country with, for oil and gas, plenty of resource, giant fields. We are very simple guys at TotalEnergies: we see giant resources, we cannot avoid trying to get in. This is what we've done in December '21. And in '22, we signed the contract. And '23 is good. That's the way we work: giant deepwater fields, that's good: let's go. It's fitting our criteria. When you have this type of opportunities, you cannot avoid them. Otherwise, you can regret for a long time, and you are not sure they'll come back.

Martijn Rats ***Morgan Stanley, Research Division - MD and Head of Oil Research***

2 questions. At some point, TotalEnergies had the ambition to become a top 5 renewable player by the end of the decade with 100 gigawatts. And now there are lot of targets and a lot of slides. I'm not quite

sure, I might have missed it, but I was wondering if that is still in there and if that sort of ambition or that target is sort of still there. I wanted to ask you if that still is relevant. And secondly, I wanted to ask you about your ambitions in Iraq. With this very large $27 billion project that we sort of read about from time to time, can you give us an update on what is the sort of status of that, because that seems very large.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

Okay. The first one, it's written twice: there is no U-turn, we stay the course. No, you will not convince me to change anything. It's written Slide 15 and Slide 17, the conclusion. But the question is not the volume again, it's the value, and I insist more on the ROACE of above 10%. Why? Because this year, we managed to grow by 6-7 gigawatts in a year. We have the pace now, the machine is there. We have the teams, we continue to have access to many opportunities, we can select: we are selective in renewables today with Stéphane. We know we have visibility. I don't want people in the Company to be driven by the 100 gigawatts story. I want them now to be driven by delivering the profitability, and this is the focus of the reorganization. So it's there, and it's important because these 100 gigawatts are linked to 20% of our portfolio. If you want to deliver 130 terawatt-hour, if you make the math, you have some gas-fired power plants, you will find that it's the fundamental reason why. So let's go: again, not volume, but value is more important. This is a way to gain and maintain the trust and the confidence of our investors.

Iraq, I cannot update you. I will tell you the truth: we have a debate about the contract we signed. We signed a contract. Iraq is not the easiest place to invest. We know the risk. For me, as I said to the authorities, the continuity of the voice of the state of Iraq is fundamental. We signed a contract in September '21 with one government. We knew there were elections after. It was a test. Will this contract go through the change of government? We told them before to close, we'll wait for the confirmation. For the time being, we didn't get it. And if we don't get it, to be honest, I cannot expose the Company to a mix of risks because we know the security situation, we know the geopolitical situation… I think we are quite bold to face this situation, but what is fundamental to me is, I will not use the word “sanctity”, just the respect of this contract. We invest for 20 years, so if the contract has to change after 2 years, that means that we are not there. We have many discussions: we have expressed our views, we are waiting for the answer. I read an interview, which does not give me a lot of confidence, but I don't know… Yesterday, there was an interview which was saying something, and then the declaration of a minister saying something else, so I am a little bit… That's Iraqi politics. But again, for me, it's a test, and I will not embark the Company in such a project, if in fact, we have to renegotiate all the terms. And as you know, we were not there in Iraq before because we were considering the previous contracts, that were not giving enough rewards. And by the way, our peers have exited the country.

So that’s where we are, and I hope we'll find a common ground. I worked on it in the last month. But again, we need to have this political answer.

Oswald C. Clint ***Sanford C. Bernstein & Co., LLC., Research Division - Senior Research Analyst***

Could I ask about SAF, please, and the biofuels ambition to be a leader in SAF? And I think we're in a sustainability day, and you mentioned about buying feedstock companies. But is there not a question where you could do what one of your other peers is doing? You're big in Africa. You could be sourcing

feedstocks, waste products in Africa, bringing them to the refineries. It seems like a very good ESG tick or positive here to kind of source them from Africa. That's the first question.
And then secondly, for more on the financial side, the 10% return on capital employed in integrated power that's going to be disclosed. Obviously, I guess that's still a 2030 objective. But I wonder if you could talk about the path to getting to that 10% from 2023. I think it'd be a great help if the financial investors or at least the hardcore financial investors could see some line of sight to that number perhaps earlier than 2030.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

Oswald, I don't speak English well enough. I gave you some hints in my intervention, that you could be surprised in April '23 to see more than 10%. So wait and see, be patient. My CFO has to work a little, make the math. It's reality that drives us. I remember, and I reminded that to Stéphane who was a little afraid, when I was nominated as the helm of Refining & Chemicals, I had a target of reaching 12% with a 5% ROACE business. I said it's impossible. We deliver today 18%, 20%. So it's possible. It's a question of selection of assets and integration. And again, we know that it's not just purely renewables. We are not entering that business for renewable business. We think that this renewable business will deliver some revenues. We also know that we have to combine a secured business, like in LNG, with a merchant business. And 70%-30% is the type of idea that we run. We are not there to be an infrastructure fund, we don't want to deliver you 6%, it's not our idea. Otherwise, you would be right not to be happy. By the way, I will not come to you to ask you money for that. We want and we'll demonstrate to you that we can build an electricity business delivering more than 10% ROACE. We are committed, and we'll see: you'll be surprised.

But it's coming from all the pieces, not only renewables: from storage, from gas-fired power plants, from the trading. You need to put all that together. Like in the oil business, like in the LNG business, it's not only the LNG plants, which deliver today's results. It's also because beyond the plants, we have a portfolio, we have a fleet of 20-25 LNG tankers. We are growing the fleet of LNG tankers to benefit from the spot market because you don't find any spot tanker today, so you need to grow the fleet. So it's the whole logistics and mechanics, this is the idea. The advantage of a company like TotalEnergies, is that we have the balance sheet to put that in place in electricity, which a lot of competitors do not have. And it's also a field, because it's very large, where we can make some direct negotiation, direct agreements like Clearway, like Casa dos Ventos. We don't participate to any auctions with banks in renewables. You are sure to lose money or to destroy the value. You have to be smart like in all the business, and we can do it because now we really have a strong team, a large team. We spend more time on that. So it's not a roadmap to get to 10% by 2030, we want 10% much before. So you'll get it, and 2025 we'll have it secured, and maybe we'll increase it when we'll be more confident.

On SAF, what we've done this year for example, is creating a JV with an animal fats producer, Saria, which is one of the largest ones in Germany. It took us a year to build that, it's a long-term commitment from them because they are also investing in the plant. For us, it was about securing the feedstock at a good price. And we have been obliged to be involved in the upstream part of their business. But I think it's the way: securing the feedstock. The scarce resource is the feedstock in that story.

So then looking to Africa. First, I do not like too much to take waste around the planet. I mean, be careful: there are ESG issues, sustainability... If you begin to move waste in boats, it could become another problem, and I don't want to have a controversy. I was involved when I was a young as a civil servant in waste management and waste export and import: I can tell you it could become very complex to control. That's why we are more looking today, and we have made an announcement I think this week or last week about another agreement with a French company involved in municipal waste in order to have some waste to make some biomethane. Also with the same idea: you give us access to the feedstock, which they sort out the right ones, and you invest with us in the biomethane, so we try to manage these JVs, bringing, on one side, the feedstock, and on the other one, bringing the investments and putting that together. It's a way to develop the business.

Africa: it's like the shops and the holdings and all that. I'm not very good in agriculture, to be honest. So we look to the intercrop business, I'm a little careful. In Africa, you have people who don't have food every day. So to develop an intercrop culture, if a crop is not enough for them, we want also to be sure it's sustainable. We are looking into that, to be honest. I know that one of my peers is very strong on that. He seems to have developed a knowledge. It's not impossible, we'll do it, but more on this intercrop story rather than the waste. On the waste, I'm skeptical. My traders had found a beautiful source of waste in China. I told them be careful. I think we should be careful.

The sustainability aspects is also to be more about circularity and not to transport all these type of feedstock around the planet. We will have a huge exposure to that. So I'm not in favor of that. But we have ways to find feedstock, that's my point.

Irene Himona ***Societe Generale Cross Asset Research - Equity Analyst***

I had 2 questions. So first, you provide in this slidepack a useful table of your exposure to unconventional hydrocarbons like shales, Arctic and so on. You show 32% of your volumes in those themes. I wonder if you can talk about the average emissions of those barrels. Would it be above the portfolio on average? And then my second question, clearly, the $1 billion of additional CapEx you announced in September on energy efficiency is going a long way to accelerate emissions reductions that you're announcing today. Can you give us some examples of those energy efficiency measures? Is it 2 or 3 key things you're doing? Or is it hundreds of different actions? And then does it increase perhaps the proportion of taxonomy aligned CapEx in the group total?

Helle Kristoffersen ***TotalEnergies SE - President of Strategy & Sustainability***

I'll take the answer on the second question, Irene. There were 2 examples on my chart, one from E&P, so essentially changing gas turbines and one from Refining & Chemicals. And the short answer to your question is it's more hundreds of projects than a couple of landmark ones. If it were as easy is that, I hope that we had already done it, right? So no, it's really a bottom-up exercise. It's asset-by-asset, as I think we already explained, but this is an acceleration of some of those programs. And so essentially, read the examples, and there are more in the report.

On alignment, it's not going to be a game changer in terms of alignment of the taxonomy. It's designed differently, but it will play a big role in our reduction of Scope 1 and 2 emissions.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

To be honest, on the alignment taxonomy, as it's '23 CapEx, I'm not sure we have studied carefully. It's quite a complex regulation. But Jean-Pierre will come back on taxonomy in his zoom. He has half an hour to find the answer. So he will give you the answer during the presentation. On the first one, I was surprised because I say what is this, 32%? Out of 32%, you have 16%, which have disappeared. They were in Russia, in Arctic. And Arctic is low emission. So in fact, there is no link.. there is something wrong about this unconventional story. Unconventional, unfortunately, is the way some, I would say, some offices try to translate it. It's a mix of shale oil, shale gas where there are higher emissions. Even if you can cope with that, the way we produce shale gas today, we have a little production of shale gas in Barnett shale, we have eliminated most of the methane emissions, so you can do it. It's also tar sands: 4%, we will spin them off, so they will disappear: it is clear that they have higher emissions, but this 4% will disappear. And it's Arctic, but it's out of the portfolio. And this one has very low emissions because there is no link between Arctic and CO2, to be honest: Arctic is more a question of protection of biodiversity. And ultra-deep offshore: the same. There is no link between the depth of the water and the fact that there is more emission. Honestly, I still do not understand why you want to classify ultra-deep offshore as unconventional. It's not a matter of depth of water, it's a matter of pressure in the reservoir. It's true that you could have some situation where because the water is deeper, you could go to deeper horizons with more pressure, but it's not the case in many of it. So there is no link between the water depth and the pressure in the reservoir. So for somebody who knows about oil and gas, this classification is very strange to me.

By the way, we don't develop over-pressured reservoirs in deepwater or ultra-deepwater because of risk. So we get out of that. So this classification about unconventional gave me the opportunity to say that except the shale oil, shale gas and the tar sands where I can accept that we have to work on Scope 1 and 2. For the rest, there is no link between what you called unconventional and climate emissions, but it's one of the things on which we need to progress collectively in order to put some science in the way we appreciate the performance of companies. So we will not be at 32%, but at less than 10-20%. So it's good for, I don't know which article of funds. Again, I accept to take action when really it has an impact, but when it's just a classification, it's not good for us to spend money on things which are not useful for the planet.

Christopher Kuplent ***BofA Securities, Research Division - Head of European Energy Equity Research***

Two hopefully quick questions. One, I'm sure you've been expecting, which is, can you maybe outline the recent disposal of your marketing assets and their contribution to the cut in Scope 3 emissions? Whether that disposal alone gets you closer to your 2030 alignment or whether they are more to go. And on the topic of M&A, I've asked the same question a number of years, and I'm very happy for you to just repeat what you're always answering, which is, of course, on the other side of M&A, there are acquisitions. Some might say this is an interesting time when interest rates are very clearly no longer 0, and some balance sheets might be looking for rescues. Can you just confirm that any acquisition will have to fit into these targets that you've outlined here today and that you're not going to acquire something where afterwards, you're going to give us pro forma CO_2 statistics?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

No. Honestly, it's not linked to Scope 3. Anyway, the Scope 3 reduction of this deal will be limited as long as we supply because when we supply, and we will supply this network, they keep the brand, we will supply them from our refining system. So Scope 3 will remain as they are a customer in our refining Scope 3, that's the way we evaluate the Scope 3. So it does not have a direct impact. It has a direct impact from the part of this network, which were not supplied by us, which will not be supplied by us because we don't have the capacity to supply it. And again, it was not the driver behind. So the reduction we mentioned to you is from the alignment and we've done it. And in fact, it's also somewhere the fact that we think that we'll have to continue to transform some of our refineries in biorefineries. So it's a whole system, but it's not driven by the Scope 3 impact. And again, if all of it, just to give you a figure was out of Scope 3 it's 14 million tonnes of Scope 3. So it's not really the target. As long as we supply, we are in for the Scope 3. Just to clarify this point. But I gave you the right reason why, it's because we think we have to anticipate. We think that retail networks in Europe, some of the position will be very good: in the cities, on motorways, and some of these will become marginal, and we will not transform Total into a grocery business.

M&A, okay, interesting time, we'll see. Let's wait. We are patient. On your question whether acquisitions will need to fit in our targets... it depends on the size of the acquisition. For the time being, we never revised any of our targets because of an acquisition. If we have to do it, we'll tell you, it depends what the target is giving us, okay? But I have no idea. Some will think: "okay, he's thinking of a super giant acquisition". I think because of that, it's not true, it's not compatible, I would say.
We'll be able to explain to you what we do. And there are in these parameters, some on which I'm comfortable. Again, Scope 1 and 2, I consider we need to produce hydrocarbon in a different way and tackling these emissions, as we've done in the past with SOX or NOX. It's the emissions, let's eliminate them. We have the technology, it has a cost, but we can do it. So there is no debate.

The Scope 3 in volume, that's why we insisted maybe we noticed that in the table, we put the carbon intensity before the absolute volume. The carbon intensity for me is a good measurement of the evolution of the strategy. And I agree with it as well, going to more gas to more electricity. Okay, that's the strategy. The volume of Scope 3, honestly, is there. We put under 400 million tons because with what we see it's okay. But you've seen that we did not lower that target because we consider, that while we have an impact on some of it, like what we do with Holcim, we can impact our customers, but again at the end of the day, we don't decide if the car manufacturing will sell 30% of EVs or 70%, and that has a direct impact on Scope 3. So Scope 3 is a shared emission. It's not our emission. It's an action on demand. We have a role, and this is why we created this OneB2B business because, it's linking our business and bringing the scope of our solutions to customers, but I don't consider the Company is responsible. So this one could move if it has to move. But don't see that as constraints. We see that as a commitment when we are at portfolio level and some opportunities to deploy the strategy.

Lydia Rose Emma Rainforth ***Barclays Bank PLC, Research Division - Director & Equity Analyst***

Two questions, if I could. The first one, if I come back to that avoided emissions one. There's obviously a lot of work that's gone into that. At some point, do you want to start targeting that sort of avoided

emissions number that we add on the benefit of the electricity production, all the stuff that you do on OneB2B? Is that something that over time will get more of? And the second one, Patrick, on the electricity business, I'm not quite sure I understand entirely why you want the production to equal the sales because in LNG, you trade around things. Surely, there's more optionality in being able to trade around things as well. So I'm just wondering why because I'm not sure I 100% understand.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

Why ? You can ask Stéphane what he thinks about the year 2022 when you are long customer and short supply. And when you have to go and find electricity on the spot market, which is going to the roof, and you have to transfer that to your customers. And then you put some rebates. So I will tell you why. It's not the same type of resource. You cannot store electricity. You don't store electricity. That's a difficulty when you are imbalanced. You know what I mean. You can store gas. We bought some storage of LNG or oil storage. So that's not exactly the same business. So we draw some lessons.

Honestly, my view, after having spent together with our teams quite a lot of time in 5 years, to dig into all these businesses, is that at the end, the customer side is more of the marginal side in this business. It's a small cents margin. You could lose it. You make money on the investments like always in all the energy business: you invest, you produce capacity, you begin to store, and then you trade these assets, then you can make more money.

The end customers is even smaller margin, so it's volatile. We don't want, coming back to Chris' question, to be driven on the carbon intensity by putting plenty of electricity customers just to diminish the numerator and not making profits. It could be a temptation for some people. I say, no, no, no: we are there to deliver value and not just because we have one of the criteria, which could lead to that. KPI: you have always to monitor them carefully.
The avoided emissions. We know that it's a concept, which some people are not happy with. There are working groups, I understand at the UN level, who are working on the definition. We would welcome a definition, to be honest. We made some math internally about what the renewables are doing, et cetera. But at this stage, we preferred step by step to introduce the concept because, honestly, on the scope debate, we are more and more with the Board uncomfortable about the absolute gas Scope. Because gas, maybe it provides some Scope 3. But when it's used to back out some coal or fuel in some countries, in the end, what is important is the emissions, which are going into the atmosphere, it's not Scope 3. If this energy is allowed to enable to avoid some emissions, reduce some emissions, it's a good one.

So we wanted to make the math. I'm sure we'll be accused of greenwashing once again. So let's go step by step. But what I would welcome again is to have a clear framework. And I think it's useful because, it's a recognition of what is the value of each of these actions. Of course, I know the debate. You count these gas avoided emission, but at the same time, China continues to grow is coal-fired power plant. Yes, but we could demonstrate that if they have no gas, they will grow them a higher pace. So I know there is a debate. So it's why we wanted to be prudent, but we had to put it on the table in the debate in order to explain why we don't take any commitment on the Scope 3 of gas because maybe at the end, we could translate Scope 3 minus Scope 4. But I'm afraid by engineers and figures and KPIs. I would like just to say that we welcome more definition. And I think we are not the first one of the peers to have introduced that target.

We took time. And I can tell you, we spent several sessions to be sure that the figure we put today could be demonstrated and next year audited, by the way, because I want that to be audited by a third party but it's the first year that we produce them.

Helle Kristoffersen ***TotalEnergies SE - President of Strategy & Sustainability***

I'll just add to the answer, Lydia, that I'm not sure we'll ever be able to do a target because, as the table tells you, it really depends on the destination of the LNG sales also. So we'll let Stéphane optimize this portfolio, and then we will do the reporting based on where the LNG landed. But I think it's a good initiative to report on this, and then you can all make with the data what you want, right? But we do demonstrate that gas has a value in the transition. And fully agreed with Patrick's comment, that's what I meant when I said the world wins. When we sell gas instead of coal compared to a situation where the customer would use coal or fuel, clearly, the planet wins. Okay?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

I see some raising their finger for many minutes. It could become 6pm. So I see our friend there in the first row, and then Lucas on the second one. Lucas, you are right under my eyes so I see you raising your hand. So this one and then Lucas. Sorry for that: when you are at the desk, you don't have necessarily a full view.

Matthias Pedersen ***PFA – Senior ESG Specialist***

Two questions, maybe to pick on the question from before. With the expected sale of Canadian tar sands: would that materially impact the average oil portfolio emission, and hence the threshold of 19 kilos of CO2 per barrel for new projects? And secondly, with your 2030 targets, as you announced today, are you comfortable with also obtaining external verification of that midterm target as being Paris aligned? Or what steps do you see in terms of obtaining that? Thanks.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

The first one, it's 100,000 barrels per day which are at a higher emission. So there will be an impact. We will provide it you as I don't have in mind what is the impact. But obviously, this will have a positive impact. By the way, not only on the emissions, but as well on the cost of our portfolio because it's a high cost. So it has plenty of virtues, which is good. With Canada spinoff, the average portfolio emissions could go down from 19 to 18 kg of CO2eq per barrel, this is the answer to your first question. 1 kilo per barrel could be the impact. So it is something sizable. Helle, on the first one?

Helle Kristoffersen ***TotalEnergies SE - President of Strategy & Sustainability***

On Scope 1 and 2, was that your question, Matthias?

Matthias Pedersen ***PFA – Senior ESG Specialist***

Across the scopes.

Helle Kristoffersen ***TotalEnergies SE - President of Strategy & Sustainability***

Sorry. Across the scopes. Well, I guess what we have is some of the third-party assessments that we shared with you, but that's it. There's not one certified unique way of assessing this. There's no SBTI for oil and gas. So I guess people use their own methodology, right?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

No, but there will be clearer than you: we will not ask any verification on any Scope 3 trajectory. Let's be clear. Scope 1 and 2: we are fully responsible of it, we report it, and we are very clear. I remind you that if all the companies and people of the world were respecting the Scope 1 and 2 trajectories, it would be fine. So asking a third party to look at Scope 3 is not part of what the Board will require.

In the presentation that Helle made to you, we've done this exercise to try to put our objectives up to 2030, both Scope 1 and 2 and the carbon intensity. We made our own exercise to compare this trajectory to the different scenarios of IEA to position ourselves and our objectives. And we show you that the objectives to 2030 on Scope 1 and 2 seem to be on the net zero trajectory and for carbon intensity more on the APS. That's what we show you. APS is compatible with the Paris agreement. So this is a demonstration. If you want us to show this curve to a third party, we can do that. I'm fine. We don't produce anything to you which cannot be audited by a third party. If we have some doubts at the Executive Committee, we keep the doubts for ourselves. But when we come to you with this type of slides it is because we have looked at it seriously. We validate them, and so we can go to third parties. From this perspective, we can do the work like we did on the avoided emissions.

Renaud Lions ***TotalEnergies SE - SVP of IR***

Lucas.

Lucas Oliver Herrmann ***BNP Paribas Exane, Research Division - Head of Oil and Gas Research***

Thanks very much Patrick, and you're a much better *compère* than Renaud, by the way. Totally appreciate you.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

This is why I'm CEO, you know. He's only Head of Investor Relations. He can learn a little.

Lucas Oliver Herrmann ***BNP Paribas Exane, Research Division - Head of Oil and Gas Research***

Renaud, take note. Two questions, if I might. But the first I'm going to put a French word, the topic “du jour”, which is the EU Inflation Reduction Act, carbon capture. When I read it, it almost reads like a polluter pays. I wanted to get your view on that. When you look at the legislation as it stands or suggestion as it stands and compare it with the offering in the U.S.: does carbon capture in Europe for you end up as being

a “this is how we offset our own emissions” rather than really being a business opportunity. Well, I can't see the incentives here. It sounds more threat than anything else, but just observations and whether one is missing something in terms of incentives.

And the second is oil. Solid news or great news on Suriname, but fantastic that you've got large development opportunity now in Suriname that you're verifying, and we would very much hope large development opportunity in Namibia as the results come through. I'm sure you won't be allocating as much exploration capital otherwise. How do I think about the potential for barrels emerging from those regions in the context of 2030 objectives on essentially flat oil? How much is it telling me about shift in portfolio over that time or opportunity to shift portfolio over that time?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

Any good opportunities will be developed. Again, we are facing a decline of 4% per year. So there is room to improve.

Lucas Oliver Herrmann ***BNP Paribas Exane, Research Division - Head of Oil and Gas Research***

You have a pretty stable business, Patrick, particularly in the Middle East.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

If we develop them, we will have to put them into our Scope 1 and 2 targets. So from this perspective, coming back to Chris' question, we will develop them with Scope 1 and 2 targets. We have to find the solutions. And if it's plus 1 or even if oil is growing by plus 2% or plus 3%, it's not a problem. Clear?

Lucas Oliver Herrmann ***BNP Paribas Exane, Research Division - Head of Oil and Gas Research***

Clear.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

Otherwise, I would not spend my money in exploration in Namibia like we do. Again, I know that some of you would like us to announce a growth target on oil. I remind you that when we've done that from 2008 to '15: you pushed us to do that. Most of you were there. I remember I was younger, but you were there. And let's go to 3%, 4%, 5%: it was a race to growth. At the end, the result has been a destruction of value by our industry. Why? Because it was volume over value: it was chasing the barrels.

I don't want the Company to behave like that. I want to continue to develop the opportunities, the optionality in Suriname, Namibia, Abu Dhabi. Look, we didn't hesitate to take that license. And then we'll see the results. And then we'll be able to tell you: we have this portfolio, we can grow by that. We don’t want to be driven by a wrong target, which will make our teams believe that any barrel is valuable. No, any barrel is not valuable. We don't repeat the same mistake. So I prefer to have the opportunity in my portfolio and then come back to you. What is important for you is that we'll be able to tell you: yes, Suriname is growing, and that's the value we can extract of it - or Namibia. And I remind you as well that

there is something in our industry which is dangerous: generally when you are procyclical cost increase dramatically. And when cost increase, you can destroy the value.

So it's a matter of managing all this growth. I want to keep this flexibility, not to be obliged to develop the Block 32 in Angola because we announced you that we'll grow by 5%, to spend $18 billion instead of $12 billion and then making $5 billion write-off. This is what we have done. So I don't want to repeat that. I prefer to have the capacity to manage all these developments, like I mentioned on Mozambique. Of course, we have the barrels, that will not disappear. And the oil will be needed in that planet. It's good oil. You can develop it with less than $20 per barrel. So it's a question of keeping the pace and managing the various expectations, including in terms of cost of development.

On IRA, yes, you are right. I mean I agree. The European plan seems to be: the oil and gas company will have to do that, to pay. I understand what you said. This will come back to reality at the end of the day. And the reality is that when we discuss with countries like the Netherlands - about Aramis - or where we discuss with Denmark about our projects, they are really seeing that as an opportunity to keep hard to abate industries and jobs in Europe. And so maybe the subsidies will not go directly to us, but to these industries. You know, the steel manufacturers in Europe are quite good to get some subsidies today. I can tell you, all the governments want to keep them. So the subsidies can go to them, if at the end of the day, they give them back by the price of storage they can afford to pay. So at the end, the equation will have to work. Otherwise, it will make no sense to develop storage if there is no customer for it. If it is for our own emissions, it's part of our costs. But I don't need to develop all these million tons of CCS for myself. I don't need all of that. If I'm developing for others, the others will have to find an acceptable scheme. And so the subsidies will go to these customers, probably not to the oil and gas industry, but it's not an issue for me. The Norwegian have decided to do it directly for the oil and gas industry, but they are Norwegian: they know about the oil and gas business. The wealth of the country is coming from there, so they are pragmatic. So that's my answer to you. It's true that it's not directly as efficient as the IRA, where you have $85 per ton: so you know what you have to do. It’s more complex to put in place. But at the end of the day, the permitting issues and the infrastructure issues in the U.S. are not much easier than in Europe. There will be also some hurdles. So that's my answer to your good question. Thank you, Lucas.

Alessandro Pozzi ***Mediobanca - Banca di credito finanziario S.p.A., Research Division - Research Analyst***

Thank you for taking my two questions. The first one on Scope 1 and 2, I think the real test is going to be post 2025 in terms of reduction of emissions. And it looks like 2 factors are behind it, CCS and carbon sinks. Can you give us a sense of the costs for achieving those initiatives and how they could translate into potentially higher technical costs on the Upstream side?

And the second question is, I believe you mentioned storage in renewables. How does it fit into the equation of achieving a ROACE of over 10%. Do you see that as a cost or as an enabler of a higher return in renewables?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

On the second one is clearly part of it. When you are developing a solar farm in Texas: if you don't combine that with some storage capacity, all the solar farms at 12:00 are running at the top. The price could be

negative, so you don't want to sell at this point of the day. For the 30% which are merchant, you want to be able to store and to deliver them at 8 p.m. or 7 p.m. when everybody is back home and climatization and TV is on. So it's just part of the model, as soon as you have got some merchant business. You cannot develop all these capacities believing that you will find corporate PPAs at a fixed price: by the way it's not our business model. Storage is part of the building the capacity, and the value will be obtained - for this type of investments - not only through part of the capacity bieng sold to some utilities, but also by our own traders. So when you build a storage in the U.S., we see that part of it - around 70% or 60%, but it can be 50% - could be sold to utilities wanting to have access to capacity against a capacity price, and part of it will be kept by us in order to optimize our own production. That's for the storage: it's part of the integrated power, and it's part of the 10% ROACE. So it's not a cost, it's a cost and an opportunity at the end, like all in what we invest.

Now on the Scope 1 and 2, don't make a mistake in our business, in our company, the Scope 1 and 2 the downstream, of refining is larger than the one of the upstream. Refinery is a source of huge amount of Scope 1 and 2. So the target to go down in 2030 is a mix of - as it was explained by Helle - greening all of our Scope 2 by using our competencies in renewables. We want all the refineries, and it's a matter of renewables and trading - to be supplied by green electricity. And we are building plants in Spain, in the U.S. in order to do that. And it is through a PPA between my Integrated Power division and my Refining & Chemical division; the integrated power division will have to take care of that PPA. We have done it as with other customers, through negotiation. I had to arbitrate the negotiation in the end, but we've done it. So it's the way we progress. In the end, the minus 40% is taking into account as we said, 5 to 10 million of storage. Most of that will be at this point in time natural-based carbon sinks, let's say 5 million is probably the range, which are today developed at an average of $15 or $20 per ton. So it's not so expensive. We spend $100 million and we are building these inventory of carbon credits. One thing we need absolutely to expect from the COP28 - I've said that to Sultan Al Jaber - is really a huge progress on having a clear, serious framework for these carbon credits. I met John Kerry, we need absolutely to get that, otherwise, we begin to be afraid by all these controversies about this type of credit. To get to net zero these are super-efficient ways to store, to eliminate and to compensate some emissions, very efficient. So we should have a strong and serious framework. It's very important if we are serious about the Paris agreement. The carbon storage at 2030 for our own emission is quite limited, to be clear.
It's investing in different carbon sinks. We have taken some projects, sustainable forestry projects in Congo. It's a long process: you have to invest during years because you can have a credit only if it's a sustainable carbon 6. It's not just about planting trees, that does not work: it's maintaining, developing 20-year projects. We have different projects where we have begun to invest: in Congo, in Gabon, in Southeast Asia, in Australia, in Peru, in Ecuador. We. don't make too much noise about it because we don't use them. We store them and then from 2030 we plan to use them. only when we have at least 10 years in advance of sustainable level and not just year after year. We want to be able to demonstrate that we have enough in order to put them in our accounts. We do that only for us, we don't intend to trade them. All the investments we do are absolute only for our own emissions. It’s not a matter to make money, we are serious about it. These are projects which are quite complex, involving a lot of communities.

Helle Kristoffersen ***TotalEnergies SE - President of Strategy & Sustainability***

There's one page in the report.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

So in the report, we have more information about that.

Xander Urbach ***MN - Responsible Investment Advisor***

We were quite surprised with seeing the minus 25% for CO2 intensity. So could you explain me the math a little bit? What are you doing faster? What are you doing more? And really maybe what are you doing less? So maybe are you producing less oil in 2030?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

No. No. No, no. You did not see that in the presentation. Maybe you would like to see it. I know because we met last week, I think you came to my office last week. But no, it's not the case. No, it's because we look seriously to that. We are much more confident in our ability to deliver this 130 TWh of electrons. When we set the target in 2020, we were at the beginning of the story. We had 2 or 3 GW. Today, we have 17. So we have been able to accelerate. We spent $4 billion in 2022, $5 billion in '23: we have created much quicker than expected the machine, the people and the portfolio. And so today, we are much more confident in the fact that we can deliver what we told you. I said to the Board, let's be clear, this minus 25% means we will have to deliver. It's not aspirational. Coming back to one of the first questions, what we said is we have to deliver these is 130 TWh. This is the condition. We have also to transform the Downstream, as we said. So the alignment is part of it. By the way, you've seen that we comforted the Scope 3 reduction and the Scope 1 and 2., There is a link there between the minus 40% and the minus 25%, there is a link between both figures. It would have been strange to diminish one and not the other. So that's the logic. So we are getting more and more confident in the capacity to execute the strategy. And again, from '22, our balance sheet and all that what happens gives us a lot of financial strength to execute it and to do it in a quicker way as well. That's what is behind.

Kim Anne-Laure Fustier ***HSBC, Research Division - Head of European Oil & Gas Research***

You may have disclosed this before, I think you have. But in the 10% ROCE target in Integrated power, could you maybe just remind us how much of that comes from integration and how much of that comes from base returns at the project level? And just maybe give a couple of examples.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

Do you have that information on oil and gas ROACE? So why do you want me to give you that information on Integrated power, which is just being disclosed? Wait and see. You have to work a little. I cannot fill all the Excel files. Everything is contributing to the results. Everything is contributing to the ROACE. But again, that integration is fundamental.

Kim Anne-Laure Fustier ***HSBC, Research Division - Head of European Oil & Gas Research***

That's fair enough. My second question is on your own emissions reduction efforts. You've accelerated those targets on Scope 1 and 2 emission reductions, especially on energy efficiency. And I'm just wondering how much of a role are high energy costs playing? In other words, would you be undertaking all of these initiatives if, let's say, European gas prices were a third of what they are today?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

I will tell you, we do it because we have more money. We have more money with higher prices of energies. We are an energy company, so we benefit from the higher prices. Of course, the energy is also a cost in our refineries. So that is the motivation. Let's be clear. I said to my refiners, you need to have more ideas. We said in July we will allocate $1 billion. People looked to me and asked what do you want us to do? I said think, please go to your plants. And because they are facing costs, they came with many ideas. So yes, it's clear that the high price of energy played a role. But in the end, the way we look at the portfolio was not in terms of returns, but in terms of $/t of CO2 at all levels. We asked them to translate all their initiatives in $/t of CO2. And the average of $/t of CO2 is around $50/t of CO2. I remind you that we evaluate all the projects with $100/t. With $50/t of CO2 in Europe – when the price is around $100/t - it makes sense, we have a return. We made it possible because we have more money and we think it was the right investment. And it's clear it will help you to lower your breakeven. When refining margin will go down again, you will be in a safer place. So the motivation is an economic and a sustainable motivation, but it was made possible. So I think it was a good investment in the company to strengthen the breakeven of our refineries and also to lower our emissions.

Christyan Fawzi Malek ***JPMorgan Chase & Co, Research Division - MD and Head of the EMEA Oil & Gas Equity Research***

Thank you for your great presentation. Just one question. You mentioned the volume growth, and I agree to focus on value. What sort of indicators you're looking for to sanction these volumes? I mean when is the day that you turn around and say, right, we're going to go ahead, obviously, finding the oil is important. But can you give us an idea of what is as we think about your Capex? Because as that day comes, I suspect the Capex goes up on the back of it as well. So I just want to understand the trajectory and what key milestones we're looking for to anticipate.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

Anticipate that up to $18 billion is okay. We have room to navigate up to $18 billion. Sanctioning volumes is about sanctioning projects. It's very clear. We use criteria that we described: 50$ per barrel, 15% rate of return, more or less, it depends. When it's LNG, it's not an IRR, but we evaluate the projects more on a cash per Capex basis. And then $20 per barrel technical cost, which could become a hurdle for our E&P division or $30 per barrel of breakeven, which is another one. And the 19 kg/boe of CO2, maybe 18 next year. That's a combination of criteria that we use. Then generally, I'm looking myself to this famous ratio, that is NPV0 which is created divided by the Capex I invest. For me, it's an important criterion. I like that to be more around 2 and, in any case, more than 1. Because in the end, if I need to increase my return to my shareholders it is the NPV0 which counts. It's not the discounted value. The discounted value is something, which is a little more complex to manipulate. What you want at the end is not a discounted

dividend. You want a real one with real cash. So that's why I'm looking to this type of value creation. It's a factor of how much I put on the table and how much I get out of the projects. And that's a simple metric, which works quite well.

Renaud Lions ***TotalEnergies SE - SVP of IR***

Any other question? I think we are done for now. You will have other opportunities to ask questions after the second part of the afternoon that we can launch, which will be, of course, shorter. But basically, we'll try to illustrate our sustainability journey. So it's a short illustration.-- Maybe we can move to the next slide. It will be with 3 people, 3 voices. So we'll have Helle, who will cover what Planet: about nature, a few slides to illustrate. People with Namita Shah. And Profits with Jean-Pierre.

[Slide 30]

Just a little piece of advertisement again: we have our report, it is online. It's a very rich piece of information. What we describe today is only part of it: just download the report, and you will get all the details and all information you need. I see people there who have been working on it. Helle, the floor is yours.

Helle Kristoffersen ***TotalEnergies SE - President of Strategy & Sustainability***

Thank you, Renaud. I'll start with the planet and just a couple of charts really quick on nature, starting with biodiversity.

[Slide 32]

Taking care of biodiversity: we continue to manage our operations and our new projects in line with the 4 pillars, the 4 commitments on biodiversity that we shared with you last year and that are written here again on the chart. So I assume that you're familiar with that. Otherwise, again, there's plenty of details in the report.

What I want to talk about is 2 new things, as this is a progress report. 2 new things, among others for 2022. The first one linked to Patrick's initial chart on our Sustainab'ALL program. One of the elements of that program is that each and every site, business unit, each affiliate of TotalEnergies is going to have a biodiversity action plan, locally. So that's something new. It goes way beyond what we had in terms of commitments earlier because we were talking about biodiversity action plans in the sites that were important in terms of biodiversity. Now it's going to be generalized. So of course, it will depend on the quality, or the substance of the plans will depend on each site. If you are working in a building somewhere, it's not exactly the same as if you have an operation somewhere in the field. But it is very important for us, and we think it's a good way to embed culture, a culture shift around both awareness and commitment to biodiversity. And as Patrick explained, there was a huge buy-in to this whole Sustainab'ALL program, and certainly on that aspect linked to biodiversity. So first thing, cultural change and working really on every site on biodiversity and having a positive impact.

We also remind you that we have this commitment on the zero net deforestation for new projects on new sites. And the update I have for you is that we did not FID any project in 2022 that was concerned by that commitment. But of course, it's still valid.

I also want to comment on the case study to the right here from Uganda, and want to tell you that in connection with the Tilenga project in Uganda, the Upstream part of the project, we have teamed up with Uganda's Wildlife Authority, UWA, to jointly fight against poaching in the park of Murchison Falls. We are promoting a new model for the park, a collaborative management model where essentially UWA and the public authority, therefore, will team up with experienced NGOs that really know about preserving biodiversity. That's a model we are going after. And as a first step, we brokered a relationship and a partnership between UWA and WCS, Wildlife Conservation Society, that worked together in the park and came up with some tangible, visible results in terms of picking up poaching material. We are seeing here 1,200 snares that were removed from the park, and that was very much linked to the quality of the NGO, WCS, but also a range of training, new equipment for the rangers. And a lot of other things came out of that first milestone on the collaboration. Our role is to provide technical support and, of course, to provide funding. And over time, the goal is to put Murchison Falls really in line with the best managed national parks in Africa. Right now, they are not quite there. I also just remind you that in Uganda, we have said that the broader biodiversity action plans are designed to create a net gain in terms of biodiversity.

[Slide 33]

The second chart here is on preserving scarce freshwater resources: one of the themes of the IPCC report that came out yesterday or the day before: very important, of course. Remember that we joined the CEO Water Mandate last year, and we are progressing on our action plans linked to the 10 sites we have that are in water stressed areas by 2030. We're implementing concrete action plans, and one example we gave you here is the Antwerp platform in Belgium where essentially, we are going to replace the freshwater that is used for the cooling processors of the platform, with purified wastewater, and we'll invest to that end. And the project will be up and running in a couple of years. So again, we'll do that on all the sites we have in that area.

Another thing we did in 2022 was to look at our data centers and assess if they were using any water resources, and we found out that they are not. So we have data centers that do not use water for cooling processes, which is important. And the last thing I wanted to share with you is that we're also readying up to be able to audit our suppliers -- our key suppliers on their water usage. So continuing to drive, I would say, sustainability throughout the value chain, as we also said we would. And there are a number of other themes on which we will be working with our suppliers starting this year or the next year.

That's really all I wanted to share with you on Nature. And Namita, I hand over to you.

Namita Shah ***TotalEnergies SE - President of OneTech***

Thank you very much. I'm going to talk about people, and I'd like to start, of course, by talking about our people, who are, arguably, our most important asset, and without whom much of what Patrick and Helle spoke about before the Q&A, would not be possible.

[Slide 35]

As all companies, we do regular employee surveys. Our last one was in 2022. It was the first one after the pandemic and the first one after a complete deployment of our new strategy, our multi-energy strategy within the company. As you can see, our engagement score of our people is at over 80%, which we are

very, very pleased with. And more importantly, you can see that 87% of our employees have confidence that we will be able to achieve our ambition. So as all of you have probably understood over the past few years, when we say that we are going to do something, we do it. And our employees are clearly very much behind that and are there to deliver on our ambition and deliver on what it is that we say that we would like to deliver on.

After the pandemic, as a lot of you know, the expectations of employees from their employers as to the kind of care that we are providing has changed, and we have decided to put together what we call a well-being score, which is a combination of several questions, which we will be ensuring to be aligned with external benchmarks, but which cover a range of questions from things like mental to physical well-being, to a just compensation, to being given the opportunity to look after our families, to work in a flexible environment and to be able to feel safe at work and to feel respected at work. The score for that in 2022 was 78.6, as you can see on this slide, and we'll be continuing to work on several care programs.

The last thing I'd like to mention before I talk about feeling safe and respected at work is that in the sustainable goals that Patrick mentioned at the opening of this afternoon, one of the things that we have decided that we are going to be following on a team-by-team basis is the engagement of our employees, to be able to listen to them better and make sure that in every entity of our company, we are listening and making sure that we are responding to the concerns of our employees. Of course, people cannot feel safe or respected at work if they do not feel included.

[Slide 36]

You can see that our objectives for 2025 mean that by 2025, every senior executive organ of the company, starting from the executive committee down, will have 30% women represented. And also by 2025, 40% of our senior managers and 45% of our senior executives will reflect the diversity of countries in which we are present. We are over 100,000 people in more than 130 countries across the world. So we intend for that to be reflected with respect to the representation of people outside of France.

On this slide, we have talked about people with disabilities because at TotalEnergies in the past 5 years, we are very proud of our achievements and the work that we have done with people with disabilities, very much focusing on inclusion. What we have learned from this journey is that despite the fact that we are in many countries, including France, where we cannot ask people to declare their disabilities, our ability to create an environment where people feel included and heard increases the ability of people with disabilities to actually declare themselves because they are confident that they will be seen and included. And it's something that our people are extremely implicated in not just in France and in Europe but really across a lot of our affiliates across the world.

[Slide 37]

Let's move on to talk about the people who work or live in or around our industrial projects. In terms of our respect for human rights. For those of you who are familiar with the United Nation's Guiding Principles, you will see that we have done the work to identify what our salient issues in human rights are, very much based on the kind of businesses that we run as well as the risk profiles of the different countries in which we operate.

Our first group of salient issues is with respect to human rights in the workplace, where, of course, we need to provide a just and adequate working environment for people who work for us and also people who work for us via our suppliers. And we also focus particularly on some of our countries where we have identified a risk of child labor and forced labor. And we make sure that in these countries, our employees are very much educated and trained to this risk to keep their eye open for this risk and for this possibility. We follow up with assessments, not only of our suppliers, but also of our own organizations, our own offices and businesses in the countries which are exposed to this type of risk.

A second group of salient issues are with respect to human rights of our local communities. And these very much concern the people who live and work around our assets. There are several issues that could be involved, ranging from the right to health, the right to an adequate standard of living and of course, access to land. A couple of examples over here. First of all, in Uganda with relation to our Tilenga and EACOP pipeline and the relocation program that is associated with it. We have, between EACOP and Tilenga, over 90% of the compensation agreements that have been signed for people who need to be relocated and a very robust grievance mechanism that we consistently review and make sure that we have a dialogue with the people who are concerned, and we work hard to be able to resolve all of the complaints.

On Mozambique LNG, we are going a little bit further. Patrick already mentioned it when he spoke about Mozambique LNG. We have named a recognized independent third-party expert to do an evaluation of the human rights situation in Mozambique LNG and will be working proactively and in anticipation of the kind of work that we need to do and the groundwork that we need to lay in order to be prepared when we are ready to make the investment decision and start our operations and our work over there.

And last group of salient issues is based on security-related activities. We have several projects in rather remote areas, in Papua New Guinea, for example, or in Mozambique, where we need to ensure that the people who are working on the construction of our facilities and later on, in the operation of our facilities have adequate security protection. But that means we also have the responsibility to ensure that the people who provide such security do that in a respectful manner without the violation of human rights. We actively apply the principles on security and human rights. We have a very, very robust training program for people who provide security in our assets and also accompanied by a grievance mechanism to make sure that we are catching any issues that may come up.

[Slide 38]

And last, just to take the comment of Helle a little bit further, we are working actively to engage our suppliers. In 2022 TotalEnergies had goods and services worth $27 billion coming from over 100,000 suppliers across the world. That means that we have an enormous opportunity to promote sustainability all across the supply chain, and we are taking that opportunity very seriously. There are some concrete examples here that we'd like to share with you, which are developments and acceleration of ideas that we have had over the past couple of years.

First of all, just as an example, as far as GHG emission reduction targets are concerned, we have decided that by 2025, 400 suppliers who represent approximately 70% of our upstream scope 3 emissions will have to themselves set GHG emissions reduction targets. We started the work about a year ago. We sent out questionnaires. We have 350 suppliers who answered and 62% of them who have already set these

targets. For the work that we have done in this, we are very pleased to have received an A rating by CDP in terms of the supplier engagement work that we are doing.

We also believe that we need to work with our suppliers in a duty of care. We talked about human rights, and we started a few years ago a program to audit our suppliers on human rights. 200 suppliers have already been audited, and the program will continue. But we have also decided that we would like to extend the scope of this audit beyond human rights. We would like to include climate. We would like to include environment. And the goal is to be able to assess the overall sustainability of our top 1,300 suppliers by the end of 2025.

Now we do all this not just by audits and audits and audits, but we also do this by ensuring that our own people who are in charge of procurement understand what it means to do sustainable procurement. So that means we have to train our people internally as to how to manage that. And we also work very closely with our suppliers to help them understand what it means to achieve these goals and how to get there. There are a large number of our suppliers, many of them are smaller in developing countries who sometimes may have had issues with respect to what does it mean to provide an adequate and a just work environment, for example, the objective of our audit is not simply to just strike them off our supplier list. We wouldn't be doing anything positive, I think, either for the people in those companies if we simply did that. The objective is to work with them to help them improve their standards and to help them find ways of being able to match the objectives that we have.

So that is all that I wanted to say for this afternoon. There's a lot more information in the report that I hope that you all will be downloading. And I now hand over to Jean-Pierre.

Jean-Pierre Sbraire ***TotalEnergies SE – CFO***

[Slide 39]

Thank you, Namita. The last section of this Zoom is on profits and the resilience of our financial to climate-related risks.

[Slide 40]

So Patrick already presented the graphs on the left-hand side of the slide, but we decided to present them again because it's, in our view, a perfect illustration of the resilience of the portfolio. You see how our portfolio is positioned on the global oil supply cost merit curve, that means that even in scenarios in which oil demand could decline, we will be resilient.

Another topic to assess or to test the robustness of the resilience of our portfolio is the sensitivity test we performed. So, you see the 2 scenarios that we considered in 2022. The first one, what we call the IEA NZE scenario. So we used the 2022 IEA NZE price deck to assess the impact of this scenario on the net present value of our portfolio, compared to the reference scenario we used to sanction our projects. And you see that by using this scenario impact is quite limited, less than a 15% loss in NPV7.

The second sensitivity that we used for obvious reasons: we assessed CO2 price at $200 per ton. So the reference price is $100 per ton increased by $100 per ton this scenario to assess once again the resilience

of our portfolio to this assumption. And you see more or less the same impact, an impact of -15% NPV7 on our global portfolio.

[Slide 41]

We have already mentioned that we have a low-cost, low-emission portfolio. So you see, again, the metrics, the operating costs, among the best in class, at $5.6 per barrel in 2022, and the Scope 1 and 2 oil and gas operated emissions at 17 kgCo2 per barrel. It's not rocket science, it's a competitive advantage: if we want to keep this advantage, we have to sanction projects using strict investment criteria. I will not repeat the criteria we used, Patrick already mentioned that: $50 per barrel for Brent, $100 per ton for carbon price. And of course, each project must be a low-cost and low-emission project contributing to enhance the portfolio, to increase or to improve the emission intensity.

And as we are at TotalEnergies, there is no surprise: we used the criteria to sanction our projects in 2022. You see the results, here on the left-hand side of the slide: the 12 main projects that had been sanctioned in 2022. And of course, each project are in line with these criteria.

[Slide 42]

Let's move to the financial statements. We have accounting principles that are aligned with our climate commitments. In 2022 (it was the same in 2021, by the way), we have focused on different parameters to ensure this alignment. With our external auditors, we prepared reports on 4 key parameters to demonstrate this alignment: first is the CapEx allocation. The second is the depreciation (how we amortize our assets). The third one is assets requirements obligations, and for obvious reasons, the fourth one is the impairment testing.

And so you see here that in 2022 (it was the same in 2021, by the way), we used a price scenario to calculate these impairments, a price deck converging towards the price used by the IEA in their NZE scenario towards 2050, for both oil and gas. We used this CO2 assumption at $100 per ton, and, for a matter of transparency, we disclosed all the sensitivities in relation with prices, in relation to refining margins, to once again demonstrate the robustness and the resilience of our portfolio.

In 2020, we made a full review of stranded assets. So that means assets that have reserves beyond 20 years and with high technical costs, and it's led at that time to an impairment of $5.5 billion on Canadian oil assets.

And so there is, I think, an underlying message in that slide with the Japanese Garden. So I am a Zen CFO because I can tell you that you can be comfortable. We have a balance sheet that is protected from new stranded assets given the capital allocation we have and the rigorous and the very stringent impairment testing that we've implemented for a couple of years.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

In fact, I selected the photo. It's true... I told them: you put a Kyoto Japanese garden and he has to deliver the word "Zen" in the presentation. Congratulations... So you know we have fun sometimes...

Jean-Pierre Sbraire ***TotalEnergies SE – CFO***

[Slide 43]

So a few words on TCFD. So we are pioneer, in fact, in implementing TCFD recommendation because it has been done in 2017. We think that it's an efficient tool to identify, to assess, to manage climate-related risks. In 2022, we updated our risk mapping with the Board. You see here the extract of TotalEnergies' main risk mapping evaluation with climate issues, and how it's comparable to the TCFD reporting. Of course, as you can imagine, we have different internal committees to ensure that this system monitoring the risk is working well. And so we have at the level of the Board's Audit Committee, regular discussions regarding the efficiency of this risk management system.

[Slide 44]

And for Irene, I think I have my last slide on EU taxonomy. So in 2021, we reported CapEx eligibility figures, but also, and I think we were one of the first companies to do that, the CapEx alignment. Of course, we did the same exercise for 2022, and you see the result. By the way, we decided, of course, to give the figures on consolidated view as requested, but also to give a proportional view because we think that it's more relevant in our activities and particularly given the business model we use to develop our integrated power business.

So you see the progression. You see the increased eligibility and alignment, clearly supported by the CapEx allocation that Patrick already mentioned to you. By the way, the main difference between the CapEx "eligible" and the CapEx "aligned" is the CCGT investments that we did in 2020 because, by construction, I would say these CapEx are eligible, but it's quite impossible to have these CapEx aligned because the threshold put by EU to have this CapEx aligned is quite impossible to achieve.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

No, it's not impossible. It requires Stéphane to produce plenty of biomethane or hydrogen in order to feed the power plant, but it would be even more expensive to make power. So we have time. One day, it could become aligned.

Jean-Pierre Sbraire ***TotalEnergies SE – CFO***

And to answer to your question, Irene, more specifically, the $1 billion that we will devote to energy saving program: it's the limit of the taxonomy. Given that these CapEx will be spent on non-eligible activities, so E&P and refineries, it will lead to the fact that these CapEx themselves will not be eligible. So the impact will be marginal on the taxonomy. That's the limit of the taxonomy, so obviously we are not driven by this report.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

So thank you for the Zen. Do you have any question ?

Henri Patricot ***UBS Investment Bank, Research Division - Associate Director and Equity Research Analyst***

I wanted to ask you about the procurement and the integration of the greenhouse gas emission reductions in there. Is it planned ultimately that there will be some sort of criteria around how quickly the supplier reduce emissions when it comes to selecting these? How are you thinking about that longer term?

Namita Shah ***TotalEnergies SE - President of One Tech***

As you saw, we've started this exercise a few months ago. Our first criteria is to ensure that people actually do have reduction targets. I think once we are able to work with our suppliers, as I said at the end of that presentation, we need to work with them. It's not a punishment. The idea is how do we embark them on the journey with us. And so I think that as time goes on, we will be able to become more and more stringent and that should be our goal. I mean we can't just have something which is not meaningful. And then once they start being able to achieve their targets, we should have the role of pushing them to do better. And I think that is the objective that we have.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

I think it's a matter of stewardship, like it was written. Large corporations like us, we have to be stewards. So the fact even that we ask the question is important. The fact that we discovered 60% of them have already thought about it is also important. By the way, I received some questionnaires from some of my customers, so it gave me the idea to reverse it. So I sent a nice letter to Martin Brudermüller to explain, that we are an oil and gas company, so we have climate targets. I think it's important. And then again, I think the whole system will take action. So the value chain needs to ask itself. And at the end of the day, for me, it's a Scope 1 and 2 issue, but we need to drive. I think it's a lot of corporations: 60%, it’s not bad, but the others will have to follow.

Helle Kristoffersen ***TotalEnergies SE - President of Strategy & Sustainability***

We said by 2025 for the top 400, it’s on Namita's chart. So we give them a little bit of time, of course, because one thing is to be aware and other thing is to elaborate a plan that is credible and everything else. So I think it's fair, but...

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

In fact we are going further because this was a reporting at corporate level, the top 400. In the Sustainab’ALL criteria, our local teams, they have to do the same locally with our own suppliers. So it's much smaller. I think some of them have selected more than $50,000 per year, not very large, some have chosen $10,000. Then the idea is to count the number of suppliers locally, which have some commitments. So the dynamic is not only coming from the top at large corporation level, but also on a bottom-up approach . It's one of the KPIs. Maybe we'll have some nice stories, some success stories to engage some local suppliers on this idea. So we do it on both levels.

Helle Kristoffersen ***TotalEnergies SE - President of Strategy & Sustainability***

And as Namita said the response is positive, because guess what? Our suppliers are also aware of what's going on, and they have their own sustainability road maps. So it's a win-win.

Justin Kew ***Balyasny Asset Management – Senior ESG Analyst***

Two questions. Well done on getting the sites to look at nature's biodiversity. Interested to hear how you measure biodiversity impact. So it's a big question. And second question on taxonomy. So I realize that you're eligible with the 34% and that your alignment is 31%. So what's that 3% drop?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

It is the gas-fired power plants. In Europe, there was a fight at the EU level to know if gas-fired power plants are in the taxonomy or not. They are eligible, but to be aligned, you need to use them with less than I think that 180 nanogram of, I don't know what [100 gCO_2e/kWh], which is obviously not natural gas. So that's the limit: Either it's a CCS that you have to put on it or you have to burn biomethane or you have to burn part of hydrogen. So that's why there was a long political debate. The result is: yes and no.

On the first question: I'm chairing the French association for environment in industries. We work a lot on biodiversity and there is no real measurement of it. It's difficult. You can measure the DNA in the drops of water on your site. But it's one of the complexities to report. I know that for you, you are willing on all your ESG part to try to transform this biodiversity in an aggregate, something synthetic. I think it's easy for CO2. It's one of the difficulties to act on it. When we ask ourselves, what could we do at the corporate level. Let's have some action plans. It's pragmatic. But to measure it for the time being, it's complex, in fact. So no, I'm afraid we didn't find it. You can find for part of it. Again, when you speak about net zero deforestation, we decided it by hectares. We had a long discussion on how to measure it. Some people came to us, you should evaluate the biodiversity on what you destroy to replace it, but you know how you measure. So, we said, okay, let's make a simple measurement by hectares. It's not perfect, but at least there is a sort of guideline in the company. When you manage such a company, not being able to transform a concept into a KPI, makes the action more complex. So that's why I proposed, for the time being, to embark the people, culturally, let's have some success stories. You will see in the report: I think there is a nice success story, I think, in Reunion Island about a wind farm. I see Catherine Remy, who is in-charge of nature and environment: she came to us with 5 different topics, we selected one. So, the idea is to go by example. We dedicated the environmental day to biodiversity. We make some trips in forest, myself, I went with my teams. It's a way for the people to understand what it is about, but the measurement is complexity. So I'm afraid for your funds, it will not be so easy to translate all that in a synthetic KPI.
We're working on the TNFD - the same framework as the TCFD – which could come, but it's the same thing, it's more of a risk assessment framework. Like the TCFD, it doesn't give a synthetic element.

Helle Kristoffersen ***TotalEnergies SE - President of Strategy & Sustainability***

We are part of TNFD.

Lucas Oliver Herrmann ***BNP Paribas Exane, Research Division - Head of Oil and Gas Research***

Sorry, it's a question based on ignorance, but can you just describe what proportional means?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

Consolidated, it's consolidated and proportional you take your share of all the JVs and you multiply by your shares. So when you have equity based, you take in equivalent, you take the proportionate share.

Lucas Oliver Herrmann ***BNP Paribas Exane, Research Division - Head of Oil and Gas Research***

Okay. And can you give us any indication of the breakdown of how much of the 34%, et cetera, of taxonomy aligned is aligned with or is associated with the element that goes to...

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

It's 34% of a higher figure than your CapEx figure. CapEx is consolidated. So when you make proportionate -- because in CapEx, you have the equity part - you don't have the full proportionate when it's financed, but it is why it makes more sense for us because we have a lot of project financing in chemicals, renewables. So when you look at proportionate, you take the full proportionate part, and in terms of consolidated, you take only the equity part. As in renewables, the project is generally developed 20-80 or 30-70, you have more CapEx in a proportionate view.

Lucas Oliver Herrmann ***BNP Paribas Exane, Research Division - Head of Oil and Gas Research***

Sure. And the second question actually goes back to the first presentation, if I might. Just in terms of storage, Patrick, regarding your electricity chain, why is 5 gigawatts the right number or the number that you...

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

That's a complex question. Ask Stephane. I asked the same question to him. So, it is a debate.
We try to know it, actually we are working on it. How much should we develop in order to cope with the intermittency with what we want to keep merchant. So at the end, they came with a nice memo and we say, okay, 5% seems to be enforced. We have looked to what some utilities are announcing. It does not seem to be inconsistent. It could grow in the future. I'm not sure it's enough. I'm not fundamentally sure it's enough. But it's back to how much we develop.

Oswald C. Clint ***Sanford C. Bernstein & Co., LLC., Research Division - Senior Research Analyst***

Yes. Just on LNG or at least your ambition to grow gas, the emissions from gas going up are okay. But how do you account or how are you thinking about Cameron and Costa Azul where you're sourcing gas from the grid system in the U.S. and whether those suppliers are obviously reducing methane leakage and the associated emissions. And in the 2030 targets, is there anything embedded for future equity LNG that you might be thinking about?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

Between Cameron and Costa Azul, we are a partner of the plants. So we account in our emissions when it's proportionate. Where it is in equity share, we account our equity share of the plant. If we go upstream to integrate, which probably we will have to do because I like to hedge my portfolio between production and LNG – then we will count for the emissions of our production. But when we look at the emissions of our U.S. Barnett shale today, it's quite low. So I'm not afraid of it. But it's part of the equation. So again, it's part of this 38 million tons. So if I want to do more, I have to abate more. It's not complex. But I think this is, honestly, of Scope 1 and 2., no problem to take that constraint. I think we have to accept it. By the way, look at what we have done on the gas-fired power plant, we have increased the gas-fired power plant. It's adding 7 million tons, it was in the slide. We didn't complain with it. We introduced it in our target. So it's up to us to be consistent.

Irene Himona ***Societe Generale Cross Asset Research - Equity Analyst***

Thank you. I haven't obviously read yet the '23 sustainability report. But in last year's report, you made a very strong statement that neither global energy demand trends nor energy efficiency trends on the demand side were aligned with what is needed for Net Zero. And then Russia happened. And I wonder what your view is in this year's report. Has there been any noticeable change? Any acceleration to energy efficiency that is worth highlighting?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

The energy efficiency has gained some momentum. That's clear. The question is: is it demand destruction or is it really energy efficiency? Today, when you look to the consumption in Europe, it's difficult nowadays, also because of high prices, some demand destruction, which could come back. What we observe today in the market in Europe is that we were wondering why the diesel was not stronger. The spread of the diesel despite of the Russian ban did not increase, even was a little lower. And in fact, what we also observed in the statistics of Stéphane's gas consumption in Europe, you have an increase of gas demand for industrial sector in Europe - and in fact, it's because you have some shift. You have some manufacturing industries, which last year when the gas went up as an average to $200 per barrel, the fuel was around $100 per barrel, $120 per barrel. They shifted from gas to fuel. And now this year, they are very reactive, and they shift back from diesel or fuel to gas.

So it created an additional demand. So it's why this demand destruction is not energy efficiency. Having said that, it's also clear that what we are doing with spending $1 billion; other companies, I think, are spending money to say because you have a return. So that's changed the perspective. The question will be, is it sustainable? Because I remind you that we were on the world basis, on an average energy efficiency of 1% to 1.5% over the last 20 years. The scenario Net Zero requires almost 3%.

Helle Kristoffersen ***TotalEnergies SE - President of Strategy & Sustainability***

4%.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

4%. So you don't change like that from 1.5% to 4%. It's not true. 2023 in the net zero scenario, oil demand is 93 million barrel of oil per day. Look at the figure. And the IEA has announced that this year we have significant demand, might be as high as 102 million barrels oil per day. So there is a gap of 9. So this is a full debate about the story. Again, the endpoint is okay. But after we reconciled the beginning of the curve with the reality of the planet. And nobody wants to answer to us to that. By the way, I understand that Fatih Birol is preparing a new report. He told me that. We were at the IEA. He is announcing the new report. And I think part of the report is to try to reconcile the first 10 years with the rest of the story. So let's wait to see. We raised that to him. If you want that scenario to be a reference for everybody, not just a reference that we are obliged to criticize because it does not fit with the reality of the short term, then let's look to see. So he told me that he will work on that, and he has announced that to the UAE Minister, who was there also last week. So we'll see.

We continue to state in our report that we need new greenfield oil to fill the demand. We are a little stubborn on that. By the way, you have an interesting chart on the report where we we look to the NZE and the APS. APS scenario of IEA is at 1.7 degree. And you look to the chart, you will understand, it's true but this is 0.2 degree makes a huge difference. And it's also true that we have the impression that the world is probably more on one line than on the other line. Having said that, I hope the world will manage to get at 1.7 degree or 1.5 degree and not at 2.5 degree.

Renaud Lions ***TotalEnergies SE - SVP of IRL***

ast burning question? Apparently, no.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

We are like clocks. We made a bet with ourselves, that it would last until 5:30. You are perfect guests. Perfect guests and we can only thank you for that.

Renaud Lions ***TotalEnergies SE - SVP of IR***

For the conclusion, Patrick...

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

First of all, thank you for having participated to that event. I would like to get some feedback on the fact that we have organized our presentation between the one in February, and this one in March, which, again, is linked to the Board's work. So it would be interesting after 2 years to have your feedback on the content of what we present to you. And again, we are in charge of the Company, TotalEnergies is really an active player, and more than active, we are really investing, in fact, in this energy transition. Our mission is to continue to deliver the energy that people need. So thank you again for your attention.

Helle Kristoffersen ***TotalEnergies SE - President of Strategy & Sustainability***

And thank you for everybody that participated to the report, whether they listen to us or not. A very warm thank you to everybody in the Company that participated.