Building a multi-energy company toward sustainable and profitable growth

Strategy, Sustainability & Climate

March 24, 2022
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Facing the Ukraine – Russia war
# Principles of Conduct for Russia-linked activities

## Ensuring energy security to our clients, in strict compliance with sanctions

TotalEnergies condemns Russia’s military aggression against Ukraine and support sanctions. TotalEnergies acts responsibly, in accordance with its values.

<table>
<thead>
<tr>
<th>Principles of conduct</th>
<th>Key facts &amp; actions</th>
</tr>
</thead>
</table>
| Ensure strict compliance with current and future European sanctions, regardless of the consequences on the management of its assets in Russia, and gradually suspend its activities in Russia, while assuring its workforce’s safety | → TotalEnergies does not operate any oil and gas fields or any LNG plants in Russia (only 11 secondees as of 24/02/2022, 3 seconded expatriates remaining as of today)  
→ Stop business development in batteries and lubricants in Russia |
| Provide no further capital for the development of projects in Russia | → Due to uncertainties linked to sanctions, decision by TotalEnergies SE to no longer record proved reserves for Arctic LNG-2 in its accounts and to not provide any more capital for this project |
| Do not reverse the purpose of sanctions against Russia: do not unwarrantedly transfer value to Russian interests by withdrawing from assets | → An “exit” would not stop any operation of these companies in which TotalEnergies is a minority shareholder and would transfer value for zero to Russian interests in contradiction with sanctions |
| Contribute to ensure the security of the European continent’s energy supply within the framework defined by European authorities | → TotalEnergies continues to supply Europe with LNG from the Yamal LNG plant, in accordance with EU’s decisions to maintain at this stage Russian gas supplies |
| • Honor long-term contracts as long as Europe’s governments consider that Russian gas is necessary for Europe | → TotalEnergies stopped on 25/02/2022 all spot market trading on Russian oil and petroleum products as well as spot trading transactions for Russian natural gas/LNG |
| • Avoid creating additional revenues to Russian state through spot deals | → As we can ensure alternative solutions, TotalEnergies unilaterally will halt all purchases of Russian oil and petroleum products as soon as possible and by end-2022 at the latest in close cooperation with governments |

Facing the Ukraine – Russia war
TotalEnergies’ exposure to Russia is manageable

TotalEnergies is not operator of any oil & gas field nor LNG plant in Russia

Upstream assets:

• 19.4% interest in **Novatek** (independent company)
• 20%* direct interest in **Yamal LNG**
• 10%** direct interest in the **Arctic LNG-2 project**
• 49% direct interest in **TerNefteGaz** (gas and condensate field)
• 20% interest in **Kharyaga** (onshore oil field)

Term contracts (in 2022):

→ LNG: 5 Mt/y ~21-year offtake, 0.9 Mt/y 1-year contract
→ Oil: ~10 Mt/y crude oil, ~2 Mt/y petroleum products max 1-year

→ **13.7 B$ Capital Employed** as of 31/12/21
  10% of Company
  Novatek (6.2 B$), Yamal LNG (4.3 B$), Arctic LNG-2 (2.5 B$)

→ **1.5 B$ Upstream 2021 CFFO**
  5% of Company (Novatek 400 M$, Yamal LNG 1.1 B$)

→ **2.1 B$ Upstream 2021 Adjusted NOI**
  11% of Company (Novatek 1.1 B$, Yamal LNG 1.0 B$)

→ Debt service default guarantees
  500 M$ Yamal LNG, 800 M$ Arctic LNG-2

→ 500 kboe/d production
  17% of Company

→ **2.5 Bboe proved reserves** as of 31/12/21
  after de-booking of Arctic LNG 2
  21% of Company

Facing the Ukraine – Russia war

* direct interest of 20% + 9.7% indirect interest through the shareholding in Novatek
** direct interest of 10% + 11.6% indirect interest through the shareholding in Novatek
Building a multi-energy company toward sustainable and profitable growth

March 24, 2022
Strategy, Sustainability & Climate presentation panel

Patrick Pouyanné
Chairman and Chief Executive Officer

Helle Kristoffersen
President, Strategy & Sustainability

Namita Shah
President, OneTech, People & Social Engagement
Building a multi-energy company
Energy is reinventing itself, so are we

Our purpose is to supply to as many people as possible reliable, affordable, clean energy...
...for sustainable and increased returns to our shareholders

More energy  Less emissions  Always more sustainable  Increased returns

Building a multi-energy company
Global trends underpinning evolution of energy markets

- **Oil**
  - Acceleration of innovation to substitute oil use
  - Oil demand plateau then decline from 2030+ with impact on long-term prices

- **Natural gas, transition fuel**
  - LNG driving growth

- **New molecules**
  - Biofuels, biogas, hydrogen, e-fuels

- **Electricity**
  - Growing demand further increased by Net Zero policies
  - Renewables will decarbonize power generation

- **Carbon sinks**
  - Required to achieve Net Zero

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Growing population in emerging countries aiming at higher living standards leading to growing energy demand despite energy efficiency gains

Imperative of climate neutrality for the planet
### Why investing in Power with historically lower returns than Oil & Gas?

<table>
<thead>
<tr>
<th>→ Growing market</th>
<th>Premium to early mover: right time to secure long-term positions (land, marine and grid interconnections), DNA of Oil &amp; Gas business model</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Positive outlook on electricity prices (market complexity)</td>
</tr>
<tr>
<td>→ Create value by capturing volatility of Power market</td>
<td>Managing commodities at the core of TotalEnergies business model</td>
</tr>
<tr>
<td></td>
<td>Model designed to capture upside via mix of PPAs and market exposure: targeting ~70% PPA / ~30% market exposure</td>
</tr>
<tr>
<td></td>
<td>Higher risk – higher returns contrary to low-risk/low-reward utility model</td>
</tr>
<tr>
<td>→ Managing volatility and creating value from integration</td>
<td>Building a portfolio combining renewable and flexible generation, storage, aggregation, trading and supply</td>
</tr>
<tr>
<td></td>
<td>Similar to our strategy in Oil &amp; Gas commodity markets</td>
</tr>
<tr>
<td>→ Focus on cost competitive assets (1st/2nd quartile local merit curve)</td>
<td>Investing in low-cost projects with &gt; 10% ROE</td>
</tr>
<tr>
<td></td>
<td>Replicating Oil &amp; Gas low-cost producer strategy</td>
</tr>
<tr>
<td>→ Leverage strong balance sheet to derive value from short-term price fluctuations</td>
<td>Low gearing (15.3% at end-2021) vs Utilities</td>
</tr>
</tbody>
</table>

Replicating LNG success: mix of long-term contract and spot exposure, higher risks creating higher returns from integration, arbitrage and flexibility
TotalEnergies in 2050: a vision for a Net Zero company

IEA NZE energy mix in 2050

- Oil, Natural Gas & Coal: 22%
- Bioenergy: 19%
- Decarbonized electricity*: 59%

CCS: 7 GtCO₂e

TotalEnergies’ 2050 energy production & sales

- Oil LNG & Gas: 25%
- Renewables & Electricity: 50%
- New molecules**: ~50 Mt/y
- New: ~500 TWh/y

CCS: 50-100 MtCO₂e

TotalEnergies Net zero Scope 1+2 (a)

+ New

- CCS: ~10 MtCO₂e
- NBS: 10 MtCO₂e
- New

TotalEnergies Net zero Scope 3 (b)

+ New

- CCS: 50-100 MtCO₂e
- CCU (e-fuels/e-gas)
- 25-50 MtCO₂e
- New

Net zero lifecycle carbon intensity (c)

+ New

-100%

* Hydro, solar, wind and nuclear
** Biofuels, biogas, hydrogen and e-fuels/e-gas

(a) From operated facilities
(b) From energy products used by our customers (GHG Protocol Category 11)
(c) Average carbon intensity of energy products used by our customers worldwide (Scope 1+2+3)

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2020-2030: decade of transformation

<table>
<thead>
<tr>
<th>Peak oil production PJ/d</th>
<th>Gas, transition fuel PJ/d</th>
<th>Growth in electricity from renewables PJ/d</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-2021</td>
<td>2023-2025</td>
<td>2027-2030</td>
</tr>
<tr>
<td>Domestic &amp; pipe gas</td>
<td>Biogas, H₂</td>
<td>Renewables</td>
</tr>
<tr>
<td>LNG</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Production growth

+30% driven by LNG and Electricity
to 23 PJ/d by 2030
2020-2030: adapting our energy sales to demand

Energy sales
+15% over the decade

Sales mix by 2030
- Oil: 30%
- Gas: 50%
- Electricity: 15%
- Biogas, biofuels, H₂, e-fuels: 5%

Building a multi-energy company
2021 data excluding Covid impact
Oil: high-grading portfolio while adapting to demand

Oil products in sales mix: from 65% in 2015, 44%* in 2021 to 30% in 2030

Oil production and oil product sales

- Refining
- Production
- Sales = Refining

Aligning sales to production by 2030
-120 MtCO₂
Scope 3 emissions

Preserving M&S net cash flow while arbitraging low margin sales and increasing non fuel sales
2021 vs 2019:
+15% net CFFO --19% sales

New investments restricted to low cost and low emission oil projects
Exploration capex: 500 M$

Divestments of non-core mature high-cost and high-emission assets
Venezuela heavy oil exit

Building a multi-energy company

* Excluding Covid impact
Leveraging our unique integrated LNG position

Rich portfolio to feed low-cost LNG growth

LNG production
Mt/y

20

2015 2020 2021 2030

Large portfolio to feed growth
Cameron, ECA, Nigeria, Mozambique, Papua LNG, Yemen, other US options

1st/2nd quartile
Investing in low-cost long-term competitive LNG projects

LNG portfolio leveraged to high oil and gas prices
80% oil indexed + 800 M$ CFFO for 10$/mmbtu

- 80% methane emissions by 2030 vs 2020

99% of 2021 LNG volumes* sold to Net Zero countries

* Managed LNG portfolio
Growing value from integrated Renewables & Electricity
Investing in locally cost-competitive projects

Electricity production
Company share, TWh

100 GW
Gross renewable capacity in 2030

Capture market upside thanks to storage, trading and balance sheet
70% PPA/30% spot

Net cash positive before 2030

Return on Equity

> 10%*

> 50 TWh

~120 TWh

Building a multi-energy company
* Renewable projects including farm-down
New molecules for energy transition
Doubling circularity within the next 10 years

### Biofuels
- **5 Mt/y** in 2030
  - Priority to waste & residues
  - ~300 kt/y SAF from 2024
- **2021:**
  - Converting Grandpuits into a zero-crude platform

### Recycled & biopolymers
- **60 kt produced** in 2021
- **Targeting 1 Mt/y** of high value circular polymers in 2030
  - Mechanical recycling
  - Chemical recycling
  - Biopolymers

### Biogas
- **> 5 TWh/y** in 2030
  - Strong demand for bio-LNG/bio-CNG will drive higher value
- **2021:**
  - Fonroche Biogaz (500 GWh/y) acquisition + first project in Texas

### Hydrogen & e-fuels
- **Ambition:** pioneer in mass production of clean hydrogen
  - Kick-start clean hydrogen to cover our refining demand (Normandy)
  - E-fuels valorizing green H₂ and CO₂ as a feedstock
- **2021:**
  - Green H₂ project in La Mède (125 MW)
  - Abu Dhabi: green H₂ + SAF initiative with Masdar and Siemens Energy

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Investing ~5% of CAPEX

Building a multi-energy company

* Operated volumes and PLA equity production
Capital investment strategy to build the multi-energy company

![Diagram showing investment distribution: 25% Renewables & Electricity, 20% LNG & Gas, 20% New molecules, 5% Growth, 50% Oil maintenance]

Building a multi-energy company
R&D at the forefront of the transformation

R&D expenditure

%  2017  2018  2021  Guidance 2022

- Oil & Gas: 72%, 65%, 50%, 43%
- CCUS: 28%, 35%, 50%, 57%
- New energies
- Batteries

Overall R&D budget ~1 B$

Technical and R&D skills together in OneTech, a new global organization to support the transition

Building a multi-energy company
Investment criteria for new hydrocarbon projects ensuring sustainability of the portfolio

**Criteria**

**Assessing major investments considering Paris Agreement objectives**

- Profitability evaluated with:
  - Brent at 50 $/b and HH at 2.5 $/Mbtu
  - 40 $/t carbon price and 100 $/t from 2030
  - New assumption: 100 $/t carbon price from 2023

- Restricted to low-cost and low-emission projects:
  - Capex+Opex < 20 $/boe, or after-tax breakeven < 30 $/boe
  - Lower GHG emission intensity than portfolio average

**GHG emission intensity**

% vs. portfolio average

<table>
<thead>
<tr>
<th>Project</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021 approved oil &amp; gas projects</td>
<td><img src="chart.png" alt="" /></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**Technical costs**

$/boe

<table>
<thead>
<tr>
<th>Project</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8*</th>
</tr>
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<td></td>
</tr>
</tbody>
</table>

* After-tax breakeven < 20 $/boe
Transparency: taxonomy and resilience tests

2021 Eligible CapEx*

- Biofuels and chemicals: 16.5% in 2020
- Power generation from natural gas**: 21%
- Renewables & Electricity: 27%
- Other eligible activities: 21%

2021 Aligned CapEx*

- Biofuels and chemicals: 9.2% in 2020
- Power generation from natural gas**: 21%
- Renewables & Electricity: 23%
- Other eligible activities: 21%

Portfolio resilience tests
Upstream and Downstream

- IEA NZE: -17% NPV7
  vs reference scenario @ 50$/b, 100 $30/tCO₂ in 2030
  Impairment tests using price scenario converging toward NZE prices from 2040

- 200 $30/tCO₂: -9% NPV7
  vs reference scenario @ 50$/b, 100 $30/tCO₂ in 2030

* Proportional view (controlled perimeter disclosed in the 2021 Universal Registration Document)
**According to the draft delegated act of December 2021
Integrating sustainability into our strategy, projects and operations

- Less emissions
- Care for the environment
- People well-being
- Shared prosperity w/ our stakeholders

Building a multi-energy company

TotalEnergies

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Less emissions
Transition Pathway Initiative assessed in November 2021 TotalEnergies “as one of three O&G firms that have set emissions reduction targets that are ambitious enough to reach net zero by 2050 and to align with TPI's 1.5°C benchmark.”

TPI is supported globally by 120 investors with more than 40 Tn$ combined asset under management and advice

Reference for Climate Action 100+ benchmark
### Advancing on our emission targets by 2030

#### Net Zero worldwide on operated activities

<table>
<thead>
<tr>
<th>Scope 1+2 emissions</th>
<th>2020*</th>
<th>2021*</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mt CO₂</td>
<td>41.5</td>
<td>37</td>
<td>&gt; -40%</td>
</tr>
<tr>
<td>vs 2015</td>
<td>-9%</td>
<td>-20%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Methane emissions</th>
<th>2020*</th>
<th>2021*</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>kt CH₄</td>
<td>64</td>
<td>49</td>
<td>-80%</td>
</tr>
<tr>
<td>vs 2020</td>
<td></td>
<td></td>
<td>+ New</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Routine flaring</th>
<th>2020*</th>
<th>2021*</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mm³/d</td>
<td>0.6</td>
<td>0.7</td>
<td>0</td>
</tr>
</tbody>
</table>

#### Net Zero worldwide for indirect emissions

<table>
<thead>
<tr>
<th>Scope 3 worldwide emissions</th>
<th>2020*</th>
<th>2021*</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mt CO₂</td>
<td>400</td>
<td>400</td>
<td>&lt; 400</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scope 3 worldwide Oil New</th>
<th>2020*</th>
<th>2021*</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mt CO₂</td>
<td>320</td>
<td>285</td>
<td>&gt; -30%</td>
</tr>
<tr>
<td>vs 2015</td>
<td>-9%</td>
<td>-19%</td>
<td>+ New</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scope 1+2+3 emissions in Europe</th>
<th>2020*</th>
<th>2021*</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mt CO₂</td>
<td>239</td>
<td>241</td>
<td>&gt; -30%</td>
</tr>
<tr>
<td>vs 2015</td>
<td>-14%</td>
<td>-14%</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Lifecycle carbon intensity²</th>
<th>2020*</th>
<th>2021*</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1+2+3</td>
<td></td>
<td></td>
<td>&gt; -20%</td>
</tr>
<tr>
<td>100 in 2015</td>
<td>-8%</td>
<td>-10%</td>
<td></td>
</tr>
</tbody>
</table>

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1. Related to the use by our customers of energy products
2. Average carbon intensity of energy products used by our customers worldwide
3. Excluding Covid impact
Objectives

Scope 1+2 from operated facilities
Mt CO2e

<table>
<thead>
<tr>
<th>Year</th>
<th>Oil &amp; Gas</th>
<th>New business (CCGT)</th>
<th>Net* emissions &gt; -40% vs. 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>46</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>&lt; 40</td>
<td>-26%</td>
<td></td>
</tr>
<tr>
<td>2030</td>
<td>25-30</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2030 objective in line with society

<table>
<thead>
<tr>
<th>TotalEnergies</th>
<th>vs 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; -40%</td>
<td></td>
</tr>
</tbody>
</table>

External references

- IEA NZE scenario: -39%
- EU’s “Fit for 55”: -37% (1)

Third-party studies on GHG reduction commitments for 2050 NZE countries

- Carbone 4: -29% to -40%
- Columbia University: -27%

* Net of carbon sinks
1 UE 27 Scope 1 emissions reduction objective: -55% vs 1990 ↔ -37% vs 2015
Scope 1+2: mobilization on CO2 reduction using best available technologies

- Stop routine flaring + New
  - <0.1 Mm³/d by 2025
  - Zero routine flaring by 2030
  - All new projects with closed flare
  - Reduce non-routine flaring

- Improve energy efficiency
  - Reduce fuel gas consumption
  - Optimize power consumption
  - RC: 450 M$ over 2018-25
  - Deploy digital solutions

- Green power
  - Cover all industrial sites’ power needs with green electricity in Europe and the US
  - >2 MtCO₂/y Scope 2 emissions by 2025

- Capture and store carbon
  - Decarbonize all grey H₂ used in our European refineries
  - >3 MtCO₂/y by 2030
  - Develop carbon transport and storage projects
  - ~10 MtCO₂/y capacity by 2030
Aiming for zero methane emissions

Methane emissions on operated facilities
kt CH₄

<table>
<thead>
<tr>
<th>Year</th>
<th>Emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>120</td>
</tr>
<tr>
<td>2020</td>
<td>64</td>
</tr>
<tr>
<td>2021</td>
<td>49</td>
</tr>
<tr>
<td>2025</td>
<td>-50% vs. 2020</td>
</tr>
<tr>
<td>2030</td>
<td>+ New</td>
</tr>
</tbody>
</table>

Our actions to move toward near-zero methane

- Monitoring & Measuring
- Annual leak detection & repair campaign
- Reducing flaring & venting

→ 2030 reduction targets in line with external references:
  - EU gas markets framework -80%
  - IEA NZE scenario -75%

→ Highest level of reporting for operated and non operated assets
   Gold standard OGMP 2.0
Net Scope 1+2: offsetting our residual emissions with nature-based solutions

Our ambition

- Carbon credits to be used from 2030
- Highest standards for certification (e.g., Verra VCS, CCB, Gold Standard...)
- Investing 100 M$/y in projects inclusive of local communities and preserving biodiversity
- > 5 MtCO₂e/y sequestration capacity by 2030
- Targeting 100 MtCO₂e carbon credits by 2030
  - 350 M$ already committed for 23 MtCO₂e by 2030 and 31 MtCO₂e by 2050
  - ~7 MtCO₂e end-2021

Congo
- Partnership with FRM
- Sustainable management of 55,000 ha, conserving gallery forests and planting 40,000 ha
- Local economic development with communities
- Sequestrating > 10 MtCO₂e over 20 years

Australia
- Partnership with AgriProve
- 20,000-ha soil carbon sequestration operation
- Supporting transition from intensive agriculture to various regenerative agricultural practices
- Sequestrating > 3 MtCO₂e over 25 years

Net Zero deforestation policy for new projects on new sites from 2022

* Tropical Asia Forest Fund
Taking care of non-operated emissions by sharing best-practices with our partners

Scope 1 equity share
Mt CO2e

<table>
<thead>
<tr>
<th>Year</th>
<th>Mt CO2e</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>50</td>
</tr>
<tr>
<td>2020</td>
<td>52</td>
</tr>
<tr>
<td>2021</td>
<td>49</td>
</tr>
</tbody>
</table>

New report
2021 Scope 1+2 equity share
Mt CO2e

- Refining
- Non-operated sites
- 27 MtCO2e
- Operated sites
- 27 MtCO2e

54 MtCO2e
2021

50 52 49
Transparency: tracking emissions across the globe

2021 data (excluding Covid impact for Scope 1+2 operated and Scope 3 emissions)
Methane emissions in ktCH4, Scope 1+2 and Scope 3 emissions in MtCO2e
* EU27 + Norway + UK + Switzerland
## Accounting for Scope 3 emissions*

*Considering the largest volume in the oil and gas value chains*

<table>
<thead>
<tr>
<th>2021 Production</th>
<th>2021 Midstream</th>
<th>2021 Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Oil</strong></td>
<td><strong>Refining</strong></td>
<td><strong>Oil Products</strong></td>
</tr>
<tr>
<td>1.3 Mb/d</td>
<td>1.2 Mb/d</td>
<td>2.0 Mb/d</td>
</tr>
<tr>
<td>(185 Mt CO₂e)</td>
<td>(145 Mt CO₂e)</td>
<td>285 Mt CO₂e</td>
</tr>
<tr>
<td><strong>Natural gas</strong></td>
<td><strong>Liquefaction</strong></td>
<td><strong>LNG + BtB/BtC gas sales</strong></td>
</tr>
<tr>
<td>1.1 Mboe/d</td>
<td>0.5 Mboe/d</td>
<td>1.1 Mboe/d</td>
</tr>
<tr>
<td>(115 Mt CO₂e)</td>
<td>(45 Mt CO₂e)</td>
<td>(40 Mt CO₂e)</td>
</tr>
<tr>
<td><strong>3rd party long-term LNG Purchase</strong></td>
<td><strong>3rd party long-term LNG Purchase</strong></td>
<td></td>
</tr>
<tr>
<td>0.4 Mboe/d</td>
<td>0.4 Mboe/d</td>
<td></td>
</tr>
<tr>
<td>(40 Mt CO₂e)</td>
<td>(40 Mt CO₂e)</td>
<td></td>
</tr>
</tbody>
</table>

2021 Scope 3 emissions* = 400 MtCO₂e

---

2021 data excluding Covid impact
* From energy products used by our customers (GHG Protocol Category 11)
1 Includes bulk refining sales and biofuels
2 Excluding minority stakes in public companies
Scope 3 Oil reduced by > 30% by 2030

Scope 3 Oil*
MtCO$_2$e

Scope 3 emissions*
MtCO$_2$e

* From energy products used by our customers (GHG Protocol Category 11)
Just transition: supporting EU’s NZE ambition while meeting energy demand in emerging countries

**Scope 3 emissions in Europe***
MтCO₂e

2015: 256
2030: 175
-30%

**Scope 3 emissions out of Europe***
MтCO₂e

2015: 154
2030: 175

From energy products used by our customers (GHG Protocol Category 11)
* EU27 + Norway + United Kingdom + Switzerland
**CCS: investing in CO₂ storage services for our customers**

**Norway**
- **Northern Lights** (TotalEnergies 33%)
  - Phase 1 (FID 2020)
    - Up to 1.5 MtCO₂/y by 2025
  - Phase 2
    - Capacity expansion for European emitters’ needs up to 5 MtCO₂/y by 2030

**Netherlands**
- **Aramis** (TotalEnergies 25%)
  - **CO₂ storage** (TotalEnergies 60%, operator)
    - Aramis project
      - Onshore CO₂ multimodal terminal and transport infrastructure to offshore storage area
      - > 5 MtCO₂/y transport capacity from 2026 (Ph. 1)
    - Operated storage: 2.5 MtCO₂/y (Ph. 1) to 8 MtCO₂/y in 2030 based on customer demand

**UK**
- **NEP** (TotalEnergies 10%)
  - Onshore and offshore infrastructure for storage in the Endurance reservoir, a large-scale saline aquifer
    - 4 MtCO₂/y by 2026
    - > 400 MtCO₂ storage capacity

**Targeting ~10 MtCO₂/y storage capacity by 2030**

+ **New** Aiming for 50 to 100 MtCO₂/y in 2050

* Northern Endurance Partnership
Act on demand to decarbonize mobility
Committing 1.5 B$ over 2021–25

<table>
<thead>
<tr>
<th>Initiative</th>
<th>2021</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deploy EV charging network with focus on HPC</td>
<td>&gt; 25,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Produce high-performance and affordable EV batteries</td>
<td>&gt; 110</td>
<td>500</td>
</tr>
<tr>
<td>Mercedes Benz joined ACC</td>
<td></td>
<td>&gt; 120 GWh by 2030 (~2.5 M EVs/y)</td>
</tr>
<tr>
<td>Expand biofuel distribution</td>
<td>3.3 Mt</td>
<td>7-8 Mt/y</td>
</tr>
<tr>
<td>E85 distribution leader in France</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deploy private fleet charging offer + HPC network</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Develop H₂ ecosystem</td>
<td>Partnership with Daimler in Europe H₂ Mobility, Hysetco</td>
<td>150 by 2030</td>
</tr>
<tr>
<td>Promote LNG vs. heavy fuel</td>
<td>~0.2 Mt</td>
<td>1 Mt/y</td>
</tr>
<tr>
<td>Develop bio-LNG and bio-bunkers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meet SAF growing demand</td>
<td>Production start-up at La Mède</td>
<td>300 kt/y</td>
</tr>
<tr>
<td>Develop e-fuels</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Being a partner in our customer’s carbon neutrality journey

OneB2B Solutions

→ New cross-segment division putting the customer at the heart of our multi-energy strategy

- Metals (steel and others)
- Cements
- Chemicals & Industrial Gases
- Food & Beverage
- Logistics & Transport
- Mobility OEMs
- Construction
- Waste, Water pulp & Papers
- Mining
- Datacenters & Telecom

Renewables for customers

1.5 TWh
Corporate PPAs already announced

> 20 TWh
Corporate PPAs by 2025

→ Expanding Distributed Generation offer

Selectivity on oil sales

→ No more fuel oil sold to power generation from 2025

→ Promoting actively SAF for airline companies

Less emissions
Advocacy aligned with our climate ambition

Aligning associations

Ensuring alignment of professional associations with our climate ambition

- In 2021
- New
- Withdrawal from API
- Publication of our memberships
- Publication of our advocacy efforts in favor of climate issues

Annual review with assessment of the 6 principles from our advocacy internal directive and publication of the results

1. TotalEnergies recognizes the link established by science between human activities and climate change.

2. TotalEnergies recognizes the Paris Agreement.

3. TotalEnergies supports the implementation of carbon pricing.

4. TotalEnergies supports the development of renewable energies and sustainable bioenergies (biofuels, biogas) as well as energies and technologies aimed at decarbonizing industrial processes and transport.

5. TotalEnergies promotes the role of natural gas as “transition fuel”, in particular as a replacement for coal. TotalEnergies supports policies aimed at measuring and reducing methane emissions.

6. TotalEnergies supports the carbon offset mechanisms necessary to achieve carbon neutrality, through organized and certified markets ensuring the quality of carbon credits.

Less emissions
Care for the environment
Taking care of biodiversity

Our commitments for biodiversity

1. Voluntary exclusion zones
   - No oil or gas exploration or extraction in UNESCO’s world natural heritage sites
   - No oil field operations in Arctic sea ice areas

2. New Projects
   - Biodiversity Action Plans for projects in areas of interest* (8 initiated in 2021)
   - Net positive impact on sites of priority interest**

3. Existing sites
   - Biodiversity Action Plans for all environmentally significant sites
   - Creation of biodiversity-rich zones when restoring sites that have ceased to operate

4. Promotion of biodiversity
   - Support biodiversity awareness programs and share data with scientific community

3 principles of action

- Avoid
  - Adverse impact

- Reduce
  - Non-avoidable impact using best available technology

- Compensate
  - Restore & Offset any residual impact

Tilenga project: action plan tailored to generate a net gain in biodiversity

- 25% net gain objective in population of species such as lions, elephants, hartebeest, kobs. Audited by 3rd party
- Working with IUCN experts to integrate the best practices for the protection of chimpanzees
- Support the black rhinoceros reintroduction
- Restoring 1,000 ha of tropical forest and protecting 10,000 ha of natural forest and ecological corridors
- Minimizing footprint to <0.05% of Murchison Falls park
- Work with local communities to manage and restore wetlands along Lake Albert southern bank

* UICN protected areas categories I to IV and Ramsar areas
** UICN protected areas categories I to II and Ramsar areas
Preserving scarce fresh water resources

Joined the UN Global Compact CEO Water Mandate

Endorsing continuous improvement in six core areas of water stewardship practice:

1. Direct operations
2. Supply chain & watershed management
3. Collective action
4. Public policy
5. Community engagement
6. Transparency

2030 objectives

< 1 mg/l hydrocarbon content (instead of < 15 mg/l) of continuous aqueous discharges for 100% for onshore and coastal sites

-20% fresh water withdrawals at our sites located in water stressed areas vs 2021
Doubling the circularity of our business within the next 10 years

Joined in 2022 the Platform for Accelerating the Circular Economy launched by the WEF and hosted by the WRI

Founding Member

**Objectives**

<table>
<thead>
<tr>
<th>Supplies</th>
<th>Double use of waste as feedstock in our facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>Double global circularity of our sales and revenues</td>
</tr>
</tbody>
</table>

Care for the environment
People well-being
Health & Safety: core values

Objectives

- **0**
  - Zero fatalities

- **↓**
  - Continuously reducing the TRIR

- 🛠️
  - Preventing the occurrence of major industrial accidents

- 🧑‍⚕️
  - Maintaining and promoting the health of our employees

---

**Total recordable injury rate**
per million man-hours

- **2017**: 1.2
- **2018**: 1.0
- **2019**: 0.8
- **2020**: 0.6
- **2021**: 0.73

*Exxon, Chevron, Shell, BP*

---

**One fatality in 2021**
Enabling a just transition for our employees

Transforming with our People

Listening
- Regular pulse surveys
- Youth campus
- Support for managers: coaching, co-development

Sharing
- Lunch & Learn
- Webinars on energy transition
- Systematic managerial communication

Training
- Up to 5 days training for all on energy transition
  - Mapping of existing skills, upskilling & reskilling

Leveraging skills to build a multi-energy Company

- Mapping of competencies
- Skills comparison between current and target positions
- Deployment of the required technical trainings
Promoting diversity and inclusion

Gender equality

In 2021, women represented

- 27% of senior executives vs. 22% in 2018
- 20% of senior managers vs. 16% in 2018
- 25% of the members of the Executive Committee

International diversity

In 2021, non-French nationals represented

- 37% of senior executives vs. 32% in 2018
- 34% of senior managers vs. 32% in 2018

People with disabilities

- People with disabilities
- Promoting hiring and integration of people with disabilities
- Voluntary targets for 41 countries in the framework of the ILO Charter on Business and Disability
- A new Deconstructing Disability training course
Embedding sustainability in our social policy

Deploying our social commitments in the countries where we operate

Implementation of the global agreement with IndustriALL Global Union on the promotion of human rights at work, diversity, dialogue with employees and their representatives and recognition of health and safety at work.

Worldwide equal pay for men and women

Implementation of annual check regarding gender pay equality in all countries and of corrective action plan if necessary.

Worldwide due diligence to ensure that wages area above minimum decent wage.

Promoting workplace dialogue

An essential tool for successful just transition.

In countries where legislation does not make employee representation compulsory, subsidiaries strive to establish such representation and dialogue.

Gender neutral parental leave

Ensuring in case of birth or adoption.

- 14 weeks leave for the first parent: biological mother, male or female adoptive parent.
- 2 weeks for the second parent: biological father, 2nd adopter, male or female partner.
Respect of human rights

Our commitments
→ Our values
→ Our internal Code of conduct
→ United Nations Guiding Principles on business and human rights and OECD rules

Access to remedy
→ A grievance mechanism in each country
→ An ethics officer for each country where we operate
→ TotalEnergies Ethics Committee

Human rights in the workplace

Salient issues
→ Child labor and forced labor
→ Discrimination
→ Just and favorable work conditions

Our actions
• Training for all employees
• Engagement with our suppliers
• Human rights audits of our suppliers

In 2021, despite the pandemic, 2 assessments of our subsidiaries were carried out by Good Corporation and 80 audits of our suppliers were conducted

Human rights of local communities

Salient issues
→ Access to land
→ Right to health and an adequate standard of living

Our actions
• Identifying local stakeholders
• Societal impact assessment before the start of projects
• Protecting the rights of indigenous communities

In 2021, for the projects in Uganda and Tanzania: applying the best standards for land acquisition, 90 community liaison officers on the ground, publication of independent 3rd party reviews

Human rights in security-related activities

Salient issues
→ Risk of misuse of force

Our actions
• Implementing the Voluntary Principles on Security and Human Rights
• Limiting our teams’ exposure
• Risks assessments

In 2021, withdrawal of all Mozambique LNG project personnel from the Afungi site for insecurity reasons

Access to remedy
→ A grievance mechanism in each country
→ An ethics officer for each country where we operate
→ TotalEnergies Ethics Committee

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Shared prosperity w/ our stakeholders
Creating shared value for all stakeholders

Following our principles of action:
Safety, Respect for others, Zero tolerance against corruption and fraud, Transparency

Creating sustainable value for local communities
- Priority to local content in industrial projects and operations
- Engagement plans with stakeholders for each E&P project
- Network of Community Liaison Officers
- 1,500+ voluntary actions supporting socio-economic development in 2021

Ensuring a sustainable supply chain
- New Climate engagement initiative with our top 1,000 suppliers, representing 80% of our Scope 3 upstream GHG emissions
- New Ensuring that, by 2025, at least 90% of our first 400 suppliers have set 2030 GHG emissions reduction targets
- Auditing 100% of our critical suppliers on respect of human rights at work every 3 years

Zero tolerance against corruption and fraud
- 360 Compliance Officers
- 80,000+ employees trained against corruption by the end of 2021
- 20 assessment missions carried out in 2021 in subsidiaries most exposed to corruption risks

Tax transparency
- New Tax transparency report disclosing CBCR data of European and non-cooperative countries, and of all countries with extractive activities
- Since 2015, publication of an annual report of the extractive entities’ payments to governments
- In 2019, endorsement of the Responsible Tax Principles developed by the B Team fostering a responsible tax environment

Shared prosperity w/ our stakeholders
Sharing TotalEnergies’ value creation

Net Investments ~30%
Salaries and social charges ~20% | +3.4% vs 2020
Taxes ~30%
Dividends and buybacks ~20%

48 B$ in 2021

> 100,000 employees
> 100,000 suppliers
> 130 countries
> 65,000 shareholders (6.8% capital)
> 11 B$ taxes paid in non-OECD countries
1,300,000 individual shareholders
25 B$ purchases
+150,000 in 2 years (13.5% capital)

Shared prosperity w/ our stakeholders
A committed Board serving our sustainable ambition for the long-term benefit of our shareholders

Environmental and social challenges integrated in all decisions

- 14 directors
- 1 Lead Independent Director
- 82% independent directors*
- 45.5% women
- 5 nationalities
- 99.2% attendance rate at Board’s meetings
- 1 executive session chaired by the Lead Independent Director
- Focus on climate competencies and training
- Annual seminar on strategy & climate

* Excluding the director representing employee shareholders and the directors representing employees, in accordance with the recommendations of the AFEP-MEDEF code.
### Sharing value with shareholders

**Capital allocation framework**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Capex</td>
<td><strong>2</strong> Dividend</td>
<td><strong>3</strong> Balance sheet</td>
<td><strong>4</strong> Share buyback</td>
</tr>
<tr>
<td><strong>Maintaining discipline</strong>&lt;br&gt;13-16 B$ 2022-25</td>
<td><strong>Increase supported</strong>&lt;br&gt;by underlying long-term cash flow growth</td>
<td><strong>Grade A credit rating</strong></td>
<td><strong>Sharing surplus cash flow</strong>&lt;br&gt;from high oil and gas prices</td>
</tr>
<tr>
<td>14-15 B$ in 2022</td>
<td>+5% for 2022 quarterly interim dividends</td>
<td>Gearing &lt; 20%</td>
<td>2 B$ for 1H2022</td>
</tr>
</tbody>
</table>

---

*Shared prosperity w/ our stakeholders*
Improving ESG performance through benchmarks

MSCI ESG rating
- AAA
- AA
- A
- CCC

Sustainalytics ESG Risk rating
- Negligible risk
- Medium risk (25)
- Medium risk (29)
- High risk (33)

ISS ESG Corporate rating
- A+
- B-Prime
- B-
- C+

S&P Global ESG
- 100
- 81
- 70
- 52

Refinitiv
- 100
- 90
- 82
- 80

CDP Climate Change
- A
- A-
- A-

CDP Water
- A
- A-
- A-

Average peers Utilities²

Average peers O&G¹

Feeds our stakeholders

1 Peers O&G: Shell, BP, ExxonMobil, Chevron, Equinor, Eni, Repsol
2 Peers Utilities: Enel, Iberdrola, Engie, RWE, NextEra

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Incentivizing management on ESG criteria

Variable part in 2022

Chairman & CEO: ESG criteria 39%

- 61% *
- 8% *
- 6% *
- 6% *
- 11% *

Senior executives: ESG criteria 30%

- 35% *
- 10% *
- 5% *
- 15% *

Performance shares

For the ~11,700 beneficiaries: ESG criteria 30%

- 70% *
- 15% *
- 15% *

Financial performance
Safety
Scope 1+2 reduction
Steering of the strategy of moving towards carbon neutrality
Profitable growth in renewables and electricity
CSR performance
Diversity in 2022
New
Safety
GHG reduction in 2022
New
Individual performance
Financial performance % depending on individual performance weight
Scope 1+2 GHG reduction
Scope 3 GHG reduction New

Shared prosperity w/ our stakeholders

* % ไม่ต่ำกว่า
Today, March 24\textsuperscript{th}

Publication of the 2022 Sustainability & Climate Progress Report

May 25\textsuperscript{th}

AGM: submitting the 2022 Progress Report to an advisory vote
Building a sustainable multi-energy company and increasing shareholder returns

Low cost, low emission portfolio capturing upside from high energy prices

- Lowest cost producer - breakeven < 25 $/b
- #2 player in LNG – global LNG portfolio leveraged to oil and spot gas markets
- Absolute reduction targets on CO₂ and methane

Increasing attractive and sustainable return to shareholders

- Capital discipline: 13-16 B$/y over 2022-2025
- Increasing dividend by 5% for 2022 supported by underlying cash flow growth
- Sharing O&G price upside: 2 B$ buybacks in 1H22
- Leader in extra-financial ESG reporting & progress

Multi-energy integrated model to take advantage of energy market transition

- Transition is a matter of molecules (bio, H₂, CO₂) core competencies of O&G companies...
- ... and electrons: growing power, a secondary energy, increasing markets interconnection & complexity
- Underpinning our multi-energy and integrated strategy
- Management of complexity: DNA of large integrated company

Competitive advantages to profitably grow along electricity value chain

- Drive value from integration: production, storage, trading, supply
- Strong balance sheet enhancing ability to capture value from volatility in electricity markets
- Leveraging global footprint, project management and offshore expertise
- Selecting projects with >10% return on equity

March 2022 – Strategy, Sustainability & Climate
The Lake Albert project in Uganda and Tanzania

Sustainable development at the heart of our projects

**Sustainable energy and climate**

- Low cost and low emissions oil projects under way
  - Tilenga and Kingfisher oil resources: 230 kb/d
  - Capex+Opex < 20$/boe
  - GHG emissions 13 kgCO₂eq/boe*
  - MoU signed for the development of 1 GW of renewable energy

**People well-being**

- Applying best standards for land acquisition
  - Compliant with IFC Performance Standards
  - Continuous engagement with local stakeholders and NGOs: 70,000 people consulted; 20,000 consultation meetings held
  - Grievance mechanism in place

**Care for the environment**

- Biodiversity: commitment to be not positive
  - Reducing human pressure on Murchison Falls Park through enhanced protection
  - Protecting the integrity and connectivity of savannah corridors
  - Conserving and restoring forests and forest connectivity, as well as wetlands and riparian vegetation

**Shared prosperity w/ our stakeholders**

- Creating significant in-country value
  - Construction: 11,000 direct and 47,000 indirect jobs; 1.7 B$ spent with local contractors
  - Operations: 900 direct and 2,400 indirect jobs; 100 M$/y spent with local contractors
  - 2.1 million hours of training
## Climate Action 100+ Net-Zero benchmark

<table>
<thead>
<tr>
<th>Indicators</th>
<th>TotalEnergies</th>
<th>In report</th>
<th>Part</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Zero Ambition 2050</strong></td>
<td>Vision of a net-zero company in 2050</td>
<td>S&amp;C report</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Long-term Targets</strong></td>
<td>Our climate ambition</td>
<td>S&amp;C report</td>
<td>1.1 to 1.6</td>
</tr>
<tr>
<td><strong>Short- and Medium-term Targets</strong></td>
<td>2025 and 2030 emissions reduction targets: scope 1+2, scope 3, methane, carbon intensity</td>
<td>S&amp;C report</td>
<td>1.2 &amp; 2.3</td>
</tr>
<tr>
<td><strong>Decarbonisation strategy</strong></td>
<td>How TotalEnergies is implementing its transformation strategy: decarbonization levers and targets</td>
<td>S&amp;C report</td>
<td>2</td>
</tr>
<tr>
<td><strong>Capital allocation</strong></td>
<td>Our investment strategy to fund energy transition</td>
<td>S&amp;C report</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>Climate policy engagement</strong></td>
<td>Our actions to align our advocacy activities with the Paris Agreement</td>
<td>S&amp;C report</td>
<td>2.2.3</td>
</tr>
<tr>
<td><strong>Climate governance</strong></td>
<td>How climate is integrated at all decision-making levels</td>
<td>Annual report</td>
<td>5.4.1</td>
</tr>
<tr>
<td><strong>TCFD reporting</strong></td>
<td>Our TCFD correspondance table</td>
<td>Annual report</td>
<td>5.4.5</td>
</tr>
</tbody>
</table>
The terms “TotalEnergies”, “TotalEnergies company” and “Company” in this document are used to designate TotalEnergies SE and consolidated entities directly or indirectly controlled by TotalEnergies SE. Likewise, the words “we”, “us” and “our” may also be used to refer to these entities or their employees. The entities in which TotalEnergies SE directly or indirectly owns a shareholding are separate and independent legal entities.

This document may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, notably with respect to the financial condition; results of operations, business activities and industrial strategy of TotalEnergies. This document may also contain statements regarding the perspectives, objectives, areas of improvement and goals of TotalEnergies, including with respect to climate change and carbon neutrality (net zero emissions). For the definitions of non-financial performance indicators, refer to the latest TotalEnergies’ Universal Registration Document. An ambition expresses an outcome desired by TotalEnergies, it being specified that the means to be deployed do not depend solely on TotalEnergies. These forward-looking statements may generally be identified by the use of the future or conditional tense or forward-looking words such as "envisions", "intends", "anticipates", "believes", "considers", "plans", "expects", "thinks", "targets", "aims" or similar terminology. Such forward-looking statements included in this document are based on economic data, estimates and assumptions prepared in a given economic, competitive and regulatory environment and considered to be reasonable by TotalEnergies as of the date of this document.

These forward-looking statements are not historical data and should not be interpreted as assurances that the perspectives, objectives or goals announced will be achieved. They may prove to be inaccurate in the future, and may evolve or be modified with a significant difference between the actual results and those initially estimated, due to the uncertainties notably related to the economic, financial, competitive and regulatory environment, or due to the occurrence of risk factors, such as, notably, the price fluctuations in crude oil and natural gas, the evolution of the demand and price of petroleum products, the changes in production results and reserves estimates, the ability to achieve cost reductions and operating efficiencies without unduly disrupting business operations, the change in laws and regulations, including those related to the environment and climate, currency fluctuations, as well as economic and political developments, changes in market conditions, loss of market share and changes in consumer preferences, or pandemics such as the COVID-19 pandemic. Additionally, certain financial information is based on estimates particularly in the assessment of the recoverable value of assets and potential impairments of assets relating thereto.

Neither TotalEnergies SE nor any of its subsidiaries assumes any obligation to update publicly any forward-looking information or statement, objectives or trends contained in this document whether as a result of new information, future events or otherwise. The information on risk factors that could have a significant adverse effect on TotalEnergies’ business, financial condition, including its operating income and cash flow, reputation, outlook or the value of financial instruments issued by TotalEnergies is provided in the most recent version of the Universal Registration Document which is filed by TotalEnergies SE with the French Autorité des Marchés Financiers and the annual report on Form 20-F filed with the United States Securities and Exchange Commission ("SEC").

Financial information by business segment is reported in accordance with the internal reporting system and shows internal segment information that is used to manage and measure the performance of TotalEnergies. In addition to IFRS measures, certain alternative performance indicators are presented, such as performance indicators excluding the adjustment items described below (adjusted operating income, adjusted net operating income, adjusted net income), return on equity (ROE), return on average capital employed (ROACE), gearing ratio, operating cash flow before working capital changes, the shareholder rate of return. These indicators are meant to facilitate the analysis of the financial performance of TotalEnergies and the comparison of income between periods. They allow investors to track the measures used internally to manage and measure the performance of TotalEnergies.

These adjustment items include:

1. **Special items**

Due to their unusual nature or particular significance, certain transactions qualified as "special items" are excluded from the business segment figures. In general, special items relate to transactions that are significant, infrequent or unusual. However, in certain instances, transactions such as restructuring costs or asset disposals, which are not considered to be representative of the normal course of business, may be qualified as special items although they may have occurred within prior years or are likely to occur again within the coming years.

2. **Inventory valuation effect**

The adjusted results of the Refining & Chemicals and Marketing & Services segments are presented according to the replacement cost method. This method is used to assess the segments’ performance and facilitate the comparability of the segments’ performance with those of TotalEnergies’ principal competitors.

In the replacement cost method, which approximates the LIFO (Last-in, First-out) method, the variation of inventory values in the statement of income is, depending on the nature of the inventory, determined using either the month-end price differentials between one period and another or the average prices of the period rather than the historical value. The inventory valuation effect is the difference between the results according to the FIGO (First-in, First-out) and the replacement cost.

3. **Effect of changes in fair value**

The effect of changes in fair value presented as an adjustment item reflects, for some transactions, differences between internal measures of performance used by TotalEnergies’ management and the accounting for these transactions under IFRS. IFRS requires that trading inventories be recorded at their fair value using period-end spot prices. In order to best reflect the management of economic exposure through derivative transactions, internal indicators used to measure performance include valuations of trading inventories based on forward prices.

TotalEnergies, in its trading activities, enters into storage contracts, whose future effects are recorded at fair value in TotalEnergies’ internal economic performance. IFRS precludes recognition of this fair value effect.

Furthermore, TotalEnergies enters into derivative instruments to risk manage certain operational contracts or assets. Under IFRS, these derivatives are recorded at fair value while the underlying operational transactions are recorded as they occur. Internal indicators defer the fair value on derivatives to match with the transaction occurrence.

The adjusted results (adjusted operating income, adjusted net operating income, adjusted net income) are defined as replacement cost results, adjusted for special items, excluding the effect of changes in fair value.

Euro amounts presented for the fully adjusted-diluted earnings per share represent dollar amounts converted at the average euro-dollar (€-US$) exchange rate for the applicable period and are not the result of financial statements prepared in euros.

Cautionary Note to U.S. Investors – The SEC permits oil and gas companies, in their filings with the SEC, to separately disclose proved, probable and possible reserves that a company has determined in accordance with the definitions in the SEC’s guide to oil and gas disclosures in press releases, such as “proven reserves” or “resources”, that the SEC’s guidelines strictly prohibit us from including in filings with the SEC. U.S. investors are urged to consider closely the disclosure in the Form 20-F of TotalEnergies SE, File N° 1-10888, available from us at 2, place Jean Millier – Arche Nord Coupole/Renault - 92078 Paris La Défense Cedex, France, or at our website totalenergies.com. You can also obtain this form from the SEC by calling 1-800-SEC-0330 or on the SEC’s website sec.gov.