



Chairman of the Board

Chief Executive Officer

Mr Emmanuel Faber
Chair, International Sustainability Standards
Board
IFRS Foundation Satellite Office
Opernplatz 14
60313 Frankfurt am Main (Allemagne)

Paris, July 28th, 2022

Subject: TotalEnergies' comments to draft IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and draft IFRS S2 Climate-related Disclosures.

Dear Mr Faber,

TotalEnergies SE ("TotalEnergies", "the Company", or "we") appreciates the opportunity to provide comments on the draft IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and draft IFRS S2 Climate-related Disclosures and welcome the IFRS's effort to create requirements that would improve the consistency, comparability, and reliability of sustainability and climate-related disclosures.

TotalEnergies is a global multi-energy company incorporated in France, listed on the Paris, Brussels, London and New York stock exchanges, that produces and markets energies (oil, natural gas, renewables and electricity, biofuels, biogas) with activities in more than 130 countries involving over 100,000 employees.

The Company's ambition is to be a world-class player in the energy transition and get to net zero emissions by 2050, together with society. The Company is therefore transforming its business profile to create a large electricity and renewables segment, provide more energies to as many people as possible with less emissions and is deploying a specific action plan to reduce its emissions and lower the carbon intensity of its portfolio of products offered to its customers.

TotalEnergies considers transparency as a principle of action to provide a clear picture to investors, regulators and the public at large, and our sustainability-related disclosures are an important part of our annual universal registration document. Since 2016, the Company has also published on a yearly basis a report dedicated to the integration of Climate into its strategy. In March 2022, TotalEnergies released a Sustainability & Climate progress report presenting its vision as a Net Zero Company for 2050, together with society, along with the concrete set of actions that will enable the Company to meet its intermediate GHG reduction targets¹. TotalEnergies was among the first companies to support the Task Force on Climate-related Financial Disclosures (TCFD), and actively participates in climate and sustainable development benchmarks (CDP, Climate Action 100+).

We now embrace the opportunity to comply with more comprehensive and globally used sustainability related disclosure standards and welcome IFRS's approach to create a worldwide consistent and substantive set of standards. We encourage the various jurisdictions and standards-setters to take into account the IFRS's approach when defining their own set of sustainability and climate-related disclosure regulations.

¹ https://totalenergies.com/system/files/documents/2022-03/Sustainability_Climate_2022_Progress_Report_EN_0.pdf

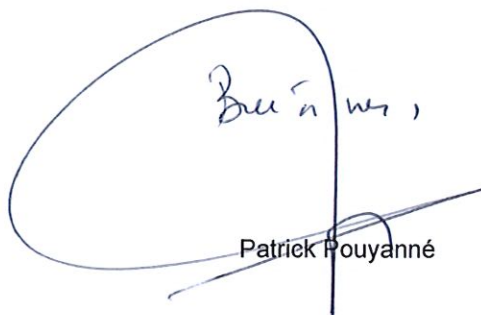
We support the vast majority of the ISSB proposed standards and would like to offer comments on some aspects of the climate-related standard that we believe the ISSB should consider refining prior to adopting the final version, as set forth below in this letter.

In general, TotalEnergies supports:

- The setting of harmonized rules on carbon emissions with an alignment of climate-related organizational and operational boundaries with financial boundaries: TotalEnergies believes that harmonized rules will simplify disclosure for companies, highlight companies' performances and enable benchmarking for users. In particular, Scope 3 emission calculations will remain a challenge for many companies and could be clarified with the ISSB providing some guidance on methodologies to be used, while acknowledging the intrinsic uncertainty associated with this publication. Currently, we observe that companies tend to use various methodologies, with some differences amongst them, deviating from consistent, comparable, and reliable disclosures.
- A disclosure of carbon intensity metrics on Scope 1, 2 and 3:
 - For Scopes 1 and 2, TotalEnergies supports the proposal to disclose the emissions from a company's facilities in intensity, to facilitate company performance comparison for users. As Scopes 1 and 2 refers to emissions from facilities, the option of an intensity based on physical output, as proposed, is welcome.
 - For Scope 3, we welcome the flexibility offered by ISSB to report Scope 3 intensity either in physical or economic output units depending on a company's specific context. Indeed, an intensity based on economic output would present significant challenges for the energy sector (due to the fluctuations mirroring the price volatility of the commodities we sell). However, as regards the Scope 3 intensity per physical unit, we recommend ISSB to consider the possibility to report an intensity based on units of physical sales rather than physical output: indeed, a Scope 3 intensity based on physical output would not reflect the fact that Scope 3 is mainly (more than 90%) related, for energy companies, to the use of products by customers, *i.e.* their sales. Reporting Scope 3 intensity based on unit of "unit of product sales" rather than unit of production "output" would be a way to recognize that the energy transition is also demand driven and not only supply driven.
- The reporting of transition and physical risks and opportunities. We support the principle of reporting on transition and physical risks and opportunities. However, determining the amount and percentage of assets or business activities vulnerable to transition or physical risks is likely to prove challenging, especially for medium and long-term horizons. Equally, it would be difficult to determine the amount and percentage of assets or business activities aligned with climate-related opportunities. Hence, we believe that such disclosures should remain optional, especially for the opportunities.
- The use of the industry-based SASB standards in IFRS S2: we support ISSB's commitment to maintaining an industry-based approach, as industry-based metrics are more likely to better reflect the needs of a particular sector and foster comparability. However, for the O&G upstream sector we recommend:
 - to keep SASB standards' reference to the U.S. Securities and Exchange Commission rules regarding Oil & Gas reserves disclosure, as the sector-accepted benchmark for proved reserves disclosure.
 - to focus reporting on proved reserves only, in the absence of an internationally recognized definition of "probable reserves".

We hope that these comments are helpful.

With best regards,



Patrick Pouyanné