# 2023 Strategy, Sustainability & Climate

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March 2023 – Strategy, Sustainability & Climate
## Sustainab’ALL

10 sustainable KPIs to measure our sustainability progress

Worldwide deployment from 2023–25

### Becoming a global player in sustainable energy

1. Low-carbon energy produced, or low-carbon energy sold
2. Energy consumption and low-carbon energies consumption
3. Number of suppliers with a climate commitment
4. Number of innovative solutions that help us use less and better energy, or produce and sell more low-carbon energy

### Committed to a just transition for our people

5. The level of employee engagement measured once a year via TotalEnergies’ engagement index
6. Number of hours of training per employee per year
7. Share of women and share of international staff

### Preserving natural resources

8. Sum of the weight of recycled waste and recycled feedstock
9. Number of biodiversity plans being deployed

### and sharing the created value

10. Share of spending with local stakeholders as a % of total spending
Staying the course
Building a multi-energy company
Our purpose: more energy, less emissions
Supply to as many people as possible reliable, affordable, sustainable energy

More energy  Less emissions  Always more sustainable  Increased returns

Building a multi-energy company
Strategy driven by demand fundamentals

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.

Oil
- Acceleration of innovation to substitute oil use
- Oil demand to plateau then decline from 2030+ with impact on long-term prices
- Low-carbon liquids: biofuels / e-fuels

Natural gas, transition fuel
- LNG driving growth
- Back out coal and complement of intermittent renewables
- Low-carbon gases: biomethane / H₂

Electricity
- Growing demand accelerated by Net Zero policies
- Renewables will decarbonize power generation
- Electricity storage, key for energy transition
Delivering superior results and returns while growing and transforming the Company

Net cash flow per share variation, 2022 vs 2021(1) %

- Shell
- BP +98%
- Chevron
- Exxon

Capital investment in low-carbon energies over 2015-22(2) B$

- Shell 15
- BP
- Chevron
- Exxon

Return on Average Capital Employed - full year 2022 %

- Shell
- BP 28.2%
- Chevron
- Exxon

Gross installed renewable capacity, end-2022 GW

- Shell 17
- BP
- Chevron
- Exxon

1. Net cash flow = Cash flow from operating activities – Cash flow from investing activities
2. Organic investments + acquisitions - asset sales
Cash flow allocation priorities

<table>
<thead>
<tr>
<th>1</th>
<th>Dividend</th>
<th>2</th>
<th>Capex</th>
<th>3</th>
<th>Balance sheet</th>
<th>4</th>
<th>Surplus cash flow</th>
</tr>
</thead>
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<tr>
<td>A sustainable ordinary dividend through the cycles (no dividend cut in 2020)</td>
<td>Capex supporting balanced multi-energy strategy</td>
<td>Grade A credit rating through the cycles</td>
<td>Sharing surplus cash flow from high oil &amp; gas prices through buybacks + special dividends in case of very high prices</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend increase supported by share buybacks and underlying cash flow growth</td>
<td>14-18 B$/y</td>
<td>Flexibility to capture counter-cyclical opportunities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>+7.25% for 2023 interim dividends 0.74 €/share</td>
<td>16-18 B$ in 2023 5 B$ in Low-carbon Energies</td>
<td>Targeting AA credit rating</td>
<td>4 B$ buybacks in 1H23</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

35-40% cash payout through the cycles → 37.2% in 2022
A decade of growth and transformation to build a multi-energy company

Energy production (PJ/d)

Energy sales (PJ/d)

Oil
- Maintaining the cash flow engine
- Aligning sales to demand and production

Gas
- Growing LNG production
- Integration along the LNG value chain

Integrated Power
- Creating value from integration in electricity
- Renewables: 100 GW by 2030, ROE > 10%

Low-carbon molecules
- Growing biofuels (SAF), biogas, CCS business
- Developing low-carbon H₂ for our refineries
A sustainable capital investment policy supporting the transition through 2030

14-18 B$/y through cycles

- Oil: ~30% New projects
- Gas: ~33% Low-carbon energies
- LNG & Gas
- Maintenance

Capex = organic investments + acquisitions - asset sales

Building a multi-energy company
Upstream oil: low cost, low emission
Maintaining the cash engine of the Company

Maintaining oil production: investing in new projects to counter natural decline
→ Brazil: Mero 2-3-4 (under construction), Atapu 2, Sépia 2
→ Angola: Blocks 20 & 21

Comforting long plateau oil production
→ Abu Dhabi: 20% SARB / Umm Lulu acquisition adding 50 kb/d low cost, low emission production

Developing options for the future
→ Namibia, a potential new golden block: 300 M$, 2-rig program in 2023 designed to accelerate time to market
→ Suriname: final appraisal before development decision
Building a multi-energy company

Global oil supply cost merit curve\(^{(1)}\)

Technical cost, $/b

Low cost, low emission portfolio

\(\rightarrow\) Operating costs (ASC 932): 5.6 $/boe in 2022

\(\rightarrow\) Scope 1+2 O&G operated emissions: 17 kgCO\(_2\)/boe

Strict investment criteria

\(\rightarrow\) Profitability evaluated using

- 50 $/b Brent
- 100 $/t carbon price\(^{(3)}\)

\(\rightarrow\) Restricted to low-cost and low-emission projects

- Capex + Opex < 20 $/boe, or after-tax breakeven < 30 $/b
- Lower GHG emission intensity than portfolio average (19 kgCO\(_2\)/boe)

1. Source: Rystad, IEA WEO 2022 scenarios (rise in global average temperature in 2100)
2. Long-plateau TotalEnergies oil assets: UAE, Libya, Kazakhstan, Brazil (Mero, Atapu, Sépia)
3. Or the prevailing price in each country, if higher; 100 $/t inflated by 2%/y beyond 2028

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Upstream oil: low cost, low emission

A profitable and resilient portfolio, no stranded asset

1. Source: Rystad, IEA WEO 2022 scenarios (rise in global average temperature in 2100)
2. Long-plateau TotalEnergies oil assets: UAE, Libya, Kazakhstan, Brazil (Mero, Atapu, Sépia)
3. Or the prevailing price in each country, if higher; 100 $/t inflated by 2%/y beyond 2028
Oil Downstream integration: aligning sales to production

Oil production, refining throughput and oil product sales
Mboe/d

- Converting refineries to biorefineries in Europe
- Being selective on Marketing sales
- Adapting European retail network to lower demand (EV…)

* Oil product sales excluding Covid impact
Integrated LNG: new projects fueling LNG growth

2027+ growth drivers

- **Qatar**
  - North Field East & North Field South
  - 3.5 Mt/y

- **United States**
  - Cameron Ph. 2, ECA-1
  - ~2 Mt/y

- **Papua New Guinea**
  - Papua LNG
  - ~2 Mt/y

- **Mozambique**
  - Giant Area-1 resources
  - ~3 Mt/y
Integrated Power: capturing value from integration

Integrated Power segment reported from Q1 2023

**Renewables**
- Generate > 10% RoE, after financing and farm-down

**Flexible generation**
- CCGTs complement renewable production

**Storage**
- Manage intermittency to capture value

**Trading**
- Leverage trading capacities to maximize value

**Customers**
- Develop B2B, B2C and Corporate PPAs

### 2030 objectives

<table>
<thead>
<tr>
<th>100 GW</th>
<th>7-10 GW</th>
<th>~5 GW</th>
<th>~30% merchant production</th>
<th>~10 million retail customers in Europe</th>
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<tr>
<td>35 GW in 2025</td>
<td>~5 GW</td>
<td>~30% merchant production</td>
<td>~10 million retail customers in Europe</td>
<td></td>
</tr>
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**Objective:** ROACE > 10%
Investing in low-carbon molecules for the energy transition
Doubling circularity within the next 10 years

**Biofuels**
- 1.5 Mt/y SAF in 2030
- Targeting 10% market share
  - Priority to waste and residues
    - >75% from 2024
  - Grandpuits biojet
    - >70% feedstocks already secured

**Biogas**
- 20 TWh/y of biomethane production by 2030
  - Strong demand for bio-LNG & bio-CNG for transportation use will drive higher value
  - Fragmented markets with limited economies of scale
  - Developing local platforms (France, Poland, US...): #2 producer in Europe

**Hydrogen & e-fuels**
- 1 Mt/y of clean H₂/e-fuels by 2030
  - Decarbonize grey H₂ and displace natural gas in our European refining
  - Exploring investment opportunities supported by IRA in the US

**Recycled & biopolymers**
- 1 Mt/y of high value circular polymers in 2030
  - Mechanical recycling
  - Advanced recycling
  - Biopolymers
Deploying CCS strategy

Reducing emissions and developing a profitable business

North America

- Cameron LNG

Europe

- Norway
  - Snøhvit
  - Northern Lights
- United Kingdom
  - Antwerp
  - Normandy
- Denmark, op.
  - Leuna
- Netherlands, op.
  - Leuna

Middle East

- Qatar
- Ichthys

Asia Pacific

- Papua LNG, op.

Growing investment to 2030 target

- CCS project (operation, construction)
- CCS project (pre-FID)
- CO₂ collection hubs project

2030 target

> 10 Mt/y

Growing investment to

~300 M$/y
The most profitable major also investing the most for the future

**System A: today’s energies**

- **Maintain oil production, with optionality**
  - Low cost, low emission resilient portfolio capturing upside from high energy prices
  - Profitability assessed at 50 $/b, 100 $/t CO₂
    - Capex + Opex < 20 $/boe or breakeven < 30 $/b
    - Emissions intensity lower than portfolio average of 19 kg CO₂e/boe
  - Driving downstream businesses towards upstream integration

- **Integrated LNG growth driving profits and transition**
  - Leveraging our unique and global integrated LNG position
  - 1st US LNG exporter and 1st Europe regas position
  - LNG phasing out coal for power generation: strongest short-term decarbonization lever
  - Aiming for zero methane emissions

**System B: tomorrow’s energies**

- **Integrated power: profitably building the pillar of the future energy system**
  - Drive value from integration (ROACE >10%): low-cost renewable & flexible production, storage, trading, supply
  - Strong balance sheet essential to capture value from volatility in electricity markets through merchant exposure
  - Leveraging global footprint, project management and offshore expertise
  - Top 5 renewable producer worldwide by 2030

- **Low-carbon molecules: positioning in high value and attractive markets**
  - Become a leader in SAF
  - Targeting 20 TWh/y biogas production by 2030
  - Developing clean H₂ for our refineries
  - Developing CCS business: > 10 MtCO₂e by 2030
Climate: less emissions
## Strengthening the 2025 and 2030 objectives

### Net Zero worldwide on operated activities

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<th>2022</th>
<th>2025</th>
<th>2030</th>
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<tr>
<td><strong>Scope 1+2 emissions</strong></td>
<td>Mt CO₂e</td>
<td>40</td>
<td>38</td>
</tr>
<tr>
<td>vs 46 Mt in 2015</td>
<td>-13%</td>
<td>-17%</td>
<td>&gt; -40$^*$</td>
</tr>
<tr>
<td><strong>Methane emissions</strong></td>
<td>kt CH₄</td>
<td>42</td>
<td>-50%</td>
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<td>vs 64 kt in 2020</td>
<td>-34%</td>
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<tr>
<td><strong>Routine flaring</strong></td>
<td>Mm³/d</td>
<td>0.5</td>
<td>&lt; 0.1</td>
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### Net Zero worldwide for indirect emissions$^{(1)}$

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<th>2022</th>
<th>2025</th>
<th>2030</th>
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<td><strong>Lifecycle carbon intensity$^{(2)}$</strong></td>
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<tr>
<td>Scope 1+2+3</td>
<td>100 in 2015</td>
<td>-12%</td>
<td>-15%</td>
</tr>
<tr>
<td>vs 100 in 2015</td>
<td></td>
<td>&gt;-10%</td>
<td>&gt;-20%</td>
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<tr>
<td><strong>Scope 3 Oil Worldwide</strong></td>
<td>Mt CO₂e</td>
<td>254$^{**}$</td>
<td>-30%</td>
</tr>
<tr>
<td>vs 350 Mt in 2015</td>
<td>-27%</td>
<td>&gt;-30%</td>
<td>&gt;-40%</td>
</tr>
<tr>
<td><strong>Scope 3 Worldwide</strong></td>
<td>Mt CO₂e</td>
<td>389$^{**}$</td>
<td>&lt; 400</td>
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<td>410 Mt in 2015</td>
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* Net emissions
** Excluding Covid impact for first half 2022

1. From energy products used by our customers (GHG Protocol Category 11)
2. Average carbon intensity of energy products used by our customers worldwide

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Less emissions
Emission reduction objectives in line with IEA < 2°C scenarios

**Scope 1+2 from operated facilities**
Base 100 in 2015

Reference year: 2015, P50
* Based on IEA WEO 2022 global CO₂ emissions from energy combustion and industrial processes. Excluding Covid impact in 2020 and 2021 for TotalEnergies GHG emissions.

- TotalEnergies' former 2025 and 2030 objectives
- TotalEnergies' new 2025 and 2030 objectives
- TotalEnergies' 2030 objective excluding nature-based carbon sinks offset

**Lifecycle carbon intensity**
Scope 1+2+3 (base 100 in 2015)

** Based on IEA WEO 2022 data with partial substitution methodology.
World net carbon intensity = World CO₂ energy-related emissions (Mt CO₂) / World primary energy consumption (EJ)
Climate transition strategy evaluated by third parties

External evaluations

Reaffirmed TotalEnergies long-term emissions reduction targets are ambitious enough to reach net zero by 2050 and to align with their 1.5°C benchmark.

One of six companies (over 582) to receive the highest score (4☆) for the management of its greenhouse gas emissions and of risks and opportunities related to the low-carbon transition.

ISS ESG Net Zero Alignment Model assess companies’ material GHG disclosure, intermediate targets, 2050 Net Zero targets and decarbonization strategies.

TotalEnergies is one of three O&G companies that received a Net Zero Overall Alignment Status: Aligning.

2030 objective in line with society vs 2015

| TotalEnergies Scope 1+2 emissions reduction target | > -40% |
| External references | IEA NZE scenario 2022 | -35% |
| | EU’s “Fit for 55” | -37%* |
| Third-party 2021 studies on GHG reduction commitments for 2050 NZE countries | Carbone 4 | -29% to -40% |
| | Columbia University | -27% |

* UE 27 Scope 1 emissions reduction objective: -55% vs 1990 ↔ -37% vs 2015
Scope 1+2 Oil & Gas: 1 B$ energy saving plan to accelerate emissions reduction

Scope 1+2 from operated oil and gas facilities
Mt CO₂e

-29% vs 2015

46

33

-2 Mt

Oil & Gas

2015

2022

Lowering Opex and emissions through ~400 projects

EP – Gas compressor efficiency
→ Conversion to electric drive
→ Efficiency improvement (re-bundling)
→ Optimization of gas export pressure
~100 kt CO₂e/y emission reduction

RC – Heat and steam consumption
→ Heat exchanger & furnace optimization
→ Steam network enhancement: steam production, flow monitoring, leak detection
~300 kt CO₂e/y emission reduction

Payback < 4 years with > 200 M$/y savings* from 2024

Less emissions

* From decrease in OPEX and CO₂ tax (in Europe).
Assumes 20 $/Mbtu NBP in 2023-24, then 8 $/Mbtu.
Scope 1+2: reducing CO₂ emissions by 2030 using best available technologies

**Levers**

**Scope 1+2 from operated facilities**

Mt CO₂e

- **Net* emissions > - 40% vs. 2015**

**2015**

- **46** CCGT
- **40** Oil & Gas

**2030**

- **25-30** Emission reduction initiatives (incl. CCS)
- **Nature-based carbon sinks**

**Go Green**

Cover all industrial sites’ power needs with green electricity in Europe and the US (~7 TWh/y):
- Europe: 5 GW portfolio of solar projects in Spain with 6 TWh/y PPA via trading
- US: 2.2 GW portfolio of solar projects and 0.6 GW of battery storage projects

**> 2 MtCO₂e/ly**

Scope 2 reduction by 2025

**RC – Low-carbon H2 at Grandpuits**

- New 20 kt H₂/y production unit with CCS, together with Air Liquide
- Recycling residual biogas from the biorefinery in place of natural gas
- Renewable low-carbon H₂ to be used for SAF production

**-150 kt CO₂e/ly**

Emission reduction from 2025

* Net of nature-based carbon sinks
Aiming for zero methane emissions
TotalEnergies at the forefront of the fight

Worldwide on-site detection and measurement campaign with our AUSEA drones

Achievements in 2022
- -34% of CH₄ reduction vs 2020
- < 0.1% CH₄ intensity for operated gas assets
- Leadership in terms of reporting OGMP 2.0 Gold standard status

Targets (vs 2020)
- -50% by 2025
- -80% by 2030
Further reducing Scope 3 Oil by 2030

- Proactively anticipating oil demand decline in Europe with higher EV penetration
- Scaling back oil sales for applications where competitive low-carbon alternatives are available

* From energy products used by our customers (GHG Protocol Category 11)
** Excluding Covid impact for first half 2022
Invest in infrastructures to promote new mobility

Financing > 2 B$ low-carbon energies for mobility over 2023-27

Covering Western Europe main corridors with charge points

→ All highway service-stations equipped with fast charging solution by 2023: 40% market share in France
→ > 250 fast charging hubs in main European urban areas by 2025
→ Developing a charging network for electric trucks leveraging our retail and AS 24 footprint

Developing > 100 H₂ stations for heavy duty vehicles in Europe

50/50 JV with Air Liquide
→ Stations to be located on strategic European corridors (France, Benelux and Germany)
→ Targeting ~15% market share by 2030

Contributing to H₂ Mobility network expansion in Germany

→ Targeting 200 H₂ station for trucks by 2030
Scope 3 Gas mitigated by avoided emissions
LNG reduces our clients’ emissions when displacing oil and coal for power generation

### Scope 3 Gas\(^{(1)}\)

vs Enabled emission reduction from LNG sales\(^{(2)}\)

<table>
<thead>
<tr>
<th>Country</th>
<th>2022 LNG sales</th>
<th>LNG displacing</th>
<th>Gas to Power Em. factor(^{(3)})</th>
<th>Oil to Power Em. factor(^{(3)})</th>
<th>Coal to Power Em. factor(^{(3)})</th>
<th>Gas used in Power</th>
<th>Enabled emission reduction</th>
<th>Efficiency(^{(4)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>3.5</td>
<td>Coal 333</td>
<td>942</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e</td>
<td>12.8</td>
<td>3.6</td>
</tr>
<tr>
<td>Argentina</td>
<td>0.6</td>
<td>Oil 362</td>
<td>730</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e</td>
<td>1.4</td>
<td>2.3</td>
</tr>
<tr>
<td>Greece</td>
<td>1.3</td>
<td>Oil/Coal 390</td>
<td>1,023</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e</td>
<td>69%</td>
<td>2.3</td>
</tr>
<tr>
<td>Taiwan</td>
<td>1.4</td>
<td>Oil/Coal 398</td>
<td>844</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e</td>
<td>82%</td>
<td>2.3</td>
</tr>
<tr>
<td>United-Kingdom</td>
<td>3.7</td>
<td>Oil/Coal 385</td>
<td>1,605</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e</td>
<td>33%</td>
<td>2.2</td>
</tr>
<tr>
<td>South Korea</td>
<td>5.6</td>
<td>Oil/Coal 355</td>
<td>992</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e</td>
<td>57%</td>
<td>2.2</td>
</tr>
<tr>
<td>Japan</td>
<td>2.8</td>
<td>Oil/Coal 388</td>
<td>898</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e</td>
<td>67%</td>
<td>2.1</td>
</tr>
<tr>
<td>Italy</td>
<td>1.1</td>
<td>Oil/Coal 358</td>
<td>1,004</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e</td>
<td>41%</td>
<td>1.4</td>
</tr>
<tr>
<td>Indonesia</td>
<td>0.6</td>
<td>Oil/Coal 536</td>
<td>1,046</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e</td>
<td>40%</td>
<td>1.3</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>1.0</td>
<td>Oil 449</td>
<td>654</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Turkey</td>
<td>2.1</td>
<td>Oil/Coal 338</td>
<td>966</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e</td>
<td>29%</td>
<td>1.1</td>
</tr>
<tr>
<td>Malaysia</td>
<td>0.7</td>
<td>Oil/Coal 468</td>
<td>1,003</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e</td>
<td>33%</td>
<td>1.1</td>
</tr>
<tr>
<td>Spain</td>
<td>1.3</td>
<td>Oil/Coal 359</td>
<td>1,056</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e</td>
<td>38%</td>
<td>1.0</td>
</tr>
<tr>
<td>North-West Europe(^{(5)})</td>
<td>16.9</td>
<td>Oil/Coal 355</td>
<td>935</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e</td>
<td>22%</td>
<td>1.3</td>
</tr>
<tr>
<td>India</td>
<td>0.6</td>
<td>Oil/Coal 497</td>
<td>928</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e</td>
<td>24%</td>
<td>0.6</td>
</tr>
<tr>
<td>Others</td>
<td>4.9</td>
<td>Oil/Coal 497</td>
<td>928</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e</td>
<td>24%</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td></td>
<td><strong>73</strong></td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e/TWh</td>
<td>MtCO(_2)e</td>
<td><strong>1.5</strong></td>
<td></td>
</tr>
</tbody>
</table>

1. Calculation of Scope 3 Gas emissions, category 11, accounts for the largest volume in the gas value chain, i.e., the higher of the two marketable gas production (including condensates and associated NGL) or sales to end customers (either as LNG or as part of direct sales to B2B/B2C).
2. Enabled emission reduction for LNG volumes sold for power generation and competing with coal/heavy fuel. Based on the difference between national emission factors for oil/coal power plants and gas-fired power plants when final usage is known and/or difference between oil/coal power generation mix weighted average emission factor and gas-fired power plants emission factor applied to the share of gas used in power generation vs national gas consumption.
3. Emission factor for power generation - IEA 2020 factors, except for France (RTE emissions factors)
4. Efficiency = Enabled emissions reduction (MtCO\(_2\)e) / LNG sales (t)
5. North-West Europe gas hub covering France, Belgium, Netherlands and Germany
Scope 3: supporting our customers in their decarbonization journey

OneB2B Solutions

Capitalizing on sectorial approach with dedicated experts

- Metals (steel and others)
- Cement (construction materials)
- Chemicals & Industrial Gases
- Food & Beverage
- Logistics & transport
- Mobility manufacturers
- Construction
- Waste & Water - Pulp & Papers
- Mining
- Datacenters & Telecom
- Manufacturing, Services & Retail

Providing solutions for the 1st carbon-free cement plant in Belgium

- Partnership with Holcim to study:
  - CCUS target of ~1.1 Mt CO₂/y
  - Green power target of ~100 MW on-site production

- Deploying a first phase of 31 MWp of floating solar panels (FPV) on a former quarry, largest FPV plant in Belgium
Integrating sustainability into our strategy, projects and operations

Planet

People

Profits

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Planet
Taking care of biodiversity

Our commitments for biodiversity

1. Respecting our voluntary exclusion zones
2. Managing biodiversity in our new projects
3. Promoting biodiversity at our existing sites
4. Managing biodiversity

2022 new commitments

→ Zero net deforestation* at new sites
→ Biodiversity Action Plans for all sites

Case study

Fighting against poaching (Uganda)

Context

→ Poaching affecting Murchison Falls National Park’s biodiversity
→ Uganda Wildlife Authority (UWA) has limited financial and material resources

Actions taken

→ Promoting a collaborative management model for the park between UWA, the Public Authority in Uganda and an experienced conservation NGO.
→ Assessment survey to identify gaps in ranger equipment/logistics & infrastructure
→ Providing technical capacity and financial support

Results

→ 1,200 snares removed together with WCS
→ 24 wardens and rangers trained and equipped for the UWA. Targeting: +50% rangers in the park

* Compensation on the basis of surface (ha). Forest defined as per the United Nations FAO definition
Preserving scarce freshwater resources

Company objectives

-20% freshwater withdrawals by 2030 vs 2021 at our sites located in water stressed areas

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

Look after water resources throughout our supply chain, targeting 300 audits in 2023

Case study

Antwerp platform

Context

- TotalEnergies’ largest refining & petrochemicals complex in Europe
- Water stressed urban area, with 620,000 inhabitants, regularly subject to droughts

Project

- Recover purified wastewater from Antwerp households to replace drinking water in the platform’s cooling process
- Project start-up by 2025

Expected outcome

- 65% freshwater consumption reduction
- 9 billion liters of drinking water saved annually, equivalent to the consumption of 280,000 inhabitants
People
Caring for our employees
Listening our people and promoting their well-being

**Employee engagement**

- TotalEnergies’ engagement score:
  - 73
  - Benchmark: 80.3
- Have confidence in TotalEnergies’ ability to achieve its ambition: 87%
- Feel involved in their career: 73%

**Care program**

- TotalEnergies’ well-being score:
  - 2019: 76.4
  - 2022: 78.6

- Protecting the physical and mental health of our worldwide employees
- Providing decent remuneration and social protection
- Promoting a flexible work organization in a safe working environment
- Giving our employees the opportunity to take care of their families

* IPSOS benchmark of companies with more than 10,000 employees worldwide
Caring for our employees
Promoting a diverse and inclusive workplace

**Gender equality**

<table>
<thead>
<tr>
<th>Year</th>
<th>Senior executives</th>
<th>Senior managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>22%</td>
<td>19%</td>
</tr>
<tr>
<td>2022</td>
<td>27%</td>
<td>24%</td>
</tr>
<tr>
<td>2025 target</td>
<td>30%</td>
<td>30%</td>
</tr>
</tbody>
</table>

**International diversity**

<table>
<thead>
<tr>
<th>Year</th>
<th>Senior executives</th>
<th>Senior managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>32%</td>
<td>32%</td>
</tr>
<tr>
<td>2022</td>
<td>37%</td>
<td>34%</td>
</tr>
<tr>
<td>2025 target</td>
<td>45%</td>
<td>40%</td>
</tr>
</tbody>
</table>

**People with disabilities**

- 6% of the workforce in France*
- Launch of a new specific training: 80 managers received the “handimangers” label
- Development of an internal guide listing the best practices of each subsidiary

*Scole Social Commun (France)
Respect of Human Rights

Our commitments

- Our values and our Code of conduct
- United Nations Guiding Principles on business and human rights and OECD rules

A global network of 100+ people

- EXCOM member, President Strategy and Sustainability
- Headquarters with Human Rights, Ethics, HSE teams
- Business segments coordinators
- In-countries correspondents + community liaisons officers

Key actions on our salient issues in 2022

Human rights in the workplace

- 5 assessments carried out in four countries: Mexico, Argentina, India, Qatar
- 200 audits conducted among our suppliers
- 2,050 employees face-to-face trained
- Member of the ILO’s* Child Labour Platform

Human rights of local communities

- Tilenga/EACOP relocation program
  - 95% compensation agreements signed for Tilenga, 91% for EACOP
  - Grievance mechanism: 93% of the complaints resolved
- Mozambique LNG
  Evaluating human rights situation through an independent recognized third-party expert

Human rights in security-related activities

- Publication of our annual report on implementation of the Voluntary Principles on Security and Human Rights (VPSHR)
- VPSHR training
  3,557 people in Mozambique, Tanzania and Papua New Guinea

* International Labour Organization
Engaging our suppliers
Promoting sustainability across the supply chain

Key actions in 2022

Climate stewardship

- Ensuring that, by 2025, our 400 suppliers representing 70% of our Scope 3 upstream emissions have set GHG emissions reduction targets
  - As of today, ~350 suppliers answered
  - 62% of them have already set GHG emissions reduction target

Duty of care

- 200 suppliers audited on human rights
- Extension of audit scope beyond human rights to include climate and environment, and assess the overall sustainability of our top 1300 suppliers by the end of 2025:
  - Climate: GHG emissions targets decrease definition
  - Environment: Biodiversity Preservation, Water Management, Circularity

Mobilization & Training

- Organization of a Suppliers Day Event dedicated to sustainability with ~100 suppliers
- Sustainable procurement training launched and already completed by ~500 buyers

CDP 2022 Supplier Engagement Leaderboard: A rating
Profits: Resilience vs climate risks
Portfolio resilience to climate-related risks

Global oil supply cost merit curve\(^{(1)}\)
Technical cost, $/b

Portfolio sensitivity

IEA NZE

-15\% \textit{NPV7}\(^{(4)}\)
vs internal price criteria, using IEA 2022 NZE scenario prices\(^{(5)}\)

200 $/tCO\(_2\)

-15\% \textit{NPV7}\(^{(4)}\)
vs internal price criteria, using a 200 $/tCO\(_2\) price inflated by 2\%/y beyond 2028

1. Source: Rystad, IEA WEO 2022 scenarios (rise in global average temperature in 2100)
2. Long-platue TotalEnergies oil assets: UAE, Libya, Iraq, Kazakhstan, Brazil (Mero, Atapu, Sépia)
3. Or the prevailing price in each country, if higher, 100 $/t inflated by 2\%/y beyond 2028
4. Upstream and downstream assets
5. World Energy Outlook 2022, Table 2.2: Fossil fuel prices by scenario
Investing in resilient new hydrocarbon projects

2022 approved oil & gas projects

Technical costs
$/boe

GHG emission intensity
% vs. portfolio average

Low cost, low emission portfolio

→ Operating costs (ASC 932): 5.6 $/boe in 2022
→ Scope 1+2 O&G operated emissions: 17 kgCO$_2$e/boe

Strict investment criteria

→ Profitability evaluated using
  • 50 $/b Brent
  • 100 $/t carbon price$^{(1)}$
→ Restricted to low-cost and low-emission projects
  • Capex + Opex < 20 $/boe, or after-tax breakeven <30 $/b
  • Lower GHG emission intensity than portfolio average (19 kgCO$_2$e/boe)

1. Or the prevailing price in each country, if higher, 100 $/t inflated by 2%/y beyond 2028

Profits

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Integrating climate in financial statements

**Stringent impairment testing of long-term assets**
- Price scenarios converging to IEA NZE price deck in 2050 for both Oil & Gas
- CO₂ assumption at 100 $/t* for all assets
- Sensitivity analysis on impairment tests

**Full review of stranded assets made in 2020**
- 5.5 B$ impairments on Canadian oil sands
- Balance sheet protected from new stranded assets by capital allocation rules and rigorous impairment testing

- Financial Statements aligned with our Sustainability & Climate Commitments
- Comprehensive Climate disclosures integrated into Financial Statements
- Reduced risks of having stranded assets
- Key Audit Matters (KAM) on Climate included in the Audit Report

* or the prevailing price in a given country (if higher), inflated by 2% per year beyond 2028.
Pioneering TCFD reporting since 2017
Identifying, assessing and managing climate-related risks

<table>
<thead>
<tr>
<th>Extract of TotalEnergies risk mapping on Climate issues</th>
<th>Transition risks</th>
<th>Physical risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pace of the energy transition deployment, evolution of the demand</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Financing of oil and gas reserves</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Operational risks related to the effects of climate change and extreme events</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Risk of legal actions</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Reputation risk</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Risk of skills management and job evolution</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

→ Efficiency of risk management systems monitored by the Board’s Audit Committee
EU Taxonomy – a company in transition

CapEx Eligibility
Proportional view*

CapEx Alignment
Proportional view*

→ Reporting under proportional view is more relevant for the energy industry

→ Increased eligibility/alignment supported by investment in Integrated Power

→ Strong case for inclusion into SFDR article 8 funds

* Proportional view, as per EU delegated act 2021/2178
Upcoming events and useful links

- **March 21st**: Publication of the 2023 Sustainability & Climate Progress Report
- **April 27th**: 1Q 2023 results
- **May 26th**: Annual General Meeting

Reference documents available at TotalEnergies.com

- Sustainability & Climate 2023 Progress Report
- ESG Data book
- Annual results
- Tax transparency report
- Universal Registration Document
- Factbook
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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 impairment 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 profit or loss is 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 FIFO (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.

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 reflect 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 (€/S) exchange rate for the applicable period and are not the result of financial statements prepared in euros.

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