TotalEnergies

Strategy, Sustainability & Climate

Global strengths, global results
More energy, less emissions

March 21, 2023

2023 Strategy, Sustainability & Climate

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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	7, 12, 13, 17
	2	Energy consumption and low-carbon energies consumption	7, 11, 12, 13
	3	Number of suppliers with a climate commitment	13, 17
	4	Number of innovative solutions that help us use less and better energy, or produce and sell more low-carbon energy	7, 9, 13
Committed to a just transition for our people	5	The level of employee engagement measured once a year via TotalEnergies' engagement index	8, 3
	6	Number of hours of training per employee per year	8, 4
	7	Share of women and share of international staff	8, 5, 10
Preserving natural resources	8	Sum of the weight of recycled waste and recycled feedstock	12, 6
	9	Number of biodiversity plans being deployed	14, 15
and sharing the created value	10	Share of spending with local stakeholders as a % of total spending	8, 9, 10

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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

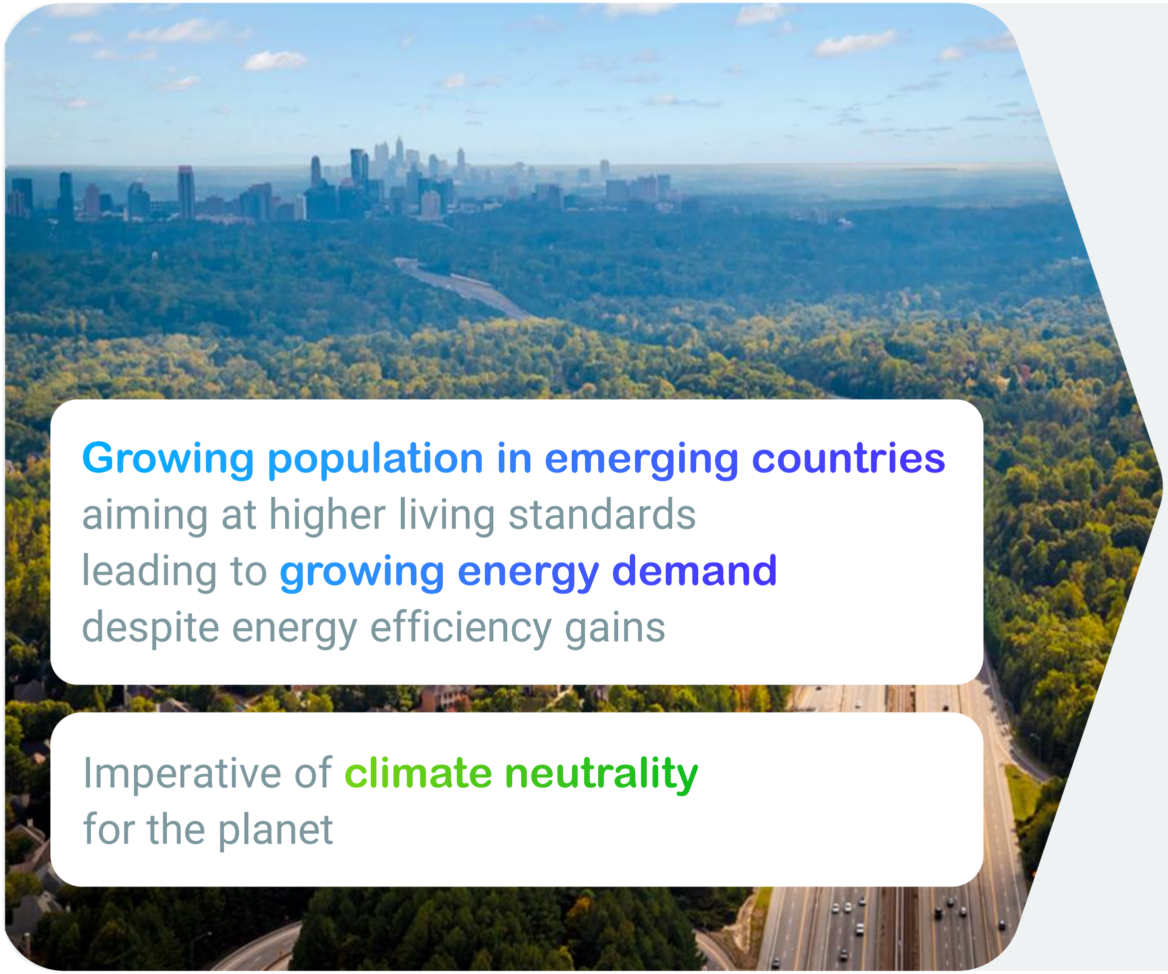
More energy

Less emissions

Always more sustainable

Increased returns

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

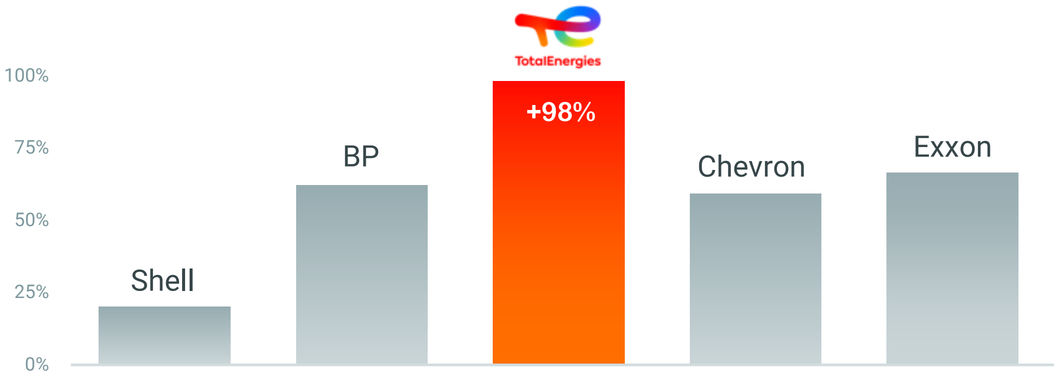
- → LNG driving growth
- → Back out coal and complement of intermittent renewables
- → Low-carbon gases: biomethane / H_2

Electricity

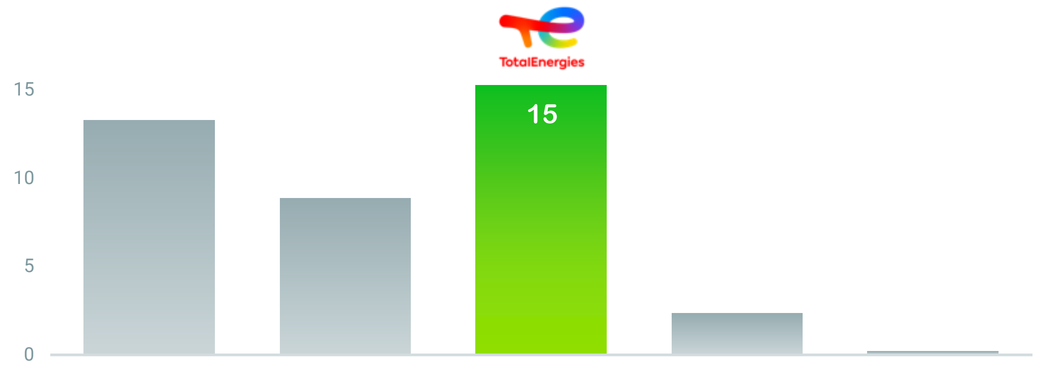
- → Growing demand accelerated by Net Zero policies
- → Renewables will decarbonize power generation
- → Electricity storage, key for energy transition

Delivering superior results and returns while growing and transforming the Company

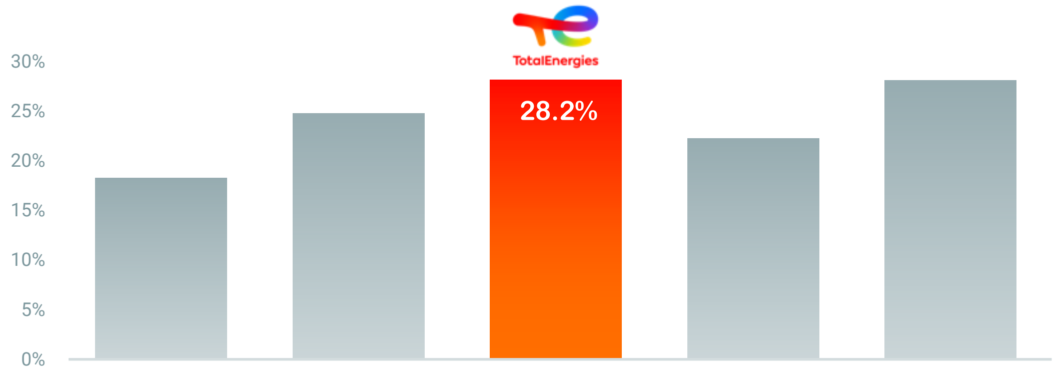
Net cash flow per share variation, 2022 vs 2021[1]
%



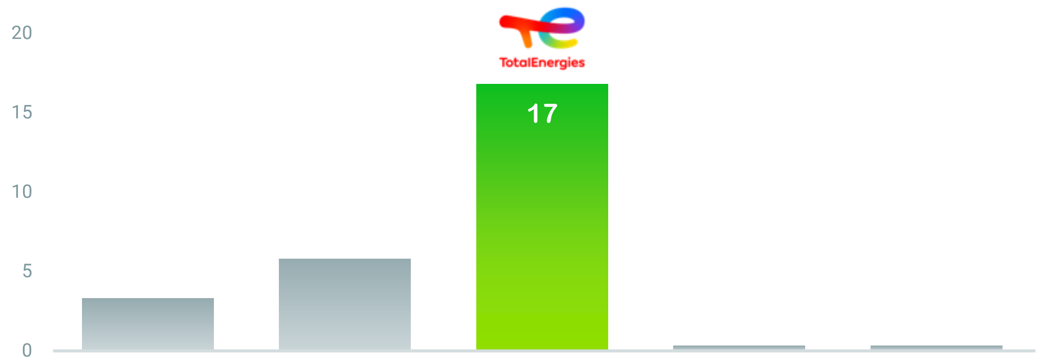
Capital investment in low-carbon energies over 2015-22[2]
B$



Return on Average Capital Employed - full year 2022
%



Gross installed renewable capacity, end-2022
GW



Building a multi-energy company

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

Cash flow allocation priorities

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1 Dividend

A sustainable ordinary dividend through the cycles (no dividend cut in 2020)

Dividend increase supported by share buybacks and underlying cash flow growth

+7.25%
for 2023 interim dividends
0.74 €/share

2 Capex

Capex supporting balanced multi-energy strategy

14-18 B$/y

16-18 B$ in 2023
5 B$ in Low-carbon Energies

3 Balance sheet

Grade A credit rating through the cycles

Flexibility to capture counter-cyclical opportunities

Targeting **AA**
credit rating

4 Surplus cash flow

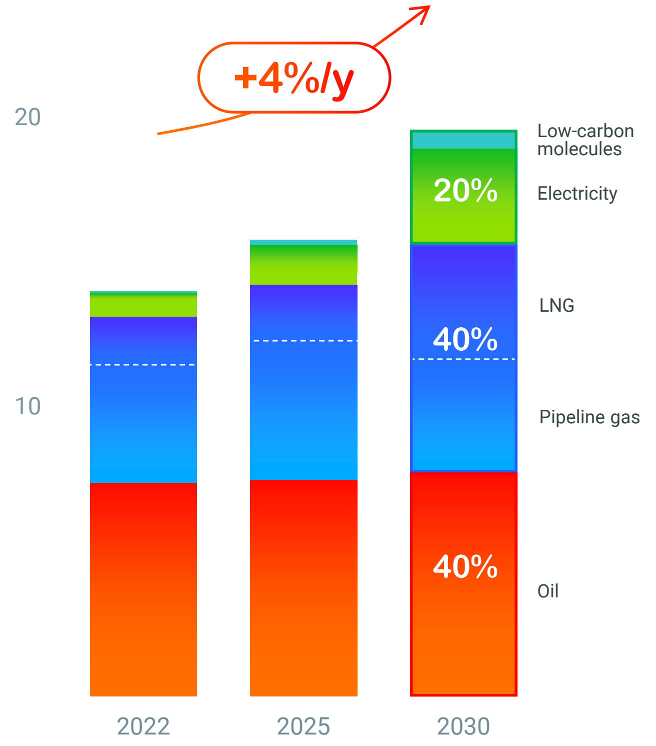
Sharing surplus cash flow from high oil & gas prices through buybacks + special dividends in case of very high prices

4 B$ buybacks in 1H23

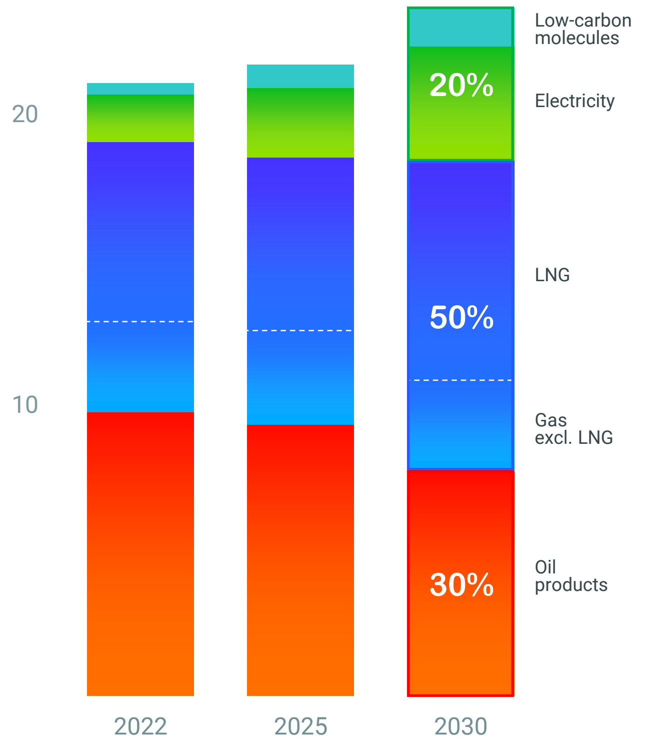
35-40% cash payout through the cycles → 37.2% in 2022

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 H_2 for our refineries

A sustainable capital investment policy supporting the transition through 2030

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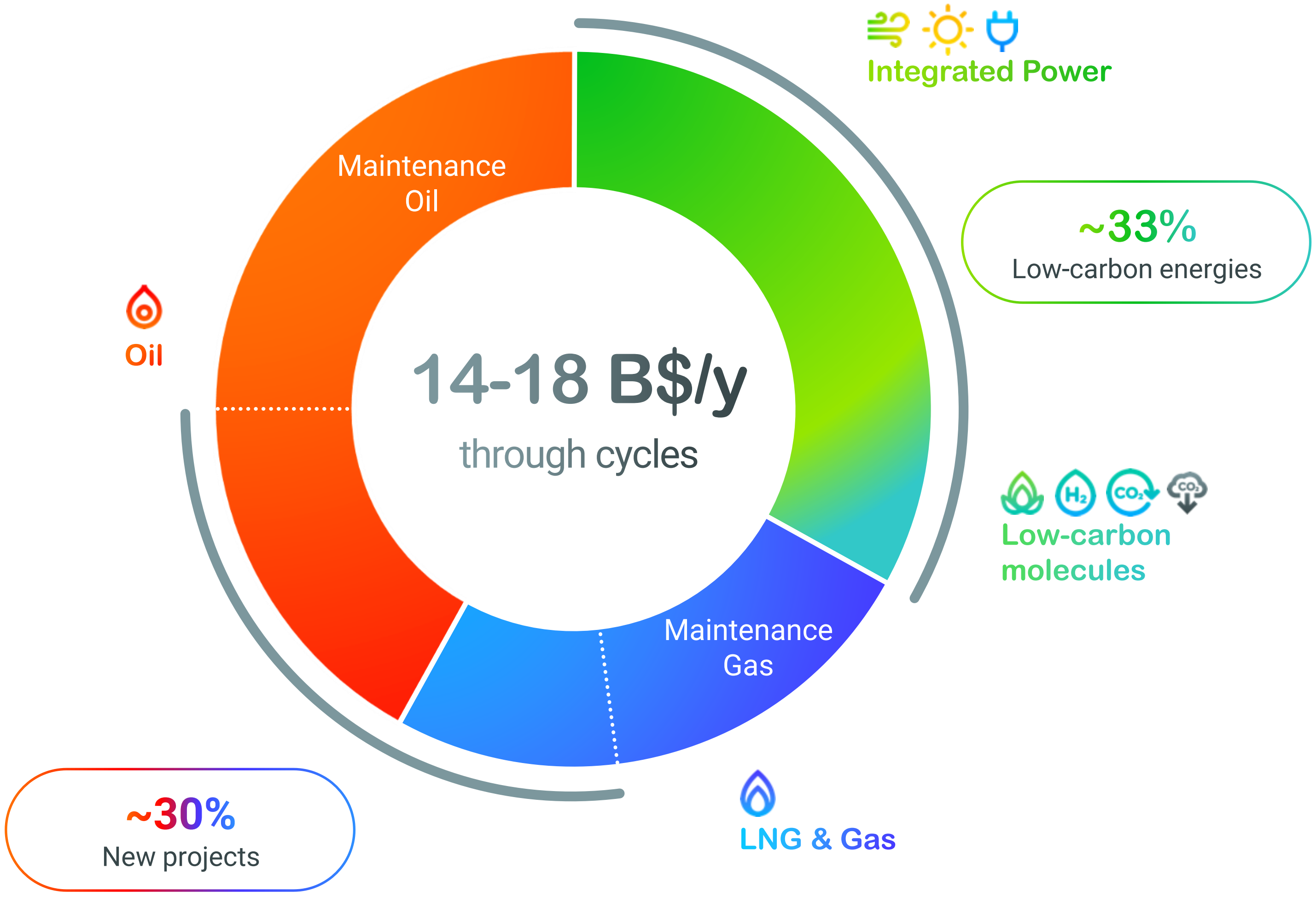
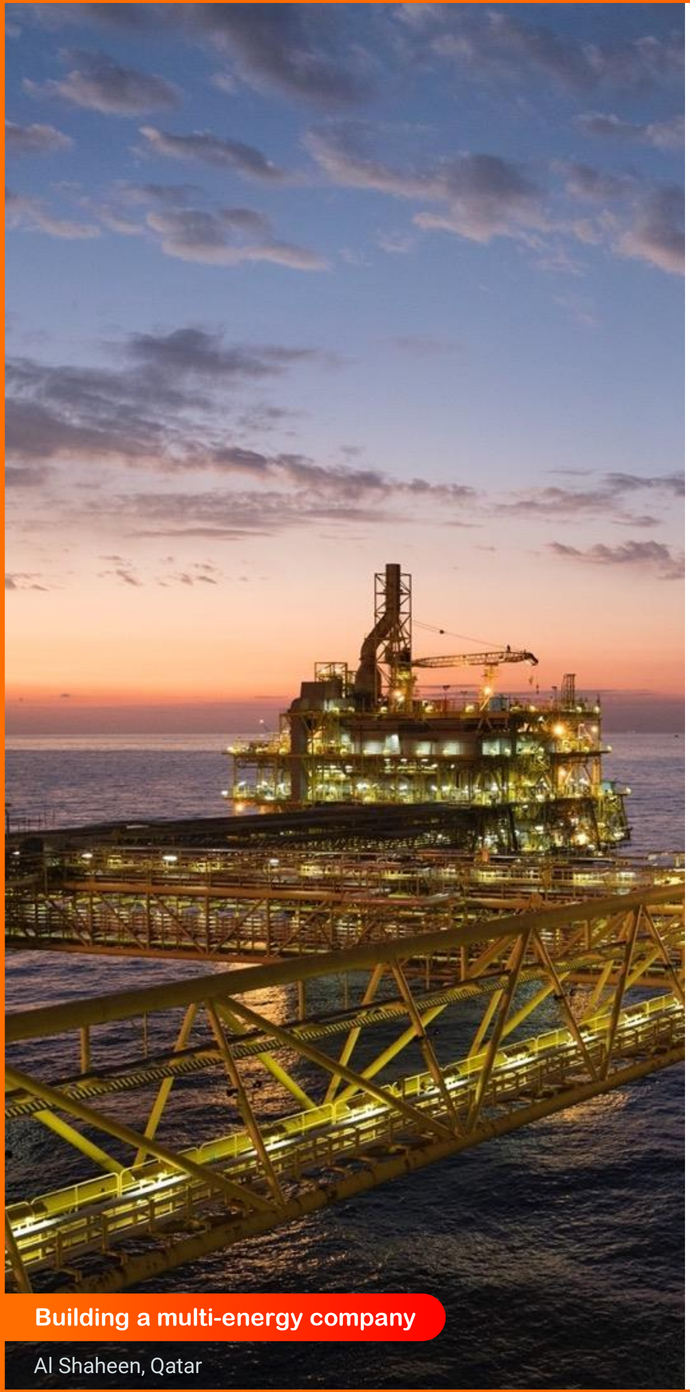


Capex = organic investments + acquisitions - asset sales



Building a multi-energy company

Al Shaheen, Qatar

Upstream oil: low cost, low emission

Maintaining the cash engine of the Company

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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

Upstream oil: low cost, low emission

A profitable and resilient portfolio, no stranded asset

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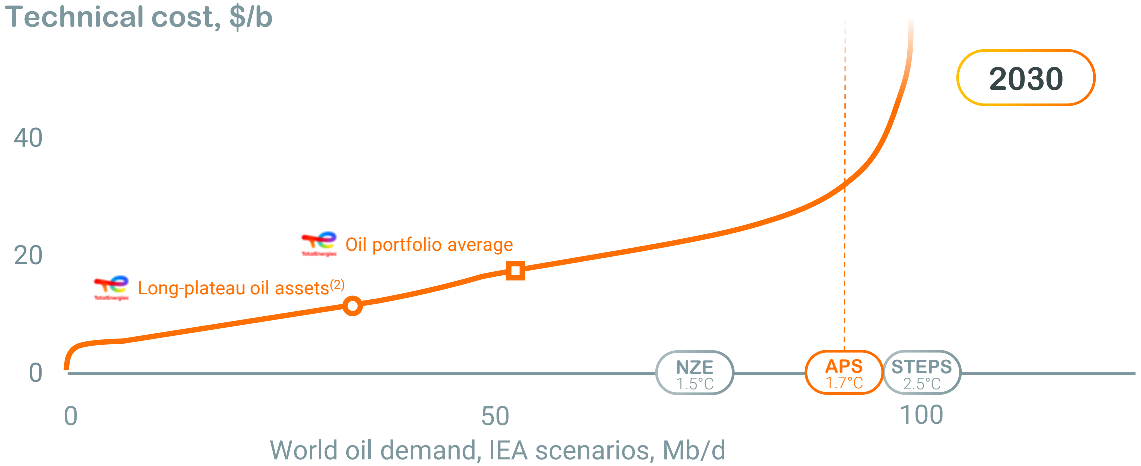
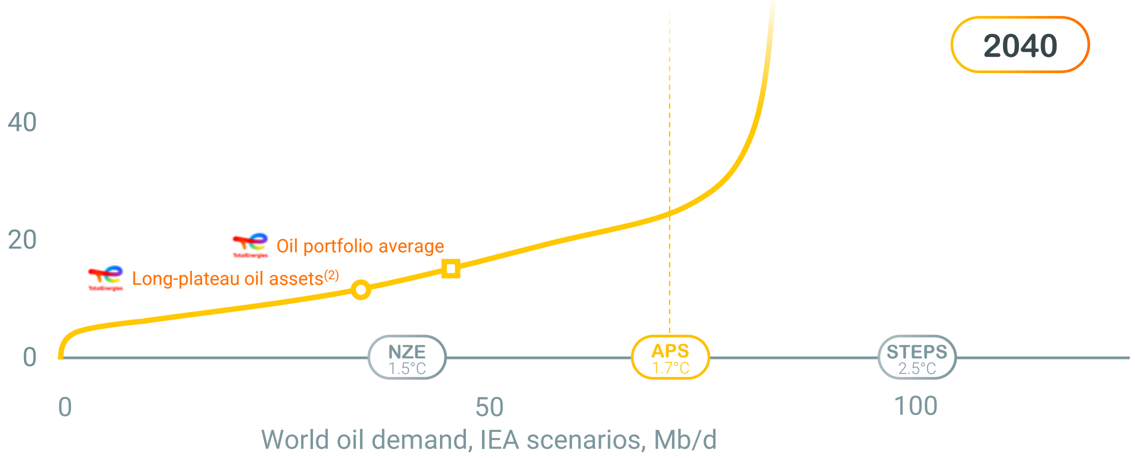
Global oil supply cost merit curve[1]

Technical cost, $/b





Low cost, low emission portfolio

→ Operating costs (ASC 932): **5.6 $/boe** in 2022

→ Scope 1+2 O&G operated emissions: **17 $kgCO_2e$/boe**

Strict investment criteria

→ Profitability evaluated using

- **50 $/b** Brent
- **100 $/t** carbon price[3]

→ Restricted to low-cost and low-emission projects

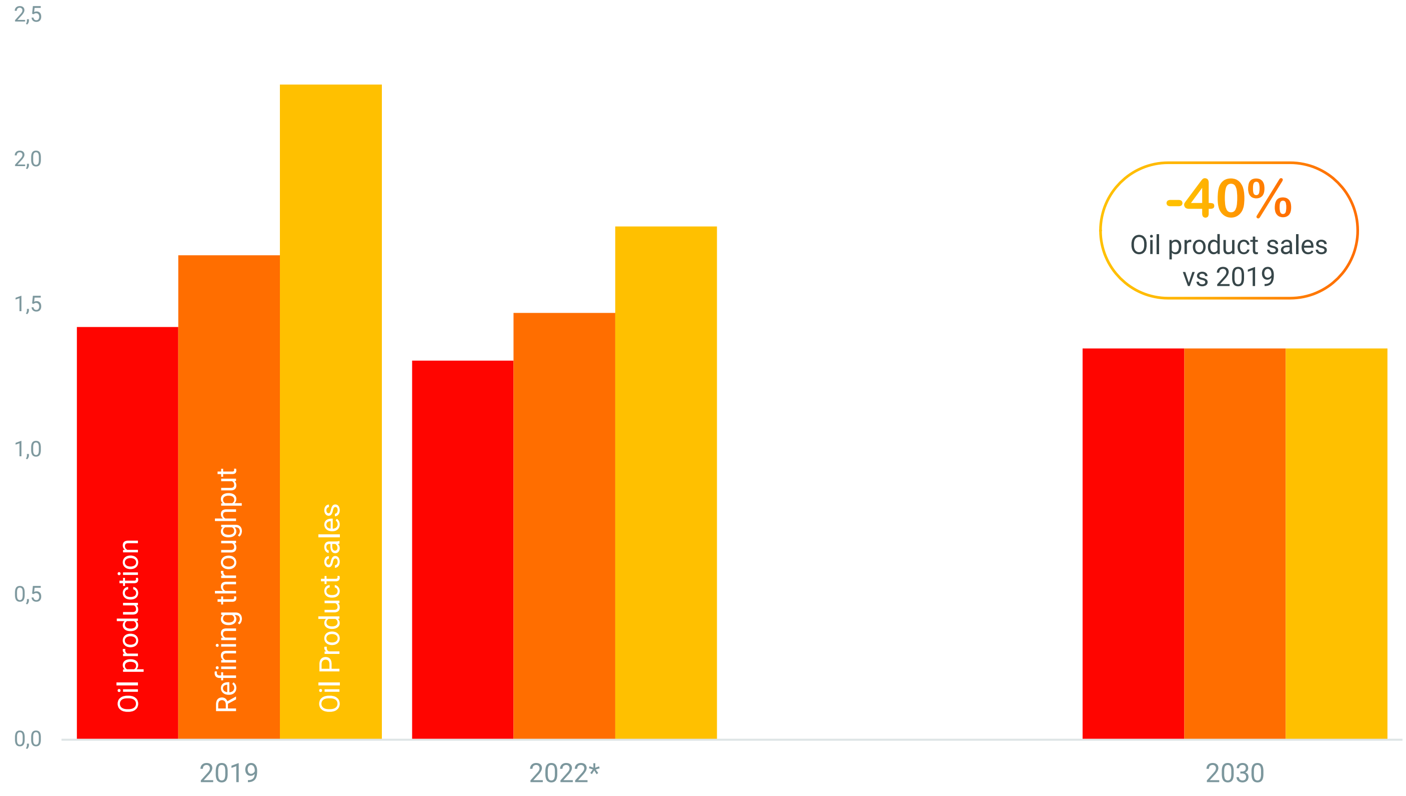
- Capex + Opex < **20 $/boe**, or after-tax breakeven < **30 $/b**
- Lower GHG emission intensity than portfolio average (**19 $kgCO_2e$/boe**)

1. Source: Rystad, IEA WEO 2022 scenarios (rise in global average temperature in 2100)
2. Long-plateau 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

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

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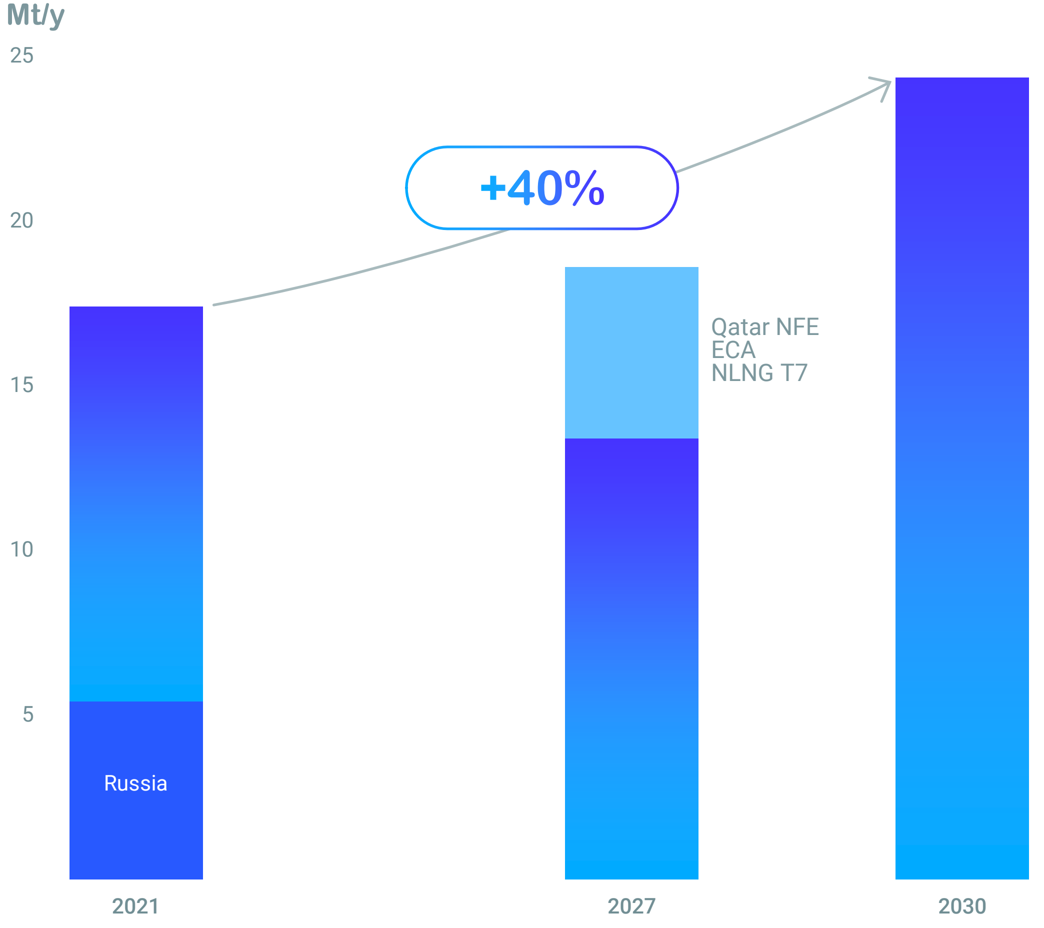
LNG production



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

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Renewables	Flexible generation	Storage	Trading	Customers
Generate **> 10% RoE**, after **financing** and **farm-down**	CCGTs **complement renewable** production	Manage **intermittency** to capture value	Leverage trading capacities to **maximize value**	Develop **B2B, B2C** and **Corporate PPAs**

2030 objectives

Renewables	Flexible generation	Storage	Trading	Customers
100 GW **35 GW** in 2025	**7-10 GW**	**~5 GW**	**~30% merchant** production	**~10 million** retail customers in Europe

Objective: ROACE > 10%

Investing in low-carbon molecules for the energy transition

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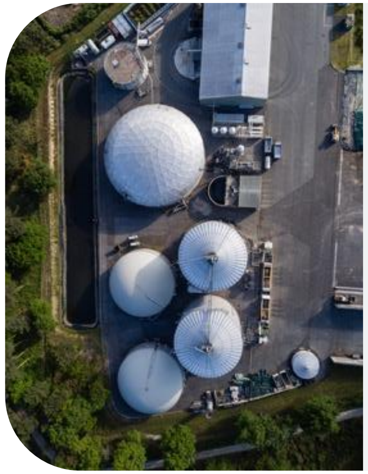
Doubling circularity within the next 10 years

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 H_2/e-fuels by 2030

- Decarbonize grey H_2 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

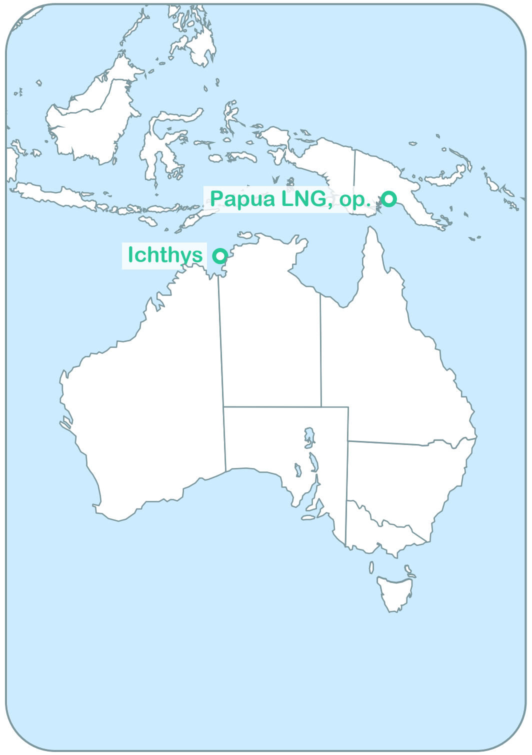
Reducing emissions and developing a profitable business

North America

Europe

Middle East

Asia Pacific



- CCS project (operation, construction)
- CCS project (pre-FID)
- CO_2 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 CO_2**
  Capex + Opex **< 20 \$/boe** or breakeven **< 30 \$/b**
  Emissions intensity lower than portfolio average of **19 kg CO_2e/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

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35-40% cash payout through the cycles

ROE > 13%

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 H_2** for our refineries
- Developing **CCS business**: > 10 $MtCO_2e$ by 2030

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

13 CLIMATE ACTION

Climate: less emissions

Strengthening the 2025 and 2030 objectives

In red: new targets

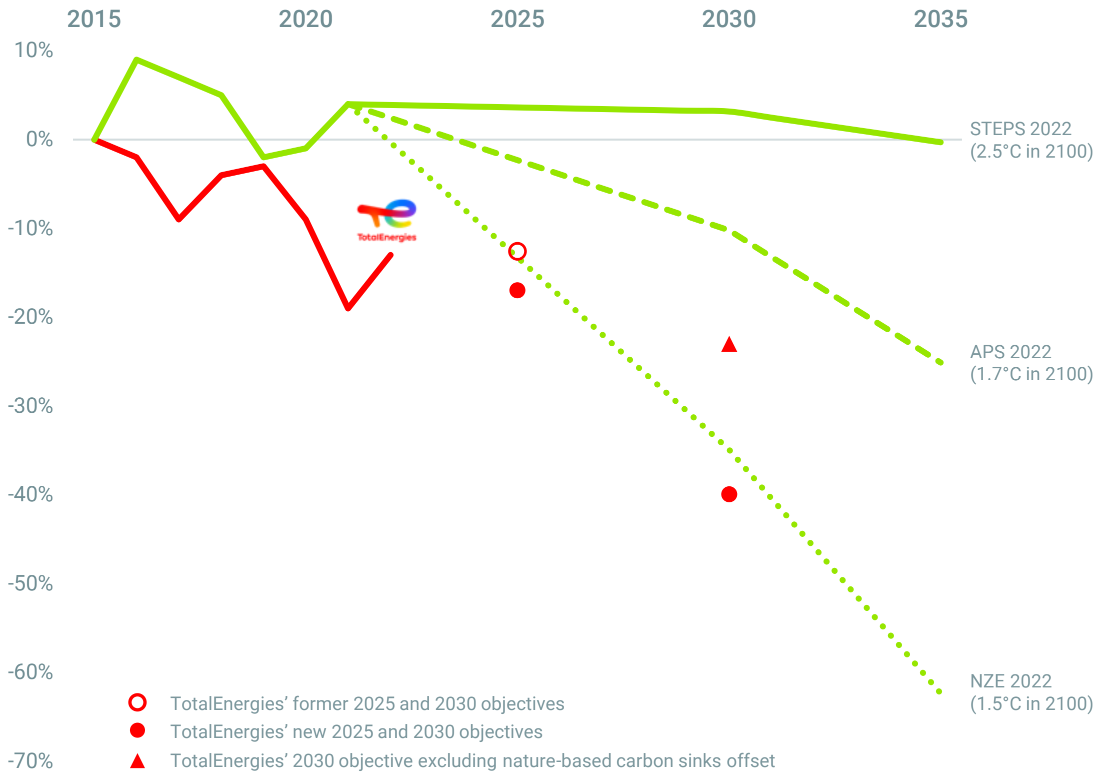
			2022	2025	2030
Net Zero worldwide on operated activities	Scope 1+2 emissions	Mt CO_2e	40	38 ~~≤ 40~~	25-30*
		vs 46 Mt in 2015	-13%	-17%	> -40%*
	Methane emissions	kt CH_4	42	-50%	-80%
		vs 64 kt in 2020	-34%		
	Routine flaring	Mm^3/d	0.5	< 0.1	0
Net Zero worldwide for indirect emissions(1)	Lifecycle carbon intensity(2) Scope 1+2+3	100 in 2015	-12%	-15% ~~≥ -10%~~	-25% ~~≥ -20%~~
	Scope 3 Oil Worldwide	Mt CO_2e	254**	-30%	-40% ~~-30%~~
		vs 350 Mt in 2015	-27%		
	Scope 3 Worldwide	Mt CO_2e 410 Mt in 2015	389**	< 400	< 400

* 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

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

Scope 1+2 from operated facilities*

Base 100 in 2015

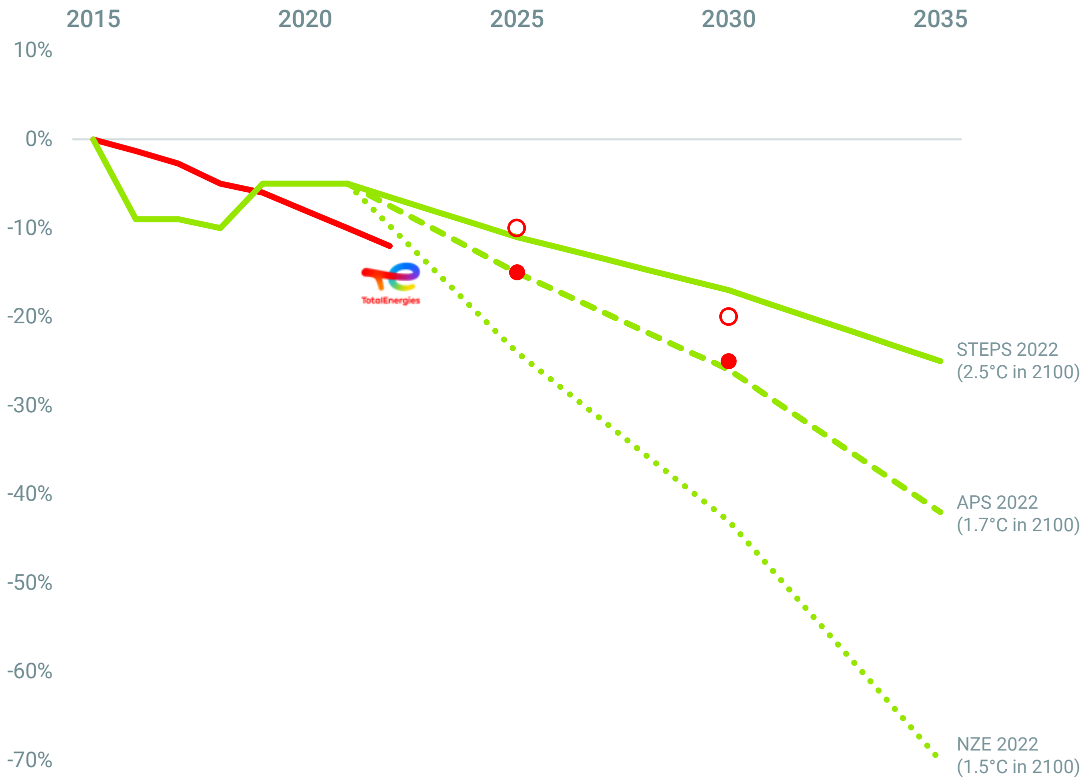


Reference year: 2015, P50

* Based on IEA WEO 2022 global CO_2 emissions from energy combustion and industrial processes. Excluding Covid impact in 2020 and 2021 for TotalEnergies GHG emissions.

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 CO_2 energy-related emissions (Mt CO_2) / World primary energy consumption (EJ)

Less emissions

Climate transition strategy evaluated by third parties

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External evaluations

Transition Pathway Initiative

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

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

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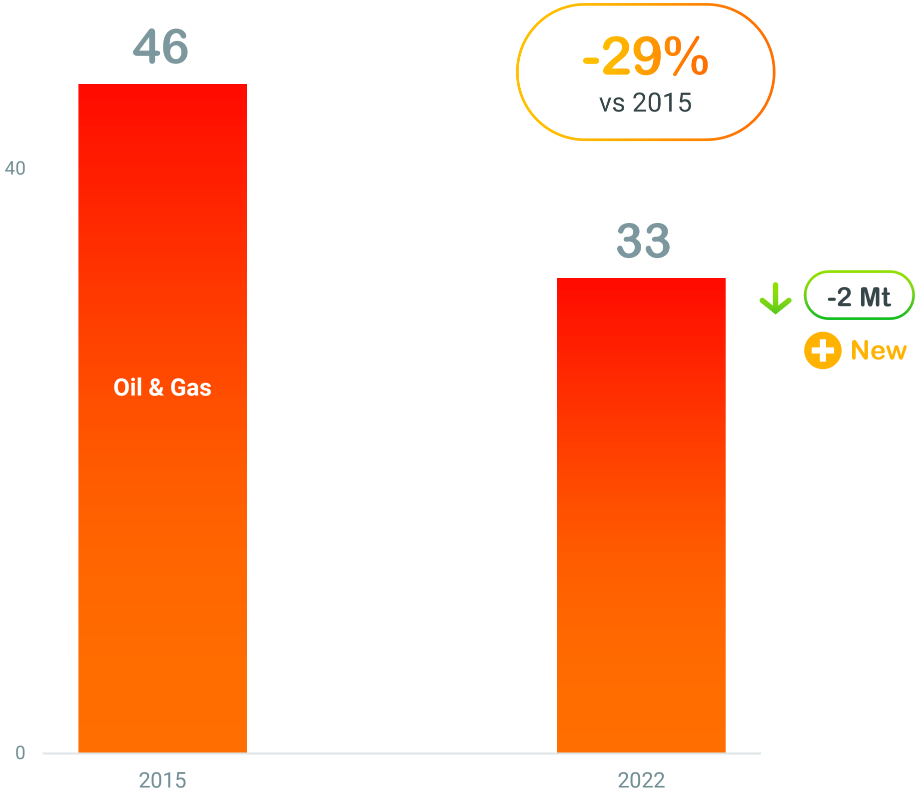
Scope 1+2 from operated oil and gas facilities

Mt CO_2e



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 CO_2e/y emission reduction

RC – Heat and steam consumption

- → Heat exchanger & furnace optimization
- → Steam network enhancement: steam production, flow monitoring, leak detection

~300 kt CO_2e/y emission reduction

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

Less emissions

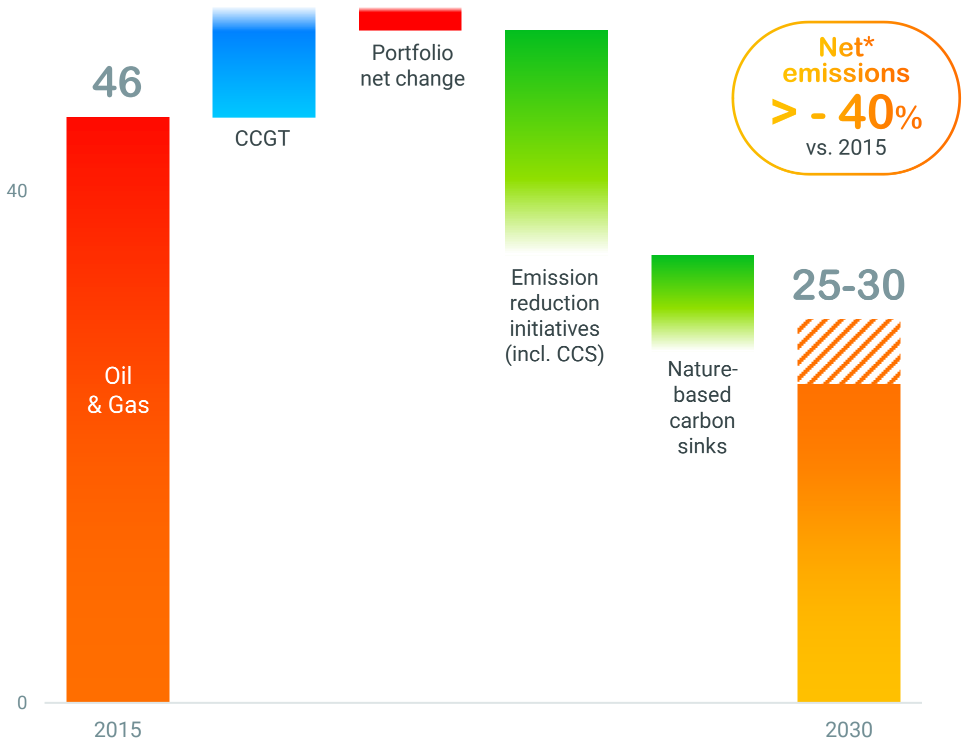
* From decrease in OPEX and CO_2 tax (in Europe). Assumes 20 $/Mbtu NBP in 2023-24, then 8 $/Mbtu.

Scope 1+2: reducing CO_2 emissions by 2030 using best available technologies

Levers

Scope 1+2 from operated facilities

Mt CO_2e



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 $MtCO_2e/y$
Scope 2 reduction by 2025

RC – Low-carbon H2 at Grandpuits

- New 20 kt H_2/y production unit with CCS, together with Air Liquide
- Recycling residual biogas from the biorefinery in place of natural gas
- Renewable low-carbon H_2 to be used for SAF production

-150 kt CO_2e/y
Emission reduction from 2025

Less emissions

* Net of nature-based carbon sinks

Aiming for zero methane emissions

TotalEnergies at the forefront of the fight

TotalEnergies

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

Achievements in 2022

→ **-34% of CH_4 reduction** vs 2020

→ **< 0.1% CH_4 intensity for operated gas assets**

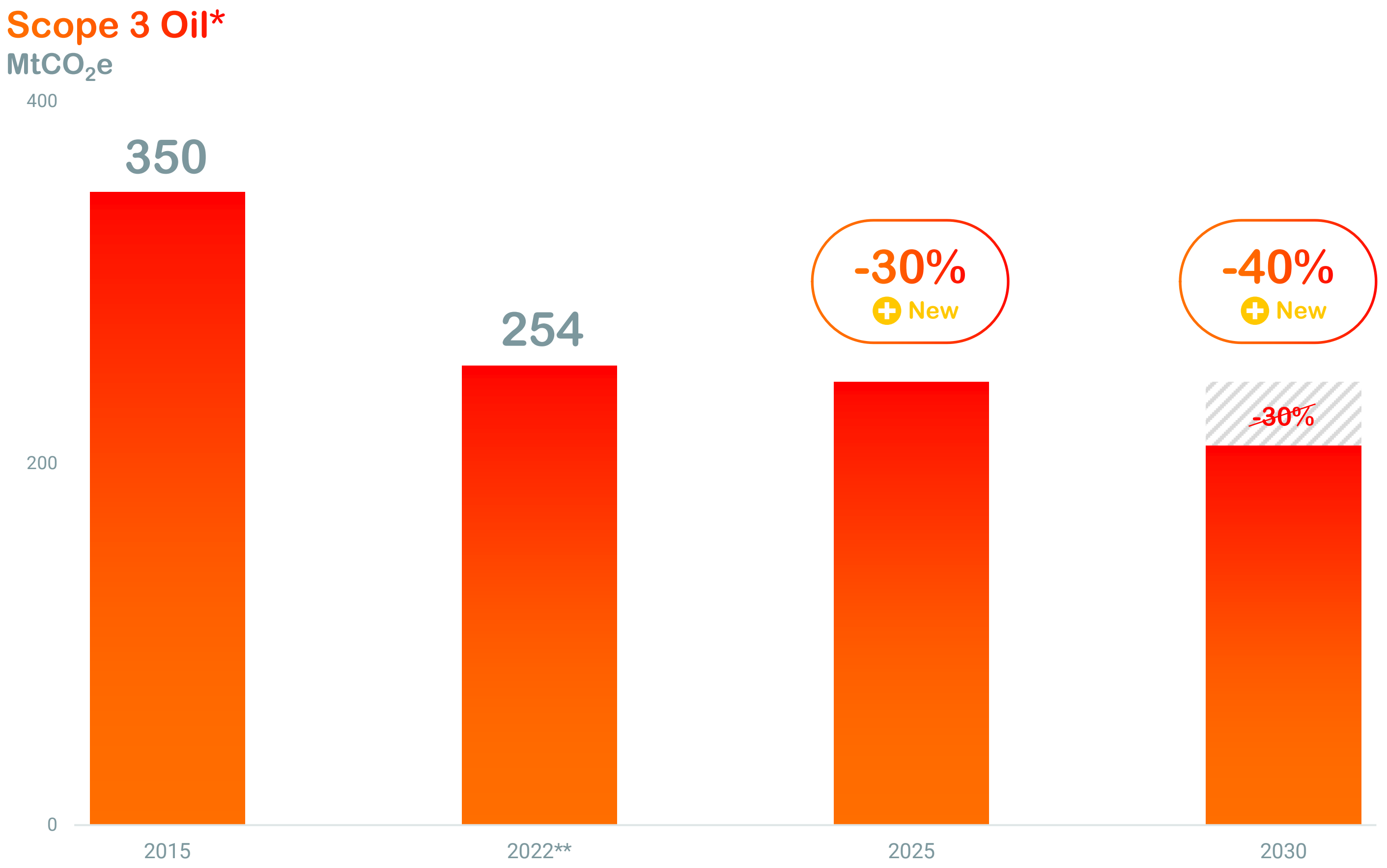
→ **Leadership in terms of reporting**
OGMP 2.0 Gold standard status

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

Less emissions

* 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

E-mobility

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

Hydrogen mobility

Developing > 100 H_2 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 H_2 Mobility network expansion in Germany

- Targeting **200 H_2 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

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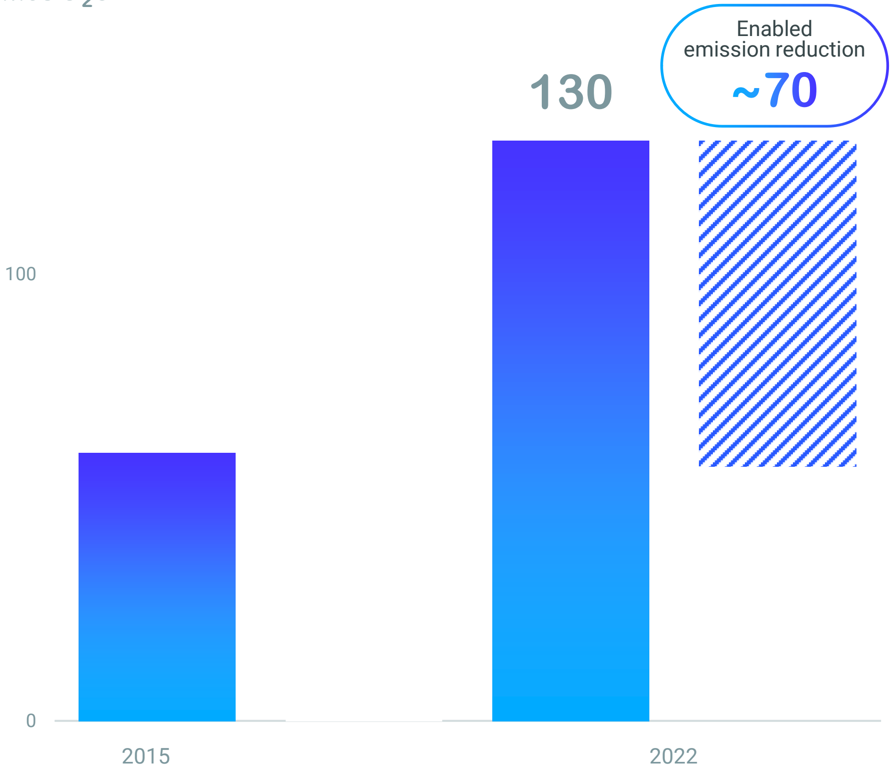
Scope 3 Gas[1]
vs Enabled emission reduction from LNG sales[2]

$MtCO_2e$



Country	2022 LNG sales	LNG displacing	Gas to Power Em. factor[3]	Oil to Power Em. factor[3]	Coal to Power Em. factor[3]	Gas used in Power	Enabled emission reduction	Efficiency[4]
	Mt		$ktCO_2e/TWh$	$ktCO_2e/TWh$	$ktCO_2e/TWh$	%	$MtCO_2e$	
China	3.5	Coal	333		942		12.8	3.6
Argentina	0.6	Oil	362	730			1.4	2.3
Greece	1.3	Oil/Coal	390	773	1,023	69%	3.1	2,3
Taiwan	1.4	Oil/Coal	398	720	844	82%	3.1	2.3
United-Kingdom	3.7	Oil/Coal	385	709	1,605	33%	8.1	2.2
South Korea	5.6	Oil/Coal	355	585	992	57%	12.4	2.2
Japan	2.8	Oil/Coal	388	837	898	67%	5.8	2.1
Italy	1.1	Oil/Coal	358	801	1,004	41%	1.5	1.4
Indonesia	0.6	Oil/Coal	536	1,259	1,046	40%	0.8	1.3
Dominican Republic	1.0	Oil	449	654			1.3	1.3
Turkey	2.1	Oil/Coal	338	357	966	29%	2.4	1.1
Malaysia	0.7	Oil/Coal	468	1,865	1,003	33%	0.8	1.1
Spain	1.3	Oil/Coal	359	628	1,056	38%	1.4	1.0
North-West Europe[5]	16.9	Oil/Coal	355	671	935	22%	13.4	0.8
India	0.6	Oil/Coal	497	1,599	928	24%	0.4	0.6
Others	4.9						4.8	1.0
Total	**48**						**73**	**1.5**

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 weighed 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 (t CO_2e) / LNG sales (t)
5. North-West Europe gas hub covering France, Belgium, Netherlands and Germany

Less emissions

Scope 3: supporting our customers in their decarbonization journey

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OneB2B Solutions

Capitalizing on sectorial approach with dedicated experts

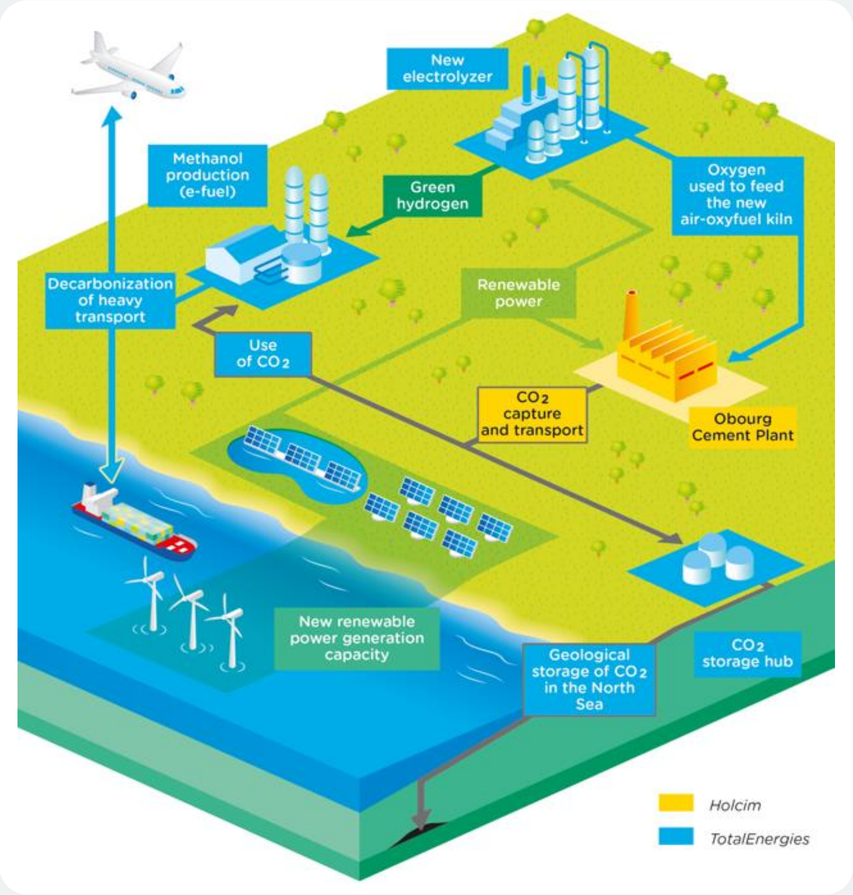
- → Metals (steel and others)
- → **Cement** (construction materials)
- → Chemicals & Industrial Gases
- → Food & Beverage
- → Logistics & transport
- → Mobility manufacturers
- → Construction
- → Waste & Water - Pulp & Papers
- → Mining
- → Datacenters & Telecom
- → Manufacturing, Services & Retail

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

→ **Partnership with Holcim to study:**

- CCUS target of ~**1.1 Mt CO_2/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

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Planet

People

Profits

SUSTAINABLE DEVELOPMENT GOALS

6 CLEAN WATER AND SANITATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

14 LIFE BELOW WATER

15 LIFE ON LAND

17 PARTNERSHIPS FOR THE GOALS

Planet

Taking care of biodiversity

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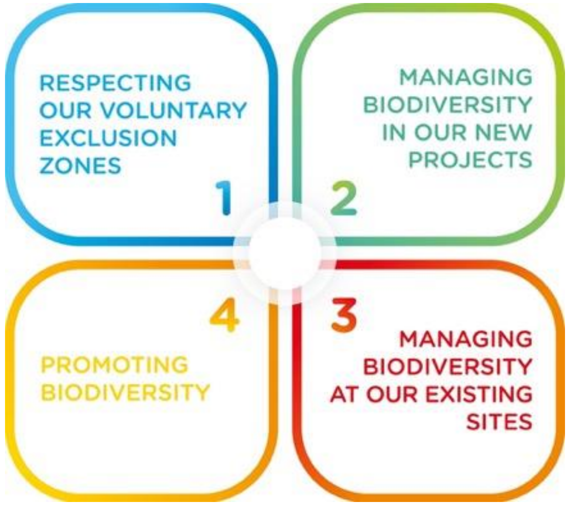
Our commitments for biodiversity



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

Planet

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

Preserving scarce freshwater resources

TotalEnergies

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

UN GLOBAL COMPACT
CEO WATER MANDATE

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**

Planet


TotalEnergies


3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

People

Caring for our employees

Listening our people and promoting their well-being

Employee engagement

TotalEnergies' engagement score

Benchmark*	TotalEnergies
73	80.3

87% **have confidence** in TotalEnergies' ability to achieve its ambition

73% **feel involved** in their career

Care program

TotalEnergies' well-being score

2019	2022
76.4	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

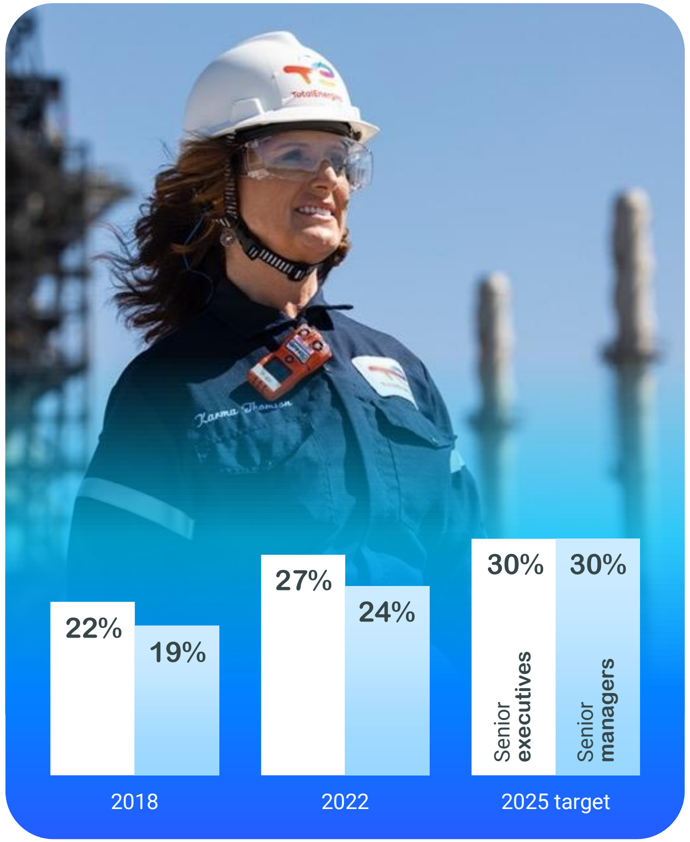
People

* IPSOS benchmark of companies with more than 10,000 employees worldwide

Caring for our employees

Promoting a diverse and inclusive workplace

Gender equality



International diversity

People with disabilities

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

People

* Socle 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

People

* 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

CDP 2022 Supplier Engagement Leaderboard : A rating

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

People

TotalEnergies

7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

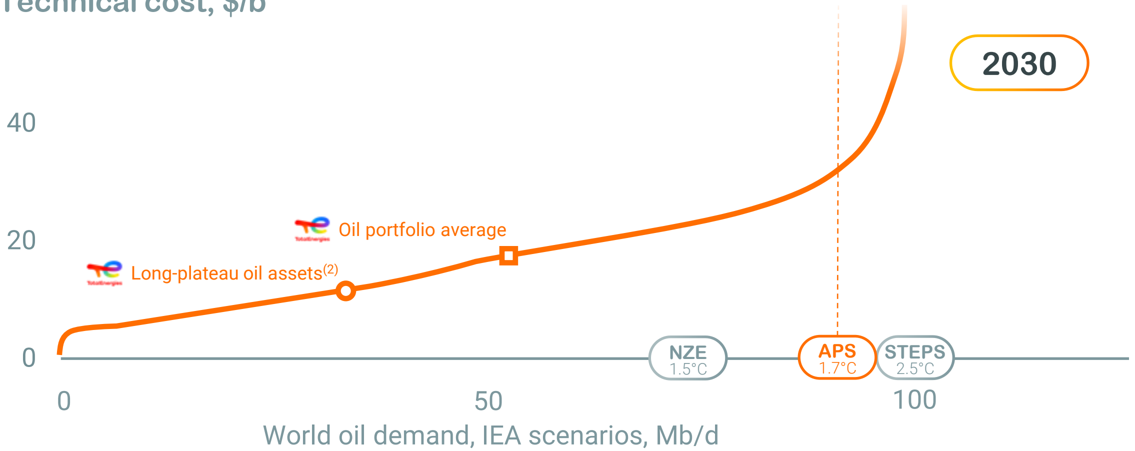
Profits:
Resilience vs climate risks

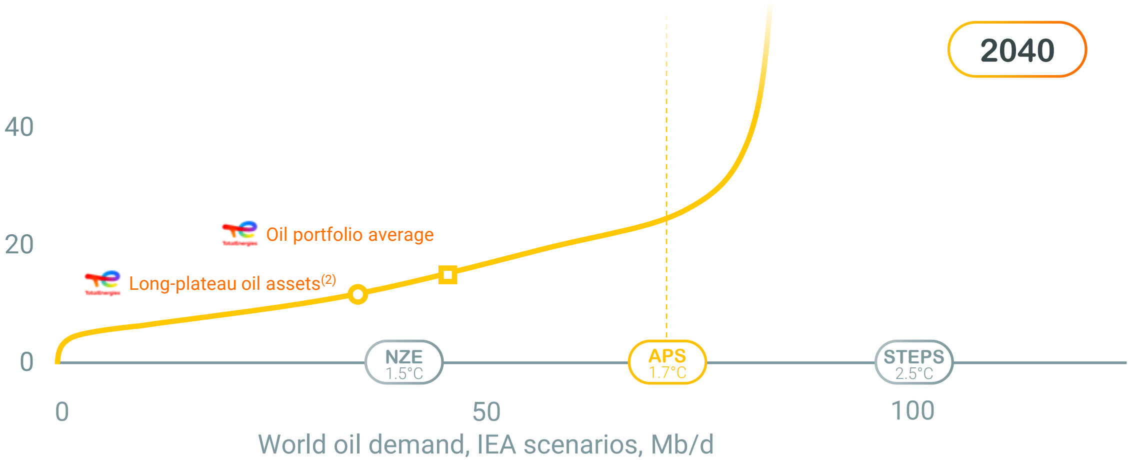
Portfolio resilience to climate-related risks

TotalEnergies

Global oil supply cost merit curve[1]

Technical cost, $/b





Portfolio sensitivity

IEA NZE

-15% NPV7[4]

vs internal price criteria, using IEA 2022 NZE scenario prices[5]

200 $/tCO$_2$

-15% NPV7[4]

vs internal price criteria, using a 200 $/tCO$_2$ price inflated by 2%/y beyond 2028

4. Upstream and downstream assets
5. World Energy Outlook 2022, Table 2.2 Fossil fuel prices by scenario

Profits

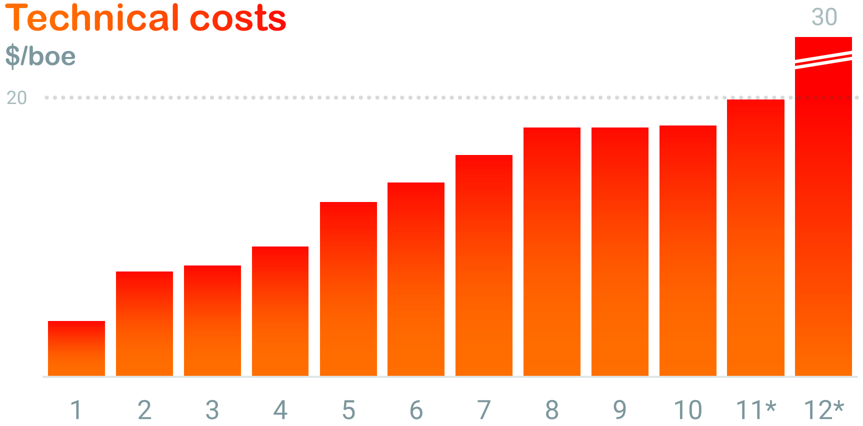
1. Source: Rystad, IEA WEO 2022 scenarios (rise in global average temperature in 2100)
2. Long-plateau TotalEnergies oil assets: UAE, Libya, Iraq, Kazakhstan, Brazil (Mero, Atapu, Sépia)
3. Or the prevailing price in each country, if higher; 100 $/t inflated by 2%/y beyond 2028

Investing in resilient new hydrocarbon projects

TotalEnergies

2022 approved oil & gas projects

Technical costs
$/boe



* After-tax breakeven < 30 $/b

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 $kgCO_2e$/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 $kgCO_2e$/boe**)

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

Profits

Integrating climate in financial statements

TotalEnergies

Stringent impairment testing of long-term assets

- → Price scenarios converging to IEA NZE price deck in 2050 for both Oil & Gas
- → CO_2 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

TotalEnergies

Extract of TotalEnergies risk mapping on Climate issues	Transition risks				Physical risks	
	Policy and legal risks	Technology risk	Market risk	Reputation risk	Acute risk	Chronic risk
Pace of the energy transition deployment, evolution of the demand	✓	✓	✓			
Financing of oil and gas reserves	✓		✓			
Operational risks related to the effects of climate change and extreme events	✓	✓			✓	✓
Risk of legal actions	✓					
Reputation risk				✓		
Risk of skills management and job evolution		✓	✓			

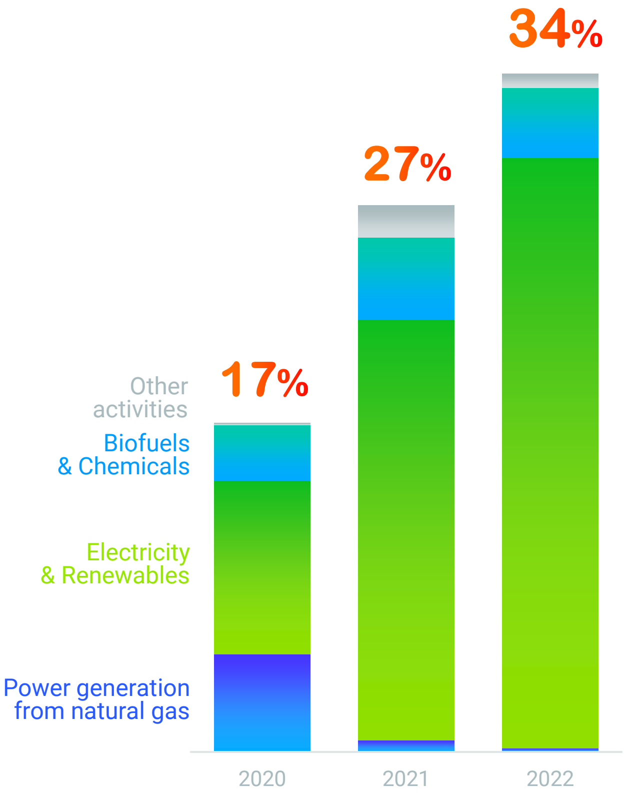
→ **Efficiency of risk management systems monitored by the Board's Audit Committee**

Profits

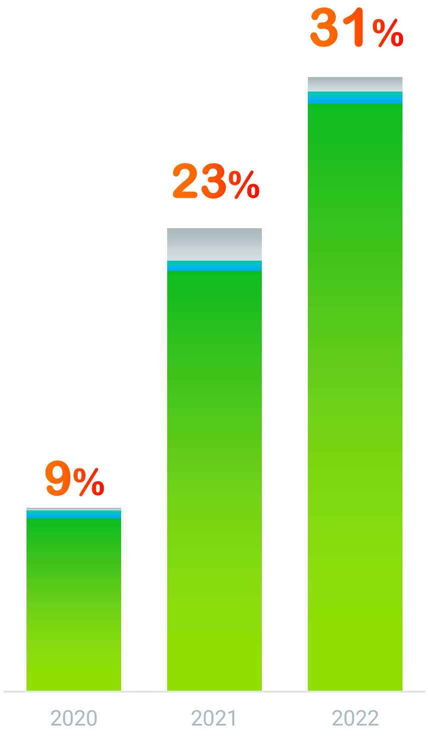
EU Taxonomy – a company in transition

TotalEnergies

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

TotalEnergies

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 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 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.

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

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