

Industry associations: reviewing to work better together

Total is a member of many industry associations and has published a list of its affiliations since 2016. It typically cooperates with these organizations on technical matters, but some take public stances on other issues, such as climate. The Group verifies that those organizations hold positions aligned with its own, and regularly reviews each organization's stance on climate issues.

Total and industry organizations

Total joins national and international business and industry associations, particularly when collective action is more effective than isolated steps. Through these organizations, the Group can help to define technical standards, for example, and also make its voice heard with regard to government regulations or policies related to its business.

In most cases, an organization's governance implies that adopted positions reflect a consensus view among its members, and accordingly may not reflect the views of every member. Total's representatives make it their priority to support, defend and promote its position within those organizations. If there is disagreement, its representatives reaffirm Total's stance and advocate changes in the organization's position. They may even propose that Total withdraw if the organization's position does not change.

Through this pragmatic approach, the Group ensures that its participation in industry organizations furthers its own stated positions.

Acknowledging and responding to climate change is a major topic on the current agenda for public authorities, consumers and businesses. Associations have an important role to play in any discussion of how the goals in the Paris Agreement can be met. For example, Total supports several organizations whose positions on carbon pricing have helped to spur wider recognition of its value.

A review of industry affiliations

In 2019, Total examined the most significant industry associations to which it belongs to conduct a preliminary review of their stance on climate issues, and then updated that review in 2020. For those with a stated public position, the Group examined whether that position was aligned with its own, based on six criteria (see sidebar).

Total may choose to state a position publicly in response to proposals that are clearly contrary to one or more of these criteria. In late 2019, for example, the Group voiced its opposition to a proposed rollback in methane regulations

A REVIEW OF INDUSTRY AFFILIATIONS BASED ON SIX CRITERIA

1. The scientific position: Total considers the link between human activity and climate change to be an established fact.

2. The Paris Agreement: Total recognizes that the Paris Agreement is a major advance in the fight against climate change and supports the initiatives of the implementing States to fulfill its aims, notably those designed to achieve carbon neutrality.

3. Carbon pricing: Total believes that it is necessary to implement carbon pricing to encourage energy efficiency, support low-carbon technology and develop carbon sinks, all critical to achieve carbon neutrality.

4. The role of natural gas: Total considers that natural gas, combined with biogas and hydrogen, is a key component in the energy transition, specifically as an alternative to coal. The Group supports policies to reduce methane emissions from natural gas production and consumption and, in particular, campaigns to reduce the use of flaring (such as the World Bank's Zero Routine Flaring by 2030 Initiative).

5. Development of renewable energies: Total supports policies, initiatives and technologies to promote growth in renewable energies. The Group also supports the development of sustainable biofuels.

6. Development of Carbon Capture, Utilization and Storage (CCUS): Total supports the development of CCUS, which is critical to achieve carbon neutrality by the second half of the century, as called for in the Paris Agreement.

in the United States. In 2020, Total affirmed its support for policies in the U.S. that would improve financial transparency regarding payments made by the extractive industries, similar to those adopted for European businesses in recent years (including Total, as of 2015).

For each criterion, public positions by industry associations that are contrary to those of the Group were considered to be "Not Aligned" and ambiguous positions were considered to be "Partially Aligned." Concerning the first two criteria (scientific position and support for the Paris Agreement), the absence of a public position was interpreted as partial alignment. For the other criteria, the absence of a position was not taken into account in the review.

Once Total had completed its analysis, it assigned each association to one of three categories, based on the level of alignment with its own positions: "Not Aligned" (at least one criterion with a "Not Aligned" position), "Partially Aligned" (one or more criteria with "Partially Aligned" positions), or "Aligned"

(for all of the criteria addressed by the association, the stated positions were in line with Total's).

Three associations had been classified as "Partially Aligned" in 2019 and were therefore reevaluated more closely.

The American Chemistry Council (ACC): This association recently published its climate policy principles, which are aligned with Total's positions, including with regard to the development of renewable energies (the criterion on which it was partially aligned in the 2019 analysis). Therefore, the ACC is now classified as "Aligned."

The American Petroleum Institute (API): The API demonstrated its intention to address climate as a separate issue by establishing a special committee, parallel to its long-standing Upstream and Downstream Committees. It has not, however, changed its support for a rollback in U.S. regulations on methane emissions. Consequently, the API remains classified as "Partially Aligned."

TOTAL'S LOBBYING ETHICS CHARTER

With operations in more than 130 countries and a workforce of more than 100,000 employees, Total is a major economic force worldwide. Governments and civil society understandably have strong expectations about the world's climate. Total's lobbying activities are rooted in the values defined in its Code of Conduct. Since 2016, those activities have been governed by Total's Lobbying Ethics Charter. Among other things, the charter requires that the corporate website include a list of the industry associations to which Total belongs. It also ensures that the Group's publicly stated positions are consistent with those conveyed through its lobbying conducted directly or indirectly through professional organizations or associations. In cases where those positions diverge, the charter stipulates that Total's position shall take precedence.

The Canadian Association of Petroleum Producers (CAPP): pursuant to its gradual exit from oil sands, Total will not be renewing its membership in this industry association.

The 2020 analysis also found that the Texas Oil & Gas Association (TXOGA) supported the rollback of U.S. methane emission regulations; TXOGA was therefore classified as "Partially Aligned."

For the Partially Aligned associations, Total has chosen to advocate internally for changes in each association's position. ○

Appendices

RESULTS OF OUR REVIEW OF EACH ASSOCIATION'S POSITION ON THE CLIMATE

PARTIALLY ALIGNED

American Petroleum Institute (API)
Texas Oil & Gas Association (TXOGA)

Our analysis indicates that these associations are partially aligned with Total on one or more of the following criteria:

- The Paris Agreement (API).
- Carbon pricing (API).
- The development of renewable energies (API).
- The role of natural gas (API, TXOGA), and particularly on the support by those organizations for the rollback of U.S. regulations on methane emissions.

Our policy with these associations is as follows:

- Express the points on which it disagrees.
- Maintain its commitment to promoting its position.
- Reevaluate its alignment in the future and reassess its membership if necessary.

ALIGNED

American Chemistry Council (ACC)
Association Française des Entreprises Privées (AFEP, French Association of Private Enterprises)
Association Française du Gaz (AFG, French Gas Association)
Assomineraria (Italian Petroleum and Mining Industry Association)
Australian Petroleum Production & Exploration Association (APPEA)
Belgian Petroleum Federation (BPF)
BusinessEurope
European Chemical Industry Council (CEFIC)
Danish Shipping (DS)
Essenscia
Eurogas
European Round Table for Industry (ERT)
France Chimie
FuelsEurope
International Air Transport Association (IATA)
International Association of Oil & Gas Producers (IOGP)
International Emissions Trading Association (IETA)
IPIECA
MEDEF
Mineralölwirtschaftsverband (MWV)
Norsk Olje Og Gass (NOROG)
Oil & Gas Denmark (OGD)
Oil and Gas UK (OGUK)
UK Petroleum Industry Association (UKPIA)
Union Française de l'Electricité (UFE)
Union Française des Industries du Pétrole (UFIP)
World Business Council for Sustainable Development (WBCSD)

The analysis indicates that these associations are aligned with Total on the criteria selected for this review.

Total will maintain its membership in these associations in order to promote its positions on the climate and other issues.