



Le Président-Directeur Général

Mr. Ban Ki-moon
Secretary General

United Nations
10017 New York
U.S.A.

Paris, July 27, 2011

Dear Mr. Secretary General,

Please find attached Total's 2010-2011 Communication on Progress, as well as a copy of our 2010 Society & Environment (CSR) report, entitled "*In other words*".

Total was proud to be the only French company to join the Global Compact LEAD initiative for corporate sustainability leadership, which was launched at the World Economic Forum in Davos on January 28, 2011.

Personally, I was very pleased to have the opportunity to speak during the consultation with business stakeholders on the implementation of the U.N. "Protect, Respect and Remedy" framework organized by Mr. John Ruggie in Paris on October 5, 2010, and to provide the closing remarks to this conference.

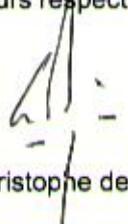
In February 2011, Total launched a new internal "Business Integrity Policy" in order to further strengthen the prevention of fraud and corruption within the Group. This "zero tolerance" policy was accompanied by an extensive e-learning program, which will be taken by about 30,000 employees.

In June 2011, Total has published an internal guide on Human Rights which is intended to help our employees to better implement the Group's principles.

Our engagement in the Global Compact is of utmost importance to us, and we will continue to deepen the implementation of the ten principles within our Company and to achieve a higher level of performance, in particular through our involvement in the Global Compact LEAD.

Yours respectfully,

*Best personal
regards,*


Christophe de Margerie

Chairman and Chief Executive Officer

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Total S.A. (France)

Global Compact: Our Communication on Progress

Period: January 2010 - June 2011

Note: Total's Communication on Progress used to be from January 1st to December 31 of the previous calendar year. Since our Communication on Progress takes place during the summer, we have decided that it should include the most recent events: therefore, this Communication on Progress covers an 18 months period, from January 1st, 2010, to June 30, 2011. In the future, Total's yearly Communication on Progress will be from July 1st of the previous year to June 30 of the current year.

This document is composed of a collection of web pages available on Total S.A.'s corporate web site www.total.com (since 2010, Total's *Communication on Progress* is web based), at following link:

<http://www.total.com/en/csr-analysts/international-reporting-standards/global-compact-940832.html>

The link at the bottom of this web page refers to our *Communication on Progress*.

Not all possible hypertext links have been expanded within this document, to keep its size reasonable. Browsing the www.total.com web site will enable to access more web pages and to have further information.

This document also contains (cover page) a copy of the letter sent to the UN Secretary General, Mr. Ban Ki-Moon, by Total's President and CEO, Mr. Christophe de Margerie, on July 27, 2011, expressing Total's continued support for the Global Compact and renewing our ongoing commitment to the initiative and its principles.

1. MEASURES RELATED TO ETHICS

Management's ongoing commitment to the process

The Chairman of the Ethics Committee presented the 2010 annual review to the Executive Committee, followed by the Board of Directors, in early 2011.

Ongoing implementation

Each year, the Ethics Committee takes part in more than 30 management meetings, business seminars and training sessions. Alongside Université Total, the Committee also organized 5 seminars dedicated to ethics within the Group in such countries as Argentina, Belgium, Canada, China, France, Nigeria and South Africa, etc.

Ongoing management

In 2010, ethical assessments of eight affiliates and one investment project were carried out with GoodCorporation. Since 2009, we can report that more than 60% of ethical values systems are operating satisfactorily, 25% to 30% indicate room for improvement and 10 to 15% are in need of strengthening.

The Committee also handled 34 referrals directly and responded to 39 requests for advice, especially regarding interpersonal relations and integrity issues.

Additional information

[Our Ethics process](#)

1.1. Ethical business conduct

Contacts with stakeholders are an increasingly common feature of our day-to-day work. Colleagues, customers, suppliers, governments, local communities, NGOs and shareholders expect us to demonstrate ethical conduct and respect. Each of us must forge fair, sustainable, trust-based relationships with the people we come into contact with.

Our ethics process is designed to ensure that these relationships are built on a solid foundation of clear, shared principles and codes, which are the best way of protecting Total from the major risks that we can encounter in our operations. Our reputation can be permanently damaged by a failure to uphold human rights or comply with antitrust law, an abuse of human rights, or tolerance of corruption. Anything of this nature undermines investor confidence and business relations, in turn jeopardizing our stability. The media revolution, especially the spread of digital media, accentuates this risk. We have to be well prepared and proactive.

That's why we have made respect for stakeholders a daily imperative, underpinned by a Code of Conduct, an Ethics Committee and a dedicated intranet site.

Our senior executives support these measures fully. They model ethical business conduct, and set the example by embracing it themselves, instilling and promoting it and ensuring its correct implementation by employees.

Total firmly believes that ethics and integrity are the surest path to sustainable, responsible growth.

Our Code of Conduct

Total conducts business in accordance with the bedrock values and principles set out in our Code of Conduct. The Code includes senior management's commitments, presents the principles adopted and shared by all Total companies, and lists the internationally recognized documents to which we refer. It also details the business principles to be followed in dealing with our stakeholders and the rules of individual and collective behavior that our employees are expected to apply.

Our ethics process

[Total's ethics process](#) is based directly on policy statements issued by senior management and is set out in our Code of Conduct. Major resources are dedicated to implementing the ethics process, in particular regarding information dissemination, raising awareness and verification. Managers model the expected conduct on the front lines. They are an essential pillar of the application of our ethical principles and values.

Organizations involved in our ethics process

The Ethics Committee is responsible for making sure the Code of Conduct is properly applied. The Committee is, with immediate supervisors, the main point of contact for any employee facing an ethics-related issue. It can be consulted at any time in the strictest confidentiality.

The Compliance and Corporate Social Responsibility Department, the Corporate Audit Department, the Human Resources Department and Université Total also play key roles in driving implementation of our ethical process, led by our senior executives and other managers, who set the example for all of us.

[Organizations](#)

Methods, resources and tools

Correct application of our ethics process requires dedicated methods, resources and tools. The various intranet sites and training courses available across Total enable us to educate and inform our employees about this process. We ensure the effective implementation of our principles and values using ethical assessments and internal control procedures.

[Methods](#)

Initiatives and partnerships

Our membership in a wide variety of global organizations and initiatives, such as the Global Compact and the Extractive Industries Transparency Initiative (EITI), clearly demonstrate our commitment to ensuring application of the principles we believe in, not just at Total but in the wider world around us.

[Initiatives](#)

1.2. Our Code of Conduct

We conduct our business in line with the values and principles set out in our Code of Conduct. The Code of Conduct was introduced in 2000 and provides a common reference document concerning business principles and rules of individual behavior for all employees.

Our Ethical Values

In his introduction to the Code of Conduct, Christophe de Margerie states that the shared ethical values and principles that motivate employees' day-to-day undertakings are critical to Total's growth and long-term viability. He then goes on to highlight three core values:

- Respect, the source of sustainable, trust-based operations and relations.
- Responsibility toward others and in our jobs.
- Exemplary behavior, which underpins the internal and external credibility of our actions and initiatives.

Our principles

In order for these values to have a meaningful impact, a number of business principles must be applied:

- Upholding human rights.
- Fighting corruption and fraud.
- Respect for free competition.
- Financial transparency.
- Respect for people.

Application

These principles produce tangible achievements, through specific application processes and internal control procedures. Their real-world application is [one of Total's most critical challenges](#).

Our reference documents

These corporate values and principles are inspired by internationally recognized documents:

- The principles of the 1948 [Universal Declaration of Human Rights](#).
- The [key conventions of the International Labour Organization](#).
- The [OECD Guidelines for Multinational Enterprises](#).
- The principles of the [United Nations Global Compact](#).

Ethics Committee

In addition, the Code of Conduct describes the composition, scope of work and procedures of the [Ethics Committee](#), which was created alongside the Code to oversee our ethical business principles. It also provides employees with confidential assistance in resolving any questions related to the application of the Code of Conduct.

1.3. Our ethics process

In all host countries where we do business, Total educates and shares with our employees our business principles and rules of individual behavior (which are based on the values of respect, responsibility, integrity and exemplary behavior) and requires employees to apply these principles.

Presented in a detailed, organized fashion in the Total Code of Conduct, these ethical values and principles are based on four internationally recognized reference documents: the *Universal Declaration of Human Rights*, the key conventions of the International Labour Organization, the *OECD Guidelines for Multinational Enterprises* and the ten principles of the United Nations Global Compact.

To help managers and other employees better understand and more effectively apply the Code of Conduct, Total's Ethics Committee has introduced a dedicated ethics program.

1.3.1 Our position and commitments

Total's ethics process is based directly on policy statements issued by senior management that define and structure the Code of Conduct's importance and its role within the Company.

You can read the policy statement of Christophe de Margerie, then Chief Executive Officer, in his [Message to Senior Executives](#) (November 2007) and his [Introduction to the Code of Conduct](#) (June 2007):
"Our growth and long-term viability depend on all of us embracing the shared ethical values and principles that motivate and guide our day-to-day undertakings."

1.3.2 Implementation

Effectively distributing the Code of Conduct

Implementation of our ethics process hinges on effective distribution of the [Code of Conduct](#).

The Code of Conduct, which is available in 27 languages, including seven bilingual versions, is regularly distributed or discussed at numerous in-house events and is widely available on most Total intranet sites. In 2008, the Code of Conduct was issued in eight new languages: Afrikaans, Bengali, Burmese, Czech, Hindi, Japanese, Urdu and Zulu.

It can also be downloaded from the Total Web site and is widely circulated outside the company, mainly to our partners and suppliers.

Since October 2000, more than 400,000 copies of the Code of Conduct have been distributed, not including versions downloaded from intranet sites and Web sites.

In order to increase awareness of Total's values, an Ethics Charter was drafted in 2003 summarizing the contents of the Code of Conduct. The document also reaffirms our ethical commitment and responsibilities in our various businesses.

Spelling out the Code of Conduct

If needed, additional documents may be used to make the Code easier to understand and apply. These documents are prepared at management's request and are often designed to meet the specific needs of a particular region or business.

Some are tailored to local situations, such as [Total E&P Myanmar Ethics Charter](#) or [Total South Africa Code of Ethics](#).

Others develop specific topics, as for example the Business Integrity Guide or the Human Rights Internal Guide. The [Business Integrity Guide](#) was published in March 2008 to support application of the integrity principles – rejection of corruption and fraudulent practices, avoidance of conflicts of interests – contained in the Code of Conduct. It provides concrete examples of possible risk situations encountered in our business relations and reiterates Total's policies with regard to corruption, fraud and conflicts of interest.

The [Human Rights Internal Guide](#) was created to provide all employees with support and guidance about human rights and strengthen their vigilance. It was published in June 2011.

Raising employee awareness of our ethics process

Many initiatives are also undertaken to raise employee awareness. We all have to embrace this process so that any issues that arise can be resolved. For that reason, we created an Ethics Committee that can be consulted by any employee, at any time, in complete confidentiality.

The [Ethics intranet](#) site, which was launched in 2005, presents Total's approach and priority actions, as well as the main reference documents.

The intranet site serves two educational objectives. First, it provides access to a wide range of information (90 pages in all, plus 350 links to external sites) and, second, it enables employees to share best practices, order documents and contact the Ethics Committee.

The intranet site is regularly updated and includes pages on specific topics, such as human rights, integrity and transparency. It also publishes policy statements and provides access to documents that support our ethical approach to business.

To promote the intranet site and encourage Total employees to learn more about it and to use it to share their views, a promotion kit was created in 2006.

Ongoing training

Between 2003 and 2005, the Ethics Committee conducted around 30 seminars on ethics, values and cultures around the world, attended by more than 2,000 line and corporate managers. Since 2006, the Committee, with the support of Université Total, has developed dedicated training programs:

- “[Our Ethical, Environmental and Social Responsibilities](#)”, a traveling seminar for line and corporate managers worldwide.
- “[Ethics and Business](#)“, a one and one-half day retreat for senior executives and line and corporate managers enabling them to better understand the resources and procedures available to help them apply the Code of Conduct. All newly appointed senior executives are required to attend the seminar within two years after taking on their new responsibilities.

In addition to these seminars, the Ethics Committee takes part in more than 30 events each year on average, either at the request of the Group’s business or corporate units or as part of a training program. Every year, around 2,500 Total managers receive ethics training.

1.3.3 Monitoring

Assessing our business units

The Ethics Committee completes the ethics process through the use of [ethical assessments](#) to determine how the Code is applied in various business units. These assessments provide units with advice and enable them to implement additional or corrective measures if needed.

The process was introduced in 2002 in partnership with [GoodCorporation](#), an independent UK company that specializes in analyzing and certifying local ethics performance.

Using GoodCorporation’s methodology, a process was developed that covers all ethical aspects of the Code of Conduct through 87 compliance criteria known as evidence points. Each evidence point is assessed to ensure that policies are being correctly applied. The scores obtained make up the unit’s “ethical profile,” providing an outside view of its ethical and corporate responsibility performance.

This support and improvement process has gradually been broadened and deepened with:

- Reassessments to measure progress.
- Modules used by subsidiaries and project groups for self-assessment, assessment and reassessment, which were created on request and are currently being implemented.

To date, more than 80 assessments have been carried out. In 2010, eight affiliates were assessed and for the first time, Total conducted the ethical assessment of an investment project with the assistance of GoodCorporation.

Listening to and advising employees

The [Ethics Committee](#) provides employees with assistance in resolving ethical problems that may arise in the course of performing their duties.

All questions and correspondence are treated confidentially, as stipulated in the Code of Conduct (“The Committee’s members shall not reveal the identity of any person requesting their advice and may not disclose information that would make it possible to identify them.”). A specific [whistleblowing policy statement](#) has also been issued to protect employees.

The Ethics Committee handles around 60 cases/questions each year, about half of which are questions from employees. In 2010, 73 cases/questions were raised, the majority by employees. Although this number may seem low, it should be kept in mind that the Ethics Committee is considered the ultimate resort for employees, who are encouraged to first contact their line manager, another manager or a local ethics officer, if this position exists.

Reporting to management bodies

Apart from reporting on special referrals, the Committee Chairman reports on the Committee’s work and objectives to the Executive Committee and the Board of Directors at least once a year.

1.4. Organizations involved in our ethics process

1.4.1 Ethics Committee

Created in 2001, the six-member Ethics Committee reports directly to the Chairman and Chief Executive Officer. It is responsible for establishing conditions to help employees embrace the Code of Conduct and for making sure it is properly applied. To this end, the Committee has devised an [ethics process](#) allowing it to verify that employees at each facility, subsidiary and business are familiar with the Code of Conduct, understand its principles and apply them. It also provides individual feedback and assistance.

1.4.2 Compliance and Corporate Social Responsibility Department

Created in 2008, the Compliance and Corporate Social Responsibility Department reports to Legal Affairs.

Besides an advisory role, it supervises the management of legal issues associated with business integrity, human rights, the environment, industrial safety and sustainable development, as well as covering social issues in general.

The department is also tasked with deploying programs to foster compliance with anti-corruption laws and uphold human rights. In this role, it supports the ethics process and closely coordinates its actions with the work of the Ethics Committee.

1.4.3 Corporate Audit Department

Reporting to the Chief Administrative Officer, the Corporate Audit Department is chiefly responsible for providing reasonable assurance to senior management and the Board of Directors’ Audit Committee that Total operates in accordance with our [internal control](#) standards and procedures and our core ethical principles.

1.4.4 Corporate Business Integrity Coordinating Committee

The [Corporate Business Integrity Coordinating Committee](#), replacing the former Anti-Fraud Working Group, was created in 2010. This Committee is composed of head officers of the following Corporate functions: Ethics Committee, Audit and Internal Control, Legal Affairs – Compliance, Security, Finance and Human Resources and the Corporate Fraud Risk Coordinator. It coordinates and follows up the implementation of the programs and initiatives to prevent, detect and deal with all types of business integrity risks.

The Corporate Business Integrity Coordinating Committee is in charge of following in particular the progress of actions developed throughout the Group by the Anti-Corruption Compliance Committee for anti-corruption initiatives, and by the Fraud Risk Coordination for other types of fraud.

1.4.5 Total University

Total University is an arm of the Corporate Training Department, which is part of Corporate Human Resources. Its primary vocation is to offer opportunities for discussion and reflection on contemporary issues related to our businesses and operations. Its programs consist of classes, conferences and lectures held in France and worldwide, designed to promote a fertile mix of ideas and a cross-disciplinary approach to economics, history, sociology and science.

Total University also advances Total's educational and academic relations initiatives through the Total Summer School and Total Energy and Education Seminar programs for students and professors from around the world

It offers dedicated in-house programs in the fields of ethics, the environment, industrial safety and corporate social responsibility, which reach several thousand people each year.

1.5. The Ethics Committee

The Ethics Committee was created in March 2001. Its composition, scope of work and procedures are described in the Code of Conduct. The Committee reports directly to the Chairman and Chief Executive Officer and enjoys a large degree of independence.

The Ethics Committee is responsible for establishing conditions to help employees embrace the Code of Conduct and for making sure it is properly applied. To this end, the Committee has devised a well-structured process allowing it to verify that employees are familiar with the Code of Conduct, understand its principles and apply them. It also provides individual feedback and assistance.

1.5.1 Composition and procedures

The Ethics Committee comprises a Chairman, the Head of the Ethics Policies and four other members representing our different businesses. The members of the Ethics Committee are employees who collectively have broad experience of our different businesses and disciplines and occupy positions that guarantee the necessary independence and freedom of judgment. They cannot delegate their functions to non-members of the Ethics Committee.

The Chairman and Chief Executive Officer appoints the Chairman of the Ethics Committee. The other members are appointed, with their consent, by the Executive Committee, on the recommendation of the Chairman of the Ethics Committee. Each Committee member is appointed for a term of four years, unless some other provision is made, to ensure a regular turnover of Committee members.

Meetings of the Ethics Committee can be convened to deliberate on a set agenda by the Chairman or by a majority of its members. The Committee's decisions are made by unanimous vote.

The Chairman of the Ethics Committee submits an annual report to the Executive Committee and the Board of Directors.

1.5.2 Scope of work

The Ethics Committee, which reports to the Chairman and Chief Executive Officer, is responsible for general oversight of ethical issues related to our activities, particularly:

- Making recommendations to the Chairman and Chief Executive Officer on all ethical issues, whether in relation to matters on which the Committee has made an independent inquiry or questions that have been submitted to it.
- Drawing the attention of the businesses to any potential risk of non-compliance with our main ethical principles.
- Ensuring that our Code of Conduct is circulated and proposing any amendments it considers necessary or appropriate.
- Ensuring that the procedures are in place for employees to become thoroughly familiar with the Code of Conduct, understand its provisions and apply them.
- Assisting in preparing and authorizing any specific Code of Conduct that may be necessary for a particular subsidiary.
- Recommending procedures or, at its discretion, giving an opinion in strictest confidence when employees have questions about applying or complying with the Code of Conduct in specific situations.
- Reviewing, with the business units concerned, any verbal or written communications relating to ethics at Total and any contacts related to ethics, in particular with international, European Union, governmental and non-governmental organizations.
- Reviewing, with the business units concerned, replies to any correspondence contesting the ethical standards applied at Total or by any subsidiary.
- Advising the various training departments on incorporating, where appropriate, a presentation on the Code of Conduct into training programs, in particular those for new recruits and management.

1.5.3 Internal position with regard to organization

Businesses are encouraged to inform the Ethics Committee in advance of new projects or and proposed changes in an ongoing business activity that could raise an ethical issue due to its size or potential impact on local communities. The Chairman of the Ethics Committee is provided with all files submitted to the Group Management Committee, as well as advance copies of the agendas of all business Management Committee meetings and all Risk Assessment Committee meetings.

The Ethics Committee may also consider on its own initiative any ethics-related matters concerning Total and is therefore entitled to visit any facility or subsidiary.

It is assisted by the Corporate Audit Department, with which it maintains regular contact.

A copy of any correspondence contesting the ethical standards applied in the group, addressed to any unit, is sent to the Ethics Committee.

1.5.4 Supporting employees

The Chairman and Chief Executive Officer or any Total employee may request the Ethics Committee's advice on any ethics-related matter, especially any difficulty in the practical implementation of the Code of Conduct. The Committee may, at its discretion, respond solely to the person(s) asking the question(s).

Its members may not reveal the identity of anyone requesting their advice and may not disclose information that would make it possible to identify them.

1.6. Methods, resources and tools

The various processes involve the use of either dedicated or cross-business methods and tools. We review them below for the three major implementation or operational areas.

1.6.1 Informing, educating and training

Dedicated intranet sites

Total relies for much of our communication on an internal network (intranet) of several hundred sites that can be accessed by nearly 70,000 of our employees.

Our intranet is essentially organized into functional and professional discipline sites at the level of holding company and businesses and into regional sites for our decentralized units. Besides disseminating information internally, our intranet sites also provide reference materials and serve as forums for discussion and contact.

They are interconnected and cascade the common information outlined in internal information and education programs. Many sites permanently host pages dedicated to ethics and our principles, as well as direct links to the [Code of Conduct](#).

The primary dedicated reference site is the [Ethics site](#). Besides providing access to different reference documents and the Ethics Committee, it has tabs for specific topics such as human rights and integrity.

Other valuable resources include the Legal Affairs (free competition, integrity), Sustainable Development and Environment, Human Resources (diversity, respect for employees, etc.), Industrial Safety and Audit Departments Web sites. In addition, the Industrial Safety Web site provides content on the *Voluntary Principles on Security and Human Rights* (VPSHR).

Total University

Dedicated to education and cross-disciplinary training, Total University's primary vocation is to offer opportunities for discussion and reflection on contemporary issues related to our businesses and operations.

Its programs consist of classes, conferences and lectures held in France and worldwide, designed to promote a fertile mix of ideas and a cross-disciplinary approach to economics, history, sociology and science.

Total University also advances Total's educational and academic relations initiatives through the Total Summer School and Total Energy and Education Seminar programs for students and professors from around the world.

It offers dedicated in-house programs in the fields of ethics, the environment, industrial safety and corporate social responsibility, which reach several thousand people each year.

1.6.2 Auditing and monitoring

Internal control and risk management

The [internal control](#) process is designed to provide reasonable assurance that we are achieving the following objectives : effective and efficient operational control, accurate reporting of financial information, and compliance with applicable laws and regulations.

Our internal control procedures are based on the Committee of Sponsoring Organizations (COSO) framework. It has five components: the design and implementation of internal controls, risk evaluation process, internal control operations, documentation and communication of internal control rules, and supervision of the internal control system.

Ethical assessments

Total has implemented a program, coordinated by the Ethics Committee, to ensure that the Code of Conduct is being properly applied. Known as [ethical assessment](#), the program is based on an innovative methodology developed by U.K. accreditation company [GoodCorporation](#) and validated by the [Institute of Business Ethics](#) in London.

The process

To develop a benchmark for the process, the action principles in the Code of Conduct were divided into six stakeholder categories — shareholders, employees, customers, suppliers and contractors, business partners and host countries — and then broken down into 87 compliance criteria, known as evidence points, whose front-line application is verified externally by the [GoodCorporation](#) team.

The 87 points cover such key topics as human rights (with regard to employees, contractors and host communities), relations with neighbors, health, safety and the environment, fraud and corruption, and free competition.

The head of the unit concerned, which has either been identified by the Ethics Committee or has requested the assessment, appoints an officer to coordinate the process. Information is circulated in advance to enable the unit to prepare for the assessment, which is presented in detail and finalized (schedule, scope, list of people to be interviewed) at a preliminary two-day meeting with GoodCorporation representatives.

The assessment begins six to eight weeks after the meeting. It generally lasts around two weeks and is conducted by a three-person team from GoodCorporation, one of whom is very familiar with the local situation.

To verify processes, documents are reviewed and roughly 100 individual, confidential interviews are conducted with senior management and representatives of the different stakeholder categories (employees, suppliers, customers, partners, host communities, etc.).

Compliance is then graded as follows:

- Major non-compliance: There is no policy or criteria, or the system does not work.
- Minor non-compliance: There is a system in place, but it does not always work.
- Observation: The system works, but there is room for improvement.
- Merit: The system works well.
- Commendation: The system is a benchmark for best practice.

The 87 scores obtained make up the unit's "ethical profile", providing an outside view of its ethical and corporate responsibility performance. A report is prepared outlining the existing situation, the assessment results and, if necessary, recommended actions, preferably based on best practices already used in other units.

The Ethics Committee formally presents the assessment process and findings to the unit's senior management team, which then implements the recommended action plan. A follow-up assessment is generally carried out two years after the initial assessment to measure the plan's effectiveness.

A management resource

Ethical assessment gives the unit concerned an accurate overview of how well its operations comply with Total's principles and how well it is satisfying its internal and external stakeholders.

This means the unit can compare performance with expectations, offering a clearer vision of its practices. In turn, this enables managers to rank compliance priorities, while respecting the distinctive nature of local challenges and requirements.

At Group level, assessment enhances the consistency of corporate social responsibility policies, enabling them to be compared and a database of best practices to be created. This in turn promotes and facilitates the sharing of best practices across Total.

Although situations vary from one country to another, units often face similar dilemmas, which underscores the benefits of having more effective information sharing on these issues. Available on the intranet since early 2006, a database of best practices provides responses for other units that are reviewing their practices and looking for ways to improve.

Assessment Results

Examples of results reported in certain subsidiaries assessed since 2002:

	Best Practices	Practices to be improved
Shareholders	Methodical, regular reporting	No promotion of the Code's values
Employees	Effective consultation systems and processes High level of safety at operational sites	Individual performance reviews Unclear disciplinary and grievance procedure
Customers	Efficient customer service Continuous product improvement processes	Customer feedback not consistently taken into account No formal gift policy
Suppliers	Strict control of compliance with safety regulations Clear contracts, flexible terms and conditions	Not enough due diligences Insufficient promotion of corporate social responsibility Inconsistent gifts and entertainment policies
Business partners	Clear contractual clauses Effective data protection	Incomplete assessment of the partner's ethical risk Code of Conduct not promoted outside Europe
Host countries	Involvement in local projects outside Europe Open dialogue with sensitive communities	Environmental risk management Employees not encouraged to participate directly in local projects

1.6.3 ***Listening and advising***

We implement a process for listening to and dialoguing with employees through our human resources policy. Its centerpiece is the annual performance review most employees¹ have with their managers. One aspect of this review deals directly with issues related to the Code of Conduct.

A survey is also conducted every two years to find out how employees feel about the major areas of conduct within the company. In 2009, more than 64,000 people working at 291 sites in 92 countries were surveyed. The response rate was 68%.

Listening is one of the four Total Attitude cornerstone behaviors introduced in 2007. The others are mutual support, cross-functionality and boldness.

Lastly, backing up the primary role of managers in the application of our business principles, the [Ethics Committee](#) is available to help Total employees with questions or concerns related to the Code of Conduct. Its confidential assistance is a core focus of the Committee's [ethics process](#).

¹ In 2010, 99% of Total affiliates had introduced such a process.

1.7. Recent achievements

This information is collected for the Communication on Progress in line with our [UN Global Compact](#) report.

1.7.1 Distributing and adapting the Code of Conduct

Since 2000, more than 400,000 copies of the Code of Conduct have been distributed.

Since the Business Integrity Guide was published in March 2008, approximately 50,000 copies have been distributed.

A [Human Rights Internal Guide](#) was published in June 2011 as a complement to the Code of Conduct. It explains Total's Human Rights Policy and helps employees in decision-making by providing practical examples.

1.7.2 Raising awareness

Each year, the Ethics Committee takes part in more than 30 management meetings, business seminars and training sessions. Together with Total University, the Committee also organizes an average of five dedicated seminars a year in various countries, such as Argentina, Belgium, Canada, China, France, Nigeria, Russia and South Africa. In 2010, the Committee participated in 41 events including the dedicated seminars.

1.7.3 Assessing

In 2010, ethical assessments of eight affiliates and one investment project were carried out in conjunction with GoodCorporation. Since 2009, more than 60% of ethics processes are operating satisfactorily, 25 to 30% could use improvement and 10 to 15% are in need of strengthening.

1.7.4 Listening and advising

In 2010, the Committee also handled 34 cases and responded to 39 requests for advice, in particular regarding interpersonal relations and integrity issues.

1.7.5 Reporting

The Committee presented a full-year review to the Executive Committee and the Board of Directors early 2011.

2. MEASURES RELATED TO HUMAN RIGHTS AND WORK STANDARDS

Management's ongoing commitment to the process

"Respecting Human Rights in our activities remains a key requirement for us, working as we do in over a hundred countries, against varied, often challenging, cultural and political backdrops. It is therefore natural that Human Rights are one of the foundations of the common values that underpin our Group's identity and our ethical commitments everywhere we operate."

(Christophe de Margerie, June 2011, Introduction to the Human Rights Internal Guide)

Ongoing implementation

- In 2008, a Compliance and Corporate Social Responsibility Department was created within Corporate Legal Affairs, notably comprised of legal specialists in the area of Human Rights;
- In connection with the 60th anniversary of the Universal Declaration of Human Rights, an internal awareness campaign was carried out at our main Paris offices which included the distribution of information brochures and the signature of a "CEO Statement" on the Global Compact by the Group's CEO;
- Presentations on our Ethics Process (approximately 40 annual presentations including dedicated seminars) were made to heighten our employees' awareness of human rights and of the procedures implemented within the Group;
- In 2009, an assessment tool on the compliance of the Group's activities with human rights standards was created and tested in Angola in partnership with the Danish Institute for Human Rights. In 2010, it was implemented a second time in South Africa.
- In 2011, a Human Rights Internal Guide was designed to provide employees with support and guidance about human rights.

Ongoing management

- Human rights included in the guidelines for ethical evaluations that are carried out annually (8 affiliates and 1 investment project assessed in 2010);
- Training of Group employees on human rights during worldwide sessions;
- Strengthening human rights policies and, in particular, the VPSHRs in the subsidiaries that are exposed to risks related to security;
- Making three special presentations related to VPSHRs;
- Following an agreement between the government of Angola and Total, opening 4 high schools dedicated to excellence providing complementary courses in sciences and in foreign languages.
- Joining the Global Business Initiative on Human Rights, an association of companies from different business sectors and countries intended to promote human rights and share good practices;
- Participation in the work of the Global Compact Human Rights Working Group, the Global Compact new platform LEAD and the United Nations Special Representative of the Secretary General on the issue of human rights and transnational corporations.
- Total's commitment for advancing equality between women and men by signing, in 2010, the Women's Empowerment Principles – Equality Means Business defined by the United Nations Global Compact.

Additional information

- [Human Rights](#)
- [Our Ethics Process](#)
- [Human Resources](#)
- [Working for shared development](#)
- [Total in Sudan](#)
- [Total in Burma](#)

2.1. Upholding Human Rights

2.1.1 Our position and commitments

We are committed to ensuring that human rights are upheld in our sphere of operations in all host countries where we do business.

In December 2008, on the occasion of the sixtieth anniversary of the Universal Declaration of Human Rights (which Total celebrated by signing the U.N. Global Compact CEO Statement), Christophe de Margerie stated that: *“Support for human rights is an absolute imperative for any socially responsible company. Respect for human rights must inform and guide the way we treat our employees, contractors and stakeholders at all times; it creates an obligation of vigilance on behalf of our host communities, especially in countries where human rights are not fully upheld.”*

In October 2010, Christophe de Margerie reiterated Total’s commitment to an absolute respect for human rights in front of a hundred of worldwide business managers during the International Business Consultation, organized at the headquarters of the Medef in Paris by Professor John Ruggie, the United Nations Special Representative of the Secretary General on Human Rights and transnational corporations and other business enterprises.

Human rights are universal and play a fundamental role in development.

Our businesses lead us to set up long-term operations in many developing countries. As a major economic player, our conduct there must be exemplary, especially in terms of upholding and promoting civil, economic and social rights.

In situations in which insecurity prevails, we deploy internal processes to prevent human rights incidents within our sphere of operations. Operational managers are expected to exercise vigilance on a day-to-day basis and to ensure that the behavior of their teams is above reproach.

Total respects national sovereignty and maintains a positive working relationship with government authorities. Stressing dialogue all the way up to the highest levels, we reserve the right to voice our beliefs about the need to uphold human rights when it impacts our operations, employees, shareholders or partners.

We do not remain in countries in which we would be unable to apply our [Code of Conduct](#) in our activities or in countries embargoed or boycotted by the United Nations or the European Union.

2.1.2 Human rights in our ethics process

Our values and principles are set out in various resources, including the [Code of Conduct](#) and the Ethics Charter, the foundation of Total's [ethics process](#).

The Code of Conduct serves as a reference and guide for employees, both in their daily decisions and their relations with stakeholders.

The Code formally recognizes our support for the principles of the 1948 [Universal Declaration of Human Rights](#), the [key conventions of the International Labour Organization](#), the [OECD Guidelines for Multinational Enterprises](#) and the principles of the United Nations [Global Compact](#).

Mindful that the respect of the four bedrock documents of our Code of Conduct impacts our employees as much as our external stakeholders, we commit to promoting and upholding human rights in business activities.

Adoption of specific guidelines and charters

Total subsidiaries adopt specific ethics guidelines and charters whenever it seems necessary to clarify priority human rights issues in a particular situation. Aligned with our Code of Conduct, these documents are designed to extend or accentuate certain principles or rights mentioned in it. They can also serve as reference documents for contracts.

[Total E&P Myanmar](#) and [Total E&P Sudan](#) are two examples of subsidiaries that have adopted specific charters that they publicize in their business and institutional dealings.

Find complete information on website to Total's presence in [Myanmar](#) and [Sudan](#).

2.1.3 Implementation

Education

Lately, we worked on the realization of a [Human Rights Internal Guide](#) to strengthen vigilance and raise awareness of our employees on human rights issues. The Guide will be published in June 2011.

An awareness campaign was conducted in-house to mark the sixtieth anniversary of the Universal Declaration of Human Rights. Explanatory brochures were distributed at our main Paris area sites and Christophe de Margerie signed the Global Compact CEO Statement.

All presentations on our ethics process pay special attention to human rights and procedures in place at Total.

Human rights issues are explored on various [intranet sites](#) open to all employees:

- **Ethics site**

The [Ethics intranet site](#) offers transparent information about all of our topics of focus, including free competition, anti-corruption and, of course, human rights. Employees can also find reference documents such as Total's Code of Conduct and our international frames of reference there, as well as many external and internal links they can click on to learn more.

- **Security site on the Voluntary Principles on Security and Human Rights**

This site strives to educate Total employees, especially those exposed to security risks about human rights and describes our action priorities for implementing the [Voluntary Principles on Security and Human Rights](#) (VPSHR). A dedicated site including practical exercises is available.

- **Sustainable Development and Environment site and Exploration & Production's Community Development site**

These sites deal with issues related to the handling of major community and environmental challenges and present Total's real-world initiatives and policy in this area. The "Human Rights" sections consist mainly of content about stakeholder relations and community development policies.

- **Human resources site**

This site covers work-related human rights issues, with content dealing with [diversity](#), [fairness](#) and all forms of harassment.

Human Rights Coordination Committee

In order to spell out our human rights positions and initiatives, Total has created a Human Rights Coordination Committee, organized by the Ethics Committee Chairman. An informal discussion forum that meets every other month, its members include representatives of the International Relations, Institutional Relations, Corporate Legal Affairs, Corporate Communications, Security, Sustainable Development and Human Resources Departments.

The meetings mainly address international initiatives, human rights tools and resources under development and the expressed expectations of civil society. The introduction of specific internal policies and procedures (in progress or pending) is also discussed.

Training for Total employees

Total covers human rights issues in existing seminars:

- **Our Ethical, Environmental and Social Responsibilities seminar**

This [seminar](#) covers how we implement our ethical, environmental and social responsibility policies in the field. It helps managers better understand our action priorities and presents the tools and methods available to them. Human rights are discussed in some of the workshops offered.

- **Ethics & Business seminar**

This [seminar](#) details procedures for implementing the ethics process across our businesses. Human rights are covered in a specific presentation that includes the *Voluntary Principles on Security and Human Rights* and are incorporated into the seminar's workshops.

- **Business & Human Rights seminar**

Developed internally based on the International Petroleum Industry Environmental Conservation Association (IPIECA) kit, this seminar is available to business units who request it.

- **Voluntary Principles on Security and Human Rights seminar**

Aimed at Total employees and contract personnel potentially exposed to security risks, this seminar focuses on related human rights issues, using the VPSHR as a starting point.

Total uses the [Human Rights Training Toolkit](#) for the Oil & Gas Industry for these seminars. Devised by [IPIECA](#), this external toolkit aims to explain the human rights issues specific to extractive industries and to highlight the industry's initiatives. A member of the association's Social Responsibility working group, we played an especially active role in creating the toolkit.

2.1.4 Monitoring

For several years, we have worked with three external organizations to assess our practices. In 2010, we renewed all three arrangements for a two or three-year period depending on the partner.

Ethical assessments

Since 2002, the Ethics committee has worked with a consulting firm [GoodCorporation](#) to conduct [ethical assessments](#) of subsidiaries/entities in their dealings with stakeholders –customers, suppliers, partners, shareholders and host countries. The aim is to check their understanding and application of the Code of conduct. The assessment is based on 87 indicators, a quarter of which relate to human rights. From 2002 to 2010, more than 80 assessments have been completed.

In 2010, a pilot project in Angola – the first Total's investment project to be assessed - has been launched with the assistance of GoodCorporation. The objective is to promote good practices and fundamental principles in the supply chain by verifying the compliance of the suppliers' practices and policies with our standards.

Self-assessment process on human rights risks and compliance

In September 2006, Total joined the Human Rights and Business Project created by the [Danish Institute for Human Rights](#).

Through this project, a dedicated tool for businesses - the Human Rights Compliance Assessment (HRCA) - has been designed to gauge the human rights risks and compliance of their own activities and raise human rights awareness by stimulating collective deliberation and discussion.

The questionnaire is based on the Universal Declaration of Human Rights and 80 fundamental international conventions and covers civil and political rights, economic and social rights, and the right to development.

The HRCA was later adapted to Total's specific situation. The tool is now comprised of 30 to 100 questions and is adaptable depending on the country risk, the subsidiary's business and the sensitive situations which it may face.

The Danish Institute for Human Rights gave its own account in our Society and Environment Report 2009.

The HRCA was tested in Angola in 2009. As the participants provided the Group with good feedback, it has been implemented a second time in South Africa in 2010.

Social implementation assessment

[CDA Collaborative Learning Projects](#) is a not-for-profit organization working in the field of economic and social development. It has introduced a program to educate multinationals on how their activities impact regions affected by sociopolitical pressures or conflicts.

We support this program and include its insights in our internal analysis.

Several case studies examining [our presence in Myanmar](#) between 2002 and 2010, in Sudan in 2005 and in Mauritania in 2006 were independently performed by CDA. The reports are available on [CDA Web site](#).

2.1.5 Initiatives to promote human rights

Global Compact

Total has participated in the [Global Compact](#) since 2002. Businesses are encouraged to publish a description of how they support the Global Compact and its 10 principles in their annual or corporate responsibility reports. These are known as “Communications on Progress.” Total has made a formal commitment to uphold the first two principles of the Global Compact on human rights and regularly reports on our initiatives in this area.

We also take part in a number of working groups coordinated by the Global Compact, such as the Human Rights Working Group, the Responsible Investment in Conflict-Affected Countries Working Group and the Anti-Corruption Working Group.

In late 2010, Total was admitted to Global Compact LEAD, a new platform of 54 companies advanced in corporate social responsibility. The official launch took place in Davos in January 2011.

Environment and Society report

In accordance with France’s New Business Regulations (NRE) Act, we report annually on our social responsibility and environmental progress in our *Environment and Society* report and on our corporate Web site, www.total.com.

Global Business Initiative on Human Rights (GBI)

The [Global Business Initiative on Human Rights](#) is an international initiative created in June 2009 to promote respect for human rights in the business world. Total joined the GBI on its creation, making us a founding company. As such, we participate in topical and regional working groups.

This forum for discussion has member companies based all over the world working in a variety of sectors and aims to share examples of good human rights practices and tools. Regional and national forums are organized regularly to initiate dialogue with as many stakeholders — businesses, contractors, customers — as possible in various parts of the world. The GBI has developed a partnership with the Swiss government, the Global Compact and the non-profit Partners in Change, based in India. The GBI also works closely with international agencies specializing in human rights, such as the team of the United Nations Secretary-General’s Special Representative John Ruggie and the Danish Institute for Human Rights.

UN Special Representative on business and human rights, Professor John Ruggie (2005-2011)

Total was a full participant in the consultation process conducted by the United Nations Special Representative of the Secretary General on the issue of human rights and transnational corporations, Professor John Ruggie, who served two consecutive terms over the period 2005-2011.

The framework developed by the Special Representative is based on complementary responsibilities and comprises three core principles: the State has the duty to protect its citizens against human rights abuses by third parties, including businesses; companies must respect human rights, and effective access to remedies are supposed to be implemented both by States and companies in the event of human rights violations. The framework was approved by the United Nations in 2008 at the end of Pr. John Ruggie’s first term.

In 2011, the Special Representative proposed a set of “Guiding Principles on Business and Human Rights”. They provide recommendations for the implementation of the: United Nations “Protect, Respect and Remedy” framework. The UN Human Rights Council has endorsed these Guiding Principles on 16 June 2011 by unanimous vote at the end of Pr. John Ruggie’s second and last mandate.

We have spelled out our position vis-à-vis the initial draft of the framework and since 2005 have been attending and taking part in several consultations, meetings and working groups lead by the Special Representative and his team.

During the [International Business Consultation](#) organized in October 2010 by Pr. John Ruggie, Christophe de Margerie - Chairman and Chief Executive Officer of Total - offered [his support](#) to the "Protect, Respect, Remedy" framework and encouraged businesses to implement it.

In a [letter](#) sent to John Ruggie on 23 May 2011, Peter Herbel, Total Senior Vice President and General Counsel, reaffirmed Total's support and stated that "*We believe that these guiding principles will help companies to better understand their roles in the Human Rights field.*"

In addition, the Compliance and Social Responsibility Department (Group Legal Department), together with the legal departments of Total branches Exploration and Production and Refining and Marketing worked closely with the working group on responsible contracting established by Pr. John Ruggie.

On 25 and 26 June 2009, Total participated in the [workshop](#) organized in Paris with 20 experts from various sectors (international organizations, businesses, lawyers, academics and others). The objective was to list key issues relating to investment contracts and human rights. Subsequently, Total has maintained close collaboration with Pr. John Ruggie's team, in particular with Andrea Shemberg, Legal Adviser to the Special Representative.

Security and human rights

Our approach to security in terms of using private or public security personnel is based on the *Universal Declaration of Human Rights*, the *United Nations Basic Principles on the Use of Force and Firearms by Law Enforcement Officials* and the *United Nations Code of Conduct for Law Enforcement Officials*.

[Total's Corporate Security Policy Statement](#) confirms the overriding priority of employee security, which can be threatened in some situations, and defines our business principles with respect to security.

We support the recommendations of the [Voluntary Principles on Security and Human Rights](#) (VPSHR) published in 2000 under the auspices of the U.S. State Department and the U.K. Foreign Office. The *Voluntary Principles* guide companies in maintaining the safety and security of their operations while ensuring respect for human rights and fundamental freedoms.

After drafting an operational guide in 2004, in January 2008 we published a new guideline citing five priorities: formal relations between subsidiaries and governments, hiring criteria for security personnel, training for security personnel, rules for the transfer of equipment, and procedures for responding to human rights violations. The core objective is to clarify the circumstances under which security forces are authorized to intervene in a dangerous situation.

Managing security is based on risk prevention, planning for potential crisis situations, training and dialogue. Like other companies, Total sometimes uses external security personnel to protect our employees and facilities. To forestall problems, we make it our top priority to ensure effective coordination between security teams and employees in charge of community relations, an outreach effort that promotes good local integration and thereby minimizes risks.

2.1.6 Respect for people

As Christophe de Margerie wrote in his introduction to the Code of Conduct: “*Respect [is] the source of sustainable, trust-based operations and relations.*”

We expect employees to adhere to the highest standards of integrity, loyalty and responsibility. We pledge to pay particular attention to their working conditions, respect them, avoid discrimination, and protect their health and safety, whatever the political or social environment or difficulties encountered in the host country.

We must be constantly vigilant, both in our own organizations and with regard to our contractors, to ensure that our employees and those who work for us indirectly are treated with respect.

Fostering diversity

Over 130 nationalities are represented in our workforce. This diversity of cultures and ways of thinking is one of Total’s core strengths. It stems from a proactive commitment that is overseen by our Diversity Council, which tracks ongoing [initiatives to increase the number of women and non-French employees](#) , right up to the highest levels of management.

In 2010, Total expressed its support for advancing equality between women and men by signing the [Women's Empowerment Principles –Equality Means Business](#) defined by the United Nations Global Compact. The Principles present seven steps that business and other sectors can take to advance and empower women.

At Total, promoting diversity is also synonymous with combating all forms of discrimination, for which dedicated resources have been introduced. Gender diversity and internationalization of teams are not the only issues to be considered. We also work [to integrate the disabled and maintain them in their jobs](#) and [combat discrimination against visible minorities](#).

Tackling harassment

Moral and sexual harassment in the workplace are not tolerated at Total. Employees who think they are victims of sexual harassment are encouraged to report it, while training enables people to understand how moral harassment works, its consequences and the law regarding it.

Ensuring good working conditions

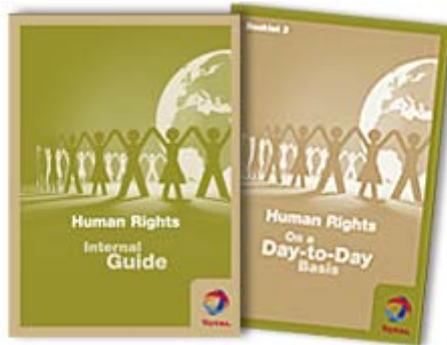
[Establishing good working conditions to protect the health and safety of everyone](#) is a key component of respect for people.

2.1.7 **Recent achievements**

This information is collected for the Communication on Progress in line with our [UN Global Compact](#) report.

Following the success of [the Integrity Guide](#), it seemed to us that developing a similar approach in the field of human rights would be worthwhile.

In 2010, the Compliance and Corporate Social Responsibility Department together with the Ethics Committee worked on a Human Rights Internal Guide to provide all employees with support and guidance about human rights. The Guide, deriving from the Code of Conduct, compiles existing policies and adds to recommendations that have already been given.



Human Rights Internal Guide and Human Rights on a Day-to-Day basis (2 booklets)

Our Human Rights Internal Guide is divided into two booklets:

- The first booklet spells out precisely the Group's human rights approach and three major themes which are a priority to our industry: human rights in the workplace, human rights and local communities, and human rights and security. For each topic, employees have access to international standards, Group's recommendations and relevant tools.
- The second booklet further examines our relationships with stakeholders in specific human rights situations already encountered in the Group or in the industry. These practical examples can help concretely our employees in decision-making.

The Guide was published in June 2011 both in French and English.

3. MEASURES RELATED TO THE ENVIRONMENT

What we do lies at the intersection of two of the greatest challenges facing the world today and tomorrow – energy supply and environmental protection. Our responsibility as an energy producer is to meet both of these challenges as best we can and in a sustainable way. In practical terms, that means managing our energy use and offering our customers ways to do the same. More important, it also means developing an energy model that combines fossil fuels with low-carbon energy sources, to satisfy energy demand without interruption while at the same time protecting the environment.

For more information on the measures taken by Total which are related to the environment, browse the www.total.com web site, in following sections (in Our Challenges / Preserving the Environment):

Combating climate change:

- [Energy and climate](#)
- [Reducing the flaring of associated gas](#)
- [Improving energy efficiency](#)
- [Expanding the Use of Carbon Capture and Storage](#)
- [Developing low-carbon energy sources](#)

Controlling our impacts on the local environment:

- [Our approach](#)
- [Improving air quality around our facilities](#)
- [Preserving water resources](#)
- [Protecting biodiversity](#)
- [Reclaiming Sites](#)
- [Preventing and managing accidental pollution](#)
- [Managing our waste](#)

3.1. Combating climate change

We are deploying an overarching strategy to manage and mitigate our greenhouse gas emissions. Together we expect these measures to reduce the greenhouse gas emissions of our operated activities by around 15% in 2015 from 2008 levels.

3.1.1 Energy and Climate

How can we secure energy supply for the future while at the same time combating climate change? We believe there is no single answer to that crucial question, but rather a number of separate, complementary measures to be used in combination.

The Challenges

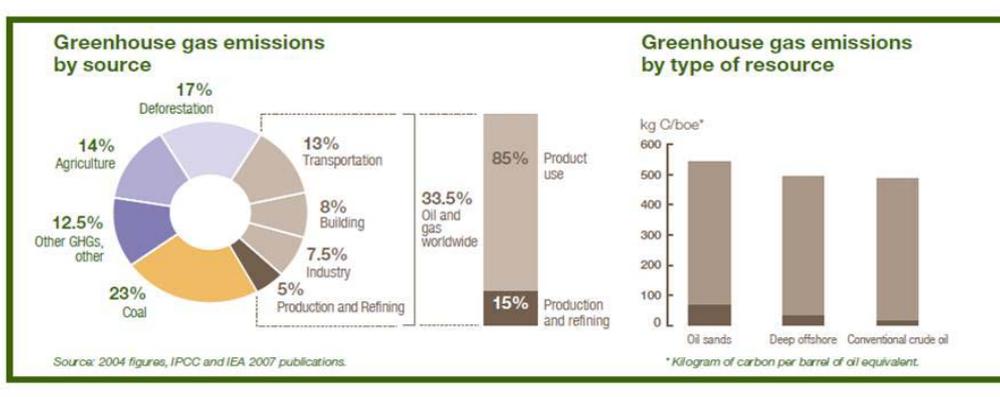
In 2010, fossil fuels (natural gas, oil and coal) accounted for around 81% of the world's energy supply. There share is expected to be around 75% still in 2030. At the same time, the International Energy Agency estimates that demand for fossil fuels could grow by nearly a third, given population growth and the rise in the average living standards.

Fossil fuels are responsible for nearly 60% of global greenhouse gas emissions generated each year by human activity. More than half of that amount - or around one-third of total greenhouse gas emissions - stems from oil and gas; the remainder comes from coal.

The consensus in the scientific community, especially the Intergovernmental Panel on Climate Change (IPCC), is that greenhouse gas emissions have an impact on climate and that an international effort is necessary to keep the resultant temperature increase to 2°C to 2100.

The oil and gas industry has a direct stake in the problem and possible solutions for curbing global emissions related to:

- Production and refining and marketing facilities, which account for an average 15% of all hydrocarbon-related carbon dioxide equivalent emissions.
- The use of petroleum products as heating or automotive fuel by customers, accounting for an average 85% of all hydrocarbon-related carbon dioxide equivalent emissions.



What Total is Doing

We believe it is our responsibility as a company that uses, produces and markets oil and gas to take steps to reduce:

- Emissions from our operated facilities: 52 million metric tons of carbon dioxide equivalent in 2010.
- Emissions stemming from the utilization our products: 627 million metric tons of carbon dioxide equivalent in 2010.

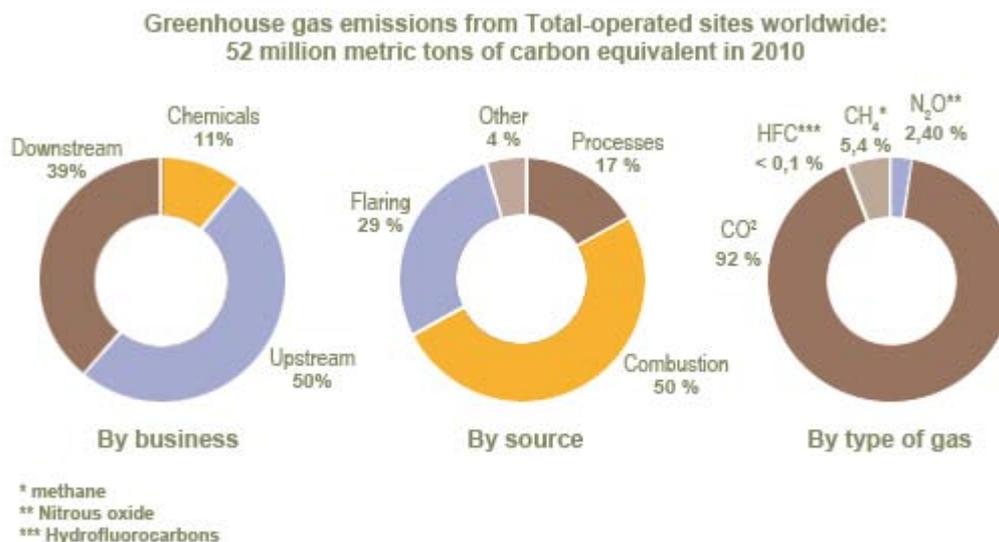
To manage and reduce greenhouse gas emissions from our facilities and the use of our products and services, we deploy a strategy targeting four strategically-related priorities:

- [Reduction of flaring of oilfield associated gas: Learn more](#)
- [Optimization of the energy efficiency of our facilities, our products and our services: Learn more](#)
- [Expanding the use of carbon capture \(CCS\): Learn more](#)
- [Development of low-carbon energies: Learn more](#)

For several years now, we have factored a carbon cost of €25 per metric ton into the design of our projects, a strong incentive to make them more energy efficient. This also allows us to respond proactively to future regulations in this area.

Together, we expect these measures to reduce the direct greenhouse gas emissions of our operated activities by roughly 15% in 2015 from 2008 levels.

We have also been working to reduce emissions from our products and services for a number of years. We have been developing innovative products and services with a **lower environmental impact over the production and use cycle** - and even on end-of-life. **All of our innovation capabilities and expertise are harnessed to this end.**



3.1.2 Reducing the Flaring of Associated Gas

In 2010, flaring of associated gas accounted for nearly 30% of our greenhouse gas emissions. We have made a commitment to cut flaring in half between 2005 and 2014. It meets the dual imperative of reducing our emissions and commoditizing a valuable energy source wherever possible.

The Basics

Oil production is usually accompanied by the production of "associated gas." Associated gas is often recovered as an energy source used directly by the production facilities or monetized (sold). However, it is sometimes necessary to burn the gas in purpose-designed units called flares, particularly in the following cases:

- For safety reasons, gas can be flared to relief pressure on the system quickly in case of emergency or during maintenance. That's why a low flame (like a pilot light on a gas-fired hot water system) is always burning in the flare; in the event of a problem, the vented gas ignites instantly. Without the flare and the flame, an extremely hazardous gas build-up could occur.
- During specific, non-routine operations, such as well tests or start-ups of new installations, the gas is flared until gas with the required properties (for transportation or re-use) is obtained.
- Where, for technical or financial reasons, the gas cannot be commoditized. This has historically been the case when the volume and/or quality of the gas has not justified investing in infrastructure allowing it to be used locally or transported. It is this latter category of continuous flaring (which represents the largest quantity) that is the priority focus of our efforts today.

What Total is Doing

A member of the World Bank's Global Gas Flaring Reduction partnership since 2005, we voluntarily pledged to halve flaring at our operated sites between 2005 and 2014.

As far back as 2000, we made the decision to eliminate continuous flaring on all new projects. This policy has guided the design of all our recent projects, such as Akpo in Nigeria, which came on stream in 2009; Pazflor in Angola, which is under construction; and CLOV in Angola, whose development began in late 2010.

Since 2006, we have also scaled back flaring at our existing installations. This has entailed improving the reliability of existing equipment and installing new equipment.

Making the Right Choice for the Local Situation

We are pursuing three main avenues for reducing gas flaring, deployed in line with the context:

- Using the gas locally, for instance in the production facilities or by selling it to local industry.
- Reinjecting surplus gas into the reservoirs, where this is technically feasible. This solution can also improve the recovery rate of oil in place.
- When large quantities of gas are discovered in the production area, converting it to liquefied natural gas (LNG) and shipping it to demand centers.

On the Amenam offshore field in Nigeria, for example, a third of the gas is reinjected and the remainder is piped to the Nigeria LNG plant on Bonny Island.

3.1.3 Improving energy efficiency

Improving energy efficiency means using less energy to achieve the same result. We are taking steps to enhance the energy efficiency of our facilities and processes. We also market products and services designed to help our customers optimize and reduce their energy consumption.

Facilities

[Enhancing Energy Efficiency at our Facilities](#)

Products and Services

[Enhancing the Energy Efficiency of our Products and Services](#)

Total Ecosolutions

[Offering Our Customers Energy-Efficient Solutions](#)



3.1.4 Expanding the Use of Carbon Capture and Storage

According to the Intergovernmental Panel on Climate Change (IPCC), carbon capture and storage (CCS) could account for nearly 20% of the reductions in global carbon emissions from energy combustion in 2050. We have our sights firmly set on becoming proficient in this technology.

How Does It Work?

Carbon capture and storage (CCS) involves recovering carbon dioxide (CO₂) at the emission source and storing it permanently underground to prevent release into the atmosphere.

Carbon capture technologies are especially well suited to industrial facilities emitting large quantities of carbon, such as power plants, cement plants, oil refineries, steel plants, petrochemical complexes and fertilizer plants. Different CCS processes are potentially applicable to 7,000 industrial sites around the world. CCS may also play a significant role in the responsible development of unconventional oil and gas resources.

However, a number of hurdles remain before these processes can be implemented on a more widespread commercial scale.

A Vital R&D Focus

We are involved in a number of R&D and demonstration projects worldwide to help make CCS viable and gain proficiency in this technology. We are exploring all options to help bring the most efficient, sustainable processes to commercial maturity and are already studying the feasibility of their implementation in growth projects, for example oil sands development, liquefied natural gas production and developing sour gas fields.

Since early 2010, we have been testing a commercial-scale integrated CO₂ capture and storage process at our Lacq complex in southwestern France . The process spans extraction, treatment and oxy-fuel combustion of natural gas, capture, treatment and transport of the carbon, then storage at a depth of more than 4,000 meters in a depleted gas reservoir. This demonstrator unit, one of the very first of its type in the world, will capture and store around 100,000 metric tons of carbon in 2010 and 2011.

Prior to start-up, a wide-ranging consultation process was engaged with local stakeholders, including site neighbors, elected officials, citizens' groups, economic and social players in the region, and scientific experts. Monitoring procedures were put in place under the supervision of independent experts, in order to assess the project's results and impacts.

In yet another program, we are cooperating with the French Petroleum and Alternative Energies Institute (IFPEN) to develop a combustion technique that incorporates carbon separation in the process and requires only a very small amount of energy. Known as chemical looping combustion, this very promising technology was successfully pilot-tested in 2010. Its commercial scale-up will continue with a larger pilot in 2013.

We are also participating in the France Nord project, as part of a partnership of public stakeholders, companies and research organizations. It will study the option of locating infrastructure for a carbon transportation and storage pilot, used by several carbon-emitting industries, in the sedimentary basin of central-northern France.

Promoting Carbon Capture and Storage

Since late 2010, we have been supporting environmental NGO Bellona, which is working to promote CCS processes worldwide.

3.1.5 Developing Low-Carbon Energy Sources

To meet growing energy demand in the decades ahead while also minimizing our environmental footprint starts with being a smarter, more frugal energy user and helping our customers do the same. It also entails working to add competitive energy solutions with a lower environmental impact to our fossil fuel offering. We are focusing on three promising pathways: solar energy, biomass and carbon chemistry, combined with carbon dioxide capture and storage. Our aim is to become a key player in all three within a decade, thereby helping to bring them to commercial maturity.

We also consider nuclear power to be a key component of tomorrow's energy mix. Our long-term goal is to become a nuclear power plant operator.

Solar Energy

[A solid commitment](#)

Biomass

[Helping to choose the best biomass options](#)

"Clean" Coal

[Realizing potential](#)

Nuclear Power

[A Long-Term Strategic Vision](#)

3.2. Controlling our impacts on the local environment

Through our activities, we are present in all parts of the world: on land and at sea, and from densely populated areas to desert regions. No matter where we operate, it is our responsibility to protect these different environments tailoring our solutions to the local context.

3.2.1 Our approach

Through our activities, we are present in all parts of the world: on land and at sea, and from densely populated areas to desert regions. No matter where we operate, it is our responsibility to protect these different environments.

Taking Environmental Factors into Account at Every Stage of the Project Life Cycle

In compliance with our Safety Health Environment Quality Charter, whenever we build new facilities or undertake major extensions to existing sites, we only launch the project once an environmental risk **assessment** has been carried out.

Prior to each project, an **environmental audit** is conducted with the help of internationally renowned experts and specialized local consultants, focusing on water, air and soil quality, biodiversity and cultural heritage. The audit then serves as a **baseline** throughout the site's operating life. Next, an **environmental impact assessment** sets out the measures to be taken during each project phase to limit the environmental impact. These assessments guide the technical decisions made throughout the project's life cycle, including with regard to decommissioning and reclamation.

Monitoring programs and regular **environmental audits** are carried out over the entire project life, all the way through to the relinquishment of the site, and improvement programs are deployed where necessary.

Enhancing Knowledge to Improve Protection

Total is involved in various R&D programs, generally in collaboration with **scientific and institutional partners**. The aim of these programs is to gain a better understanding of the areas in which we operate so that we can develop measures and technologies to protect them more effectively.

We devote 10% of our R&D capital expenditure to the continuous improvement of our environmental performance. We also invest in the development of products with reduced environmental footprints, energy efficiency improvements and alternative energy sources.

Preventing and Managing Environmental Risks

Because risks are inherent in our industrial activities, risk management is one of our core priorities. Prevention is the foundation of our approach.

It involves:

- Selecting processes whose environmental impact is systematically **assessed**.
- Designing **equipment** that is increasingly safe, reliable and efficient.
- Conducting regular **maintenance**.
- Using leak detection and other **control** and **monitoring equipment**.
- Selecting means of transportation and routes that **limit the risk** of accidents.

Despite the precautions taken, our operations can cause pollution, particularly accidental pollution. All of our sites therefore have **emergency plans** that are continuously updated and our teams regularly carry out **emergency drills**. We also have agreements with organizations specialized in pollution control.

[Preventing and Managing Accidental Pollution](#)

Lastly, we have set up a committee of experts to oversee the reclamation process so that operations can continue or new activities developed without putting people's health or the environment at risk.

MEREDIT, a New Tool to Strengthen Our Environmental Risk Management Practices

Depending on the specific topographical, geological, industrial, meteorological, ecological and other circumstances, a loss of containment (or leak) can have a variety of consequences. Modeling possible scenarios is therefore extremely complex.

Operational since 2010, MEREDIT is a new method, created by and for Total, for identifying and assessing the impacts of **accidental and chronic pollution** scenarios at our sites. Using the term "environmental" in its broadest sense, this includes the consequences for local residents, ecosystems and economic activities.

MEREDIT enhances the approach based on the expertise of environmental auditors by systematically integrating all of the possible scenarios.

Based on the results of around **50 tests conducted over five years** at various sites with very different characteristics, MEREDIT benefits from extensive feedback from real-world incidents and accidents.

Continuously Improving and Deploying External Audits

We have deployed an Environmental Management System (EMS) at our sites that complies with **ISO 14001**, which provides a framework for achieving continuous improvement in environmental performance. ISO 14001 certification is awarded by accredited independent organizations following an audit of the site concerned. These audits are carried out on a regular basis, in order to renew certification.

At the end of 2010, 287 sites had earned ISO 14001 certification, including **92% of our major sites in terms of environmental implications**. Major sites are defined as those that account for 90% of the main environmental indicators of each business, such as atmospheric emissions and freshwater withdrawals.

We freely submit a number of key reporting indicators to external auditors to monitor our environmental performance. In 2010, this task was entrusted to Ernst & Young and KPMG.

External audits focus on the environmental data consolidated at the corporate and business levels, and on the data reported by a sample of business units in France and worldwide. The sample is selected each year based on each unit's relative contribution to Total's aggregate results, the previous year's results and a risk analysis. External auditors have an obligation of independence, which is defined by the law and by their professional code of ethics.

3.2.2 Improving air quality around our facilities

We are working to reduce our atmospheric emissions, focusing in particular on sulfur dioxide (SO₂), nitrogen oxides (NO_x) and volatile organic compounds (VOCs). Our aim is to maintain both the air quality around our facilities and the health of those who work at our sites or live nearby.

Sulfur Dioxide (SO₂)

Unrefined hydrocarbons are made up mainly of hydrogen and carbon, but also contain sulfur compounds. This is why their combustion generates sulfur dioxide (SO₂) emissions, which have an **acidifying effect on air and water**. Sulfur compounds can also cause **foul odors**.

Several years ago, we launched a **program to reduce our overall SO₂ emissions** and prevent occasional peaks in SO₂ levels, which are a source of discomfort for our neighbors. The results are already impressive. **Aggregate SO₂ emissions from our refineries have declined by 48%** since 2004.

The number of sulfur dioxide peaks has also been reduced, thanks to an ongoing effort begun several years ago, which is based on:

- **Forecasting and modeling atmospheric emission dispersion**, using a tool that enables us to adjust unit operation and shorten response times, which has already been installed at the Donges, Normandy and Provence refineries in France.
- **Targeting spending to upgrade the plants with the highest emissions**. In 2010, for example, a high-pressure gas stripper was brought on stream at the Feyzin refinery.
- **Heightened vigilance by operators, who are being asked to monitor specific indicators**, follow tighter procedures and adopt best practices.

Nitrogen Oxides (NO_x)

All combustion processes involving air release nitrogen oxides. In the presence of sunlight, these compounds are **precursors to ozone formation** in the lower layer of the atmosphere (troposphere). Ozone is an oxidant that is harmful to health and the environment.

Our Chemicals business has succeeded in stabilizing the NO_x emissions of its boilers and furnaces. Efforts continue in this area, both in the Chemicals business and across Total, based on:

- **Prevention measures**, such as the gradual deployment of low-NO_x burners at certain sites and, since 2005, at all new or upgraded Upstream units.
- **Corrective measures**, such as the installation of flue gas denitrification and urea production systems. The Vlissingen (Netherlands), Leuna (Germany) and Provence (France) refineries have all been retrofitted with flue gas denitrification systems using urea or ammonia as a reagent.

In addition, we market AdBlue, which **reduces the NO_x emissions in diesel engine exhaust by 85%**.

Volatile Organic Compounds (VOCs)

Volatile organic compounds (VOCs) pose **three types of potential risks** — photochemical pollution, health risks and odors. Eliminating VOCs is a complex challenge due to the **great variety of sources, compounds and diffusion situations** involved.

We combat VOC emissions in a number of ways:

- By equipping our sites, right from the project design phase, with a **recovery network linked to most sources of VOC emissions**. In recent years, we have also installed floating roofs on tanks at our petrochemicals sites, containing such products as benzene and gasoline, to limit VOC emissions at the source.
- By stepping up and optimizing the use of **vapor recovery systems** during loading and offloading. This type of equipment was installed at the Carling and Gonfreville petrochemical plants in France, for example, to minimize benzene emissions.
- **By conducting regular detection campaigns** using infrared cameras and “sniffer” systems.

Greenhouse Gases

Our activities generate greenhouse gases. We are pursuing a set of measures that should enable us to **cut the direct greenhouse gas emissions from our operated activities by around 15%** between 2008 and 2015.

[What We're Doing to Tackle Climate Change](#)

3.2.3 Preserving water resources

Water is a natural resource that can sometimes be hard to access. That's why we constantly strive to optimize our water use and improve the quality of the water we discharge.

Optimizing Water Use

The need to optimize our water use applies to all of our activities and businesses. In 2007, we published a on this topic to:

- Share **best practices** across Total.
- Help our sites set **targets** for reducing their water use.

We focus in particular on sites where industrial water requirements compete with other important uses, such as household consumption and agriculture, tailoring our solutions to the local context and to seasonal constraints.

Preserving Water Quality

When oil or gas is extracted from a reservoir, water is also brought to the surface. It is known as produced water. Although initially low, the amount of produced water increases as the field matures.

Our priority is to reinject produced water into the reservoirs. This allows us to maintain reservoir pressure and enhance oil recovery, as the water acts as a piston, pushing the oil toward the wells. It also means that the **produced water is recycled, limiting both use and discharges.**

This approach requires the implementation of **complex processes** like **membrane ultrafiltration** to ensure that the recycled water will not interfere with reservoir permeability or impede the flow of oil to the well. Concretely, this means preventing the microchannels that run through the reservoir from getting clogged up.

If reinjection is not feasible, water is treated before being discharged into the natural environment. For each site, we limit the **oil content of discharges to 30 milligrams per liter in offshore areas. Onshore and in coastal waters, our target is a maximum of 10 milligrams per liter.**

Upgrading Our Facilities and Deploying Best Practices

More generally, we are implementing effluent quality improvement programs and upgrading or retrofitting our facilities as needed, on a case-by-case basis. We also encourage our teams to **share best** practices to ensure their widespread use.

- At the **Feyzin** refinery in France, the construction of a dissolved-air flotation unit, which separates water from suspended matter such as oils and solids, has reduced the overall chemical oxygen demand (COD) of discharged water by 20%.
- At the **Grandpuits** refinery, also in France, better management of effluents has increased recycling and reduced the facility's water use by 14%.
- At the **Antwerp** refinery in Belgium, the oil content of discharges has been reduced by 55% thanks to the strict application of best operating practices.

Proactively Responding to Changing Regulations

We pay special attention to trace pollutants and hazardous substances. In 2009, we launched a **research program** on hazardous substances at our major Chemicals facilities in Europe, which continued in 2010 with field **analysis campaigns**.

Our aim is to **proactively respond** to the tightening of chemical and environmental quality requirements for receiving water bodies such as oceans and rivers. This trend is reflected in many countries' regulations on water quality and enshrined in the European Union's Water Framework Directive.

Preventing and Managing Accidental Pollution

Our efforts to fight marine and freshwater pollution focus on prevention. Through **constantly updated emergency response procedures, regular drills** (spill simulations and equipment deployment drills), and agreements with organizations specialized in pollution control, we have consolidated our ability to fight accidental pollution in any circumstances.

[Preventing and Managing Accidental Pollution](#)

3.2.4 Protecting biodiversity

Operating in or near a variety of habitats, including lagoons, oceans, tropical and boreal forests, mangroves, tundra, deserts, coastal waters and the Arctic, we are firmly committed to protecting local ecosystems.

In 2005, we developed a Biodiversity Policy setting out the objectives that guide our initiatives:

- Minimize the **impact** of our activities on biodiversity.
- Integrate **biodiversity** issues in our environmental management system.
- Pay special attention to regions whose biodiversity is particularly rich or vulnerable.
- Take part in scientific **research** and help to improve our **knowledge** of biodiversity.

To ensure the proper application of this policy, a **practical guide to biodiversity** was published in 2007.

Total has been working to preserve biodiversity for many years. Initially dedicated exclusively to protecting biodiversity, the Total Foundation has supported more than 200 research projects since its creation in 1992.

Minimizing Our Impact

Biodiversity is an integral part of the baseline surveys and environmental impact assessments conducted prior to each project. Our aim is to gain **knowledge and understanding of the ecosystems** in the areas in which we operate, **assess** their vulnerability, **identify the related environmental and/or social and economic issues** and develop the most appropriate technical approach. Our studies also **define the protective measures** to be taken, such as creating wildlife corridors, reducing land use and preventing the introduction of invasive species. They enable us to **identify, on a case-by-case basis, the indicators necessary to gauge the effectiveness** of our initiatives.

In Yemen, for example, **a coral reef containing nearly 80 different species was discovered** during the environmental baseline survey undertaken prior to the launch of our Yemen LNG liquefaction plant project. This led project teams to:

- **Redesign part of the plant** and modify plans for shoreline work in the port of Balhaf to reduce the impact of construction on ocean currents and coral and fish communities.
- **Adapt the shore retaining wall** and install silt curtains to protect the coral colonies from sediment during construction work.
- Ensure that **cooling water from the plant is discharged farther out to sea** to protect nearby coral.
- **Move 1,500 coral colonies** that were located in exposed areas. This was the biggest coral transplantation project ever undertaken anywhere in the world.

Scientists will continue to monitor the coral throughout the plant's operating life. As part of this project, Yemen LNG forged a **scientific partnership** with the International Union for Conservation of Nature (IUCN) to set up an **observatory** of marine biodiversity.

TIGF, Protecting Biodiversity in France

TIGF, the Total subsidiary specialized in natural gas transmission and storage in France's southwest, signed a Biodiversity Charter in July 2010 that provides for a variety of projects and initiatives. They include the development of partnerships with private sector operators, public authorities and non-profit organizations involved in biodiversity issues; the signature of a multi-year agreement with the Conservatoire Régional d'Espaces Naturels d'Aquitaine, an association set up to protect the natural environment in France's Aquitaine region; and the creation of a database of local plants and wildlife.

In September 2010, TIGF also signed a corporate philanthropy agreement with the Landes de Gascogne Regional Nature Park, to help finance the reforestation of 15 hectares of land. One month later, the company held its first biodiversity seminar, which was approved by the French Ministry of Ecology, Energy, Sustainable Development and the Sea as an International Year of Biodiversity event.

Broadening Our Knowledge

We take part in scientific research and the advancement of knowledge through our research centers, the Total Foundation and the many research programs conducted with other organizations, including the French oceanographic research institute IFREMER, the World Conservation Monitoring Centre and the International Union for Conservation of Nature (IUCN).

We have also supported the French Foundation for Research on Biodiversity (FRB) since its creation. Launched by the Ministers of Ecology and Research in March 2008, the FRB aims to facilitate the development, support, leadership and promotion of research on biodiversity. In 2010, we chose to support a study on the value of biodiversity initiated by the FRB **and in 2011 we are partnering its flagship program on biodiversity modeling and scenarios.**

[Find out more about the Foundation for Research on Biodiversity](#)

In addition to these initiatives, we have created biodiversity observatories at several sites representative of the diversity of our businesses, both in France, at the Feyzin refinery and the reclaimed chemicals site in Prémont, for example, and abroad, at the liquefaction plant in Yemen. Through these observatories, we hope to:

- **Foster dialogue** among stakeholders, including experts, NGOs and local authorities and communities.
- **Gather reliable data over a long period** to target our action plans more effectively.
- **Make a significant contribution** to scientific knowledge.

Expanding Our Knowledge Base to More Effectively Protect Biodiversity

In June 2010, a large-scale **environmental monitoring campaign** was conducted around N'Kossa, one of our offshore oil fields in the Congo. The campaign was undertaken in partnership with respected researchers and laboratories, including French oceanographic institute IFREMER, the University of Angers, Institut de Recherches Internationales et Stratégiques (IRIS) and the Total Petrochemicals research center.

The aim was to assess the accuracy of various innovative tools for evaluating the state of the deep ocean, including microorganism analyses, biomarkers and ecotoxicological tests. The results are currently being processed. The most effective methods will be deployed on a large scale in the near future, giving us better control over the environmental impact of our oil and gas operations.

A Geographic Information System to Preserve Biodiversity On and Around Our Sites

We are currently finalizing a geographic information system (GIS) that will show the locations of our facilities with respect to protected areas, such as those defined by the International Union for Conservation of Nature (IUCN), UNESCO (Man and the Biosphere program and the World Heritage Convention) and the Ramsar Convention².

We have access to regularly updated information through an agreement signed with the World Conservation Monitoring Centre, the biodiversity information and assessment arm of the United Nations Environment Program (UNEP).

The data provided by the system will enable managers to make any necessary changes to the **biodiversity protection measures** at their sites and **develop biodiversity protection plans** tailored to their context, in partnership with local stakeholders.

² The Convention on Wetlands of International Importance, called the Ramsar Convention after the Iranian city where the treaty was adopted in 1971, is an intergovernmental treaty that provides the framework for the conservation and wise use of wetlands and their resources.

3.2.5 Site reclamation

Although in compliance with the regulations in effect at the time, some of our facilities have nevertheless resulted in soil pollution. We systematically remediate polluted sites and soil. Our aim is to enable operations to continue or new activities to be developed without putting people's health or the environment at risk.

Preventing and Managing Pollution

Our approach is based on:

- **Preventing leaks** by applying the highest engineering and operating standards.
- **Conducting regular maintenance** to identify weaknesses and maintain facilities at their rated capacity.
- **Monitoring the environment** to detect any changes in soil quality.
- **Preventing the spread of pollution resulting from past activities** through containment or reduction efforts.

Several years ago, we set up a committee of experts to oversee the site reclamation and soil remediation process. The committee is responsible for:

- **Coordinating** our soil and water pollution prevention and remediation policy.
- **Overseeing site reclamation programs** (while operations are ongoing) and final reclamation plans consistent with the future land use (after site closure).
- **Facilitating experience sharing** among our various units.

In 2008, we drew up an extensive set of **guidelines and sophisticated tools to manage contaminated sites and soils**, with a view to preventing, managing and mitigating risks. The document comprises six methodological guides distributed internally and prepared in partnership with experts from the Bureau de Recherches Géologiques et Minières (BRGM), France's leading public research institution for the Earth sciences.

In 2009, we formalized our commitment by preparing a **specific prevention plan** covering three areas — soil pollution, water pollution and site reclamation. We have also stepped up our overall action plan to optimize site reclamation and soil remediation operations.

Remediation and Reclamation

We conduct cleanup and reclamation operations on an extensive range of sites, including mud pits and ponds resulting from our oil and gas production activities, decommissioned refinery units, mines, chemical plants and service stations.

According to the condition of the soil and the planned use of the land (new plant, parking lot, return to nature, etc.), **we provide the solution that best addresses the social, environmental, health, technical and economic issues involved**, in agreement with public authorities and stakeholders.

Our approach is based on:

- An in-depth assessment of soil and groundwater pollution and the associated health and environmental risks.
- The definition of treatment objectives aimed at eliminating these risks so that the site can be used for the planned purpose, either by Total or by a third party taking over the site.
- The identification of reclamation strategies and the selection of appropriate treatment techniques.

Bioremediation of Polluted Soil in Vendin-le-Vieil, France

Total has acquired considerable technical expertise in the reclamation of land polluted with hydrocarbons, and more particularly polycyclic aromatic hydrocarbons (PAHs).

On the Lacq site, in southwestern France, we have a **research center dedicated to soil treatment**. In recent years, a number of major remediation initiatives have been undertaken, particularly with regard to PAHs.

At the 32-hectare Vendin-le-Vieil site, used for the distillation of coal tar until 1997, we are carrying out a cleanup operation using an **innovative bioremediation method** based on endogenous microorganisms. It is being coupled with a phytoremediation program that consists of planting willows, whose roots create an environment that encourages the breakdown process. Around 700,000 metric tons have been treated to date. This soil cleanup and remediation method has been recognized as an effective way to eliminate certain organic pollutants that are otherwise very difficult to treat. The results are persuasive. The initial toxicity of the pollutants has disappeared and the biological functioning of the soil has been restored.

Ertvelde, Belgium: A Three-Phase Cleanup

Studded with unexploded bombs from World War II, the site of the former Ertvelde plant in Belgium — which produced lubricants and white oils (natural mineral oils) from 1923 to 1977 — presented a particularly complex challenge. The cleanup was organized into three distinct phases.

After more than five years of work, the first phase, the reclamation of ponds containing production waste, was completed in 2009. The acid sludge was neutralized and stabilized and the polluted soil was removed. A total of 230,000 cubic meters of material was treated and encapsulated onsite and 159,000 cubic meters of groundwater and pond water was pumped and treated.

The second phase — the treatment of the soil at the decommissioned facility — was undertaken between September 2009 and February 2010, with 35,000 cubic meters of soil excavated and 16,000 cubic meters of groundwater pumped.

Teams from the Mont/Lacq Research & Development Center and from Refining & Marketing Belgium are working together to prepare the third and final phase of the cleanup process, which will focus on groundwater remediation.

3.2.6 Preventing and managing accidental pollution

Protecting the areas in which we operate from accidental pollution has always been a top priority for Total. The accident in 2010 involving the *Deepwater Horizon* drilling rig in the Gulf of Mexico was a tragic reminder of the importance of preparing for emergency situations.

Planning Ahead and Staying Prepared

Prevention is a key component of our efforts to fight accidental pollution and includes:

- Designing facilities that are increasingly reliable, safe and efficient.
- Conducting maintenance and inspection campaigns on a very regular basis.
- Using leak detection devices.
- Scheduling regular audits.
- Selecting means of transportation and routes that limit the risk of accidents.

Given the nature of our activities, we have a duty to be prepared for an emergency at all times. We have therefore developed **emergency response plans for each of our sites posing a risk of marine or freshwater pollution**. These plans are prepared with the assistance of external experts such as CEDRE³ in France and are constantly updated.

In 2009, we introduced a tool for the self-assessment of **pollution response preparedness** at our sites. Training sessions and full-scale drills are also organized with the competent authorities, including fire departments, harbor masters' offices and national navies. A total of 246 equipment deployment drills were carried out in 2010.

Lastly, to be able to intervene rapidly anywhere in the world, we have:

- Emergency response procedures that can be activated 24/7.
- Assistance agreements with specialized organizations like Oil Spill Response and Clean Caribbean and Americas, which have pollution control equipment and can respond to spills in most of the world's seas and oceans.

Getting Better at Tackling Major Spills

The explosion of the *Deepwater Horizon* drilling rig in the Gulf of Mexico in April 2010 and the subsequent oil spill led us to review our pollution control policy and organization. Our objective was to ensure that we have the capabilities necessary to respond to a similarly disastrous event, despite the low probability of such an event occurring.

All of our internal pollution control expertise was pooled together in a cross-business task force jointly steered by our Sustainable Development & Environment Department. The work being carried out aims to meet the highest standards, applicable to all of our host regions.

The effectiveness of our emergency response plans was reevaluated in terms of how appropriate they are to each situation — proximity of nature reserves, economic activities on the coasts affected — and our operational resources and support, such as product and dispersant supply and transportation capabilities. We have also tightened our training requirements, stepped up the frequency of drills, and worked on protocols for managing our potential responders.

³ CEDRE is a French organization that conducts research into accidental water pollution.

We are **improving our real-time oil slick observation capabilities** so that we can better direct resources and update our control strategies frequently. The complex challenges related to satellite imaging techniques and the modeling of oil slick changes require constant innovation.

The possibility of **broadening the range of our technical response solutions** is also under study. In this area, the task force has focused mainly on applying dispersants directly to the pollution source and on the controlled burning of oil spills offshore. R&D programs, both internal and in partnership with the industry, have been initiated to **assess the effectiveness and environmental impact of implementing these procedures and related best practices**.

The Fast Oil Spill Team (FOST)

Based near Marseille, France, the Fast Oil Spill Team (FOST) is one of Total's internal resources for responding quickly to water pollution incidents. It has pollution control equipment and can act in European and West African waters. The team is staffed with firefighters seconded from the Marseille marine fire department. Accredited to train field response teams, the FOST regularly conducts training sessions and drills at our sites.

3.2.7 Managing our waste

Our goal is to decrease our environmental footprint by reducing our waste and developing treatment, recycling and recovery solutions.

Reducing, Recycling, Recovering

We are leveraging all of our knowledge and expertise to reduce the amount of waste we produce. Our Petrochemicals teams, for example, are developing increasingly high-performance polyolefins that can be used to make **thinner packaging**, using less material and therefore generating less waste. **We are also developing biodegradable products** like the Total Biohydran and Total Chainbio lubricant lines.

At the same time, we are working on innovative solutions to recycle and recover unavoidable waste. In France, for example, we are partnering Veolia in the Osilub plant, which will **recycle used engine oils**. Scheduled to come on stream in early 2012, Osilub will transform 120,000 metric tons of used engine oil per year into high-quality base oils, diesel fuel and asphalt.

In several African countries, we have set up a used oil **recovery and recycling** system called Ecolub. The treated oil is blended with heavy **fuel** oil to make fuel that is then sold to local customers.

In Gonfreville-l'Orcher in France, our Normanplast subsidiary manufactures more than 30 million lubricant containers every year. In 2010, it introduced 290 metric tons of recycled high-density polyethylene (HDPE) into the production cycle, or 15% of the material used to make the containers. The purchase of a new extrusion machine will enable us to increase that figure to **60%**, representing 600 metric tons of HDPE.

Turning Plastics Back into Oil

In March 2011, Total Energy Ventures acquired a stake in Agilyx, a U.S. start-up that has developed an innovative process to **convert waste plastics into synthetic crude oil**. The first production facility, capable of processing around 10 metric tons of plastic per day, is already up and running. Recycling of end-of-life plastics could one day reduce the amounts disposed of in landfills.

Spotlight on Waste Electrical and Electronic Equipment (WEEE)

Most computer and telecommunication equipment contains precious metals, aluminum, ferrous metals and copper. Much of it also contains substances that constitute health or environmental hazards, such as lead, cadmium, mercury and halogenated compounds.

Scrapped electrical and electronic equipment must therefore undergo **specific treatment** to:

- Protect human health and the environment.
- Maximize re-use.
- Minimize waste.

In early 2010, we issued a **recommendation** applicable across the Group concerning the treatment of WEEE. The recommendation spells out the standards that Total requires worldwide in this area, above and beyond the local legislative and regulatory obligations.

It is backed up by a **practical guide** and **standard specifications**, which are made available to everyone concerned, whether employees or service providers.

Demanding Traceability

Waste traceability is a key issue. In accordance with the applicable legislation, **our hazardous waste is transported and treated by specialized external partners**. In countries where this is requested, we regularly submit waste reporting data to the public authorities, including waste classification inventories and records of the treatment processes used. We also strive to continuously improve our reporting process.

Pooling Efforts Through Partnerships

Waste treatment is a complex issue. To ensure that our actions are effective, we seek to pool our efforts and investments whenever possible via partnerships with other businesses, public institutions and non-profit organizations.

In Europe, Total Petrochemicals actively supports packaging **waste recovery and recycling initiatives** via partnerships with Valorplast in France, Plarebel and Val-I-Pac in Belgium and Cicloplast in Spain. We also take part in public **awareness campaigns** such as the Vacances Propres [Clean Vacation] campaign in France.

In several African countries, including Cameroon, Gabon and Morocco, we participate in a **used oil recycling program** as part of agreements signed by oil companies and cement producers. Under the program, used oil collected at service stations is converted into fuel for use by local cement plants.

In the area of solar energy, in 2009 Total joined PV Cycle, an industry association that brings together most of the operators in the European photovoltaic solar industry with the aim of creating a **solar panel recycling** program in Europe.

Contributing to the Development of Organized Waste Management Programs

In some countries, waste treatment infrastructure is insufficient or even non-existent. In these circumstances, our efforts focus on:

- **Pooling resources** among industrial players to establish waste treatment programs.
- **Implementing appropriate solutions**, such as waste treatment centers integrated into production facilities.

In Gabon, for example, we have developed a pilot project **to centralize the management of waste from our various businesses**. Hazardous waste that cannot be treated locally is aggregated and shipped to France for disposal in compliance with the Basel Convention, which regulates cross-border movements of hazardous waste. Used oils are collected and treated via a certified program set up by Total.

Feedback on this project will enable us to better identify the most effective options, which can then be replicated in other countries.

Successfully Dismantling the Serepca FSO

The dismantling of the Serepca storage barge, moored offshore Cameroon, began with a clean-out of its tanks. The sludge was brought onshore to be treated in a local cement plant owned by Lafarge. Total and Sita teams then shipped the contaminated material to Europe and transferred the empty barge to Jiangyin in China for scrapping. Both transfers were carried out in accordance with the **Basel Convention**. The Chang Jiang scrapping yard was chosen because it met our criteria, offering impressive references, recognized certifications such as ISO 14001 and OSHAS 18001, and compliance with European Union standards, especially for asbestos removal. The entire project, which was completed in late 2009, was monitored at all times by the umbrella NGO Shipbreaking Platform⁴.

⁴ Created in 2005, Shipbreaking Platform is today recognized as the preeminent international advocacy organization on issues related to end-of-life vessels. It brings together NGOs from both developed countries and emerging economies like India and Bangladesh, which are home to numerous shipbreaking yards (www.shipbreakingplatform.org).

4. OUR INTEGRITY PROCESS

Management's ongoing commitment to the process

"[...] Our commitment to integrity requires each of us to play an active role in ensuring that we all behave in an exemplary manner. That's why we have published a Code of Conduct and made integrity the lynchpin of our business principles. Meeting our goal of 'integrity towards the company and in our business relationships' means rejecting all forms of corruption, avoiding conflicts of interest and insider dealing, and protecting our assets and resources. (...) I know that I can count on your vigilance and your personal involvement in this process, which is critically important for our Group's business efficiency and sustainable growth."
(Christophe de Margerie, Chief Executive Officer, Introduction to the Business Integrity Guide, May 2008)

Ongoing implementation

- In 2009, approval by the Executive Committee of a corruption prevention policy and a Compliance Program. It is supported by a dedicated organization, official Policies and Procedures (Anti-Corruption Compliance Directive and its associated procedures), as well as a program of sensitizing and training employees;
- In 2011, approval by the Executive Committee of the Business Integrity Policy and Program to reinforce fraud and corruption prevention. It is supported by a dedicated organization and the Group Directive Guidelines to be followed in case of fraud incidents;
- To strengthen the application of the integrity principles contained in the Code of Conduct, a Business Integrity Guide is associated with it. While illustrating concrete examples of potential risky situations in our business relations, it restates Total's position in the areas of corruption, fraud and conflicts of interests. Since it has been introduced in March 2008, nearly 50,000 copies were distributed;
- Reminding employees of the need to be vigilant with respect to integrity and anti-corruption at all presentations made as part of the Ethics process (more than 30 annual presentations and the dedicated seminars, bringing together approximately 2,500 Total senior executives);
- E-learning anti-corruption available in 11 languages to increase knowledge of corruption risks and prevention procedures;
- Contributing to the UNGC Working Group on Anti-corruption to draft the Reporting Guidance on the 10th Principle Against Corruption in 2009 and the Guide for customers and suppliers to fight corruption in the supply chain in 2010.

Ongoing management

- Vigilance with respect to corruption risks is incorporated into internal control procedures (approximately 200 audits completed each year).
- Corruption risks are integrated into the reference benchmark for the ethical assessments performed each year (8 affiliates and 1 investment project assessed in 2010).
- An antitrust compliance survey was conducted in 2008 based on a questionnaire sent out to all the Group's divisions. Answers to this survey notably show that, in 2008, more than 4,500 Group employees were provided training as part of the compliance programs, either collectively during dedicated seminars or individually through "e-learning" courses. Furthermore, since the roll-out of a system of letters of commitment in 2007, nearly 7,400 letters (4,587 from the Chemicals Division and 2,795 from the Refining and Marketing Division) have been signed by employees of the Group companies.

Additional information

- [Integrity in business: preventing corruption](#)
- [Defending free competition and fighting cartels](#)
- [Financial transparency](#)

4.1. Integrity in business: preventing corruption

4.1.1 Our position and commitments

The amounts of money involved and the diversity of the various regions require the oil industry to be particularly vigilant about corruption and fraud.

About 25% of Total's employees work in high-risk countries with scores of less than five on the Transparency International (TI) Corruption Perceptions Index. Therefore, reinforcing integrity and preventing corruption are major objectives for the Group and all employees.

The key principle set out since 2000 in our [Code of Conduct](#) regarding Total's stance on the issue of corruption is:

“Total rejects bribery and corruption in all forms, whether public or private, active or passive.

The Code of Conduct serves as a reference document for all Group employees. It sets out the principles governing the actions and individual behavior of each person, both in their day-to-day decisions and their relations with stakeholders. In the Code of Conduct, we reiterate our support for the OECD *Guidelines for Multinational Enterprises* and the Tenth Principle of the United Nations [Global Compact](#), which invites companies to act against all forms of corruption.

In May 2008, Christophe de Margerie, then Chief Executive Officer, made a clear commitment to rejection of corruption in the introduction to the Business Integrity Guide:

“[...] Our commitment to integrity requires each of us to play an active role in ensuring that we all behave in an exemplary manner. That's why we have published a Code of Conduct and made integrity the linchpin of our business principles. Meeting our goal of 'integrity toward the company and in our business relationships' means rejecting all forms of corruption, avoiding conflicts of interest and insider dealing and protecting our assets and resources. [...]

I know that I can count on your vigilance and your personal involvement in this process, which is critically important for our Group's business efficiency and sustainable growth.”

This involved the following actions:

- In 2008, creation of the Compliance and Social Responsibility Department within the Group Legal Department;
- In 2008, publication of the Business Integrity Guide ; 50 000 copies have been distributed ; an interactive Business Integrity Guide is available on the Group intranet sites;
- In 2009, approval by the Executive Committee of the Corruption Prevention Policy and Compliance Program, with the creation of an expanded organization dedicated to compliance ;
- In 2011, decision of the Executive Committee to strengthen fraud and corruption prevention by establishing a Business Integrity Policy and Program.

4.1.2 Implementation

Resources and organizations

Our integrity process to prevent and combat fraud and corruption is based primarily on a network of Compliance Officers and Fraud Risk Coordinators across the Group, branches and subsidiaries/entities.

At subsidiaries/entities level, these officers work together within an Integrity Committee in which the different functions are represented.

At Group level, there are two centers of expertise: 1) the Anti-corruption Compliance Committee which is in charge of anti-corruption initiatives, 2) the Fraud Risk Coordinators which are in charge of the anti-fraud activities. This work is coordinated by the Corporate Business Integrity Coordinating Committee, composed of head officers of the following Corporate functions: Ethics Committee, Audit and Internal Control, Legal Affairs – Compliance, Security, Finance and Human Resources and the Corporate Fraud Risk Coordinator.

The Ethics Committee complements this integrity process by ensuring that the Code of Conduct is disseminated across the Group and that the procedures are in place for the Group's employees to become thoroughly familiar with the Code of Conduct, understand its provisions and apply them.

Raising Awareness

The Ethics intranet site provides clear and practical information on our Integrity Policy and Program.

A special section is also reserved for the *Business Integrity Guide*, published and copyrighted in 2008. This Guide is derived from the Code of Conduct to provide legal references and practical advice for Group employees facing potentially high-risk situations in the area of integrity. Today, nearly 50 000 copies have been distributed. An interactive version is also available on Total's main intranet sites.

Go to the [Business Integrity Guide](#) (for information)

Training

Integrity and anti-corruption issues are regularly addressed in training seminars provided to Group employees:

- *Our Ethical, Environmental and Social Responsibilities* seminar

This [seminar](#) , which is given throughout the world to the various corporate and operating departments, covers Total's priorities in the fields of ethics, the environment and corporate responsibility. Many of the workshops address the prevention of corruption.

- *Ethics & Business* seminar.

This [seminar](#) details procedures for implementing the ethics process across the Group's businesses. A specific presentation on preventing corruption covers legal obligations and proper conduct.

- *Discover Total* seminar

This seminar, which is mandatory for all new hires, features extensive coverage of issues involving ethics and integrity in business relations.

4.1.3 Monitoring

Our integrity process also involves oversight and detection procedures, by means of:

- Procedures for analyzing and assessing the risks related to the prevention of corruption;
- Control activities for preventing or detecting fraud and corruption risks;
- Internal control audits carried out by internal auditors (regular assessments of internal control systems of the Group's entities and implementation of applicable laws and procedures);
- Ethical assessments of our subsidiaries (monitoring process of the implementation of the Code of Conduct conducted each year over a ten- Group entities by GoodCorporation), 40% of the questions are directly or indirectly related to integrity;
- The Ethics Committee's whistleblowing procedure;
- Analysis and feedback from reported incidents.

In our relations with other companies, we expect our partners to uphold comparable integrity principles.

4.1.4 Recent achievements

This information is collected for purpose of Communication on Progress in line with our UN [Global Compact](#) report.

Preventing corruption

In early 2011, an ambitious program of prevention of corruption has been launched:

- The Anti-Corruption Compliance Directive and its associated procedures were adopted. This specific guidance provides our employees with clear rules of conduct if they are exposed to corruption risks. It lays down rules in compliance with the most restrictive laws in relation to the choice of an intermediary dealing with public officials, in business partnerships, acquisitions, procurement, as well as donations, gifts, entertainment, travel, contributions to social development, corporate philanthropy and sponsorship;
- A network of over 300 compliance officers at branches, subsidiaries and entities level has been established;
- Training seminars for compliance officers has been organized;
- An e-learning anti-corruption has been developed in 11 languages to increase knowledge of corruption risks and prevention procedures. It is based on practical business situations, available to all Group employees and compulsory for about 30,000 of them.

Total plans to eventually incorporate into its training workshops the RESIST (Resisting Extortion and Solicitation in International Sales and Transactions) anti-corruption tool, which was developed by the International Chamber of Commerce (ICC), the Global Compact, Transparency International (TI) and the Partnering Against Corruption Initiative (PACI) and published in 2009. Total participated together with other companies in its realization. This is a learning tool that uses case studies to assess a company's possible responses in high-risk situations.

Total also joined international initiatives which contribute to the fight against corruption and participates in the dissemination of good practices and the promotion of dialogue between companies and civil society. Indeed, as a member of the Global Compact Anti-Corruption Working Group, Total took part in the writing of "Fighting Corruption in the Supply Chain: A Guide for Customers and Suppliers" in 2010.

Fighting fraud

In 2011, our program to fight against fraud has been also strengthened. The Integrity Policy and Program was adopted in early 2011. It reaffirmed the principle of zero tolerance of fraud, completed and clarified cross-business ethical behavioral rules and defined and structured roles and responsibilities within the organization. It also reinforced awareness and training to help employees better prevent, detect and manage fraud and corruption risks. It provides for incident analysis and feedback to continually make our protection more effective.

This program is particularly supported by a network of Fraud Risk Coordinators at corporate, branches and subsidiaries/entities levels. Their role is to recommend measures to prevent, detect and handle fraud and corruption and implement those measures in their business or field of activity.

The Group Directive Guidelines to be followed in case of fraud incidents, adopted in May 2011, provides what to do at the local, branch and corporate level if irregular practices are identified.

4.2. Defending free competition and fighting cartels

In the course of our day-to-day business, we must ensure continuous compliance with competition and antitrust laws, particularly in the fight against cartels. Accordingly, we have created antitrust prevention and compliance programs in two sales-intensive businesses, Refining & Marketing and Chemicals.

4.2.1 Our position and commitments

Antitrust compliance is one of the core principles of our [Code of Conduct](#): Total "*complies with all applicable laws, regulations and decisions of the United Nations and the European Union, especially concerning the environment, competition and employment*" and "*observes the rules of free competition [...]*".

Our senior executives have always taken a firm position on the issue.

In 2010, Christophe de Margerie, then Chairman and Chief Executive Officer, reaffirmed Total's commitment in a message addressed to all employees. He encouraged them "*to maintain integrity in business relations by respecting free competition regulations*".

Addressing the Senior Management Seminar in 2006, Thierry Desmarest, former Chairman and Chief Executive Officer of Total, said: "Competition sometimes forces us to charge less than we would like. It's part of being in business. We have no choice but to comply with antitrust regulations."

Continuing along the same lines, when asked about Total's position on anti-competitive agreements, General Counsel Peter Herbel told the same meeting: "*Our position is very clear: WE DON'T DO IT.*" he said. "*It's illegal and everyone knows it. Besides, our own Ethics Charter forbids it. These practices do not benefit a company, either in the short or long term.*"

He made the following recommendations: *“Zero tolerance. Senior managers are responsible for making sure their units don't engage in these practices. [...] The top-down message must be clear and unambiguous. I urge you to attend the training sessions organized by your respective legal departments. [...] You need to introduce effective compliance programs.”*

Former Chief Financial Officer, Robert Castaigne, said in an in-house publication: *“Ethical conduct begins by observing the laws that apply to us as a company and, particularly, antitrust laws. [...] Everything needs to be done so that all our employees — managers as well as sales and marketing staff — are educated about antitrust issues and are aware of the ethical and economic consequences of their actions.”*

This position is widely shared within the businesses.

For Michel Bénézit, President of Total Refining & Marketing and Chairman of its Management Committee, the issue is non-negotiable. In a message forwarded to the entire R&M staff during the 2006 intranet campaign he wrote: *“We must guarantee that our business operations comply with the Total Code of Conduct. It is both an individual and collective duty. Concerning the protection of free competition in particular, R&M has a compliance program aimed at strengthening efforts to prevent violations. The purpose of the tool is to help us develop an unbending ‘zero-infraction’ attitude in our day-to-day business. Failure to adhere to the program's standards and guidelines would violate antitrust principles and harm the company's interests by exposing it and the employees in question to severe internal sanctions and criminal penalties. To help us ensure strict compliance, R&M's Legal Affairs and Agreements Department, together with the subsidiaries' legal teams, is responsible for providing training on a regular basis and, if necessary, advice. All antitrust issues must be brought to their attention as quickly as possible to ensure an appropriate and effective response.”*

Taking a similar tone in the *Practical Guide to Antitrust Law in Day-to-Day Chemical Operations*, Chemicals President François Cornelis said: *“I feel it's necessary to remind all of you that our company intends to comply scrupulously with the local legislation of any country where we conduct business. Antitrust laws are of particular importance. By forbidding practices that restrict free competition, they aim to protect one of the main achievements of the European Union: the free circulation of products and services within a single market. A violation of antitrust legislation is a serious blow to our company's integrity, reputation and honor in the eyes of our shareholders, employees, customers, suppliers and the public at large. [...] Our company's success depends on the values it adheres to and the image it projects. Consequently, we need to apply strict, codified rules of conduct. Please make sure you give this matter your constant attention. Antitrust compliance is the responsibility of every employee.”*

4.2.2 Implementation

Our businesses, especially Chemicals and R&M, have developed antitrust **compliance programs** designed to educate employees and ensure that they respect applicable legislation and regulations at all times. The compliance programs comprise four main components: systematic training, employee accountability, regular audits of program implementation and sanctions in the event of failure to comply.

The first step in setting up these programs was to prepare **practical guides for each business**, in order to increase familiarity with the regulations and ensure employees conduct themselves appropriately. These guides are accessible to everyone on the intranet.

These documents, which may be revised to reflect changing legislation, are solely for internal use and may only be accessed to obtain information on how to raise antitrust awareness among managers and employees. It is strictly forbidden to use or copy the documents for any other purpose.

- Go to the [R&M practical guide](#)
- Go to the [Chemicals practical guide](#).

Employees who are the most exposed to risk — those who are in direct contact with customers, competitors and suppliers — receive training in antitrust law. The dedicated training courses are offered worldwide and tailored to national legislation. They are updated at regular intervals. In addition, Chemicals and Refining & Marketing have developed e-learning programs to help employees broaden their knowledge.

In order to increase accountability, employees exposed to competition risks are required to sign a personal commitment letter in which they undertake to comply with the principles and instructions of the compliance program and with the relevant rules.

Employees are reminded that a “zero tolerance” policy applies in the event of abuses and severe sanctions will be applied.

To ensure distribution and application of the program worldwide and to support line employees in their day-to-day work, dedicated legal departments have been created in Chemicals and Refining & Marketing. They are supported by management at all levels and by Human Resources, which has an important role to play, especially in identifying employees exposed to competition-related issues.

4.2.3 Monitoring

Program compliance is monitored through a system of internal controls, ethical principles and practices, and dedicated contact/listening processes within the businesses.

In the past, Total had been investigated and found guilty of anti-competitive agreements. For more information about principal antitrust proceedings in which the Group is involved, see pages 148 and 149 of the [2010 Registration Document](#).

4.2.4 Recent achievements

This information is collected for purpose of Communication on Progress in line with our UN [Global Compact](#) report.

An antitrust compliance survey was conducted across our businesses in 2008. Based on answers to the questionnaire, more than 4,500 employees received compliance training during the year, either collectively or individually, through dedicated seminars or e-learning modules.

Between 2008 and 2010, 3,938 employees were trained in Refining and Marketing. In 2010, the Chemicals branch of the Group offered training to 921 employees.

In addition, nearly 7,400 employees have signed personal commitment letters since the practice was introduced in 2007 (4,587 in Chemicals and 2,795 in Refining & Marketing).

4.3. Promoting financial transparency

Oil and gas development generates substantial revenues for private enterprises and producing countries, but the public often has little idea of how much money is involved. Often, too, the benefits are distributed unequally among the populace. This lack of transparency reflects weak institutions and feeds conflict as parties vie for control of these resources.

Awareness of the problem has spurred calls for everyone involved in the oil and gas industry to take steps to ensure that production does not come at the expense of the people living in producing regions. Today, clarifying the relationships between host countries and the extractive industry is a priority to ensure fair management of oil revenues.

Total is committed to strict transparency and participates actively in intergovernmental initiatives and dialogue on this issue. We support the Extractive Industries Transparency Initiative ([EITI](#)) to promote the cause.

4.3.1 Our position and commitments

As Thierry Desmarest wrote in an article published in *Rapport Moral sur l'Argent dans le Monde 2006* [A Global Moral Review of Money]: “*Transparency is in Total's interest. [...] Generating over 60% of its oil and gas production in non-OECD countries and as the leading multinational industry operator in Africa, Total is very directly concerned by these issues, which represent substantial financial flows. [...] Total's operations must be effectively integrated into the local environment. Our commitment to financial transparency can help make the integration process a success. It is therefore our duty to do everything we can to help authorities who want to implement a transparency program, to share with them our experience and provide them with technical information, and to cooperate fully with local agencies and outside experts, whether representatives of international financial institutions or of audit firms responsible for checking, comparing and consolidating data.*”

Total joined the EITI on its creation in 2002, at the World Summit on Sustainable Development, known as the Johannesburg summit. Total has always backed this initiative and continues to demonstrate the Group's strong commitment, for example by the presence of Jean-François Lassalle, serving on the EITI Board⁵ from September 2007 through March 2011.

4.3.2 Implementation

Promoting financial transparency to host countries

The principle of sovereignty is just as fundamental as the principle of financial transparency, which means that transparency cannot be achieved without the voluntary commitment of governments. While respecting this principle, we believe that we have to encourage host countries to move forward with EITI implementation. We support and assist them throughout the process by:

- Fostering dialogue between our managers and representatives of government, civil society and the EITI.
- Participating in EITI work and organizations.
- Promoting the EITI initiative at conferences and in articles.
- Providing resources and recommendations based on our experience.

⁵ The Board comprises 20 permanent members representing implementing countries, supporting countries, industry, investment companies and civil society organizations

4.3.3 Monitoring

Detailed, public information through country reports

As part of our commitment, we publish detailed reports on a number of host countries — Angola, Cameroon, Congo, Gabon, Indonesia, Nigeria, Norway and United-Kingdom. These country briefs provide information on our exploration and production operations in these countries, including details about our acreage, contract types, local subsidiaries, and the taxes we pay to governments.

We also publish information each year about our oil and gas exploration and production activities, broken down by country, in our [Factbook](#).

4.3.4 Recent achievements

This information is collected for purpose of Communication on Progress in line with our UN [Global Compact](#) report.

The *Total in Cameroon*, *Total in Nigeria*, *Total in Gabon*, *Total in Angola* and *Total in Norway* reports have been updated.

The *Total in UK*, *Total in Indonesia*, *Total in Congo* report have been published.

These eight countries accounted for 59% of our production in 2010.

4.4. The Extractive Industries Transparency Initiative (EITI)

4.4.1 Origin and goals of the EITI

The Extractive Industries Transparency Initiative ([EITI](#)) aims to strengthen the transparency of transactions between governments and companies in the oil, gas and mining industries in order to improve governance in resource-rich countries.

The process was launched in 2002 at the World Summit for Sustainable Development in Johannesburg, on the initiative of Tony Blair. Many countries, companies working in the extractive industries (BP, Shell, Exxon, Chevron, Total, etc.), investors, financial institutions like the World Bank and a number of NGOs (Publish What You Pay, Transparency International, Save the Children, Global Witness and Secours Catholique) joined the process on its foundation.

The initiative is consistently backed by the G8 Summit since 2003: in Evian in June 2003, in Gleneagles in July 2005, in Heiligendamm in June 2007, in L'Aquila in July 2009 and most recently in Deauville in May 2011.

The 2009 G20 Pittsburgh Summit also encouraged participation in the EITI.

4.4.2 The EITI is based on a specific situation...

Many countries that depend on revenues from such natural resources as oil, gas and minerals have tended to under-perform economically and socially.

Better use of revenue flows generated by extractive industries that invest heavily in these countries can reduce poverty and stimulate growth. By encouraging greater transparency regarding these revenues, their use can be managed more effectively.

4.4.3 ...and a commitment

The initiative is based on a commitment from producing countries to publicly declare that they have signed on to the EITI's principles and to implement an action program leading to the disclosure of revenues they receive from the extractive industry. The decision to take part in this voluntary process lies with individual governments.

Similar approaches had already been undertaken in the diamond industry (Kimberley Process) and the wood industry (EC Initiatives).

4.4.4 Why support the EITI?

The EITI is a process founded on a voluntary, win-win approach.

Benefits for companies

The transparency process promotes the emergence of stable economic and political conditions and an improved investment climate over the long-term.

Benefits for implementing countries

The EITI promotes greater economic and political stability and sends a positive signal to foreign investors by fostering sound, sustainable development and poverty reduction. The EITI is supported by the International Monetary Fund (IMF) and the World Bank, which make greater transparency a condition for economic aid.

Benefits for civil society organizations, such as NGOs

The initiative supports good governance, strengthens public institutions and raises public awareness. It helps civil society to better understand the private sector and, consequently, improves its relations with it. It strengthens ties with investors and international organizations.

Benefits for local communities

Local communities receive a greater share of oil, gas and mining revenues. The EITI enables governments and companies to strengthen and promote the values of social justice, responsibility, integrity and good governance.

4.4.5 EITI, a defined framework for the oil industry

The Extractive Industries Transparency Initiative ([EITI](#)) promotes greater transparency in the management of oil revenues. It calls for all private and national extractive companies to publish what they pay governments, for an independent aggregator to consolidate and publish the data, for the confidentiality of existing contracts to be maintained, and for prior government approval.

4.4.6 Total and the EITI

Total's participation

Total joined the EITI on its creation in 2002, at the World Summit on Sustainable Development, known as the Johannesburg summit.

After being elected to the EITI Board as an alternate member in September 2007, we were elected a permanent member in February 2009 in recognition of our deep commitment to the initiative. Our representative on the Board is Jean-François Lassalle. The Board comprises 20 permanent members representing implementing countries, supporting countries, civil society organizations, the oil, gas and mining industries, and investment companies.

Promoting financial transparency to host countries

The principle of sovereignty is just as fundamental as the principle of financial transparency, which means that transparency cannot be achieved without the voluntary commitment of governments. While respecting this principle, we believe that we have to encourage host countries to move forward with EITI implementation. We support and assist them throughout the process by:

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