



Sustainability as business competitiveness

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SPE Italian Section Workshop
“Competitiveness: what future in the E&P Industry?”

Outline

- **A new context**
- **How to respond?**
- **The limits of the local content**
- **Our expectations towards the contractors**
- **Working together with local enterprises**
- **Contribution to the development of the local industrial fabric**
- **Accompanying the professional development**
- **Taking our social responsibility**
- **Internationalization**
- **conclusions**

A new context



- States request an increasing level of commitment towards the local industries



- It is legitimate that host countries develop their policy towards maximizing the local content

How to respond?

- We need to adapt,
- with the will
 - To have a win-win approach with the host countries,
 - To make it a competitive advantage
 - To secure our relationship with the contractors
 - To identify and define as early as possible, the activities which may fit for local content

Total's response to the challenges of sustainable development

In addition to complying with applicable laws and regulations and respecting the local culture in its countries of operation, Total has clearly expressed its ethical commitment in its Code of Conduct, which applies to every sector of its activity.

In keeping with its commitment, and aware of its responsibility toward society and the environment, Total seeks to work hand in hand with civil society in the shared quest for sustainable development. The Group pursues its role in meeting this challenge through three action plans:

1. Controlling and reducing the impact of its activities on people and the environment

In accordance with its Health, Safety, Environment, Quality Charter, the Group has made operational safety, human health and environmental protection its highest priorities, and thus achieves:

- a systematic and preliminary risk assessment of all new development projects and products, covering their complete life cycle
- the implementation of recognized, certified management systems
- the definition of progress targets and the implementation of appropriate action plans
- audited environmental reporting
- the reduction of its own, as well as its customers' greenhouse gas emissions, in order to combat climate change.

To better integrate its operations into the local context, Total also encourages stakeholder outreach and dialogue with the people living near its facilities.

2. Contributing to the economic and social development of stakeholders

Creating value on behalf of the relevant stakeholders in the Group's operations is one of Total's major aims, as reflected in:

- the Group's voluntary support for socio-economic programs put in place to promote health, education, economic progress and access to energy. In developing countries, this support notably entails aid for local organizations and institutions in charge of such programs

- the creation of direct and indirect jobs in local countries
- financial contributions to local community development, made in a transparent manner through taxes, royalties and fees in accordance with local legislation.

3. Anticipating tomorrow's needs

Total's mission is not confined to meeting the world's current demand for energy and chemicals; the Group also aims to anticipate and meet the needs of future generations by developing:

- new products offering improved life-cycle performance and designed especially to improve energy efficiency
- new processes to reduce its own consumption of water and energy, curb pollutant emissions and limit the quantity of final waste it generates
- new energy resources able to supplement local energy supplies, with a concurrent effort to extend the life of existing fossil resources.

Learn more by visiting www.total.com
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English version: Activity book - Local and national legislation - (October 2007) 10/07/07

The limits of the local content

- Carrying out part or whole of goods and services by local enterprises
- Developing the local industrial fabric
- Developing the skill and the know-how of local people
- In addition,
 - **Developing the community (socio-economics)**



Our expectations towards the contractors

- Implementation of a local industrialization plan
- Training of local people
- Security, quality, transparency, according to the ethic code of Total



Working with local enterprises

- Working with the best of them is our interest
- Major projects under EPC contracts are the most efficient in developing local industrial activities



Contribution to the development of the local industrial fabric

- By developing competent local enterprises
 - **By supporting local small and medium size companies**
- By sharing our know-how
 - **OPCOs, advanced technologies, training of people and of local managers, technical centre, and so on.**



Accompanying the professional development



- Mainly through training, locally and at our centres of expertise in France,
- And also through our Diversity policy
 - Including taking responsibility jobs in subsidiaries



Taking our social responsibility

- By developing the neighbouring communities which could be adversely impacted by our projects
- By developing actions focused on themes such as
 - Health
 - Training, education and youth
 - Local public infrastructures
 - Economical development
 - Institutional development
- Within a framework based on partnership between the Company – as a catalyst – and stakeholders



Internationalization

- **Local enterprises wish to expand to international**
- **We must take that development into account and foster it through regional involvement**

- **But how to respond to the “low cost” companies?**

Conclusions

- **Operators face more and more constraints. No way to ignore it. They have to adapt**
- **Contractors have a key role to play to develop the local content, in partnership with the operators**



- **There is a need to define as early as possible the commitments in our projects**
- **If properly managed, it's a win-win situation**

Thank you for your attention

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LA QUESTION
DU PETROLE**

**ET FAIRE
EMERGER D'AUTRES
SOLUTIONS**

Total, c'est quarante ans d'innovation en matière d'exploration pétrolière. Aujourd'hui nous faisons de plus en plus profond pour répondre à une énergie croissante et accéder à de nouvelles réserves énergétiques. Nous préparons aussi un avenir solaire depuis les années 80. Aujourd'hui, nous développons des systèmes photovoltaïques. Total assure déjà de nombreuses productions éoliennes et réseaux d'électricité.

POUR VOUS, NOTRE ENERGIE EST INEPUISABLE