

Interview with **Chief Executive Officer** Christophe de Margerie

Given the scale of the challenges associated with securing the future of energy, how is Total planning to meet growing energy demand?

Our core business is oil and gas, the most widely used energy sources in the world, along with coal. Because the structure of demand will change only slowly, Total's viability will for the foreseeable future continue to be built on building block projects — in exploration and production, the natural gas chain, refining and marketing, and chemicals — that we are launching today and that we have in reserve for the next two decades.

But for us, the future of energy entails the use of a more broadly diversified array of energies. That's why we're exploring the various options available to us. We're interested in all forms of energy, provided that our capabilities can be deployed usefully and profitably, while continuing to uphold our Code of Conduct.

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Which energy sources is Total focusing on for the long term?

In addition to our established presence in solar power and first-generation biofuels, we have expanded more recently into wind energy. We're also conducting

R&D with different partners in areas such as biomass energy, synfuel production, more efficient photovoltaic systems and ocean energy. Total has a number of R&D centers that work with academic researchers worldwide, mainly on these new energies, whose development often depends on major technological breakthroughs. Nuclear energy is also an option for the future, and we should be asking ourselves whether Total could play a role here.

Total is planning to grow its oil and gas production. Doesn't that contradict your commitment to combating climate change?

It's a contradiction found on a planetary scale, since experts predict that in 25 years' time fossil fuel consumption will be 20 to 50% higher than today. One of our main challenges is to help reconcile this trend with protecting the climate. We have to reduce the greenhouse gas emissions generated by our production and manufacturing operations. That means enhancing the energy efficiency of our processes and flaring less associated gas. We are also working to develop products that generate fewer emissions to help reduce our customers' footprint. In addition, we have to encourage them to manage their consumption more efficiently. We're also implementing a pilot carbon dioxide capture and sequestration project in Lacq, in southwestern France, to develop efficient processes so that energy-intensive plants no longer emit CO₂.

A number of important producing countries are closing their doors to the majors, while you're experiencing competition in your long-established host regions from companies from emerging economies. If you want to maintain your ranking, won't you have to make concessions concerning the places you operate and your business ethics?

Our reputation is based on our technical and environmental excellence, the ability to manage large projects, compliance with our Code of Conduct and our spirit of partnership. We firmly believe that these strengths will guarantee our continued competitiveness. We should never squander them through compromise.

Geology dictates where we operate. This means that, provided there are no laws preventing it, we sometimes work in countries beset by internal conflict or whose governance is open to criticism. In such circumstances, we have to be particularly attentive to our contribution to local economic and social development and to human rights issues. Our presence in Myanmar, the way in which we conduct operations in certain regions currently experiencing unrest and our potential return to Sudan mean that we have a good understanding of the complexity of these situations and what we can contribute.

New oil operators, for instance companies from certain emerging economies, do not always feel bound to uphold the same principles as we do, and that can create problems or distort competition.



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I think that partnering with them in some of our projects could be a good way of exposing them to our values so that they eventually share them.

Total has committed to becoming more transparent regarding its financial relationships with producing country governments. How much progress has been made and do you really think that oil projects can contribute to development?

Total attaches great importance to the local benefits of our projects. We work in partnership with host country governments and in liaison with local communities and civil society stakeholders. However, we are aware of the problems that often arise concerning the way in which revenues are shared among the various public communities and the way they are spent. We firmly believe that these revenues should serve the sustainable development of producing countries and help to eradicate poverty there. Financial transparency encourages good governance, which moves us closer to this goal more quickly. That's why we've supported the Extractive Industries Transparency

Initiative (EITI) since it was launched in 2002. Our teams have worked hard to promote it to our host governments and to deploy it in cooperation with local authorities.

In early 2007, we disclosed financial information on our operations in four Gulf of Guinea countries — Cameroon, Angola, Nigeria, and Gabon. I hope their example will encourage our other host countries to follow in their footsteps.

Current legal proceedings have brought the Erika and AZF back to center stage. What has Total learned from these disasters?

Although painful and etched in our memories, they have also provided us with opportunities to re-examine our practices and further refine our policies. Because of the *Erika* sinking, we are now less likely to take other participants in the shipping chain at their word and have toughened our charter criteria, especially with regard to the age of vessels. In addition, we have lobbied the industry to substantially increase the funds available to compensate victims of oil slicks.

We are disappointed that the cause of the AZF disaster still has not been identified. But we are continuing our unflagging efforts to prevent technological risks at our sites and to rank as best in class in terms of safety.

How important is corporate social responsibility to Total's strategy?

Corporate social responsibility should always underpin our technical and financial analyses. We know that our operations have an impact on the environment and local residents. Accepting our responsibility means recognizing that we play an important role in society, asserting our commitment to acting as a responsible global citizen, and willingly answering questions and responding to criticism.