Ethical Risk Assessment of TotalEnergies SE in Accordance with the GPFG Guidelines

Executive Summary

Purpose: This report provides a comprehensive risk assessment of TotalEnergies SE ("the Company") conducted on behalf of the Government Pension Fund Global (GPFG). The analysis is framed exclusively by the criteria outlined in the "Guidelines for observation and exclusion of companies from the Government Pension Fund Global" (FOR-2014-12-18-1793), hereafter "the Guidelines".[1] The objective is to evaluate the Company's activities against the Fund's product-based and conduct-based ethical norms to determine an appropriate risk categorization.

Key Findings: The assessment concludes that while TotalEnergies meets the product-based criteria under Guideline §3, it presents an unacceptable risk of contributing to, or being responsible for, severe norm violations across multiple conduct-based criteria under Guideline §4. The evidence indicates a pattern of severe adverse impacts and systemic failures in the Company's due diligence and operational oversight. Specifically, the Company is linked to:

- **Grave and Systematic Human Rights Violations (§4a, §4b):** There are credible, detailed, and corroborated allegations of the Company's complicity in extreme human rights abuses in conflict situations. This includes its funding and logistical support of a state security unit in Mozambique allegedly responsible for a civilian massacre, torture, and rape, as well as a systematic pattern of land rights violations, intimidation, and reprisals against activists connected to its Tilenga and EACOP projects in Uganda and Tanzania.
- **Severe Environmental Damage (§4e):** A South African High Court ruling invalidated an offshore exploration permit due to a fundamentally flawed and non-transparent Environmental Impact Assessment (EIA) process, demonstrating deficiencies in the Company's environmental risk management.
- **Unacceptable Contribution to Greenhouse Gas Emissions (§4f):** The Company's climate strategy, which includes a significant expansion of fossil fuel production

(particularly Liquefied Natural Gas), is misaligned with a trajectory to limit global temperature increase to 1.5°C. Furthermore, its emissions reporting has been the subject of a major public controversy and legal challenge, creating a significant credibility risk.

- **Gross Corruption (§4g):** The Company's strategic partnership with the Adani Group in India exposes it to severe reputational and legal risk. Senior executives of the Adani Group are under U.S. indictment for a major bribery scheme, and the timeline of events suggests a critical failure in TotalEnergies' due diligence and partner vetting processes.

Final Recommendation: The severity of these findings, their systemic nature across multiple projects and jurisdictions, and the documented gap between the Company's stated policies and its operational outcomes indicate a high probability of future norm violations. Based on this comprehensive assessment, the final risk category is determined and justified in the concluding section of this report.

Table 1: Summary of Conduct-Based Risk Allegations vs. Guideline §4 Criteria

Risk Area	Relevant Guideline	Specific Allegation/Incident	Summary of Evidence	Assessed Severity & Link to Company
Human Rights in Conflict	§4b	Mozambique LNG Project - Complicity in abuses by Joint Task Force (JTF)	Reports of massacre, torture, rape, and illegal detention of civilians by state forces paid, equipped, and housed by TotalEnergies. Internal documents show Company awareness of prior abuses.[2]	**Severe.** Direct financial and logistical link between the Company and the alleged perpetrators operating from its project site.
Human Rights	§4a	Tilenga & EACOP Projects	Systematic pattern of inadequate/del	**Severe.** A widespread and ongoing

		(Uganda/Tanzania) - Community Rights Violations	ayed land compensation, intimidation of communities, and documented arrests and harassment of project opponents and activists.[6]	pattern of violations directly linked to the Company's flagship development projects.
Environmental Damage	§4e	South Africa Offshore Exploration	High Court invalidated the environmental permit due to a deficient EIA, failure to assess oil spill impacts, and lack of public transparency on contingency plans.[9]	**High.** Judicial finding of a failure in the Company's core environmental risk assessment and stakeholder engagement processes.
GHG Emissions	§4f	Climate Strategy and Emissions Reporting	Continued expansion of fossil fuel production (LNG) and a major public controversy, including a lawsuit, over allegations of dramatically underreporting GHG emissions.[11]	**High.** Strategy is inconsistent with Paris Agreement goals, and the integrity of its climate reporting is credibly challenged.
Gross	§4g	Adani Group	Association	**Severe.** Direct

Corruption		Partnership (India)	with a key partner whose senior leadership is under U.S. indictment for an alleged ~$265 million bribery scheme. TotalEnergies continued to invest after the investigation was known to Adani.[13]	association with gross economic crime, indicating a critical failure of anti-corruption due diligence.

I. Corporate Profile and Global Risk Landscape

Overview of TotalEnergies' Integrated Multi-Energy Model

TotalEnergies SE is a French multinational integrated energy company and one of the world's seven "supermajor" oil and gas companies.[16] The Company's publicly stated strategy is built upon a "two-pillar" integrated multi-energy model, balancing its traditional focus on Oil & Gas with a growing presence in Electricity (Integrated Power).[17] This model encompasses the entire energy value chain, from upstream exploration and production of crude oil and natural gas, to downstream activities including refining, petrochemicals, and the marketing and distribution of energy products and services to end customers.[16]

The stated purpose of this integrated structure is to provide resilience against commodity price volatility and to position the Company for the global energy transition.[17] However, this model also deeply embeds TotalEnergies in the global fossil fuel economy. The Oil & Gas pillar, with a particular strategic emphasis on Liquefied Natural Gas (LNG), remains the dominant driver of revenue and investment. The Company is the world's third-largest LNG player and has articulated clear plans to continue expanding its LNG production and portfolio.[18] While the

Integrated Power pillar is growing, it represents a smaller fraction of the Company's overall energy mix and capital allocation. This dual focus creates a fundamental tension, wherein the Company's core profit-generating activities are directly linked to the primary drivers of climate change and are often located in regions with significant ethical risks.

Financial Scale and Strategic Investments

TotalEnergies possesses immense financial capacity, reporting total revenues of $237.1 billion and an adjusted net income of $23.2 billion for the fiscal year 2023.[16] This financial strength enables large-scale capital investments across its global portfolio. In 2023, the Company invested $16.8 billion. Of this amount, approximately 35%, or just under $6 billion, was directed towards what it defines as "low-carbon energies," primarily in the power sector.[22] While this represents a significant sum, it also confirms that the substantial majority of capital expenditure—nearly two-thirds—continues to support and expand its traditional hydrocarbon business segments. This allocation underscores the continued centrality of fossil fuels to the Company's business model, despite its public-facing emphasis on transition.

Mapping the Global Operational Footprint and Inherent Risk Exposure

The Company's operational footprint is vast, with industrial and commercial activities in approximately 120 to 130 countries across Africa, the Asia-Pacific region, Europe, the Middle East, and the Americas.[20] This extensive global presence is a core component of its business model, providing access to diverse resource bases and consumer markets. However, this footprint also exposes the Company to a wide spectrum of geopolitical, social, and governance risks.

A significant portion of its operations is situated in jurisdictions characterized by political instability, weak rule of law, active armed conflict, and high levels of corruption. The Company's own disclosures and public records confirm a presence in numerous high-risk countries, including but not limited to Iraq, Libya, Mozambique, Nigeria, Uganda, and Yemen, with a historical presence in Russia.[23] The Company acknowledges these "geopolitical uncertainties" and states that its policy is to comply with international sanctions and to limit its capital exposure in the highest-risk environments.[23]

The strategic imperative to secure and expand its LNG business, a core pillar of its corporate strategy, is in direct and structural conflict with its stated commitment to managing human rights and geopolitical risks. The world's most significant and accessible new gas reserves are frequently located in politically fragile or conflict-affected states. The pursuit of major projects like Mozambique LNG, therefore, is not an incidental exposure to risk but a predictable and systemic outcome of its business model. This strategy directly leads the Company into operating environments where it must engage with state security forces that often have poor human rights records and operate with impunity. The events in Mozambique, detailed later in this report, are a direct manifestation of this structural conflict, where the pursuit of a strategic asset led to complicity in severe human rights violations. The risk is not an unforeseen accident but a systemic consequence of prioritizing resource acquisition in unstable regions.

II. Product-Based Risk Assessment (Guideline §3)

Analysis of Thermal Coal Divestment and Compliance

Guideline §3(2) provides specific quantitative thresholds for the observation or exclusion of mining companies and power producers based on their involvement with thermal coal. The criteria include deriving 30% or more of revenues from thermal coal, basing 30% or more of operations on thermal coal, extracting more than 20 million tonnes of thermal coal per year, or having a power capacity of more than 10,000 MW from thermal coal.[1]

TotalEnergies' activities do not trigger these criteria. The Company made a strategic decision to exit the coal sector, a process it completed several years ago. In August 2015, the Company's CEO publicly pledged to halt all coal operations, framing it as a matter of "consistent strategy and our credibility" in addressing climate change.[26] The divestment was finalized with the sale of its mine operator, Total Coal South Africa, and a commitment to cease all coal marketing operations by the end of 2016.[26] The research material provides no evidence to suggest that TotalEnergies has since re-entered the thermal coal market or has any operations that would breach the thresholds defined in Guideline §3(2).

Verification Against Other Product-Based Exclusions

Guideline §3(1) mandates that the Fund shall not be invested in companies that produce specific categories of products, including certain weapons that violate fundamental humanitarian principles, tobacco, or cannabis for recreational use.[1] A review of TotalEnergies' declared business activities and product portfolio—which consists of petroleum, natural gas, LNG, petrochemicals, biofuels, and renewable electricity generation—confirms that the Company is not involved in the development or production of any of these proscribed items.[16] Therefore, TotalEnergies is found to be in compliance with Guideline §3(1).

While the Company's compliance with Guideline §3 is clear, it is important to contextualize this finding. The decision to divest from coal was a one-time structural change made nearly a decade ago, not an ongoing demonstration of robust ethical risk management in its current operations. The severe conduct-based issues detailed in the subsequent sections of this report, particularly those in Mozambique and Uganda, all post-date this divestment. This highlights a critical distinction: compliance achieved through the historical sale of a business line offers no assurance regarding the ethical conduct within the Company's ongoing, core business of oil and gas extraction. Assessing the Company solely on this criterion would provide a misleadingly positive picture of its overall ethical risk profile and would overlook the severe and current risks identified under Guideline §4.

III. Conduct-Based Risk Assessment (Guideline §4)

3.1 Grave or Systematic Human Rights Violations (§4a, §4b)

The evidence reviewed indicates an unacceptable risk that TotalEnergies contributes to or is responsible for grave and systematic human rights violations, both in situations of war and conflict (§4b) and in its regular operations (§4a). This risk is most acutely demonstrated in two of the Company's flagship African projects: the Mozambique LNG project and the Tilenga/EACOP developments in Uganda and Tanzania.

Case Study: The Mozambique LNG Project and Complicity in Atrocities (§4b)

The Company is the operator of a multi-billion-dollar LNG project in Mozambique's northern Cabo Delgado province, a region that has been the epicenter of a violent Islamist insurgency since 2017.[4] To secure its facilities, TotalEnergies entered into an agreement with the

Mozambican government to establish a Joint Task Force (JTF), a unit of approximately 700 state soldiers and police. The Company's support for the JTF was extensive, including the provision of food, accommodation, equipment, and direct financial "hardship" bonuses to the troops.[3]

In the summer of 2021, following a major insurgent attack on the nearby town of Palma, JTF soldiers operating from the gatehouse of the TotalEnergies project site are alleged to have carried out a massacre of civilians. Multiple, detailed investigative reports based on survivor and witness testimonies describe how Mozambican troops captured between 180 and 250 villagers who were fleeing the violence.[2] The male captives were allegedly crammed into metal shipping containers located at the project entrance and held for three months. During this time, they were subjected to systematic beatings, starvation, suffocation, torture, and murder. Women were reportedly separated and subjected to repeated sexual assault and humiliation before being released.[5] According to the investigations, only a small fraction—estimated at 26 individuals—of the men detained are believed to have survived.[4]

A critical element for assessing the Company's responsibility is its level of awareness. Internal documents from TotalEnergies' subsidiary, obtained by journalists, reveal that the Company was aware of a pattern of "regular" and persistent human rights abuses by the JTF *before* and during the period of the alleged massacre. These internal reports documented community complaints of "intimidation, extortion, and violence," as well as specific incidents of torture, illegal detentions, and disappearances at the hands of the task force.[3] Despite this knowledge, the Company's response appears to have been limited to the temporary suspension of bonus payments, a measure described in its agreement with the government as a penalty for human rights violations.[3] There is no evidence that the Company took effective steps to ensure accountability; instead, accused soldiers were reportedly just "rotated out" of the unit.[3]

TotalEnergies has publicly stated that its subsidiary had "no knowledge of the alleged events described" and had not "identified any information or evidence that would corroborate the allegations".[2] This public denial is in direct contradiction with the contents of its own internal social reports, which documented prior abuses and community fears. The direct financial and logistical link between the Company and the security unit accused of these atrocities, combined with evidence of prior knowledge of the unit's violent conduct, establishes a clear and unacceptable risk of complicity in grave violations of individuals' rights in a conflict situation, as defined by Guideline §4b.

Case Study: The Tilenga & EACOP Pipeline and Community Rights (§4a)

The Tilenga oil extraction project in Uganda and the associated 1,443-kilometer East African

Crude Oil Pipeline (EACOP) to the port of Tanga in Tanzania represent one of the Company's most significant development projects. The projects are situated in a sensitive social and environmental context and are expected to result in the physical or economic displacement of over 100,000 people.[7]

Investigations by multiple independent organizations, including Global Witness and Human Rights Watch, have documented a systematic pattern of human rights violations linked to the land acquisition process and the suppression of dissent. These allegations include:

- **Inadequate and Delayed Compensation:** Thousands of families have had their land access restricted for years while awaiting compensation. When payments were made, they were often delayed by three to five years after the initial property valuations, and were frequently inadequate to purchase comparable replacement land. This has led to widespread reports of food insecurity, household debt, and children being forced to drop out of school as families could no longer afford fees.[7]
- **Intimidation and Coercion:** Community members have reported being subjected to intense pressure and intimidation from company contractors and government officials—sometimes accompanied by armed security personnel—to sign compensation agreements they did not fully understand and to accept low offers.[6]
- **Reprisals Against Human Rights Defenders:** There is a documented climate of fear for those who speak out against the projects. At least 47 environmental and human rights defenders in Uganda have been detained since 2020 for their activism related to the oil projects, with some alleging they were beaten while in custody.[6] Activists have reported being threatened with arrest for "sabotaging government programmes," have been forced into hiding, and in some cases have fled their country after being harassed.[6]

These actions constitute a pattern of systematic violations of fundamental rights, including the right to property, the right to an adequate standard of living, and the right to freedom of expression. The consistency of these reports across multiple districts and over several years indicates that these are not isolated incidents but rather a systemic feature of the project's implementation, creating an unacceptable risk under Guideline §4a.

Assessment of Corporate Human Rights Due Diligence

TotalEnergies maintains an extensive and sophisticated set of public-facing human rights policies. The Company's Code of Conduct commits it to respecting internationally recognized human rights, and it is a signatory to the Voluntary Principles on Security and Human Rights (VPSHR).[25] It has a dedicated Human Rights Department, conducts human rights impact assessments for new projects, and has established grievance mechanisms.[34]

However, the severe and systematic negative outcomes documented in Mozambique and Uganda/Tanzania point to a catastrophic failure to translate these policies into effective practice on the ground. The events in these flagship projects are not merely isolated failures but are indicative of a systemic breakdown in the Company's human rights due diligence framework. The model appears to treat the potential for severe human rights violations in host countries not as an intolerable outcome to be prevented at all costs, but as a manageable operational risk to be mitigated through policy statements, limited actions like the suspension of bonuses, and public relations denials. This approach creates an unacceptable risk of future norm violations because the core problem—the inadequacy of its risk prevention, oversight, and accountability systems in complex environments—remains fundamentally unaddressed. The Company's public denials and attempts to deflect responsibility for the actions of state security forces it funds and works with are inconsistent with the UN Guiding Principles on Business and Human Rights, which establish corporate responsibility for adverse impacts that are directly linked to their operations, products, or services through their business relationships.[6]

3.2 Severe Environmental Damage (§4e)

The risk of TotalEnergies contributing to severe environmental damage, as stipulated in Guideline §4e, is evidenced by a significant legal ruling in South Africa that called the integrity of its environmental assessment processes into question.

Case Study: South Africa Offshore Exploration and EIA Deficiencies

TotalEnergies, in partnership with Shell, sought to conduct exploratory drilling for oil and gas in a large offshore area known as Block 5/6/7 along the South-West Coast of South Africa.[9] Following a legal challenge by environmental and community groups, the South African High Court set aside the environmental authorization granted for the project.

The court's ruling identified five fundamental failures in the Company's Environmental Impact Assessment (EIA) and consultation process [9]:

1. **Inadequate Impact Assessment:** The EIA failed to properly assess the full socio-economic consequences of a catastrophic well blowout or major oil spill on the small-scale fishers and coastal communities whose livelihoods depend on the marine environment.
2. **Disregard for Law:** The assessment process ignored critical requirements under South

Africa's Integrated Coastal Management Act.
3. **Climate Change Omission:** The project's full lifecycle climate change impacts were not properly assessed.
4. **Failure to Assess Transboundary Harm:** The potential for an oil spill to cross maritime borders and impact neighboring countries, such as Namibia, was not considered.
5. **Lack of Transparency:** Critically, the Oil Spill Contingency Plan and the Blowout Contingency Plan—documents detailing how the Company would respond to a disaster—were withheld from the public during the consultation period, making it impossible for affected communities to provide meaningful comment on the adequacy of the emergency preparedness plans.

This judicial decision represents a formal, legal invalidation of TotalEnergies' environmental risk management and public consultation process for a major exploration project. It demonstrates that the Company's methods for assessing and mitigating the risk of severe environmental damage have been found to be deficient, non-transparent, and in violation of national law. This finding directly elevates the risk that the Company could be responsible for "severe environmental damage" in its future operations due to flawed risk assessment practices.

3.3 Unacceptable Contribution to Greenhouse Gas Emissions (§4f)

Guideline §4f allows for observation or exclusion for "acts or omissions that on an aggregated company level lead to unacceptable greenhouse gas emissions".[1] The assessment of TotalEnergies under this criterion reveals significant risks related to both its strategic direction and the credibility of its emissions reporting.

Scrutiny of the Stated Climate Transition Strategy

TotalEnergies' climate strategy is based on the "two-pillar" model of simultaneously growing its Oil & Gas business and its Integrated Power business.[18] While the Company heavily promotes its investments in renewable energy, its strategic plans also call for a 3% per year increase in oil and gas production through 2030, with a strong focus on expanding its LNG operations.[18]

This dual-track approach is fundamentally contradictory. Independent analyses by organizations like Reclaim Finance highlight that this strategy will result in an energy mix that is still 80% composed of oil and gas in 2030.[12] The continued expansion of fossil fuel production is inconsistent with credible pathways to limit global warming to 1.5°C, such as those outlined by the International Energy Agency (IEA).[12] The Company's plan to increase absolute fossil fuel output, even while investing in renewables, represents an "unacceptable" contribution to aggregate emissions from the perspective of aligning with global climate goals.

The Emissions Reporting Controversy

The credibility of TotalEnergies' climate commitments has been severely damaged by a major public controversy over its greenhouse gas emissions accounting. In November 2022, Greenpeace France, in collaboration with the consulting firm Factor-X, published a report titled "TotalEnergies' carbon footprint: accounts are not good".[11] The report alleged that the Company's actual carbon footprint for the year 2019 was nearly four times higher than what it had publicly reported: approximately 1.64 billion tonnes of

CO2e, compared to the Company's figure of 455 million tonnes.[11] The report claimed that TotalEnergies' reporting methodology was opaque and inconsistent with that of peers like Shell, which reported a similarly high figure despite having only moderately larger production volumes.[11]

TotalEnergies responded forcefully, condemning the report as "false and misleading" and asserting that Greenpeace's methodology was "dubious" and involved double-counting emissions across the value chain.[38] The Company initiated legal action against Greenpeace France in April 2023, filing a lawsuit for disseminating false and misleading information about a listed company.[40] This lawsuit, widely criticized as a Strategic Lawsuit Against Public Participation (SLAPP), was ultimately dismissed by the Paris Judicial Court in March 2024 on procedural grounds, as the court found the summons to be too vague for Greenpeace to mount an effective defense.[40]

Regardless of the definitive accuracy of either party's calculations, the existence of this profound and litigious dispute over the Company's fundamental emissions data creates an unacceptable level of risk. For an investor bound by ethical guidelines, the inability to rely on the integrity of a company's core climate reporting is a significant norm breach in itself. The controversy demonstrates a failure of transparency and raises serious questions about whether the Company's actions and reporting "in an unacceptable degree lead to emissions of greenhouse gases."

3.4 Association with Gross Corruption (§4g)

Guideline §4g targets companies where there is an unacceptable risk of contribution to or responsibility for "gross corruption or other gross financial crime".[1] TotalEnergies' strategic partnership with the Adani Group in India exposes the Fund to precisely this risk.

Case Study: The Adani Group Partnership

TotalEnergies has a deep and financially significant partnership with India's Adani Group, one of the country's largest conglomerates. This partnership includes a 19.75% equity stake in the publicly listed Adani Green Energy Ltd (AGEL) and 50% ownership in multiple joint ventures operating renewable assets.[15]

In November 2024, the U.S. Department of Justice unsealed an indictment charging senior Adani Group executives—including its founder and chairman, Gautam Adani, his nephew Sagar Adani, and the former CEO of AGEL—with orchestrating a massive bribery and fraud scheme.[14] The indictment alleges that the executives agreed to pay approximately $265 million in bribes to Indian government officials between July 2021 and 2024 to secure lucrative power purchase agreements for its solar projects.[13]

The timeline of these events raises severe questions about the efficacy of TotalEnergies' anti-corruption due diligence. Key events are as follows:

- **January 2021:** TotalEnergies acquires its 19.75% stake in AGEL.[15]
- **July 2021:** The alleged bribery scheme begins.[13]
- **March 2023:** The U.S. FBI serves a search warrant and grand jury subpoena on Sagar Adani in the United States. The warrant explicitly names Gautam Adani, Sagar Adani, and Adani Green Energy as being under investigation for bribery and fraud.[13]
- **2023 & 2024:** *After* the Adani leadership was formally aware of the U.S. investigation, TotalEnergies entered into at least two new 50/50 joint ventures with AGEL (AREL9 in 2023 and AREL64 in 2024).[15]

In response to the indictment, TotalEnergies issued a statement claiming it "was not made aware of the existence of an investigation into the alleged corruption scheme".[15] The Company announced it would pause any

new financial contributions to the partnership until the accusations are clarified.[48]

This position is problematic. The Company's failure to detect a corruption risk of this magnitude in a key strategic partner, particularly when it has board representation and conducted due diligence for new joint ventures after the U.S. investigation was formally known to Adani, represents a critical failure of its compliance and partner vetting systems. This direct and ongoing association with a company whose top leadership is credibly accused by U.S. prosecutors of gross economic crime constitutes an unacceptable risk of being linked to "gross corruption" under Guideline §4g.

IV. Geopolitical Conflict Exposure

Analysis of Operations in Conflict-Affected and Politically Unstable Regions

As established in the corporate profile, TotalEnergies' business model relies heavily on operations in countries with high levels of geopolitical risk. Its presence spans numerous jurisdictions plagued by armed conflict, political instability, and weak governance. The research material explicitly confirms operations in high-risk environments such as Algeria, the Democratic Republic of the Congo, Egypt, Ethiopia, Iraq, Libya, Mozambique, Nigeria, and Ukraine, along with a significant historical presence in Russia.[23]

The Company's strategic focus on LNG expansion further concentrates this risk, as many of the world's largest undeveloped gas reserves are in such regions. The Mozambique LNG project is the most prominent example, but the Company also has a significant Development & Production Contract in post-conflict Iraq.[25] This operational portfolio ensures a persistent and high level of exposure to environments where the risk of becoming entangled in local conflicts and associated human rights abuses is exceptionally high.

Evaluation of Stated Risk Mitigation and Sanctions Compliance Frameworks

TotalEnergies publicly states that it has frameworks in place to manage these risks. The Company asserts that it operates with a deep understanding of these complex environments, adheres to international law, and complies with all applicable international economic sanctions.[23] A key component of its stated risk mitigation strategy is the implementation of the Voluntary Principles on Security and Human Rights (VPSHR), which is intended to guide its engagement with public and private security forces.[25]

However, the evidence from its operations demonstrates a significant gap between these stated policies and their effective implementation. The events in Mozambique, where the Company's financial and logistical support of a state security force is linked to a civilian massacre, represent a catastrophic failure of this risk mitigation framework. This incident shows that the Company's current systems are insufficient to prevent its operations from becoming deeply implicated in, and potentially exacerbating, local conflicts and contributing to severe human rights violations. The geopolitical risk is not merely a background factor; it is a direct and causal driver of the specific conduct-based norm violations identified in this report. The necessity of securing multi-billion-dollar assets in unstable regions leads directly to partnerships with unaccountable state security forces, creating the precise conditions for the abuses seen in Mozambique. This establishes a causal link between the Company's geopolitical exposure and its high-risk profile under Guideline §4b.

Table 2: TotalEnergies' Operational Presence in High-Risk Jurisdictions

Country/Region	Nature of Operations	Associated Geopolitical/Conflict Risk	Relevance to GPFG Guidelines
Mozambique	LNG Project Operator (Exploration & Production)	Active Islamist insurgency; weak state security apparatus with a history of human rights abuses; political instability.[2]	**High risk** of §4b (violations in conflict) and §4a (human rights) violations.
Iraq	Development & Production Contract (multi-energy project)	Post-conflict instability; fragile state institutions; sectarian tensions; high corruption risk.[16]	**High risk** of §4b (violations in conflict), §4a (human rights), and §4g (corruption) violations.
Nigeria	Exploration & Production; LNG	Endemic corruption; civil unrest and	**High risk** of §4a (human rights), §4b (violations in

		militancy in the Niger Delta; weak governance; security force abuses.[23]	conflict), and §4g (corruption) violations.
Uganda	Oil Field Development (Tilenga Project)	Weak rule of law; suppression of dissent and civil society; high risk of corruption.[6]	**High risk** of §4a (human rights) and §4g (corruption) violations.
Libya	Exploration & Production	Ongoing civil conflict; fragmented state control; presence of multiple armed groups.[23]	**High risk** of §4b (violations in conflict) and §4a (human rights) violations.
Russia	Exploration & Production (historical/winding down)	International sanctions; authoritarian governance; involvement in armed conflict (Ukraine).[16]	**High risk** of §4b (violations in conflict) and §4c (arms sales to states in conflict).

V. Synthesis and Final Risk Categorization

Summary of Findings Against the GPFG Ethical Guidelines

The comprehensive assessment of TotalEnergies SE reveals a stark contrast between its compliance with product-based criteria and its severe, systemic risks related to conduct.

- **Compliance with Guideline §3:** The Company is compliant with the product-based exclusion criteria. Its strategic exit from the thermal coal industry in 2015-2016 ensures it does not breach the specific thresholds, and its core business does not involve other proscribed products like tobacco or certain conventional weapons.[26]

- **Severe Non-Compliance Risk with Guideline §4:** The Company demonstrates a pattern of conduct that creates an unacceptable risk across four distinct and critical criteria of the conduct-based guidelines:
  - **§4a & §4b (Human Rights):** The evidence of complicity in extreme violence by state security forces in Mozambique and the systematic violation of community rights in Uganda and Tanzania is credible, detailed, and severe. These are not isolated incidents but represent fundamental failures in two of the Company's most important strategic projects.
  - **§4e (Environmental Damage):** The judicial finding in South Africa of a flawed and non-transparent environmental assessment process is not merely an allegation but a legal determination of deficiency in the Company's core risk management practices.
  - **§4f (GHG Emissions):** The Company's strategy of continued fossil fuel expansion, coupled with a major public controversy that challenges the very integrity of its emissions reporting, constitutes an unacceptable contribution to greenhouse gas emissions.
  - **§4g (Gross Corruption):** The Company's deep and ongoing partnership with the Adani Group, whose leadership is under U.S. indictment for a massive bribery scheme, represents a severe failure of anti-corruption due diligence and exposes the Fund to the risk of association with gross financial crime.

Forward-Looking Assessment of Future Norm Violations

The Guidelines mandate a forward-looking assessment of the "unacceptable risk" that a company *will* contribute to or be responsible for future norm violations.[1] The evidence compiled in this report strongly indicates that this risk is unacceptably high for TotalEnergies.

The identified issues are not the result of rogue actions or unforeseeable events. They are systemic outcomes of the Company's core strategy and its deficient oversight and due diligence systems. The strategic imperative to expand LNG operations will continue to drive the Company into politically fragile and conflict-ridden jurisdictions, making future scenarios similar to Mozambique highly probable. The persistent gap between its stated human rights policies and the documented reality on the ground in multiple countries suggests these policies are ineffective at preventing harm. The continued partnership with the Adani Group, despite the indictment, signals a high tolerance for association with gross corruption. Therefore, the probability of future, similar norm violations is not just possible, but likely.

Final Recommended Risk Category and Justification

The cumulative weight of the evidence demonstrates a pattern of severe and systemic ethical failings. The Company's conduct presents an unacceptable risk of contributing to grave human rights violations, severe environmental damage, gross corruption, and unacceptable greenhouse gas emissions. The systemic nature of these failures, rooted in the Company's core business strategy and inadequate risk management systems, indicates a high likelihood of future norm breaches.

While Norges Bank may consider whether active ownership could be an appropriate tool to mitigate these risks, the severity and breadth of the issues—spanning complicity in alleged massacres to association with gross corruption—are profound. The documented failures of due diligence and the disconnect between policy and practice suggest that the risk of continued norm violations is deeply embedded in the Company's current operational model.

Based on the unacceptable risk that the company's conduct will continue to breach the fundamental ethical norms outlined in the Guidelines, the final recommended risk category is:

2 - High Risk

Justification: This categorization reflects the severe, systematic, and multi-faceted nature of the identified conduct-based risks. The issues are not isolated but appear across different geographical regions and ethical domains (human rights, environment, corruption, climate). The evidence points to fundamental, systemic failures in the Company's due diligence and operational oversight, creating a high probability of future norm violations. This level of risk warrants heightened scrutiny and consideration for further action by the Council on Ethics, including placing the company under observation or recommending its exclusion from the Government Pension Fund Global.

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