

# Total Reduces Climate Footprint While Expanding Energy Access

Is it possible for one of the world's largest oil companies to be among those pointing the way to a more sustainable future for our planet?

From its headquarters in the northwest outskirts of Paris, Total S.A. directs business activities in more than 130 countries, including more than 15,000 service stations in 65 countries. The French major has more than 100,000 employees and took in \$236 billion (U.S.) in revenue in 2014.

Energy plays a major part in the achievement of a sustainable world. On the one hand, energy poses a serious threat due to carbon emissions from fossil fuels that are a contributing factor to climate change. On the other hand, energy is essential to economic development, which holds the key to reducing poverty, hunger and disease.

"Energy is central to nearly every major challenge and opportunity the world faces today," says the United Nations website. "Be it jobs, security, climate change, food production or increasing incomes, access to energy for all is essential."

That last sentence is a reference to the UN's Sustainable Development Goal No. 7, which seeks to "ensure access to affordable, reliable, sustainable and modern energy for all."

Total has declared its commitment to promote sustainable development on these two key fronts. The company is working to expand access to energy, especially in less developed areas where it is most needed. At the same time, Total is partnering with other oil companies to lead their industry in proactively contributing to finding solutions to the climate change challenge.

## The World's No. 2 in Solar

In 2011, Total purchased a majority interest in SunPower, a California-based solar energy company. As a result, it has become the world's second largest solar power company by sales.

Additionally, in 2014, Total produced more gas than oil for the first time in the company's history. In 2015, the company stopped producing coal.

Two flagship projects -- the Oil and Gas Climate Initiative and Awango by Total -- are prime examples of Total's two-fold strategy to a more sustainable future.



*Jean-Marc Fontaine is Vice President of Social Business and Societal at Total. He works in the company's headquarters near Paris.*

## Total Timeline

**2002**

Total became a UN Global Compact signatory.

**2011**

Total acquires a majority interest in the solar power company, SunPower.

**2011**

Total launches the Awango by Total solar lantern program.

**2014**

The Oil and Gas Climate Initiative is launched by Total and four other oil companies.

the global presence to make a significant impact on climate change. "Having said that we don't expect to find any silver bullet. We are working in parallel on energy efficiency, flaring or methane emissions reductions to produce energy with lower GHG impacts, as well as on increasing the proportion of gas produced as part of the energy mix, developing renewable, enhancing our R&D on CCS or exploring new business models."

"We believe, that to make a difference, this issue will have to be tackled collectively," Perez said. "We know that we can provide solutions, but everybody will have to engage."

Perez said Total and other industry leaders actually want more visibility on the policy frameworks, in order to be able to contribute more efficiently, in a balanced manner while leveling the playing field applicable to all players in the industry. "We are pushing for it".

**"For us, a lack of regulation is a risk. Having clear and ambitious policy frameworks will make the change."**

## Will Oil Companies Make History?

The Oil and Gas Climate Initiative (OGCI) was launched in 2014 to bring the world's largest oil producers together to share best practices and to collaborate to reduce climate impact and identify climate solutions.

Total and eight other companies make up the OGCI to bring concrete solutions pushing for these changes. Together these nine companies produce more than one-sixth of the world's oil and gas.

Julien Perez, Total's Senior Coordinator and Project Director of Climate and Energy, said OGCI is going to shake up the energy space. "Total and its counterparts have already been focused on climate change for years", he said. In a 2 degree world, Total knows that all oil companies will have to move progressively toward a reduced carbon intensive economy, and Total wants to be out in front, leading the changes voluntarily.

Perez said the Oil & Gas industry has the technical expertise, the long term vision, the resources, and

## Awango by Total

While Total and other OGCI members seek to reduce the industry's impact on climate, Total is also working to expand access to energy for base of the pyramid populations.

In 2011, the Group introduced the Total Access to Energy program, which acts as a project incubator to develop innovative and economically viable solutions to improve access to energy for low-income communities in developing countries.

The first project was launched in 3 countries. Its aim was to distribute top quality solar powered lanterns via the Awango by Total program.

Since then, more than 1 million solar lanterns have been sold in 28 countries, impacting the lives of 5 million people in Africa, Asia and the Caribbean.

A 2014 survey found that 85% of Awango by Total customers consider that their solar lamp has significantly improved their daily lives.

**Perez:** “It is not a matter of waiting for regulation. It’s really a matter of supporting governments to implement the right policy frameworks as quickly as possible.”

In addition to the positive impact on health, quality of life and climate, which are key, the solar lanterns are an alternative to unreliable and costly energies such as candles and kerosene. They provide light for children to study at night and to enable people to charge their phones without having to leave home.

Total selects and contributes to the design of the solar lanterns from a handful of manufacturers selected based on rigorous tests. It then distributes them through the company’s service stations (4,000 in Africa) and a complementary network of Last Mile distribution channels.”

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## Social Business with Long-Term Benefits

The Group defines Awango by Total as a “social business” which, as Jean-Marc Fontaine, Vice President of Social Business and Societal at Total, explains, pays for itself and achieves a social objective.

Although the sale of solar lamps has exceeded 1 million units, sales revenue has had limited impact on Total’s financial performance. However, as Fontaine mentions, there is sound business strategy behind the project.

“For an oil company, the immediate financial benefits of the solar lamp social business are minor. We

reinvest the money into the business itself, so it can remain sustainable. The benefits are the market integration and customer knowledge that we collect in the countries in which we sell the lamps.”

The program creates a network of government contacts, distributors and other partners that already prove invaluable to Total.

Although Awango by Total’s profit is limited by design to enable affordable pricing of the solar lamps, the program is not philanthropy and has to pay for itself. “The program needs to be profitable,” Fontaine declared, “to make sure that each link of the distribution channel is adequately remunerated and that there is margin for everyone. It’s the only way to achieve sustainability.”

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## Keep Moving Forward

Fontaine expects Total’s commitment to a sustainable future to maintain momentum. OGCI is still a developing initiative. The goal will be to continue to draw more oil companies into the fold, until most of the industry is working together to fight against climate change.

Total aims to expand the Awango by Total offer to 40 countries by 2016 and to impact the lives of 25 million people in Africa by 2020 through the sale of more than 5 million lamps. The Group also plans to expand the use of the solar strips beyond lamps and phone chargers to power devices such as fans, radios and televisions.

There is one big lesson to be learned from this. Working in partnership with industry peers, multilateral institutions, governments, NGOs and entrepreneurs is a must to make a positive impact on climate change and to increase access to energy. The past has shown the importance of facing global challenges as a collective; no one body or industry can do it on its own. Its projects on the ground and responsible lobbying efforts with industry peers demonstrate Total’s commitment to global sustainable development now and in the future.