



As of May 31, 2024

**TotalEnergies Marketing Services & TotalEnergies Marketing Canada Inc.**

## **2023 ANNUAL JOINT REPORT ON FORCED AND CHILD LABOUR IN SUPPLY CHAINS**

This report is made pursuant to Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). It constitutes the annual joint report of TotalEnergies Marketing Services (“**TEMS**”) and TotalEnergies Marketing Canada Inc. (“**TEMCA**”), for the financial year ending December 31, 2023.

TEMS and TEMCA do not directly report under similar legislation in any other jurisdiction. However, TEMS falls within the scope of the French Corporate Duty of Vigilance Law No. 2017-399 as it is a subsidiary of TotalEnergies SE, which is obligated to comply with this law.

### **I. Businesses, structures and activities**

TEMS (Siren Number: 542 034 921, Siret Number: 542 034 921 16871) is a simplified joint-stock company (*Société par Actions Simplifiée, SAS*), with share capital of 324,158,696 EUR, incorporated on September 7, 1954 under the French Code of Commerce (*Code de commerce*) and which is 100% owned by TotalEnergies SE (referred to, together with its subsidiaries, including TEMS and TEMCA, as “**TotalEnergies**” or “**Company**”). TEMS has its principal and registered office at 24, Cours Michelet, 92800 Puteaux, France. TEMS is a holding company that manages stakes (NAF7010Z - head office operations (*activités de sièges sociaux*)).

TEMCA (Canada Business Number: 836003814RC0002) results from the merger of Total RM Canada Inc. and Total Canada Inc. on January 1, 2013, under the Canada Business Corporations Act. TEMCA, with share capital of 73,236,400 CAD, has its principal and registered office at 220, Lafleur Avenue, Montréal, H8R 4C9, Québec, Canada. TEMCA is 100% owned by TEMS.

TEMCA (and its predecessors, prior to such merger) have been present in Canada for more than 17 years and is a part of the Marketing & Services business segment of TotalEnergies. TEMCA manufactures and distributes a full line of lubricants, engine oil, transmission fluid, UTTO, hydraulic oil, greases, and more, for passenger car, heavy-duty and industrial markets across Canada.

TotalEnergies is a leading international energy company active worldwide in the exploration, production, processing and marketing of oil and biofuels, natural gas and green power solutions, renewable energies and power, with more than 100,000 employees in 130 countries. TotalEnergies SE's shares are listed and publicly tradeable on the Euronext Paris Stock Exchange, the Euronext Brussels Stock Exchange, the London Stock Exchange and the New York Stock Exchange.

TotalEnergies requires high professional standards of behaviour in all its business dealings and has implemented a range of policies, guides and trainings to ensure these standards are met. The non-financial performance metrics of TotalEnergies, including actions supporting Human Rights, are reported in the [2023 Universal Registration Document](#) published by TotalEnergies.

TotalEnergies implements measures to prevent forced and child labour in its own activities and in its supply chains, and requires its suppliers to maintain ethical business practices. TotalEnergies is continuously extending its actions to combat forced and child labour, focusing mainly on identifying risks within the business and the supply chain and following up on any risks identified.

This report relates the actions undertaken during the financial year ending December 31, 2023, in application of TotalEnergies' policies implemented within TEMS and within TEMCA.

## II. Implementing its commitments

TotalEnergies implements its commitments to prohibit forced and child labour in its business in five ways: (1) policies, (2) governance and processes, (3) actions regarding the supply chain and due diligence, (4) assessments and audits, (5) training.

### 1. Policies

At a corporate level, policies including in relation to Human Rights, which apply to all employees worldwide, have been adopted. These policies, which are implemented by subsidiaries including TEMS and TEMCA, include the following:

- a) The [Code of Conduct](#)<sup>1</sup>: “Respect for Each Other” is one of TotalEnergies’ core values. As such, respect for Human Rights includes respect for internationally recognized Human Rights standards; in particular TotalEnergies abides by the following:
  - 1. The Universal Declaration of Human Rights,
  - 2. The United Nations Guiding Principles on Business and Human Rights (UNGPs),
  - 3. The Voluntary Principles on Security and Human Rights (VPSHR),
  - 4. The principles set forth in the fundamental conventions of the International Labour Organization (ILO),
  - 5. The OECD Guidelines for Multinational Enterprises,
  - 6. The Ten Principles of the United Nations Global Compact.
- b) The [Human Rights Briefing Paper](#), presents TotalEnergies’ approach, commitments, and actions with regard to respect for Human Rights.
- c) The [Guide to Human Rights](#), which goal is to raise TotalEnergies employees’ awareness on issues relating to Human Rights in its industry and provide guidance as to the appropriate behaviour to adopt in their activities and relationships with stakeholders.
- d) The [Fundamental Principles of Purchasing](#) (“FPP”), lay out the commitments that TotalEnergies expects from its suppliers including in the field of Human Rights at work. Suppliers are required to comply with these commitments, ensure compliance by their own suppliers in turn and continuously improve their performance on the subjects covered by the FPP.
- e) The [Practical Guide on Human Rights at Work for Suppliers](#), provides buyers with tips to track potential Human Rights issues at the suppliers’ and contractors’ end and to address these issues during the contractual relationship.

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<sup>1</sup> The Code of Conduct is available in 18 languages.

## **2. Governance and processes**

**2.1.** TEMS and TEMCA are required to implement TotalEnergies SE's internal policies and procedures within their organization.

**2.2.** TotalEnergies' Human Rights Department, in the Sustainability & Climate Division<sup>2</sup>, coordinates the analysis of TotalEnergies' Human Rights risks, supports operational teams and supervises the actions to promote respect for Human Rights, in close collaboration with the Ethics Committee and in accordance with the Code of Conduct.

The Human Rights Steering Committee, led by the Human Rights Department, monitors the implementation of TotalEnergies' Human Rights Roadmap and meets several times a year. It is chaired by the Senior Vice President of Sustainability & Climate. The Committee includes representatives of each business segment including representatives from the Marketing & Services.

Each business segment as well as the subsidiary TotalEnergies Global Procurement ("**TGP**"), which is in charge of the responsible procurement program, appoints a Human Rights Coordinator, whose role is to coordinate Human Rights matters in his/her respective perimeter and to cooperate with TotalEnergies' Human Rights Department.

TEMS has set up a Human Rights Committee in charge of monitoring the deployment of the business segment's Human Rights Roadmap and promoting the respect of Human Rights in all its activities.

At the operational level, TotalEnergies' Human Rights Representatives are appointed, as is the case within TEMCA. They are in charge of promoting the values set out in the Code of Conduct among subsidiaries' employees and ensuring that TotalEnergies' policies and procedures are correctly implemented locally.

**2.3.** TotalEnergies' Ethics Committee is responsible for the general oversight of the implementation of the Code of Conduct. Its chairman, who reports to the Chairman and Chief Executive Officer of TotalEnergies SE, presents an annual ethics report to the Governance and Ethics Committee of the Board of Directors. TotalEnergies' employees, suppliers as well as any other external stakeholders are encouraged to report incidents or complaints involving a breach or potential breach of the Code of Conduct ("Speak Up"), which includes cases involving Human Rights, to the Ethics Committee using the following email address: [ethics@totalenergies.com](mailto:ethics@totalenergies.com).

The Committee ensures that the identity of the person making the report is protected and that no reprisals are taken against that person or against those taking part in the processing of the complaint. All alerts received are addressed and, when necessary, recommendations are made in order to lead to the implementation of corrective actions. Employees may also report matters of concern to their immediate manager, a Human Resources or any other manager, or to the Compliance Officer or Ethics Officer in the relevant country. Suppliers may contact the internal supplier mediator using the following email address: [mediation.fournisseurs@totalenergies.com](mailto:mediation.fournisseurs@totalenergies.com).

## **3. Supply chain and due diligence**

TotalEnergies works with a network of over 100,000 suppliers of goods and services worldwide. TotalEnergies selects suppliers who respect Human Rights and conduct their business responsibly.

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<sup>2</sup> The Sustainability & Climate Division reports to the president, Strategy & Sustainability, who sits on TotalEnergies SE's Executive Committee.

TotalEnergies requires its suppliers to comply with the FPP, derived from its Code of Conduct, or to apply equivalent standards, and to ensure compliance by their own suppliers in turn. TotalEnergies also requires all suppliers to take particular care to comply with standards and procedures in the field of Human Rights, notably with regard to working conditions for their employees and those of their suppliers.

TotalEnergies has chosen to have the management of its relations with its main suppliers coordinated by a dedicated cross-functional subsidiary, TGP, which is specifically tasked with providing purchasing services and assisting TotalEnergies' entities and sites. TGP is rolling out a complete supplier engagement and qualification process, which includes a Human Rights dimension. Each subsidiary, including TEMS and TEMCA, is responsible for implementing this qualification process.

As part of this process, suppliers must adhere to the FPP and share their sustainability commitments via a questionnaire covering six criteria: administrative, anti-corruption, technical, HSE, financial and sustainability - which allows for the evaluation of suppliers as for the respect of Human Rights at work including forced and child labour. A risk analysis is carried out for each supplier, followed where deemed necessary by a detailed assessment.

Subsidiaries, including TEMS and TEMCA, must include the FPP – or replace them with equivalent principles at the end of the negotiation – in all contracts concluded with suppliers. Principle 1 of the FPP covers Human Rights at work and the prohibition of forced and child labour. Serious violations by a supplier of the FPP entitle TotalEnergies' entity party to the contract to terminate the contract. TotalEnergies ensures compliance with these Principles by its suppliers through an audit program (see 4. Assessments and audits).

In line with the UNGPs, TotalEnergies carries out, when deemed appropriate, Human Rights due diligence through its risks management processes<sup>3</sup>. With the assistance of qualified third-party experts, TotalEnergies identifies, prevents, mitigates and remedies, as needed, any impact on Human Rights in which it may be involved through its activities. Particular attention is given to risks to people and to the most vulnerable groups.

#### **4. Assessments and audits**

TotalEnergies SE conducts, via an independent third party, Ethics and Human Rights Assessments of its subsidiaries to ensure they comply with the principles and values enshrined in the Code of Conduct. TEMS has been conducting, since 2022, onsite "Human Rights at work" assessments, via an external service provider, within the service stations operated under its brand. In January 2022, TotalEnergies SE's Executive Committee adopted the Sustainable Procurement program expanding the suppliers' audits framework to sustainable development and to cover labor and Human Rights issues such as forced and child labor. TotalEnergies' Sustainable Procurement program (2022-2025) is aimed at 1,300 priority suppliers which accounts for nearly 60% of TotalEnergies' expenditure. The audits target priority suppliers most at risk regarding Human Rights, identified by cross-referencing the Corporate Social Responsibility (CSR) risk-mapping with Human Rights country-related risk indicators.

Priority suppliers go through an audit every year. These on-site audits, carried out by an external service provider, include a visit of the site, a documentary review and interviews with employees. They measure respect for Human Rights in the workplace and cover topics such as forced and child labour, discrimination, freedom of association and the right to collective bargaining, working conditions (e.g., overtime, days off), and workplace health and safety. If there are shortcomings, the supplier must present an action plan to the Responsible Procurement teams within TGP and then undergo a verification audit. Suppliers may also be

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<sup>3</sup> For any new industrial project likely to have significant impacts on stakeholders, a Societal Baseline Study (SBS), an Environmental and Social Impact Assessment (ESIA) and/or a Social Impact Study (SIS) is conducted to identify the impacts of the activities or project on potentially affected stakeholders. Human Rights Impact Assessments (HRIAs) are also conducted, where appropriate.

evaluated in terms of sustainable development, including Human Rights, via documentary audits conducted by an external service provider.

## **5. Training**

In order to disseminate its commitments and a culture of respect of Human Rights, TotalEnergies raises employee awareness via internal communication channels such as intranet sites, organization of trainings on specific topics and planning of annual events such as the Sustainability Day and the Business Ethics Day. The 2023 Business Ethics Day aimed at reminding employees of “Speak Up” and enhancing their awareness of the Code of Conduct. TEMCA’s employees attended the Live Event, organized at the corporate level, for the Business Ethics Day 2023.

TotalEnergies developed, in 2020, a Human Rights Training Plan to upskill employees on the requirements of the Code of Conduct including respect of Human Rights and the prohibition of forced and child labour. This Plan is intended for TotalEnergies’ employees who are prioritized according to their exposure and position. Training at the corporate level includes online and face-to-face training. More than 3,500 employees belonging to the priority categories were trained in face-to-face training sessions on Human Rights in 2023, of which 1,750 employees of TEMS. An e-learning focusing on Human Rights in the workplace has been included in TotalEnergies’ compulsory e-learning package for all employees. Since 2019, more than 69,000 employees have been trained on Human Rights in the workplace. To this date, 82 out of 83 employees of TEMCA have attended the online training. In addition to the Human Rights Training Plan, awareness-raising sessions on Human Rights are conducted during the Ethics and Human Rights Assessments, coordinated by TotalEnergies SE, and the onsite “Human Rights at work” assessments, coordinated by TEMS. Within TEMS, in 2023, a training on Environmental, Social, Governance (ESG) and Human Rights standards and requirements, for notably Senior Management, Managing Directors and Ethics Officers, was organized by the HSE and Legal Departments.

TotalEnergies consistently fosters suppliers’ awareness of its Human Rights requirements and strives to help them understand how they can effectively respect those requirements, via notably a platform to engage with them. TotalEnergies also organizes suppliers’ days such as the ones held in March 2023 in China and in July 2023 in Nigeria. Furthermore, dedicated training sessions are conducted, such as the session organized in May 2023 in Vietnam. TGP buyers are also required to undergo training on responsible procurement.

### **III. Identified risks of forced labour and child labour**

Salient Human Rights issues associated with TotalEnergies’ activities and business relationships were identified following a risk-mapping exercise conducted with the assistance of an external consultant. Those salient issues break down into three key areas: (1) Human Rights in the workplace, (2) Human Rights and local communities and (3) Human Rights in security-related activities. The risks of impacts on Human Rights for TotalEnergies’ personnel and third parties were identified according to the criteria defined in the UNGPs Reporting Framework: severity, scope and/or the remediable nature of the impact. Salient Human Rights issues are the Human Rights at risk of the most severe negative impact through TotalEnergies’ activities or business relationships.

The Human Rights in the workplace risk is subdivided in three salient risks which concern TotalEnergies’ employees as well as the employees of its suppliers and other business partners: (i) forced and child labour, (ii) discrimination, and (iii) just and favorable conditions of work and safety. TotalEnergies prohibits all forms of forced labour and child labour, does not tolerate any form of discrimination – whether based on origin, nationality, gender, age, disability, sexual orientation or affiliation with a political, religious, union organization, or minority group – and takes the necessary steps to ensure decent working conditions.

### **IV. Measures taken to remediate any forced labour or child labour**

TotalEnergies provides, in cooperation with its suppliers and business partners, appropriate remediation of any adverse Human Rights impacts which may result from its activities. TotalEnergies' stakeholders are provided with access to remedy through the global ethics line ([ethics@totalenergies.com](mailto:ethics@totalenergies.com)) (see 1. Governance and processes) and through other grievance mechanisms implemented locally - which do not impede access to judicial or extrajudicial grievance mechanisms. TotalEnergies does not tolerate any reprisals towards anyone submitting a complaint in good faith and expects its suppliers and subcontractors to ensure their employees can express grievances and concerns without fear of reprisal (see principle 1 of the FPP).

In accordance with the ILO standards, the hiring of employees aged under 15 years old is prohibited. In addition, the minimum age for recruitment for any kind of hazardous work is 18 years old. TotalEnergies remains particularly vigilant through its suppliers and contractors' qualification process notably by enhancing its buyers' awareness on such topics. In May 2022, TotalEnergies published a [Practical Guide on Human Rights at Work for Suppliers](#). Forced and child labour are key focus points in this Guide. Webinars have been organized in 2022 by TGP to introduce and explain the Guide to buyers.

TotalEnergies engages in an open dialogue with its stakeholders including local communities, civil society organizations and Human Rights defenders to better understand and address potential adverse Human Rights impacts. TotalEnergies also reaches out to industry associations, business partners and governments to build its leverage to address Human Rights issues and promote respect for Human Rights globally. For instance, in December 2018, TotalEnergies committed to pursuing its efforts with regard to decent work and respect for Human Rights in its supply chain by adhering to the Ten Principles contained in the United Nations Global Compact, and, in this context, participates in certain webinars. TotalEnergies is also an active member of the International Petroleum Industry Environmental Conservation Association's (IPIECA) Supply Chain Working Group. In 2022, TotalEnergies became the first oil & gas company to join ILO's Child Labour Platform, a multi-sector initiative to combat child labour. It aims to enable exchanges of best practices to identify and fight child labour by addressing its root causes among businesses of various sectors participating in this initiative.

## **V. Measures taken to remediate loss of income to the most vulnerable**

TotalEnergies' vision of shared prosperity is based on three principles: dialogue and engagement with all host communities, assessing and reducing the impact of TotalEnergies' operations, and contributing to local social and economic development that meets the local community's needs. Contributing to local socio-economic development long-term operations in a host territory means developing profitable, sustainable projects that create jobs and develop skills locally. In addition to employment and using local suppliers for projects, TotalEnergies supports education, getting young people into employment, protecting cultural heritage, providing access to water, health and road safety, all of which contribute to reducing inequality.

## **VI. Assessing its effectiveness**

TotalEnergies implements its Human Rights approach through the development of Human Rights Roadmaps – including at the business segment level, TEMS also having a Human Rights Roadmap – and action plans. TotalEnergies' Human Rights Roadmap is presented at regular intervals to members of TotalEnergies SE's Executive Committee to support the ongoing efforts to enforce the Code of Conduct and respect for Human Rights. The same applies to TEMS' Human Rights Roadmap which is endorsed at regular intervals by the Marketing & Services Management Committee. Furthermore, multi-disciplinary committees review the implementation of measures within their purview. For instance, the Ethics Committee monitors compliance with the Code of Conduct. TotalEnergies' Human Rights Steering Committee coordinates the actions regarding Human Rights taken by the business segments and subsidiaries. Indicators are also used to measure the effectiveness of the measures and the progress made as well as to continuously seek ways to improve. TotalEnergies tracks and reports on its Human Rights progress in various reports, including the Human Rights Briefing Paper, last updated in January 2024.

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**CERTIFICATE**

This joint report was approved by the President of TotalEnergies Marketing Services on May 31, 2024, pursuant to subparagraph 11(4)(b)(i) of the Act.

This joint report was approved by the board of directors of TotalEnergies Marketing Canada Inc. on May 31, 2024, pursuant to subparagraph 11(4)(b)(i) of the Act.

In accordance with the requirements of the Act, and in particular its Section 11, I, the undersigned, attest that I have reviewed the information contained in the report for TotalEnergies Marketing Services. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year identified above.

In accordance with the requirements of the Act, and in particular its Section 11, I, the undersigned, attest that I have reviewed the information contained in the report for TotalEnergies Marketing Canada Inc. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year identified above.

I have the authority to bind TotalEnergies Marketing Services.

I have the authority to bind TotalEnergies Marketing Canada Inc.

/s/ Thierry Pflimlin

/s/ Olivier Gauthier

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Thierry Pflimlin  
President of TotalEnergies Marketing Services

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Olivier Gauthier  
President, General Manager and Director of  
TotalEnergies Marketing Canada Inc.

As of May 31, 2024

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