



TOTAL IN NENETS AUTONOMOUS DISTRICT

15+ years of Corporate Social Responsibility

Irina Shubina
Deputy Head of Communications
Total E&P Russie

TOTAL GROUP

TOTAL GROUP: KEY FIGURES 2012

STRONG INTERNATIONAL
PRESENCE IN



OVER **130** COUNTRIES



MORE THAN
700

PRODUCTION
FACILITIES



REVENUE
€200
BILLION

+ **8%**



2013 ORGANIC
INVESTMENT
BUDGET
\$28 BILLION



97,126
EMPLOYEES



ADJUSTED NET INCOME
€12.4
BILLION

+ **8%**



8.8 BILLION
ALLOCATED TO R&D
BETWEEN
2013 AND 2017

5th RANKED INTERNATIONAL
OIL AND GAS COMPANY



TOTAL GROUP: OUR COMMITMENTS



SUSTAINABLY meet

energy demand, while taking into account climate change



enable

as many people as possible to access energy



Make safety,

the environment and applying our Code of Conduct in all of our operations a priority



STRENGTHEN

our local integration by establishing and maintaining dialogue with our stakeholders



BUILD

long-term partnerships with our stakeholders and help contribute to their economic and social development



PROMOTE

equal opportunity and diversity

TOTAL EP PROJECTS IN RUSSIA



TOTAL IN NENETS DISTRICT (RUSSIA): GEOGRAPHY AND BUSINESS

NENETS AUTONOMOUS DISTRICT - GEOGRAPHY

- 176 810 km² (env.1% of the Russian territory)
- Population 42.8 thousand (0.24 per km²)
- Capital – Naryan-Mar (population appr. 25 thousand)
- Most of the territory is situated beyond the Polar circle
- No permanent interregional roads



- Cold climate, very long winter (220-240 days) with heavy snow and winds
- Large zones of permafrost
- Village of Khorei-Ver (the closest to Kharyaga field – about 80 km) has 740 inhabitants, half of them Nenets

NENETS PEOPLE

- Samoyedic people living along the Arctic shore of Eurasia, from Kola peninsula to Taimyr peninsula
- traditional way of life – nomadic reindeer herders
- about 40 thousand, mostly in YaNAO and NAO
- In NAO – 7.7 thousand (18.6% of the district's total population)



- In Nenets autonomous district, most Nenets families live in villages, with men working shifts with reindeer herds on their seasonal routes in the tundra; however, there are still nomadic families living in the traditional *chum*
- Every reindeer herders' cooperative or independent family has its traditional pastures along the seasonal route (mostly from SW to NE in the spring and summer, and back to SW in the fall)

KHARYAGA PSA

KHARYAGA PSA

- Levels 2 and 3 of Kharyaga oilfield (the rest of the field is operated by Lukoil)
- Highly paraffinic oil (freezes at +29°C!), H₂S in associated gas
- PSA was signed in 1995 and became effective in 1995
- Production started in 1999
- Production in 2012: 1.537 MT
- Cumulative production since 1999: over 12 MT

STATE

- Federal
- Regional (NAO)

INVESTOR

- Total E&P Russie (40%, Operator)
- Statoil (30%)
- Zarubezhneft (20%)
- Nenets Oil Company (10%)

Profit Oil (what remains after recovering costs) is shared between the Investor and the State; the State's share is then shared between the Federal budget and the budget of Nenets Autonomous District

KHARYAGA PSA CONTRIBUTION TO THE BUDGET OF NENETS DISTRICT



Cash revenues provided by Kharyaga PSA to the regional budget include :

- Payments under the Art.16.5 of Kharyaga PSA “to cover the social and economic needs of the NAO population”
- Sales of the Profit Oil (NAO part)
- Local taxes

“... sales of the Kharyaga PSA Profit Oil amounted 5.6 billion rubles in 2012, constituting 36% of the revenues of the district budget...”

(annual report of the NAO Governor to the district legislative assembly, 05.04.2013)

TOTAL CSR IN NAO

KHARYAGA PSA'S CONTRIBUTION TO THE ECONOMIC AND SOCIAL DEVELOPMENT OF NENETS OKRUG



Cash revenues of the NAO budget

- Special purpose payment under Art.16.5 of Kharyaga PSA (“for social purposes”)
- Revenue generated by the sales of the Profit Oil
- Local taxes



Local enterprises involved in the project as suppliers and contractors (construction, transport, services)



Societal projects implemented by Kharyaga PSA investors and accounted for as non-recoverable costs



Societal projects implemented by Total E&P Russie independently

BENEFICIARIES OF SOCIETAL PROJECTS IMPLEMENTED JOINTLY BY KHARYAGA PSA INVESTORS

- “Put’ Il’icha” reindeer herders’ cooperative, Khorei-Ver
 - Kharyaga oilfield is situated in the area of reindeer pastures historically belonging to families descendants of which are now members of the cooperative (the land was actually assigned to the local oil producing enterprise back in the 80s; Kharyaga PSA site is in the middle of the oilfield, surrounded by the sites operated by Lukoil)
- School №2, Naryan-Mar
 - Construction and furnishing of the new school building was financed jointly by Total and Statoil (completed in 2009)
 - The school is a public educational institution
 - Kharyaga PSA investors continue to provide “extra” benefits to the school and its students (donation of equipment, funding for students’ educational trips, etc.)
- Children’s Art School, Naryan-Mar
 - The school is a public after-school educational institution
 - Kharyaga PSA investors provide “extra” benefits to the school and its students (donation of equipment, funding for students’ educational trips, etc.)
- College of Social Sciences and Humanities “Vyucheisky”, Naryan-Mar
 - The college is a public educational institution and offers secondary-level education and vocational training for nurses, kindergarten teachers, IT technicians, postal service operators

SCHOOL #2, NARYAN-MAR



Joint project with Statoil

Opening ceremony in November 2009

SCHOOL #2, NARYAN-MAR – “TRAVUSHKA”



Singing contest in Veliky Novgorod (January 2013).
Kharyaga PSA partners covered part of the travel costs.

SOCIETAL PROJECTS IMPLEMENTED BY TOTAL E&P RUSSIE INDEPENDENTLY

Education

- Center of French Language in Naryan-Mar
- Elective course in French in School #2
- Children's Art and Writing contests
- "Totalny Diktant"



Public Health

- Nar'yana Mya ("Red Chum")



Culture

- French-Russian culture exchanges (cinema, books, music...)
- Concerts (Moscow Easter Festival, other...)
- Cooperation with the Nenets Central Library
- Sponsorship of local festivals (snowmobile races, dance contest, Reindeer Day, etc.)



CASE 1

NAR'YANA MYA: “ON-THE-JOB TRAINING”

«NAR'YANA MYA» (“RED CHUM”): BACKGROUND



Annual medical missions to remote tundra areas

- Public health system in Nenets district includes the central regional hospital in Naryan-Mar, an outpatient clinic located in Naryan-Mar area, and small medical facilities in the villages
- In emergencies, a helicopter is sent from Naryan-Mar with a medical team to provide treatment or bring the patient to the regional hospital.
- Most of the tundra villages have resident nurses; some have doctors as well, but these are general practitioners, not specialists.
- Reindeer herders in the tundra are mostly on their own; they have satellite phones to call the village or Naryan-Mar in case of emergency, but the communication is unstable, especially in heavy snow or rain. It makes first aid skills extremely important.

«NAR'YANA MYA» (“RED CHUM”): BEGINNING



The project started in 2008 in Bolshezemelskaya tundra (in 2002-2008 there was a similar project in Kanin tundra)

- Main goal: to improve the healthcare of the nomadic Nenets population
- Participants:
 - Lukoil
 - Total E&P Russie
 - Zapolyarny District Administration
- Medical team was flown by helicopter to remote tundra encampments, to perform medical check-ups, provide treatment and first aid training to reindeer herders and their families
- Funding for helicopter flights, doctors' and nurses' salaries was provided by Lukoil; Total purchased medical equipment and supplies

In 2009, the project was renewed, with a more diversified medical team

NAR'YANA MYA 2008



Medical team with the representatives of Lukoil and Total

NAR'YANA MYA: LESSONS LEARNT IN 2008-2009

- The initiative proved useful: on each mission over 100 reindeer herders and their family members got medical check-ups, treatment and/or referrals to a hospital, clinic or specialists; first aid training was provided to reindeer herders and first aid kits distributed
- Equipment purchased for the project was then handed over to the outpatient clinic and used to provide medical care to the NAO population
- Good cooperation established between the two oil companies providing finance, supplies and logistics, on the one hand, and the local public health authorities, on the other hand

But:

- Limited number of patients could be reached by each helicopter flight (helicopter flights represent an important part of the total cost)

Ways to improve:

- The 2008 experience allowed to better define the requirements for the medical team; in 2009, endocrinologist, hematologist, pulmonologist, dentist were added to it and additional equipment was purchased
- For the future, it was deemed more efficient to send the mission to villages, where more people could be reached
- To reach both the nomadic people and the villagers, it was decided to move the mission from August to November-December (the reindeer slaughtering period, when the Nenets bring their herds to the villages)

NAR'YANA MYA 2010-2011

2010: 631 patients in the villages of Kharuta and Khorei-Ver

2011: 560 patients in Khorei-Ver and Karataika



Lessons learnt:

- Importance of the information campaign
- Additional equipment needed; some of the existing equipment needs replacement
- Direct purchase of medical equipment and supplies by an oil company is not the best solution: the company lacks expertise to conduct a proper bidding procedure and evaluate offers, and single source purchase (from the supplier recommended by the local health authorities) lacks transparency

NAR'YANA MYA 2011 IN KHOREI-VER



NAR'YANA MYA 2012



in the villages of Khorei-Ver and Nes':

- 972 medical check-ups performed, including 542 pediatric
- 42 patients referred to the hospital for further examination, 22 for treatment or surgery

NAO regional administration joined the project, allowing it to use the budget assigned to tuberculosis prevention program – in 2012, the medical team was equipped with a portable X-ray machine.

Total cost of the project - 4 364 400 rubles (about \$140k), covered by:

NAO Administration	1 864 400 rubles (budget assignment)
Lukoil-Komi	1 500 000 rubles
Total E&P Russie	1 000 000 rubles

Instead of purchasing medical equipment and supplies, Total E&P Russie donated funds to the local outpatient clinic and stipulated in the donation agreement that a part of the funds could be used to cover the costs of the proper purchase procedures (such procedures are now required for all major purchases by state entities).

Project will be continued in 2013

NAR'YANA MYA 2012 IN KHOREI-VER AND NES'



CASE 2

FRENCH-RUSSIAN EXCHANGES: ESTABLISHING A PARTNERSHIP NETWORK

FRENCH LANGUAGE CENTER IN NARYAN-MAR

Long term partner: **Association of French Language Teachers** (Russia)

Total E&P Russie supports several programs of the Association, in particular:

- Operation of French Language Centers (in Naryan-Mar and Usinsk) offering French lessons to local residents free of charge or at affordable price.
- Linguistic training in France for language teachers
- Linguistic training in France for the best students of French

French Language Center in Naryan-Mar

- Opened in 2001 (the French Ambassador came to the opening)
- Operated by the Association of French Language Teachers using the funding provided by Total E&P Russie (the funding covers remuneration of the teacher and the linguistic trainings in France)
- The lessons are free of charge for the local residents; the Center gets to use the premises of the local educational facilities free of charge
- Total E&P Russie provides assistance on a regular basis, sending equipment, books, periodicals, films and creating opportunities for contacts with native speakers (company's staff coming to Naryan-Mar on business trips)
- Since 2011, the students of School#2 are offered an elective course in French

FRENCH LANGUAGE CENTER IN NARYAN-MAR

- ▶ About 250 students in 11 years (some of them stay on for several years) – don't underestimate this number, as it represents 1% of the total population of Naryan-Mar!
- ▶ 30 linguistic trainings in France



10th anniversary of the Center - March 2012

Latest developments

- ▶ In 2013, thanks to the NAO Administration support, the Center expects to get a permanent classroom on the premises of the Nenets Regional Center for Development of Education
- ▶ In 2013, the French Institute in St.Petersburg will organize the first qualification exam in Naryan-Mar (program supported by Total E&P Russie)

FRENCH INSTITUTE (St.Petersburg) PROGRAMS IN NARYAN-MAR

Long term partner: **French Institute**

The French Institute is a cultural institution of the French Embassy in Russia. Its programs are financed by the French Government and sponsors' donations. The French Institute (St.Petersburg) area of activity is the North-West Federal District, including, among others, Nenets Autonomous District.

Total E&P Russie supports a number of programs of the French Institute, such as French film festivals , exhibitions, concerts.

French Institute's projects in Naryan-Mar in 2012-2013

- French Film Festival
- Various exhibitions
- French choreography master class for the local hip-hop group (a show was produced in 2012)
- Qualification exams in French language to be held in Naryan-Mar

DAYS OF FRENCH LITERATURE IN NARYAN-MAR 2012

(part of the Seasons of French Language in Russia and Russian Language in France)

Integral project was developed by Total E&P Russie
at the request of the Nenets District Department of Culture

- Donation of books by French authors (translated into Russian) to Naryan-Mar libraries
 - over 90 classic and modern volumes donated to the Nenets Central Library named after A.I.Pichkov
 - over 40 children’s books and DVDs donated to the library of School №2
- Conferences in Nenets Central Library and in School #2
- Children’s Art and Writing contest “My Favorite French Book” for the students of School #2

Partners of the project:

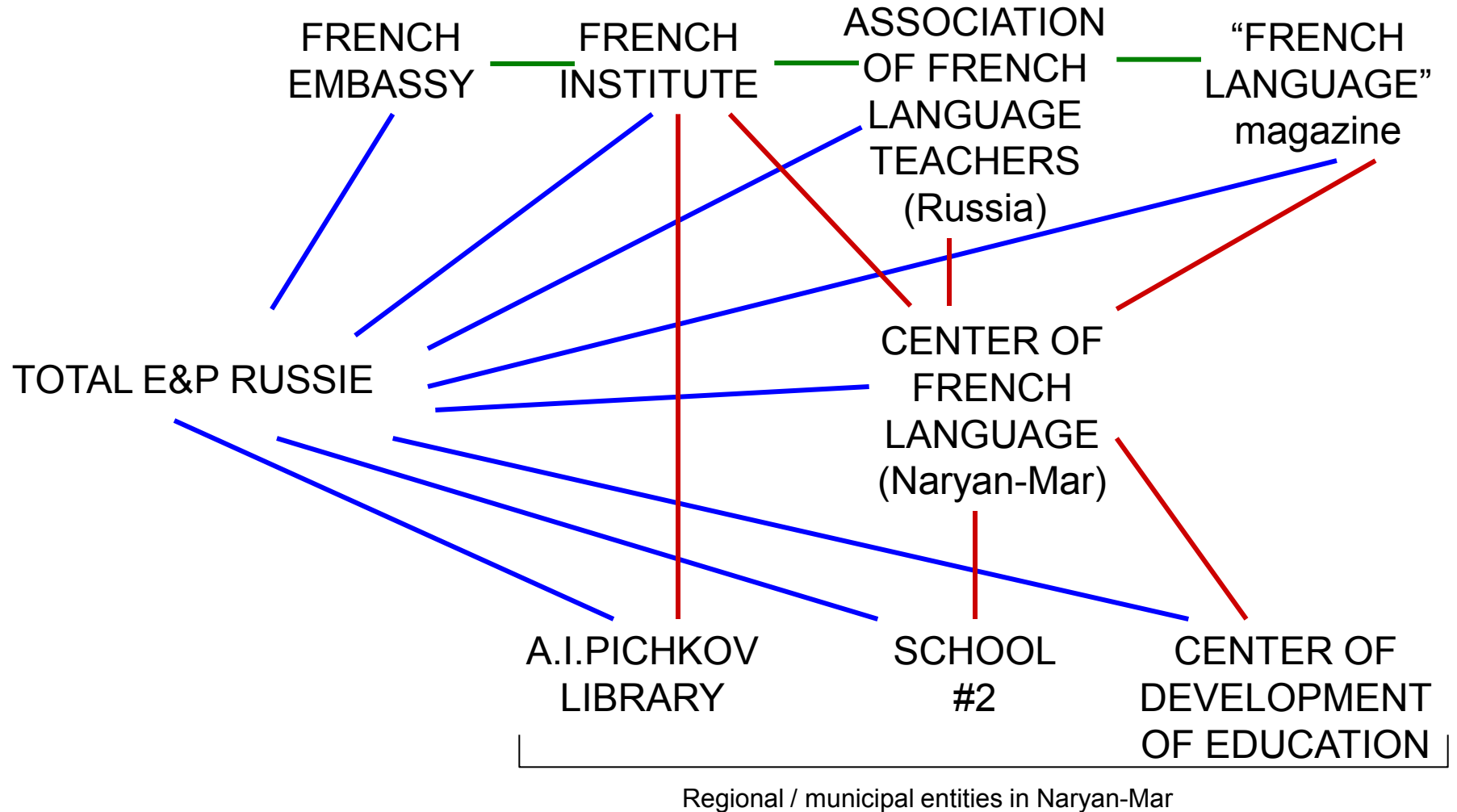
- Department of Cooperation and Culture – French Embassy in Russia
- “French Language” magazine (magazine for French language teachers and students)
- Nenets Central Library
- School #2 (Naryan-Mar)
- Center of French Language in Naryan-Mar

DAYS OF FRENCH LITERATURE IN NARYAN-MAR 2012



Awards ceremony in School #2. In the center – Mr. P. Deplanque, Culture Attaché of the French Embassy

PARTNERS NETWORK



CONCLUSION

CSR: TWO-WAY PROCESS

What we do:

- We maintain ongoing dialog with local stakeholders
- We adhere to highest standards in ethics, safety and quality
- While willing to meet the local stakeholders' expectations, we promote our values
- We enlist qualified professionals for our CSR projects
- Being an international energy group, we also keep our identity as a major French company

What we get:

- Hands-on experience and knowledge of the local context
- Better visibility + acceptability
- Vast network of local contacts
- Opportunities for our staff to get acquainted with the Nenets district and its people
- Synergy with our internal communication projects
- BETTER MUTUAL UNDERSTANDING

DISCLAIMER AND COPYRIGHT RESERVATION

The TOTAL GROUP is defined as TOTAL S.A. and its affiliates and shall include the party making the presentation.

Disclaimer

This presentation may include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, business, strategy and plans of Total that are subject to risk factors and uncertainties caused by changes in, without limitation, technological development and innovation, supply sources, legal framework, market conditions, political or economic events.

Total does not assume any obligation to update publicly any forward-looking statement, whether as a result of new information, future events or otherwise. Further information on factors which could affect the company's financial results is provided in documents filed by the Group with the French *Autorité des Marchés Financiers* and the US Securities and Exchange Commission.

Accordingly, no reliance may be placed on the accuracy or correctness of any such statements.

Copyright

All rights are reserved and all material in this presentation may not be reproduced without the express written permission of the Total Group.

ПРАВОВАЯ ОГОВОРКА

ОБ ОГРАНИЧЕНИИ ОТВЕТСТВЕННОСТИ И ОБ АВТОРСКИХ ПРАВАХ

Термин ТОТАЛЬ включает в себя компанию «ТОТАЛЬ С.А.» и ее аффилированных лиц, а также лицо, проводящее данную презентацию.

Ограничение ответственности

Данная презентация может содержать утверждения прогнозного характера, в значении, установленном Законом о реформе судопроизводства по частным ценным бумагам (Private Securities Litigation Reform Act) 1995 г., в отношении финансового положения, результатов производственной деятельности, хозяйственной деятельности, стратегии и планов ТОТАЛЬ, на которые влияют различные факторы риска и неопределённости, обуславливаемые, помимо прочего, технологическим развитием и инновациями, условиями и источниками поставок, правовым регулированием, рыночной конъюнктурой, политическими или экономическими событиями.

ТОТАЛЬ не принимает на себя каких-либо обязательств публично обновлять любое утверждение прогнозного характера, будь то по причине появления новой информации, либо в связи с событиями, которые произойдут в будущем или по иным причинам. За дополнительной информацией о факторах, которые могут оказать влияние на финансовые результаты компании, просьба обращаться к документам, поданным ТОТАЛЬ во французскую Комиссию по финансовым рынкам (*Autorité des Marchés Financiers*) и в Комиссию по ценным бумагам и биржам США (*US Securities and Exchange Commission*).

Таким образом, не следует полагаться на точность или правильность такого рода утверждений прогнозного характера.

Авторское право

Все права защищены. Воспроизведение материалов данной презентации без предварительного явно выраженного письменного согласия ТОТАЛЬ запрещено.