



UK Tax Strategy



TOTALENERGIES - PUBLICATION OF UK TAX STRATEGY - SCHEDULE 19 FINANCE ACT 2016

The undernoted TotalEnergies worldwide tax policy and the UK specific tax policy is regarded as satisfying the statutory obligation under Paragraph 19(2) of Schedule 19 Finance Act 2016 ("UK sub-groups") for all UK affiliates of TotalEnergies. It is effective for the year ending 31 December 2023.

TOTALENERGIES - WORLDWIDE TAX POLICY

Tax payments of TotalEnergies represent a substantial part of its economic contribution to the countries in which it operates.

Mindful of its responsibility, the Company is committed to paying its fair share of taxes to the host countries of its operations, in compliance with applicable laws and conventions and in accordance with its Code of Conduct.

The structuring of our investments worldwide is driven by our business operations and the regulatory framework.

Our tax policy's prime focus is certainty and sustainability in the long term. We thus believe that artificial or aggressive tax planning mostly derives short term tax benefits and is not compatible with a sustainable approach.

We apply the arm's length principle for the determination of our intercompany transfer prices and we pay our income taxes in the countries where we create value, in compliance with applicable laws and regulations.

It is the Company's long-term commitment not to create affiliates in countries generally acknowledged as tax havens and to repatriate or liquidate existing affiliates, where feasible.

Government authorities may offer tax incentives to support business sectors, create employment or foster their economic development. The Company may only claim incentives that are aligned with its business strategy, relate to investments with genuine economic substance and meet the requirements set by host countries.

The Company takes a responsible approach to the management and control of taxation issues, relying on well-documented and controlled processes.

The management of tax risks is fully integrated in the Company's global risk governance process. As part of this process, the VP Tax, under the authority of the Chief Financial Officer, oversees the implementation of the tax policy and reports on a regular basis to the Board's Audit Committee on TotalEnergies' tax position. The tax function is made up of a network of qualified and regularly trained in-house tax experts at the corporate level, in the business segments and in the affiliates.



Transparency is an essential factor in building a trust-based relationship with our stakeholders. As a permanent member of the Extractive Industries Transparency Initiative (EITI) since its formation in 2003, TotalEnergies fully supports initiatives for greater transparency and accountability. We encourage governments to ensure that the tax reporting obligations they will impose upon multinational groups are consistent, coordinated and proportionate.

We engage with a broad range of stakeholders, and especially with tax authorities, in a timely, transparent and professional manner which is the basis of a constructive and long-term relationship. In France, the country of its headquarters, TotalEnergies has been part of the cooperative compliance program upon its inception in 2019, thus pursuing greater transparency, dialogue and trust in its relationship with the French tax administration.

As regards advocacy relating to tax matters, TotalEnergies follows the rules set forth under its Code of Conduct and its Advocacy Directive, both available to the public on the Company's website. The Company is committed to fighting any form of corruption and does not intervene in the functioning or financing of the political life in its host regions. It undertakes to convey messages to the authorities that are consistent with its stated positions and strategies and to be transparent about such messages, whether they are positive or defensive, notably with regard to the Company's support for the objectives of the Paris Agreement relating to the fight against climate change.

The Company publishes in its Universal Registration Document an annual report covering the payments made by its extractive affiliates to governments and the full list of its consolidated entities, together with their countries of incorporation and of operations. The Company also issues a tax transparency report, which provides additional information on the taxes paid in its main countries of operations on a country-by-country basis. This report aims to offer more detailed information on the Company's tax position.

In compliance with its goal to foster a global responsible tax environment and encourage best practices, the Company endorsed the Responsible Tax Principles developed by the B Team, a non-profit organization bringing together business leaders and representatives of civil society with the aim of promoting a sustainable form of economic and social development.

The present tax policy is included in the Company's Universal Registration Document. It is reviewed by the Audit Committee and approved by the Board of Directors.



UK SPECIFIC TAX POLICY

In addition to the above TotalEnergies Worldwide Tax Policy, the following details are specific to TotalEnergies in the UK.

Introduction

TotalEnergies in the UK is committed to compliance with the UK tax laws, rules and regulations in accordance with the above TotalEnergies Worldwide Tax Policy including:

- (a) Paying the amount of tax which is legally due at the correct time.
- (b) Engaging with the UK Tax Authorities in real-time.

1. Approach of TotalEnergies to risk management and governance arrangements

Risk management

The UK subsidiaries have effective, well-documented and controlled processes to manage risk and ensure compliance with tax disclosure and filing obligations.

Governance arrangements

All major decisions (for example, involving acquisitions / disposals / restructurings) include a tax analysis undertaken at an appropriate level requiring Finance Director and Board approval if necessary. The tax analysis will document the facts, conclusions and tax risks involved.

The UK Tax Department will also, from time to time, engage external advisors to provide opinions on the tax impact of transactions where the interpretation of tax law is uncertain to confirm compliance with UK tax laws and any filing requirements. Advance clearances may also be sought from HM Revenue & Customs (HMRC).

2. Attitude of TotalEnergies towards tax planning

TotalEnergies in the UK only undertakes transactions that have commercial basis and purpose.

TotalEnergies in the UK will seek to manage its commercial affairs in a tax efficient manner.

3. Level of risk in relation to UK taxation that TotalEnergies is willing to accept

TotalEnergies in the UK has no set level of tax risk that it is willing to accept. Transactions are undertaken for commercial and economic business reasons however some transactions will involve an element of tax risk.

4. Approach of TotalEnergies towards its dealings with HMRC

TotalEnergies in the UK:

- (a) Is committed to being open with HMRC.
- (b) Has regular contact with the HMRC Customer Compliance Manager to keep HMRC up-to-date with current developments in the UK businesses.
- (c) Engages with HMRC with honesty, respect, fairness and a spirit of co-operation.