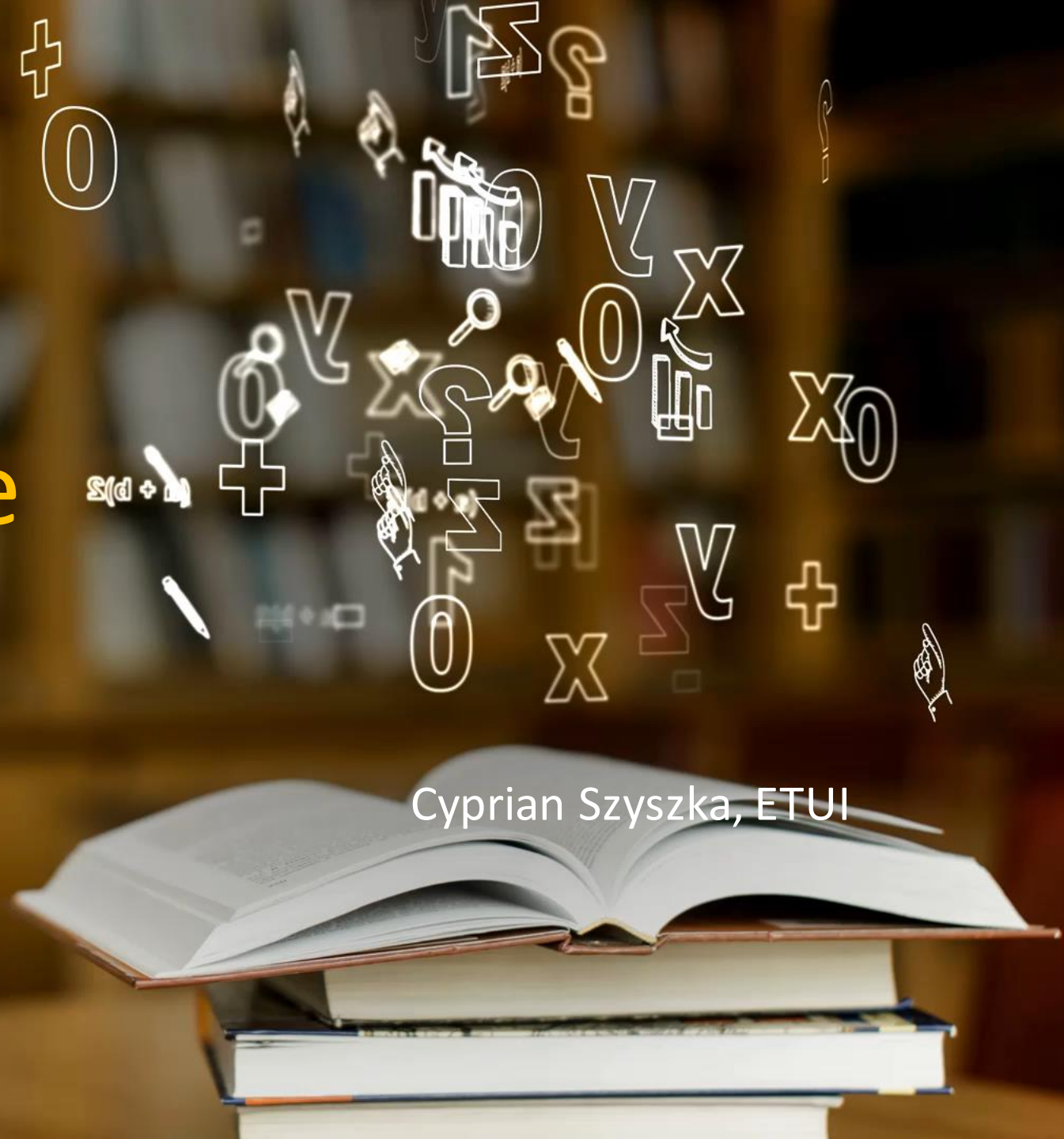


# Educational needs and capacity building in the scope of NFR

What can you start with already?

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Cyprian Szyszka, ETUI



# Pedagogical assumptions

- What is it all about? **Information** about the social risks of big business. NFR is a hope for many trade unionists: you should be able to easily find information in your scope of interest, in your sector, in the report
- There is a wide need of clarification what is it currently on the Commission table => legislative process is not easy to follow
- The ultimate goal is to apply the practical approach through the trade union learning => we need simple and effective tools to understand NFR/CSR and make it a starting point for action
- Looking through EWC lens, the topic is growing in importance, but still not being a mainstream
- The cornerstone is to understand how corporate reporting works and what information can you expect to find inside
- Risk: the 'green' part of reporting will overshadow the social part

# Learning pathway in NFR for TUs



# 1. Intro

- What is CSR
- Sustainable Development
- Directives
- Reports
- + finding personal motivationfordigging into the topic
- + taking one of the approaches: green / social / governance

# ETUC recommendations on CSR

1. CSR must be a sustained effort – not a public relations exercise;

2. CSR must not be a way to avoid dialogue with workers organized in trade unions, or an alternative to labor legislation and collective bargaining. CSR does not replace social dialogue, it contributes to and complements social dialogue.

3. For workers, the first consideration of CSR must be the quality of industrial relations within a company. It would, indeed, be a contradiction in terms for a firm that fails to respect workers' rights or apply a collective agreement be regarded as 'socially responsible'. A business can only claim publicly to be responsible if it first applies the highest standards internally.

4. Trade unions need to articulate that engaging in CSR activities is a means to address the adverse impacts of both multinationals and SMEs wherever they operate in the world.

## 2. Rights training

- What is voluntary and what is mandatory currently
  - Historic perspective: from self-regulation to EU taxonomy
  - CSR Directive revision work, mHRDD
- It will soon be a common tool: proposed scope of reporting companies is to include all large and all listed companies.
  - Companies will be disclosing more sustainability-related information than before about their business models, strategy and supply chains
  - It is expected that ~ 49000 companies will be required to report sustainability information in near future, compared with ~ 11600 companies at present
  - New obligations from the business:, e.g. digital tagging, forward-looking and retrospective view, qualitative and quantitative, short-, medium- and long-term horizons and considering the company's whole value chain



# Using reports as an information source

## 5.3 Social challenges



Since 2016, the Group has set the ambition of becoming the responsible energy major. Because a company is first and foremost a people-driven adventure, this ambition depends primarily on the women and men who work at TOTAL, both today and tomorrow. Becoming the responsible energy major also means being a responsible company for the Group's teams and, in particular, a company that offers its employees opportunities to develop and thrive professionally.

The Group has identified its main challenges to developing Human Resources:

- attracting and retaining talents in line with the key skills sought by the Group, based on the principle of non-discrimination and equal opportunity;
- maintaining employees' long-term employability by facilitating skills acquisition in order to keep up with the development of job sectors and technologies;
- ensuring a high level of commitment based on respect for each other and improving quality of life at work.

In 2019, the Group's Executive Committee launched a key component of the company project that embodies the Group's human ambitions: the *One Total. Better Together* project seeks to identify the workstreams

### 5.3.1 Attracting and retaining talents



Attracting and retaining the talents that the Group needs is one of the key factors in the implementation of the Company project. To address these challenges, TOTAL notably uses an appropriate management of employees joining and leaving the Group, the provision of individual support to each employee, a responsible compensation policy for employees, and the development of employee shareholding.

#### 5.3.1.1 Appropriate management of the Group's workforce

##### Group employees

### 3. Standards

- Starting point: worker rights = human rights
- key CSR standards, including their scope, governance and how trade unions can use these
  - including UN Guiding Principles on Human Rights; OECD Guidelines; ILO Tripartite Declaration; ISO26000,
- Focus on Global Reporting Initiative and SDGs – they are effective learning tool
- EU sustainability reporting standards
- EU taxonomy



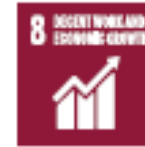
# Reporting frameworks: SDGs (sustainable development goals)



- The **Sustainable Development Goals (SDGs, 2015)** or **Global Goals** are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all" till 2030

# SDGs from the trade union perspective

TOTAL's core contributions through its mission



Direct contributions through a responsible business approach



Indirect contributions



## 4. NFR Directive 2014/95/EU

- Principles of evaluating non-financial performance of big companies
- Topics covered (to get specialized for trade unionists)
  - environmental matters
  - social matters and treatment of employees
  - respect for human rights
  - anti-corruption and bribery
  - diversity on company boards (in terms of age, gender, educational and professional background)
- CSRD proposal: The proposed CSRD aims to ensure that companies publicly disclose adequate information about the sustainability risks and opportunities they face, as well as the impacts they have on people and the environment (“double materiality”).

# Directive 2014/95 – EWC recommendations

- Every EWCs should as a baseline:
  - ask and check the report;
  - put non-financial matters on the EWC agenda;
  - include it as a subject of information and consultation in EWC agreement
- Advanced and well grounded EWCs may also:
  - claim the non-financial report at all levels
  - play an active role in CSR policies (engage in CSR negotiations)
  - publicly denounce violations
- Prep exercise for EWCs: make a critical analysis of the non-financial report
  - were trade unions involved?
  - what priorities are mentioned?
  - what topics are covered, which are missing?
  - what KPIs are used?
  - is there any reference to international frameworks (OECD, ILO...)?
  - honest and transparent or only good news?
  - is supply chain included?



Workshop focused on looking for TU-related information inside the CSR reports

## 5. Report reading workshop

### 5

#### Non-financial per

- 5.1 An ambition fo to become the
- 5.2 Business mod
- 5.3 Social challeng
- 5.4 Personal health
- 5.5 Environmental
- 5.6 Climate chang
- 5.7 Actions in supp
- 5.8 Fighting corrup
- 5.9 Value creation
- 5.10 Contractors an
- 5.11 Reporting scoy
- 5.12 Independent tr

etui.

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## 6. CSR in practice

- why CSR is important for TUs
- discussing how trade unions can use the growing prominence of CSR as a tool within social dialogue
- The scope and value of information to be found
  - Reporting at plant level? Reporting country-by-country?
- Best practices / case studies of using this on national / international level
  - Within my scope: CSR as a topic for EWCs



# Tracing workforce information

Group registered headcount as of December 31	2019	2018	2017
<b>Breakdown by region</b>			
Metropolitan France	33.7%	34.5%	32.1%
French overseas departments and territories	0.4%	0.4%	0.4%
Rest of Europe	27.4%	28.3%	26.1%
Africa	9.4%	9.4%	10.1%
North America	6.9%	6.7%	7.1%
Latin America	12.4%	11.8%	12.5%
Asia	8.9%	7.9%	10.5%
Middle East	0.8%	0.9%	1.0%
Oceania	0.1%	0.1%	0.2%
<b>Breakdown by age bracket</b>			
< 25 years	7.3%	6.6%	6.9%
25 to 34 years	25.6%	26.0%	26.4%
35 to 44 years	29.0%	29.5%	29.9%
45 to 54 years	24.3%	24.1%	23.5%
> 55 years	13.8%	13.8%	13.3%

The increase in the number of employees between 2018 and 2019 is 3.2% (3,316 employees). This is mainly due to the inclusion in the consolidation scope of SunPower subsidiaries, especially in Malaysia (1,614 employees) and the development of SunPower and Hutchison activities in Mexico.

Breakdown of managers or equivalent as of December 31	2019	2018	2017
<b>Total number of managers</b>	<b>30,669</b>	<b>30,340</b>	<b>28,369</b>

The table below presents the breakdown by business segment of the Group employees present<sup>(9)</sup>.

**Breakdown by business segment of the Group employees present**

Within an economic environment exposed to oil price volatility, hiring increased by 8.1% compared to 2018. This represents a total of 14,606 employees hired on a permanent contract within the consolidated scope.

The regions that hired the most employees were Latin America (45%), mainly Mexico and Brazil (taking into account the high turnover rate in these countries), Europe excluding France (15.6%), France (14.9%), and Asia (10.6%). With 50% of Group hires, the Refinery & Chemicals segment is the largest recruiter, mainly within Hutchinson activity, ahead of the Integrated Gas, Renewables & Power segment (29.7%).

As of December 31	2019	2018	2017
<b>Total number hired on permanent contracts</b>	<b>14,606</b>	<b>13,506</b>	<b>12,141</b>
Women	41.2%	39.5%	38.6%
Men	58.8%	60.5%	61.4%
French	14.2%	15.1%	9.7%
Other nationalities	85.8%	84.9%	90.3%

In 2019, the consolidated Group companies hired 12,768 employees on fixed-term contracts, compared with 11,650 in 2018. Almost 53% of employees hired on fixed-term contract were employed by Argedis, whose business is particularly seasonal (service stations) and which hires staff on temporary contracts.

As of December 31	2019	2018	2017
<b>Total number of departures<sup>(9)</sup></b>	<b>13,050</b>	<b>12,458</b>	<b>13,111</b>
Deaths	89	110	90
Resignations	8,012	8,259	7,379
Negotiated departures, dismissals	4,759	3,923	5,492
Ruptures conventionnelles (specific negotiated departures in France)	190	166	150
<b>Total departures/total employees</b>	<b>12.1%</b>	<b>11.9%</b>	<b>13.3%</b>



# Aha...and how?

(Examples and KPIs from Commission Guidance)

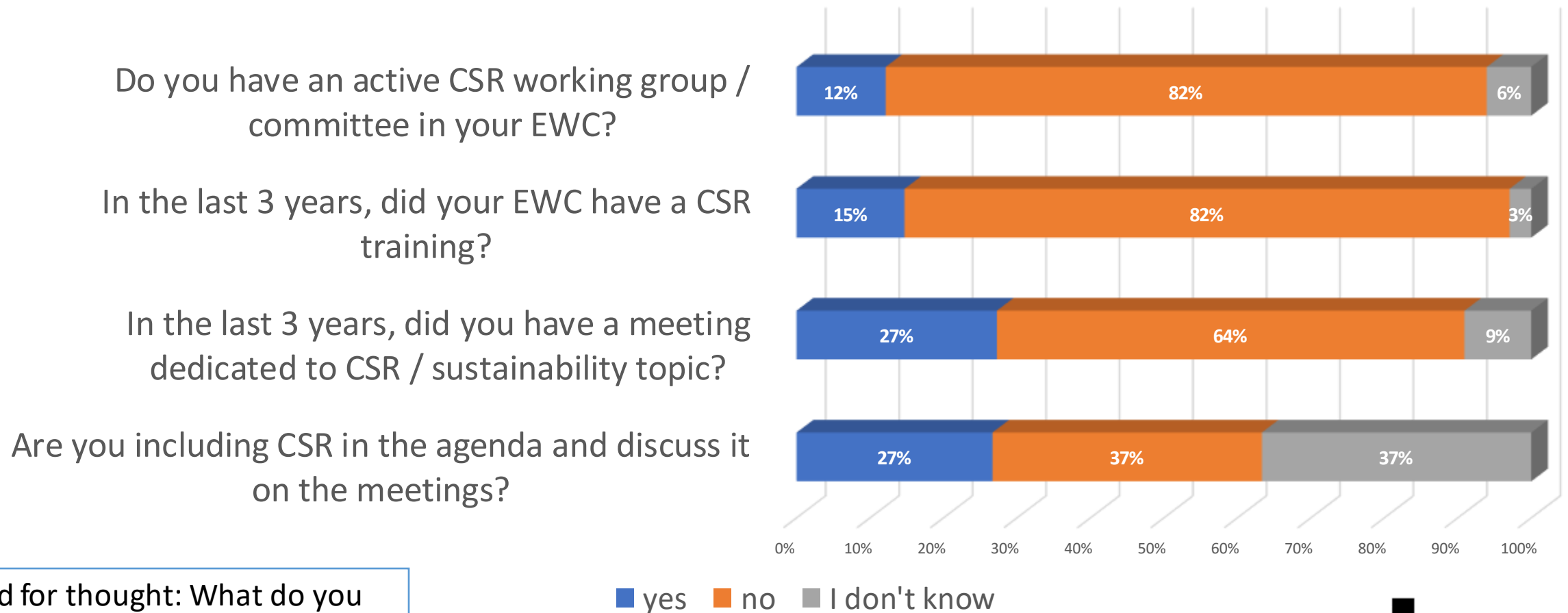
## On social and employee matters:

A company may consider disclosing KPIs based on aspects such as:

- gender diversity and other aspects of diversity;
- employees entitled to parental leave, by gender;
- workers who participate in activities with a high risk of specific accidents or diseases;
- the number of occupational accidents, types of injury or occupational diseases;
- employee turnover;
- the ratio of employees working under temporary contracts, by gender;
- average hours of training per year per employee, by gender;
- **employee consultation processes;**
- number of persons with disabilities employed.

# EWC activities dedicated to CSR? Not many

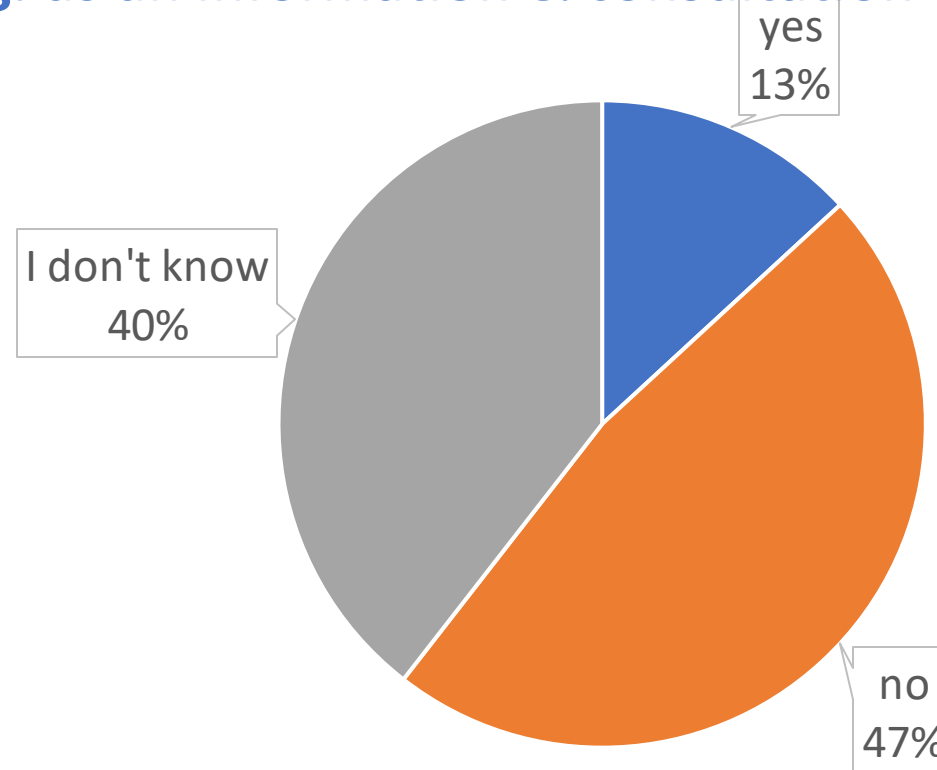
## CSR for EWCs training survey



Food for thought: What do you want to achieve with CSR? => discuss with your EWC

# CSR for EWCs training survey

**Is CSR included in your EWC agreement?  
(eg. as an information & consultation competence)**



Food for thought: include CSR in the list of EWC competences during the nearest renegotiations

# 1: CSR as an I&C topic

<a href="#">Novartis</a>	Article 6.1.2: Included in the agenda items
<a href="#">Colt Technology</a>	Article 6: Included in the agenda items
<a href="#">Cementir Holding</a>	Article 7: Included in the agenda items
<a href="#">Italcementi</a>	Article 2: Included in the agenda
<a href="#">ST-Ericsson</a>	Article 6: Included in the agenda
<a href="#">Autogrill</a>	Article 4: Included in the agenda items
<a href="#">JYSK</a>	Article 5.7: Discussed in the meetings
<a href="#">Transdev</a>	Article 21: SC informed of the development of the sustainable development's policies of the company and will decide whether to integrate it to the agreement or not

## 2: CSR Committee under EWC

<a href="#">Electricité De France</a>	EWC is entitled to participate in the EDF Group Dialogue Committee on CSR created by the said agreement
<a href="#">Freudenberg &amp; Co.</a>	Linked with the HSE Committee. Further details are regulated in the Rules of Procedure. (Art. 6.5)
<a href="#">Total</a>	Article 6.2: Setting up of a sustainable development, social and environmental responsibility and safety commission
<a href="#">Spie</a>	3.7 – COMMITTEE FOR CORPORATE SOCIAL RESPONSIBILITY (CSR) SPIE's European Works Council shall include a CSR Committee. It shall consist of members of the Committee and 3 deputy members elected by SPIE's European Works Council among its full members. The membership of the Committee must reflect the diversity within the SPIE Group insofar as possible. In the case of a material change in European legislation in this area, the CSR Committee, with Management authorization, may follow training to allow its members to discuss the issues knowledgeably. The CSR Committee shall meet once a year over half a day. The meeting shall be called by the Works Council Chairman. This meeting shall be held on the same day as the second ordinary meeting of the Committee. An expert of the European Works Council shall report the work of the CSR Committee for information to the European Works Council during the annual meeting held to take stock of the economic environment and labour conditions.

### 3: CSR special competences granted to EWC

<a href="#">Volkswagen</a>	Reference to CSR made in the <u>Preamble</u>
<a href="#">Total</a>	<u>Special provision</u> Article 5 B: Sustainable development, societal and environmental responsibility, safety commission
<a href="#">UniCredit Group</a>	Article 1.5: "As part of the consultation process, CM and EWC can <u>issue joint statements</u> on common guidelines on CSR related issues, (plus 2 new agreements establishing 2 commissions to work out CSR declarations)
<a href="#">Carrefour</a>	Article 2: Included as agenda item + Article 3.2: <u>Annual meeting</u> on sustainable development and CSR
<a href="#">Gestamp Corporation</a>	art8. 'in preparation of the companies' CSR policy, a <u>working group</u> can be set up

# 4: CSR as a training topic

<a href="#">Indesit</a>	Article 22.1: CSR present in the training program
<a href="#">Ferrero</a>	Article 4: Discussed at the the joint training seminar held annually
<a href="#">Crédit Agricole</a>	Article 6.6: Present in the training program

And a winner is...

[Vesuvius](#)

**Article 16: Topic not covered by the EWC**

(CSR directly excluded from the EWC scope by the Agreement provision!)





## Example: CSR in the EWC agreement

### 3.7 – COMMITTEE FOR CORPORATE SOCIAL RESPONSIBILITY (CSR)

- SPIE's European Works Council shall include a CSR Committee. It shall consist of members of the Committee and 3 deputy members elected by SPIE's European Works Council among its full members. The membership of the Committee must reflect the diversity within the SPIE Group insofar as possible. In the case of a material change in European legislation in this area, the CSR Committee, with Management authorization, may follow training to allow its members to discuss the issues knowledgeably. The CSR Committee shall meet once a year over half a day. The meeting shall be called by the Works Council Chairman. This meeting shall be held on the same day as the second ordinary meeting of the Committee. An expert of the European Works Council shall report the work of the CSR Committee for information to the European Works Council during the annual meeting held to take stock of the economic environment and labour conditions.

# Other training topics of interest

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- DNSH principle in practice
  - Investors must ensure that their investments avoid significantly harming any of the environmental objectives, defined in taxonomy, as well as adhere to minimum social safeguards
  - The DNSH criteria are based primarily on minimum regulatory requirements and best practices within the European Union.
- The minimum safeguards are procedures implemented by an undertaking to ensure the alignment with:
  - the OECD Guidelines for Multinational Enterprises
  - UN Guiding Principles on Business and Human Rights
  - the principles and rights set out in the eight fundamental conventions identified in the Declaration of the ILO Fundamental Principles and Rights at Work and the International Bill of Human Rights.
- Greenwashing
- Whistleblowing

A chalkboard with colorful diagrams and a desk with a pencil holder and books.

# Thanks for your attention

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NFR  
educational  
needs for  
TU

Cyprian Szyszka  
ETUI Education  
Officer