

3.3.4.2 Publication of accounting and financial information

Significant information about the Group is published externally according to formal internal procedures. These procedures aim to guarantee the quality and fair presentation of the information intended for the financial markets, and its timely publication.

The Disclosure Committee (CCIP), chaired by the Chief Financial Officer, ensures the application of these procedures. It meets before TOTAL's financial results press releases, strategic presentations and annual reports are submitted to the Audit Committee and the Board of Directors.

A calendar of the publication of financial information is published and made available to investors on the Group's web site (refer to point 6.6 of chapter 6). With the help of the Legal Division, Investor Relations ensures that all publications are made on time and in accordance with the principle of equal access to information between shareholders.

Assessment of the system for the internal control of accounting and financial information

The Group's General Management is responsible for implementing and assessing the internal control system for financial and accounting disclosure. In this context, the implementation of the Group's internal control framework, based on the various components of the COSO framework, is assessed internally at regular intervals within the Group's main entities.

Pursuant to the requirements introduced by Section 302 of the Sarbanes-Oxley Act, the Chairman and Chief Executive Officer and the Chief Financial Officer of the Company have conducted, with the assistance of members of certain divisions of the Group (in particular Legal, Audit & Internal Control and Corporate Communications), an evaluation of the effectiveness of the internal disclosure controls and procedures, over the period covered by the annual report on Form 20-F. For fiscal year 2017, the Chairman and Chief Executive Officer and the Chief Financial Officer concluded that the disclosure controls and procedures were effective.

In addition, a specific process is in place for reporting any information related to the Group's accounting procedures, internal control and auditing. This process is available to any shareholder, employee or third party.

Finally, the Consolidated Financial Statements undergo a limited examination by external auditors during quarterly closing, and an audit during annual closing. Almost all the audit missions in the countries are fulfilled by the members of the networks of the two statutory auditors, who, after having jointly examined all the accounts and the procedures used to produce them, proceed with the annual certification of the Group's Consolidated Financial Statements. They are informed in advance of the process for the preparation of the accounts and present a summary of their work to the Group accounting and financial managers and to the Audit Committee during the quarterly reviews and annual closing. The statutory auditors also perform those internal control audits that they deem necessary as part of their mission to certify the Financial Statements.

3.4 Insurance and risk management

3.4.1 Organization

TOTAL has its own reinsurance company, Omnium Reinsurance Company (ORC). ORC is integrated within the Group's insurance management and is used as a centralized global operations tool for covering the Group companies' insurable risks. It allows the Group's worldwide insurance program to be implemented in compliance with the specific requirements of local regulations applicable in the countries where the Group operates.

Some countries may require the purchase of insurance from a local insurance company. If the local insurer accepts to cover the subsidiary of the Group in compliance with its worldwide insurance program, ORC negotiates a retrocession of the covered risks from the local insurer. As a result, ORC enters into reinsurance contracts with the subsidiaries' local insurance companies, which transfer most of the risk to ORC.

At the same time, ORC negotiates a reinsurance program at the Group level with oil industry mutual insurance companies and commercial reinsurance markets. ORC allows the Group to better manage price variations in the insurance market by taking on a greater or lesser amount of risk corresponding to the price trends in the insurance market.

In 2017, the net amount of risk retained by ORC after reinsurance was, on the one hand, a maximum of \$70 million per onshore or offshore third-party liability insurance claim and, on the other hand, \$75 million per property damage and/or business interruption insurance claim. Accordingly, in the event of any loss giving rise to an aggregate insurance claim, the effect on ORC would be limited to its maximum retention of \$145 million per occurrence.

3.4.2 Risk and insurance management policy

In this context, the Group risk and insurance management policy is to work with the relevant internal department of each subsidiary to:

- define scenarios of major disaster risks (estimated maximum loss);
- assess the potential financial impact on the Group should a catastrophic event occur;
- help implement measures to limit the probability that a catastrophic event occurs and the financial consequences if such event should occur; and
- manage the level of financial risk from such events to be either covered internally by the Group or transferred to the insurance market.

3.4.3 Insurance policy

The Group has worldwide property insurance and third-party liability coverage for all its subsidiaries. These programs are contracted with first-class insurers (or reinsurers and oil and gas industry mutual insurance companies through ORC).

The amounts insured depend on the financial risks defined in the disaster scenarios and the coverage terms offered by the market (available capacities and price conditions).

More specifically for:

- third-party liability: since the maximum financial risk cannot be evaluated by a systematic approach, the amounts insured are based on market conditions and oil and gas industry practice. In 2017, the Group's third-party liability insurance for any third-party liability (including potential accidental environmental liabilities) was capped at \$900 million (onshore) and \$850 million (offshore). In addition, the Group adopts, where appropriate, the necessary means to manage the compensation of victims in the event of an industrial accident for which it is liable; and
- property damage and business interruption: the amounts insured vary by sector and by site and are based on the estimated cost and scenarios of reconstruction under maximum loss situations and on insurance market conditions. The Group subscribed for business interruption coverage in 2017 for its main refining and petrochemical sites.

For example, for the Group's highest risks (North Sea platforms and main refineries or petrochemical plants), in 2017 the insurance limit for the Group share of the installations was approximately \$1.75 billion for the Refining & Chemicals segment and approximately \$2.2 billion for the Exploration & Production segment.

Deductibles for property damage and third-party liability fluctuate between €0.1 and €10 million depending on the level of risk and

liability, and are borne by the relevant subsidiaries. For business interruption, coverage is triggered 60 days after the occurrence giving rise to the interruption. In addition, the main refineries and petrochemical plants bear a combined retention for property damage and business interruption of \$75 million per insurance claim.

Other insurance contracts are bought by the Group in addition to property damage and third-party liability coverage, mainly in connection with car fleets, credit insurance and employee benefits. These risks are mostly underwritten by outside insurance companies.

The above-described policy is given as an example of a situation as of a given date and cannot be considered as representative of future conditions. The Group's insurance policy may be changed at any time depending on the market conditions, specific circumstances and on General Management's assessment of the risks incurred and the adequacy of their coverage.

TOTAL believes that its insurance coverage is in line with industry practice and sufficient to cover normal risks in its operations. However, the Group is not insured against all potential risks. In the event of a major environmental disaster, for example, TOTAL's liability may exceed the maximum coverage provided by its third-party liability insurance. The loss TOTAL could suffer in the event of such disaster would depend on all the facts and circumstances of the event and would be subject to a whole range of uncertainties, including legal uncertainty as to the scope of liability for consequential damages, which may include economic damage not directly connected to the disaster. The Group cannot guarantee that it will not suffer any uninsured loss and there can be no guarantee, particularly in the event of a major environmental disaster or industrial accident, that such loss would not have a material adverse effect on the Group.

3.5 Vigilance Plan

3.5.1 Introduction

3.5.1.1 Background and Group commitments

In accordance with Article L. 225-102-4 of the French Commercial Code, the vigilance plan (hereafter referred to as the "Vigilance Plan") aims to set out the reasonable measures of vigilance put in place within the Group in order to identify the risks and prevent severe impacts on human rights and fundamental freedoms, human health and safety and the environment resulting from the activities of the Company and the companies it controls as defined in point II of Article L. 233-16 of the French Commercial Code, directly or indirectly, together with the activities of subcontractors or suppliers with which it has an established commercial relationship, where such activities are linked to this relationship.

TOTAL operates in over 130 countries in a variety of complex economic and socio-cultural contexts and in business areas that can present risks that fall within the scope of the Vigilance Plan.

The "One Total" company project, which embodies the Group's ambition to become the responsible energy major, is based specifically on Safety and Respect for Each Other, the two core values central to the Group's collective principles. Although compliance with applicable regulations in each country where the Group operates is most often consistent with the protection of the objectives of the Vigilance Plan, TOTAL, having noted that minimum fundamental principles are necessary for a uniform application of these objectives, notably adhered to the United Nations Global Compact in 2002 and committed to comply with the UN Guiding Principles on Business and Human Rights following their adoption in 2011. TOTAL has also committed to support the United Nations' recommendations for the implementation of the Sustainable Development Goals (SDGs) and launched in 2017 a project to identify and prioritize the SDGs to which it can make the most significant contribution and to define public commitments.