

Patrick Pouyanné  
Chief Executive Officer  
TotalEnergies  
Tour Coupole - 2 place Jean Millier  
92078 Paris  
la Défense cedex,  
France

November 16, 2023

RE: TotalEnergies LNG business operations in Russia

Dear Mr. Pouyanné,

We write to you as [B4Ukraine](#), a coalition of Ukrainian and international civil society organizations working to curtail the financial resources enabling the Russian invasion of Ukraine. In the spirit of respect for the fundamental rights of all people, the rules-based international order, and a prosperous global economy, we expect companies to demonstrate public support for the people, democracy, and territorial integrity of Ukraine, opposition to Russia's war of aggression, and alignment with the UN Guiding Principles on Business and Human Rights (UNGPs).

We request an urgent dialogue regarding potential inconsistencies between TotalEnergies' obligations under the internationally imposed sanctions regime and the company's ongoing business operations and relationships in Russia.

It has been 19 months since Russia invaded Ukraine and the devastating impacts continue to shock the global conscience and shake the global economy. Russia is violating international humanitarian law (IHL), including war crimes and crimes against humanity, through attacks on civilians and civilian infrastructure (e.g., mass executions, sexual violence, torture, forcible transfer of civilians). More than 27,500 Ukrainian civilians have been killed and injured and millions more have been forced to flee their homes, creating one of the largest humanitarian and refugee crises of modern times. In recognition of the severity of abuses, in March 2023 the International Criminal Court issued an arrest warrant for Vladimir Putin to answer war crimes charges.<sup>1</sup>

Moreover, recent developments in Russia point to an expanding universe of financial, legal, and reputational risks facing those still conducting business operations with Russia.

In response to this unprovoked and unjustified war,<sup>2</sup> many companies have exited Russia and ceased any operations in the Russian market. According to the Kyiv School of Economics Institute's [#LeaveRussia company tracker](#), TotalEnergies has made substantial efforts to leave the Russian market.

---

<sup>1</sup> International Criminal Court, "Situation in Ukraine: ICC judges issue arrest warrants against Vladimir Vladimirovich Putin and Maria Alekseyevna Lvova-Belova," March 17, 2023, <https://www.icc-cpi.int/news/situation-ukraine-icc-judges-issue-arrest-warrants-against-vladimir-vladimirovich-putin-and> (accessed March 22, 2023).

<sup>2</sup> The UN General Assembly condemned Russia's "aggression against Ukraine" and demanded that Moscow "unconditionally withdraw all of its military forces from the territory of Ukraine within its internationally recognized borders".

However, unlike other oil majors that have completely severed connections with the country following its invasion of Ukraine, TotalEnergies has maintained several investments in Russia, such as minority stakes in liquefied natural gas projects Yamal LNG and Arctic LNG 2.<sup>3</sup>

As you will know, in early September, 2023, the US Department of State expanded the sanctions regime by officially designating 37 entities engaged in developing Russia's energy production and potential export capabilities, including two associated vessels. These designations include entities and individuals involved in critical energy projects and related infrastructure development, including Russia's Arctic LNG 2 liquefied natural gas initiative. Furthermore, the list includes entities engaged in procuring materials and technology for future energy projects, areas where Russia has historically depended on expertise and technology from foreign companies.

Consequently, in accordance with [E.O. 14024](#), all property and interests in property of the designated persons that are in the United States or in possession or control of U.S. persons are blocked and must be reported to the Department of Treasury's Office of Foreign Assets Control (OFAC). Furthermore, any individuals or entities holding direct or indirect ownership of 50 percent or more by blocked individuals or entities are also subject to being blocked. All transactions involving property or property interests of designated or otherwise blocked persons within the United States, by U.S. persons, or transiting through the U.S. are strictly prohibited, unless specifically authorised by OFAC through a general or specific licence, or if exempt.

These prohibitions encompass any contribution, provision of funds, goods, or services to, from, or for the benefit of any blocked person, as well as the acceptance of such contributions or provisions from these individuals or entities.<sup>4</sup>

Additionally, OFAC issued [Russia-related General License 55A, "Authorizing Certain Services Related to Sakhalin-2"](#) and [Russia-related General License 72, "Authorizing the Wind Down of Transactions Involving Certain Entities Blocked on September 14, 2023"](#), adding to the Specially Designated Nationals and OFAC's Sectoral Sanctions Identifications list two vessels:

KORYAK FSU (3E2333) Floating Storage Tanker Panama flag; Vessel Registration Identification IMO 9915105 (vessel) [RUSSIA-EO14024] (Linked To: ARCTIC TRANSSHIPMENT LIMITED LIABILITY COMPANY).

SAAM FSU (3E2557) Floating Storage Tanker Panama flag; Vessel Registration Identification IMO 9915090 (vessel) [RUSSIA-EO14024] (Linked To: ARCTIC TRANSSHIPMENT LIMITED LIABILITY COMPANY).<sup>5</sup>

---

<sup>3</sup> Reuters, "TotalEnergies says assessing impact of US sanctions on Arctic LNG 2," November 3, 2023, <https://www.reuters.com/business/energy/totalenergies-says-assessing-impact-us-sanctions-arctic-lng-2-2023-11-03/> (accessed November 13, 2023).

<sup>4</sup> US Department of State, "Imposing Further Sanctions in Response to Russia's Illegal War Against Ukraine," September 14, 2023, <https://www.state.gov/imposing-further-sanctions-in-response-to-russias-illegal-war-against-ukraine/> (accessed November 10, 2023); Executive Order 14024, "Blocking Property With Respect To Specified Harmful Foreign Activities of the Government of the Russian Federation," April 15, 2021, <https://www.federalregister.gov/documents/2021/04/19/2021-08098/blocking-property-with-respect-to-specified-harmful-foreign-activities-of-the-government-of-the> (Accessed November 10, 2023).

<sup>5</sup> Office of Foreign Asset Control, "Russia-related Designations, Designations Updates, and Designations Removals; Issuance of Russia-related General Licenses," September 14, 2023, [https://ofac.treasury.gov/recent-actions/20230914?fbclid=IwAR2SAkYLJZgxXlbPzc2r3SZkk3uL34rMtlqwjkQKd\\_cBfYA7MylzBhZOmFU](https://ofac.treasury.gov/recent-actions/20230914?fbclid=IwAR2SAkYLJZgxXlbPzc2r3SZkk3uL34rMtlqwjkQKd_cBfYA7MylzBhZOmFU) (accessed November 11, 2023).

The designation of these two vessels means that any traders collecting LNG from these points will be in violation of US sanctions.

On November 2, 2023, the US Department of State also designated as a target for sanctions ARCTIC LNG 2 LLC, the operator of the Arctic LNG 2 Project, pursuant to section 1(a)(i) of the Executive Order 14024.<sup>6</sup>

Before the introduction of the latest US sanctions, TotalEnergies confirmed that it “will continue to ship liquefied natural gas (LNG) from Russia as long as there are no European sanctions on the fuel.”<sup>7</sup> The company’s CEO also confirmed that TotalEnergies will remain committed to long-term contracts.<sup>8</sup> TotalEnergies further added that the consequences of the designation on the company’s contractual obligations to Arctic LNG 2 are “currently being assessed.”<sup>9</sup>

**We are writing now to enquire whether TotalEnergies will adhere to the US sanctions that prohibit the usage of two critical floating storage units of Russian LNG supply chains, identified above as KORYAK FSU and SAAM FSU, and any transactions involving ARCTIC LNG 2 LLC.**

Furthermore, we would like to pose the following questions to TotalEnergies regarding its business operations related to Russian LNG more broadly:

- Can TotalEnergies clarify the quantity of LNG the company is currently purchasing/acquiring from Russia?
- Is TotalEnergies going to adhere to long-term contracts with Novatek, as indicated by previous company statements?
- Can the company clarify whether it intends to fully exit the Russian market? If so, what is the predicted timeline for the exit?
- How does Total Energies assess the risk of being subject to secondary sanctions, especially considering that Novatek is reported to be involved in the Russian war of aggression with investigations showing that the company's security guards were used to form a special mercenary group?<sup>10</sup>

In consideration of the above points, we request an urgent dialogue with TotalEnergies relevant senior management and staff to discuss the company’s ongoing activities and relationships in Russia, associated risks to the people of Ukraine and the company, and potential steps to prevent/mitigate these risks. Please contact the B4Ukraine Coalition at [contact@b4ukraine.org](mailto:contact@b4ukraine.org) to schedule a call. We kindly ask for your response by 5:00pm CET, November 30th, 2023.

Please note that this letter and any response by TotalEnergies or lack thereof will be published on the B4Ukraine webpages. In case TotalEnergies would like to join the proposed call, any such meeting will be held under Chatham House Rules.

---

<sup>6</sup> U.S. Department of State, Fact Sheet “Taking Additional Sweeping Measures Against Russia”, November 2, 2023 <https://www.state.gov/taking-additional-sweeping-measures-against-russia/>

<sup>7</sup> Reuters, “TotalEnergies to continue shipping Russian LNG as long as no EU sanctions -CEO,” October 5, 2022, <https://www.reuters.com/business/energy/totalenergies-continue-shipping-russian-lng-long-no-eu-sanctions-05-2022-10-05/> (accessed November 13, 2023).

<sup>8</sup> Ibid.

<sup>9</sup> Shotaro Tani, Ian Johnston, James Politi, “US seeks to thwart Russia’s ambition to become a major LNG exporter,” *Financial Times*, November 12, 2023, <https://www.ft.com/content/68190f21-d8b0-4b52-992d-37f620b4fb3a> (accessed November 15, 2023).

<sup>10</sup> Important Stories "How the Russian Billionaires Provide Mercenaries to the Russian Army" <https://istories.media/en/stories/2023/08/01/billionaires-mercenaries/> (accessed November 15, 2023).

Sincerely,

The B4Ukraine Coalition