

TotalEnergies SE

Annual General Meeting: Wednesday 25 May 2022

Resolutions are being highlighted by a Climate Action 100+ initiative signatory for the attention of other signatories.

Organization requesting a 'flag' on a resolution:

[Bas Bijleveld](#), MN

[Xander Urbach](#), MN

Investor statement available [here](#), Climate Action 100+ Net Zero Company Benchmark assessment available [here](#).

Resolution text:

The member is flagging three resolutions and stating they are intending to vote AGAINST them:

Resolution #12: Approval of the fixed, variable and extraordinary components making up the total compensation and the in-kind benefits paid during the fiscal year 2021 or allocated for that year to Mr. Patrick Pouyanné, Chairman and Chief Executive Officer

Resolution #16: Opinion on the Sustainability & Climate – Progress Report 2022, reporting on the progress made in the implementation of the Corporation's ambition with respect to sustainable development and energy transition towards carbon neutrality and its related targets by 2030 and complementing this ambition

[Notice of Meeting](#)

Summary of why the resolution is being flagged

MN Services decided to vote AGAINST two agenda items at the 2022 AGM of TotalEnergies. On April 28th the Board of TotalEnergies communicated they would not allow the Climate Resolution put forward by MN and 10 other shareholder's to be put to a vote at the General Meeting. We believe this is an extraordinary neglect of our rights as a shareholder, as well the decision neglects climate science. Therefore, we intend to vote **AGAINST** the climate transition progress report (resolution 16); and **AGAINST** the executive remuneration over 2021 (resolution 12) of Mr. Pouyanné, the combined Chair and CEO.

Progress report

A vote against is flagged, because the company is neglectful of shareholder's rights by not allowing other shareholder's a vote to align company targets with 1.5C. The Company's targets and progress

are not currently 1.5C aligned; there is a lack of commitment to decarbonise upstream production; and the 20% intensity target not being high enough to be 1.5C aligned.

Executive remuneration

The combined Chair and CEO is held responsible for denying a shareholder proposal being added to the ballot.

Background

In April a group of 11 investors have filed a shareholder resolution at TotalEnergies ahead of the AGM on 25th May 2022. In this resolution, the group urges the company to set and publish targets that are consistent with the Paris Climate Agreement.

The initiative is led by asset manager MN (on behalf of client PMT). The other co-filing investors are: Achmea Investment Management; Aegon Asset Management; APG (on behalf of clients bpfBOUW, SPW and PPF APG); BPL Pensioen; DPAM; Edmond de Rothschild Asset Management; Greater Manchester Pension Fund; La Financière de l'Echiquier; PGGM Investments; and Van Lanschot Kempen. In total the co-filers represent about 0.8% of TotalEnergies' shareholder capital.

Despite repeated engagement by shareholders, TotalEnergies' short and medium term GHG carbon emission intensity reduction targets are not aligned with a 1.5C scenario, according to the Climate Action 100+ Net Zero Company Benchmark assessment.

The filed resolution proposes an amendment to Article 20 of TotalEnergies' Articles of Association. The resolution proposes the following text:

The management report will contain, in addition to information on the situation of the Company and its operations during the past financial year, and the other elements required by the provisions of the laws and regulations in force, the strategy of the Company as defined by the Board of Directors to set and publish targets that are consistent with the goal of the Paris Climate Agreement: to limit global warming to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C. These quantitative targets should cover the short-, medium-, and long-term greenhouse gas (GHG) emissions of the company's operations and the use of its energy products (Scope 1, 2, and 3). The report will contain the Board's strategy and underlying policies for reaching these targets and the progress made on the past fiscal year, at reasonable cost and omitting proprietary information.

TotalEnergies' Board of Directors decided not to include the draft shareholder resolution in the agenda of the next Annual Shareholders' Meeting. With the stated rationale that the proposed resolution contravenes French legal rules setting the prerogatives of the Company's governance bodies¹.

Rationale details

- An identical resolution was accepted by the TotalEnergies board in 2020, in the view of MN it is inexplicable that the same resolution is rejected in 2022.

¹ The Board of Directors of TotalEnergies is promoting dialogue with its shareholders by inviting those that proposed a draft resolution to express their views at the Annual Shareholders' Meeting of 25 May 2022 | TotalEnergies.com

- MN believes that the denial of the proposed shareholder resolution is an extraordinary neglect of our rights as a shareholder.
- as well the decision neglects climate science.
- The proposed shareholder resolution asks fundamentally for targets and not for strategy.

Shareholder climate related resolutions are becoming common practice at Annual General Meetings, in May 2020 a very similar resolution was accepted at the Total AGM (which received 16.8% of support). TotalEnergies does not include the proposed shareholder resolution in the agenda of the 2022 AGM, with the rationale that *“it encroaches on the public policy competence of the Board of Directors to define the Company’s strategy.”*

By declining the proposed shareholder resolution, Mr. Patrick Pouyanné, Chairman and Chief Executive Officer, neglects shareholder rights. Therefore, we will vote **AGAINST** the executive remuneration over 2021, i.e., resolution 12.

By declining the proposed shareholder resolution, TotalEnergies neglects shareholder concerns regarding climate related issues. Therefore, we will vote **AGAINST** the climate transition progress report, i.e. resolution 16 the Sustainability & Climate – Progress Report 2022.

Conclusion

MN Services decided to vote **AGAINST** two agenda items for the AGM of TotalEnergies. On April 28th the board of TotalEnergies communicated they would not allow the Climate Resolution put forward by MN and 10 other shareholder’s to a vote at the general meeting. We believe this is an extraordinary neglect of our rights as a shareholder, as well the decision neglects climate science. Therefore, we intend to vote **AGAINST** the climate transition progress report (resolution 16) [The company is neglectful of shareholder’s rights by not allowing other shareholder’s a vote to align company targets with 1.5C; the Company’s targets and progress are not currently 1.5C aligned], and **AGAINST** the executive remuneration over 2021 (resolution 12) of Mr. Pouyanné (The combined Chair and CEO is held responsible for denying a shareholder proposal being added to the ballot).