

Press release

Paris, 18th april 2024

Ethos and a coalition of shareholders supported by FrenchSIF file a resolution with TotalEnergies

The Ethos Foundation and a coalition of 19 international investors, supported by the FrenchSIF and representing total assets under management of more than 1'000 billion euros, filed a shareholder resolution at TotalEnergies' Annual General Meeting to ask for the separation of the functions of Chair of the board and CEO.

The text of the shareholder resolution, filed by the Ethos Foundation and a coalition of international investors supported by FrenchSIF, calls on TotalEnergies' board of directors to end the combination of the positions of Chair and CEO. Among the co-filers who represent more than 1 billion euros of TotalEnergies' capitalization, are major pension funds (including members of the Ethos Foundation) and asset management companies in France, the Netherlands, Belgium, Austria, Sweden, the UK and Switzerland.

Although this is an advisory vote, a high level of shareholder support at the Annual General Meeting on May 24 will send a strong message to the company to review its governance model to ensure a better balance of power.

The separation of functions is widely recognized as good governance practice. "It is also one of the long-standing requirements of the Ethos Foundation and pension funds," stresses Vincent Kaufmann, CEO of Ethos Foundation, which has been promoting the principles of good governance and compliance with environmental and social standards among listed companies since 1997. Together with some of its members, the Ethos Foundation has also filed several shareholder resolutions that have put an end to the practice of combining functions, whether at the AGMs of Zurich Insurance Group in 2002, Nestlé in 2005 or Novartis in 2010.

"The coordination of this shareholder resolution by the FIR is part of the promotion of best practice, both in terms of governance and climate change", says Marie Marchais, head of the FIR's engagement platform.

The concentration of power in the hands of one single person represents an intrinsic risk of conflicts of interest, insofar as the role of the board of directors is to ensure that the company's general management is exercised in the interests of shareholders and all stakeholders. In the case of TotalEnergies, the company's size, the climate challenges associated with its activities, the current operating procedures of the board of directors and the conditions under which the lead director (the guarantor of the proper functioning of the corporate governance bodies) carries out his duties have led a large group of investors to file this resolution.

Facilitating dialogue on climate issues

This shareholder resolution is not intended to call into question Mr. Pouyanné's role as CEO, but to introduce better governance within the Group. The separation of functions could improve dialogue with the board of directors on climate and transition issues, ensuring a better balance of power at a time when, in the view of many investors, TotalEnergies' transition strategy is not sufficiently ambitious.

Concerns about an inadequate transition strategy are reinforced by the difficulties encountered by shareholders in recent years in making their voices heard, as demonstrated by the board's failure to react to the 30% vote in favor of the climate resolution last year, or its refusal to put an identical resolution on the

agenda for 2022. In the eyes of many investors, this situation reveals a governance problem that the separation of functions would greatly help to alleviate, by facilitating dialogue between investors and the company.

[THE SHAREHOLDER RESOLUTION AND SUPPORTING STATEMENT](#)

Non-exhaustive list of cofilers (assets under management):

- **Achmea Investment management**, Pays-Bas (EUR 218 billions)
 - <https://www.achmeainvestmentmanagement.nl/english>
- **AP7**, Suède (EUR 102.4 billions)

- <https://www.ap7.se/english/>
- **Bernische Pensionskasse (BPK)**, Suisse (EUR 16.5 billions)
 - <https://bpk.ch/fr/>
- **Candriam**, Luxembourg (EUR 144 billions)
 - <https://www.candriam.com/fr-fr/professional/>
- **CIEPP - Caisse Inter-Entreprises de Prévoyance Professionnelle**, Suisse (EUR 9.3 billions)
 - <https://www.ciepp.ch/>
- **Degroof Petercam Asset Management**, Belgique (EUR 47.1 billions), **Banque Degroof Petercam**
 - <https://www.degroofpetercam.com/fr-fr>
- **Établissement de Retraite Additionnelle de la Fonction Publique (ERAFF)**, France (EUR 43.3 billions)
 - <https://www.rafp.fr/>
- **Erste Asset Management**, Autriche (EUR 81.3 billions)
 - <https://www.erste-am.com/en/about-us>
- **Federal Finance Gestion**, France (EUR 42 billions)
 - https://www.federal-finance-gestion.fr/gestion/actifs/jcms/j_6/accueil
- **Fondation Ethos**, Suisse (EUR 4 billions, actifs sous conseil)
 - <https://www.ethosfund.ch/fr>
- **Lothian Pension Fund**, Royaume-Uni (EUR 11.3 billions)
 - <https://www.lpf.org.uk/>
- **Mandarine Gestion**, France (EUR 6 billions)
 - <https://www.mandarine-gestion.com/FR/fr>
- **Messieurs Hottinguer & Cie Gestion Privée**, France (EUR 3.5 billions)
 - <https://www.banque-hottinguer.com/>
- **Pensionskasse Stadt Zürich (PKZH)**, Suisse (EUR 21.7 billions)
 - <https://www.pkzh.ch/pkzh/de/index.html>
- **Publica**, Suisse (EUR 41.7 billions)
 - <https://www.publica.ch/fr>
- **Sanso IS**, France (EUR 1.5 billions)
 - <https://sanso-is.com/>
- **Sycomore Asset Management** (EUR 7 billions)
 - <https://fr.sycomore-am.com/>

Press contacts :

FIR : Béatrice Passédat – beatrice.passe-dat@frenchsif.org – +33 (0)1 40 36 61 58

Ethos : Sébastien Dubas – communication@ethosfund.ch

About French SIF (FIR):

The French Sustainable Investment Forum (FIR) is a multi-stakeholder association founded in 2001 to promote and develop Socially Responsible Investment (SRI). The FIR brings together all SRI stakeholders: investors, management companies, financial intermediaries, extra-financial rating agencies, investor advisors, market organisations, trade unions, NGOs, associations as well as qualified personalities: lawyers, journalists, academics... The FIR is a player in the dialogue and engagement with listed companies on sustainable development issues (investor briefs, thematic studies, written questions to CAC 40 general meetings, etc.). The FIR is also the promoter of the Responsible Finance Week, which is held every year in the autumn. Together with the Principles for Responsible Investment (PRI), it organises the "Finance and Sustainable Development" Awards, which reward the best European academic work. The FIR is one of the founding members of EuroSif. www.frenchsif.org

About Ethos :

The Ethos Foundation is composed of more than 240 Swiss pension funds and other tax-exempt institutions. Ethos was founded in 1997 and aims at promoting socially responsible investment as well as a stable and prosperous socio-economic environment. The company Ethos Services conducts asset management and advisory mandates in the field of socially responsible investment (SRI). Ethos Services offers institutional investors a wide range of SRI-funds. The company also provides analyses of general meeting agendas including voting recommendations, shareholder engagement programmes, as well as sustainability and corporate governance ratings and analyses of listed companies. Ethos Services is owned by the Ethos Foundation and several of its members. www.ethosfund.ch