Total's net zero emissions strategy

Dear Madam/Sir,

We the undersigned organizations who work on climate change, shareholder and corporate accountability, are writing to set out our assessment of Total's climate net zero ambition and its related targets by 2030, as well as our expectations for climate-committed investors from now through Total's May 28 2021 Annual General Meeting.

In particular, we call on you to vote against the fourteenth resolution through which you are asked to express an opinion on the company's ambition with respect to sustainable development and energy transition towards carbon neutrality and its related targets by 2030. We also call on you to vote against the sixth resolution and the renewal of the terms of office of Mr Patrick Pouyanné, as Chairman of the Board of Directors and CE0[1] until 2024.

The Intergovernmental Panel on Climate Change (IPCC) special report Global Warming of 1.5°C (2018) suggests that global absolute net energy-related emissions should be reduced by 45% by 2030, compared to 2018 levels, for a 50-50 chance of keeping warming to 1.5°C without high overshoot. In addition, the IPCC's P1 trajectory, which takes a precautionary approach to negative emission technologies, shows that the use of oil and gas needs to drop by 44% and 39% respectively by 2030 to keep warming limited to 1.5°C.

Total's 2030 climate targets fall far short of what is required to limit global warming at 1.5°C.

- With the aim of reaching carbon neutrality in its global operations (scope 1+2) by 2050, Total is announcing a new intermediate objective of a 40% emissions reduction by 2030, versus 2015 levels. But this commitment covers only 10% of Total's overall emissions in 2015. Additionally, Total intends to achieve its target partly through the storage of at least 5 Mt of CO2 per year as from 2030 in nature-based carbon sink projects, rather than directly reducing its own emissions.

- Total is now pledging to reduce the average carbon intensity of energy products used by its customers worldwide (scope 1+2+3), by 20% by 2030, an increase from 15%. However, as a reminder, Carbon 4 calculates this indicator would have to fall by 75% to be consistent with a 2°C target, and by 90% for a target of less than 2°C.

- Total writes that "TotalEnergies set itself the target of [...] ensuring that the level of Scope 3 worldwide emissions related to the use by its customers of the energy products sold for end use

in 2030 are lower in absolute terms compared to the level of 2015." However, it fails to give any number. The graph on p. 7 of the Results and Outlook, presented in February 2021, perfectly illustrates the impact of the Group's strategy. While scope 3 emissions are intended to fall by 30% in Europe, Total plans to increase them in almost the same proportions in the rest of the world.

In its report on the resolutions, Total states that it plans to increase its energy production from 3 to 4Mboe/d by 2030, with half of that growth coming from gas, and oil likely to remain close to its current level. That means that gas production could increase by 30% by 2030. These plans are also at odds with CTI's finding that Total must achieve a minimum 35% reduction in fossil fuel production by 2040 compared to 2019 levels, in order to stay within the carbon budget implied by the IEA's "Beyond 2 Degrees Scenario" (B2DS). Given this scenario drives us to a total temperature rise of 1.75°C by 2100, Total should aim at higher reduction targets in order to align with a 1.5°C scenario.

Our assessment is aligned with your findings, through the Climate Action 100+ (CA100+). Indeed, the recent CA100+ net zero benchmark has shown that Total has failed to set medium-term targets or goals consistent with a global reduction in emissions of 45 per cent by 2030 relative to 2010 levels. Total's capex is misaligned with the Paris goals. Total has committed to invest in order to have gross power generation capacity from renewables of 35 GW in 2025, and of 100 GW by 2030, but this is dwarfed by its plans to expand fossil fuel production over the next decade. Despite the need to wind down oil and gas production, the company plans to continue to assign 80% of its capex to oil and gas. Using Carbon Tracker's least cost methodology, the CA100+ assessment estimates that 58% of potential future oil & gas CAPEX is at risk under the IEA's Beyond Two Degrees Scenario, creating a significant risk of stranded assets.

In February 2021, Patrick Pouyanné claimed to be proud to drill oil, a month before stating that Total should no longer be depicted as an oil company. Some of the most iconic and controversial projects pursued by Total are the East African Crude Oil Pipeline (EACOP) and Tilenga projects, which aim at opening a new oil basin in the Great Lakes region in East Africa and transporting the oil through wildlife parks and hundreds of villages that would need to be displaced. These projects are opposed by hundreds of NGOs, 6 banks including BNP Paribas, Crédit Agricole and Société Générale, have committed not to finance it, and Total faces current legal charges in France because of its lack of due diligence.

To justify high levels of fossil fuel production while claiming to transition towards carbon neutrality, Total is betting on an improbable scale-up of industrialized and nature-based carbon capture and storage and of offsets. Although it makes them an essential part of its climate strategy, it does not specify their respective roles in achieving its objectives of reducing its 2030 or 2050 GHG scope 3 emissions targets.

In short, Total's strategy undermines the world's chances to limit global warming to 1.5°C and the group's lack of communication on some significant targets and data prevents investors to assess the risks related to their investment. We believe that it is the duty of investors to refrain from endorsing Total's plans until the company produces a strategy that is aligned with the Paris Agreement and ensures a safer future for us all.

- Far from offering an annual Say on Climate, Total proposes to only "inform its shareholders" at this annual AGM of the progress made in implementing this ambition and "consult them, if necessary, on adapting its strategy and objectives". To vote in favor of the resolution will slow down the adoption of more ambitious climate measures and waste the minimal but crucial time left for implementing the changes required to limit global warming at 1.5°C.

- On the contrary, Total states that "if the resolution is not adopted, it will engage to shareholders to assess the reasons for which they may not have supported the draft resolution proposed and will inform them of the results of this process and the measures planned to address this." To vote against its climate plan is the only way to push the company to go back to the writing desk and strengthen its current climate targets.

- Chris Hohn from the respected Children's Investment Fund Foundation, which leads the Say on Climate Initiative, recently publicly remarked that "It's obvious that shareholders should vote against Shell's and Total's proposed transition plans and against directors. It's important that the world calls out those investors that don't do so, both through shame and removing business from them. It's absolute greenwashing and hypocrisy to say we're supporting all this great stuff on climate and then support plans that don't lead to any reductions."

Moreover, to make your voice heard, we encourage you to fill one or several questions ahead of the AGM, including some requiring the company to adopt and publish, ahead of the COP26 at Glasgow, currently missing information – eg. detailed data on its scope 3 absolute emissions targets for 2030 worldwide, the share and weight of CCS in achieving its scope 1+2+3 targets; its fossil fuel investment and production targets in absolute terms.

We also consider that the board of directors and above all its Chairman and Total's CEO should be held accountable for the failure to adopt the measures necessary to make the company fit for transitioning towards a 1.5°C net zero economy. Consequently, we encourage you to vote against the renewal of the terms of office of Patrick Pouyanné, as well as against the compensation policy applicable to the Chairman and Chief Executive Officer.

You have made a strong public climate commitment and have the capacity to effectively use your power to transform high-emitting companies such as Total by publicly clarifying what are the main measures or information that you expect to find in a company's climate strategy to be able to endorse it. Considering the specific case of Total, we encourage you to publicly state that Total's current strategy is inconsistent with your expectations and the Paris Agreement climate's targets, and to pre-declare their voting intention publicly.

The signing organizations will be closely monitoring how the different shareholders position themselves at Total's AGM in light of the elements we exposed in this. We are determined to do what is required to limit global warming at 1.5°C and push investors to walk the walk. We will consider taking action against those who only talk the talk on the way to the COP26 at Glasgow.

We look forward to your response and are keen to discuss this with you at any time.

ANV-COP21
Mary Chevallier, Spokesperson

Pascal Vollenweider,
Avaaz Climate Campaign Director

350.org
Clémence Dubois, France Team Leader

Greenpeace France
Jean-François Julliard, Director

Les Amis de la Terre France
Khaled Gaiji, President

Notre Affaire à Tous
Clotilde Bato, President

Oil Change International
Elizabeth Bast, Director

Reclaim Finance
Lucie Pinson, Director

Re:Common
Antonio Tricarico, Director

Urgewald
Heffa Schucking, Director