eurofer
FONDO PENSIONE NAZIONALE A CAPITALIZZAZIONE
PER I LAVORATORI DELLE FERROVIE DELLO STATO

EUROFER
Data : 15/09/2016
Prot. : 5951/2016
3241595000000006954

Fondo Pensione Nazionale a Capitalizzazione
per i Lavoratori delle Ferrovie dello Stato
Via Bari, 20
00161 Roma
Italy

Total SA
Total Finance Corporate Services
Investor Relations
10 Upper Bank Street, Canary Wharf
London E14 5BF

Roma, 13.09.2016

To the kind attention of:
Mr Vincent Dufief - Investor relations manager, corporate social responsibility and governance

Subject: Request of environmental policy strengthening and of further information about gas flaring practices.

Dear Sir,

Fondo Pensione EUROFER is the pension fund for employees of the Italian State Railways, established on March 12th, 2002 as a non-profit organization with the goal of ensuring the associated workers their standard of living during retirement, thanks to an additional contribution pension plan, complementary to the public one.

As of December 31st, 2014, almost 40,000 active workers of 117 companies were members of the fund. As of December 31st, 2015, the assets under management of Active Global Equity Balanced line amounted to € 747 million, 0.58% invested in shares of your Company (data as of June 26th).

In line with the investment principles of a pension fund, which require a non-speculative investment approach, a long-term horizon, a low portfolio turnover, and a stable relationship with its members, EUROFER has decided to integrate the principles of sustainability and ESG issues (i.e. environmental and social factors, good governance) in its investment strategies. All investments (both equity and debt) of EUROFER follow "social responsibility" criteria.

With this letter, we intend to bring to your attention some aspects of the ESG profile of your Company with the aim of creating a positive, constructive and long-term dialogue, that may be a stimulus for a

Via Bari, 20 • 00161 Roma • Tel. 199 401026 • Fax 06-45546298 • www.fondoeurofer.it • eurofer@euroferfondopensione.it
autorizzazione all'esercizio del 12/03/2002 • Iscrizione all'albo n. 129 • C.F. 97179100587

progressive improvement of the overall management of business risks, including those of non-financial nature, to whom EUROFER pays special attention in the interest of its beneficiaries.

In particular, as an institutional investor with a long-term horizon and an universal owner perspective, **we ask Total SA to implement cost-effective greenhouse gas (GHG) emissions reduction initiative to manage risks and opportunities, in the context of low carbon emissions economy and preventing global warming, in coherence with COP 21 Agreement on Climate Change[1].**

The importance of developing initiatives for GHG emissions reduction.

As institutional investor focused on long-term perspective and interested in sustainability and high quality, socially responsible stocks, we seek transparency and disclosure of relevant information of environmental and social impact of investments. Therefore, we believe it is crucial that TOTAL SA be active on developing initiatives on GHG emissions reduction in line with International best-practice and in terms of cost efficiency.

For EUROFER is becoming increasingly important to be able to evaluate the exposure of a Company to material risks and opportunities linked to climate change, both in its direct operations and in its value chain.

As TOTAL SA has direct and indirect impacts, its environmental performance in terms of GHG emissions for both absolute emissions and carbon intensity, is a key performance indicator for investments chooses.

On this purpose, we believe that your Company, as one of the world's largest in the sector, showing leadership in this area could help EUROFER to mitigate financial risks and potential losses related to the investments, and, at the same time, to capitalize on the opportunities presented by a low carbon economy.

We congratulate TOTAL SA on achieving emissions reductions as a result of emission reduction plans in 2015, as reported in your CDP Carbon Action Initiative 2016 response.

At the same time, we would like to encourage your Company to:

- Show further evidence of year on year emissions reductions, demonstrating the capability to increase your financial performance in line with low carbon efficiency targets;
- Develop and communicate your process to identify and implement investment in greenhouse gas emissions reduction initiatives which have a positive return on investment.

We highlighted that these requests are also key components of the CDP performance score, which has been shown to be correlated positively with financial performances, and which are used by increasing number of investors in their activity decisions.

Referring to possible initiatives and best practices for Companies, we remind you about the report "*Which sectors are ahead of the curve?*" published in 2015 by CDP.

***Gas flaring* – request for further information**

[1] In this letter we based our requests on CDP engagement letter in the context of the Initiative "Carbon Action 2016".

We are aware that TOTAL SA has been accused by several NGOs and International press con negative situation about international standards on environmental pollution. In particular TOTAL SA has been criticized for gas flaring in the Delta Niger due to the production of greenhouse gas and highly toxic emissions.

Subsequent exposure to reputational risks linked to these charges is significantly high, therefore we would like to receive more detailed information on:

- Correttive actions;
- Compliance remediations mechanisms;
- Communication on realized progress;
- Stakeholder involvement, provided compensation and decision about rehabilitations.

We hope you would take into consideration requests presented herein, as a stimulus towards achieving greater consensus from all your stakeholders.

We look forward to carefully analyse any further documentation that you may be willing to provide us concerning the highlighted points.

Thanking you for your attention and waiting for your kind reply, we send our best regards.

FONDO EUROFER PENSIONE

Fabio Ortolani
Il Presidente