

The growing number of investors who say no to TotalEnergies' climate strategy

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About ten investors have publicly announced that they will vote against TotalEnergies' climate strategy at the AGM on Wednesday 25 May. A minority group which should not change the outcome of the vote, but which could give ideas to other, much less anecdotal, funds.

The movement has gained momentum. Last year, some shareholders, including OFI AM, owned by Macif and Matmut, and Meeschaert Amilton AM, voted against the French oil giant's climate strategy. This year, the two investors are renewing their vote. "*The challenge for us is to have commitments that allow us to measure alignment with a 1.5 degree scenario, and that is still missing,*" said Aurélie Baudhuin, director of SRI research at Meeschaert Amilton AM, contacted by BFM Business. "*Many investments are still made in exploration, but current explorations lead to a life of 30 to 40 years of exploitation of the deposit,*" she adds. Investments in exploration are not recommended by the International Energy Agency.

Surprise: they are joined by big names in asset management. The Dutch MN, Edmond de Rothschild Asset Management, La Financière de l'Echiquier, Mandarin Gestion and Sycomore AM are about to sanction TotalEnergies at the annual general meeting on Wednesday 25 May. The latest to publicly announce their negative vote are several subsidiaries of Crédit Mutuel.

For the past three years, Crédit Mutuel has regularly expressed reservations about the group's climate policy. In 2020, the company was part of the group that had already tabled a climate resolution ahead of the TotalEnergies annual general meeting. Last year, it abstained. Like 12% of shareholders, according to a source from BFM Business. This year, Crédit Mutuel "*expects greater efforts on exploration*" which "*does not respect the Paris Agreement*", according to the CSR director of Crédit Mutuel, Carole Le Moaligou, contacted by BFM Business.

While "*Crédit Mutuel welcomes the efforts made by TotalEnergies over the past three years*", it expects the oil giant to step up its efforts, as it "*has the means to do so*". A position shared by Meeschaert AM, which does not want to describe its vote as a "*sanction*".

For several weeks now, the pressure had already been mounting. In April, two resolutions on climate were tabled by several of these shareholders who were dissatisfied with the group's climate policy. Both resolutions were rejected by TotalEnergies. Faced with the various shareholder announcements, the French giant is not trembling. A spokesperson for the group reminds us that these funds "*only represent 0.33%*" of the capital.

Alongside these shareholders, the financial analysis and consulting firm Proxinvest gave the same indication to its clients: "*We recommend a negative vote in order to encourage the board of directors to continue its efforts and meet expectations*".

More and more players are taking a clear position, and other shareholders are still considering. An influential fund manager tells us that today's vote was still being discussed internally on the eve of the annual general meeting. Should they adopt a cautious stance or publicly attack the French oil giant? One thing is certain: after voting positively last year to welcome the "Say on Climate" initiative, more and more investors are questioning the strategy.

Last year, the climate resolution was voted for by almost 92%. This was a slap in the face for the few shareholders who had tried to mount a rebellion against the oil giant's project, supported by companies, including Reclaim Finance, which regularly oppose fossil fuel projects.