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Editorial	4
<hr/>	
“Security, baby, security!” by Jean-Philippe Desmartin	
News	6
<hr/>	
Disinformation: a global economic cost of \$417 billion by 2024	
From an academic point of view	8
<hr/>	
Responsible shareholders: an influential minority? A study of shareholder engagement at TotalEnergies by Nicolas Mottis and Léo Denis	
Company meetings	12
<hr/>	
Focus on Getlink	
Recommended reading	13
<hr/>	
Material World: The Six Raw Materials That Shape Modern Civilization	
The responsible investment team in action	14
<hr/>	
Corporate dialogue & engagement – A focus on quality and effectiveness, rather than quantity and ‘box-ticking’	

“Security, baby, security!”



Jean-Philippe Desmartin
Head of the Responsible
Investment Team

Following our previous editorials, “Cheaper, baby, cheaper” and “Jobs, baby, jobs,” the latest developments in the war in Iran have brought the urgent need for energy security in Europe and elsewhere to the forefront. In China, the initial announcements last March regarding the 15th Five-Year Plan (2026–2030) continue to emphasize renewable energy, electrification, and energy storage, but also look ahead to e-fuels and hydrogen. These Chinese programs have industrial, environmental, and **security/sovereignty** ambitions.

In Europe, contrary to the misguided notions of subsidizing fossil fuels or undermining the CO₂ emissions market, the choices made since the start of the war in Ukraine in favor of energy efficiency, renewable energy, and the electrification of end-use applications contribute not only to the energy and environmental transition but also to energy security and sovereignty. The all-fossil-fuel approach currently advocated across the Atlantic is hardly an option for Europe, given the risks of dependency posed by current events, where **oil and natural gas supplies are proving to be “intermittent.”** To put this into perspective, proven reserves located in Europe (Norway, the United Kingdom, Romania, etc.) amount to 6 years of the continent’s current natural gas consumption and 2.5 years for oil.



In short, sharply rising oil and natural gas prices serve as a **price signal** and an economic catalyst to accelerate the transition and reduce the share of fossil fuels in Europe's energy mix, shifting toward electricity. According to a report by Strategic Perspectives, electrifying 50% of the European economy (which is currently 23% electrified) would halve oil imports and reduce fossil fuel imports by two-thirds by 2040.

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One caveat, however, is worth noting: **European countries have highly diverse electricity mixes**. In 2025, **48% of the EU's electricity generation came from renewables** (including hydropower), **23% from nuclear, and 29% from fossil fuels** (primarily natural gas). While France, Spain, Portugal, and the Nordic countries already benefit from electricity that is largely low-carbon and competitive, this is not the case for the United Kingdom, Germany, or, even more so, Italy.

Enjoy your reading!



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Disinformation: a global economic cost of \$417 billion by 2024

Long viewed as a primarily political and media phenomenon, disinformation is now regarded as a systemic economic risk. In the study compiled by Sopra Steria, disinformation refers to intentionally false content designed to cause harm. It is driven by three main factors: economic gain, political influence, or simply the desire to sow chaos. For the first time, a study attempts to measure its impact: according to its estimates, the intentional manipulation of information will amount to \$417.1 billion globally in 2024, equivalent to nearly 15% of France's GDP. Inspired by the work of the IPCC, the approach is based on three scenarios (conservative, median, exploratory) and distinguishes between three dimensions – financial, social and political – in order to avoid double counting. It thus resolves a paradox: regularly ranked among the world's main risks by the World Economic Forum, disinformation had until now remained invisible in public and private accounts.

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The bulk of this cost is financial: nearly \$393 billion in the median scenario. The primary identified source relates to fake online reviews, the impact of which is estimated at \$227 billion, in an e-commerce landscape where 89% of revenue is believed to be influenced by rating systems. These fake reviews distort purchasing decisions, penalise the most transparent businesses and divert significant revenue streams. Added to this are stock market losses linked to the spread of fake news, which can trigger sudden and unjustified market movements, fraud – particularly relating to cryptocurrencies and investment scams – as well as a portion of counterfeit goods and advertising revenue generated by disinformation sites.



The social costs are estimated at \$9.8 billion: these include impacts on health (such as anti-vaccine campaigns and mistrust of certain treatments), mental health and social cohesion, fuelling polarisation and the rise of extreme rhetoric. The political and response costs amount to \$14.2 billion and include damage to the integrity of democratic processes (elections, referendums), public and private expenditure on combating disinformation, and the development of the 'digital trust and safety' market.

In this landscape, generative artificial intelligence acts as a risk multiplier. It enables the mass production of misleading content – deepfakes, fake reviews, identity theft – whilst drastically reducing production costs and time. In a matter of seconds, it becomes possible to create highly realistic videos or audio recordings that are difficult to distinguish from authentic content. The line between truth and falsehood is becoming blurred, complicating the work of the media, regulators, market authorities and digital platforms. The potential effects are manifold: increased market volatility, a rise in sophisticated fraud, targeted manipulation campaigns and, above all, a weakening of confidence in information, institutions and financial markets. These indirect effects, which are still poorly quantified, could ultimately weigh on the cost of capital, risk premiums and financial stability.

This dynamic makes disinformation a cross-cutting ESG issue. In environmental and social terms, disinformation campaigns relating to health, climate or energy can delay public policy, fuel climate scepticism and hinder the transition. On the governance front, they call into question reputation management, information governance, the quality and transparency of communication, as well as the robustness of crisis management and internal control mechanisms.

For a responsible investor, it is becoming crucial to factor in the vulnerability of business models to disinformation – particularly in highly exposed sectors (platforms, e-commerce, media, healthcare, finance) – and to assess the credibility of response strategies: moderation policies, cybersecurity and 'trust & safety', transparency of recommendation algorithms, staff training and a culture of digital risk management. Much like cybersecurity twenty years ago, the fight against disinformation is becoming a key component of non-financial risks and shareholder dialogue. As propaganda and falsehoods spread on a massive scale, 'the defence of truth could well become the primary economic investment of the 21st century'.

Source: Sopra Steria (2026). 'The global economic impact of disinformation. Financial, social and political costs: how the manipulation of information damages the economy', Report, March 2026.

Responsible shareholders: an influential minority?

A study of shareholder engagement at TotalEnergies

Against the backdrop of the climate emergency, some shareholders are using shareholder engagement to push companies to strengthen their sustainability strategies. The authors show that responsible shareholders, although a minority, can significantly influence these strategies by amplifying stakeholder pressure, and examine how they organise themselves to achieve this.

Methodologically, the article is based on a longitudinal case study of TotalEnergies. The authors draw on 26 semi-structured interviews (with investors, NGOs, advisers, etc.), two sessions of participant observation of investor meetings, and an analysis of secondary data. This approach enables a detailed reconstruction of engagement processes over the 2020–2022 period, supplemented by a follow-up of developments in 2023–2024, and allows for the triangulation of sources to minimise bias.

The study by Léo Denis and Nicolas Mottis, published in 2025 in the *Revue française de gestion*, analyses several years of shareholder engagement on climate issues at TotalEnergies and highlights how responsible minority investors seek to influence the company's climate strategy and its alignment with transition objectives.

The TotalEnergies case (2020–2024) takes place within a specific context: France is often presented as a pioneer in sustainable finance, but the legal framework there continues to protect the board of directors and restrict shareholder resolutions, particularly on climate-related issues. TotalEnergies, for its part, is a systemic player: a global company with a business model still largely centred on fossil fuels, and a climate strategy that is relatively advanced within its sector but deemed insufficiently aligned with a 1.5°C pathway, particularly given the pursuit of new oil and gas projects and the weight of Scope 3 emissions in its overall emissions.

Shareholder coalitions

Based on this empirical data, the authors first demonstrate that minority shareholders can exert influence, but only if they are organised. TotalEnergies' shareholding structure is highly dispersed: no financial investor holds more than 2%, and the largest shareholder remains the employee shareholding scheme (around 7.7%). Individually, the power of each responsible investor is therefore limited.



To overcome this fragmentation, the study highlights coalitions operating on two levels:

- One or more ‘lead’ managers, often independent and with close ties to the local context, who structure demands, coordinate dialogue and speak out publicly;
- Followed by a broader support group, comprising institutional investors who contribute assets under management, visibility and continuity in the relationship with the company.

NGOs (Reclaim Finance, Follow This, etc.) act as ‘incubators’ for these coalitions: they produce technical analyses (alignment with the Paris Agreement, 1.5°C scenarios, absolute emissions trajectories vs. intensity), help to formulate structured demands (intermediate targets, Scope 3, investment policy on fossil fuel projects) and contribute to lending them credibility with the media, regulators and the general public.

The study shows, however, that the mere existence of a coalition is not enough. Its effectiveness depends heavily on the independence of the lead investor. When the lead investor is also a major business partner of the company or has governance links (a seat on the board, financing arrangements), the dialogue can become complacent: there is frequent communication, but demands remain limited or non-binding. The authors document how management can exploit these conflicts of interest to weaken investor pressure. Conversely, when the lead is held by independent managers, who are less commercially exposed, the coalition has greater scope to set clear requirements and maintain a consistent line.

Competition among investors

Beyond the creation of coalitions, the article analyses the practical dynamics of engagement. Léo Denis and Nicolas Mottis describe engagement that combines private dialogue (bilateral meetings, correspondence, technical exchanges on climate scenarios) and public actions (tabling resolutions, speaking at general meetings, NGO media campaigns). The years 2020–2024 were marked by several climate resolutions. Some were put to a vote, others withdrawn after negotiation or blocked in the name of the board of directors’ strategic responsibilities – illustrating the role of the French legal framework.

In parallel, the authors analyse management tactics. Officially, management emphasises a ‘constructive dialogue’ and the desire to be ‘ahead of the curve’ in the sector. In reality, the study shows how executives use company law, the argument of the board’s ‘strategic competence’ and, at times, targeted pressure on certain investors to weaken the most ambitious demands or discourage the joint submission of resolutions deemed too restrictive.

FROM AN ACADEMIC POINT OF VIEW

Another notable finding is that engagement is becoming a battleground for ‘coopetition’ among asset managers. Some seek to stand out by adopting a more proactive, transparent or NGO-aligned approach, particularly when existing coalitions are perceived as too moderate. The resolution tabled in 2020 on the initiative of Meeschaert AM, in response to the dialogue conducted within the CA100+ framework, illustrates this phenomenon. This competition between coalitions may, paradoxically, strengthen the collective power of responsible shareholders by limiting the risk of ‘greenwashing of engagement’ and preventing the dialogue from being reduced to a mere communication exercise.

The study also emphasises the long-term nature of the commitment. Between 2020 and 2024, pressure from investors and NGOs contributed to:

- The formalisation of a more detailed climate strategy;
- The setting of interim targets;
- More comprehensive climate reporting;
- The introduction of a consultative Say on Climate.

These advances represent a formal success. However, from a climate science perspective, the authors consider that the company’s trajectory still falls short of a 1.5°C scenario, particularly regarding investment in new fossil fuel projects and the reduction of absolute emissions, especially within Scope 3, which accounts for the majority of the carbon footprint.

Implications for responsible investors

In conclusion, Léo Denis and Nicolas Mottis offer a rigorous analysis of what constitutes ‘effective’ engagement. In their view, the effectiveness of engagement cannot be assessed solely on the basis of the level of support for a resolution or the existence of a ‘Say on Climate’ vote. It must be assessed as a long-term process, by observing:

- The evolution of strategy over several years;
- The impact on the investment mix;
- The emissions trajectory in relation to carbon budgets and 1.5°C scenarios.

Certain episodes perceived as failures (resolutions rejected or not put to a vote) may nevertheless have a disciplinary effect and contribute, in the long term, to strategic adjustments. Conversely, a very favourable vote on a resolution proposed by management does not automatically guarantee genuine alignment with the Paris Agreement.



The study offers several key insights:

- Responsible investors must adopt clear and ambitious engagement policies, setting out climate targets, engagement thresholds and rules for managing conflicts of interest.
- The role of the regulator is crucial to making this lever more effective: developing the framework for climate resolutions, strengthening shareholder democracy, and clarifying the conditions for a binding Say on Climate.
- The ‘exit vs voice’ dilemma remains at the heart of the debate: simply excluding the highest-emitting companies may improve a portfolio’s carbon footprint, but reduces the ability to influence the very players who need to transform. Engagement therefore appears to be a ‘slow-acting’ yet strategic tool, requiring time, expertise and coordination, and which can, in certain cases, help to shift the trajectory of major emitters such as TotalEnergies.

The key message is this: minority shareholders can be influential, provided that engagement is collective, independent, transparent and long-term, and that its effectiveness is assessed not only in terms of procedural successes, but above all in terms of its real societal impact, particularly on the emissions trajectory and compatibility with a 1.5°C-aligned economy.

Authors

- **Nicolas Mottis** is a Professor at École Polytechnique. He heads the Management & Humanities Division of the Doctoral School at the Institut Polytechnique de Paris. His research focuses on performance management and innovation management. He is the author of several books and numerous academic and professional publications in these fields. He is a member of the Board of Directors of the École de Paris du Management, a member of the Greenfin Label Committee and Chair of the Scientific Committee of Finansol-FAIR. He is also Chair of the Médecins Sans Frontières Foundation.
- **Léo Denis** is a PhD student at the École Polytechnique’s Centre for Management Research and a visiting scholar at Columbia University. His research focuses on financial intermediation, sustainable finance and corporate governance, particularly within private markets.

Denis L., Mottis N. (2025). “Responsible shareholders: : an influential minority? A study of shareholder engagement at TotalEnergies”, *Revue française de gestion*, no. 324, pp. 105-129

Focus on Getlink

Getlink is one of the (very) few listed rail infrastructure companies in Europe, positioning itself as a pure player in sustainable mobility. Since 1994, the company has managed the Channel Tunnel linking Great Britain and France. Its activities cover passenger transport, freight transport and, since 2022, the electricity interconnection with Eleclink, with a second cable also under consideration.

From an environmental perspective, rail is the most sustainable mode of transport. For example, Eurotunnel's rail freight emits 20 times less CO₂ than maritime alternatives, and a Paris–London journey on the Eurostar generates 30 times less CO₂ than air travel. Getlink has had its climate targets validated by the SBTi, and 75% of the electricity consumed is low-carbon, as it comes from nuclear and renewable energy sources.

On the social front, the company stands out for the stability of its teams (a turnover rate of 5%), a strong focus on health and safety issues, and a favourable age profile (average age of 45).

Finally, in terms of governance, ESG objectives account for 25% of senior executives' variable remuneration in the short and medium term. It is also worth noting Eiffage's gradual increase in its shareholding since 2018. At the end of March 2026, Eiffage further strengthened its position and now holds 29.4% of Getlink. Another shareholder, Mundy's, has simultaneously increased its stake and announced that it holds 25% of Getlink's capital.

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Environment

251 million hectares of protected forest since 1990

Forests cover 4.14 billion hectares, or around one third of the Earth's land surface. Since 1990, the area of forest within protected areas has increased significantly worldwide. In Asia, 26% of forests are now under legal protection, thereby safeguarding vital carbon sinks.

Source: FAO, 2025
<https://www.fao.org/newsroom/detail/global-deforestation-slows-but-forests-remain-under-pressure--fao-report-shows/en>

Social

673 million people are suffering from hunger worldwide

(2024, data published in 2025)

This figure represents 8.2% of the global population. Although the situation is improving slightly, hunger remains higher than pre-Covid levels and is still on the rise in certain regions (Africa, the Middle East). According to projections, 512 million people could be suffering from chronic under-nourishment by 2030. These figures highlight the immense challenge of achieving Sustainable Development Goal (SDG) 2: Zero Hunger.

Source: FAO / WHO / UNICEF, July 2025
 FAO: <https://www.fao.org/interactive/hunger-map/en/>
 OMS: <https://www.who.int/news/item/28-07-2025-global-hunger-declines-but-rises-in-africa-and-western-asia-un-report>
 UNICEF: <https://www.unicef.org/press-releases/global-hunger-declines-rises-africa-and-western-asia-un-report>

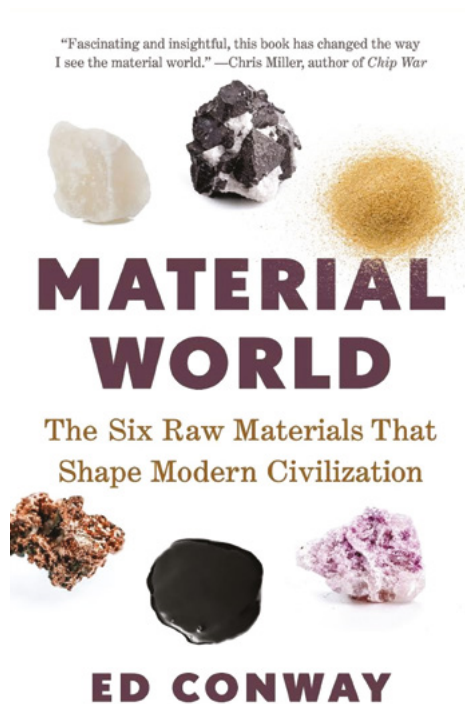


Material World: The Six Raw Materials That Shape Modern Civilization

The six essential materials (salt, iron, copper, sand, oil, lithium) examined by the American journalist Ed Conway are not rare, but rather commonplace; yet they form the cornerstones of the development of our modern civilisations, the building blocks of our daily lives, in some cases for thousands of years. With no real substitute, their disappearance would plunge our societies into chaos. They play a central role in construction, access to drinking water, food, healthcare, energy and technology. In the context of the ongoing energy and environmental transition, copper and lithium will play a particularly decisive role.

In conclusion, the key takeaway is this: in increasingly digital and seemingly 'dematerialised' economies, humanity has nevertheless never extracted so many materials, with fewer and fewer workers to do the job each time.

All in all, this is an easy-to-read book that covers geology, chemistry, economics, physics and even biology, that we highly recommend!



**Material World:
A Substantial Story
of Our Past and Future
by Ed Conway**

Corporate dialogue & engagement

– A focus on quality and effectiveness, rather than quantity and ‘box-ticking’

Dialogue and engagement with companies, just like voting policy, lie at the heart of an investor’s fiduciary responsibility. European institutional investors regularly emphasise this, as was the case again recently regarding climate issues last September.

Over the last few years, dialogue and engagement have developed significantly. The results are positive in quantitative terms, but far more nuanced when it comes to the quality and effectiveness of exchanges, and even more so regarding engagement initiatives. The first to highlight this are the companies themselves, which note a growing gap between the number of requests and the decline in the average quality of interactions with investors. For its part, civil society – including the media and NGOs – questions the concrete results achieved and points to the risk of greenwashing.

More specifically regarding engagement, the overall picture is therefore mixed and legitimately raises the question of whether resources are being allocated appropriately. Admittedly, European institutional investors are increasingly demanding detailed reporting on engagement activities from their asset managers and are incorporating this aspect into their tender processes. However, there are no common rules regarding definition, accounting (practices can vary by a factor of 1 to 20!), reporting, or even the measurement of the effectiveness and influence of engagement initiatives.

Sharing this observation with other financial players in the Paris financial centre, Edmond de Rothschild AM has helped to set up a working group on measuring the effectiveness of engagement, under the auspices of the Forum for Responsible Investment (FIR) and supported by a pool of academic researchers. This group is expected to publish its findings in the coming days and propose tools that could become market standards in France and Europe, helping to promote best practices and create a common language. More to come!



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Edmond de Rothschild Asset Management (France)
47 rue du Faubourg Saint-Honoré / FR - 75401 Paris Cedex 08
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