

Air Liquide (AI.PA)

Annual General Meeting: Wednesday 4 May 2022

Resolutions are being highlighted by a Climate Action 100+ initiative signatory for the attention of other signatories.

Organization requesting a 'flag' on a resolution:

[Claire Berthier](#), Trusteam Finance

Investor statement available [here](#) and supporting assessment from Carbon Tracker [here](#).

Resolution text:

The member is flagging one resolution and stating they are intending to vote AGAINST it:

Resolution #8: “Renewal of the term of office as a Principal Statutory Auditor of PricewaterhouseCoopers Audit.”

[Notice of Meeting](#)

Summary of why the resolution is being flagged

Oppose on renewal of term of office Principal Statutory Auditor of PricewaterhouseCoopers Audit (Resolution 8).

Background

- Climate Action 100+ Benchmark with Accounting & Audit alignment assessment, available [here](#). Climate Action 100+, the world’s largest investor initiative of more than 615 investors with more than \$65 trillion in assets collectively under management are engaging companies on improving governance, curbing emissions, and strengthening climate-related financial disclosures.
- In 2021, Air Liquide (AL) set new climate targets, with the ambition to achieving “carbon neutrality” by 2050. It indicated that it considered climate when preparing its financial statements, including the potential impact on the useful lives of assets, impairment, its client portfolio and cashflows, but that the impact was not material. However, as in 2020, AL did not provide detail around how it made this determination, such as it the estimates and assumptions it used for short- and long-term carbon pricing or the useful lives on carbon-intensive assets. Similarly, there was no evidence that PwC and EY considered the impacts of relevant climate-related matters in their audit beyond an indication that AL had sustainable development objectives. (Source: Carbon Tracker assessment of Air Liquide, 2022)

Rationale details

Trusteam Finance believe in Air Liquide's robust business model, especially as customer centricity, decarbonization and building resilience is at the heart of their business strategy. We think they are taking significant steps toward an aligned 1.5°C pathway and are well placed to become a leader (cf. [Advance Plan](#))

However, as the latest [report](#) from Carbon Tracker and CAAP shows, the information currently available in the accounts does not allow us to fully understand how Air Liquide determined that climate change issues were material or not, in particular by publishing the estimates and assumptions that led to these conclusions.

In addition, we believe it is the role of auditors to specify this information in the Key Audit Matters (KAM). Having not received sufficient commitment on a change of practice for the current financial year from these firms, previously mandated, as well as from those requesting their appointment at the General Meeting of May 4, despite a commitment carried out alongside other investors for more than two years, we have decided to vote against the renewal of PwC's mandate.

Trusteam Finance will therefore vote against resolution 8 on behalf of the UCITS it manages.