TotalEnergies

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Introduction

TotalEnergies stands at the center of the dynamic and rapidly evolving global energy sector. As one of the world's foremost integrated energy companies and one of the "supermajors," its story is intertwined with the economic, technological, and environmental changes that have shaped the energy landscape over the past century. Born from a national need for energy independence, TotalEnergies has grown into a multinational force whose reach, influence, and scale span dozens of countries and all segments of the energy value chain. This book, *TotalEnergies: Portrait of a Global Company*, seeks to provide a comprehensive examination of the company's history, business model, and the ongoing transformations that define its place in the modern world.

From its founding in 1924 as Compagnie Française des Pétroles (CFP), through decades of expansion, mergers, and rebrandings, TotalEnergies' evolution mirrors the broader story of the global oil and energy sectors. The early decades were marked by pioneering exploration in the Middle East and the strategic acquisition of assets which set the foundation for future growth. As the world's demand for energy increased, so too did the company's geographical and operational footprint, ensuring its position as an essential supplier to both developed and emerging economies.

In recent years, TotalEnergies has found itself at a crossroads, reflecting a global shift in societal expectations, regulatory requirements, and market trends. The company's rebranding from Total to TotalEnergies in 2021 symbolized a new strategic direction, explicitly signaling an ambition to become a world-class player in the production of renewable and low-carbon energy, in addition to its longstanding oil and gas activities. This transition has placed the company at the heart of debates around sustainability, climate responsibility, and the complexities of powering an increasingly electrified and decarbonized world.

Yet, the company's journey has not been without controversy or challenge. TotalEnergies faces significant scrutiny regarding its ongoing oil and gas operations, major infrastructure projects, and the environmental and social impacts of its activities. Lawsuits, activist campaigns, and regulatory inquiries have questioned the sincerity and sufficiency of its energy transition strategy, particularly in light of its continued investments in fossil fuels. These tensions illustrate the difficult balancing act required of any legacy energy company navigating the demands of the present while preparing for the uncertainties of the future.

This book aims to illuminate the many facets of TotalEnergies—its internal structures, financial resilience, approach to innovation, and key operational segments, as well as its global impact and the criticisms it faces. Each chapter explores a distinct aspect of the company's identity, from its role as a driving force in global energy markets, to its bold investments in renewables, and its ongoing negotiations with climate and social responsibility.

In painting a nuanced, detailed portrait of TotalEnergies, our hope is to provide readers with a deep understanding of one of the world's great energy giants—a company whose fortunes and strategies offer a lens through which to examine the broader forces shaping tomorrow's energy world.

CHAPTER ONE: Origins: The Founding of TotalEnergies

The world that emerged from the ashes of the First World War was one irrevocably changed, not least in its understanding of power. The conflict had been industrialized, mechanized, and utterly dependent on a resource that, just decades prior, had been little more than a curiosity or a source of lamp oil: petroleum. Tanks rolled on it, aircraft soared because of it, and navies were converting from coal to oil, recognizing its superior speed and efficiency. For nations like France, whose soil had borne the brunt of the fighting and whose domestic energy resources were limited, securing a reliable, independent supply of this crucial commodity became a matter of national security and economic survival.

Before the war, France had largely relied on international players, primarily American and British companies, for its oil needs. While there were some French interests in distribution and refining, the vital upstream sector – exploration and production – was dominated by giants like Standard Oil, Royal Dutch Shell, and the Anglo-Persian Oil Company. This reliance felt increasingly precarious in a world where access to oil dictated strategic capability and economic growth. The experience of the war hammered home the vulnerability of being dependent on others for the fuel that powered its military and industry.

The political landscape after the war offered a unique, albeit complex, opportunity. The collapse of the Ottoman Empire and the redrawing of maps in the Middle East, combined with the punitive measures imposed on Germany, created a vacuum and a chance for France to assert its interests in a region known to hold vast, untapped oil reserves. The stage was set for diplomatic maneuvers that would directly lead to the creation of a French national champion in the petroleum sector.

A pivotal moment arrived with the San Remo conference in April 1920. Ostensibly convened to settle the fate of former Ottoman territories in the Middle East, the conference also included crucial discussions among the victorious Allied powers about oil. Specifically, it addressed the disposition of German interests in the Turkish Petroleum Company (TPC), a consortium formed before the war to explore for oil in Mesopotamia (modern-day Iraq). Germany had held a significant stake, and with its defeat, that share was up for grabs.

The San Remo agreement, hammered out between France and Great Britain, proved instrumental. In exchange for France relinquishing its claim to Mosul (a region in Mesopotamia that had been assigned to France under earlier secret agreements but was oil-rich and adjacent to the British sphere of influence) and agreeing to support British mandates in Palestine and Mesopotamia, Britain committed to giving France a 25% share in the Turkish Petroleum Company. This was a diplomatic coup for France, granting it a direct stake in one of the most promising oil provinces in the world. However, merely having the right to a share wasn't enough; France needed a vehicle to exercise that right.

The existing French petroleum interests were fragmented and lacked the scale and financial muscle required to participate effectively in the capital-intensive, high-stakes game of international oil exploration and production, particularly alongside behemoths like Anglo-Persian and Shell. There was no single entity capable of representing France's interests in the TPC and developing the allocated share of oil. This fundamental gap led to the growing conviction within French political and industrial circles that a unified, nationally backed company was essential.

Discussions began in earnest within the French government and among key industrialists. The debate centered on how such a company should be structured. Should it be purely state-owned, a branch of government? Or a private enterprise with state support and guidance? The decision ultimately leaned towards a hybrid model, leveraging private capital and expertise while ensuring the state retained significant influence and a strategic stake. The objective was clear: create a company robust enough to operate on the world stage, secure resources, and contribute to France's energy independence.

The formal act of creation came on March 28, 1924, with the founding of the Compagnie Française des Pétroles (CFP). The initial capital was set at a substantial amount for the time, raised through a combination of government funds and subscriptions from French banks and industrial groups. The state's participation ensured its control over strategic decisions, particularly regarding the allocation and disposal of the oil secured through international agreements like San Remo. It was a pragmatic approach, acknowledging the need for commercial agility while maintaining national oversight.

CFP’s mandate was explicitly strategic: to manage France's participation in international oil ventures, most immediately its share in the Turkish Petroleum Company. The company was not initially focused on domestic refining or distribution – those were activities largely left to existing, albeit smaller, French companies or foreign entities operating within France. CFP's mission was upstream, abroad, in the high-risk, high-reward world of finding and extracting crude oil. This initial focus defined its identity for decades, distinguishing it from integrated companies like Standard Oil, which controlled operations from wellhead to petrol pump.

The early years were challenging. Entering the international oil scene meant stepping into an arena dominated by powerful, established players often referred to collectively as the "Seven Sisters." These companies controlled vast reserves, possessed technical expertise, and wielded considerable financial and political influence. CFP, the new kid on the block, had to learn quickly and assert its rights within consortia where it was initially the junior partner. Participation in the TPC, for instance, involved complex negotiations and technical collaboration alongside companies with decades of experience.

The focus on the Middle East was paramount from day one, a direct consequence of the San Remo agreement. CFP representatives actively participated in the TPC's exploration efforts in Iraq. The famous discovery at Baba Gurgur in 1927, a spectacular gushing well, confirmed the region's immense potential and validated the strategic importance of France's 25% stake. For CFP, securing this share of Iraqi oil was its raison d'être and provided the crucial foundation for its future growth. The company had literally struck gold, or rather, black gold, relatively early in its existence.

Developing this share required more than just participation in TPC meetings. It necessitated building the technical capabilities to understand and transport crude oil from distant fields. While TPC handled the production, CFP needed to ensure its entitlement could be moved to where France needed it. This involved planning for pipelines – massive infrastructure projects in remote and politically sensitive territories – and securing tankers for maritime transport. It was a steep learning curve for the nascent company.

The relationship with the French state was symbiotic. The government provided the initial capital, the political backing in international negotiations, and the strategic direction. In return, CFP was expected to act in the national interest, primarily by ensuring a stable and affordable supply of crude oil for France. This relationship would evolve over time but remained a defining characteristic of CFP, and later Total, for much of its history. It wasn't a typical private company; it was a tool of French foreign and energy policy, wrapped in a commercial structure.

Building the company also meant attracting and developing talent. CFP needed geologists, engineers, negotiators, and administrators capable of operating in diverse environments and competing with the best in the business. The company started small but began to assemble the necessary expertise to manage its growing stake in Middle Eastern production and explore other potential oil provinces around the world. While the 1930s would see continued focus on Iraq, CFP also began to cast its eye further afield, although initial steps were cautious and resource-limited compared to its well-established rivals.

CFP's founding was not just a business transaction; it was a strategic imperative born from the lessons of total war and the realities of a world increasingly reliant on a single, finite resource. It represented France's determined effort to secure its place at the global energy table, ensuring it would not be left vulnerable to the whims of foreign suppliers. The 1920s were dedicated to establishing this presence, navigating the complex politics of oil concessions in the Middle East, and starting the long process of transforming its potential share into actual barrels of oil flowing towards France.

The initial vision was perhaps narrower than the vast integrated energy company TotalEnergies is today. It was primarily focused on *access* to crude oil at the source. Refining, marketing, and other downstream activities were secondary or non-existent in CFP's early remit. Its success would be measured by its ability to defend and expand its upstream position, ensuring France had the raw material necessary to fuel its industries and transport networks. This foundational period, driven by national need and international diplomacy, laid the essential groundwork for everything that was to follow.