

'GREEN' MULTINATIONALS EXPOSED

VATTENFALL



HEADQUARTERS Solna, Sweden

SHAREHOLDER Swedish government (100%)

- PROFITS**¹
- US\$0.00 billion in 2022
 - US\$10.18 billion between 2016 and 2022
 - Profits are paid directly to the Swedish treasury²

TOP SALARIES AND BONUSES US\$2.2 million for CEO Anna Borg (2022)³

- DIVIDEND PAY-OUTS AND SHARE BUYBACKS**
- US\$2.51 billion in dividend payouts in 2022; US\$4.65 billion between 2016 and 2022
 - US\$0.00 in share buybacks in 2022; US\$0.00 in share buybacks between 2016 and 2022 (state-owned firm so no share buybacks)

RENEWABLE GENERATION 4.40 GW of installed wind capacity as of 2022⁴

	2022	2021	2020	2019	2018	2017	2016
NET PROFIT (SWE. KR. BILLION)	0.02	48.01	7.72	14.86	12.01	9.48	- 2.17
NET PROFIT (US\$ BILLION)	0.00	5.57	0.83	1.58	1.38	1.06	- 0.24
DIVIDENDS (SWE. KR. BILLION)	25.36	5.19	5.30	3.71	3.30	0.87	0.87
DIVIDENDS (US\$ BILLION)	2.51	0.60	0.57	0.39	0.38	0.10	0.10
SHARE BUYBACKS (SWE. KR. BILLION)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SHARE BUYBACKS (US\$ BILLION)	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Exchange rate based on IRS annual values: <https://www.irs.gov/individuals/international-taxpayers/>
yearly-average-currency-exchange-rates

Vattenfall — the Swedish word for waterfall — was created by the Swedish government in 1909 to build hydropower in Sweden.⁵ By the latter part of the twentieth century, Vattenfall started to expand, mostly in Europe but also as far away as Laos.⁶ It also became heavily involved in nuclear power generation in Sweden.⁷ By 2009, it had become a major force in Germany and the Netherlands,⁸ with some operations in Denmark and the UK, by taking advantage of the privatisation of the electricity sector in those countries in the 1990s⁹ and 2000s.¹⁰

Today, most of its power is still hydropower and nuclear,¹¹ but it has started to invest heavily in wind and solar,¹² as well as controversial biomass energy,¹³ and 'district heating' mainly from combined heat and power plants.¹⁴ Some of its big wind projects include Blakliden Fäbodberget in northern Sweden, turbines off the coast of Norfolk in the UK, Hollandse Kust West Sites VI and VII in the Dutch North Sea, and Kriegers Flak in the south Baltic Sea.¹⁵

The impacts of its projects have long been scrutinised. According to Vattenfall, public consent was reached across Sweden around the Suorva dam in Stora Sjöfallet national park, the Älvkarleby, Porjus and Trollhättan power plants and the destruction of the Nämforsen falls in the river Ångermanälven in the 1940s. ¹⁶Outside Europe, the story is a little different. Vattenfall has been criticised for its role in the design of the Theun Hinboun hydropower dam in Laos, which allegedly displaced thousands of people in the 1990s — the company held a 10 per cent ownership stake in the dam.¹⁷ **Vattenfall was criticised by Danwatch in 2010 over the massive social and environmental impacts of the Cerrejón coal mine in Colombia, from which it imports millions of tonnes of coal.** Danwatch argued that the mine and associated port and railroad were constructed by landgrabbing and the forcible removal of the indigenous Wayüu community of Tamaquito, as well as the Afro-Colombian

inhabitants of Tabaco in the province of Guajira — all beginning in the 1980s, with little or no compensation.¹⁸ Asked to comment, a Vattenfall representative pointed to a Human Rights Impact Assessment the company conducted and its follow up actions.¹⁹

In recent years, Vattenfall has become a prominent supporter of ending fossil fuel production, setting a goal of reaching net-zero by 2040. 'This is not our sustainability strategy', Anna Borg, Vattenfall's CEO, told business leaders and politicians in April 2021, 'It's our business strategy. And it is sustainable.'²⁰

However, **Vattenfall appears to often simply sell off coal assets to other companies rather than shutting them down.** For example, Vattenfall slashed its carbon emissions by 70 per cent overnight in 2016²¹ by selling off the Boxberg, Jänschwalde, Lippendorf and Schwarze Pumpe power plants as well as the Jänschwalde, Nochten, Reichwalde and Welzow-Süd lignite coal mines in eastern Germany to Energetický a Průmyslový Holding (EPH),²² a private company controlled by Czech billionaire Daniel Křetínský.²³ The plants are still running at almost full capacity, producing 235 million tonnes of CO₂ a year compared with an average of 263 million tonnes of CO₂ in the years before the sale.²³ The German government has agreed to pay EPH US\$1.98 billion to shut down the facilities by 2038.²⁵

Moreover, Vattenfall continues to burn coal in Berlin,²⁶ fossil gas,²⁷ and biomass wood chips pellets at 17 plants such as its Moabit plant in Berlin, Diemen in the Netherlands, and in various locations in Sweden. In addition, it is planning to expand these plants (for example by building a new 120 megawatt plant in Diemen),²⁸ using the argument that biomass energy is green, even though it involves intensive CO₂ emissions, just not from fossil fuels.²⁹

The company is also a leader in using Investor State Dispute Settlement (ISDS) mechanisms to fight environmental regulation and protect profits. For example, **Vattenfall pursued the government of Germany in 2009 to pay compensation of €1.4 billion, ostensibly to establish whether the company had been treated 'fairly and equitably', following the introduction of environmental requirements to protect the Elbe river from the 1.6 gigawatt Moorburg coal-fired power station in Hamburg.**^{30,31} The plant was expected to use nearly 10 per cent of the carbon budget of German industry over its projected 40-year lifetime, despite producing just 2 per cent of total German electricity.³² The case was brought before the World Bank's International Centre for Settlement of Investment Disputes (ICSID), but the German government agreed to settle the case in 2010 by removing the environmental safeguards and allowing the plant to proceed.³³ The plant began operations in February 2014 but ironically, in July 2021, Vattenfall shut down the plant after it became too expensive to maintain under European emissions trading rules.³⁴

In May 2012, Vattenfall brought another ISDS case against Germany at the ICSID for €3.7 billion in compensation.³⁵ This case sought to challenge the decision to shut down the Brokdorf, Brunsbüttel and Krümmel nuclear

power plants, in the wake of the Fukushima disaster in Japan.³⁶ Feedback from Vattenfall noted that this ISDS claim was raised to seek clarification on whether they — a private, profit-making company — were treated. The case was closed in November 2021 after Vattenfall won a related case in the German Federal Constitutional Court that required Germany to reassess the compensation for closing down the plants — and after a payment of €1.425 billion to Vattenfall was agreed in March 2021.³⁷ Brokdorf — the last of the three to be shut down — was closed on schedule, on 31 December 2021.³⁸

Vattenfall Netherlands and its subsidiaries have been criticised criticised when they were awarded €536.3 million in public subsidies in the Netherlands between 2015 and 2020. They have been promised another €915 million for future projects. These subsidies came despite the fact that the firm's share of renewable energy production in the country almost halved from 12.4 per cent to 6.4 per cent between 2015 and 2019. Meanwhile Vattenfall Netherlands declared a total profit of €387 million over the same period and paid out no less than €1.183 billion in dividends.³⁹ In effect, the Dutch government subsidies were simply paid to the Swedish government in dividends.

In 2020, Vattenfall was criticised for demanding rebates from energy suppliers in Sweden after power prices on the open market fell unexpectedly. Public outrage caused Vattenfall to backtrack and apologise. The demand came just after the company declared a 7.7 billion kr profit (US\$847 million) and 5.298 billion kr (US\$583 million) in dividends for shareholders.⁴⁰

CORE CONTROVERSIES

- **Vattenfall is owned by the Swedish state and has taken advantage of energy privatisation beyond its borders by establishing large-scale energy projects in multiple European countries.**
- **Vattenfall has been criticised for the environmental impacts, land grabbing and human rights violations caused by energy projects it is associated with.**
- **Vattenfall has sold off many of its coal assets to third parties rather than closing down operations.**
- **Between 2015 and 2020, Vattenfall Netherlands raked in €536.3 million in Dutch government subsidies, made €387 million in profits and paid out €1.183 billion in dividends, while almost halving its renewable energy production.**
- **Vattenfall plans to expand its 14 plants that burn coal and wood pellets, despite their high CO₂ emissions.**
- **Vattenfall is a prominent user of the ISDS mechanism, suing the German government for billions of euros over new environmental protection regulations and the state shut-down of nuclear power plants.**

This report was shared with Vattenfall before publication. Some adjustments were made following their response.

ENDNOTES

1. Vattenfall. (n.d.) 'Shareholder and shareholder's meeting'. <https://group.vattenfall.com/who-we-are/corporate-governance/shareholder> Last accessed: 24 October 2023
2. Kristensen, V.E. (2020) 'Vattenfall's clever bets add billions to Swedish state coffers', 5 February 2020. <https://energywatch.com/EnergyNews/Utilities/article1921966.ece> Last accessed: 18 October 2023
3. Original data was in Swedish krona (SEK 22.497 million) and converted using the exchange rate at the time of writing. Source: Vattenfall. (2023) 'Remuneration Report 2022'. <https://group.vattenfall.com/siteassets/corporate/who-we-are/corporate-governance/agm/2023/remuneration-report-2022-vattenfall-doc11.pdf> Last accessed: 31 October 2023
4. Vattenfall. (2022) 'Annual and Sustainability Report 2022'. <https://group.vattenfall.com/investors/understanding-vattenfall/our-operations/wind> Last accessed: 31 October 2023
5. Vattenfall. (n.d.) 'The history and heritage of Vattenfall'. <https://history.vattenfall.com> Last accessed: 2 October 2023
6. Vattenfall. (n.d.) 'First Steps Abroad'. <https://history.vattenfall.com/stories/a-pan-european-company/first-steps-abroad> Last accessed: 2 October 2023
7. Vattenfall. (n.d.) 'Nuclear power on a grand scale'. <https://history.vattenfall.com/stories/from-hydro-power-to-solar-cells/nuclear-power-on-a-grand-scale> Last accessed: 2 October 2023
8. Vattenfall. (n.d.) 'A European player'. <https://history.vattenfall.com/stories/a-pan-european-company/a-european-player> Last accessed: 2 October 2023
9. Vattenfall. (n.d.) 'First steps abroad'. <https://history.vattenfall.com/stories/a-pan-european-company/first-steps-abroad> Last accessed: 2 October 2023
10. Vattenfall. (n.d.) 'The evolution of wind power'. <https://history.vattenfall.com/stories/from-hydro-power-to-solar-cells/the-evolution-of-wind-power> Last accessed: 2 October 2023
11. Vattenfall. (n.d.) 'Our Operations'. <https://group.vattenfall.com/investors/understanding-vattenfall/our-operations/power-generation> Last accessed: 10 October 2023
12. Vattenfall. (n.d.) 'Sustainable production'. <https://group.vattenfall.com/what-we-do/roadmap-to-fossil-freedom/sustainable-production> Last accessed: 3 October 2023
13. Bank Track. (2023) 'Vattenfall Sweden'. 26 April. <https://www.banktrack.org/company/vattenfall> Last accessed: 3 October 2023
14. Vattenfall. (n.d.) 'Our Operations'. <https://group.vattenfall.com/investors/understanding-vattenfall/our-operations/heat> Last accessed: 10 October 2023
15. Vattenfall. (n.d.) 'Wind Power'. <https://group.vattenfall.com/what-we-do/our-energy-sources/wind-power> Last accessed: 1 November 2023
16. Vattenfall. (n.d.) 'Killing criticism in the 1920s'. <https://history.vattenfall.com/stories/in-the-line-of-fire/killing-criticism-in-the-1920s> Last accessed: 1 November 2023; and Vattenfall (n.d.) 'Environmental protection in the early days'. <https://history.vattenfall.com/stories/in-the-line-of-fire/environmental-protection-in-the-early-days> Last accessed: 1 November 2022
17. Shoemaker, B. (1998) 'Trouble on the Theun-Hinboun', April. <https://irn.org/files/programs/mekong/threport.html> Last accessed: 18 October 2023
18. Adamsen, D.R., Poulsen, A.S. and Swart, M.U. (2010) 'The Curse of Coal', May. https://www.banktrack.org/download/the_curse_of_coal_1/100505_danwatch_cerrejon.pdf Last accessed: 11 October 2023; and DW Documentary. (2017) 'Colombia – The curse of coal', 27 February. <https://www.youtube.com/watch?v=t1xLZWp2eBc> Last accessed: 18 October 2023
19. PAX (2017) 'Vattenfall requires reconciliation between mining companies and victims', 7 November. <https://paxforpeace.nl/news/vattenfall-requires-reconciliation-between-mining-companies-and-victims/> Last accessed: 13 November 2023
20. Vattenfall. (2021) 'Vattenfall's Annual and Sustainability Report 2020: "Climate progress. It's happening"', 29 March. <https://group.vattenfall.com/press-and-media/pressreleases/2021/vattenfalls-annual-and-sustainability-report-2020-climate-progress-its-happening> Last accessed: 2 October 2023
21. Rack, Y. (2022) 'Energy Firms Are Going "Green" by Offloading Dirty Coal Plants', 23 February. <https://www.wired.com/story/europe-coal-plants-green/> Last accessed: 11 October 2023
22. Vattenfall. (2016) 'Vattenfall to sell German Ignite operations', 18 April. <https://group.vattenfall.com/press-and-media/pressreleases/2016/vattenfall-to-sell-german-lignite-operations> Last accessed: 11 October 2023
23. EPH. (n.d.) 'Board of Directors'. <https://www.ephholding.cz/en/board-of-directors/> Last accessed: 10 October 2023

24. Rack, Y. (2022) 'Energy Firms Are Going "Green"' by Offloading Dirty Coal Plants', 23 February.
<https://www.wired.com/story/europe-coal-plants-green/> Last accessed: 11 October 2023
25. Ibid.; and Russell, R. (2016) 'Vattenfall lignite sale', 18 April. <https://www.dw.com/en/vattenfall-confirms-sale-of-german-lignite-assets-as-activists-call-for-coal-exit/a-19195752> Last accessed: 18 October 2023
26. Vattenfall. (n.d.) 'Coal'. <https://group.vattenfall.com/what-we-do/our-energy-sources/coal> Last accessed: 10 October 2023
Biofuelwatch (n.d.) 'Vattenfall's wood bioenergy investments and plants', (updated) August 2023.
27. Vattenfall. (n.d.) 'Natural gas can be a transition fuel in the conversion to climate neutrality.'
<https://group.vattenfall.com/what-we-do/our-energy-sources/natural-gas> Last accessed: 13 November 2023
28. <https://www.biofuelwatch.org.uk/wp-content/uploads/Vattenfall-briefing.pdf> Last accessed: 28 October 2023
29. Biofuelwatch. (2023) 'Vattenfall's wood bioenergy investments and plans', August. <https://www.biofuelwatch.org.uk/wp-content/uploads/Vattenfall-briefing.pdf> Last accessed: 1 November 2022
30. The ISDS platform. (2021) 'Vattenfall vs. Germany I: Coal-fired electric plant', April.
<https://www.isds.bilaterals.org/vattenfall-vs-germany-i-coal-fired> Last accessed: 29 September 2023
31. Feedback from Vattenfall was that this ISDS claim was not due to the introduction of environmental regulations, but due to questions around fair and equitable treatment of the company. However the detail around the claim being made following the introduction of new environmental regulation remains the same. Source provided by Vattenfall: Mildner, S-A., Sprich, C., and Nuss, S. (2015) 'International Investment Agreements and Investor-State Dispute Settlement: Fears, Facts, Faultlines'. https://bdi.eu/media/themenfelder/aussenwirtschaftspolitik/publikationen/Artikel_1_ADI_BDI_ISDS_Fears_Facts_Faultlines_Sep_2015.pdf Last accessed: 13 November 2023
32. OECD Watch (n.d.) 'Greenpeace Germany vs Vattenfall'. <https://www.oecdwatch.org/complaint/greenpeace-germany-vs-vattenfall/> Last accessed: 30 October 2023
33. Ibid.; and OECD Watch. (n.d.) 'Greenpeace Germany vs Vattenfall'.
<https://www.oecdwatch.org/complaint/greenpeace-germany-vs-vattenfall/> Last accessed: 1 November 2022
34. Appunn, K. (2021) 'Shutdown complete: Moorburg power plant stops burning coal for good', 8 July.
<https://www.cleanenergywire.org/news/shutdown-complete-moorburg-power-plant-stops-burning-coal-good> Last accessed: 18 October 2023
35. The Economist. (2014) 'The arbitration game', 11 October.
<https://www.economist.com/finance-and-economics/2014/10/11/the-arbitration-game> Last accessed: 11 October 2023
36. Páez-Salgado, D. (2021) 'A Battle on Two Fronts: Vattenfall v. Federal Republic of Germany', 18 February.
<http://arbitrationblog.kluwerarbitration.com/2021/02/18/a-battle-on-two-fronts-vattenfall-v-federal-republic-of-germany/> Last accessed: 9 October 2023
37. Parnell, J. (2021) 'Germany Settles Nuclear Phaseout Legal Disputes for \$2.9B', 5 March. <https://www.greentechmedia.com/articles/read/germany-settles-nuclear-phase-out-legal-disputes-for-2.9b> Last accessed: 18 October 2023; and Deutsche Welle. (2020) 'Vattenfall wins case against German nuclear phaseout', 11 December. <https://www.dw.com/en/vattenfall-wins-case-against-german-nuclear-phaseout/a-55572736> Last accessed: 18 October 2023; and ICSID. (n.d.) 'Case Details: Vattenfall AB and others v. Federal Republic of Germany (ICSID Case No. ARB/12/12)'. <https://icsid.worldbank.org/cases/case-database/case-detail?CaseNo=ARB/12/12> Last accessed: 18 October 2023
38. Deutsche Welle (2021) 'Germany closes half its remaining nuclear power plants', 31 December. <https://www.dw.com/en/germany-closes-half-its-remaining-nuclear-power-plants/a-60302362> Last accessed: 18 October 2023
39. Mast, J. and Steinfurt, L. (2021) 'De vervuiler is koning: het allen van de energiemarkt in Nederland', October.
https://longreads.tni.org/wp-content/uploads/2021/03/De-vervuiler-is-koning_online.pdf Last accessed: 18 October 2023
40. Plechinger, M. (2020) 'Vattenfall apologizes for rebate demand', 20 April.
<https://energywatch.com/EnergyNews/Utilities/article12085680.ece> Last accessed: 18 October 2023

For over a century, energy multinationals have been wrecking the planet and exploiting people in pursuit of profit. Now, power producers and technology manufacturers are marketing themselves as 'green' to boost their reputation and benefit from public subsidies, grabbing lands, violating human rights and destroying communities along the way. Our investigation of fifteen 'green' multinationals conclusively shows that financial returns, not decarbonisation, is their primary business. 'Green' capital has taken over the energy transition, dictating its pace and blocking climate policies that hamper its profits. It is time to take on these greenwashing corporations and reclaim the entire energy sector through public ownership and democratic governance.

Download the full report and the 14 other company profiles on <https://www.tni.org/GreenMultinationals>.

