'GREEN' MULTINATIONALS EXPOSED

ØRSTED A/S

HEADQUARTERS	Fredericia, Denmark
MAIN SHAREHOLDERS[1]	• Government of Denmark — 50.15% • Andel A.M.B.A. — 5.00% • CAPFI DELEN Asset Management NV — 4.91% • Norges Bank Investment Management — 1.10% • FIL Investments International — 0.49% • The Vanguard Group, Inc. — 0.49% • Swedbank Robur Fonder AB — 0.43% • Zürcher Kantonalbank (Investment Management) — 0.42% • DWS Investment GmbH — 0.36% • Canada Pension Plan Investment Board — 0.34%
PROFITS	• US$2.10 billion in 2022 • US$15.25 billion between 2016 and 2022
TOP SALARIES AND BONUSES	US$2.68 million for CEO Mads Nipper (2022)[2]
DIVIDEND PAY-OUTS AND SHARE BUYBACKS	• US$0.85 billion in dividend payouts in 2022; US$4.70 billion between 2016 and 2022 • US$0.00 in share buybacks in 2022; US$0.03 billion in share buybacks between 2016 and 2022
RENEWABLE GENERATION	15.50 GW in operation as of 2023[3]

	2022	2021	2020	2019	2018	2017	2016
NET PROFIT (DANISH KR. BILLION)	15.00	10.89	16.72	6.04	19.50	20.20	13.21
NET PROFIT (US$ BILLION)	2.10	1.74	2.51	0.91	3.12	3.03	1.85
DIVIDENDS (DANISH KR. BILLION)	6.05	5.58	5.24	5.02	4.07	3.52	1.02
DIVIDENDS (US$ BILLION)	0.85	0.89	0.79	0.75	0.75	0.53	0.14
SHARE BUYBACKS (DANISH KR. BILLION)	0.00	0.00	0.06	0.10	0.05	0.00	0.00
SHARE BUYBACKS (US$ BILLION)	0.00	0.00	0.001	0.01	0.01	0.00	0.00

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

Ørsted was originally a state-owned company called Dansk Olie og Naturgas A/S (Danish Oil and Natural Gas), also known as DONG.[4] It was created by the Danish government in 1972 to manage gas and oil resources in the Danish sector of the North Sea.[5] The Danish electricity market was then opened to competition in 1998.[6] DONG Energy was created in 2006 as a merger of five power production and distribution companies with state-owned Dansk Naturgas A/S and was expected to compete with other electricity retailers like Vattenfall.[7] In 2008, DONG Energy announced that it would transform from a fossil fuel-based to a renewable energy company. In 2017 it divested its oil and gas business and changed its name to Ørsted.[8]

In 2006, the state owned almost 80 per cent of the company, but this figure has been gradually reduced to 50.15 per cent today.[9] **The plan is for the company to become fully privatised by 2025, however there is still significant voter opposition to this.**[10] Until then, the company is functioning just as it might if it were in the private sector — as well as competing for business, it pays private sector salaries and dividends as well as taxes on profits. The company has strategically increased dividend payouts in order to attract new shareholders – and indeed the number of shareholders increased by 67% in 2020.[11] The dividends paid to the largest shareholder. the state of Denmark, are viewed as a windfall for the state treasury, while retained profits are used to expand operations, just as in the private sector.[12]

Today, Ørsted claims to be the largest offshore wind builder in the world.[13] Some of its biggest wind projects include the 1,200 megawatt Hornsea One wind farm,[15] the 1,320 megawatt Hornsea Two farm,[14] and the 2,400 megawatt Hornsea Three (approved in July 2022).[16] These three projects are located many kilometres off the UK coast, in the North Sea.

However, until fairly recently, Ørsted continued using fossil fuels. For example in 2006, DONG Energy proposed to build a 1,600 megawatt coal-fired power station near Greifswald in Mecklenburg-Vorpommern, Germany, and in 2009, it invested in a 1,600 megawatt coal-fired power station in North Ayrshire, Scotland.[17] Also since 2006, DONG Energy has a 25-year contract to import gas from Gazprom in Russia, providing 20 terawatts of gas supplies a year.[18]

The company was criticised by Danwatch in 2010 over the social and environmental impacts of the Cerrejón coal mine in Colombia, from which it imports millions of tonnes of coal.[19] **It is alleged that the mine and associated port and railroad were constructed by land grabbing 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, beginning in the 1980s, with little or no compensation.**[20] According to Dutch NGO PAX, an estimated 3,100 people were killed and at least 55,000 people were driven from their land for the project between 1996 and 2006.[21]

Faced with opposition to its fossil fuel projects, DONG Energy began to close them out, starting with Greifswald and North Ayrshire in 2009,[22] followed by a suspension of coal purchases from Cerrejón in April 2016.[23] In 2017, Ørsted sold off the Laggan-Tormore, Ormen Lange, and Syd Arne gas fields to Ineos (a chemicals giant owned by British billionaire Jim Ratcliffe) for US$1.05 billion. Ineos continues to operate these assets.[24] Ørsted's Russian gas supply was suspended at the end of May 2022 after Denmark refused to pay for the gas in roubles, following Russia's invasion of Ukraine.[25]

Meanwhile, Ørsted was able to develop a number of offshore wind power projects by taking advantage of various subsidy policies created from the 1990s across Europe, notably in Denmark.[26] The 160 megawatt Horns Rev 1, near the Jutland coast of Denmark, built by Elsam (which is now part of Ørsted) was the first large-scale offshore wind farm in the world, built between 2002–2003 with a government-guaranteed price of US$0.09 per kilowatt hour for 12 years.[27] Subsidies also helped pay for the London Array off the Kent coast (DONG Energy held a 50 per cent share, later revised to 25 per cent), which was the world's largest operational offshore wind farm when it was completed in 2013, as well as the Hornsea offshore projects, which are wholly owned by Ørsted.[28] The Renewable Energy Foundation, an anti-wind farm group, claims that the price guarantees resulted in Hornsea receiving a £479 million subsidy in 2020 alone, with the London Array apparently receiving a £285 million 'subsidy'.[29] **Today, Ørsted is hoping to cash in on the billions of subsidies offered by the 2022 US Inflation Reduction Act, which includes US$113 billion for solar and wind tax credits over the next decade, as well as for 'green' hydrogen.**[30]

Ørsted was one of 20 energy suppliers in the UK that were ordered by Ofgem, the national regulator, to correct their Fuel Mix Disclosure statements for overstating the proportion of renewable electricity supplied to their customers.[31]

CORE CONTROVERSIES

- **Ørsted was formed as a merger of six power production and distribution companies in 2006 and now operates as a private entity, with shares and dividends. The Danish government still has a share of 50.1 per cent in the company but full privatisation is looming.**
- **Today it is the largest offshore wind farm builder in the world.**
- **Three of its biggest projects can be found off the UK coast. The Renewable Energy Foundation estimates that two of these projects received a combined £764 million in public subsidies in 2020 alone.**
- **Ørsted purchased coal from the Cerrejón coal mine in Colombia, which is allegedly responsible for land grabs and the forcible removal of tens of thousands of Indigenous and Afro-Colombian people from the area.**
- **Instead of closing down its fossil fuel operations, Ørsted sold off three of its gas fields to chemical giant Ineos for US$1.05 billion. Ineos continues to operate them.**

The company was invited to send factual corrections to these findings but did not respond to our inquiry.

ENDNOTES

1. Please note, this data changes regularly. Source: MarketScreener (n.d.) 'Orsted A/S'. https://www.marketscreener.com/quote/stock/ORSTED-A-S-28607554/company/ Last accessed: 24 October 2023
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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.

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ODG Observatori del Deute en la Globalització

ENCO European Network of Corporate Observatories

ODM

CorpWatch