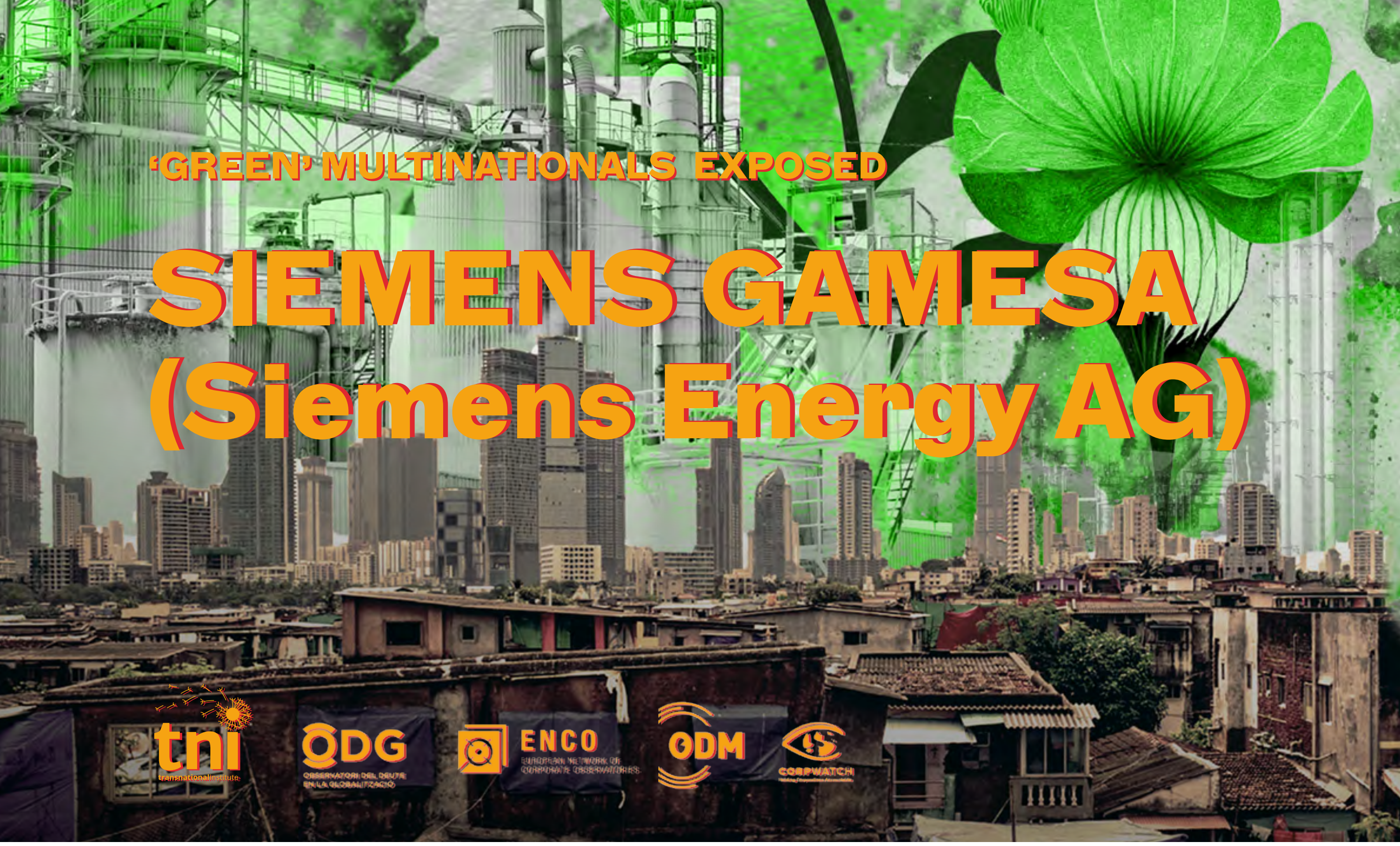

'GREEN' MULTINATIONALS EXPOSED

SIEMENS GAMESA (Siemens Energy AG)

HEADQUARTERS Zamudio (Basque Country), Spain

MAIN SHAREHOLDERS[1]

- SIEMENS AG — 31.91%
- Siemens Family — 3.00%
- Norges Bank Investment Management — 1.31%
- FIL Investments International — 1.31%
- SIEMENS ENERGY AG — 0.89%
- Union Investment Privatfonds GmbH — 0.84%
- DWS Investment GmbH — 0.65%
- The Vanguard Group, Inc. — 0.59%
- Schroder Investment Management Ltd. — 0.54%
- Deka Investment GmbH — 0.48%

PROFITS

- US$0.99 billion in 2022
- US$2.36 billion between 2016 and 2022
- Siemens Gamesa was a loss-making venture in most of the years since it was spun off from its parent company, Siemens, in 2017. The company blamed supply chain struggles, sharp increases in commodity prices, shortages of components, logistics bottlenecks and high transportation costs.[2] It also faced competition from Chinese manufacturers such as Envision and Goldwind.[3] On 14 February 2023, Siemens Gamesa ceased trading as the company was re-absorbed by its main shareholder, Siemens Energy AG.

TOP SALARIES AND BONUSES Total compensation of US$4.20 million for 2022: US$1.48 million for Jochen Eickholt; US$2.72 million for Andreas Nauen (2022)[4]

DIVIDEND PAY-OUTS AND SHARE BUYBACKS

- US$0.00 in dividend payouts in 2022; US$0.00 between 2016 and 2022
- US$0.00 in share buybacks between 2016 and 2022 (Siemens Gamesa announced plans to delist in 2022. As of June 2023, Siemens projected it would spend a total of €4.05 billion to buy back all of the Siemens Gamesa shares.)[5]

RENEWABLE GENERATION

N/A

	2022	2021	2020	2019	2018	2017	2016
NET PROFIT (€ BILLION)	– 0.94	– 0.63	– 0.92	0.14	0.07	– 0.14	0.30
NET PROFIT (US$ BILLION)	– 0.99	– 0.74	– 1.05	0.16	0.08	– 0.15	0.32
DIVIDENDS (€ BILLION)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DIVIDENDS (US$ BILLION)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SHARE BUYBACKS (DANISH 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

Siemens Gamesa was created in April 2017 by merging Spanish firm Gamesa (originally Grupo Auxiliar Metalúrgico S.A) with the Danish firm Siemens Wind Power.[6] The new company was based in Zamudio, Spain, but was ultimately controlled by Siemens, which is based in Munich, Germany. Siemens Gamesa was the second largest manufacturer of wind turbines in the world.[7] The company manufactured both onshore and offshore turbines, and made equipment for energy storage and green hydrogen production at its factories in Brazil, China, Denmark, Germany, India, Morocco, Spain, the UK and the US.[8] Climate activists argued that Siemens Gamesa was simply set up to greenwash Siemens, which is a major manufacturer of equipment for fossil fuel plants such as the newly commissioned Java 9 and Java 10 coal-fired plants in Indonesia.[9]

Gamesa owed its success to the generous subsidies for wind power provided by state governments, notably Denmark and Germany, over the last four decades. As far back as 1976, wind turbines certified by a Danish test centre were given a 30 per cent subsidy support.[10] This support was expanded in 1990 under the Danish Energi 2000 Act as well as in several subsequent acts over the last two decades.[11] Likewise, according to a study by the International Institute for Sustainable Development, Germany will spend over €30 billion to subsidise wind power over time, much of which will likely go to manufacturing companies like Siemens Energy.[12]

Gamesa allegedly decided to open manufacturing plants in Pennsylvania because it was offered US$15 million in state incentives.[13] One of its subsidiaries received over US$25 million in federal tax credits in 2010.[14] The Pennsylvania factory won further US government support for exports in subsequent years. For example, the US Export-Import Bank (EXIM) provided loan guarantees for Gamesa Pennsylvania to export: US$159 million worth of wind turbines to Honduras for the 102 megawatt Cerro de Hula wind farm in 2010;[15] US$72.6 million worth of wind turbines to Uruguay in 2013;[16] and US$61.1 million worth of wind turbines to Costa Rica in 2013.[17] In April 2014, the Bank even held a special ceremony to name Gamesa the Renewable Energy Exporter of the Year at the Bank's Annual Conference in Washington, DC.[18]

However, the Lenca people of Rio Blanco, led by the Civic Council of Popular and Indigenous Organizations of Honduras (COPINH), say that **the operators of the Cerro de Hula wind farm simply took over their lands and destroyed their rural livelihoods of subsistence farming.** 'We have been very affected, first because they cheated us. They forced us to sign a rigged contract and we lost our lands', Gilma Martinez, a Lenca woman, told TeleSUR.[19]

Similar concerns have been voiced in Oaxaca, Mexico, where Gamesa was one of the major suppliers of turbines for the dozens of big wind farms in the Isthmus of Tehuantepec, such as the 70-megawatt Bii Nee Stipa II that was built in 2012. Local people, many of whom are Indigenous Binniza (Zapotecs) and Ikoojt (Huave), say that the wind farms have cut off access to their farmlands, sacred shrines, and medicinal herbs and plants.[20] **Activists from Juchitán Popular People's Assembly, who opposed wind power projects, allege being subject to harassment, violence and even murder.**[21]

Siemens Gamesa had several contracts to supply onshore wind farms in Western Sahara, a former Spanish colony that was annexed by Morocco in 1975 and has been under Moroccan occupation ever since. Siemens Gamesa referred to it as 'southern Morocco'. These plants include: Aftissat and Boujdour in Laayoune-Sakia El Hamra, which supply 401.6 MW and 301 MW respectively; Foum El Oued, a 50.5 MW plant in El Aaiún; Midelt, a 180 MW plant; and Tarfaya, a 100 MW plant in Tiskrad.[22] The turbines were installed with the help of Nareva, a wind energy company that belongs to Al Mada, the Moroccan monarchy.[23] Western Sahara Resource Watch, an NGO located in Belgium, has organized protests against Siemens Gamesa with the help of exiled Saharawi people, most recently in March 2022.[24] Storebrand, a major Norwegian pension fund, divested from the company stock in early 2021, citing the conflict in Western Sahara.[25]

Further major criticism of Siemens Gamesa comes from Dutch NGO SOMO. SOMO published a report in 2019 that criticised the company (among others) for failing to report how it conducts due diligence in its supply chains for wind turbine materials.[26] The organisation noted that **many of the key minerals**

and metals used to make wind turbines are mined under horrific human rights conditions,[27] **such as cobalt from Glencore's copper mine in the Katanga region of the Democratic Republic of the Congo, which is alleged to use child labour.**[28] The report also singled out the use of neodymium, which is used for the permanent magnet in wind turbines.[29] Around 90 per cent of the world's supply comes from China, notably around Baotou, the largest industrial city in Inner Mongolia, where it is extracted through a process that uses thorium and uranium.[30] The discarded waste is then allegedly dumped into a 120 square kilometre pool of toxic mud and waste that is slowly draining into the Yellow River, a major source of water in China.[31]

In January 2023, Siemens received approval from 98.43 percent of the shareholders of Siemens Gamesa to buy back all outstanding shares of Siemens Gamesa and delist the company from the stock exchange.[32] In June, Siemens Gamesa minority shareholders approved a capital reduction for the remaining 2.21% of shares not held by Siemens Energy, paving the way for a full integration of both companies.[33] Since the delisting was not expected to have any effect on Siemens Gamesa's manufacturing, Siemens Energy continues to be able to profit from the new subsidies offered by the U.S. Inflation Reduction Act for wind power.[34]

CORE CONTROVERSIES

- **Siemens Gamesa was the second largest manufacturer of wind turbines in the world.**
- **According to climate activists, the company was set up to greenwash Siemens, which is a major manufacturer of equipment for fossil fuel plants around the world.**
- **Gamesa received huge subsidies from the Danish government to develop its technology.**
- **The company opened plants in America in order to receive tens of millions of dollars in state incentives and federal tax credits.**
- **It supplied wind turbines to wind farms that have been implicated in allegations of land grabs and Indigenous rights violations in Honduras, Mexico and Western Sahara.**
- **Gamesa has been criticised for failing to report how it conducted due diligence in its supply chains. Human rights violations and environmental devastation figured among the alleged impacts of mining the metals and minerals used to manufacture its wind turbines.**

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

ENDNOTES

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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.

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