

THE WHEEL OF CORPORATE FORTUNE

How the EIB boosts profits
in the name of competitiveness

Counter
Balance Challenging
Public
Investment
Banks



CONTENTS

Introduction	3
A risk-free ride: Iberdrola	5
CEO pay jackpot: Stellantis	10
Greenwashing goldmine: Intesa Sanpaolo	14
Militarisation mega prize: Leonardo	17
Layoff lottery: Orange	20
Bailout bonanza: Northvolt	23
Health inequality spin: Gavi, the Vaccine Alliance	26
Conclusions and recommendations	30

ACKNOWLEDGEMENTS

This report has been written by Frank Vanaerschot, Rajko Kolundzic, Alexandra Gerasimcikova, Chiara Casati (Counter Balance); Sebastian Franco (GRESEA); Olivier Petitjean (Observatoire des multinationales); Bruna Cañada, Nicola Scherer and Laura Heckmann (Observatori del Deute en la Globalització).

Thanks to Susanna De Guio (ReCommon) for the useful contributions and feedback to the Intesa Sanpaolo profile. Special mention to [The Counter](#) at Somo, which provided data on Iberdrola's profile.

Copyediting and proofreading: Paul Creeney
Graphic design: Chiara Casati

This research benefited from the financial support of the Open Society Foundation through the European network of corporate observatories (ENCO).



ENCO

EUROPEAN NETWORK OF
CORPORATE OBSERVATORIES

INTRODUCTION



The European Investment Bank (EIB), the largest multilateral bank in the world, has taken centre stage as a key EU institution to boost the bloc's competitiveness in strategic economic sectors. These strategic priorities include the development of energy infrastructure, clean technologies, the decarbonisation of industry, the automotive and transport sectors, digitalisation, critical raw material supply chains and joint EU military projects. To achieve this, the new Commission is tasked with using the bank's resources to grant more public loans with favourable conditions to private investors.

This orientation of European policy goes against pursuing a balanced development of the economy in the public interest – which is the EIB's mandate. Providing corporate welfare subordinates meeting climate goals, creating quality jobs, providing public services or achieving a just energy transition. The decision to scale up the use of the EIB's lending capacity to support profits comes at a time when EU austerity rules are returning, and public investment in currently underfunded¹ green and social infrastructure is needed more than ever.

The EU and the EIB have embraced competitiveness as their chosen method of bringing about prosperity and improving well-being across Europe, relying on the so-called 'derisking' approach. Derisking involves using public loans with favourable conditions to remove financial risks from investments and make projects more attractive to private investors to co-invest in. In this way, public loans try to mobilise private sector investment to help achieve the EU's climate and economic objectives. This focus on making profits also translates into the EIB's own business model. The Bank made €8,9 billion in profits between 2020 and 2023, even though its mandate states it must operate on a not-for-profit basis.

In June 2024 the EU Ministers of Finance endorsed a new Strategic Roadmap, authorising the EIB to increase lending and risk-taking primarily to attract more private investors.² This approach ignores abundant evidence³ that many of the investments needed are not commercially viable and the business models and profit expectations of many companies and investors are not compatible with the goals of protecting the environment, ensuring social welfare and decarbonising the economy at the scale and speed needed.

Moreover, EU regulations like the Critical Raw Materials Act and the Net Zero Industry Act allow a faster approval of projects and the erosion of environmental and social safeguards. These safeguards are already not sufficient in their current form at the EIB, which lags behind other multilateral development banks in many of its standards.

¹ According to the Commission social infrastructure in Europe requires €192 billion of investment per year. European Commission (2020), [Identifying Europe's recovery needs](#).

² EIB (2024), [EIB Group 2024-2027 Strategic Roadmap](#).

³ Numerous sources indicate that a large amount of essential environmental and social needed investments are not profitable enough for private investors and derisking is not able to mobilise the needed finance, nor does it finance projects that have strong social and environmental benefits. Finance Watch (2024), [Europe's coming investment crisis](#); Daniela Gabor (2023), [The \(European\) derisking state](#); Christophers B. (2024), [The price is wrong. Why capitalism won't save the planet](#); Beattie A. (2024), [The magic pony of private finance fails to fund the global green transition](#).

This risks increasing projects' harmful impacts, while taking us further and further away from ensuring public investments have strong, positive social and environmental effects.

The EIB has propped up the profits of large corporations and private financial institutions for a long time, often with guarantees from the EU budget through programmes like InvestEU within Europe or the European Fund for Sustainable Development plus (EFSD+) outside the EU. These programmes are used to absorb the risk to companies' investments and support their projects.

In this report, we look at seven companies which have been among the top corporate clients of the EIB since 2010 in the energy, automotive, telecommunications, pharmaceutical and financial sectors. These companies are Iberdrola, Stellantis, Intesa Sanpaolo, Leonardo, Orange, Northvolt and Gavi. The report examines their social and environmental contributions, and the profits made with the help of the EU's main public bank owned by the people. We also looked at the dividends to shareholders, share buyback operations⁴ and the salary and bonuses paid to CEOs between 2020 and 2023.

To do so, we used the EIB's project database and requested additional data from the Bank. We also consulted companies' annual reports and other documentation. Additionally, we analysed the societal impact of each company by using research done both by the organisations participating in this report and other external databases and sources. The organisations contributing to this research by drafting company profiles were: Counter Balance, Gresea, Observatoire des multinationales and the Observatori del Deute en la Globalització. ReCommon also provided input on the Intesa Sanpaolo profile.

Intesa Sanpaolo, Iberdrola, Orange and Stellantis have been among the top 10 corporate beneficiaries of EIB loans since 2010, while Gavi and Northvolt have been in the top 10 since 2020. We chose to investigate Leonardo even though it is not among the top EIB beneficiaries because the bank has financed the company with large loans for dual use projects, as well as recently updating its policy to allow for more lending to the military industry.

The aim of this report is to demonstrate that the political drive to support competitiveness through derisking risks wasting billions in public funds on supporting a defective approach when there is no time or money to waste. This path instead leads to approving projects more quickly and eroding environmental and social safeguards – already not sufficient in its current form at the EIB. This happens while making it more unlikely that the bank will finance projects with irrefutably positive environmental and social impacts, long-term economic viability and which contribute to reaching climate goals and providing quality jobs and public services.

⁴ Share buybacks are a technique often used by companies to increase the profitability for its shareholders. A company can use part of its reserves to buy back its own shares from the market, cancel them and, ultimately, reduce share capital. With fewer shares in circulation, each shareholder gets both a larger stake in the company and a higher return on future dividends. If a company is a pie, share buy backs reduce the amount of slices in which the pie is cut. After the operation, each remaining shareholder's piece is larger, enhancing their share of future earnings when dividends are paid.

A RISK-FREE RIDE: IBERDROLA

Iberdrola, S.A. is one of the largest electric utilities in the world by stock market capitalisation. The Spanish corporation's main activities are the production, distribution and supply of electricity and fossil gas.^{5,6}

In 2023, Iberdrola's total net electricity production was 168.599 gigawatt-hours,⁷ of which 52,31% came from non-renewable sources such as fossil gas combined cycle, nuclear and cogeneration power plants, and 47,18% from renewables such as onshore and offshore wind, hydro and solar among others.

Iberdrola is one of the five companies in the oligopoly that controls the Spanish electricity market and sells 34% of the electricity that reaches Spanish households.⁸ It is listed on the Spanish stock market IBEX-35.

GENERAL INFORMATION

Size: Iberdrola had €150 billion in total assets on its balance sheet at the end of 2023;⁹

Countries of operation: The company operates in more than 30 countries globally,¹⁰ but principally in Spain, the United Kingdom, the United States of America, Mexico, Brazil, France, Germany and Australia;

Number of employees: 42.276 people employed in 2023;¹¹

Main shareholders: In 2023, Iberdrola's main shareholders were Qatar's sovereign wealth fund, the Qatar Investment Authority (QIA), with 8,71% followed by the world's largest investment fund manager, BlackRock, with 5,30% and Norway's sovereign wealth fund, Norges Bank, with 3,45%;^{12 13}

CEO: Ignacio Sanchez Galan.¹⁴

FINANCIALS	2020	2021	2022	2023
NET PROFIT	€3,6 billion	€3,9 billion	€4,3 billion	€4,8 billion
DIVIDENDS PAID	€0,7 billion	€0,8 billion	€1,3 billion	€1,9 billion
SHARE BUYBACKS ¹⁵	€0,9 billion	€0,2 billion	€0,1 billion	€0,3 billion
CEO SALARY & BONUS ¹⁶	€6,2 million	€6,3 million	€6,3 million	€6,4 million

EIB FINANCING €6,941 billion since 2010, €3,543 billion since 2020.¹⁷

⁵ World Economic Forum (2024), [Iberdrola](#).

⁶ MarketScreener (2024), [Iberdrola, S.A.](#)

⁷ Iberdrola (2023), [Iberdrola hoy: Informe Integrado e Información ESG 2023](#).

⁸ Novoa, R. (2023), [Radiografía del lobby energético](#), *Alianza contra la Pobreza Energética, Asociación Internacional de Ingeniería Sin Fronteras and Fossil Free Politics*.

⁹ Iberdrola (2024), [Results Presentation 2023](#).

¹⁰ Iberdrola (2023) [Información adicional del ejercicio 2023 referente a las sociedades grupo, acuerdos conjuntos y empresas asociadas del Grupo Iberdrola. Informe financiero anual 2023](#), p.203.

¹¹ Iberdrola (2023), [Iberdrola hoy: Informe Integrado e Información ESG 2023](#).

¹² Europa Press (2024), [Iberdrola celebra este viernes su junta con el aval de los "proxy advisors" y rozando máximos en Bolsa](#),

¹³ Iberdrola (2023), [Informe anual de gobierno corporativo: Ejercicio 2023](#).

¹⁴ Iberdrola (2024), [Executives](#).

¹⁵ These are the estimated amounts purchased as no exact data could be found on the quantities actually purchased by the company. Only the approximate maximum approved amounts could be found that were €472,5 million in 2023, €158,2 million in 2022, €173,2 million in 2021 and €1.565 million in 2020.

¹⁶ KPMG (2023), [Información financiera anual: Iberdrola, S.A. y sociedades dependientes](#).

¹⁷ This data was obtained from the European Investment Bank upon request.

Subsidies, tax cuts and benefits received from governments at home or abroad

In total, Iberdrola received over €919 million in public money from Spanish governmental institutions between 2020 and 2023. €899 million of this amount consists of non-exchange grants from central, regional and municipal Spanish administrations, €8,8 million are loans, €11,4 million financial guarantees and €1.019,33 tax advantages.

Concretely, Spanish public money received every year by Iberdrola in non-exchange grants totalled €331 million in 2020, €313 million in 2021, €134 million in 2022 and €121 million in 2023. The different subsidiaries of Iberdrola received €778,8 million between 2020 and 2022 in subsidies from Spanish authorities, more than what the Spanish State allocated for public transport (€771 million), local administrations (€716 million) or measures related to gender and care (€79 million)¹⁸ for the recovery during the pandemic.

In December 2022, a “temporary solidarity tax on large fortunes”¹⁹ was created in Spain, targeting the windfall profits of large energy companies and credit institutions made as a result of the increase in energy prices. In February 2023, Aelec,, the electricity employers’ association of which Iberdrola, Endesa and EDP are members, filed a contentious administrative appeal with the Spanish National High Court to challenge this tax on the energy sector.²⁰ The outcome of the case is still pending.

Yet, while Iberdrola made higher profits in 2023 (€4,8 billion) than in 2018 (€3 billion), it paid less tax in 2023 (€3,482 million in net contributions) than in 2018 (€3,647 million).²¹



Photo: Jason Mavrommatis

¹⁸ To know more about the public financing for COVID-19 and cost of living crisis responses in France, Spain and Belgium, see ENCO (2024), [Business Over People](#), June.

¹⁹ Agencia Estatal Boletín Oficial del Estado (3 February 2023), [Orden HFP/94/2023, de 2 de febrero, por la que se aprueban el modelo 795, February 3: “Gravamen temporal energético. Declaración del ingreso de la prestación”, el modelo 796, “Gravamen temporal energético. Pago anticipado”, el modelo 797, “Gravamen temporal de entidades de crédito y establecimientos financieros de crédito. Declaración del ingreso de la prestación” y el modelo 798, “Gravamen temporal de entidades de crédito y establecimientos financieros de crédito. Pago anticipado”, y se establecen las condiciones y el procedimiento para su presentación.](#)

²⁰ aeléc (2023), [aeléc recurre el impuesto al sector eléctrico ante la Audiencia Nacional.](#)

²¹ Barrero F., Antonio (2023) [Iberdrola ha pagado en 2023 en España menos impuestos que en 2018.](#) Energías Renovables.

€ Environmental impacts

In 2022, the Iberdrola Group's global direct emissions²² totalled more than 11,27 (Mt) of CO₂e, 48,5% of which were emitted by Iberdrola Mexico followed by Iberdrola España (37,6%) and Avangrid in the USA (12,2%).²³ However, the company's indirect emissions²⁴ in 2022 were much higher: 44,49 Mt of CO₂e.

In 2022, carbon emissions in Spain increased by 9%.²⁵ The top 20 highest emitting companies accounted for 72,5% of carbon market emissions and 24,5% of the country's total emissions. The top 10, in order of millions of tonnes emitted, were Repsol (with 12,42 Mt), Endesa (11,55 Mt), EDP, Naturgy (7,44 Mt), Arcelormittal, Cepsa, FCC, Iberdrola (2,95 Mt), Enagas and CEMEX.

In addition, the Iberdrola Group appears to be linked to 13 socio-environmental conflicts registered in the Global Atlas of Environmental Justice,²⁶ most of which are related to macro-projects.

In Tamazunchale, San Luis Potosí (Mexico),²⁷ the combined cycle power plant promoted by the Spanish company has led to 30 hectares (ha) of land being deforested. It has also led to significant amounts of water consumption taken from the Moctezuma river for the plant's generation and cooling processes,²⁸ thermal pollution of the river²⁹ and air pollution. What's more, in El Istmo de Tehuantepec (Mexico), Iberdrola's construction of roads to access wind farms has led to the flooding of fields and loss of crops, as well as oil contaminating land and groundwater, as local organisations have called out.³⁰

Several projects are also being built either close to or within natural areas of high biodiversity, such as the wind farms in the Sierra Cañada Morelos (Mexico)³¹ and a 547 hectare mega solar plant in Cacán and Ventas de Huelma (Spain) - equivalent to 766 football fields. The solar plant seems to have obtained a controversial environmental authorisation and will wipe out olive and almond tree plantations, as well as occupying part of the Special Protection Area for Steppe Birds, causing an impact on birds of prey such as the imperial eagle.³²

Lastly, it was not only environmental organisations, activists or critical newspapers³³ who accused companies of greenwashing this year, but even companies themselves. In 2024, Repsol denounced Iberdrola for allegedly misleading the public with greenwashing advertising campaigns.³⁴

²² The category of direct emissions in the Iberdrola's 2022 Greenhouse Gas Report includes emissions from stationary combustion, CO₂, methane and nitrogen emissions from power generation or emissions in buildings, but also fugitive emissions of methane or sulphur hexafluoride (the GHG gas with the highest global warming potential) that are gases or liquids that escape from pipes, tanks or other equipment.

²³ Iberdrola (2023), [Greenhouse Gas Report: 2022 Financial year](#).

²⁴ The category of indirect emissions in the Iberdrola's 2023 GHG Inventory Data includes GHG emissions due to imported energy such as network losses, due to transport such as employee business travel or due to use of the organization's products like the gas supplied to customers.

²⁵ Aida C. (2023), [España vuelve a aumentar sus emisiones otro año más con Repsol como líder](#), *Climática*.

²⁶ More information available at: <https://ejatlas.org/>

²⁷ Ejatlas (2023), [Termoeléctricas de iberdrola en Tamazunchale, San Luis Potosí, México](#).

²⁸ According to CONAGUA, the National Water Commission of Mexico, since 2005, Iberdrola has had a concession of 8.7 million m³ of water extraction per year for several uses and since 2018, a concession of 4.2 million m³ of water extraction per year for industrial uses). 8.7 million m³ since 2005 would be an extraction equivalent to 3480 Olympic-size swimming pools per year, taking into account that an Olympic-size swimming pool of 50m long x 25m wide x 2m deep has a capacity of approximately 2500m³. For more information, see: CONAGUA (2024), [Consulta a la base de datos del REPDA, Gobierno de México](#).

²⁹ There is a wastewater discharge concession of 6.9 million m³ per year for purging cooling equipment, oily and sanitary water. For more information, see: CONAGUA (2024), [Consulta a la base de datos del REPDA, Gobierno de México](#).

³⁰ García-Torres, M. (2018), [El IBEX 35 en guerra contra la vida. Transnacionales españolas y conflictos socioecológicos en América Latina. Un análisis ecofeminista](#), *Ecologistas en Acción, OMAL-Paz con Dignidad, Calala Fondo de Mujeres*.

³¹ Ejatlas (2021), [Parque Eólico PIER de Iberdrola en Puebla, México](#).

³² Muñoz J. M. (2023), [El cinismo de Iberdrola](#), *El Independiente de Granada*.

³³ See two examples of greenwashing in [Busturialdea](#) (Spain) in 2024 and in [Sukarrieta](#) (Spain) in 2022 reported by El Salto.

³⁴ Robaina E. (2024), [Iberdrola-Repsol: batalla de desgaste en los despachos para liderar la transición energética](#), *Climática*.

€ Social practices and right violations

While Iberdrola presents itself as a “glocal brand that works to create a brand culture based on global-local balance” on its website, it has triggered increased inequalities in localities where it operates (especially rural areas) and neglected the communities that inhabit them.

This is the case of Puebla (Mexico), where no free, prior and informed consultation was held with the indigenous Popoloca communities in the area around Iberdrola’s PIER wind farm,³⁵ and irregular land rental agreements appear to have been signed under threats and false promises of work.³⁶ These violations occurred despite the obligation in Article 2 of the Mexican Federal Constitution and Mexico being a signatory to ILO Convention 169. Iberdrola have also neglected the indigenous Lenca communities in Santa Ana (Honduras),³⁷ who were not consulted about the Cerro de Hula wind project and have not been granted access to the environmental impact study. In addition, the project has affected the Lenca’s rights to land, water, a healthy environment, culture and cultural heritage in violation of ILO Convention 169 and the Universal Declaration on the Rights of Indigenous Peoples. Additionally, Neoenergia (part of both the Iberdrola group and the Teles Pires Participações S.A. consortium) has contributed to the destruction of Sete Quedas in Brazil (locally known as Karobixexé),³⁸ a waterfall area along the Teles Pires river considered a sacred site by the Kayabí, Apiaká and Munduruku people.

In 2007, Iberdrola’s negligence caused a fire in Alcatén (Spain), which affected over 500 families, who organised themselves into the Alcatén Fire Victims’ Association.³⁹ The Association denounced the strategy orchestrated by Iberdrola in a communiqué, which involved hindering the process to try and avoid conviction, trying to disband the association by paying for fewer people to attend the trial and by targeting people who were fighting for their rights. In 2022, after 15 years and lengthy legal proceedings, the association’s members were still waiting to receive almost €2 million in interest on delayed compensation payments for the farming, ecological and material damage caused.⁴⁰ The group also denounced the number of errors in the judicial expertise provided during the court case, such as the underestimation of the number of hectares burnt and the value of everything that was destroyed.

Finally, Iberdrola’s website also mentions that “the essence of Iberdrola’s brand is people and their well-being” and that Iberdrola “is concerned about the future of the world we live in”, which is the reason why it offers energy solutions which are “more respectful to the environment”.⁴¹ However, this is contradicted by statements from the Fundación Renovables, which explicitly calls out “malpractice” by Iberdrola, Endesa and Naturgy. According to Energías Renovables,⁴² these three companies - together with EDP - control 90% of electricity distribution networks in Spain. Therefore, they are responsible for registering new collective self-consumption installations. However, Fundación Renovables has found that Iberdrola, Endesa and Naturgy “are delaying the procedures, failing to comply with the two-month period stipulated by law”. Hindering the creation of energy communities goes against the energy sovereignty of the Spanish people and the democratisation of energy - both of which are necessary to achieving a just eco-social transformation.

³⁵ Llaven Y. (2019), [Iberdrola utiliza conflicto de límites territoriales para frenar movimiento vs. parque eólico](#), La Jornada de Oriente.

³⁶ Guzmán E. (2019), [Edjidatarios de Chapulco acusan que parque eólico genera conflicto social](#), Ángulo7.

³⁷ Ejatlas (2022), [Proyecto eólico del Cerro de Hula, Honduras](#).

³⁸ Ejatlas (2022), [Teles Pires Hydroelectric Dam, Mato Grosso - Pará, Brazil](#).

³⁹ Agrupació de Damnificats de l’Incendi de l’Alcatén – ADIA, its original name in Catalan.

⁴⁰ Fayos E. (2022), [Quinze anys de lluita contra Iberdrola per incendiar 7.400 hectàrees a l’Alcatén](#), La Directa.

⁴¹ Iberdrola (2024), [Conócenos: Nuestra marca](#).

⁴² Barrero F. (2024), [Iberdrola, Endesa y Naturgy están bloqueando el despegue de los tejados solares y las comunidades energéticas](#), Energías Renovables.

€ Corruption and tax evasion

In 2015, Iberdrola was sanctioned by the World Bank and deprived of access to its credit lines for a year, due to paying and receiving bribes related to its Albanian subsidiary Iberinco. In 2004 and 2005, Iberinco obtained two contracts worth €9 million from the World Bank to build and improve electrical substations.⁴³ Between December 2017 and December 2018, Iberdrola was also banned from accessing European Investment Bank (EIB) financing programmes due to a corruption scandal in Latvia, also involving Iberinco.

In 2021, former Instituto de Crédito Oficial (ICO) president (2015-2016) and EIB Vice-President (2018-2021) Emma Navarro joined the board of Iberdrola, less than 3 months after leaving the EIB.⁴⁴ Former EIB directors Fernando Becker and José Gasset Loring have also taken jobs at Iberdrola. Unfortunately, these were not the only cases of Iberdrola putting former staff of public institutions on its payroll. La Marea was able to identify more than 30 cases of employees moving to Iberdrola from the public sector,⁴⁵ and pointed out that the electricity company has a preference for former senior officials from the Partido Popular, Partido Socialista Obrero Español and Partido Nacionalista Vasco political parties in Spain. It has also hired former political leaders from the Castilla-La Mancha, País Valencià, Extremadura and Andalucía regions, as well as relatives of high-ranking politicians and members of the royal family.

In July 2019, then EIB vice-president Navarro, ICO president José Carlos García de Quevedo and Iberdrola president Ignacio Galán, signed a green finance agreement in which the EIB lent €145 million and the ICO €140 million to Iberdrola for the Núñez de Balboa⁴⁶ project. Núñez de Balboa was expected to be the largest photovoltaic plant in Europe, with 1000 ha and a total capacity of 500 megawatts.⁴⁷ In June 2021, the European Ombudsman opened an investigation into the case given that Iberdrola had received loans from the EIB under Emma Navarro's vice-presidency. It concluded that the EIB "did not adequately manage the risk of conflicts of interest" and "called on the EIB to adopt a more robust approach to revolving doors".⁴⁸ On top of that, in June 2022 the High Court of Justice of Extremadura handed down a ruling that obliged the company to return more than 525 ha to a local resident which had been illegally expropriated, and obliged Iberdrola to dismantle more than 60% of the photovoltaic plant. After an appeal against this ruling, a final decision is pending in the supreme court.⁴⁹ The project also appears to have received tax exemptions in exchange for 130 promised permanent jobs, despite eventually only creating five. While more jobs were generated in the construction phase, all of them were temporary and often only lasted a few months.

Following a complaint from the EIB, the European Public Prosecutor's Office has been investigating the use of EU funds in the construction of Núñez de Balboa for possible fraudulent use of aid received through the €145 million loan.⁵⁰

Controversy around Núñez de Balboa is ongoing. In September 2024, a trial started at the Provincial court of Badajoz where the former mayor and deputy mayor are being accused of administrative malfeasance in both the granting of a planning permission for the photovoltaic plant and the granting of a construction licence without the company having all the needed permits.⁵¹ While the project cleared the bank's environmental and social impact assessments (which state that the project received an environmental permit in 2017), according to the prosecutor in the Badajoz provincial court, several environmental related permits were non-existent and the former mayor delivered the construction licence without them.

⁴³ Intereconomía (2017), [Iberdrola hace desaparecer a Iberinco, su filial envuelta en la corrupción](#).

⁴⁴ Counter Balance (2021), [Revolving doors: Former EIB Vice-President joins Spanish energy company board](#).

⁴⁵ Bautista J. (2018), [Las puertas giratorias de Iberdrola](#), *La Marea: #yoIBExtigo*.

⁴⁶ Núñez de Balboa was a brutal coloniser part of the genocide of indigenous peoples and the establishment of Darien, the first permanent Spanish settlement in Latin America.

⁴⁷ EIB (2019), [El BEI y el ICO suscriben con IBERDROLA una financiación verde para la mayor planta solar fotovoltaica en construcción en Europa, ubicada en Extremadura](#).

⁴⁸ SWI (2022), [Defensora del Pueblo Europeo critica mala gestión del BEI con Emma Navarro](#), *swissinfo.ch*.

⁴⁹ El Diario (2022), [Iberdrola tendrá que devolver 500 hectáreas de la planta fotovoltaica más grande de Europa a su dueño](#).

⁵⁰ Vigarío D. (2024), [La Fiscalía Europea investiga el uso de fondos en la megaplanta solar de Iberdrola en Extremadura](#), *El Mundo*.

⁵¹ Vigarío D. (2024), [Arranca el juicio por prevaricación y tráfico de influencias en la creación de la macroplanta solar de Usage](#), *El Mundo*.



CEO PAY JACKPOT: STELLANTIS

Stellantis came into existence in January 2021 as a result of the merger between PSA (Peugeot) and FCA (Fiat). The group is a major player in the automotive industry. In 2023, the company ranked among the top players in the automotive sector with nearly 6,2 million vehicles sold, trailing only Toyota (11,2 million) and Volkswagen (9 million), and closely competing with General Motors (6,2 million).⁵²

GENERAL INFORMATION

Size: €202 billion in total assets (2023);⁵³

Countries of operation: Stellantis is active in more than 30 countries. The company's base is European (particularly in France and Italy), but it also has a strong foothold in both North and South America. The group's sales are spread across five continents but it remains heavily dependent on the European market (35% of total revenue in 2023) and the North American market (45,5% of total revenue in 2023);⁵⁴

Number of employees: 258.257 (2023);⁵⁵

Main shareholders: The Agnelli (Exor 14,87%) and Peugeot (7,42%) families, the French government (6,37%), BlackRock (at least 5,27%), Dongfeng Motor Group (3,23%), the Vanguard Group (2,7%), Amundi Asset Management (2,66%), Norges Bank Investment Management (1,26%), Capital International Investors (1,24%), and Banca d'Italia (1,22%).⁵⁶

CEO: Carlos Tavares (previously Renault and PSA).⁵⁷

FINANCIALS ⁵⁸	2021	2022	2023
NET PROFIT	€14,2 billion	€16,8 billion	€18,6 billion
DIVIDENDS PAID	€4,2 billion	€3,4 billion	€4,2 billion
SHARE BUYBACKS	€0	€0.9 billion	€2,4 billion
CEO SALARY & BONUS	€17,5 million	€23,5 million	€36,5 million

Note that the data series begins in 2021, the founding year of the Stellantis group

EIB FINANCING €2,705 billion since 2010, €785 million since 2020.⁵⁹

⁵² De la Morandière (2024), [Des marges records pour les groupes automobiles en 2023 – mais un ralentissement à venir ?](#), Ernst and Young.

⁵³ GRESEA (2024), [Stellantis](#).

⁵⁴ GRESEA (2024), [Stellantis](#).

⁵⁵ GRESEA (2024), [Stellantis](#).

⁵⁶ LSEG Eikon (2024), [Data&Analytics](#).

⁵⁷ Stellantis (2023) [Carlos Tavares](#)

⁵⁸ GRESEA (2024), [Stellantis](#).

⁵⁹ This data was obtained from the European Investment Bank upon request.



Photo: Simon Kaluda

€ Environmental impacts

Since the early 2000s, PSA and FCA, now Stellantis, have been repeatedly fined for violations of environmental law. In the United States alone, the group has paid over \$2 billion in fines, including \$300 million for its involvement in the dieselgate scandal affecting other automakers, notably Volkswagen.⁶⁰

Cummins, the diesel engine supplier for the RAM automobile brand, needs to pay €1,5 billion to avoid a trial in the U.S. The issue involves devices designed to cheat exhaust emissions tests on hundreds of thousands of Stellantis vehicles.⁶¹ Several other complaints are still pending against the manufacturer over alleged emissions test cheating. The group was also fined for violating of air quality standards in Michigan in the U.S.⁶² and there are pending complaints about soil pollution at the site of a former Citroën dealer in Montreuil, France.⁶³

In recent years, financial assistance from the EIB has primarily supported the company's electric transition, a field where PSA was much further advanced than FCA. This has posed a direct threat to the group's Italian manufacturing sites and jobs. Like the entire automotive sector, Stellantis is betting heavily on electrification.⁶⁴ The group plans to invest €50 billion by 2030 in the creation and production of electric vehicles.⁶⁵ Stellantis is also collaborating with Amazon⁶⁶, Foxconn⁶⁷, and Qualcomm⁶⁸ and aims to generate an additional €20 billion in sales by 2030 through its various software solutions for connected vehicles.⁶⁹

Another priority for Stellantis is synthetic fuels, or 'e-fuels'. These are supposed to be able to replace normal fuel without having to change current combustion engines. Stellantis would like to extend the life of its combustion-powered models until 2050, before switching to all-electricity (the European Commission aims to ban the sale of combustion-powered models from 2035).⁷⁰

This desire to maintain its combustion models until 2050 contradicts Stellantis' own Dare Forward 2030 strategy,⁷¹ announced in 2022, which stated that it wanted to sell only electric models in Europe from 2030. Will the automaker also go back on its promise to become carbon-neutral by 2038.

⁶⁰ Good Job First (2024), [Violation Tracker: Stellantis](#).

⁶¹ Les Échos (2023), [Cummins va payer 1,6 milliard de dollars pour avoir truqué les émissions polluantes aux Etats-Unis](#).

⁶² Ramseth L. (2024), [Stellantis to pay \\$84,000 fine for air quality violations at Jefferson North](#).

⁶³ Méréo F. and Torgemen E. (2023), [Groupe automobile Stellantis : des pollutions cachées dans ses anciennes concessions ?](#), Le Parisien.

⁶⁴ Stellantis (2021), [Stellantis Presents Its Electrification Strategy](#).

⁶⁵ Stellantis (2024), [Stellantis Increasing Production of Electric Drive Modules to Support Growth in Electrification Portfolio](#).

⁶⁶ Stellantis (2022), [Amazon and Stellantis Collaborate to Introduce Customer-Centric Connected Experiences Across Millions of Vehicles, Helping Accelerate Stellantis' Software Transformation](#).

⁶⁷ Stellantis (2021), [Stellantis, Foxconn Partner to Design and Sell New Flexible Semiconductors for Automotive Industry](#).

⁶⁸ Stellantis (2022), [Stellantis and Qualcomm Collaborate to Power New Vehicle Platforms with Snapdragon Digital Chassis Solutions](#).

⁶⁹ Stellantis (2021), [Stellantis Targets ~€20 Billion in Incremental Annual Revenues by 2030 Driven by Software-Enabled Vehicles](#).

⁷⁰ Moniteur Automobile (2023), [Stellantis pense que l'e-fuel sauvera le thermique jusqu'en 2050](#)

⁷¹ Stellantis (2022), [Dare Forward 2030 - A Bold Strategic Plan](#).

€ Social practices and rights violations

Since the PSA-FCA merger, Stellantis has been in constant reorganisation. CEO Carlos Tavares has developed a cost-cutting obsession - in two years, the group has generated over €7 billion in “synergies”.⁷² Yet this has come at a price.

Pressure on employees is immense, including layoffs, salary freezes and increased workloads. Everything is aimed at saving money. Employee motivation is at an all-time low, absenteeism and burnout rates are soaring. The pressure on suppliers to lower their prices has reached unprecedented levels - some have had to relocate their production to meet client demands.⁷³ The situation is even tough for the brand’s dealers, who face payment delays, disorganised deliveries and unrealistic sales targets.⁷⁴ For them, these difficulties are compounded by the company’s decision to overhaul its entire distribution network.⁷⁵

This cost-cutting strategy has lowered the breakeven point of Stellantis’ factories - the threshold below which they lose money. The company achieved this through several measures, such as the reorganisation of production buildings, a shift to “single-flow” (a single assembly line producing multiple models), reduction of its land footprint, re-internalisation of certain activities such as dashboard preparation or plastic injection and a “simplification” of logistics.⁷⁶

When the group was created in 2021, a promise was made not to sacrifice any brands or factories.⁷⁷ So far, this promise has been kept, but Stellantis has turned against those it was meant to protect. Many sites, particularly in France and Italy, have lost much of their workforce despite not closing completely, and the threat of closure is ever-present. This pressure intensifies competition between production sites, forcing employees and political representatives to make all kinds of concessions to maintain local activity.

For example, the €100 million Stellantis received from the Spanish government in 2023 to set up a battery factory and new electric production lines in Spain doesn’t seem to be enough for its CEO, who is threatening to invest elsewhere if he doesn’t receive more public aid.⁷⁸

Employee and authority concessions have not prevented the company from relocating production. For instance, from 2024 the iconic Fiat Panda will now be produced in Serbia instead of Turin. This relocation of production models has followed the relocation of ancillary production - such as tooling production which has moved to China and Poland after leaving France (Sochaux, Rennes) and Italy (Mirafiori). This has resulted in job losses in Stellantis’ historic bases - for example, nearly 12,000 jobs have been cut in Italy since 2021. The group’s desire to recruit new engineers primarily from Morocco, India, Brazil, or Mexico does not bode well for the group’s European or American workforces.⁷⁹

The detrimental social consequences of Stellantis’ obsessive cost-cutting contrasts with the company’s good financial situation, largely due to the rise in vehicle prices despite a decrease in volumes. Thus, the group’s operating margins are increasing (as is the case across the automotive sector) while employees, subcontractors and dealers are paying the price.

However, the economic outlook for 2024 is poor. In the first half of the year, net income fell by 48% compared with 2023, to €5,6 billion compared to €10,9 billion last year. Turnover fell by 14% to €85 billion over the same period.⁸⁰ These poor results may lead to even more job losses and work pressure.

⁷² Lestavel T. (2023), [Chez Stellantis, une « méthode Tavares » efficace mais à quel prix ?](#), Alternatives Économiques.

⁷³ Lestavel T. (2023), [Chez Stellantis, une « méthode Tavares » efficace mais à quel prix ?](#), Alternatives Économiques.

⁷⁴ Guichard G. (2023), [Le cri de colère des concessionnaires contre Stellantis](#), Les Échos.

⁷⁵ Steinmann L. (2021), [Automobile : Stellantis va résilier tous ses contrats de concession en Europe](#), Les Échos.

⁷⁶ Vermeersch A. (2024), [Stellantis s'accroche coûte que coûte à ses usines en France et en Italie](#), L'Usine Nouvelle, n.3728.

⁷⁷ Vermeersch A. (2024), [Stellantis s'accroche coûte que coûte à ses usines en France et en Italie](#), L'Usine Nouvelle, n.3728.

⁷⁸ Cerezo M. (2024), [Tavares, CEO de Stellantis: "Sin las ayudas adecuadas, no habrá baterías ni nuevos eléctricos para España"](#), El Mundo.

⁷⁹ Studer E. (2024), [Stellantis embauche des ingénieurs en Inde, au Brésil](#), leblogauto.

⁸⁰ Gocar.be (2024), [Stellantis : quelles marques Carlos Tavares va-t-il supprimer ?](#).

€ Corruption and tax evasion

Regarding tax practices, a 2017 study by the Observatoire des Multinationales⁸¹ estimated that PSA Peugeot Citroën saved €57 million over five years through tax evasion practices in Malta. The European Commission also ordered FCA (Fiat Chrysler Automobiles) to repay €30 million to Luxembourg, for undue tax rebates, ultimately winning its case before the EU Court of Justice in 2022.⁸² This confirms the aggressive tax practices of the Grand Duchy of Luxembourg, in collaboration with major European multinationals.



Photo: Hyundai Motor Group

⁸¹ Observatoire des Multinationales (2017), [Les arrangements fiscaux de Renault, PSA et Auchan à Malte](#).

⁸² Euronews (2022), [EU's top court annuls Commission's ruling for Fiat to pay €30mn in back taxes](#).



GREENWASHING GOLDMINE: INTESA SANPAOLO

Intesa Sanpaolo is a universal bank with activities ranging from depositing and lending to large and small economic actors and households, as well as investment banking, asset management, private banking for wealthy individuals and insurance.⁸³

GENERAL INFORMATION

Size: €964 billion in total assets in 2023⁸⁴ (largest Italian bank and 36th largest globally);⁸⁵

Countries of operation: The Group operates in 37 countries, mostly in Central and Eastern Europe, but its largest presence outside of Italy is in Egypt (173 branches). The Italian bank is also present in the US, Brasil, Australia and a few countries in Asia;

Number of employees: 94.368 in 2023;⁸⁶

Main shareholders: Fondazione Compagnia di San Paolo (6,5%), Fondazione Cariplo (5,2 %), Blackrock (5 %);⁸⁷

CEO: Carlo Messina.⁸⁸

FINANCIALS ⁸⁹	2020	2021	2022	2023
NET PROFIT	€3,2 billion	€4,1 billion	€4,3 billion	€7,7 billion
DIVIDENDS PAID	€2,6 billion	€2,9 billion	€3 billion	€5,4 billion
SHARE BUYBACKS	/	€3,4 billion	€1,7 billion	€1,7 billion
CEO SALARY & BONUS	€5,4 million	€6,5 million	€7,3 million	€7,3 million

EIB FINANCING

€11,001 billion since 2010, €2,868 since 2020.⁹⁰

The EIB directly co-financed infrastructure projects with Intesa Sanpaolo, such as the €500 million it provided for the modernisation of the train line between Palermo and Catania⁹¹ and €160 million for the improvement of infrastructure and purchase of new cranes in the port of La Spezia.⁹² Yet, most of the EIB's loans to Intesa Sanpaolo were lent on by the bank to SMEs and Mid-caps (companies with a valuation between €2 and €10 billion). The size of each individual loan which Intesa Sanpaolo hands on to these companies is too small for the EIB, who only in rare cases give loans below €25 million. The purpose of these loans is mostly to support innovative companies or green their operations. However, it is impossible to verify as the EIB does not publish information about the individual loans that banks like Intesa Sanpaolo give with the finance they receive from the EIB.

More importantly, by lending to Intesa Sanpaolo, the EIB is supporting a bank with a detrimental environmental and human rights record.

⁸³ Gruppo Intesa Sanpaolo (2024), [Profile](#).

⁸⁴ Gruppo Intesa Sanpaolo (2024), [Annual report 2023](#).

⁸⁵ S&P Global (2024), [The world's largest banks by assets](#).

⁸⁶ Gruppo Intesa Sanpaolo (2024), [Annual report 2023](#).

⁸⁷ Gruppo Intesa Sanpaolo (2024), [About us: Shareholder base](#).

⁸⁸ Gruppo Intesa Sanpaolo (2024), [Organisational structure](#).

⁸⁹ Numbers come from annual reports and the reports on remunerations policy: Gruppo Intesa Sanpaolo (2024), [Annual report 2023](#). And Gruppo Intesa Sanpaolo (2024), [Report on remuneration policy and compensation paid](#).

⁹⁰ This data was obtained from the European Investment Bank upon request.

⁹¹ EIB (2023), [Italy: InvestEU - €3.4 billion to modernise the Palermo-Catania railway line](#).

⁹² EIB (2022), Italy: [EIB, CDP and Intesa Sanpaolo provide €160 million for the Port of La Spezia](#).

Subsidies, tax cuts and benefits received from government in home or abroad

Intesa Sanpaolo has purchased more than €18 billion of tax credits since the start of Superbonus, Ecobonus and Sismabonus transactions, accounting for almost 50% of the purchase market for financial intermediaries.⁹³ Intesa Sanpaolo purchased tax credits from Superbonus' beneficiaries at 85% of their value.⁹⁴ The Superbonus tax credit system allowed people who improved a building's energy efficiency to recover the amount spent immediately at the bank sale-back price, instead of the whole amount but deferred over five years with tax recovery. In general, there were many problems with the tax credit system for energy efficiency renovations, as companies accessing it often did not renovate buildings⁹⁵ and the system heavily increased Italy's public debt. Intesa Sanpaolo made an estimated €400 million in profits from these operations. But the bank made even larger estimated profits of €5 billion from the European Central Bank raising its interest rates from 2022.⁹⁶

€ Environmental impacts

Intesa Sanpaolo has financed fossil fuels to the tune of \$81 billion since the Paris Agreement and \$8,6 billion in 2023 alone.⁹⁷ The bank updated its policy on oil and gas sector operations in June 2024 and has imposed limits on financing projects in "critical areas" such as the Arctic region, but was still the third largest financier globally of companies extracting fossil fuels in the Arctic last year.⁹⁸ Intesa Sanpaolo did this despite the EIB's PATH framework⁹⁹ applying climate criteria for companies and financial institutions. While the EIB demands non-financial companies not to make new investments in unconventional oil and gas - specifically mentioning the Arctic region,¹⁰⁰ the criteria for financial institutions (receiving one third of all EIB loans) are much weaker. They only need to disclose their climate impact, including through financed emissions.¹⁰¹ Apart from lacking specific criteria forcing the financial institutions which the EIB works with to lower and phase out their support for fossil fuels, the banks themselves often report very limited information. For example, the financed emissions reported by Intesa Sanpaolo cover only 5% of their portfolio.¹⁰²

Moreover, Intesa Sanpaolo has not updated its rules related to the coal sector, allowing the bank to keep on financing the most polluting fossil fuel production.¹⁰³ Intesa Sanpaolo subsidiary Fideuram, along with other prominent asset managers, hold shares in the world's largest coal companies in India and China, companies that have prospective plans to expand coal output. Fideuram's coal asset funds classified under Article 8 of the EU's Sustainable Finance Disclosure Regulation, a regulation intended to increase transparency and discourage greenwashing, are valued at a minimum of \$16 million. Yet they seem to violate the company's proprietary coal exclusion policy which prohibits the corporation from owning shares in specific coal companies.¹⁰⁴

The gas sector, which is of great interest to Intesa Sanpaolo, is also left out of the new policy rules and there is no exclusion for financing fossil fuel companies - especially those with expansion plans. In 2024, the Group granted a \$1,08 billion loan (the largest in its history for fossil infrastructure) for Rio Grande LNG, a liquefied natural gas export mega terminal in Texas, USA. Since 2016, Intesa Sanpaolo has also contributed \$2,1 billion in financing to companies that operate and continue to expand the LNG industry in the Gulf of Mexico.¹⁰⁵

⁹³ Gruppo Intesa Sanpaolo (2023), [Sale of superbonus tax credits: Agreements with businesses](#).

⁹⁴ Gruppo Intesa Sanpaolo (2024), [Foglio informativo n. 751/019 cessione superbonus, ecobonus e altri bonus fiscali "edilizi" - Imprese](#).

⁹⁵ Oreto G. (2023), [Superbonus 110%: la più grande truffa ai danni dello Stato?](#), Lavori Pubblici.

⁹⁶ Taddei M. (2024), [Meloni esagera sugli extraprofiti delle banche fatti con il Superbonus](#), *Pagella Politica*.

⁹⁷ ReCommon (2024), [Intesa Sanpaolo keeps silence about its climate responsibilities](#).

⁹⁸ Banking on Climate Chaos (2024), [Intesa Sanpaolo](#).

⁹⁹ EIB (2023), [The EIB Group PATH framework Version 1.2 November 2023 Supporting counterparties on their pathways to align with the Paris Agreement](#).

¹⁰⁰ The EIB has, however, created exemptions for companies that don't respect criteria on unconventional oil and gas if projects support the Repower EU strategy.

¹⁰¹ EIB (2023), [The EIB Group PATH framework Version 1.2 November 2023 Supporting counterparties on their pathways to align with the Paris Agreement](#).

¹⁰² ReCommon (2024), [Biggest banks finance more carbon pollution than emissions of Italy, Germany, France and UK combined](#).

¹⁰³ ReCommon (2024), [ReCommon disappointed with Intesa Sanpaolo's new commitments on climate: "Progress made but no definitive stop to the fossil fuel sector"](#).

¹⁰⁴ Civillini M. (2024), [EU "green" funds invest millions in expanding coal giants in China, India](#), Climate Change News.

¹⁰⁵ Finamore D. (2024), [Rio Grande: il nuovo mega progetto di GNL made in USA finanziato da Intesa Sanpaolo](#), ReCommon.



Photo: Riccardo Tuninato

€ Social practices and rights violations

Along with other major European banks, Intesa Sanpaolo has provided direct or indirect funding to two international oil conglomerates directly involved in the conflict in South Sudan. Intesa has provided more than €100 million in bonds and shares to Petronas and CNPC, which together maintain a majority stake in the joint venture responsible for a majority of South Sudan's oil production. Consequently, this has resulted in a surge in the acquisition of weapons related to South Sudan's civil war, which has caused the deaths of several hundred thousand individuals and the forced relocation of about 4 million people, according to the United Nations.¹⁰⁶

Intesa Sanpaolo is also heavily involved in the war industry. The Italian firm Leonardo, a prominent business in the aerospace and defence industry, has been the primary recipient of around 63% of the overall money directed by Intesa Sanpaolo to these sectors from 2016 to the present - fuelling a devastating civil war in Yemen (see Leonardo profile for more information).¹⁰⁷ Intesa Sanpaolo also invests in Thales, a French multinational defence corporation that collaborates on drone production with Elbit, an Israeli arms company. Elbit supplies 85% of Israel's drones.¹⁰⁸ Boeing, a manufacturer of commercial and military aircraft, satellites and weapons, received \$200 million from January 2021 to August 2023 from Intesa Sanpaolo. The company supplies Israel with F-15 fighter jets and Apache helicopters that have been extensively used in attacks on Gaza.¹⁰⁹ Arms and defence manufacturers Honeywell and Bechtel received \$200 million and \$56 million respectively.¹¹⁰

€ Corruption and tax evasion

Intesa Sanpaolo received a fine of \$235 million in the US for violating anti-money laundering laws, including a failure to analyse suspicious transactions and deliberately concealing information from regulators.¹¹¹

¹⁰⁶ Angrand M. (2023), [Sixty European banks suspected of influencing tensions in South Sudan](#), Le Monde.

¹⁰⁷ ReCommon (2023), [Non solo fossili, Intesa Sanpaolo pesantemente coinvolta nel business delle armi](#).

¹⁰⁸ Archer N.N., and Shone E. (2024), [UK accused of being 'complicit' in Gaza deaths after giving Elbit new contract](#).

¹⁰⁹ Action on Armed Violence (2024), [Who is arming Israel? A briefing review of UK, US and other arms suppliers to Israel](#).

¹¹⁰ Pax and Ican (2024), [Untenable investments: Nuclear weapon producers and their financiers](#).

¹¹¹ Department of Financial Services - NY State (2016), [DFS Fines Intesa Sanpaolo \\$235 Million for Repeated Violations of Anti-Money Laundering Laws](#).



MILITARISATION MEGA PRIZE: LEONARDO

Leonardo is a global industrial corporation centred around the aerospace and defence sectors.

GENERAL INFORMATION

Size: €39 billion;¹¹²

Countries of operation: 150 countries. The main activities are in Italy, the US, Poland and the UK but the company states there are '150 countries in their commercial network';¹¹³

Number of employees: 53.566;¹¹⁴

Main shareholders: Ministero dell'Economia e delle Finanze is the largest shareholder with 30% of shares. The Vanguard Group, Inc. is the second largest shareholder owning 2,6% of common stock and Dimensional Fund Advisors. LP owns about 2,2% of the company stock. Vanguard, BlackRock are also around 2%;¹¹⁵

CEO: Roberto Cingolani.¹¹⁶

FINANCIALS ¹¹⁷	2020	2021	2022	2023
NET PROFIT	€0,2 billion	€0,6 billion	€0,9 billion	€0,7 billion
DIVIDENDS PAID	€0,08 billion	0	€0,08 billion	€0,08 billion
SHARE BUYBACKS	/	/	/	/
CEO SALARY & BONUS	€1,6 million	€1,8 million	€2 million	€1 million

EIB FINANCING €760 million since 2010, €460 million since 2020.¹¹⁸



Photo: Ux Gun

¹¹² Leonardo (2024), [Solutions and global reach in aerospace, defence and security](#).

¹¹³ Leonardo (2024), [Solutions and global reach in aerospace, defence and security](#).

¹¹⁴ Leonardo (2024), [Solutions and global reach in aerospace, defence and security](#).

¹¹⁵ Yahoo Finance (2024), [Leonardo DRS](#).

¹¹⁶ Leonardo (2024), [Roberto Cingolani, Chief Executive Officer](#).

¹¹⁷ Leonardo (2024), [Results and reports](#).

¹¹⁸ This data was obtained from the European Investment Bank upon request.



Photo: Chandler Cruttenden

€ Environmental impacts

In the EU, large public-interest corporations are legally compelled to provide non-financial reporting, which includes greenhouse gas (GHG) emissions. However, the present criteria for reporting climate-related data are non-binding, lack basic transparency and do not account for the full extent of environmental impact, especially in the weapons sector. The impact of war and the military on the environment and biodiversity are overwhelmingly adverse and contribute to climate change and both reductions in the populations of native plant and animal species, as well as reducing species diversity within ecosystems.¹¹⁹ It is worth stating that each arms and military sale has its own carbon cost, from raw material extraction to manufacturing by arms corporations, military usage, decommissioning and end-of-life disposal. Leonardo's direct involvement in the military and weapons sector has a devastating environmental impact that needs to be addressed.

€ Social practices and rights violations

Previous studies conducted by the Dutch peace organisation PAX revealed that Leonardo had supplied weapons to countries that have violated international humanitarian law, including Israel. Importantly, the grave breaches of international humanitarian law being perpetrated have been consistently highlighted by international human rights organisations and UN authorities.¹²⁰ Other research by Pax and Profundo concluded that the EIB lent €560 million to Leonardo. This included a loan for a research, development and innovation program for the development of helicopters. Leonardo continues to provide Israel with weapons during the conflict in Gaza.¹²¹

Leonardo provides the Israeli Navy with its Super Rapido Multi-Feeding naval gun. The Navy procured four new guns, installed on board the Sa'ar 6 corvettes, which took part in the Israeli attack on Gaza in October 2023 in their first operational use. The EIB loan to Leonardo for the development of helicopters may also be related to Israel. The company also manufactures and delivers AW119Kx helicopters to the country.¹²²

From May to August 2024, shares from Leonardo's defence subsidiary grew 19% compared with the industry's growth of 4,7% amidst the conflict in Gaza.¹²³

¹¹⁹ Lawrence M.J., Stemberger H.L.J., Zolderdo A. J., Struthers D. P., and Cooke S.J. (2015), [The effects of modern war and military activities on biodiversity and the environment](#). Environmental Reviews. 23(4): 443-460.

¹²⁰ United Nations (2024), [Rights expert finds 'reasonable grounds' genocide is being committed in Gaza](#).

¹²¹ Pax and Profundo (2024), [The companies arming Israel and their financiers](#).

¹²² Who Profit Research Centre (2024), [The Companies Supplying Weapons to Israel's Attack on Gaza](#).

¹²³ Zachs Equity Research (2024), [Reasons to add Leonardo DRS \(DRS\) stock to your portfolio now](#).

This is especially concerning as the International Court of Justice has warned states of the plausible case of genocide being perpetrated in Gaza.¹²⁴ In light of this, Spain, Belgium and Italy moved to halt the transfer of weapons to Israel as well as the granting of licences for such transfers.¹²⁵ A Dutch court has mandated that the government cease providing parts for F-35 fighter jets to Israel because there is a clear risk of grave breaches of international humanitarian law.¹²⁶

Moreover, UN experts have demanded arms manufacturers supplying arms, munitions and other equipment to Israel should end their transfers and highlighted the accountability of financial institutions financing these companies, stating that banks like the EIB risk being complicit in what it calls 'atrocities crimes'.¹²⁷

Research by ECCHR and Mwatana for Human Rights has revealed that military equipment such as the Eurofighter Typhoon and Tornado jets manufactured by the Eurofighter consortium, in which Leonardo produces about 36% of the total programme value,¹²⁸ are being used in the Yemen conflict. This equipment is exported to Saudi Arabia, the United Arab Emirates and Kuwait.

In light of these findings, ECCHR, Mwatana for Human Rights and their partners submitted a communication to the International Criminal Court in The Hague in December 2019. They requested an investigation into several European arms manufacturers such as Leonardo and Rheinmetall, as well as the authorities that officially approved the shipment of military equipment.¹²⁹

Likewise, Leonardo offered €1,5 million to a Vatican linked Children's Hospital in Rome. Pope Francis has rejected the funding due to Leonardo's involvement in armed conflicts.¹³⁰

Meanwhile, the EIB has changed its policy to allow for more lending to the military industry by changing the definition of its dual-use requirement to allow for the financing of projects with a majority of funds for military purposes.¹³¹

Corruption and tax evasion

Leonardo has been plagued by accusations of corruption. Within its sale of VVIP Helicopters to India, it also called for brokers, middlemen and UK-based helicopter design and manufacturing company AgustaWestland to be paid over €60 million. AgustaWestland would also have paid one of these middlemen in order to get other contracts in India as it did in South Korea.¹³² The recipients of these payments would be a lobbyist working directly under Geoff Hoon, the former Secretary of Defence under Tony Blair and the International Business Manager of AgustaWestland from 2011 to 2016.

Current CEO Roberto Congelani was energy minister during Mario Draghi's government and is now an informal advisor of current Italian prime minister Giorgia Meloni. Opposition parties stated the appointment violates a conflict-of-interest law that prevents ministers from taking on jobs at companies in sectors they previously regulated in the 12 months after leaving office.¹³³

¹²⁴ International Court of Justice (2024), [Order of 26 January 2024, Document Number 192-20240126-ORD-01-00-EN](#).

¹²⁵ United Nation Human Rights Special Procedures (2024), [Arms Transfers to Israel in the Gaza Conflict](#).

¹²⁶ Van den Berg S. (2024), [Dutch court orders halt to export of F-35 jet parts to Israel](#), Reuters.

¹²⁷ United Nations (2024), [States and companies must end arms transfers to Israel immediately or risk responsibility for human rights violations: UN experts](#).

¹²⁸ Leonardo (2024), [Eurofighter Typhoon](#).

¹²⁹ European Center for Constitutional and Human Rights (2024), [The deadly normality of the arms trade](#).

¹³⁰ Katholisch.de (2024), [Newspaper: Papal children's hospital rejects donation of millions](#).

¹³¹ EIB (2024), [EIB Board of Directors steps up support for Europe's security and defence industry and approves €4.5 billion in other financing](#).

¹³² ReCommon (2011), ["Anglo Italian job": Leonardo spa e l'incrocio pericoloso tra armi e corruzione](#).

¹³³ Reuters (2023), [Italy's pick for new Leonardo CEO is unlawful, opposition party says](#).



LAYOFF LOTTERY: ORANGE

Orange (formerly France Telecom) is the former French public telecommunications company. The French state still owns 23% of shares, both directly and through Bpifrance. Today, Orange is one of the key players in the European telecommunications oligopoly with Deutsche Telekom and Telefonica, and is a market leader in Africa.

It has expanded into digital services, including attempts at becoming a platform for various digital media such as video, music and cinema, payment services in Africa through Orange Money and an unsuccessful foray into banking. It is also an important player in telecommunications network infrastructure in Europe and Africa, including submarine cables.

GENERAL INFORMATION

Size: €110 billion in total assets;¹³⁴

Countries of operation: 26 countries mostly in Europe, the Middle East and Africa: France including its overseas territories, Spain, Belgium, Poland, Romania, Egypt, Jordan, Tunisia, Morocco, Senegal, Mali, Burkina Faso, Ivory Coast, Cameroon, Madagascar, Guinea, Democratic Republic of Congo, Luxembourg, Slovakia and a few others;

Number of employees: 137.000 (end of 2023), 73.000 in France;

Main shareholders: French State (13,39%) and Bpifrance (9,56%) [= 22,95% in total], employees including managers (7,94%) and BlackRock (5,05%);¹³⁵

CEO: Christel Heydemann (former Schneider Electric executive).

FINANCIALS ¹³⁶	2020	2021	2022	2023
NET PROFIT	€4,8 billion	€0,2 billion	€2,1 billion	€2,4 billion
DIVIDENDS PAID	€2,4 billion	€1,9 billion	€1,9 billion	€1,9 billion
SHARE BUYBACKS	€0	€0,3 billion	€0	€0
CEO SALARY & BONUS	€1,7 million	€2 million	€2,4 million	€2,7 million

EIB FINANCING €2,59 billion since 2010, €500 million since 2020.¹³⁷

¹³⁴ Orange (2024), [2023 Universal Registration Document](#).

¹³⁵ Market Screener (2024), [Orange: BlackRock exceeds 5% of share capital](#).

¹³⁶ Orange (2024), [Regulated information](#).

¹³⁷ This data was obtained from the European Investment Bank upon request.

Subsidies, tax cuts and benefits received from governments at home or abroad

This information is not publicly available in France. Most subsidies to companies like Orange take the form of tax credits or exemptions on social contributions, for which there is no specific information available and is partly covered by fiscal confidentiality rules. A key form of indirect subsidy is the support from the French government to extend the coverage of mobile telephone services and high-speed internet in remote regions, which benefits all telecom companies but mainly Orange. It is also difficult to precisely value this support. For example, in 2018 the French state waived a €2,2 billion auction on mobile networks in exchange for a commitment to expand coverage.¹³⁸ Orange also declared €2.589,510 in EU grants in the transparency register in 2023.¹³⁹

On top of support from the EIB, Orange has been an important beneficiary of the European Central Bank's (ECB) corporate bonds purchase programme, initiated during the Covid pandemic to help European corporations finance their operations. The ECB has bought corporate bonds issued by Orange no less than 22 times since 2020. The precise amount is not disclosed.¹⁴⁰

€ Environmental impacts

Most of Orange's current environmental impact stems from its role as a promoter and enabler of over-digitalisation in general – including its role in pushing for a fast deployment of 5G networks. The EIB has mostly funded Orange for the deployment of new 4G and 5G networks in France and Spain.

Digitalisation has significant environmental impacts at different levels:¹⁴¹

- environmental impacts of infrastructure construction and maintenance (in which Orange is directly involved);
- overall impacts of the excessive use of digital devices, from issues connected with the raw materials used (e.g. mineral extraction) through to e-waste;
- overall impacts of digitalisation (including data centres) in terms of electricity use.

€ Social practices and rights violations

Following the liberalisation of the telecoms market and the privatisation of Orange, the company's management pursued a strategy aiming to drastically reduce the number of employees, particularly in France. In the 2000s and early 2010s, this policy took a particularly aggressive turn, which resulted in a much-publicised wave of suicides among Orange staff in the workplace. Orange's top managers at the time were eventually convicted in 2019 for moral harassment.¹⁴²

Another subject of controversy in France is the incapacity or unwillingness to achieve universal coverage and invest in remote, less lucrative areas from both Orange and other telecom operators.¹⁴³ The digitalisation agenda is also criticised for the risks it creates in terms of privacy and surveillance, on top of its environmental impacts.

In Africa, Orange has often been criticised as an agent of French neocolonialism, shifting profits made on the continent towards France (see below). In 2023, it was among the targets of a boycott campaign in Cameroon for the poor quality of its service.¹⁴⁴ Lately, it has been involved in several countries for cutting access to the internet at the request of governments, for instance in Guinea in 2020 and 2023-2024, in Senegal in 2023, in the Democratic Republic of Congo in 2018 and Cameroon's English-speaking provinces in 2017.¹⁴⁵

¹³⁸ Miñano L. (2023), [L'étrange cadeau du gouvernement aux opérateurs de téléphonie mobile](#), Observatoire des Multinationales.

¹³⁹ European Union Transparency Register (2024), [Orange](#).

¹⁴⁰ European Central Bank (2024), [Asset purchase programmes](#).

¹⁴¹ For a general overview of the environmental impact of digitalisation, see UNEP (2021), [The Growing Footprint of Digitalisation](#).

¹⁴² Observatoire des Multinationales (2019), [France Télécom : le procès sans précédent d'un management déshumanisé soumis aux marchés financiers](#).

¹⁴³ Miñano L. (2023), [L'étrange cadeau du gouvernement aux opérateurs de téléphonie mobile](#), Observatoire des Multinationales.

¹⁴⁴ Business & Human Rights Research Centre (2024), [Téléphonie mobile : pourquoi les Camerounais boycottent Orange et MTN](#).

¹⁴⁵ Business & Human Rights Research Centre (2024), [Latest News - Orange](#).

€ Corruption and tax avoidance

Although still owned in part by the French state, Orange has been accused of tax evasion in France and for many years has not paid any taxes on its profits in the country, using subsidiaries in the Netherlands and Belgium to reduce its tax bill.¹⁴⁶ However, Orange has successfully challenged a €2.2 billion claim for unpaid tax by the French Treasury before French courts.¹⁴⁷

In 2018, as Orange was due to renegotiate its concession management of national telecommunications operator Sonatel, the Senegalese government accused Orange of shifting most of its local profits to France and not paying as much corporate tax as it should have.¹⁴⁸ This did not result in any tax adjustment or fine.

In France and at international level, like many of its peers in the telecommunications sector, Orange is a strong public supporter and advocate of digitalisation¹⁴⁹ - in line with its interests in infrastructure and digital services. It is also involved in many EU-supported projects aiming to create European counter-powers to US Big Tech (for example, in cloud services).¹⁵⁰ As a key player in African and Middle Eastern markets, it is also interested in EU-funded projects abroad, including the Global Gateway initiative (Orange is a member of the Business Advisory Group).¹⁵¹

Orange declared between \$700.000 and \$800.000 in lobbying expenses in France in 2023, mostly on the financing and regulation of telecommunications networks.¹⁵² In the same year, Orange declared a lobbying budget of €1.250.000 - €1.499.999 at EU level and has had more than a 100 meetings with top Commission officials since 2014 on telecoms, digital issues and a variety of other topics.¹⁵³

As a former state monopoly, Orange has historically strong links with the French state, in terms of shareholding, as a provider of public services and through numerous revolving doors at the top level of its governance. Thierry Breton was chairman and CEO between 2002 and 2005. He then became the French minister for Finance until 2007, returned to the private sector to become the boss of Atos and then a European Commissioner from 2019 to 2024.¹⁵⁴ Stéphane Richard was chairman and CEO between 2010 and 2022. Before this, he was the top adviser of Jean-Louis Borloo and Christine Lagarde at the French Minister for Finance (2007-2009).¹⁵⁵ While Richard was the CEO of Orange, the chief financial officer was a former top civil servant at the French Ministry of Finance Ramon Fernandez - director of the Treasury during the euro crisis. He unsuccessfully sought to replace Richard as CEO.¹⁵⁶ The current top lobbyist of Orange in Brussels, Pascal Rogard, was in charge of postal and digital services at the French Permanent Representation to the EU between 2012 and 2020, and before that worked at the French Ministry for Finance.¹⁵⁷

¹⁴⁶ Henri J. (2013), [Exclusif: Orange n'a pas payé d'impôt sur les bénéfices durant 10 ans](#), BFM Business.

¹⁴⁷ Dumoulin S. (2020), [Orange se fait rembourser 2,2 milliards d'euros par le fisc](#), Les Echos.

¹⁴⁸ Observatoire des Multinationales (2016), [Le jeu trouble d'Orange au Sénégal](#), and Petitjean O. (2016), [Orange accusée de léser le fisc sénégalais](#), Observatoire des Multinationales.

¹⁴⁹ See for instance: Richard S. (2020), [From words to actions: towards a truly digital transformation of the EU](#), Euractiv.

¹⁵⁰ Orange Hello Future (2020), [Gaia-X, cloud services to promote European sovereignty](#).

¹⁵¹ European Commission (2024), [Global Gateway Business Advisory Group](#).

¹⁵² Haute Autorité pour la Transparence de la Vie Publique (2024), [Orange](#).

¹⁵³ European Union Transparency Register (2024), [Orange](#).

¹⁵⁴ Corporate Europe Observatory (2019), [Thierry Breton, the corporate commissioner?](#).

¹⁵⁵ LinkedIn (2024), [Profile of Stéphane Richard](#).

¹⁵⁶ LinkedIn (2024), [Profile of Ramon Fernandez](#).

¹⁵⁷ LinkedIn (2024), [Profile of Pascal Rogard](#).



Photo: Eric Prouzet



BAILOUT BONANZA: NORTHVOLT

Northvolt AB is a Swedish battery developer and manufacturer, focussing on lithium-ion technology for electric vehicles. It was founded by two former Tesla executives in 2015 with the goal of becoming a large-scale European battery producer.

GENERAL INFORMATION

Size: €7,8 billion;¹⁵⁸

Countries of operation: It operates in Europe including Sweden, Poland, Germany, and North America (US and Canada);¹⁵⁹

Number of employees: over 6.500;¹⁶⁰

Main shareholders: Volkswagen Finance Luxembourg S.A. holds 21% share in Northvolt and Goldman Sachs Asset Management LP, through a variety of investment entities, are the owners of 19% of the company's shares. Other large shareholders include mainly investment and pension funds. BMW España Finance SL also has a 2,8% share in the company;¹⁶¹

CEO: Peter Carlsson, co-founder.¹⁶²

FINANCIALS ¹⁶³	2020	2021	2022	2023
NET PROFIT	-€0,1 billion	-€0,07 billion	-€0,3 billion	-€1,2 billion
DIVIDENDS PAID	/	/	/	/
SHARE BUYBACKS	/	/	/	/
CEO SALARY & BONUS	N/A	N/A	N/A	N/A

EIB FINANCING €351 million since 2010, €299 million since 2020.¹⁶⁴

Subsidies, tax cuts and benefits received from governments at home or abroad

Northvolt received €902 million in German state aid which will include €700 million in direct grants and €202 million in guarantees.¹⁶⁵ The company also received over \$2 billion from the Quebec and Canadian governments.¹⁶⁶

¹⁵⁸ Northvolt (2023), [Sustainability and annual report](#).

¹⁵⁹ Northvolt (2024), [Locations](#).

¹⁶⁰ Northvolt (2024), [Categories](#).

¹⁶¹ Northvolt (2023), [Sustainability and annual report](#).

¹⁶² Northvolt (2024), [Northvolt strengthens its Executive Management Team – creates new Chief Transformation Officer role and hires new talent to drive forward its long-term strategy](#).

¹⁶³ Numbers come from Northvolt' sustainability and annual reports. The company didn't pay out dividends or buy back shares and did not disclose the compensation of the CEO, but the compensation of the Board of Directors, CEO and other officers amounts to €6,6 million in 2023, €4,7 million in 2022 according to the annual report of 2023. Northvolt (2023), [Sustainability and annual report](#).

¹⁶⁴ This data was obtained from the European Investment Bank upon request.

¹⁶⁵ Jones M.J. (2024), [Brussels approves German state aid for Northvolt battery plant to avoid losing investment to US](#), Euronews.

¹⁶⁶ Marketplace (2023), [As the U.S. courts EV battery manufacturers, Canada follows suit](#).

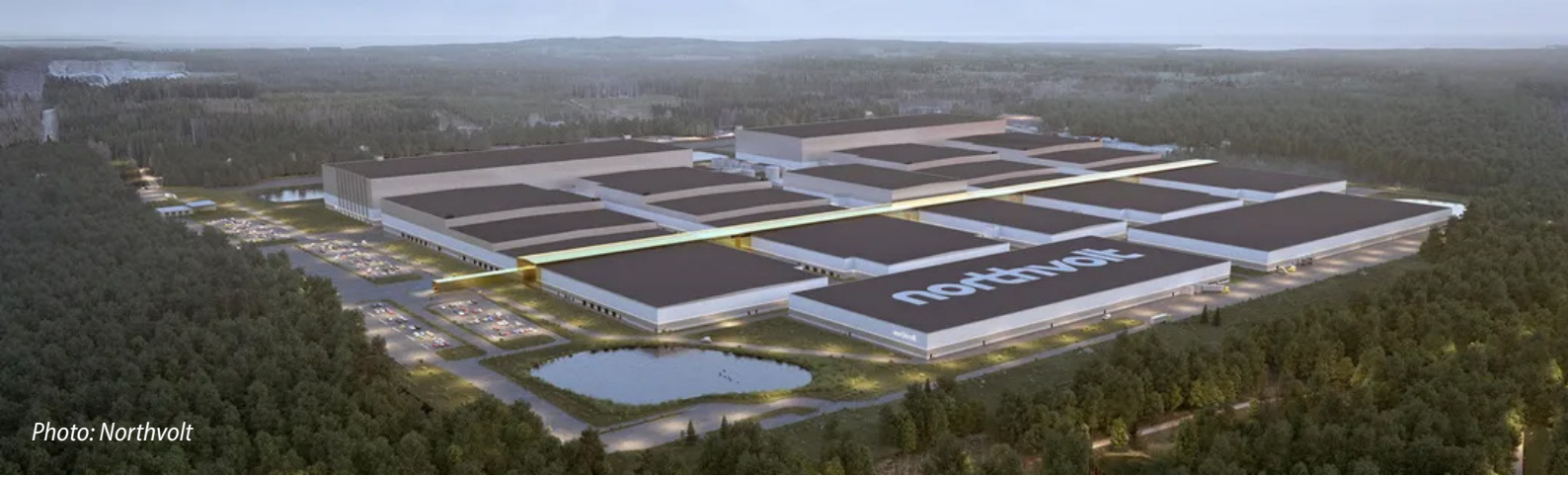


Photo: Northvolt

Northvolt was supposed to be one of the flagship companies demonstrating how Europe can regain its competitive position in cutting edge clean tech production. The company received billions in public support, including a €942,6 million loan from the EIB, backed by an InvestEU guarantee for the expansion of production at the gigafactory for batteries in Skellefteå, Sweden.¹⁶⁷ The company also raised over €15 billion in loans and equity, more than any other start-up in Europe¹⁶⁸ to finance its expansion plans in Sweden and elsewhere, and deliver European homegrown batteries in the pursuit of shifting towards electrical vehicles. The company had orders totalling almost €50 billion from car companies like its shareholders Volkswagen and BMW.¹⁶⁹

Yet, in recent months it became clear that the company is facing severe trouble meeting its production targets. In June, BMW cancelled its €2 billion contract due to production delays.¹⁷⁰ While the InvestEU guarantee for Northvolt's expansion was legitimised with the claim the project will deploy advanced manufacturing activities and related skilled jobs in Europe (2.691 new permanent jobs according to the InvestEU scoreboard), only half a year later we are witnessing the exact opposite.¹⁷¹

While Northvolt's ambition was to almost quadruple its production capacity in its Swedish plant, it only produces 1% of its current capacity of 16 gigawatt hours, which could power 17.000 cars.¹⁷² In October 2024, the subsidiary set up to manage the expansion filed for bankruptcy and expansion works were suspended.¹⁷³ According to anonymous past and present workers, the company suffers from incompetent management, a lack of experience and poor safety standards.¹⁷⁴ Northvolt plans on extensively cutting its workforce and delaying plans to build its gigafactories in Sweden, Canada and Germany, while divesting or finding partners for its energy storage and materials despite the substantial financial support received from European sources.¹⁷⁵ On 27 September 2024, Northvolt's creditors - including the EIB - met to discuss whether or not to extend a further lifeline to the company by providing new loans.¹⁷⁶

Northvolt's crisis is accompanied by sales of electrical vehicles slowing in Europe and car companies such as Volvo and Volkswagen scaling down their ambitions. This situation points towards a crucial lack of vision and coordination to decarbonise transport in Europe. Public investors like the EIB and InvestEU are uncritically relying on profit oriented business models of battery producers and car companies, including Northvolt's shareholders, who were very late to invest in electrical vehicles and chose to focus on producing large cars, which are believed to be more profitable, but for which there is also a small market, as they are too expensive for many customers. A public investment strategy should instead not only focus on decarbonisation, but also acknowledge the social and environmental costs of battery production supply chains and the need to reduce resource and ensure the provision of affordable and environmentally sustainable mobility. Such a strategy should include impose strong social and environmental conditions on investments. These conditions should include reinvesting profits and only providing public funding for battery production for green public and collective mobility.¹⁷⁷ Focussing on shifting to public and other forms of collective transport also requires less raw materials.¹⁷⁸

¹⁶⁷ EIB (2024), [Sweden: EIB finances Northvolt's battery factory with over \\$1 billion](#).

¹⁶⁸ Milne R. (2024), [Northvolt considers cutting back aggressive expansion plans](#), Financial Times.

¹⁶⁹ Pratty F. (2024), [Trouble at Northvolt: safety concerns, scrapped orders and a factory up in the air](#), Sifted.

¹⁷⁰ Reuters (2024), [BMW cancels \\$2 bln battery cells contract with Northvolt](#).

¹⁷¹ InvestEU (2024) [Northvolt ETT expansion-large scale battery plan](#).

¹⁷² Milne R. (2024), [Northvolt considers cutting back aggressive expansion plans](#), Financial Times.

¹⁷³ Northvolt (2024), [Subsidiary company managing Northvolt's ETT expansion project files for bankruptcy](#).

¹⁷⁴ Financial Times (2024), [How Europe's battery champion descended into crisis](#).

¹⁷⁵ Milne R. (2024), [Northvolt to cut jobs and sell off unit to survive EV chill](#), Financial Times.

¹⁷⁶ Pohjanpalo K. and Daly C. (2024), [Northvolt lenders meet as battery maker hangs by thread](#), Bloomberg.

¹⁷⁷ Counter Balance (2024), [Beyond profit: how to reshape the European Green Deal for people's well-being](#).

¹⁷⁸ Climate & Community Institute (2023) [Achieving zero emissions with more mobility and less mining](#).

€ Environmental impacts

Despite receiving public funding and subsidies, the impact of Northvolt's gigafactories on the environment and its socioeconomic effects on the general populace are overlooked. The construction of the Skellefteå gigafactory required the removal of at least a million trees, or the equivalent of 70 football fields, as well as the blasting and removal of tonnes of stone.¹⁷⁹

Similarly, its Canadian battery plant site, which is already marred with a lack of transparency and claims of corruption,¹⁸⁰ has been constructed in a high ecological value area. The project received a fast-track permit without independent assessment, even though the environment minister rejected a previous housing project on the same site only a year earlier. Despite this, Northvolt was given permission to build the plant - destroying 170 hectares of wetlands and woodlands, killing or uprooting at-risk species and cutting down 8.730 trees.¹⁸¹

Quebec's Minister of Finance, Pierre Fitzgibbon and Northvolt CEO Paolo Cerruti had lunch before the government changed its rules to avoid such a public environmental assessment. The meeting happened before the business registered as a lobbyist and was not declared to the public.¹⁸² Afterwards, the Canadian regulations governing the criteria for electric battery sites which need to undergo environmental assessment were modified by Quebec, shortly before giving Northvolt the rights to build its gigafactory.

In Canada, Northvolt has received strong pushback from environmental groups who have opposed the construction of its Quebec battery plant, declaring that the government neglected to submit the project for public hearings, and that construction of the plant would damage wetlands and jeopardise biodiversity. In January 2024, they filed a request for an injunction to halt work at the site, but this was ultimately denied by a judge in Superior Court.¹⁸³

€ Social practices and rights violations

In September 2024, the company announced it would be cutting 1.600 positions, amounting to 24,6% of the company's workforce.¹⁸⁴ A week before the announcement, the company dismissed an undisclosed number of migrant workers on their first day of work, who had come to Sweden hired on temporary contracts.¹⁸⁵

Northvolt also neglected broader social consequences in the region when it started hiring staff. The company brought in at least 3.000 additional people to the municipality as a result of hiring personnel from across the world, putting pressure on the availability of housing, healthcare and other services. The Skellefteå battery plant has come under fire for its subcontractors' — often migrant workers — lack of safety training. The plant was even raided under Sweden's employment law regulating migrant workers.¹⁸⁶

The company is currently also under police investigation following the deaths of four employees and a severe illness at the Skellefteå plant.¹⁸⁷ The cause of death of three workers are unknown to the coroners, and none of them reportedly had any underlying medical issues.¹⁸⁸ In April 2024, despite an ammonia gas leak exceeding the tolerance level set by the Swedish Work Environment Agency, Northvolt employees at the Skellefteå factory were instructed to continue working.¹⁸⁹ Since 2021, there have been 47 accidents at the company involving chemicals classified as particularly dangerous by Sweden's work environment authority.¹⁹⁰

¹⁷⁹ Northam J. (2023), [Sweden's Northvolt wants to rival China's battery dominance to power electric cars](#), NPR.

¹⁸⁰ Hanes A. (2024), [Allison Hanes: Quebec government's arrogance dogs Northvolt project](#), Montreal Gazette.

¹⁸¹ Cecco L. (2024), ['Ecocidal disgrace': activists sabotage Quebec battery factory site in protest](#), The Guardian.

¹⁸² Léveillé J. (2024), [Northvolt a discuté avec Québec sans le déclarer](#), La Presse.

¹⁸³ Cabrera H. (2024), [Northvolt to stay the course for \\$7B Quebec battery plant despite 'strategic review'](#), CBC News.

¹⁸⁴ Lofgren (2024), [Swedish Migration Agency in talks with Northvolt over layoffs](#), The Local Sweden.

¹⁸⁵ Lofgren (2024), [Migrant workers let go from troubled Northvolt on their first day at work](#), The Local Sweden.

¹⁸⁶ Haggstrom T. and Connolly P.(2023), [Northvolt manager acquitted in Aliens Act case](#), Norran.

¹⁸⁷ The Nordic Times (2024) [Another Northvolt worker dies in Sweden](#).

¹⁸⁸ Astrom V., Connolly P., Nohlgren U., Ahlund C. (2024), [After a third death, police now start investigation](#), Norran.

¹⁸⁹ Morris E. (2024), [Northvolt's Swedish 'gigafactory' is its template for Quebec. Do regulations here need an update?](#), CBC News.

¹⁹⁰ Financial Times (2024), [How Europe's battery champion descended into crisis](#).



HEALTH INEQUALITY SPIN: GAVI, THE VACCINE ALLIANCE

Gavi, the Vaccine Alliance is a global public private partnership funding organisation established in 2000 that aims to expand global access to and use of vaccines. Gavi supplies vaccines from the largest pharmaceutical companies such as Pfizer, Johnson & Johnson, GSK, MSD and Sanofi.¹⁹¹

GENERAL INFORMATION

Size: €14.005.626 in total assets;¹⁹²

Countries of operation: Main headquarters in Geneva, Switzerland and an office in Washington, D.C;

Number of employees: 855 employees;¹⁹³

Main shareholders: Funding from 2000 to 2025 accounts: UK \$7 billion (23,6%), USA \$3,6 billion (12%), Norway \$3 billion (10%) Private contributions: Bill & Melinda Gates Foundation \$5,6 billion (18,9%);¹⁹⁴

CEO: Dr Sania Nishtar, appointed in January 2024 and succeeding Dr Seth Berkeley.¹⁹⁵

FINANCIALS ¹⁹⁶	2020	2021	2022	2023
NET PROFIT	-€1 billion	-€2,9 billion	€7,9 billion	€0,3 billion
DIVIDENDS PAID	/	/	/	/
SHARE BUYBACKS	/	/	/	/
CEO SALARY & BONUS		€0,8 million	€0,8 million	€0,7 million

EIB FINANCING €1,902 billion since 2020.¹⁹⁷

Subsidies, tax cuts and benefits received from governments at home or abroad

\$8,8 billion was raised for the funding cycle 2021 to 2025, including \$2 billion from the UK, \$1 billion from Norway.¹⁹⁸

¹⁹¹ Global Health Progress (2024), [Gavi, the Vaccine Alliance](#).

¹⁹² Gavi (2023), [Annual Financial Report](#).

¹⁹³ LeadIQ (2024) [Gavi, the Vaccine Alliance Global Highlights](#).

¹⁹⁴ KFF (2024), [The U.S. Government and Gavi, the Vaccine Alliance](#).

¹⁹⁵ Gavi (2024), [Gavi Board appoints Senator Dr Sania Nishtar as Chief Executive Officer](#).

¹⁹⁶ Propublica (2024), [Gavi, the Vaccine Alliance](#).

¹⁹⁷ This data was obtained from the European Investment Bank upon request.

¹⁹⁸ Taylor C. (2020), [Bill Gates-backed vaccine alliance raises \\$8.8 billion from world leaders and businesses](#), CNBC.

The business model

Gavi was formed as the Global Alliance for Vaccines and Immunization in 1999 with initial funding from the Bill & Melinda Gates Foundation. It is a public-private partnership initiative that brings the Gates Foundation together with the WHO, UNICEF, the World Bank, donor governments, international development and finance organisations, the pharmaceutical industry and representatives from developing countries with the aim of influencing market mechanisms for vaccine development and procurement.¹⁹⁹

According to Gavi's statute, its Board has 18 representative seats out of a total 28. The 18 representative seats include five each for donor and implementing country governments and one each for the World Bank, UNICEF, the WHO, the Bill & Melinda Gates Foundation, civil society organisations, one seat each for the vaccine industries of developed and developing nations and one seat each for technical health and research institutes.²⁰⁰ This totals more seats for interest groups than for its recipients in the Global South.

Gavi stockpiles valuable vaccines and acts as a mechanism from which Global South countries can buy vaccines. It supplies vaccines from the largest pharmaceutical companies such as Pfizer, Johnson & Johnson, GSK, MSD and Sanofi.²⁰¹ Yet, its set up is characterised by its conflict of interest relationship with Big Pharma, not for recipient countries in the Global South, reshaping global public health governance with a private sector mentality.²⁰²

In December 2020, the European Commission pledged to support Gavi with guarantees totalling €400 million, including a loan from the EIB for the purchase of vaccines, as part of its Global Coronavirus Response. In October 2021, the EIB again provided an additional €200 million loan for the Gavi COVAX programme. In December 2022, the EIB amended a letter of credit agreement with Gavi in an amount comparable to \$320 million in order to support Gavi's responsibilities to pay payments for multi-year vaccine procurement contracts entered into by UNICEF.²⁰³ The financing agreement was modified in December 2023 to provide credit of up to €1 billion.

Gavi operates with little to no public oversight, allowing philanthropic organisations like the Bill & Melinda Gates Foundation to exert considerable influence over global health agendas. The impact of this elite power reinforces a biomedical approach to global health, often favouring technical solutions through partnerships with private corporations. This approach supports neoliberal global health governance, sidelining broader, more inclusive public health strategies²⁰⁴ and using public resources to provide profit making opportunities for pharmaceutical companies.

There is a risk that country spending patterns are dictated by Gavi's goal of sustaining the activities and services provided, rather than by domestically established priorities and policies.

¹⁹⁹ Storeng K.T. (2014), [The GAVI Alliance and the 'Gates approach' to health system strengthening](#), *Glob Public Health*, 9(8): 865-79.

²⁰⁰ KFF (2024), [The U.S. Government and Gavi, the Vaccine Alliance](#).

²⁰¹ Global Health Progress (2024), [Gavi, the Vaccine Alliance](#).

²⁰² Samantaroy S. (2024), [Should Global Health Initiatives Have a Termination Date?](#), *Health Policy Watch*.

²⁰³ Gavi (2023), [Annual Financial Report](#).

²⁰⁴ Ruckert A., and Labonté R. (2014), [Public-Private Partnerships in Global Health: The Good, the Bad, and the Ugly](#), *Third World Quarterly*, 10.

€ Social practices and rights violations

When the Gavi Alliance discovered widespread abuse of its funding in Cameroon in 2011, it sparked an inquiry that found \$3,7 million of the \$5,1 million in program expenses had been misappropriated, partially as a result of fraud. Yet, the Cameroon government footed the bill for the fraudulent activity forcing the citizens of Cameroon to pay twice for the same programme.²⁰⁵

Additionally, Gavi purchased 210 million doses of the Moderna vaccine for low-income countries in 2021 for almost \$10 per dose despite only costing \$2-\$4 per dose to manufacture.²⁰⁶ With billions in unused funding from the EIB, Gavi has been criticised for its lack of transparency surrounding these unused funds, specifically for not openly stating how much money remains unspent and how these unused funds should be repurposed.²⁰⁷

Gavi has also been criticised by civil society organisations for its role during global health crises due to a lack of transparency during price negotiations and its purchasing of vaccines with public funds.²⁰⁸

The COVAX alliance, a global public-private partnership, was established to advance COVID-19 vaccine equity by countering vaccine nationalism and ensuring access for lower-income countries. Aiming to deliver 2 billion doses by the end of 2021, COVAX focused on making vaccines affordable and accessible to nations often sidelined in global markets. Led in part by Gavi, this multilateral initiative sought to ensure equitable development, procurement, and delivery of vaccines from 2020 to 2023. Gavi played a critical role in facilitating vaccine distribution, especially to low- and middle-income countries.²⁰⁹

The initiative had several flaws. It did not challenge intellectual property rights, paid pharmaceutical companies using public funds and kept negotiations secret. High-income countries (HICs) opted out of full commitments, reducing COVAX to an insurance policy for them.²¹⁰ Despite its goal of supporting low- and middle-income countries (LMICs), COVAX's structure favoured HICs, with many doses reserved for them.

From the beginning, COVAX failed to integrate all global vaccine procurement channels, allowing its members to negotiate bilateral agreements with vaccine manufacturers while also participating in the COVAX initiative. This led to a fragmented vaccine procurement system where COVAX found itself competing directly with HICs for vaccines on the open market. As a result, wealthy nations gained quicker and easier access to vaccines, as pharmaceutical companies prioritised deliveries to those HICs willing to pay a premium.²¹¹

After South Africa's COVID-19 vaccine procurement contracts were made public by order of its Supreme Court, it became clear all contracts including Gavi's favoured Big Pharma — requiring South Africa to pay far more than richer countries for COVID-19 vaccines. An analysis of this procurement policy revealed that the terms heavily favoured multinational corporations, leaving governments in the Global South - and by extension their populations - facing excessive costs. These procurement contracts lacked transparency, offered little recourse for late or non-delivery and inflated prices - enabling significant profiteering at the expense of LMICs.²¹²

The now public revelations make it clear that Gavi could not guarantee to South Africa the quantity of doses it would receive or its delivery date, but it still insisted that South Africa be responsible for paying for everything it ordered.²¹³ Globally, it is estimated that vaccine manufacturers through Gavi retained \$1,4 billion in prepayments for cancelled COVID vaccines for the world's poor.²¹⁴

²⁰⁵ U4 Brief (2013), [Implementing a transparency and accountability policy to reduce corruption: The GAVI Alliance in Cameroon](#).

²⁰⁶ Oxfam (2021), [Vaccine monopolies make cost of vaccinating the world against COVID at least 5 times more expensive than it could be](#).

²⁰⁷ Usher A.D., Keller J.M., and Guzman J. (2023), [Deciding the Fate of Billions: What's Next for Gavi's Unspent COVAX Funds?](#), Centre for Global Development.

²⁰⁸ Public Citizens (2024), [Activists Urge UNICEF, Gavi, Global Fund, PAHO & PEPFAR: Say "No" to Secrecy in Medical Product Procurement Agreements](#).

²⁰⁹ Gavi (2024), [COVAX explained](#).

²¹⁰ Storeng K.T., de Bengy Puyvallée A., and Stein F. (2021), [COVAX and the rise of the "super public-private partnership" for global health](#), *Glob Public Health*, 1–17.

²¹¹ Das J.K., Chee H.Y., Lakhani S., Khan M.H., Islam M., Muhammad S., and Bhutta Z.A. (2022), [COVID-19 Vaccines: How efficient and equitable was the initial vaccination process?](#), *Vaccines*, December 20;11(1):11.

²¹² Health Justice Initiative (2023), ["One sided": vaccines save lives - transparency matters](#).

²¹³ Health Justice Initiative (2023), ["One sided": vaccines save lives - transparency matters](#).

²¹⁴ Nolen S. and Robbins R. (2023), [Vaccine Makers Kept \\$1.4 Billion in Prepayments for Canceled Covid Shots for the World's Poor](#), *The New York Times*.

Alongside this, Gavi has been historically accused of conflicts of interest by pushing Global South countries to increase their demand for new vaccines which would be difficult for them to afford once the Alliance's subsidy expired without offering long-term financing.²¹⁵ Prioritising high-income countries that paid more to secure the initial COVID-19 dosages, Gavi struck partnerships with nine major pharmaceutical manufacturers. However, the injections did not begin to reach Global South states in large numbers until months later, impacting infection rates significantly. In low-income countries, each day of delay in starting vaccinations corresponded to a 1,92% increase in cumulative cases compared to high-income countries. Similarly, the lowest-income countries saw a 2,73% rise in cases for each additional day of delay.²¹⁶

COVAX has become increasingly reliant on donations from other countries to meet its vaccine delivery objectives. While such strategies may offer short-term benefits, they do not guarantee a steady supply of vaccines, as donations can be suddenly interrupted due to acute outbreaks or the emergence of new variants in donor countries.²¹⁷ Furthermore, as has been widely reported, vaccines had not been administered in time due to approaching expiration dates.²¹⁸ According to CARE's analysis, UNICEF's data reveals that approximately 681 million shipped vaccine doses remain unused in around 90 low-income countries globally.²¹⁹

Continuing the theme of neoliberal ideology's encroachment into the field of global health, Gavi has helped impose multi-stakeholder global health governance onto public healthcare systems worldwide.²²⁰ A large portion of the global response to the COVID epidemic was transferred from governments to a network of non-governmental specialists operating under private supervision, including Gavi. This was achieved in part by lobbying legislators and officials in the US and Europe for at least \$8,3 million, giving Gavi unparalleled access to the highest chambers of government that have ushered in a new global health governance structure.²²¹

At the same time, Gavi's leader insisted that increasing vaccination supply did not require abolishing intellectual property rights. During the COVID-19 pandemic, Gavi refused to back a patent waiver²²² which would have allowed Global South countries to produce vaccines. This was done against the wishes of LMICs, international organisations, civil society and academics.²²³ Gavi claimed these countries lacked the "know-how"²²⁴ to develop their own vaccines - a patronising viewpoint that wrongly implies logistics, supply chain management and production capacity is static in the Global South.

²¹⁵ Boseley S. (2002), [Charity attacks vaccine alliance](#), The Guardian.

²¹⁶ Duroseau B, Kipshidze N, Limaye RJ (2023), [The impact of delayed access to COVID-19 vaccines in low- and lower-middle-income countries](#), Front Public Health.

²¹⁷ Das J.K., Chee H.Y., Lakhani S., Khan M.H., Islam M., Muhammad S., and Bhutta Z.A. (2022), [COVID-19 Vaccines: How efficient and equitable was the initial vaccination process?](#), Vaccines, December 20;11(1):11.

²¹⁸ Guarascio F. (2022), [Poorer nations reject over 100 mln COVID-19 vaccine doses as many near expiry](#), Reuters.

²¹⁹ Al Jazeera (2022), [Poorer nations forced to dump close-to-expiry COVID vaccines](#).

²²⁰ Sparke, M., and Williams, O. D. (2022), [Neoliberal disease: COVID-19, co-pathogenesis and global health insecurities](#), Environment and Planning A: Economy and Space, 54(1), 15-32.

²²¹ Banco E., Furlong A. and Pfahler L. (2022), [How Bill Gates and partners used their clout to control the global Covid response — with little oversight](#), Politico.

²²² Ravelo J.L. (2023), [TRIPS waiver 'did nothing' for vaccine access, Gavi's Seth Berkley says](#), Devex.

²²³ World Trade Organisation (2021), [Waiver from certain provisions of the TRIPS agreement for the prevention and containment of COVID-19](#).

²²⁴ Ravelo J.L. (2023), [TRIPS waiver 'did nothing' for vaccine access, Gavi's Seth Berkley says](#), Devex.



Photo: Hakan Nural



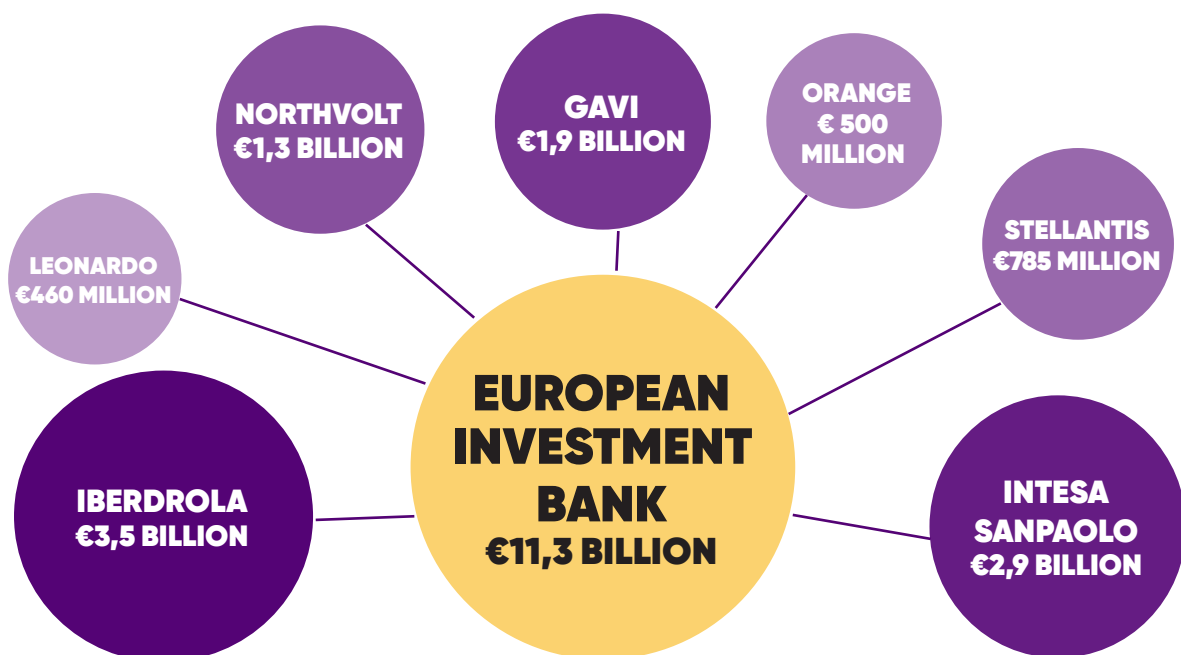
CONCLUSIONS

This report looked at seven companies in the energy, automotive, telecommunications, pharmaceutical and financial sectors that are among the top corporate clients of the EIB since 2010. These companies are Iberdrola, Stellantis, Intesa Sanpaolo, Leonardo, Orange, Northvolt and Gavi.

The analysis in this report shows that the added social and environmental value of the EIB's loans to these companies is often questionable. The advantage of public loans (especially in combination with public guarantees or grants) is that public banks offer more favourable lending conditions than private banks, such as lower interest rates, longer payback periods, or take on more risks than for-profit investors are often willing to take. For this reason, public loans to companies must show additionality brought by deployment of public finance. They should support projects that are clearly in the public interest, and could not happen without the EIB's funds.

The findings of this report show that while the seven companies have been the primary beneficiaries of the advantageous support from the EU's public bank, receiving more than €11 billion from 2020 to 2023. Six of them – except for Northvolt given the company's failure – have more than enough resources to finance their own projects without syphoning off public funds. These companies have collectively made €100 billion in profits, gave €38,7 billion in dividends to shareholders, spent €11,9 billion on buying up their own shares and paid €146,7 million to CEOs during this time. They can well use their own funds to cover the risks which their operations may entail. On top of this, the EIB itself made €8,9 billion in profits between 2020 and 2023, despite its mandate stating it must operate on a non-profit-making basis.

The €100 billion profit made by these companies is more than half of the yearly investment needs for social infrastructure in the EU.²²⁵ If these companies are not willing to use public resources to develop projects that prioritise positive social and environmental benefits, shouldn't the EIB impose stronger conditions on its loans to them? Given the urgency of the climate crisis and its devastating environmental and social consequences - combined with the scarcity of public funds - shouldn't the Bank support much-needed investments delivered through public entities with a non-profit mandate, as evidence suggests?



²²⁵ According to the Commission social infrastructure in Europe requires €192 billion of investment per year. European Commission (2020), [Identifying Europe's recovery needs](#).

Two key issues emerge in this report that question whether the EIB's current approach is capable of defending the public interest and the needs of the people in the EU - the ultimate owners of the Bank:








Almost all of these companies have made billions in profits and handed out billions in dividends and bonuses since 2020. They have received more than €11 billion in support from the EIB.

-  **Iberdrola** has received €3,5 billion from the EIB since 2020 while reporting profits of €4,8 billion in 2023;
-  **Stellantis** received €785 million from the EIB while recording a 21% increase in profit (€15 billion annually). The company also paid out €11,8 billion in dividends to its shareholders since 2020. The CEO's salary of €36,5 million in 2023 starkly contrasts with the average EU workers' earnings;
-  **Intesa Sanpaolo**, Italy's largest bank, has received €2,9 billion from the EIB since 2020 and made €19,3 billion in profits. The bank also paid out €13,9 billion to its shareholders;
-  **Leonardo** has been granted €460 million in loans by the EIB since 2020. The company made €2,4 billion in profits and paid out €200 million in dividends in the same period;
-  **Orange** has received €500 million from the EIB since 2020, reporting a profit of €2,4 billion in 2023 and paying out €1,9 billion of these profits to its shareholders. Its CEO has received nearly €9 million since 2020;
-  **Northvolt** has received €1,3 billion from the EIB since 2020, including a €942,6 million loan in 2023 — nearly 20% of the funding for the expansion of the first EU gigafactory. It is now in crisis and struggling for survival, therefore it has been making a €1,7 billion in losses since 2020;
-  **Gavi, the Vaccine Alliance** has received €1,8 billion from the EIB since 2020, making €4,3 billion in profits in the same period.

Summary of financial information per company (2020-2023)

COMPANY	PROFIT IN 2023	PROFIT 2020-2023	DIVIDENDS 2020-2023	SHARE BUYBACKS	CEO SALARY AND BONUS	EIB SUPPORT SINCE 2020
IBERDROLA	€4,8 billion	€16,6 billion	€4,7 billion	€1,5 billion	€25,2 million	€3,5 billion
STELLANTIS	€18,6 billion	€49,6 billion	€11,8 billion	€3,3 billion	€77,5 million	€785 million
INTESA SANPAOLO	€7,7 billion	€19,3 billion	€13,9 billion	€6,8 billion	€26,5 million	€2,9 billion
LEONARDO	€0,7 billion	€2,4 billion	€0,2 billion	/	€6,4 million	€460 million
ORANGE	€2,4 billion	€9,5 billion	€8,1 billion	€0,3 billion	€8,8 million	€500 million
NORTHVOLT	€-1,2 billion	€-1,7 billion	/	/	N/A	€1,3 billion
GAVI, THE VACCINE ALLIANCE	€0,3 billion	€4,3 billion	/	/	€2,3 million	€1,9 billion
TOTALS	€33,3 billion	€100 billion	€38,7 billion	€11,9 billion	€146,7 million	€11,3 billion

The selected companies make billions in profits but have a problematic track record of carrying out activities with harmful social impacts, either in EIB-financed projects or in their general operations. This includes negative social practices, exacerbating climate change and environmental breakdown, corruption and fraud and supplying military equipment to countries that violate international law.

-  **Iberdrola** is linked to 13 socio-environmental conflicts in Central America, Brazil, and Europe, primarily due to large-scale projects with significant ecological and social impacts. One of them is the largest European solar plant in Spain financed by the EIB, which did not deliver promised local jobs, illegally expropriated the main land owner and is part of a fraud investigation by EPPO.
-  Car manufacturer **Stellantis** has carried out extensive layoffs and salary freezes while increasing workloads on workers, causing high burnout rates. The car manufacturer has paid a €1,5 billion fine to avoid going to trial for cheating engine emissions tests, and received another fine for violating air pollution standards in the US;
-  The largest Italian bank, **Intesa Sanpaolo** is one of the world's biggest financiers of fossil fuels, financing the industry to the tune of \$8,6 billion in 2023 alone. This highlights the weak climate criteria which the EIB applies to financial institutions. Intesa also finances several arms companies that are fuelling wars in Yemen and Gaza with supply of weapons and military equipment;
-  **Leonardo**, a global leader in the aerospace and defence, has supplied weapons and military equipment to Israel, despite the warning from the International Court of Justice of a plausible case of genocide. This is happening even as a Dutch court has ordered a halt on supplying F-35 components to Israel, citing the high risk of severe violations of international humanitarian law.
-  The CEO of French telecom company **Orange** has cut jobs and put so much pressure on workers that it led to a suicide wave and the conviction of top managers for moral harassment in 2019. Despite receiving public funds, the telecom company has focussed on lucrative markets instead of providing universal access to the internet. This includes former French colonies, where it is accused of providing poor quality services and shutting down the internet at the request of national governments;
-  **Northvolt** produces batteries for electric vehicles. Among the start-up's owners are Volkswagen, BMW and Goldman Sachs. Its gigafactory project is considered the largest European green loan to date, including almost €1 billion it secured from the EIB in 2023. Northvolt was supposed to be an emblematic example of the EU's support for clean tech champions in its drive to increase its global competitiveness, but the company is in deep crisis. Its only active plant is running at only 1 percent of production capacity. It plans to cut a quarter of its workforce, who have been subjected to dangerous workplace incidents and exposed to hazardous chemical products. Northvolt has not made profits, but has demonstrated that the EU's competitiveness strategy of relying on giving billions in public support to private companies is unlikely to deliver the social and environmental benefits Europe needs;
-  **The Gavi Alliance** uses the public funds to buy up vaccines from Western pharmaceutical companies to supply them globally. Gavi is shaping global health governance with a market-led model. During the COVID-19 pandemic, it has allowed Moderna to sell its COVID-19 vaccine to Global South countries at 3 to 5 times the production cost in 2021, significantly boosting Big Pharma profits while endangering millions of lives.

There is an urgent need to reassess the EIB's true added value when viewed in conjunction with the social and environmental impact of projects it finances and the companies implementing them. Derisking private investors has long been a feature of the bank's business model, but it is urgent that the EIB aligns this with its mandate to defend the general interest and meet the needs of the public - who are the Bank's ultimate owners.

RECOMMENDATIONS



Instead of channelling billions into subsidising the profits of large companies, the EIB should become a public bank supporting a truly public mandate. To do so, the EIB should:

1 Finance projects and companies that serve social and environmental benefits

This requires:

- € Changing the bank's appraisal methodology for project selection so that it can prioritise projects with long-term economic viability and socially and environmentally positive impacts, especially in locations where social and environmental needs are highest;
- € Increased lending and risk-taking to support such projects;
- € Using guarantees and grants to go beyond its own ability to take on risk in order to allow for upscaling and expanding projects with widely shared environmental and social benefits, such as affordable and sustainable public mobility solutions or health and energy infrastructure;
- € Prioritising projects ensuring quality local job creation and/or creating spillover benefits in certain areas/regions which are economically deprived, such as supporting local supply chains and component manufacturing;
- € Ensuring fair benefit-sharing from projects with local communities.

2 Work with public entities not driven by profit

For this purpose, the bank should start:

- € Favouring public-public cooperation rather than attracting private investors at all costs;
- € Leveraging the capacity of public funds to ensure the financing of projects that do not offer large returns but have high social and environmental benefits by fostering cooperation with public entities that focus on the provision of public services and economic activities that contribute to a just energy transition;
- € Strengthening cooperation with other EU and national public banks and other public financial institutions for the financing of projects;
- € Supporting the creation and financing of public entities which have the potential to develop affordable services and infrastructure more efficiently and at a lesser cost, such as renewable energy;²²⁶
- € Targeting support to social enterprises and other social economy actors, such as cooperatives and energy communities.

²²⁶ Common Wealth (2022), [Power to the people. The case for a publicly owned generation company.](#)

3 Improve the EIB's standards to finance sustainable projects that respect human rights and the environment

This should be done by:

- € Strengthening the bank's social, environmental, human rights and transparency standards;²²⁷
- € Publishing environmental and social impact information well before project approval to allow civil society and affected communities to meaningfully engage in decision-making on projects;
- € Dedicating sufficient resources to do thorough environmental, social and human due diligence for projects, not purely relying on the promoters' assessments;
- € Having – and making use of – effective mechanisms to ensure compliance with the EIB's standards, including suspending disbursements or recovering already disbursed funding in case of non-compliance.

4 Introduce conditions²²⁸ for companies and financial institutions benefitting from the EIB's finance

These should include:

- € Adhering to a business model and practices with high social and environmental standards, by having concrete targets promoting reduction, reuse, repair and recycling activities and the use of secondary materials;
- € Ensuring creation of quality permanent jobs with fair wages and working conditions;
- € Respecting social and labour rights and ILO standards, including collective bargaining and respect for collective agreements;
- € Respecting and adhering to international law across all activities and supply chains;
- € Temporarily banning share buy-backs and dividend payouts while companies receive EIB financing;
- € Showcasing responsible tax behaviour;
- € Creating quality apprenticeships and investing in training and lifelong learning.

²²⁷ Bankwatch and Counter Balance (2024), [Briefing for the Board of Directors and Management Committee of the European Investment Bank](#); and Counter Balance (2024), [Enhancing transparency in EIB's critical raw materials financing](#).

²²⁸ Fiscal Matters (2024), [Vital conditions to support businesses towards a stronger, fairer and more sustainable economy](#).

About Counter Balance

Counter Balance is a coalition of 9 NGOs whose mission is to make European public finance a key driver of the transition towards socially and environmentally sustainable and equitable societies.

Counter Balance, Mundo-B Building, Rue d'Edimbourg 26, 1050 Brussels, Belgium.

About GRESEA

Founded in 1978 by leaders from NGOs, trade unions, and academia, GRESEA serves as a centre for reflection, analysis, training, and information on international economic mechanisms, with a focus on North-South relations. Its research primarily examines the global economy's social, economic, ecological, and cultural impacts worldwide.

GRESEA ASB, rue Royale, 11 B-1000, Brussels, Belgium.

About Observatoire des Multinationales

Observatoire des Multinationales is an online media on large companies and more generally on economic powers, as well as on their relations with political power.

Association Observatoire des multinationales, Les Arches Citoyennes, 3 avenue Victoria, 75004 Paris, France.

About Observatori del Deute en la Globalització (ODG)

Since 2000, ODG has operated as a network dedicated to critical analysis and knowledge production, providing resources for citizens and social movements. Its work focuses on financial justice, climate justice, the commons, and ecofeminism.

Observatori del Deute en la Globalització, C/ Junta de Comerç 20, ppal 08001 Barcelona, Spain.