



27 January 2023

toxicbonds.org

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Dear _____,

I am writing on behalf of [SumOfUs](#), a global organisation committed to corporate accountability and a member of the [Toxic Bonds initiative](#). We are asking you to deny new debt to the Adani Group, the second largest conglomerate in India unless it unequivocally halts its coal expansion and adopts a publicly disclosed 1.5°C-aligned transition plan. Furthermore, we urge you to publicly commit to halt any new funding to all companies involved in coal mining and contributing to runaway climate change.

Adani group's fossil fuelled growth has been increasingly funded by global bond investors, with Adani companies now the largest Indian issuers of foreign denominated bonds, having raised more than \$9 billion from foreign investors in the last 5 years. The group is planning to raise [\\$10 billion](#) in further debt capital using multiple instruments including green bonds this year. The [interconnected financial nature of the Adani Group](#) makes it clear that buying debt from any subsidiary of Adani, is by extension supporting Adani's mining businesses.

The explosive findings published by [Hindenburg Research](#) on 25 January - revealing in their words "one of the largest corporate frauds in history" - undermines any confidence investors could have that proceeds from Adani's planned green issues this year would be adequately ringfenced. Indeed, the Adani Group's flagrant disregard for even the most basic standards of good corporate governance and transparency should leave any investor deeply concerned.

In asking you to deny new debt, reject new investments and publicly divest from the Adani group, we ask that you consider the following:

Stranded assets and credit risks

There are material stranded asset risks for fossil fuel companies as the world accelerates towards cleaner energy options. It is [estimated](#) that 45% of the Adani group's assets are at risk of becoming stranded under a beyond 2° scenario. Meanwhile, the phenomenal growth of Mr. Gautam Adani's personal wealth and the Adani Group in the last 3 years has been sharply questioned in relation to the group's [over-leveraged](#)

[position](#). Hindenburg Research has [accused](#) the Adani Group of stock manipulation, accounting fraud and views the group's seven listed entities as having 85% downside, just on a fundamental basis. The report also confirms the interconnected financial nature of the group, detailing how intra-company loans, offshore shell companies and in-dealing are used to transfer funds between the different entities within the family-controlled network of companies.

Greenwashing by the Adani Group

The Adani Group has announced [\\$70 billion](#) investments in clean energy projects via its green energy arm, Adani Green. But these shrink in comparison to its rapidly growing coal operations. Adani cannot claim to be committed to transition whilst planning new coal mines and thermal power projects. Adani is in the process of nearly doubling its installed coal thermal capacity from 14 GW to 26 GW, while its [coal mining output](#) rose 58% in FY2021. In spite of climate and ESG concerns and negative sentiments from investors, financiers and the public, Adani Green issued \$1.25 billion worth of green bonds in the global market in the last 3 years. This move to sustainable debt markets has increased scrutiny on Adani's financial disclosures. In a [complaint](#) filed against Adani Electricity's \$300 million sustainability-linked bonds at US Securities and Exchange Commission, Adani's lead managers were accused of securities fraud for not properly disclosing the company's link with coal power. However, the company's efforts to [greenwash the business and its CEO's image](#) have not been enough to stem the tide of public pressure and [protests](#) against those directly or indirectly supporting its coal investments.

Adani group is causing irreversible damage to the climate.

Coal was the [largest contributor](#) to the climate crisis in 2021. And the International Energy Agency is unequivocal that achieving [net zero emissions by 2050](#) means no new or expanded coal mines. The Adani Group is the world's largest coal operator, with its mining activities alone accounting for at least [2.95% of global CO2](#) emissions from coal. It has been reported that coal-related businesses are responsible for 60% of its overall revenue. The group has continued its unabated coal expansion and is planning to develop more new thermal coal mining capacity than any other private company on earth, according to [Global Energy Monitor](#). It is [estimated](#) that it is developing more than 6 billion tonnes of extractable reserves of coal, which if burned would emit 10.1 billion tonnes of CO2. Adani Enterprises is also planning a highly polluting coal-to-plastics plant in Mundra, India.

Adani's coal expansion has come at the cost of human rights violations and environmental destruction

Adani's involvement in the Carmichael coal mine in Australia does not have the consent of the Wangan and Jagalingou Traditional Owners and will drain [270 billion litres](#) of Queensland's precious groundwater. The project which has been marred with financial difficulties and proven allegations of [environmental violations](#), will be devastating for the climate-impacted Great Barrier Reef. Adani's mining expansion in India will destroy India's most ancient and bio-diverse forests, considered as the ["Lungs of central India"](#) whilst also displacing thousands of indigenous [Adivasi people and farmers](#) who are dependent on it for their livelihood. Numerous reports have covered Adani's involvement in corruption in [Sri Lanka](#) and [India](#), heavy debt burdens for the common people in [Bangladesh](#), and [gross environmental mismanagement](#).

Our research shows that ____ has an exposure of \$XXX Adani bonds as of this week, which clearly reveals your misalignment with urgent climate goals and your exposure to risky coal investments. We strongly urge you to deny new debt to Adani Group and divest from Adani bonds whilst it rolls over the rights of indigenous communities, endangers the climate and continues on its reckless programme of coal expansion without a clear 1.5°C-aligned transition plan.

We will be publishing the responses and lack thereof to this letter, and would very much appreciate your engagement by 14th February in relation to your decision on investment in Adani bonds.

Please do not hesitate to get in touch with us if you have any questions or would like to discuss the issue further.

Sincerely,



Nick Haines
Campaign Manager, SumOfUs
Member of the Toxic Bonds initiative