

21 March 2023

Dear _____

We are writing to you regarding five companies owned by the Adani Group which are included in the UN Race to Zero's partner initiatives Science Based Targets Initiative (SBTi) and Business Ambition for 1.5 campaign.

Considering the new evidence listed below, we would like to request a formal review of Adani Group companies: Adani Green Energy, Adani Transmission, Adani Ports and Special Economic Zone, ACC and Ambuja Cement.

Adani Green Energy, Adani Transmission, and Adani Ports and Special Economic Zone have all made commitments towards Net Zero in the last 24 months but are yet to be verified.

Meanwhile, ACC and Ambuja Cement, recently acquired by the Adani Group¹, are both on SBTi's list with approved targets as well as on the Race to Zero list via Business Ambition for 1.5 campaign. Adani Group is the majority shareholder of ACC and Ambuja Cement. According to MSCI's ESG ratings both Ambuja Cement and ACC's business plans are "strongly misaligned" with global climate goals and would be on track for at least a 3.2°C warming scenario.²

The explosive findings published by Hindenburg Research³ on 25 January - alleging "the largest con in corporate history" - outlined how the Adani Group allegedly committed stock manipulation, accounting fraud and bribery. The report also confirmed 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.

These allegations should undermine any confidence institutions may have that any Adani Group activities are ring fenced from one another. The allegations of the Adani Group's flagrant disregard for even the most basic standards of good corporate governance and transparency should leave any institution connected to the company deeply concerned.

Public filings from the State Bank of India show Adani Group used shares from Adani Green Energy, Adani Transmission, and Adani Ports and Special Economic Zone as collateral for a standby letter of credit facility of \$300 million for Adani Group's Carmichael coal mine project in Australia. This shows Adani's nominally diversified investments are being used to support the expansion of fossil fuels⁴.

¹ <https://thewire.in/business/vinod-adani-ambuja-cements-acc>

²

<https://www.msci.com/our-solutions/esg-investing/esg-ratings-climate-search-tool/issuer/ambuja-cements-limited/IID000000002157094>, <https://www.msci.com/our-solutions/esg-investing/esg-ratings-climate-search-tool/issuer/acc-limited/IID000000002135670>

³ <https://hindenburgresearch.com/adani/>

⁴ [https://img1.wsimg.com/blobby/go/946d6aac-e6cc-430a-8898-520cf90f5d3e/AFII_AdaniGreen_and_Carmichael%20\(1\).pdf](https://img1.wsimg.com/blobby/go/946d6aac-e6cc-430a-8898-520cf90f5d3e/AFII_AdaniGreen_and_Carmichael%20(1).pdf)

While the Group claims ACC and Ambuja Cement shares have not been pledged to raise finance, the opaque regulation around disclosures makes this difficult to verify. Considering new evidence surrounding Adani Green Energy, Adani Transmission, and Adani Ports and Special Economic Zone, there is a risk that investments in Ambuja Cement and ACC may also end up supporting Adani Group's fossil fuel expansion plans.

Adani Ports and Special Economic Zone has previously been removed from UN Race to Zero initiatives, however has recently been seen back on the list. Adani Ports and Special Economic Zone has many links to fossil fuels, including operating India's biggest coal import terminal in Mundra. Adani Ports and Special Economic Zone claims to have transferred ownership of the Bowen Rail Company - the coal haulage company for the Carmichael thermal coal mine - for which Adani Ports and Special Economic Zone was originally removed from the Race to Zero initiatives. Yet Adani Ports and Special Economic Zone still has a direct link to the Carmichael project via its co-ownership and day-to-day operation of the North Queensland Export Terminal (NQXT, formerly Adani Abbot Point Terminal) in the Great Barrier Reef World Heritage Area, from which Carmichael coal is being exported. And despite its "carbon neutral commitments" Adani Ports and Special Economic Zone intends to increase the amount of coal it transports, and plans to build new coal and LNG terminals.⁵

The Adani Group is the biggest private developer of new coal in the world according to Global Energy Monitor.⁶ Adani is planning at least 11 massive new thermal coal mines across India. The sum of the known extractable coal reserves Adani is developing is over 6 billion tonnes, which would create 10130 mt of CO2 emissions when extracted and burned.⁷

Adani currently operates 14GW of coal power capacity with an additional 12GW of new or expanded coal power planned or under development.⁸ It is expanding its gas import capacity as well as developing new city gas infrastructure across 56 districts across India.

Adani submitted a proposal in 2021 to build a US\$4 billion coal-to-polyvinyl chloride (PVC) plant at Mundra, Gujarat. This plant would use a total of 3.1 mtpa of imported coal, including 1 mtpa of thermal coal.⁹

We request that you initiate a formal review regarding Adani companies listed above and that we hear confirmation of this by the 29th of March. We would be happy to provide any additional information or explanation if required.

Thank you,



Nick Haines, Ekō



Will van de Pol, Market Forces

⁵ <https://www.marketforces.org.au/adani-ports-out-uns-race-to-zero/>

⁶ Global Energy Monitor, Proposed coal mine production by company

⁷ <https://www.marketforces.org.au/campaigns/stop-adani/adani-fossil-fuel-expansion-plans/>

⁸ Ibid

⁹ Ibid