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Dame Mary Archer
Chair of the Science Museum Group

Professor David Phoenix
Chair of Science Museum Group Partnership Panel
Deputy Chair of the Science Museum Group

5 April 2023

Dear Dame Mary Archer and Professor David Phoenix,

We are writing as a consortium of organisations to ask you to immediately stop accepting sponsorship from Adani Green Energy. We wish to make the Science Museum Group fully aware of the interdependent relationship between Adani Group companies and highlight recent pertinent information which indicate investments in Adani Green Energy have been used to fund the company's coal expansion plans.

We are aware that the Science Museum Group's defence of Adani sponsorship centres on the argument that 'Adani Green Energy is not responsible for the coal mining activities of its parent company Adani Group'. However, the allegations published by [Hindenburg Research](#) on 25 January - alleging "*one of the largest corporate frauds in history*" - should undermine any confidence the Science Museum Group may have that investments in Adani Green Energy are adequately ring-fenced.

Through multi-year research into the Adani Group and its corporate structure, the [Hindenburg Research](#) uncovered a pattern where "*capital is moved from offshore entities to private Indian companies within the Adani empire, often through undisclosed related party transactions in apparent violation of the law, then transferred from there to listed companies*". The research found "*numerous examples of offshore shells sending money through onshore private Adani companies onto listed public Adani companies*". These funds appear to be used to "*engineer Adani's accounting...make listed entities appear more creditworthy, or simply moved back out to other parts of the Adani empire where capital is needed*".

Specifically related to Adani Green Energy, on p.69 the Hindenburg research points to an Adani Green Energy [Offering Circular](#), dated September 2021, which stated that members of the Adani Group "*have from time to time breached, and may in the future breach, certain covenants and obligations under existing financing arrangements*".

The Hindenburg Research clearly states *"The Adani Group companies are intricately and distinctly linked and dependent upon one another. None of the listed entities are isolated from the performance, or failure, of the other group companies"*. Overall, this paints a clear picture of porosity between Adani Green Energy investments and other Adani entities responsible for the expansion of coal mining and coal-fired power plants.

Furthermore, a public filing on 10 February 2023, as [reported by Bloomberg](#) and [Reuters](#), has since shown that Adani is using stock from Adani Green Energy and other companies as collateral in a credit facility that is financing the Carmichael coal mine in Australia, via Adani Enterprises Ltd. As summarised in a [research note](#) for investors by Anthropocene Fixed-Income Institute: *"this highlights how capital in some Adani entities is being redirected, through collateralisation, for Adani Group's thermal coal mining activities"*

Investors are already moving to protect the integrity of their investments and to ensure they're not funding Adani's coal expansion. In recent weeks since the Hindenburg revelations, several investors and other financial institutions have distanced themselves from Adani Green Energy. This includes Norway's [KLP who divested from Adani Green Energy](#), citing concerns its money could be syphoned into coal mining, [Norway's sovereign wealth fund](#) divested its remaining holdings in Adani companies including Adani Green Energy and [Denmark's largest commercial pension fund PFA](#) also sold off their holdings in Adani Green Energy.

The Science Museum Group's [sustainability policy](#) asks partners to achieve Level 4 on the [Transition Pathway Initiative \(TPI\) tool](#) TPI Management Quality index link by the end of March 2023. Adani Enterprises, the only part of the Adani Group assessed by the tool, scores only one. Adani Green Energy was a subsidiary of Adani Enterprises until June 2017, with this status changing when Adani Enterprises' [stake was reduced](#) to below 50%, but, as described above, the businesses remain intricately linked.

We are aware that when Trustees were informed of the proposed Adani Green sponsorship, they [were told](#) that, although Adani Green Energy was yet to be rated by TPI, "we might take some comfort from the recent investment by TotalEnergies, which is rated 4* on the TPI (the highest grade)." In fact, TotalEnergies have put their [partnership with Adani on hold](#) in the wake of the Hindenburg research. Furthermore, the recent [research note](#) for investors by Anthropocene Fixed-Income Institute notes that: TotalEnergies' stake in Adani Green *"forms part of the capital stack that is now being used as collateral to enable State Bank of India to provide credit for the buildout of Carmichael, a greenfield thermal coal mine that has been called "the world's most insane energy project"*.

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 private 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. The interconnected financial nature of the Adani Group makes it clear that association with any Adani entity, including Adani Green Energy, is by extension an association with Adani's coal expansion businesses.

In light of the above information, we do not believe you can in all conscience continue to accept sponsorship from any part of the Adani Group, including Adani Green Energy. We strongly urge you to include the above information in your due diligence on Adani Group and immediately stop any association between Adani Green Energy and the Science Museum.

Sincerely,

Toxic Bonds initiative
Adfree Cities
Ansvarlig Fremtid
Bank on our Future
CELIOS (Center of Economic and Law Studies)
Concerned Health Professionals of Pennsylvania
Environics Trust
Reclaim Finance
ReCommon
Students Organising for Sustainability UK
TIAA-Divest! from Climate Destruction
Uplift
Urgewald