

Top coal, top ESG? The (Carmichael) follow-up

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AFII discussed the curious case of ESG ratings on coal-based power produce Adani Power in the piece "[Top coal, top ESG?](#)" (3 Aug).

Since then, the Adani Group CFO has stated "Carmichael rather than being a mining business is now a support function for Adani Power." ([Reuters, 6 Aug](#)). Carmichael is arguably one of the [most controversial energy projects in the world today](#).

The AFII note asked the question whether it was reasonable for Adani Power, a 99.7% coal based utility company, to have 94th percentile top ESG rating with provider CSRHub (unnamed at the time). The note only suggested a hypothetical link to the Carmichael project, but this appears to now have been confirmed. In our view, this further affirms the high ESG risk in the company.

In contrast to this, CSRHub has raised Adani Power from a top 94th percentile from the time of the first note to a [top 97th \[sic\]](#) percentile ESG rating currently.

Quoting Responsible Investor¹ "[CSRHub] bases its rankings on 14 data sources, including MSCI, S&P Trucost, and Ideal Ratings." **We do not know their individual scorings, but believe those providers should review how their output is being used for aggregation purposes.** As a contrast, another scorer, Truvalue Labs, ranks the company in the bottom ESG quartile, "[Adani Power vs Orsted A/S](#)" (18 Aug).

Figure 1. CSRHub output on Adani Power. Since the previous data capture on the company, we note the added "Special issues" icons added. The first refers to "Burma" as Adani Power has been planning to build a large coal plant close to the Burmese border to supply Burma with power. The second icon refers to "Sustainably Forestry Supporter."



¹ "Missing the bigger picture? How a coal giant scored better on ESG than a renewables firm (and made the FTSE4Good)" (Responsible Investor, 17 Aug 2020).

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