

# EQT and Adani Enterprises: Some ESG questions

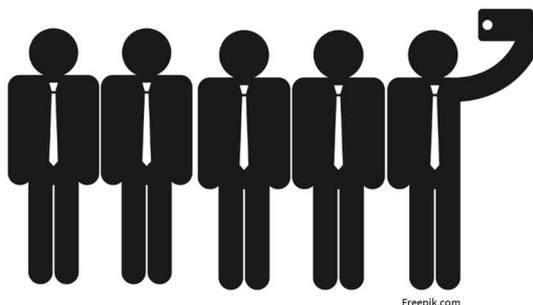
Ulf Erlandsson (\*)

EQT Infrastructure [acquired EdgeConneX in August 2020](#), and a joint-venture, AdaniConneX, between that portfolio company and Adani Enterprises (ADEIN) has just been announced.<sup>1</sup> The JV is looking to build and operate data centers in India. Data centers obviously have electricity/power as an important input into the business models.

Thus, with the JV partner Adani Enterprises is firmly placed in most coal exit and coal exclusion lists (for Swedish references, see e.g. [SEB](#)), one could potentially have some question marks. Adani Enterprises is proceeding with construction of the [Carmichael coal mine in Australia](#), although it appears that the [USD670mn State Bank of India loan](#) to the company for that purpose has not been decided upon just yet. How does EQT view getting closely involved with a parent company of the mining entities that gave Siemens such headache last year (“[BlackRock rebukes Siemens on its environmental record](#)”)?

*Figure 1. Illustration of signing of the AdaniConneX JV. From left: CEO AdaniConneX; COO EdgeConneX; CEO Adani Power; Chairman Adani Group; CTO Adani Group. Please refer to [EdgeConneX](#) for actual picture.*

The JV announcement self-discloses<sup>2</sup> that the data centres are to “[largely be powered by renewable energy.](#)” However, the CEO of Adani Power – which is [99.7% coal](#) - is the central person in the press-shoot of the signing of the JV deal. Would it not have made more sense to have a person from Adani Green, the renewables arm of Adani Group, present instead given such a renewables commitment? And how do you –



by which we understand EQT as an owner – ensure that AdaniConneX renewable power is additional and does not land other Adani Power customers in a more coal skewed energy mix?

For avoidance of doubt, we are strongly supportive of the idea of building strong IT infrastructure in India. But we think this can – and should – be done without at the same time supporting coal mining and power generation interests, directly or indirectly. Surely if one looks to do power-hungry projects in the country there must be other potential counterparties than one of the world’s biggest coal players – one which is building a new massive coal mine in this very instant?

<sup>1</sup> For an earlier foray into the relationship between private equity and carbon intensive entities, please see “[Private equity engagement and carbon-footprinting](#)”, AFII, 10 Dec 2020.

<sup>2</sup> AFII view on self-disclosure: “[Adani Ports and its CDP score: the problem with self-disclosure](#),” Responsible Investor, 17 Feb 2021.

*IMPORTANT DISCLAIMER:*

*This report is for information and educational purposes only. The Anthropocene Fixed Income Institute ('AFII') does not provide tax, legal, investment or accounting advice. This report is not intended to provide, and should not be relied on for, tax, legal, investment or accounting advice. Nothing in this report is intended as investment advice, as an offer or solicitation of an offer to buy or sell, or as a recommendation, endorsement, or sponsorship of any security, company, or fund. AFII is not responsible for any investment decision made by you. You are responsible for your own investment research and investment decisions. This report is not meant as a general guide to investing, nor as a source of any specific investment recommendation. Unless attributed to others, any opinions expressed are our current opinions only. Certain information presented may have been provided by third parties. AFII believes that such third-party information is reliable, and has checked public records to verify it wherever possible, but does not guarantee its accuracy, timeliness or completeness; and it is subject to change without notice.*

*The Anthropocene Fixed Income Institute is a non-profit organization “to monitor, advocate for and influence the impact of the fixed income and bond markets in the age of human induced climate change.” For more information about the Institute, please visit [www.anthropocenefii.org](http://www.anthropocenefii.org) or follow us using the hashtag #anthropocenefii.*

