

To: Santander Bank

Federico Gómez Sánchez,

SUBJECT: OPEN LETTER TO BANKS AND INVESTORS FINANCING RIO TINTO, ON LITHIUM MINING IN SERBIA'S JADAR VALLEY

Date: 14. 12. 2021

Dear Federico Gómez Sánchez,

We are writing to you as concerned individuals, civil society organizations and independent experts from Serbia and internationally to express our deep concerns regarding Rio Tinto's lithium mining plans in Serbia's Jadar valley.

Bordered by mountains, surrounded by water and home to thousands of sustainable multi-generational farms, the Jadar Valley contains Serbia's most fertile land. Rio Tinto's planned lithium mine will involve the dumping of some 1.3 million tons of mining waste in the middle of this river valley every year – some 90 million tons during the mine's life span. The surrounding Jadar and Korenita rivers are prone to annual flooding, creating a high risk that tailings will be washed into these rivers and then downstream into rivers including the Drina, the Sava and the Danube.

There are already significant amounts of silicone, arsenic, and lithium in holes drilled by Rio Tinto in Serbia during exploration. In total, twenty of Rio Tinto's drilling holes are leaking, and the company has failed to take measures to contain the leaks. The polluted water is escaping onto agricultural and grazing lands.¹

This is deeply worrying, especially given Rio Tinto's project presentation report, which forms part of the Environmental Impact Assessment, covers only a third of the project, namely the underground exploitation. Provisions of the EIA Directive cannot be avoided by splitting projects into smaller projects, and failing to take into account their cumulative environmental impact, even if the company has already committed to invest \$2.4 billion into developing its proposal.

Impacts from this vast quantity of mining waste are not the only problem with the project. A recent study from the University of Belgrade Faculty of Forestry concluded, "The realization of the "Jadar" project leads to massive spatial devastation, permanent change of the landscape character, degradation of biodiversity, soil, forests, water and groundwater, displacement of the local population, [and] termination of sustainable and profitable agricultural activities."²

¹ See Podrinkse, [Cure bušotine Rio Tinta?](#), April 2021

² The University of Belgrade Faculty of Forestry, [Spatial Degradation within the Jadar Project](#), 2021

In terms of the project's impacts on local people, hundreds of farmers are being threatened with eviction. The spatial plan for the Jadar mine project covers 2,031 hectares, including 22 villages as well as forests and farmland. Nearly 200 hectares of forests would need to be razed: 80 hectares for roads and railways and 164 hectares for tailings. Rio Tinto needs to purchase 253 hectares of land from 335 landowners to continue development, and eventually 800 hectares to start building.

The project also threatens destruction and fragmentation of habitats including several hundred plant and animal species, of which 145 have the status of strictly protected and protected species according to the project's spatial plan.³ In the northern part of the spatial plan of the mine there is an internationally important area for the protection of birds (IBA), called Cer, with a total area of 19,000 hectares. 130 bird species have been registered in this ecological area, of which three enjoy the highest protection status.⁴ Cer houses beavers, European pond terrapin, and Fire salamander belonging to protected species under the EU Habitats Directive and Bern Convention. Project documents include no description of the significance and quality of natural resources or on protected natural areas, nor nationally protected species of birds and fish, including the Danube salmon, which sees its highest concentration in the Drina and is a protected species.

In addition, the Jadar mine project is situated in an area of exceptional archaeological importance. Rio Tinto is considering a tailings site in close proximity to Paulje, an archaeological site roughly 3,500 years old. The "Trsic-Tronosa" monument near the mine is classified as a Protected Landscape by the IUCN (Category V). The Spatial Plan omits several extremely important archaeological and cultural sites and natural monuments.⁵ Rio Tinto's recent record, including the destruction of a 46,000-year-old Aboriginal heritage site for an iron ore mine in Western Australia, does not inspire confidence.

Opposition to the project locally and nationally is growing. To date, 290,584 people in Serbia and 171,352 people internationally have signed petitions calling on the Serbian government to stop the mine.⁶ Thousands protested against the project in London, Washington and Belgrade at the time of Rio Tinto's annual meeting in April, and further protests followed in Belgrade in September.⁷

Rio Tinto's plans in Serbia are aimed at tapping into the growing demand for lithium for batteries, to support the energy transition, both for electric vehicles and other energy storage systems. This transition is necessary, but it must also be just, with respect for the rights of workers and communities, and with no-one left behind. The 19,000 people, mainly agricultural workers and their families, who live in the Jadar valley cannot be treated as collateral damage.

³ The University of Belgrade Faculty of Forestry, [Spatial Degradation within the Jadar Project](#), 2021, p5

⁴ By "the highest protection status" we refer to the IBS's C6 category, see <http://datazone.birdlife.org/site/ibacriteuro>

⁵ [Risk Analysis of Rio Tinto's Jadarite proposal, Serbia](#)

⁶ See petitions at [Kreni Promeni](#); [WeMove](#).

⁷ See [Reuters, April 2021](#); [DW, Sept 2021](#)

This would undermine the energy transition, add human rights and the environment as casualties and in the case of Serbia likely feed corruption.

Rio Tinto bankers and shareholders will be exposed

Rio Tinto has reportedly committed US\$ 2.4 billion to the Jadar project, which apparently will be sourced from the company's own capital. Banks and investors with general exposure to Rio Tinto are exposed to the many severe risks created by the project.

This project is in direct conflict with the principles of UN conventions including the UN Framework Convention on Climate Change, the UN Convention on Biological Diversity and the UN Convention to Combat Desertification, which have been ratified in the Serbian Parliament and have the force of international law. In addition, this project threatens the United Nations Sustainable Development Goals (especially goals: 3, 6, 11, 13, 14, 15, and 16) and the accepted Agenda 2030, as well as domestic legislation related to nature protection.

In addition, banks and investors have clear responsibilities under the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights (UNGPs) which will extend to the impacts of projects to which they are exposed. Based on these responsibilities, they have a duty to take action to mitigate or address the existing impacts of this project and to avoid further adverse impacts from arising.

Our call on banks and investors

We are calling on **banks and institutional investors** with shareholdings or bond holdings in Rio Tinto to conduct meaningful, time-bound engagement with the company to insist it fully addresses the human rights and environmental issues presented by the Jadar mine before proceeding with its development.

Further we are calling on **all banks with lending exposure to Rio Tinto** to commit to ensure their financing does not support the Jadar project, either directly or indirectly, until all outstanding social, ecological, heritage and human rights issues have been effectively resolved.

We look forward to receiving your response at info@marssadrine.org. [Please respond before 14th January 2022.](#)

Please note BankTrack may publish, monitor and evaluate responses to this letter as part of its Human Rights Benchmark. Please state clearly if your response is intended as confidential.

Best Regards,

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Ana Kondic

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Appendix

Loans & underwriting for Rio Tinto Group (2016-2020)

| Investor Parent | Country | Value (US\$m) |
|--------------------------|----------------|---------------|
| Société Générale | France | 890.8 |
| HSBC | United Kingdom | 828.7 |
| Royal Bank of Canada | Canada | 774.9 |
| Bank of America | United States | 721.2 |
| JPMorgan Chase | United States | 721.2 |
| BNP Paribas | France | 721.2 |
| Mizuho Financial | Japan | 721.2 |
| Citigroup | United States | 721.2 |
| SMBC Group | Japan | 721.2 |
| Crédit Agricole | France | 721.2 |
| Deutsche Bank | Germany | 721.2 |
| ANZ | Australia | 721.2 |
| Scotiabank | Canada | 684.5 |
| CIBC | Canada | 607.2 |
| Mitsubishi UFJ Financial | Japan | 519.5 |
| Credit Suisse | Switzerland | 483.0 |
| Toronto-Dominion Bank | Canada | 417.8 |
| Westpac | Australia | 364.0 |
| Groupe BPCE | France | 364.0 |
| Morgan Stanley | United States | 364.0 |
| DBS | Singapore | 364.0 |
| National Australia Bank | Australia | 364.0 |

| | | |
|---|----------------|-------|
| Standard Chartered | United Kingdom | 364.0 |
| BMO Financial Group | Canada | 364.0 |
| UniCredit | Italy | 364.0 |
| Santander | Spain | 364.0 |
| Bank of China | China | 364.0 |
| Commonwealth Bank of Australia | Australia | 364.0 |
| Industrial and Commercial Bank of China | China | 364.0 |
| Comerica | United States | 169.7 |
| Export Development Canada | Canada | 115.9 |

Bond and shareholdings over \$100m in Rio Tinto, April 2021 (\$m, most recent filings)

| Investor Parent | Country | Bondholding | Shareholding | Total |
|----------------------------------|----------------|-------------|--------------|----------|
| BlackRock | United States | 40.4 | 14,846.1 | 14,886.5 |
| Capital Group | United States | | 6,348.7 | 6,348.7 |
| Vanguard | United States | 234.5 | 2,738.4 | 2,972.9 |
| Government Pension Fund Global | Norway | | 2,466.1 | 2,466.1 |
| State Street | United States | 22.9 | 1,379.3 | 1,402.2 |
| Legal & General | United Kingdom | 6.7 | 1,320.3 | 1,327.0 |
| Schroders | United Kingdom | | 956.8 | 956.8 |
| M&G | United Kingdom | 4.5 | 831.0 | 835.5 |
| Affiliated Managers Group | United States | | 724.0 | 724.0 |
| Baillie Gifford | United Kingdom | | 719.2 | 719.2 |
| Standard Life Aberdeen | United Kingdom | 3.4 | 700.1 | 703.5 |
| Investec Group | South Africa | | 629.7 | 629.7 |
| Aviva | United Kingdom | 10.3 | 596.6 | 606.9 |
| State Farm | United States | 82.0 | 467.8 | 549.8 |
| JPMorgan Chase | United States | 5.1 | 544.1 | 549.1 |
| Northern Trust | United States | 0.4 | 533.2 | 533.6 |
| DZ Bank | Germany | 1.0 | 532.2 | 533.2 |
| Sun Life Financial | Canada | 0.2 | 509.0 | 509.2 |
| State Administration for Foreign | China | | 433.3 | 433.3 |
| Royal London Group | United Kingdom | | 412.5 | 412.5 |
| Deutsche Bank | Germany | 6.8 | 380.0 | 386.8 |
| Credit Suisse | Switzerland | 2.9 | 347.8 | 350.7 |
| Lazard | Bermuda | | 350.2 | 350.2 |
| UBS | Switzerland | 5.9 | 329.1 | 335.0 |

| | | | | |
|-------------------------------|----------------|------|-------|-------|
| Schweizerische Nationalbank | Switzerland | | 326.6 | 326.6 |
| TIAA | United States | 20.0 | 302.0 | 322.0 |
| Allianz | Germany | 76.9 | 238.0 | 314.9 |
| Aegon | Netherlands | 89.7 | 186.0 | 275.7 |
| GIC | Singapore | | 269.1 | 269.1 |
| Arrowstreet Capital | United States | | 220.0 | 220.0 |
| Wellington Management | United States | 2.8 | 210.4 | 213.2 |
| HSBC | United Kingdom | 1.2 | 191.0 | 192.2 |
| Geode Capital Holdings | United States | | 190.7 | 190.7 |
| California Public Employees' | United States | | 190.3 | 190.3 |
| Pendal Group | Australia | | 185.4 | 185.4 |
| Ameriprise Financial | United States | 0.1 | 171.7 | 171.8 |
| Crédit Agricole | France | 0.1 | 159.9 | 160.0 |
| Universities Superannuation | United Kingdom | | 150.3 | 150.3 |
| T. Rowe Price | United States | 0.6 | 146.6 | 147.2 |
| Algemeen Burgerlijk | Netherlands | | 146.3 | 146.3 |
| Commerzbank | Germany | | 142.8 | 142.8 |
| Close Brothers | United Kingdom | | 142.2 | 142.2 |
| Fidelity International | Bermuda | 3.1 | 138.1 | 141.2 |
| Nordea | Finland | 0.4 | 137.2 | 137.6 |
| Wesleyan | United Kingdom | | 134.6 | 134.6 |
| Franklin Resources | United States | | 134.0 | 134.0 |
| Charles Schwab | United States | 2.9 | 128.6 | 131.5 |
| Duquesne Family Office | United States | | 131.1 | 131.1 |
| Marathon Asset Management | United Kingdom | | 130.3 | 130.3 |
| Ontario Municipal Employees | Canada | | 127.3 | 127.3 |
| National Pension Service | South Korea | | 126.7 | 126.7 |
| Prudential Financial (US) | United States | 65.4 | 57.0 | 122.4 |
| Invesco | United States | 2.6 | 111.8 | 114.3 |
| Man Group | United Kingdom | | 114.0 | 114.0 |
| Intesa Sanpaolo | Italy | | 113.3 | 113.3 |
| Skandinaviska Enskilda Banken | Sweden | | 112.6 | 112.6 |
| Bank of New York Mellon | United States | 2.6 | 105.7 | 108.3 |
| BMO Financial Group | Canada | 0.1 | 107.2 | 107.3 |
| Fidelity Investments | United States | 26.5 | 79.5 | 105.9 |
| New York Life Insurance | United States | 56.8 | 47.9 | 104.6 |

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