

To: Bank of Montreal

Suzanne Duncan

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

**Date: 14. 12. 2021**

Dear Suzanne Duncan,

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.<sup>1</sup>

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."<sup>2</sup>

---

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

<sup>2</sup> 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.<sup>3</sup> 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.<sup>4</sup> 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.<sup>5</sup> 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.<sup>6</sup> 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.<sup>7</sup>

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.

---

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

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

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

<sup>6</sup> See petitions at [Kreni Promeni](#); [WeMove](#).

<sup>7</sup> 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](mailto: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,

Bojana Novakovic  
Stephanie Danielle Roth  
Ana Kondic

“Mars sa Drine”

[info@marssadrine.org](mailto:info@marssadrine.org)

Tel: +31 682 512 377

website: [www.marssadrine.org](http://www.marssadrine.org)

Johan Frijns

Director

BankTrack

[johan@banktrack.org](mailto:johan@banktrack.org)

Tel: +31243249220

website: [ww.banktrack.com](http://ww.banktrack.com)

---

## 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

## Appendix

### Lending and underwriting to Rio Tinto, 2016 - 2020

Investor Parent	Investor Parent Country	Value (in mln US\$)
☐ 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 most recent filings

Investor Parent	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 Exchange	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' Retirement System (CalPERS)	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 Scheme	United Kingdom		150.3	150.3
T. Rowe Price	United States	0.6	146.6	147.2
Algemeen Burgerlijk Pensioenfonds (ABP)	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 (UK)	United Kingdom		130.3	130.3
Ontario Municipal Employees Retirement System	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