

A new Finance Risk Briefing outlines the **risks** facing Rio Tinto's plans to proceed with the proposed **Jadar** lithium mine in Serbia, in the face of the government's decision to annul the company's plans after unprecedented public pressure.

The briefing, published by volunteers from the "**Marš sa Drine!**" network in cooperation with BankTrack, suggests questions that banks and investors should ask the company to understand if it has adequately assessed such risks.

Major risks for Rio Tinto from the Jadar Project highlighted by the briefing include:

Inadequate impact assessment released by the Serbian government and Rio Tinto and the incompatibility of the approval process with EU law;

Risks to **Rio Tinto**'s ability to develop the Jadar Project because of significant opposition from landowners and the general public and inadequate stakeholder involvement;

Risk to Rio Tinto's social licence because of perceived political '**gamesmanship**' around the cancellation of the Jadar Project and because of danger to areas of historical and cultural significance;

Negative environmental impacts including on water supplies and biodiversity loss.

Rio Tinto has consistently underestimated local and national opposition to the Jadar Project despite huge public protests and continuing opposition from hundreds of property owners who refuse to sell. **The mine poses pollution risks to Serbia's largest source of drinking water**, and a study commissioned by the company itself warned that the mine should be abandoned to protect biodiversity. Further, the proposed mine is situated in an area of exceptional archaeological importance, representing a test of Rio Tinto's post-Juukan-Gorge pledge to make protecting cultural heritage an issue "felt in the hearts and minds" of its employees.

Rio Tinto's plans remain a flash-point for protest, controversy, and legal challenges and present significant environmental and social risks. Investors and financiers should urge Rio Tinto to formally abandon the project and respect the Serbian government's decision to annul the company's plans.

Marš sa Drine's Bojana Novakovic commented: "At Rio Tinto's AGM last week, the company's CEO, Jacob Strasholm said that **"the people of Serbia"** will decide whether this project goes ahead. The company needs to stop with this incessant, revisionist marketing spin, and accept that the nation did decide. The project was cancelled by government decree due to **enormous public pressure**. Further denial of this decision, coupled with ongoing project development in **Serbia**, indicates a blatant disrespect for the will of the people and risks creating further political and social instability."

BankTrack's Ryan Brightwell commented: "[Rio Tinto](#) relies heavily on bank support, and has raised billions in recent years from banks including Société Générale, HSBC and Royal Bank of Canada. These banks should take urgent steps to ensure their money is not contributing to a destructive and polluting project, and make sure Rio Tinto respects the will of the Serbian people and abandons this project."

Source: [banktrack](#)