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Executive President
Rothschild & co

Paris, April 30th, 2019

Subject: Risks associated with advisory mandates for the sale of coal-related assets

We write to you as a group of civil society organizations, concerning your institution's support, through an advisory mandate, to the company Adani's planned sale of an equity stake in the Abbot Point Coal Export Terminal. This transaction would likely raise capital that could then be redeployed to finance the proposed Carmichael coal mine and rail project, which Adani proposes to construct in Queensland, Australia.

The Carmichael coal mine is arguably the most environmentally and socially contentious project in Australia's history. If built, it would deny the rights of traditional owners who do not consent to the mine. It would drain the region of billions of liters of water per year, putting agriculture in the region at risk. It would increase industrialisation in the already distressed Great Barrier Reef World Heritage Area. Most significantly, it would produce enough coal over its lifetime to produce 4.6 billion tonnes of CO₂ emissions, equivalent to over eight years of Australia's annual greenhouse gas emissions.

Forty-seven international investment banks and insurers, including BNP Paribas, Crédit Agricole, Société Générale, AXA and SCOR, have ruled out support for part or all of the project. These French banks as well as Natixis would also refuse any advisory mandate linked to the sale of coal-related assets, as a consequence of their sector policies on coal, in particular if this asset is connected to the development of the as yet unmined Galilee Basin.

In the wake of these decisions, we request that Rothschild does the same. In particular, we request that your bank makes a public commitment to withdraw from its advisory mandate and refuse any direct or indirect involvement that would facilitate the development of the Carmichael mine or any new coal mines in the Galilee Basin, along with any related infrastructure such as power plant, rail and port developments.

We want to draw your attention to the determination that has been shown and will continue to be shown, by a global network of non-governmental organizations (NGOs) to prevent the development of the Galilee Basin coal mines, along with related infrastructures (rail, port, power plant).

Australians do not want the mine. A survey in January 2018 found 65% of respondents either opposed or strongly opposed the Carmichael mine. The project has become one of the main issues in the 18 May Federal Election and is opposed by the Stop Adani Alliance that represents two million Australians working to stop the Galilee coal basin from being mined.

In France, a massive mobilization led by Friends of the Earth France, Bizi! and Attac led to the withdrawal of Société Générale from its advisory mandate for GVK and the Alpha Coal mine, one of the other planned coal mines in the Galilee Basin. The same level of resistance can be expected today.

These devastating impacts and community opposition translate into reputational risk for any entity that supports the Adani Carmichael project. Given the significance of a partial sale of Abbot Point for Adani's capital raising plans for the Carmichael coal mine and rail project, these risks extend to parties involved in the sale of this asset.

Moreover, we understand from multiple media reports that Rothschild is advising Uniper on the sale of its coal plants in France to the Czech company EPH. We believe the sale will create a hurdle towards the fair closure of the coal plants and is likely to result in delays compared to the original timeline required by the French government's coal phase out plan. In 2014, Rothschild & co also supported the sale of Eggborough coal plant in the UK to EPH, which resulted in a two-year delay in the closure of the plant.

The Global Head of Corporate Social Responsibility at BNP Paribas stated in an interview to [Novethic](#) in 2017 that BNP would not support the sale or purchase of coal plants as *"The objective is that these coal plants are closed and not sold to companies with lower environmental standards."* This position is shared by other major French banks who have heavily restricted their capacity to carry an advisory mandate for the sale and purchase of coal assets.

Rothschild's Group Environment Statement commits the company to aligning its business with Sustainable Development Goal 13 - Climate Action. Building the Carmichael mine, not to mention developing the entire Galilee Basin, is not aligned with keeping global warming below 1.5 degrees. The use of coal needs to be phased out, not expanded. If Rothschild wants its environment statement to mean what it says, it cannot be involved in assisting the expansion of coal mining.

We request a meeting with you as early as possible to discuss these matters and would urge Rothschild to exit all advisory mandate for an Abbot Point equity transaction as soon as possible.

Sincerely,

Action Non Violente - COP21
Australian Conservation Foundation

Australian Marine Conservation Society
Australian Religious Response to Climate Change
Australian Youth Climate Coalition
BankTrack
Bizi!
Climate Action Network France
Environment Council of Central Queensland
Friends of the Earth Australia
Friends of the Earth France
Market Forces
Sea Shepherd Conservation Society
The Sunrise Project
Youth For Climate France
350.org France
350.org Australia