

January 10, 2022

Re: Open letter in support of meaningful Company Expectations for EITI Supporting Companies

To selected EITI Board Members and US-listed EITI Supporting Companies:

Alcoa, AngloAmerican, AngloGold Ashanti, ArcelorMittal, Barrick Gold, BHP, bp, Centerra Gold, Chevron, ConocoPhillips, ENI, Equinor, ExxonMobil, Freeport-McMoRan, Gold Fields, Hess, Kinross Gold, Kosmos Energy, Newmont, Norwegian Bank Investment Management, Repsol, Rio Tinto Shell, Sibanye Stillwater, Southern Copper, Teck, Trafigura Group, TotalEnergies, and Vale

Given your company's status as an EITI Board Member and/or Supporting Company, we are reaching out to understand your position on EITI Company Expectations ahead of the February 2022 EITI Board meeting.

The Extractive Industries Transparency Initiative (EITI) is currently considering revisions to its <a href="Expectations">Expectations</a> for Supporting Companies. EITI aims to clarify and strengthen the Company <a href="Expectations">Expectations</a> and include consequences for non-compliance. As an EITI Association member in the civil society constituency and Publish What You Pay United States (PWYP-US) coalition member, Oxfam America has <a href="publicly stated">publicly stated</a> that "accountability for EITI corporate members is essential to the continued integrity of the EITI Standard," particularly in light of controversies underlying past civil society complaints implicating EITI Board Members and in light of the gaps in payment disclosure by some EITI Supporting Companies. (For more background on PWYP's engagement with companies on issues related to payment disclosure, see this <a href="previous story on the topic">previous story on the topic</a>.)

Oxfam's recent open publication "EITI falters on corporate accountability" highlights specific gaps in the existing EITI Company Expectations and notes that currently "companies can act with impunity, gaining the reputational benefit of EITI membership while flaunting the core transparency elements of the EITI and even lobbying against them." The publication also proposes approaches to address these issues and Oxfam has shared these recommendations with the EITI Secretariat for the Board's consideration.

Oxfam is inviting 29 EITI Supporting Companies – including all 12 Supporting Companies represented on the EITI Board – to answer the following questions:

1. What minimum threshold of compliance with Company Expectations should be required for a company to be listed with the distinction of being an EITI Supporting Company?

- 2. Does your company agree that Expectation 1 should mandate meaningful support, like requiring that EITI Supporting Companies will voice their support for and not undermine by lobbying against laws, regulations, and policies that promote transparency efforts aligned with the EITI Standard in the jurisdictions they operate in and globally?
- 3. Does your company agree that EITI Supporting Companies should make project-level payments-to-government disclosures, in line with the EITI Standard, in all jurisdictions where they operate, as outlined in Company Expectations 2 and 3?
- 4. Does your company believe that companies should be excused for not complying with Expectation 2 if they provide an explanation for their non-compliance? Has your company ever encountered a law that prevented you from complying with Expectation 2?
- 5. What consequences should exist for EITI Supporting Companies that do not comply with the Company Expectations?
- 6. Are <u>EITI Board Members</u> that do not comply with the Company Expectations able to adequately represent the interests of your company, the Supporting Company constituency, and the Initiative as a whole?

Given your company's stated support for the EITI, we kindly request a response to these questions. We will publish your responses (or non-responses) to this letter on our website. We look forward to your response by January 31, 2022 at 12:00pm EST.

We look forward to working with you to protect and advance the global transparency standard for the extractives sector, and stand ready to assist or provide additional information about the above request.

Sincerely,

Maria Ramos Associate Director, Extractive Industries