



EXTRACTIVE INDUSTRIES in the UK

“THE UK MINERALS INDUSTRY, INCLUDING MPA, GOVERNMENT AND CIVIL SOCIETY HAVE WORKED TOGETHER TO IMPLEMENT THE EITI INITIATIVE IN THE UK AS A FURTHER STEP TO HELP IMPROVE PUBLIC INFORMATION AND DIALOGUE ON THE CONTRIBUTION AND ROLE OF EXTRACTIVE INDUSTRIES IN THE UK. EITI REPORTING IS TO A PRESCRIBED SET OF STANDARDS ESTABLISHED BY THE INTERNATIONAL EITI ORGANISATION AND COMPLEMENTS OTHER INFORMATION ON THE MINERAL PRODUCTS INDUSTRY PRODUCED BY THE MPA.”

Nigel Jackson, CEO, Mineral Products Association (MPA)

What is the EITI?

The Extractive Industries Transparency Initiative (EITI) is a global initiative implemented by 55 countries that promotes open and accountable management of oil, gas and mineral resources. EITI strengthens public and corporate governance and provides crucial, verifiable data to inform policymaking and multi-stakeholder dialogue in the extractive sectors. <https://eiti.org/>

EITI in the UK

The UK was a prime mover in establishing EITI in 2002. We strengthened our global leadership by choosing to implement the EITI Standard. Last year, UK EITI achieved a score of 90 out of 100 in its validation against implementation of the EITI Standard, ensuring that we offer UK industry and the public assurance over how our natural resources and the revenues they generate are being deployed.

As a stakeholder-led initiative, UK EITI is overseen by a Multi-Stakeholder Group (MSG) comprised of representatives from industry, civil society and government. MPA is an active member of the MSG.

What UK EITI means for mining and quarrying companies

Mining and quarrying, (as well as oil and gas) companies which make tax or other payments to the UK government that total £86,000 or more fall within the scope of EITI and are asked to voluntarily disclose their payments each year. These payments are independently reconciled against receipts reported by government and published on the UK EITI website (www.ukeiti.org) each year. Civil society groups oversee the reporting and disclosure, ensuring credibility and public trust.

“INDUSTRY SUPPORTS THE EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EITI), SIGNED UP TO BY GOVERNMENT, AND WILL CONTINUE TO PARTICIPATE AS THIS PROVIDES USEFUL DATA AND INFORMATION ABOUT TAXES AND PAYMENTS MADE BY THE SECTOR.”

UK Mineral Strategy

Extractives in the UK

The UK mining, quarrying and energy minerals industries play vital roles in the economy, contributing over £20 billion in Gross Value Added in 2019, employing 57,000 people directly, with many more working in wider supply chains.

Mining and quarrying – excluding energy minerals – are also part of the wider mineral products industry, which includes extraction of primary mineral resources and their processing into asphalt, cement, industrial and agricultural lime, mortar, slag and more. The mineral products industry is the largest element of the construction supply chain, a supplier of key raw materials and manufactured products to many other industries, and the largest material flow in the UK.

Some 199 million tonnes of primary ‘aggregates’ – crushed rock and sand & gravel – were extracted and consumed in the UK in 2019, more than double the 91 million tonnes of energy minerals, including coal, oil and gas.

UK EITI helps MPA deliver on its strategic priorities¹

UK EITI provides an established platform and Secretariat for directly engaging government and civil society to build understanding and support for many of MPA’s strategic priorities and delivery on the **UK Minerals Strategy**. UK EITI ensures there is high quality, easily accessible data and information available to the public on how our natural resources are being used, and where the revenues from extraction go.

¹ <https://mineralproducts.org/Strategic-Priorities.aspx>

MPA Vision 2025

- Engaging constructively and strategically with Government, regulators, local communities and other stakeholders... in a transparent and informative way;
- Industry is seen as cohesive and well-organised, responsible and accountable;
- Quantify the industry’s contribution to local and national economies.
- Enable stakeholders to ‘Make the Link’ between the activities of the mineral products industry and its contribution to local and national economies.

UK EITI key outputs

- UK EITI disclosures of extractives sector payment and revenue data lead all 55 EITI implementing countries in terms of timeliness.
- The 7th **payments report**, covering payments made in 2020, was published in record time in July 2021. (The eighth report covering payments in 2021 will be published very shortly).
- The **UK EITI website** maximises the impact of EITI implementation in the UK. Information on new and emerging themes, such as **energy transition** help inform the debate around extractive industries and climate change. The website continues to be an important tool to ensure that up-to-date sectoral data and background information are made available to industry and the public in a timely manner.

Looking ahead

The global transition to a low-carbon economy is driving the advancement of technologies that rely heavily on critical minerals such as cobalt, copper, lithium, nickel and rare earths. It also introduces ever-tougher demands for climate-friendly ‘green mining’ and construction. The EITI Standard can play a role informing the dialogue and building awareness of how the **energy transition** will affect mining & quarrying/extractive sector activities and revenues, while supporting responsible and transparent production of minerals for a sustainable future.

Other Useful links

- UK EITI Annual Review 2021
<https://www.ukeiti.org/publication/uk-eiti-annual-review-2021>
- UK EITI Reporting guidance
<https://www.ukeiti.org/reporting-guidance>

“THE UK’S ECONOMIC RECOVERY AND JOURNEY TO NET ZERO CARBON REQUIRES ESSENTIAL MINERALS AND MINERAL PRODUCTS, SOURCED LOCALLY AND EXTRACTED RESPONSIBLY.” UK EITI IS ONE WAY THAT IS “HELPING DECISION MAKERS ‘MAKE THE LINK’ BETWEEN MINERALS, THE ECONOMY AND OUR QUALITY OF LIFE.”

<https://mineralproducts.org/News-CEO-Blog/2021/release21.aspx>