

**UK Extractive Industries Transparency Initiative Multi-Stakeholder Group
(MSG)**

**Minutes of the 60th Meeting – 11th January 2024– Via Microsoft Teams
(10.00 – 11.20am)**

Attendance

<p><u>Chair</u></p> <p>Joel Watson –Foreign and Commonwealth Development Office (FCDO)</p> <p><u>Secretariat</u></p> <p>Mike Nash - Department for Energy Security & Net Zero (DESNZ)</p> <p><u>Industry</u></p> <p>Jacqui Akinlosotu – ENI</p> <p>Aurelie Delannoy – Mineral Products Association (MPA)</p> <p>David Evans – OEUK</p> <p>Dr Pat Foster – Camborne School of Mines at the University of Exeter</p> <p><u>Government</u></p> <p>Jeff Asser - Department for Energy Security & Net Zero (DESNZ)</p> <p>Mike Earp – North Sea Transition Authority</p> <p>Nick Everington – The Crown Estate (TCE)</p> <p>Mark Wilson – Department for the Economy Northern Ireland</p>	<p><u>Civil Society</u></p> <p>Prof Hafez Abdo – University of Nottingham</p> <p>Prof Islam Aziz – University of Aberdeen</p> <p>Chara de Lacey – Transparency International</p> <p>Martyn Gordon – Robert Gordon University</p> <p>Tilly Prior – Transparency International</p> <p>Madeline Young - University of Northampton of London</p> <p><u>Guests/observers</u></p> <p>Mark Burnett – EITI International Secretariat</p> <p>Sophie Donszelmann - ICMM</p> <p>Helmi Ben Rhouma – BDO</p> <p>Seb Salha – EITI International Secretariat</p> <p>Martha Selwyn – SSE Renewables</p> <p>Hedi Zaghouani - BDO</p> <p><u>Apologies</u></p> <p>Kirsty Benham – Critical Minerals Association</p> <p>John Bowater – Aggregate Industries</p> <p>Sophia Brecknell – Foreign and Commonwealth Development Office (FCDO)</p> <p>Johann MacDougall – Scottish Government</p> <p>Tim Vickery – Independent Advisor</p>
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1 – Welcome and Introductions:

1. All were welcomed to the 60th meeting of the UK EITI MSG.
2. The following guests were welcomed:

- **Seb Salha**, Policy Manager at EITI International, tasked with advancing the EITI's work on the energy transition. Seb will be providing a presentation on the work undertaken on renewables.
 - **Martha Selwyn**, from SSE Renewables, who will provide an industry perspective on this work on renewables.
 - **Sophie Donszelmann**, from ICMM, a mining industry association which serves as the coordinator for the EITI Mining Sub-Constituency, regularly engaging with the mining EITI Supporting Companies and its Board members. Sophie is attending as an observer.
3. The Chair thanked **David Evans**, who will be leaving Offshore Energies UK (OEUK). David has been a member of the industry constituency on the MSG since January 2021.

2 – Agreement of minutes and action points of 22nd November 2023 meeting:

4. The minutes of the MSG meeting on 22nd November 2023 were agreed.
5. The MSG were updated on the main action points from the meeting on 22nd November 2023.
- Draft UK EITI Annual Review 2023 to be recirculated for further comments by 4th December 2023. ***Draft recirculated on 23rd November 2023 for comment by 4th December. Final approval was made on 18th December 2023.***
 - UK EITI Terms of Reference to be re-circulated for further comments by 4th December 2023. and National Action Plans to be circulated to the MSG. ***Draft recirculated on 23rd November 2023 and approved and updated on the UK EITI website on 4th December 2023.***
 - UK EITI Open Data Policy to be re-circulated for further comments by 4th December 2023. ***Draft recirculated on 23rd November 2023 and approved and updated on the UK EITI website on 4th December 2023.***

3 – UK EITI Validation 2025

6. The EITI Board have agreed to adjust the Validation dates to allow countries to transition to the 2023 Standard. The new Validation commencement date for the UK is 1st January 2025.
7. The International Secretariat noted that while countries will start being validated under the 2023 Standard as of 1 January 2025, the MSG should apply the 2023 Standard as soon as possible through systematic disclosures and EITI reporting. The UK EITI Compliance subgroup have already begun to take this work forward.
8. The Validation templates reflecting the changes to the 2023 Standard will be circulated once the Board has approved them.
9. The International Secretariat have also reaffirmed their offer to support the MSG in preparing for Validation through capacity building and technical assistance.

4 - UK EITI Compliance subgroup – update on 2023 EITI Standard discussions and progress

10. A further Compliance subgroup meeting took place on Tuesday 9th January, where they revisited and discussed each new requirement:
- **Requirement 2.1** Information and links on the UK emissions trading scheme added to the Energy Transition section of the UK EITI website. Request that MSG and stakeholders look at current ET website section and provide any further links or useful information/data.

- **Requirement 2.2** Current Contract and Licence transparency working group to consider and make recommendations to the MSG to discuss further with the recommendation that discussions on any "fast track" or "non-trivial deviations" awards take place on an annual basis.
- **Requirement 2.4** Initial link to contract and licence matrix added to the UK EITI website and it was agreed to re-circulate for comment/update by contract and licence work group and wider MSG. Compliance subgroup and/or contract and licence transparency workgroup then need to consider next steps in more detail.
- **Requirements 3.2-3.3** The subgroup to draft an overview summary for the various asks under 3.2-3.3 for the MSG to consider. Subgroup currently mapping what is currently available to identify any gaps and additional requirements.
- **Requirement 4.10** HMRC to provide questions and concerns around key issues of this requirement over the next few weeks.
- **Requirement 5.2** NSTA currently looking at how figures for Northern Ireland are calculated and to ensure that procedures and the methodology being followed is correct.
- **Requirement 6.3** Members of the Compliance subgroup are looking at what gender data is currently available.
- **Requirement 6.4** BDO have carried out some initial desk research to find out what is currently available from implementing countries and reporting companies on environmental, social and gender impact assessments, monitoring reports, permits, and licenses that are mandated by law or contract, are publicly accessible in practice. BDO searched the websites of UK extractive companies that participated in the 2022 Reconciliation exercise. BDO also searched the Web, particularly using the words social, gender and environment. They did not contact companies directly.

Main findings for requirement 6.4 from BDO:

- 18 out of 46 companies (39%) disclosed information about their social, gender and environmental management and impact in their annual / sustainability reports.
- 40 companies (87%) disclosed information about their environmental management and impact mainly through their Environmental statements.
- 6 companies did not disclose such reports; however, their websites include some information about social, gender and environment.

Recommendations by BDO:

- Ask companies to provide a link to their environmental, social and gender impact assessments during the next reporting exercise.

11. It was agreed that this data and proposal should be discussed in more detail at the Reconciliation subgroup meeting taking place on 1st February 2024. A further meeting of the compliance subgroup should also be arranged for February 2024.
12. The EITI Board still need to approve the new Terms of Reference for reporting in light of the new Standard. This is expected in March, so any timetable for publication needs to be considered in this light.

13. It was agreed that the Compliance tracker should be recirculated to the MSG for any further comments.

5 – UK EITI Reconciliation 2023 and the EITI Standard

14. There are several new provisions under the 2023 EITI Standard including mandatory requirements around reporting on the environmental and social impact of extractive activities and disclosure of Politically Exposed Person's (PEP) data.
15. There are also expectations around the publication of anti-corruption policies and disclosure of audited financial statements. The new encouragements include due diligence processes, the beneficial ownership threshold, company ownership structure, data on reserves, sales volume and value, GHG emissions data and gender pay. Consideration needed on which ones to include in the UK EITI workplan 2024-25.
16. The UK EITI Reconciliation subgroup will meet on 1st February to agree the timetable, proposed actions for the new provisions scope and templates and guidance for the 2023 process. It is hoped that the data can be published in late June/early July 2024.
17. It was agreed that the list of new provisions drafted by BDO should be circulated after the meeting for any further comment.

6 – EITI International Update

18. The EITI International Secretariat have continued to support implementation by working closely with the National Secretariat's of European countries via a monthly call in which views are exchanged and knowledge sharing takes place. There have been a number of useful discussions around work planning, beneficial ownership, barriers to disclosure, capacity building and MSG governance.
19. It was agreed that learning from other implementing countries on beneficial ownership disclosure would be valuable and that Open Ownership, a company based in London, who have worked closely with the International Secretariat, should be invited to a future MSG meeting to provide insight into their work in this area.

7– Renewables Research Report

20. The EITI International Secretariat commissioned a report that looked at tackling corruption and the integrity risks in the renewable energy sector. The report was published at the end of 2023.
21. The key messages from the report are:
 - i. The rapid growth in renewable energy is vital for achieving net-zero.
 - ii. The scale and speed of investment creates governance risks.
 - iii. There is currently little attention to corruption and integrity risks in policymaking and industrial standards for the sector.
 - iv. Collective action on transparency and accountability is needed to underpin the sector's growth.
22. The report highlighted weak rules and regulatory frameworks enabling undue private influence. Collusion and favouritism were found in licensing and auction processes, the misuse of subsidy programmes and negotiation of contracts not in the public interest.
23. There was also inadequate community engagement with rights violations in land acquisition processes and opaque and manipulated consultation and consent processes in negotiations of community benefits. Political interference and favouritism were also highlighted.

24. The recommendations from the report are:
- i. Renewables energy companies should map risks; implement high transparency standards; support multi-stakeholder dialogue and respond to stakeholder concerns.
 - ii. Governments should integrate transparency and good governance in sector governance; support multi-stakeholder dialogue; enforce accountability mechanisms.
 - iii. Civil society should demand greater transparency and accountability and partner local and international NGOs.
25. A call to action was launched at COP28 and endorsed by a group of companies, think tanks and civil society organisations. The call to action urges transparency across the following areas:
- i. Policy and legal frameworks.
 - ii. Contracts and licences.
 - iii. Community engagement.
 - iv. Community impacts and benefits.
 - v. Company ownership.
 - vi. Taxes and subsidies.
 - vii. Anti-corruption safeguards.
 - viii. Supply chain due diligence.
26. SSE Renewables supported the call for action. They deliver on SSE's Net Zero Acceleration Programme which has three core pillars - to accelerate growth, optimize value and grow capacity and finally champion a fair and just transition with long-term sustainability.
27. The EITI call to action is relevant to SSE as it allows the sharing of best practice as well as mistakes and to foster a culture of disclosure. It also ensures transparency remains the starting point as renewable energy accelerates and also to learn from others ensuring robust human and environmental supply chain diligence, including critical minerals chains to support the energy transition.
28. It was agreed that copies of both presentations should be circulated to the MSG after the meeting.

8 – Draft UK EITI Workplan for 2024 and 2025

29. The UK EITI Workplan has been updated to cover two years, both 2024 and 2025. This will help focus on the validation and new requirements of the EITI Standard. Each new requirement has been included. The workplan will include more detailed information on progress and discussions. This detail can be used to replace the old annual review report back, if required. It will very much be a live document that will be updated on a regular basis.

9 – UK EITI Annual Review 2023 - update

30. The Ministerial foreword is currently with Lord Callanan for approval. A stakeholder consultation copy is now available on website with comments requested by close on 26th January. No comments have been received to date. If members haven't already done so please can they advertise via their contacts etc. It is hoped to publish the Review in early February 2024.

10 – AOB

31. A renewables paper has been drafted and civil society members and Tim Vickery for consideration by the MSG. This will be circulated shortly for comment and consideration.

32. The next meeting will take place on Wednesday 20th March 2024.

Action points:

- The Compliance tracker should be recirculated to the MSG for any further comments. **(Action: UK Secretariat).**
- MSG members and stakeholders to be asked to look at the [Energy Transition section](#) of the website to see if there is anything missing that we should include **(Action: UK Secretariat).**
- The list of new provisions for reporting in the 2023 EITI Standard drafted by BDO should be circulated for further comment. **(Action: UK Secretariat).**
- A further meeting of the compliance subgroup should also be arranged for February 2024. **(Action: UK Secretariat).**
- Copies of both presentations on renewables should be circulated to the MSG after the meeting. **(Action: UK Secretariat).**
- Open Ownership should be invited to a future MSG meeting to provide a presentation of their work on Beneficial Ownership. **(Action: UK Secretariat/EITI International Secretariat).**
- Add activity around the expectations and encouragements from the 2023 Standard to the UK EITI Workplan and circulate for further comment. **(Action: UK Secretariat).**