

## Response from Southern Copper Corporation to Oxfam's Open Letter

3 February 2022

Please find our answers to OXFAM's questions, below:

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?*
  - Company Expectations reflect the core requirements of EITI Standard, so the minimum threshold for an EITI Supporting Company should be the recognition of the applicable EITI Standard requirements.
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?*
  - We consider Expectation 1 (as existing) to be clear enough as it expects supporting companies to make a public declaration backing EITI Principles and transparency. We also understand that such a declaration means that those Principles and transparency should not be undermined by action or inaction where we operate.
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?*
  - Yes, we agree.
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?*
  - If a country has specific legislation restricting disclosure of taxes and other payments to government, a substantiated explanation by a company operating there should be accepted, as expressed in Expectation 2.
  - Not in a level or complexity that could not be worked out with the corresponding government agencies to allow disclosure.
5. *What consequences should exist for EITI Supporting Companies that do not comply with the Company Expectations?*
  - It should be clear that expectations are not requirements. Expectations should be considered as aspirations to be achieved through practices that are in line with EITI Standard. Nevertheless, we consider that once a company becomes an EITI supporting organization it has to act within the boundaries set by the Standard and all accompanying instruments (e.g., Expectations) . If not, it is the task of the constituency, as a first tier, to evaluate such objectionable performance and, if needed, request corrective measures in an agreed timeframe.
6. *Are EITI Board Members 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?*

- It would depend on the expectation(s) not being met.

It must be noted that Company Expectations are currently being reviewed and possibly updated within the responsibilities of the Secretariat. Thus, the answers presented here should be compared to existing Expectations and situations.