

6 June 2022

**Rt Hon. Helen Clark**

Chair of the Board  
Extractive Industries Transparency Initiative

**Mark Robinson**

Executive Director  
Extractive Industries Transparency Initiative

**Members of the EITI Board Rapid Response Committee**

**Members of the EITI Board Governance and Oversight Committee**

Dear Ms. Clark and Mr. Robinson:

We are writing to you on behalf of the civil society organizations in Peru. We have participated in the EITI initiative for 15 years, and with the support of the EITI Council, we have contributed to the country achieving the status of Compliant Country and complying with the requirements of the Standard, despite a challenging political and social context in the last decade. We highly value the collaboration provided, and on this occasion, we come to you with great concern due to the conduct of a member of the EITI, the company Repsol S.A. with its branch in Peru, Grupo Repsol del Perú S.A.C, operator of the La Pampilla Refinery S.A.A. (from now on Repsol). This company is responsible for the giant oil spills in the Peruvian sea that occurred between January 15 and 25, 2022, at its facilities at Terminal Multiboyas No. 2.

Faced with this environmental catastrophe, we have warned, publicly and at the level of the EITI National Commission, that the conduct of the Repsol Company has violated the EITI Principles and Code of Ethics and, therefore, the "Expectations of the companies that support the EITI." This conduct constitutes a negative precedent for transparency in the extractive industries in Peru and the EITI initiative at the international level, so concrete actions are required to avoid this type of behavior by a member of the initiative.

In addition, this oil spill disaster is considered the worst ever environmental disaster on the coastline and has generated immeasurable damage to marine fauna and impacted the local population, which a non-transparent action by Repsol aggravates. An example of this is that Repsol hid essential information regarding the initial magnitude of the spill in its Preliminary Environmental Emergency Report sent to the environmental control authority, OEFA. This authority has initiated a sanctioning procedure against Repsol for submitting false information in the report mentioned above and may be fined approximately up to 1.2 million dollars. However, the damage caused by the lack of veracity generated a delay and misinformation that later compromised the actions to control and mitigate the spills.

Likewise, it should be noted that Repsol did not prioritize transparency regarding its control and remediation actions in the context of the disaster. Proof of this is that after almost two months and after the Report of the United Nations Environmental Emergencies Unit (from now on, UEA Report) on the disaster, which highlights the lack

of information for the affected population and public opinion, a space was made available on the Repsol website (<https://compromisorepsol.pe>). However, to date, the website only provides press releases on the progress of the clean-up but not on its action plans, such as the Contingency Plan, the Management Plan for Oil Spills at Sea, or the methods used for cleaning, as well as the level of efficiency obtained in the remediation process of the affected areas.

In addition to the above, to date, REPSOL has not made transparent information regarding:

- 1) The expense assigned to the clean-up and remediation actions,
- 2) The updated information on the affected local population, to sincere expenses and actions for compensation, as well as the reparation measures provided by Repsol;
- 3) Support with technical information the communications regarding the percentage of progress of the remediation and level of progress of the Work Plan.

In this regard, we must remember that the information indicated to the expenses and information referring to remediation and compensation is part of the EITI Standard (2019) 6.1, 6.4, and 7.2 requirements related to environmental payments, environmental, and accessibility of information, which, being made transparent, would guarantee greater diligence and monitoring of the remediation process of the present environmental disaster.

In this sense, Repsol's behavior has violated the EITI Principle referring to "the importance of governments and companies in the extractive industries respecting transparency" since, in the present case, its actions have shown a lack of respect and attention to the transparency of information for the attention of this environmental disaster. On the other hand, the "Expectations of companies that support the EITI" defines the commitments related to "...make comprehensive disclosures in accordance with the EITI Standard in all EITI implementing countries where the company or its controlled subsidiaries operate" and that "companies, working together with governments... with the aim of providing natural resources in ways that benefit societies and communities." In this sense, both REPSOL and the EITI National Commission must promote transparency of socio-environmental expenses and ethical conduct that does not put communities at risk within compliance with these guidelines.

Similarly, despite participating in the EITI initiative, it is worrying that Repsol is being investigated for their responsibility and ethical conduct, such as the submission of false information. For this reason, we believe that Repsol's behavior is far from the honesty, integrity, and diligence consecrated by the initiative. Thus, this represents a negative reference for the public trust and the integrity that the EITI initiative has built through the years.

Due to the above considerations, we do not believe it is appropriate for companies with this background to continue acting in violation of the EITI Principles, openly attacking transparency in the extractive industries, and ignoring the expectations expected of any company that supports the EITI initiative. Given this, we call on the EITI Council to:

- Make a call to REPSOL's attention to comply with transparency standards and discloses environmental information related to the expense allocated to the

clean-up and remediation actions, updated information on the affected local population, and support information on progress in remediation.

- Review Repsol's conduct worldwide, particularly in Peru, and determine sanctions in line with the principles and expectations of the EITI. Accordingly, we ask that Repsol's participation in the EITI initiative be reassessed and withdrawn. Allowing Repsol to be part of the EITI globally without being questioned puts the reputation and trust in the initiative at risk.
- Develop a system that holds companies accountable for violations of the EITI Principles. Similar to how countries can be suspended from the EITI initiative, companies must also face sanctions if they do not meet the expectations of the EITI and EITI Principles.

Yours sincerely,

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