



Opening Extractives

In the fight against money laundering and corruption in mining, the BHP Foundation is funding a ground-breaking project to end the use of anonymous companies.

An ambitious global program

Opening Extractives is an ambitious global program which aims to end the use of anonymous companies linked to corruption and mismanagement in the extractive sector.

As countries around the world face the dual challenges of climate change and the economic impact of the COVID-19 pandemic, sustainable governance of natural resources is becoming essential. Funds are urgently required to address healthcare, economic and social needs arising from the pandemic. In resource-rich countries, the extractive sector also makes a key contribution to tax revenue.

By bringing data about company ownership to light, the project will help identify and address corruption. It will also contribute towards fairer markets, encourage responsible investment and help businesses manage business risk.

A cross-sector partnership

The project is a cross-sector partnership between the Extractive Industries Transparency Initiative (EITI) and Open Ownership. The partnership aims to increase the amount of publicly available information on the ownership of extractive companies.

This will provide sustained, multi-year support to partner countries on reforms to disclose the ownership of extractives companies; and will catalyze the use of this data to support better governance.



A major obstacle in fighting corruption

Anonymous companies are a major obstacle in the fight against money laundering and corruption. They enable corrupt and criminal actors, often with close political connections, to hide behind chains of companies registered in multiple jurisdictions.

Governments, citizens and companies increasingly want to bring the real owners of companies into the open. This builds fair markets and helps businesses manage risk. It also enables effective taxation and helps tackle corruption.

'Anonymous companies are the getaway vehicle of choice for stolen public money. Beneficial ownership transparency is the most effective way to close this down.'

**Thom Townsend, Executive Director,
Open Ownership**

By reducing the scope for corruption, transparency around the beneficial owners of companies increases the chances that revenue from extractives projects will be used for development, rather than the enrichment of the few.

Access to quality beneficial ownership data also strengthens accountability by improving governance of energy and mining revenues, supporting business and curtailing corruption and illicit financial flows.

Over the next five years, the project aims to deliver clear improvements to domestic resource mobilization from the extractives sector in up to 10 countries across the globe.

Key outcomes will include:

- ensuring government, industry, and civil society actors have greater access to comprehensive and reliable information on the ultimate owners of extractive industry companies.
- enabling government, industry and civil society actors to more easily identify and address corruption and mismanagement risks related to hidden ownership.
- advancing beneficial ownership transparency in the extractive industries and beyond in a post-COVID-19 context by documenting and communicating the impact and outcomes of the program.

The project will seek to mobilize political and stakeholder commitment and build the technical capability required to publish and use complex data.

It also has the potential to scale beyond the extractive sector and beyond the program's initial group of focus countries.

'I am confident this unique partnership is a recipe for delivering a step change in natural resource governance.'

Mark Robinson, Executive Director, EITI

A more equitable distribution of benefits and social value

The BHP Foundation works with global partners to improve how natural resources are governed across the entire resource value chain – from initial exploration right through to the use of taxes and royalties in providing services to citizens.

Through projects like *Opening Extractives*, the Foundation helps to ensure a more equitable distribution of benefits and social value and enables business to compete for growth opportunities on a more level playing field by:

- improving mechanisms to support disclosure, transparency and accountability, which reduce corruption and bribery related to natural resources
- making it easier for citizens and other stakeholders to access and interpret public data on natural resources
- building governance capacity and increase the effectiveness and accountability of civic and public institutions.

For more information on the BHP Foundation visit bhp.com/foundation.