First Peoples Worldwide's

INDIGENOUS RIGHTS RISK REPORT

for the Extractive Industry (U.S.)

PRELIMINARY FINDINGS

October 28, 2013

FIRST PEOPLES WORLDWIDE

ACKNOWLEDGEMENTS
First Peoples Worldwide would like to thank Karin Chamberlin for her extensive research, and Nick Pelosi and Dan Morrison for their analysis. This report was greatly improved by the feedback and discussions with the US SIF's Indigenous Peoples Working Group (IPWG), Boston Commons Asset Management, Calvert Investments, and Trillium Asset Management. This report would not have been possible without the support of the First Peoples staff and the tireless leadership of its president and co-founder, Rebecca Adamson.

FIRST PEOPLES WORLDWIDE
First Peoples Worldwide is an Indigenous-led organization that strives for culturally appropriate, community-led development for Indigenous Peoples. We help Indigenous communities retain control of their assets, including their natural resources and traditional ways of life. We believe that this asset-based approach is the key to protecting Indigenous rights and prosperity.

CORPORATE ENGAGEMENT
First Peoples' Corporate Engagement program is devoted to building a cultural bridge between companies and Indigenous communities and to making the win-win business case for respecting and upholding Indigenous Peoples' rights. We educate corporate decision makers and investors about the financial, legal, and reputational risks of failing to secure the Free, Prior, and Informed Consent (FPIC) of Indigenous communities before operating on or around their land. At the same time, we help Indigenous communities utilize the private sector to protect their rights, and to benefit from economic development on their lands. This process mitigates the risk of conflict, and lays the foundation for long-term sustainable development and prosperity for both parties. By engaging directly with companies, investors, standard-setting bodies and finance organizations, First Peoples is helping entire industries recognize that supporting Indigenous rights is part of the cost of doing business.

To receive more information or for additional copies of First Peoples' Indigenous Peoples Risk Report, please contact npelosi@firstpeoples.org or call (540) 899-6545.

TABLE OF CONTENTS

Executive Summary	3
Part A: Why Indigenous Peoples Matter	5
Part B: Summary of Findings	9
Part C: Methodology	15
Part D: Highest Risk Sites Analysis	17
Appendix A: List of Companies	23
Appendix B: Sources	25
Appendix C: Sample Scorecard	28

EXECUTIVE SUMMARY

First Peoples Worldwide's **Indigenous Rights Risk Report** addresses one main question - **why should investors and shareholders care about Indigenous Peoples?** For years, Indigenous Peoples and their supporters have made the moral argument for their rights outlined in International Labor Organization Convention 169 (ILO 169), the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and the other international and national laws that followed.

While the moral argument is critical, it is incomplete. Morality alone is not forcing companies, governments and nongovernmental organizations (NGOs) to act in a manner that respects Indigenous Peoples' human and collective rights. However, financial incentives and penalties are. Events over the last decade have proven that companies that fail to respect Indigenous Peoples' rights and do not forge positive, trust-based relationships with Indigenous communities increase their risk of protests, negative press, work stoppages, shut-downs, and law suits – all of which have a negative and material impact on profits and share price.

The impact of these risks on a companies' bottom line are real and increasing. John Ruggie, who developed the UN Guiding Principles on Business and Human Rights, calculated that it costs a mining company $20-30 million a week when a site is shutdown due to "non-technical" reasons and that the time it takes to bring oil projects online has "doubled over the course of the previous decade, creating substantial cost inflation."[1] In addition, analysis conducted by Environmental Resources Management of 190 oil and gas projects found that 73 percent of delays were due to "above-ground" or non-technical risks, including stakeholder resistance. This was recently proven again in October 2013, when over 40 members of the Elsipogtog and Mi'kmaq First Nations were arrested for blockading access to Southwestern Energy's seismic testing equipment in Canada, which the company claims is costing them $60,000 a day.[2]

The Indigenous Rights Risk Report **makes the financial case** for why investors, shareholders, and corporations need to respect Indigenous Peoples rights and proactively work with Indigenous communities to minimize their financial risk and maximize investment returns and shareholder value. We analyzed 52 oil, gas and mining companies listed on the Russell 1000 Index (see Appendix A: List of Companies) and the sites they are operating on or near Indigenous land (370 sites in total). We assessed the site's risk according to six criteria – Location, Indigenous Peoples Policy, Reputation, Country, Community, and Legal. Those criteria were weighted to come up with the site's overall risk score (for more details, see Part C: Methodology).

What we found was an alarming 92 percent of the 370 oil, gas and mining sites we analyzed posed a medium to high risk to shareholders. Nearly all of the companies in our study face a medium to high risk profile for at least one of their sites. Of the companies that have over ten sites operating on or near Indigenous land (25 percent of our sample), 92 percent have at least one high risk site and 23 percent have over five.

---

[1] http://business-ethics.com/2011/10/30/8127-un-principles-on-business-and-human-rights-interview-with-john-ruggie/

[2] Democracy Now, Southwestern Energy Loses Bid to Block Anti-Fracking Protests in Canada, http://bit.ly/1ceK9Xi

Of the 21 sites with the highest overall risk scores (see Part D: Highest Risk Sites Analysis), 68 percent of them received critical Reputational Risk, and 100 percent of them received high or critical Reputational Risk. In addition, 64 percent of them received critical Community Risk, and 95 percent of them received high or critical Community Risk. This clearly indicates that if companies do not develop a positive working relationship with Indigenous Peoples living on the land where they operate, their risk goes up.

One of the greatest indicators of Indigenous Rights risk is Country risk. We found that 100 percent of the 21 highest risk sites were in countries with at least medium risk, 64 percent were in countries with at least high risk, and 36 percent were in countries with critical risk. In comparison, 51 percent of all sites we analyzed were in countries with at least medium risk, 23 percent were in countries with at least high risk, and 18 percent were in countries with critical risk. Therefore, there is a strong correlation between operating in a high risk country and having a high overall risk rating.

Despite these risks, companies are ill prepared to engage and work with Indigenous Peoples. Out of the 52 companies we analyzed, only one had an explicit policy of abiding by Free, Prior, and Informed Consent (FPIC) as mandated by UNDRIP. Only four others had company-wide Indigenous Peoples policies, leaving 47 companies (90%) with no clear policy for how to engage and work with Indigenous Peoples. This is startling given that all but four of the companies we analyzed were operating on or near Indigenous land and that a staggering 69 percent of companies are facing medium to critical Community Risk at 100 percent of their sites – meaning they have no agreements with Indigenous Peoples, are likely to be facing non-violent and violent protests, and most likely do not have an Indigenous Peoples policy informing them how to engage.

First Peoples forecasts that the world is approaching a confluence of events that will make the extraction of oil, gas and minerals from Indigenous land even riskier in the future. First, Indigenous Peoples have more rights enshrined at the international and national level, and are exercising them more effectively than ever before. Second, as extractive industries search the globe for oil, gas and minerals, they are finding them increasingly on or near Indigenous land. We found that 39 percent of oil and gas was being produced on or near Indigenous territory considered to be at medium to high risk. That increases to 46 percent for oil and gas reserves, meaning more and more of the oil and gas production in the future will be taking place on higher risk Indigenous territory. Third, digital media is allowing Indigenous Peoples and their allies to access and share information more easily, giving them the ability to tell their story and conduct advocacy campaigns on a global scale that can directly impact the profitability and value of the company.

Therefore, it is more critical than ever for investors and shareholders to be able to access unbiased information about Indigenous Peoples and from Indigenous Peoples so they can make sound investment decisions. This report will provide a risk analysis tool for investors and shareholders as they make investment decisions in the extractive industry. In the case when more information is need, First Peoples can provide additional background and when applicable, connect the investors and shareholders directly to Indigenous Peoples for unfiltered information.

PART A: WHY INDIGENOUS PEOPLES MATTER

Who Are Indigenous Peoples?

The UN estimates that there are more than 370 million Indigenous Peoples in the world, spanning over 90 countries.[3] While there is no all-encompassing and universally-accepted definition of Indigenous Peoples, the working definition adopted by the United Nations includes:

- Self-identification as Indigenous
- Historical continuity with societies that inhabited a country or region prior to the arrival of dominant colonial and/or settler societies
- Strong links to traditional lands and natural resources
- A resolve to preserve and strengthen the languages, cultures, sociopolitical structures, and economic systems that set them apart from dominant societies[4]

Over the past several decades, Indigenous Peoples around the world have mobilized and achieved unprecedented recognition of their rights by governments and the international community. In 2007, this mobilization resulted in the adoption of the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) with widespread support from the UN General Assembly, which has since become the flagship international doctrine pertaining to the rights of Indigenous Peoples. UNDRIP is initiating laws and policies at the national level, as evidenced by the growing number of countries that are adopting and strengthening their legal protections for Indigenous Peoples. Other important multilateral instruments pertaining to the rights of Indigenous Peoples include International Labor Organization Convention 169 (ILO 169), the UN Committee on the Elimination of Racial Discrimination, the Convention on Biological Diversity, and the UN Permanent Forum on Indigenous Issues.

What Do Indigenous Peoples Want?

Extractive industries are rapidly moving to develop the wealth of natural resources on Indigenous territories. If done improperly, resource extraction can fail to provide tangible benefits to Indigenous communities and enact significant detriment to their cultures and livelihoods. Despite the impressive legal gains being made by Indigenous Peoples at the international and national levels, laws and court rulings protecting their rights in the face of resource extraction are often inconsistently upheld or outright ignored by governments. Indigenous communities are thus pursuing alternative means of influencing the behavior of companies, in order to guarantee themselves a voice and an equitable stake in the development of their lands.

Internationally recognized standards for interactions between companies and Indigenous Peoples mandate that communities must give Free, Prior, and Informed Consent (FPIC) to any activities that will impact them or their lands. Perspectives on FPIC and the processes necessary for obtaining it are broad and diverse – First Peoples identified 38 practical guidebooks on the definition and implementation of FPIC. Generally speaking, "free" dictates that communities are able to make decisions about a project on

---

3 http://www.un.org/esa/socdev/unpfii/documents/SOWIP_web.pdf

4 http://www.un.org/esa/socdev/unpfii/documents/5session_factsheet1.pdf

their own terms and timelines, free from coercion, threats, and/or external manipulation of their decision-making structures. "Prior" means that communities must give consent prior to the beginning of a project (for extractive companies, this means prior to exploration). "Informed" ensures that communities are provided with all of the information necessary to make informed decisions about projects, and that such information is presented in a clear and unbiased manner. "Consent" is broadly defined as widespread community support for a project. If a community chooses not to give consent for a project, the project cannot move forward. FPIC is not confined to a single "yes" or "no" answer from a community; it is an ongoing and sometimes complex process that extends throughout the lifeline of a project. It is important to note that FPIC is expected not only from companies, but from governments, NGOs, academics, and all other outsiders looking to execute activities that will impact Indigenous Peoples.

How Are Investors and Shareholders Responding?

A 2009 risk analysis done across the extractive industries by Experts in Responsible Investment Solutions (EIRIS) found that 250 large-cap companies with a total market value of $2.7 trillion have high to medium risk exposure to Indigenous Peoples.[5] These risks take the form of lawsuits, activist campaigns, demonstrations, occupations, and in worst cases, violence. While they often stem from governments' failure to uphold their legal obligations to Indigenous Peoples, they can inflict far more financial and reputational damage to companies. John Ruggie, who developed the UN Guiding Principles on Business and Human Rights, told *Business Ethics* that "for a world-class mining operation…there's a cost somewhere between $20 million to $30 million a week for operational disruptions by communities" and that the time it takes to bring oil projects online has "doubled over the course of the previous decade, creating substantial cost inflation."[6] In addition, analysis conducted by Environmental Resources Management of 190 oil and gas projects found that 73 percent of project delays were due to "above-ground" or non-technical risks, including stakeholder resistance.

As the financial and reputational risks associated with doing business on Indigenous territories becomes increasingly apparent, shareholder dialogue with extractive companies on Indigenous Peoples is on the rise. In 1999, First Peoples Worldwide partnered with Calvert Investments to design and implement the first investment criterion devoted exclusively to Indigenous Peoples. In 2002, Trillium Asset Management filed a proposal requesting IDACORP to hold ongoing consultations with Native Americans, which was supported by 35 percent of the company's shareholders, unprecedented for that time.[7] A 2006 proposal filed with Alcan (acquired by Rio Tinto in 2007) by Le Groupe Investissement Responsable on the evolving concept of Indigenous community consent garnered support from 37 percent of shareholders.[8] In 2007, an unprecedented 92 percent of shareholders voted in favor of a

[5] http://www.eiris.org/files/researchpercent20publications/indigenousrightsjun09.pdf

[6] http://business-ethics.com/2011/10/30/8127-un-principles-on-business-and-human-rights-interview-with-john-ruggie/

[7] http://www.sec.gov/Archives/edgar/data/49648/0001133884-02-000391.txt

[8] http://www.share.ca/files/Proxy_Survey_2006_FINAL.pdf

proposal filed by Christian Brothers Investment Service directing Newmont Mining to assess its practices and policies towards Indigenous Peoples, in response to patterns of costly community resistance to its operations in Ghana, Indonesia, and Peru.[9] A similar proposal filed with Talisman Energy by Bâtirente and Regroupement pour la Responsabilité Sociale et l'Équité did not go to vote because the company immediately accepted it.[10] Newmont and Talisman are now among the first extractive companies to have explicitly committed to obtaining FPIC from Indigenous Peoples.[11] In 2011, ConocoPhillips adopted an Indigenous Peoples policy that is consistent with UNDRIP and ILO 169 as a result of ongoing dialogue with Boston Common Asset Management.[12] That same year, Indigenous Peoples policies were adopted by BP and ExxonMobil.

Shareholder concerns are echoed by the strengthening of safeguards for Indigenous Peoples' rights by international financial institutions. As of July 2005, the World Bank requires borrowers to engage in free, prior, and informed consultation leading to broad community support from Indigenous Peoples relocated by World Bank-funded projects.[13] In response to this and other positive changes in the World Bank's human rights and gender policies, Calvert lifted its ban on purchasing World Bank bonds in 2007. As of January 2012, the International Finance Corporation (IFC) requires FPIC from Indigenous Peoples affected by development in certain circumstances, including relocation and impact on lands and natural resources subject to traditional ownership or under customary use.[14] This policy change also affected the 78 private-sector banks that are signatories to the Equator Principles, a social and environmental risk management criterion based on those of the World Bank and the IFC. Other multilateral lenders with Indigenous Peoples policies include the Inter-American Development Bank (2006), the Asian Investment Bank (2007), and the European Investment Bank (2009). The African Development Bank remains the only major multilateral financial institution without a standalone Indigenous Peoples policy, but its February 2013 hosting of an Indigenous Peoples forum indicates increasing attention to the issue.[15]

In response to these actions from the financial community, industry standard setting associations are developing guidelines for their member companies on Indigenous Peoples and FPIC. In 2013, the International Council on Mining and Metals released an updated Indigenous Peoples and Mining Position Statement, which defined FPIC as "a process based on good faith negotiation, through which Indigenous Peoples can give or withhold their consent to a project."[16] Also in 2013, the International Petroleum Industry

[9] http://www.cbisonline.com/page.asp?id=873
[10] http://batirente.qc.ca/en/all-news/47
[11] http://www.oxfamamerica.org/publications/community-consent-index
[12] http://www.brethrenbenefittrust.org/news/conocophillips-commits-indigenous-peoples%E2%80%99-rights-support-bbt
[13] http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/EXTPOLICIES/EXTOPMANUAL/0,,contentMDK:20553653~menuPK:4564185~pagePK:64709096~piPK:64709108~theSitePK:502184,00.html
[14] http://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/IFC+Sustainability/Sustainability+Framework/Sustainability+Framework+-+2012/Performance+Standards+and+Guidance+Notes+2012/
[15] http://www.afdb.org/en/news-and-events/article/forum-on-indigenous-peoples-development-issues-in-africa-10271/
[16] http://www.icmm.com/publications/icmm-position-statement-on-indigenous-peoples-and-mining

Environmental Conservation Association established an Indigenous Peoples Task Force and is in the process of compiling different views on FPIC, for the purpose of establishing guidance for its member companies on the subject.

PART B: SUMMARY OF FINDINGS

This report assesses the risk companies expose investors and shareholders to if they are operating on or near Indigenous land based on how they are managing their operations and whether or not they are productively working with Indigenous Peoples.

We analyzed 52 US-based extractive companies listed on the Russell 1000 Index and assessed 370 oil, gas and mining sites on six risk factors related to Indigenous Peoples – Location, Indigenous Peoples Policy, Reputation, Country, Community, and Legal (for more details, see Part C: Methodology. The findings are summarized below.

General Findings

The risk corporations face when operating on or near Indigenous Peoples land is not isolated to one company, one sector or one geography. Of the 370 sites we analyzed, 92 percent of them posed a medium to high risk to the company and its investors and shareholders. While 15 percent of the sites we assessed were high risk, 77 percent were medium risk. This leaves companies, investors and shareholders vulnerable given that a small increase in any of the risk factors moves it to a high risk site. With an increasing amount of oil, gas and minerals being found in Indigenous land and increasing ability of Indigenous people to leverage legal courts and public opinions via the traditional and social media, our research points to a higher risk environment related to Indigenous Peoples. Subsequent research by First Peoples will track the changes in a site's risk score and the factors that caused the increase or decrease.

Nearly all of the companies in our study have sites that face a medium to high risk profile. Of the companies with over ten sites operating on or near Indigenous land (25 percent of our sample), 92 percent have at least one high risk site and 23 percent have over five. We also found that mining sites are more prone to high risk than oil and gas sites. 19 percent of mining sites had a high risk rating compared to 14 percent of oil and gas sites.

Predicting Conflict

In March 2010, Southwestern Energy was awarded an exclusive license by the Department of Energy and Mines of the Province of New Brunswick, Canada to conduct seismic testing for shale gas through March 2015 (and likely to be extended to March 2016). As a result, Southwestern was required to make a CAD $47 million investment in the province. Southwestern states that, "through December 31, 2012, the company had invested approximately $28.2 million in its New Brunswick exploration program, which represents its first venture outside of the United States."[17]

On October 6, 2013, a stock analyst stated that Southwestern "looks like a great long-term investment" and "it is a low political risk company."[18] However, since September 30th members of the Elsipogtog and Mi'kmaq First Nations began a protest to stop the seismic testing and blocked the road used by Southwestern to access its exploration activities. On October 17, the protests became violent and over 40 people were arrested. Southwestern has tried to stop the blockade but on October 22, "a court denied a request by Southwestern Energy for a permanent injunction to prevent protests against its bid to explore for gas." **Southwestern claims that the blockade is costing them $60,000 per day.**

[17] Southwestern Energy website: http://www.swn.com/operations/pages/nb.aspx
[18] Southwestern Energy Looks Like A Great Long-Term Investment: http://bit.ly/1a8AiAx

This was Southwestern's first investment in Canada and executives were ill prepared and uninformed for how First Nations in Canada can impact their operations, thus leaving investors and shareholders at risk.

We project that the risk of companies operating on or near Indigenous land is only going to increase. We looked at the amount of production and reserves taking place on the oil, gas and mining sites. From the data available, we found that 39 percent of oil and gas was being produced on or near Indigenous territory considered to be at medium to high risk. That increases to 46 percent for oil and gas reserves, meaning more and more of the oil and gas production in the future will be taking place on higher risk Indigenous territory.

The numbers for the mining sector also show a medium to high risk profile, with current percentages of production taking place on or near Indigenous territory being higher than oil and gas. Gold reserve numbers are higher than gold production, while silver, copper and coal are declining. Current production for gold is 45 percent with high and medium risk, increasing to 62 percent for reserves; silver is 56 percent production and 37 percent reserves; copper is 83 percent production and 60 percent reserves; and coal is 45 percent production and 40 percent reserves.

Many companies face medium to high risk across their entire portfolio of sites. An alarming 62 percent of companies have a medium to high risk of being impacted by the actions of Indigenous Peoples at 100 percent of their sites. 31 percent of companies have a high risk of being impacted by the actions of Indigenous Peoples at 20 percent or more of their sites.

Companies that maintained a consistent medium to low risk on their sites shared some common characteristics. They operated in countries that had strong Indigenous Peoples laws, they had an Indigenous Peoples policy in place, and they effectively managed their reputation.

However, even effectively managing those risk factors is not a guarantee of lower risk. 23 percent of ExxonMobil's sites, which has an Indigenous risk policy, were rated high risk. Why? 43 percent of ExxonMobil's sites are located in countries with poor or no recognition of or legal protections for Indigenous Peoples.

The risk factor that was weighted heaviest was Community risk, as community opposition is the most probable cause of a costly shutdown. Poor community relations can also lead to negative press and lawsuits, and sometimes can spoil the relations for all companies operating in a region. For example, the Idle No More movement and its climate change allies is running a general campaign against the Canadian oil sands, thus increasing the Reputation risk for all extractive companies operating in the country.

Location Risk Findings

43 percent of the 370 oil, gas and mining sites we analyzed were on Indigenous territory and received the highest risk rating of "critical." 20 percent of the sites were upstream, downstream or adjacent to Indigenous territory and received a "high" rating. 36 percent of the sites had unreported but possible impacts on Indigenous Peoples, affected an Indigenous sacred site, or relied on midstream services (such as a pipeline or processing plant) that impacted Indigenous Peoples and received a "medium" rating. We did not analyze sites that would have received a Location rating of "low" or "none."

Many of the companies had a high concentration of their sites on Indigenous land. Of the 52 companies we analyzed, 19 of them (37 percent) had 50 percent or more of their sites on Indigenous land and received a critical rating. This included three companies with at least 10 sites on Indigenous land: Newmont (11 of 14 sites), ExxonMobil (18 of 35), Chevron (15 of 24). ConocoPhillips fell just below 50 percent, but had the most sites on Indigenous land with 21 (48 percent of its sites).

Being on Indigenous land does not ensure high overall risk, however, of the 21 sites with the highest overall risk rating (4.0 or above), all but one received a critical rating for being on Indigenous territory. Operating on or near Indigenous land automatically adds risk to a company's operations and the best way to manage that risk is through an Indigenous Peoples policy.

Indigenous Peoples Policy Risk Findings

Having an Indigenous Peoples policy is critical to managing a site's risk. It helps a company understand an Indigenous community's governance structure, identify a community's goals and development plan, clarify the likelihood a community will accept or reject a project, and forge a win-win agreement. It can also prevent a company from investing in a site that will be plagued by costly protests, work stoppages and legal battles.

While an Indigenous Peoples policy is not a complete safeguard against risk, not having a company-wide policy drastically increases a company's potential Reputation, Community, and Legal risks.

Of the 52 companies we analyzed, an alarming 47 (90 percent) of them did not have an Indigenous Peoples policy, which means they do not have an agreed upon policy for how to work with Indigenous Peoples and do not consistently manage Indigenous Peoples risk across the company. This is a red flag to investors. All investors should demand that the companies they invest in develop a company-wide Indigenous Peoples policy.

Five companies (ConocoPhillips, ExxonMobil, Newmont, Pioneer and Williams) have stated, company-wide Indigenous Peoples policies, giving them a low rating for Indigenous Peoples policy. However, only Newmont explicitly states that it follows FPIC, giving it the lowest risk rating.

Of the 14 Newmont sites we analyzed, 11 of them received the highest risk rating for being on Indigenous land. However only five of its sites received a high overall rating, three received a medium rating, and four received a low rating. Therefore, it appears that its Indigenous Peoples and FPIC policies may have reduced its risk.

Williams and Pioneer did have a lower risk profile across their sites, with only one of their combined sites receiving a high Community risk. This may reflect good community relations between the company and the Indigenous community due to an Indigenous Peoples policy. However, Williams and Pioneer only operated six and three sites on or near Indigenous lands, respectively, thus the sample is too small for a definite conclusion.

On the other hand, 23 percent of ExxonMobil's sites were high risk overall, while another 51 percent were medium risk overall. Seven (20 percent) of ExxonMobil's sites received a high to critical Community risk and 52 percent of ExxonMobil's sites were located in high to critical risk

countries. Therefore, the benefit of ExxonMobil's Indigenous Peoples policy is negated by its choice of countries in which to operate and the manner in which it manages community relations.

Reputation Risk Findings

Operating on or near Indigenous lands attracts the attention of activists and media, especially when there is a negative event (such as a blowout or pipeline leak). We looked at the positive, neutral, and negative local, national and global press coverage for each site.

Over half of the companies (54 percent) are experiencing a medium to critical risk of reputational damage at 20 percent or more of their sites. This means they have either hit headlines, or are one well-organized activist campaign away from doing so, which can mobilize community opposition to a project and instigate a legal battle.

ExxonMobil has an alarming high to critical reputation risk at 46 percent of its sites. Newmont, ConocoPhillips, Chevron and Apache all have high to critical problems at 25 to 36 percent of their sites.

Several companies have a limited number of sites on or near Indigenous land but 50 percent or more of their sites have a high to critical Reputation risk rating, including Southwestern (2 of 2 sites), Alpha (1 of 1 sites), Kosmos (3 of 3 sites), WPX (3 of 4 sites), Williams (3 of 6 sites), and Cliffs (3 of 6 sites). This leaves them very exposed to action being taken by Indigenous Peoples to oppose their operations on or near Indigenous land.

Often times, Reputational risk is driven by global campaigns targeting extractive industries by or on behalf of Indigenous Peoples. These campaigns raise the Reputation risk of any company operating in that region or country. For example, the media attention the oil sands in Canada are attracting is increasing the Reputation risk for all companies operating in the country. For example, Idle No More is an Indigenous-led campaign that started as a small movement among Indigenous Canadians in opposition to a Canadian law that changed consultation procedures for First Nations without their consent. Idle No More has since become a global campaign against extractive industries, which includes hundreds of thousands of Indigenous Peoples and their allies, including large environmental and climate change groups. They can rally and mobilize support on an issue nearly instantaneously online and grab the attention of the media. Idle No More increases Reputational Risk for all companies operating in Canada.

Reputation risk is important to control since not doing so results in headlines that can impact the actions of shareholders.

Country Risk Findings

The countries in which a company operates has a significant impact on the potential risk Indigenous Peoples pose to investors or shareholders. If a company operates in low risk countries (Australia, United States, New Zealand, etc.) that not only recognize Indigenous Peoples rights as defined by UNDRIP, but have national laws that protect them, a company's overall risk tends to be lower. However, if a company is operating in one or several of the high-risk countries (Colombia, Niger, Indonesia, etc.), their risk tends to rise.

Overall, 51 percent of sites operate in medium to critical risk countries, with 18

percent of sites located in critical risk countries.

Many companies have a high concentration of sites in higher risk countries. 21 percent of companies operate 20 percent or more of their sites in high to critical risk countries. 65 percent of Southern Cooper's sites and 52 percent of ExxonMobil's sites operate in high to critical risk countries. Chevron, Newmont and Marathon operate 37, 36, and 33 percent of their sites in high to critical counties, respectively.

When companies operate in high risk countries that do not recognize or respect Indigenous Peoples, they must impose their own rules and regulations for respecting Indigenous Peoples rights in order to lower their risk. Failing to do so leaves them open to increased Community and Reputation risk if protests or human rights violations are exposed.

Impacting Decision Making

The leading companies integrate Indigenous Peoples criteria, outlined in their Indigenous Peoples policy, into their decision making process. The first question the executive team should ask when making exploration and site selection decisions is:

"Does this country recognize Indigenous Peoples and respect and protect their rights?"

Investors and shareholders should encourage companies to either avoid those countries or press the companies to self-impose a code of conduct that adheres to UNDRIP. The next strategic question is:

"Is this site on or near Indigenous territory, or will it impact Indigenous Peoples?"

If it is, the company should have a clear plan for approaching and entering into conversations with Indigenous Peoples and obtaining FPIC.

Risk can only be managed if companies abide by FPIC, which means "consent" by the Indigenous Peoples. If the Indigenous Peoples give consent, the next step is developing a mutually beneficial development agreement. If consent is not given, investors and shareholders must be aware of the high risk a company exposes them to if they decide to move forward.

Community Risk Findings

Community risk is the highest weighted risk factor in our study (25 percent) because poor community relations are the most probable cause of a costly shutdown. The key to reducing risk for companies operating on or near Indigenous land is engaging with local Indigenous communities and obtaining FPIC for any project that will affect them. However, companies across the board are performing poorly on this metric.

Only 6 percent of the sites we analyzed received a low to no risk rating, meaning that a very small number of companies have signed agreements with Indigenous Peoples to operate on their land. The vast majority of sites (74 percent) received a medium risk rating, meaning that companies are operating on or near Indigenous land without signed agreements but the Indigenous community is not reported to be openly opposed to the project.

A total of 20 percent of sites are directly associated with violence towards or by community members (5 percent), and/or are experiencing opposition through nonviolent demonstrations, protests or occupations (15 percent).

An alarming 69 percent of companies are facing medium to critical community opposition at 100 percent of their sites – meaning they have no agreements with Indigenous Peoples and may be experiencing nonviolent and violent

protests. This list includes not only companies with a small number of sites, but larger companies – Chevron (24), Southern Copper (17), Freeport-McMoRan (16), Kinder Morgan (15), Devon (15), and Hess (10). ConocoPhillips and Exxon are just shy of 100 percent at 94 percent.

Over one-third (37 percent) of companies are facing high to critical community opposition at 20 percent or more of their operations, including Newmont, which is facing high to critical community risk at 9 of the 14 sites we analyzed.

Legal Risk Findings

Legal risk did not factor heavily into the risk companies face. Three of 52 companies (Chevron, Newmont and QEP) are currently facing legal risk for operating on or near Indigenous land. Many more communities are filing lawsuits against governments for allowing companies to operate on their lands, rather than against companies themselves. The community opposition indicated by these types of lawsuits is reflected under Community Risk.

This is a signal that while there is a high level of community risk for companies at the grassroots level, they have not yet taken to the courts en mass. This signals a huge potential risk for companies, but also an opportunity to collaborate with Indigenous Peoples before it reaches the court system.

PART C: METHODOLOGY

Each site is scored against six risk factors - Location, Policy, Reputation, Country, Community, and Legal –each of which is given a score of critical, high, medium, low or no risk. These scores are then combined using a weighted average to come up with an overall risk score for the site. Each of the risk factors and how they are weighted are described in more detail below.

First Peoples collected company and site-specific data using public sources, corporate websites and filings, and through direct consultation with the company, investment professionals, and Indigenous communities. First Peoples welcomes feedback and new information from any interested parties to ensure that our scores are as accurate and up-to-date as possible.

RISK FACTOR DESCRIPTIONS

Location Risk (20%)

Location Risk assessed the proximity of a project to Indigenous lands. A project received a 5 if it is located directly on Indigenous lands. A project received a 4 if it is located adjacent to Indigenous lands or near enough to impact the livelihoods of Indigenous communities. A project received a 3 if there are unreported but possible impacts on the livelihoods of Indigenous communities or sites of cultural and spiritual significance. A project also received a 3 if it relied heavily on a midstream facility (such as a pipeline or processing facility) that is on or near Indigenous lands. Projects that were remote from Indigenous lands or sites of cultural and spiritual significance were not assessed. For offshore oil and gas operations, Location Risk was assessed for actual and potential impacts on fisheries and sacred waters, and for the impacts of onshore infrastructures needed to support offshore drilling.

Policy Risk (20%)

Policy Risk assessed whether or not the company has an Indigenous Peoples policy and the strength of that policy. A company received a 1 if it has a companywide Indigenous Peoples policy that explicitly commits to FPIC. A company received a 2 if it has a companywide Indigenous Peoples policy that does not include FPIC, but commits to consultation and engagement with Indigenous communities. A company received a 3 if it has an Indigenous Peoples policy that is not companywide or only pertains to certain regions of operation, or if it has informal statements about Indigenous Peoples on its website. A company also received a 3 if it has a companywide community engagement and/or human rights policy. A company received a 4 if it has environmental policies or initiatives with no mentioning of Indigenous Peoples, community engagement, or human rights. A company received a 5 if it has no policies pertaining to Indigenous Peoples, community engagement, human rights, or the environment.

Reputational Risk (20%)

Reputational Risk assessed the level of negative media exposure that the project has received, and the associated risk of reputational damage to the companies involved. A project received a 5 if it is subject to sustained global media coverage, or if it is in a region where resource extraction is frequently picked up by the press and the company has been named. A project received a 4 if it is subject to limited global media coverage, or if it is in a region where resource extraction is frequently picked up by the press and the company has not been named. A project received a 3 if it is subject to local media coverage, or if it is in close proximity to other projects that are subject to global or local media coverage. A

project received a 2 if it is the topic of neutral or positive news, and a 1 if it is the topic of no news.

Country Risk (20%)
Country Risk assessed the level of legal protections for Indigenous Peoples in the country in which the project takes place, and the degree to which they are enforced. Country Risk also assessed the general state of human rights and civil liberties in the country. A country received a 5 if it has no legal protections for Indigenous Peoples, if there is widespread militarization and/or armed conflicts in Indigenous territories, or if it was ranked as "not free" by Freedom House in Freedom in the World 2013. A country received a 4 if it has legal protections for Indigenous Peoples that are chronically unenforced, or if the government forcibly evicted Indigenous communities within the past 10 years. A country received a 3 if it has legal protections for Indigenous Peoples that are inconsistently enforced. A country received a 2 if it has legal protections for Indigenous Peoples that are enforced, but do not include FPIC. A country received a 1 if it has legal protections that include and enforce FPIC.

Community Climate Risk (25%)
Community Climate Risk assessed the level of community support or opposition to the project. A project received a 5 if it is directly associated with violence towards and/or arrests of community members. A project received a 4 if the community is voicing its opposition through nonviolent demonstrations, occupations, lawsuits, and/or activist campaigns. A project received a 3 if the community has concerns about the project's actual or potential negative impacts, but is not explicitly opposed to the project. A project also received a 3 if there is no signed agreement between the community and the company – the lack of such an agreement exposes the company to medium risk, even if there is no reported community opposition. Even with a signed agreement, concerns or opposition from community members result in a 3 or a 4/5 respectively. A project received a 2 if there is a signed agreement with no further information available, and a 1 if there is a signed agreement with evidence of widespread community support coming directly from the community.

Legal Risk (5%)
Legal Risk assessed whether or not there are lawsuits filed against the company over the project's negative impacts on Indigenous Peoples. A project received a 5 if it had a lawsuit in court. A project received a 4 if there was a legally binding ruling against it within the past seven years. A project received a 3 if a lawsuit has been filed and is pending trial. A project received a 2 if a lawsuit has been filed and dismissed within the past seven years. A project received a 1 if there were no lawsuits. It is important to note that Legal Risk only accounted for lawsuits filed directly against the company. Lawsuits that are filed against governments or other entities besides the company are captured under Community Climate Risk.

PART D: ANALYSIS OF HIGHEST RISK SITES

Below are profiles of the 21 highest risk sites in our study. All but one of these sites (Peace River Oil Sands) received a critical Location Risk, meaning they are directly on Indigenous territories.

Kosmos – Western Sahara – Cap Boujdor – 4.6

Kosmos is the only company in the world to hold a license for offshore oil exploration in Western Sahara, and Cap Boujdor was the only site in our study to receive a critical risk overall. Kosmos has no policies pertaining to Indigenous Peoples or human rights and therefore received a 4 for Policy Risk. Western Sahara received a 5 for Country Risk due to its disputed political status. As the only company drilling offshore Western Sahara, Kosmos is subject to sustained global media coverage and received a 5 for Reputational Risk. As recently as May 2013, there have been reports of violence against the Saharawi people who oppose Morocco's occupation of their country and exploitation of their natural resources. While the protests are not aimed directly at Kosmos, they are directed at the occupying country and the accompanying natural resource extraction from which the Saharawi receive no benefit. Therefore, Kosmos received a 5 for Community Risk.

Chevron – Nigeria – Niger Delta – 4.5

Although negative media exposure and community opposition is directed towards numerous companies in the Niger Delta, a fair share is directed towards Chevron. The site received 5s across the board except for Legal Risk (a lawsuit filed against the company was dismissed) and Policy Risk (Chevron has a human rights policy). The UN calls the Niger Delta one of the starkest examples of a "resource curse" – extreme wealth generated by oil contrasted by extreme poverty and environmental degradation. Violence continues off and on in the region, as the Ogoni and other Indigenous Peoples oppose oil development due to its devastating impacts on their lands and livelihoods. In retaliation for Nigerian military raids on Ogoni communities that are opposed to oil production, community members set fire to a Chevron facility in 2009.[19]

Chevron – Argentina – Neuquén – 4.5

There is widespread Mapuche opposition to resource extraction in Argentina. Although negative media exposure and community opposition is directed towards numerous companies in Argentina, Chevron is mentioned in far more articles than other oil companies operating in the country. Risk is further driven up by the fact that Argentina received a 4 for Country Risk. Argentina passed an emergency ordinance in 2006 outlawing evictions of Indigenous Peoples from their territories and mandating surveys to demarcate Indigenous lands. Yet dozens of communities have since been violently evicted, including communities in Neuquén.

Freeport-McMoRan – Indonesia – Grasberg Mine – 4.4

The Grasberg Mine received 5s across the board except for Legal Risk (no lawsuits from the community) and Policy Risk (Freeport-McMoRan has a human rights policy). West Papuans have campaigned against the mine due to its negative impact on their communities since the late 1970s when the rebel group Free Papua Movement attacked the mine. Freeport reported that between July 2009 and February 2012, there were 32 shooting incidents in and around its

[19] http://www.peopleandplanet.net/?lid=29098&topic=27&section=32

mine, mining and milling operations, which resulted in 15 fatalities and 56 injuries. Controversy surrounds the fact that Freeport pays millions of dollars directly to local police forces to act as security guards for the mine, despite the forces' history of brutality and corruption.[20] In 2012 the leader of the West Papua self-determination movement was killed by Indonesian police for alleged crimes within the Freeport Grasberg concession area. [21]

Chevron – Ecuador – Lago Agrio – 4.4

Despite enlisting at least 2,000 legal personnel from over 60 law firms, Chevron (NYSE:CVX) continues to face setbacks in its resistance to a 2011 Ecuadorian court ruling ordering the company to pay US$19.04 billion for environmental damages to Indigenous communities in Ecuador. On January 30, an Argentine appeals court upheld a November 2011 freeze on all of Chevron's assets in the country (estimated at US$2 billion), until the company agreed to pay the fine. The decision was based on a treaty ratified by most South American countries, which states that a defendant's assets will automatically be frozen if it fails to pay a final judgment by a foreign court. On February 15, a US appeals court ordered Chevron to submit documents pertaining to allegations that it bribed Ecuadorian judges in exchange for false testimony depicting the company in a positive light. Chevron's legal troubles are exacerbated by its refusal to acknowledge and address shareholder concerns related to the risks associated with the company's actions. In November 2012, the company subpoenaed Trillium Asset Management, an investment firm that sponsored several shareholder proposals requesting the company to improve its social and environmental performance. The subpoena is part of a lawsuit Chevron is filing against the parties involved in bringing charges against the company.

Southern Copper – Argentina – Neuquén – 4.3

There is widespread Mapuche opposition to resource extraction in Argentina. Although negative media exposure and community opposition is directed towards numerous companies in Argentina, Southern Copper's risk in the country is driven up by its lack of Indigenous Peoples or human rights policies. Risk is further increased by the fact that Argentina received a 4 for Country Risk. Argentina passed an emergency ordinance in 2006 outlawing evictions of Indigenous Peoples from their territories and mandated surveys to demarcate Indigenous lands. Yet dozens of communities have since been violently evicted, including communities in Neuquén.

EOG – Argentina – Neuquén – 4.3

There is widespread Mapuche opposition to resource extraction in Argentina. Although negative media exposure and community opposition is directed towards numerous companies in Argentina, EOG's risk in the country is driven up by its lack of Indigenous Peoples or human rights policies. Risk is further increased by the fact that Argentina received a 4 for Country Risk. Argentina passed an emergency ordinance in 2006 outlawing evictions of Indigenous Peoples from their territories and mandated surveys to demarcate Indigenous lands. Yet dozens of communities have since been violently evicted, including communities in Neuquén.

---

20 http://www.theatlantic.com/international/archive/2011/11/is-a-us-mining-company-funding-a-violent-crackdown-in-indonesia/249164/#.TtUgXeESBjI.twitter

21 http://www.minesandcommunities.org/article.php?a=9775

WPX – Argentina – Neuquén – 4.3
There is widespread Mapuche opposition to resource extraction in Argentina. Although negative media exposure and community opposition is directed towards numerous companies in Argentina, WPX's risk in the country is driven up by its lack of Indigenous Peoples or human rights policies. Risk is further increased by the fact that Argentina received a 4 for Country Risk. Argentina passed an emergency ordinance in 2006 outlawing evictions of Indigenous Peoples from their territories and mandated surveys to demarcate Indigenous lands. Yet dozens of communities have since been violently evicted, including communities in Neuquén.

ExxonMobil – Nigeria – Niger Delta – 4.2
Although negative media exposure and community opposition is directed towards numerous companies in the Niger Delta, a fair share is directed towards ExxonMobil. The site received 5s across the board except for Legal Risk (no lawsuits) and Policy Risk (ExxonMobil has an Indigenous Peoples policy). The UN Development Program calls the Niger Delta one of the starkest examples of a "resource curse" – extreme wealth generated by oil contrasted by extreme poverty and environmental degradation. Violence continues off and on in the region, as the Ogoni and other Indigenous Peoples oppose oil development due to its devastating impacts on their lands and livelihoods. In 2011, an ExxonMobil offshore rig was attacked and one employee was wounded, while another was abducted.[22] In June 2013, the Government for the Emancipation of the Niger Delta, the main rebel group in the Niger Delta, attacked several trucks belonging to the Nigerian National Petroleum Company, which is ExxonMobil's partner in the region.

Southwestern – Canada – New Brunswick – 4.2
In June 2013, the Royal Canadian Mounted Police (RCMP) was deployed to New Brunswick in response to confrontations between Southwestern and residents of the Elsipogtog First Nation and the Mi'kmaq First Nation. To voice their opposition to Southwestern's seismic testing for natural gas reserves on their lands, over 65 community members blockaded highways and surrounded vehicles belonging to the company. The demonstration lasted for several days, and ended with the arrest of 29 protestors by the RCMP. In October 2013, another blockade turned violent, and at least forty people were arrested. The RCMP attacked the protesters with pepper spray, who responded by hurling Molotov cocktails and torching police vehicles. At least one shot was reportedly fired, although it is unclear by whom. The blockade is costing the company $60,000 per day, and its efforts to obtain a permanent injunction against the protestors were denied in court.

ExxonMobil – Papua New Guinea – PNG LNG Project – 4.1
Reputation and Community Risk received a 5 for this site due to allegations of ExxonMobil employees shooting community members. Risk is further driven up by the fact that Papua New Guinea received a 4 for Country Risk, but mitigated by ExxonMobil's Indigenous Peoples policy. According to an Oxfam assessment of the project, ongoing issues exist "in relation to awareness, landowner agreements and the landowner identification process" and there are concerns, based on historical precedence, that the "substance of these agreements is unlikely to be fulfilled in a

[22] http://mobile.saharareporters.com/news-page/gunmen-abduct-exxon-mobile-worker-injure-one

satisfactory manner."[23] Some landowners are being forcibly relocated[24] and others are calling for changes to the benefit sharing agreement. According to one article, "the inability of the national government to honor its commitments and ExxonMobil's refusal to endorse any of these responsibilities are pushing the landowners in impacted areas to find extreme solutions, including destabilizing the project."[25] In 2010, ExxonMobil suspended operations at the project after four people died in a tribal dispute over land ownership and tribal leases near the location of the planned LNG Plant.[26]According to a Pulitzer Center report, villagers in the Hela region allege that the "LNG police" have shot at them and chased them off their land.[27]

Apache – Argentina – Neuquen – 4.1
There is widespread Mapuche opposition to resource extraction in Argentina, and negative media exposure and community opposition is directed towards numerous companies in the country. In November 2012, members of the Gelay Ko community blocked a gas well belonging to Apache. Risk is further driven up by the fact that Argentina received a 4 for Country Risk. Argentina passed an emergency ordinance in 2006 outlawing evictions of Indigenous Peoples from their territories and mandated surveys to demarcate Indigenous lands. Yet dozens of communities have since been violently evicted, including communities in Neuquén.

Kosmos – Ghana – Jubilee – 4.1
This site's high risk is derived from Kosmos' lack of policies pertaining to pertaining to Indigenous Peoples and human rights, Ghana's nonexistent legal protections for Indigenous Peoples, criticism of the project from Oxfam and other civil society groups, and the potential impacts of a spill on already declining Indigenous fisheries.[28] A 2009 toxic drilling mud spill by Kosmos resulted in a fine but no specific clean-up or remediation mandates.[29]

Cliffs – Chromite Mine – Canada – 4.1
The Chromite Mine is in the "Ring of Fire" an emerging hot spot of extractive activity in northern Ontario. The Ring of Fire is speculated to contain as much as $50 billion worth of chromite, copper, nickel, platinum, and other minerals, and 21 companies have expressed an interest in mining the region. The Ontarian government claims that developing the Ring of Fire would create thousands of jobs and bring positive economic transformation to the province. The Ring of Fire overlaps with the traditional territories of 38 First Nations communities, many of which are not sold on these promises. Cliffs initiated an environmental impact assessment for its Chromite Mine. The Matawa First Nations, which encompass the nine most directly affected communities, claim that the project-

23 http://www.oxfam.org.nz/resources/onlinereports/Community%20Good%20Report%20(May%202012).pdf

24 http://oneworld.org/2010/02/02/controversy-over-papua-new-guinea-gas-plant

25 http://www.huffingtonpost.com/2013/02/10/exxon-mobil-papua-new-guinea_n_2658668.html

26 http://tvnz.co.nz/world-news/exxonmobil-suspends-work-png-site-4-dead-3346695

27 http://pulitzercenter.org/reporting/china-japan-papua-new-guinea-Exxon-mobile-gas-oil-local-poor-poverty-foreign-executives-gang-slum

28 http://www.modernghana.com/news/114631/1/ghana-fisheries-policy-economy-and-change.html and PulitzerCenter.org (West African Oil Boom Overlooks Tattered Environmental Safety Net, January 19, 2012)

29 http://www.publicintegrity.org/2012/01/19/7896/west-africa-oil-boom-overlooks-tattered-environmental-safety-net

by-project approach to these assessments is hazardous and insufficient because it does not account for the cumulative impacts of all proposed projects in the region. In 2011, the Matawa First Nations filed a lawsuit calling for federal judicial review of Cliffs' environmental impact assessment, prompting the company to temporarily suspend the process. The lawsuit was dropped in September 2013, in response to efforts by the Ontarian government to expand the communities' role in negotiations.

Kinder Morgan – Canada – Trans Mountain Pipeline – 4.0

Kinder Morgan's Trans Mountain Pipeline is the only oil sands pipeline serving the West Coast. The Squamish First Nation and the Tsleil-Waututh First Nation formally declared opposition to Trans Mountain expansion via the Save the Salish Sea Declaration.[30] In 2012, the Tsleil-Waututh Nation Chief Justin George stated that the risks associated with Kinder Morgan's pipeline expansion plans were too great. The Tsleil-Waututh Nation will be impacted by the estimated five-fold increase in oil tanker traffic in Burrard Inlet, the core of the Tsleil-Waututh territory. In November 2012, leaders of the Tsleil-Waututh Nation called upon Natural Resources Minister Joe Oliver for informed, meaningful government-to-government consultation on Kinder Morgan's Trans Mountain pipeline proposal.[31] Earlier that summer, they had called upon leaders in British Colombia to intervene on their behalf at the upcoming National Energy Board that would review KMI's application for expansion.[32]

Apache/Chevron/EOG – Canada – Pacific Trails Pipeline – 4.0

The Pacific Trails Pipeline (PTP), formerly owned by EOG, is a joint venture between Apache and Chevron. Several First Nations along the proposed route of the PTP are staunchly opposed to it. Many communities along the proposed route of the PTP are also along the proposed route of Enbridge's Northern Gateway Pipeline, which poses similar risks.[33] In August 2010, Wet'suweten hereditary chiefs Hagwilakw and Toghestiy notified pipeline companies that they did not have permission to build a pipeline on their land and were trespassing on "unceded" Wet'suwet'en lands. In September 2011, the Unist'ot'en and the Likhts'amisyu of the Wet'suwet'en Nation evicted PTP drillers who were drilling where the communities' salmon have their spawning grounds. In August 2012, Wet'suwet'en hosted its third annual environmental action camp to raise support and awareness about its ongoing resistance to the Pacific Trails Pipeline. A permanent community has been established in the direct path of the proposed pipelines and the Wet'suwet'en note that as long as it stands, no pipelines can be built.[34]

ExxonMobil – Indonesia – Arun LNG Plant – 4.0

ExxonMobil sold its interests in the Arun natural gas fields in 2011, but maintained its ownership of the Arun LNG Plant. While there is no reported community opposition to the plant, there are legacy issues associated with ExxonMobil's past activities in the natural gas fields. In July 2012, a Washington-based federal appeals court reinstated a lawsuit filed by Indonesian villagers in 2001 alleging that Indonesian

[30] http://credbc.ca/wp-content/uploads/2013/03/Trans-Mountain-Risks.pdf
[31] PRNewswire Article
[32] Indigenous Peoples Issues and Resources article 2 2012
[33] Ibid.
[34] IndigenousPeoplesIssues.com (BC: Pacific Trails Pipeline Evicted By Wet'Suwet'en In Interior BC, November 16, 2012)

soldiers, acting as paid ExxonMobil security personnel, killed and tortured community members. Risk is further driven up by the fact that Indonesia received a 5 for Country Risk, and by the sustained global media coverage generated by the lawsuit.

Murphy – Canada – Alberta Bakken – 4.0
In 2011, protestors from the Blood First Nation blocked Murphy from operating its natural gas fracking activities. The community appeared to be divided with those opposing the project stating that the "Chief and Council have done a good job at keeping people in the dark."[35] Three protesters from the Kainai Earth Watch, who believed the fracking would cause irreversible damage to the land and water supply, were arrested.[36] Risk is further driven up by Murphy's lack of Indigenous Peoples or human rights policies, and by media coverage garnered by the community protests and by the Idle No More movement, which targets all extractive activities in Canada.

Newmont – Ghana – Ahafo – 4.0
The Ahafo Mine has been the subject of sustained global media coverage, with particular emphasis on a 2009 cyanide spill at the mine. Community members impacted by the mine claim "compensation for lost houses, land, access to the town of Kenyasi, water access, fish ponds, and crops was inadequate."[37] In response to these pressures, Newmont agreed to review its compensation policies. Furthermore, security forces hired by the company have been accused of violating the human rights of mine protestors, with reported incidents of violence. Despite receiving 5s for Location Risk, Country Risk, Community Climate Risk, and Reputational Risk, the overall score for the site was mitigated by Newmont's Indigenous Peoples policy, which explicitly commits to FPIC.

Newmont – Indonesia – Batu Hijau Mine – 4.0
The negative impacts of resource extraction on Indigenous Peoples in Indonesia are the subject of sustained global media coverage, and several articles have mentioned Newmont's Batu Hijau Mine specifically. In 2008, local community members destroyed equipment at the mine due to its adverse impacts on their livelihoods, and in 2011 construction was blocked due to community protests.[38] Despite receiving 5s for Location Risk, Country Risk, Community Climate Risk, and Reputational Risk, the overall score for the site was mitigated by Newmont's Indigenous Peoples policy, which explicitly commits to FPIC.

Murphy – Canada – Peace River Oil Sands – 4.0
The Peace River Oil Sands is the only site to receive a 4.0 or above for its overall score, and not receive a 5 for Location Risk. It is unclear whether these operations are on or adjacent to First Nations' territory. However, it is clear that there is opposition among local First Nations communities directly impacted by the oil sands in Alberta. Risk is further driven up by Murphy's lack of Indigenous Peoples or human rights policies, and by media coverage garnered by the community protests and by the Idle No More movement, which targets all extractive activities in Canada.

[35] http://amazingflora.wordpress.com/tag/murphy-oil/
[36] http://www.nativenewsnetwork.com/standoff-in-alberta-blood-tribes-members-vs-murphy-oil-company.html
[37] http://ens-newswire.com/2010/01/23/newmont-gold-mine-to-pay-ghana-millions-for-cyanide-spill/
[38] http://www.corpwatch.org/article.php?id=13576

APPENDIX A: LIST OF COMPANIES

Company	Sector	# of Sites Assessed
Allied Nevada Gold	Mining	2
Alpha Natural Resources	Mining	1
Anadarko Petroleum	Oil and Gas	7
Apache Corporation	Oil and Gas	19
Cabot Oil and Gas	Oil and Gas	1
Chesapeake Energy	Oil and Gas	3
Chevron Corporation	Oil and Gas	24
Cimarex Energy	Oil and Gas	2
Cliffs Natural Resources	Mining	6
Cobalt International Energy	Oil and Gas	0
Compass Minerals	Mining	0
Concho Resources	Oil and Gas	2
ConocoPhillips	Oil and Gas	44
CONSOL Energy	Mining	0
Continental Resources	Oil and Gas	5
Denbury Resources	Oil and Gas	3
Devon Energy	Oil and Gas	14
Energen Corporation	Oil and Gas	2
EOG Resources	Oil and Gas	13
EQT Corporation	Oil and Gas	0
EXCO Resources	Oil and Gas	1
ExxonMobil Corporation	Oil and Gas	35
Freeport-McMoRan	Mining	16
Hess Corporation	Oil and Gas	10
Intrepid Potash Incorporated	Mining	1
Kinder Morgan Incorporated	Oil and Gas	14
Kosmos Energy	Oil and Gas	3
Laredo Petroleum Holdings	Oil and Gas	2
Marathon Oil	Oil and Gas	15
Molycorp Incorporated	Mining	1
Murphy Oil	Oil and Gas	9
Newfield Exploration Company	Oil and Gas	7
Newmont Mining	Mining	14
Noble Energy	Oil and Gas	4
Occidental Petroleum	Oil and Gas	6
Peabody Energy	Mining	14
Pioneer Natural Resources	Oil and Gas	3
QEP Resources	Oil and Gas	5
Quicksilver Resources	Oil and Gas	3
Range Resources	Oil and Gas	4
Royal Gold	Mining	3
Sandridge Energy	Oil and Gas	2

SM Energy	Oil and Gas	5
Southern Copper	Mining	17
Southwestern Energy	Oil and Gas	2
Spectra Energy	Oil and Gas	9
The Mosaic Company	Mining	1
The Williams Companies	Oil and Gas	6
Ultra Petroleum	Oil and Gas	1
Walter Energy	Mining	1
Whiting Petroleum	Oil and Gas	2
WPX Energy	Oil and Gas	4

APPENDIX B: SOURCES

For each company a comprehensive review of the following sources was made to determine location of operations, company policies on Indigenous Peoples, Human Rights, and Community Engagement strategies, and Production and Reserve data.

- 10-k
- Annual Report
- Sustainability Report
- Press Releases
- Website (Operations Locations)

Indigenous Peoples Sources
International Working Group for Indigenous Affairs: http://www.iwgia.org
World Directory of Minorities and Indigenous Peoples: http://www.minorityrights.org
UNHCR RefWorld: http://www.refworld.org/
Ethnologue: http://www.ethnologue.com
Indigenous Peoples Issues: http://indigenouspeoplesissues.com/
Indian Country Today: http://indiancountrytodaymedianetwork.com
Indigenous Environmental Network: http://www.ienearth.org/
Native Planet: http://www.nativeplanet.org
Indigenous Newsvine: http://indigenous.newsvine.com/
Mongabay: http://news.mongabay.com/
National Geographic Indigenous Newswatch:
http://newswatch.nationalgeographic.com/tag/indigenous-peoples/

Other Sources (Media, UN, NGOs etc.)
New York Times: www.nyt.com
Reuters: www.reuters.com
Global Issues: http://www.globalissues.org/news/topic/693
Humanitarian News and Analysis: http://www.irinnews.org/
Prensa Indigena: http://www.prensaindigena.org.mx/
Pulitzer Center on Crisis Reporting: http://pulitzercenter.org/
UN News Center: http://www.un.org/News/
Environmental Working Group: http://www.ewg.org/key-issues/energy
World Development Movement: http://www.wdm.org.uk/news

Region/Country Specific Sources
Africa
Indigenous Peoples of Africa Co-ordinating Committee: http://www.ipacc.org.za/eng/default.asp
Pipeline Dreams: http://www.pipelinedreams.org/
Asia Pacific
Regional Geography of the World: Globalization, People, and Places: http://bit.ly/1aGfiMC
Swan Valley Nyungah Community: http://www.nyungah.org.au/documents/primeminister.html
http://ccwa.org.au/content/view/68/130?page=4#Windarling
National Native Title Tribunal http://www.nntt.gov.au
Mining Australia: http://www.miningaustralia.com.au

Western Australia: http://www.noongar.org.au/
Swan Valley Nyungah Community: http://www.nyungah.org.au/documents/Windarling.html
Conservation Council of Western Australia: http://ccwa.org.au/
North America (USA)
BLM search for Environmental Assessments: http://1.usa.gov/1bgQg8p
North America (Canada)
Indigenous Peoples of the Arctic: http://bit.ly/1aGYlBz
Inuvialuit Regional Corporation: www.irc.inuvialuit.com
Canada News
http://www.cbc.ca/
www.theglobeandmail.com
http://warriorpublications.wordpress.com/
www.albertaoilmagazine.com
www.nativenewsnetwork.com/
www.indianz.com
www.workingeffectivelywithaboriginalpeoples.com
www.business.financialpost.com
www.canadianbusiness.com
www.albertaoilmagazine.com
www.firstnationsdrum.com
http://oilsandstruth.org
Resources Maps Canada
http://atlas.nrcan.gc.ca/data/english/maps/energy/crude_oil_natural_gas_resources_map.pdf
http://atlas.nrcan.gc.ca/site/english/maps/miningandminerals.html
Mining Canada
http://www.miningwatch.ca/
http://northernbcmining.com/
http://tumblerridgenews.com/?p=10754 (IBAs)
Mining Potential in Canada: http://www.nunavutminingsymposium.ca/wp-content/uploads/2013/04/3-Kingston-NNCM.pdf
Aborigianl mov't threatens mining industry http://www.mining.com/canada-aboriginal-movement-threatens-mining-industry-reuters-50532/
First Nations Maps Canada
http://www.aadnc-aandc.gc.ca/eng/1290453474688/1290453673970
Corporate Member of the Circle for Aboriginal Relations (CFAR): http://www.cfarsociety.ca
South America
Latin American Mining Monitoring Programme: http://lammp.org/
Latin American Press: http://www.lapress.org/
Argentina
http://knowledge.wharton.upenn.edu/article/to-oil-executives-delight-argentina-aims-to-copy-north-americas-shale-boom/
http://settysoutham.wordpress.com/2012/01/25/argentina-shale-oil-drillers-say-the-m-word-mapuche/
Chile
http://ciperchile.cl/

Industry Specific

Mining

Major Mine Operations Around the World: http://www.infomine.com/
2012 Report on Mine Tailings impact on water:
http://www.earthworksaction.org/files/publications/Troubled-Waters_FINAL.pdf
Mining People and the Environment: http://www.mpe-magazine.com/
Republic of Mining: http://www.republicofmining.com/
Mines and Communities: http://www.minesandcommunities.org/
Company and Property Mining Intelligence: http://www.infomine.com/
Latin American Mining Monitoring Programme: http://lammp.org/
Mining Australia: http://www.miningaustralia.com.au

Oil & Gas

Country Risk Reports for Oil Companies: http://maplecroft.com/about/news/country-reports-september20.html
Food and Water Watch Report on Fracking: http://www.foodandwaterwatch.org/tools-and-resources/fracking-the-new-global-water-crisis/

Others

WWF: wwf.panda.org
New International Blog: http://newint.org/themes/society/corporations/
CDCA: http://www.cdca.it/spip.php?rubrique129&lang=it
Law360: http://www.law360.com
International Association for Impact Assessment: http://www.iaia.org/

APPENDIX C: SAMPLE SCORECARD

First Peoples Worldwide
2013 Operational Risk Assessment
Southwestern Energy

NYSE:SWN
Industry: Oil and Gas
Houston, TX

The following is First Peoples Worldwide's (FPW) assessment of Southwestern Energy's risk exposure to Indigenous Peoples. The information and related assessments in this report are not intended to be relied upon as, or to be a substitute for, specific professional advice. FPW shall have no responsibility for loss occasioned to any persons and legal entities acting on or refraining from action as a result of any material in this report.

With respect to any and all information and assessments contained in this report, FPW makes no representation or warranty of any kind, either express or implied, with respect to such information and assessments, the results to be obtained by the use thereof or any other matter.

This report contains information that is derived from public sources and certain assessments by FPW based on that information. FPW expressly disclaims, and the buyer or reader waives, any and all implied warranties, including without limitation, warranties of originality, accuracy, completeness, merchantability, fitness for a particular purpose and warranties related to possible violations of intellectual property rights, trademark rights or any other rights of any third party.

CANADA: New Brunswick

IPs Impacted: Elsipogtog First Nation, Mi'kmaq First Nation

No Risk	Low Risk	Medium Risk	High Risk	Critical Risk
			4.2	

Location:	Onshore	**% of Total Production (2012):**	No Production
Type:	Drilling Platform	**% of Total Proven Reserves (2012):**	No Proven Reserves
Stage:	Exploration	**SEIA:**	Not Reported
Affiliations:	None		

Site	Interest	Partners
New Brunswick	100% Interest	N/A

Description:

Southwestern has invested approximately $28.2 million in its New Brunswick exploration activities, which is its first venture outside the US. In 2011, the Chief of St. Mary's First Nation threatened to file a lawsuit against the New Brunswick government if it did not take immediate action to cancel all natural gas exploration permits, and Southwestern was forced to suspend seismic testing due to ongoing protests. In early 2013, members of the Kingsclear First Nation staged an Idle No More protest against the natural gas fracking exploration activities in New Brunswick. In June 2013, the Royal Canadian Mounted Police (RCMP) was deployed to New Brunswick in response to confrontations between Southwestern and residents of the Elsipogtog First Nation and the Mi'kmaq First Nation. To voice their opposition to Southwestern's seismic testing for natural gas reserves on their lands, over 65 community members blockaded highways and surrounded vehicles belonging to the company. The demonstration lasted for several days, and ended with the arrest of 29 protestors by the RCMP. In October 2013, another blockade turned violent, and at least forty people were arrested. The RCMP attacked the protesters with pepper spray, who responded by hurling Molotov cocktails and torching police vehicles. At least one shot was reportedly fired, although it is unclear by whom. The blockade is costing the company $60,000 per day, and its efforts to obtain a permanent injunction against the protestors were denied in court.

Southwestern Energy: New Brunswick, Canada--- Risk Exposure Overview		
Risk	**Score**	**Comments**
Location Risk	5	The company's exploration activities are on the traditional territories of the Elsipogtog First Nation and the Mi'kmaq First Nations.
IP Management/Policy Risk	4	Southwestern has no policies pertaining to Indigenous Peoples or human rights, and the community involvement portion of its website is limited to civic engagement through philanthropy and volunteering. Southwestern's website does make commitments pertaining to health, safety, and environment.[39]
Reputational Risk	4	The community protests were covered by small press outlets. Additionally, the Idle No More movement has brought significant media attention to Indigenous opposition to extractive activities. Triggered by Canadian legislation weakening First Nations' sovereignty over their natural resources, the Idle No More movement spread rapidly throughout the country and triggered hundreds of protests. Over 20 First Nations have asked for a moratorium on oil sands development and are supported by local, national and global campaigns. Due to heavy media concentration of issues pertaining to resource extraction and Indigenous Peoples in Canada, there is a high probability of spillover reputational damage for all companies

[39] http://www.swn.com/responsibility/pages/default.aspx

		operating in the country.
Country Structural Risk	3	Canada has legal protections for Indigenous Peoples, but they are inconsistently enforced (see country risk appendix).
Community Climate Risk	5	In 2011, the Chief of St. Mary's First Nation threatened to file a lawsuit against the New Brunswick government if it did not take immediate action to cancel all natural gas exploration permits[40], and Southwestern was forced to suspend seismic testing due to ongoing protests.[41] In early 2013, members of the Kingsclear First Nation staged an Idle No More protest against the natural gas fracking exploration activities in New Brunswick. In June 2013, the Royal Canadian Mounted Police (RCMP) was deployed to New Brunswick in response to confrontations between Southwestern Energy and residents of the Elsipogtog First Nation and the Mi'kmaq First Nation. To voice their opposition to Southwestern's seismic testing for natural gas reserves on their lands, over 65 community members blockaded highways and surrounded vehicles belonging to the company. The demonstration lasted for several days, and ended with the arrest of 29 protestors by the RCMP.[42] In October 2013, another blockade turned violent, and at least forty people were arrested. The RCMP attacked the protesters with pepper spray, who responded by hurling Molotov cocktails and torching police vehicles. At least one shot was reportedly fired, although it is unclear by whom.[43] The blockade is costing the company $60,000 per day, and its efforts to obtain a permanent injunction against the protestors were denied in court.[44]
Legal Risk	1	No lawsuits.

[40] http://www.cbc.ca/news/canada/new-brunswick/first-nation-threatens-shale-gas-lawsuit-1.1026622
[41] http://www.vancouverobserver.com/world/canada/2011/09/10/three-women-arrested-alberta-gas-fracking-protest
[42] http://www.honorearth.org/news/when-drones-guard-pipeline-%E2%80%93-militarizing-fossil-fuels-east
[43] http://www.reuters.com/article/2013/10/17/us-newbrunswick-protests-idUSBRE99G1DF20131017
[44] http://www.democracynow.org/2013/10/22/headlines/southwestern_energy_loses_bid_to_block_anti_fracking_protests_in_canada

USA: Bakken/Three Forks, MT

IPs Impacted: Fort Peck Indian Reservation

No Risk	Low Risk	Medium Risk	High Risk	Critical Risk
		3.2		

Location:	Onshore	**% of Total Production (2012):**	No Production
Type:	Drilling Platform	**% of Total Proven Reserves (2012):**	No Proven Reserves
Stage:	Exploration	**SEIA:**	BLM EIA
Affiliations:	None		

Site	Interest	Partners
Bakken/Three Forks	100% Interest	N/A

Description:

Situated on the western edge of the Bakken geologic formation, Fort Peck is home to the Sioux divisions of Sisseton, Wahpetons, the Yanktonais, and the Teton Hunkpapa and the Assiniboine bands of Canoe Paddler and Red Bottom.[45] The Bakken Formation contains 200 billion barrels of oil that could increase US domestic production by tenfold.[46] The Fort Peck tribal government has agreements with oil companies to drill on their land. It is unclear whether these agreements were signed with broad-based support from the community – in North Dakota, the Fort Berthold tribal government is accused of entering lucrative agreements with companies while residents endure severe housing shortages and other negative impacts, resulting in several lawsuits. In the past, extractive activities near Fort Peck contaminated the community's water supply. Between 1999 and 2010, the Environmental Protection Agency issued five emergency orders to three oil companies, ordering them to deliver bottled water to residents.[47]

Southwestern Energy: Bakken/Three Forks, MT, USA--- Risk Exposure Overview		
Risk	**Score**	**Comments**
Location Risk	4	The company's operations are on or adjacent to the Fort Peck Reservation.
IP Management/Policy Risk	4	Southwestern has no policies pertaining to Indigenous Peoples or human rights, and the community involvement portion of its website is limited to civic engagement through philanthropy and volunteering. Southwestern's website does make commitments pertaining to health, safety, and environment.[48]
Reputational Risk	3	There is widespread media coverage of oil activities in the North Dakota Bakken, but smaller-scale media coverage of oil activities in the Montana Bakken.
Country Structural Risk	2	The USA has enforced legal protections for Indigenous Peoples, but they do not include FPIC (see country risk appendix).
Community Climate Risk	3	There is no reported community activity, and the Fort Peck tribal government has agreements with oil companies to drill on their land. It is unclear whether these agreements were signed with broad-based support from the community – in North Dakota, the Fort Berthold tribal government is accused of entering lucrative agreements with companies while residents endure severe housing shortages and other negative impacts, resulting in several lawsuits. In the past, extractive activities

[45] http://www.fptminerals.org/index.html
[46] http://www.mineralweb.com/mineral-rights-by-state/north-dakota-mineral-rights/
[47] http://buffalosfire.com/beckoning-the-bakken-will-the-oil-boom-reach-montanas-impoverished-fort-peck-tribes/
[48] http://www.swn.com/responsibility/pages/default.aspx

		near Fort Peck contaminated the community's water supply. Between 1999 and 2010, the Environmental Protection Agency issued five emergency orders to three oil companies, ordering them to deliver bottled water to residents. [49]
Legal Risk	1	No lawsuits.

[49] http://buffalosfire.com/beckoning-the-bakken-will-the-oil-boom-reach-montanas-impoverished-fort-peck-tribes/