

Cliffs response re First Peoples Worldwide report

19 Nov 2013

Business & Human Rights Resource Centre invited Cliffs Natural Resources to respond to the following items:

- *Press release: [“The Next Financial Bubble: Indigenous Peoples Rights - Report Exposes Risk to Shareholders When Indigenous Rights Are Ignored,”](#) First Peoples Worldwide, 28 Oct 2013*
- *Full report: [“First Peoples Worldwide’s - Indigenous Rights Risk Report for the Extractive Industry - Preliminary Findings”](#), First Peoples Worldwide, 28 Oct 2013*

Cliffs sent the following response:

Thank you for your email inviting Cliffs to respond to the recently released report by First Peoples Worldwide, where the Cliffs Chromite Project was listed as one of the “highest risk sites” regarding Indigenous Rights.

In reviewing the methodology that was utilised by First Peoples Worldwide, it is uncertain how the Cliffs Chromite Project was determined to be a high risk site, with a score of 4.1. The lack of transparency into the assessment of the Cliffs Chromite Project and how exactly the score was determined makes it very difficult to provide you with a considered response.

As you are aware, the methodology requires a score of 1-5 to be assigned to five weighted criteria (uncertain why the score percentage adds up to 110%). These criteria were:

- Location Risk (20%) - the Cliffs Chromite Project area coincides with indigenous land
- Policy Risk (20%) - Cliffs’ Human Rights Policy identifies that the company is “committed to upholding the values associated with the United Nations’ Universal Declaration of Human Rights to ensure safety and human rights are protected wherever we operate.” It also states that Cliffs “is committed to being a respectful member of the communities in which we operate” and that we will endeavor to “have open, transparent relationships with all of our stakeholders.”
- Reputational Risk (20%) - The project occurs within a region where mineral activity is regularly discussed within the media and local communities.
- Country Risk (20%) - Canada is considered to have legal protection for Indigenous Peoples that is enforced.
- Community Climate Risk (25%) – Since Cliffs has acquired the mineral deposits, Cliffs has actively engaged with First Nation communities on the progress of the project. Cliffs is looking forward to continuing working with potentially affected First Nations communities to foster an open and transparent dialogue concerning the Cliffs Chromite Project. Cliffs is committed to engaging in an open and transparent dialogue that ensures all viewpoints and perspectives are heard, and all concerns can be addressed through the mandated Canadian Environmental Assessment process.
- Legal Risk (5%) - there have been no legally binding rulings nor are there lawsuits pending trial against the project regarding negative impacts on Indigenous Peoples.

Our assessment of the Cliffs Chromite Project against First Peoples Worldwide’s criteria produced a score below 4, which is below the threshold for being categorized as one of the highest risk sites.

Although we are not able to comment on the First Peoples Worldwide's assessment of the Cliffs Chromite Project, we are able to advise that we recognize the importance of developing a collaborative approach with the First Nation communities to bring the Cliffs Chromite Project to fruition. We're determined to be a good partner, and will continue to work with First Nations who may be impacted by the project to understand their concerns and priorities, and to respond to them.

We have been actively working with Aboriginal communities to identify potential environmental effects of the proposed project, including those on current use of lands and resources for traditional purposes, and expected impacts to established and potential Aboriginal and Treaty rights. We value the traditional and local knowledge of First Nation and Métis communities and recognize that they are uniquely positioned to inform the project's Environmental Assessment process.

We remain optimistic about the Cliffs Chromite Project because of the potential positive impact this project can have on the lives of First Nations community members in the region and the people of Ontario. Cliffs has worked with various First Nations communities to provide social and charitable support that will have a meaningful impact. Despite the Chromite Project being in its early stages, Cliffs has made significant contributions in support of health programs, cultural events, youth recreation, education and training.

For further information on the consultation that has been undertaken on the Cliffs Chromite Project, and our broader approach to community consultation and engagement, I encourage you to refer to the "[Our Community](#)" section of our 2012 Sustainability report.

In addition to our concern about the lack of transparency, the scoring of the projects themselves is confusing. There appears to be situations where the scores described in the text do not align with the total quantitative score assigned. For example, one company scored 4.0, however, the text description of "despite receiving 5s for Location Risk, Country Risk, Community Climate Risk, and Reputational Risk" indicates that the project should be rated at least at 4.35.

In addition to contacting the companies listed within the report, I would encourage you to also investigate how each project was assessed and whether the methodology used provides an adequate assessment of Indigenous Rights risk.