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When financial institutions support projects that do not have the consent of Indigenous Peoples, they often face public opposition, reputational risk, and financial risk. This opposition and attendant lack of social license to operate is rarely telegraphed to shareholders by companies in the initial instance. Thus, Indigenous leaders have gathered significant investor support to bring their concerns directly to shareholders.

In 2023, Indigenous Peoples attended the annual general meeting (AGM) of shareholders at numerous companies to discuss a range of business practices that impact their lands, territories, and resources. Shareholder proposals that forwarded Indigenous priorities took many forms: they addressed Indigenous Peoples' right to free, prior and informed consent (FPIC) as enumerated in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP); Indigenous Rights Risk as part of a human rights framework; racial equity audits that include impacted Indigenous Peoples; and in Canada, corporate plans for Indigenous reconciliation in alignment with the Truth and Reconciliation Commission's Call to Action 92, which calls upon Canadian corporations to adopt policies and practices in alignment with the UNDRIP.

This report analyzes one dozen shareholder proposals related to the rights of Indigenous Peoples filed at financial institutions in the U.S. and Canada in 2023. Half of the proposals went to a vote of shareholders, while the other half were withdrawn. Several proposals were withdrawn by the companies themselves, while others were withdrawn by the companies' boards of directors.

While most proposals and engagements resulted from impacts from fossil fuel development and insurance underwriting, there is growing shareholder attention to other sectors, particularly from agriculture and mineral mining for renewable energy technologies, and appropriation of Indigenous language and culture without clear community ties.

Indigenous Peoples' voices, stories, and the business case for their rights were heard by allies, companies, policymakers, and the media. Companies that do not respect Indigenous rights can expect to hear from Indigenous leaders again at AGMs in 2024 and into the future. The number of shareholder proposals in 2023 indicates increasing investor attention and expectations regarding Indigenous rights, which is likely to continue.

Bank of Montreal (BMO)

Several shareholder proposals regarding business practices impacting Indigenous Peoples received attention at BMO's AGM

More than 37 percent of shareholders supported a shareholder proposal filed by the Shareholder Association for Research & Education (SHARE) – on behalf of the Atkinson Foundation – and the BC General Employees' Union (BCGEU) citing discriminatory banking practices impacting Indigenous Peoples and calling for a racial equity audit.¹

BCGEU and the Union of British Columbia Indian Chiefs (UBCIC) withdrew a shareholder proposal calling on BMO to operationalize FPIC. The withdrawal occurred after BMO agreed to several policy changes such as including UNDRIP in their Human Rights Statement, an enhanced FPIC due diligence process, and improving education about FPIC.² The proposal cited two high profile projects funded by BMO where Indigenous communities have not given consent: the Coastal Gas Link in Wetsuwetent territory and the Line 3 expansion on Anishinaabeg lands.

Canadian Imperial Bank of Commerce (CIBC)

A shareholder proposal³

Indigenous peoples, it's saddening and maddening to see the numbers drop a few points as our homelands are destroyed across the globe.”⁷

Royal Bank of Canada (RBC)

BCGEU and UBCIC filed a shareholder proposal at RBC regarding the operationalization of FPIC. The proposal is similar to the FPIC proposals filed at BMO and TD Bank. BCGEU again joined with SHARE – on behalf of the Atkinson Foundation – to file a racial equity audit proposal at RBC, citing discriminatory banking practices impacting Indigenous Peoples. Unlike their peer Canadian banks, RBC did not come to similar agreements with impacted Indigenous Peoples. Instead, both proposals went to a vote of shareholders. RBC advised shareholders to vote against both proposals. Shareholders supported the FPIC proposal with 27 percent of the vote and 44 percent of shareholders supported the racial equity audit proposal.

RBC took an adversarial approach to attendees from Indigenous and Black communities impacted by RBC-funded projects. A delegation of Wet'suwet'en Hereditary Chiefs attempted to attend the AGM with valid proxies to discuss RBC's financial support for the Coastal GasLink pipeline. Wet'suwet'en Hereditary Chiefs were ushered into a segregated reserve room, away from the main AGM and out of sight from RBC's CEO, board, and other shareholders. Wet'suwet'en Hereditary Chiefs accused RBC of segregating Indigenous and Black AGM attendees and using a color pass system⁸

This is the second year in a row that Wet'suwet'en Hereditary Chiefs were denied entry to RBC's AGM. In-person attendance at the 2022 AGM was cancelled less than 24 hours before the meeting as Wet'suwet'en Hereditary Chiefs prepared to attend⁹

In response to RBC's actions at the AGM, Wet'suwet'en Hereditary Chief Na'Mids said, “CEO Dave McKay is personally responsible for the abuse Indigenous peoples received from RBC. This shows how Canada's biggest bank has no interest in reconciliation or our human rights by implementing a two

including during a planned trip to Hartford, CT by Bernadette Demientieff. The Hartford has not yet agreed to meet with the Gwich'in Steering Committee to discuss the Arctic Refuge and has not met with First Peoples Worldwide to discuss FPIC and the rights of Indigenous Peoples.

The proposal (see Appendix) requests a report to shareholders regarding Power Corporation's Indigenous reconciliation policies, plans, and practices compared to Indigenous-led standards such as the Progressive Aboriginal Relations (PAR) program of the Canadian Council for Aboriginal Business.

Following discussions between SHARE and Power Corporation of Canada, the proposal was withdrawn from the 2023 AGM

Citigroup simultaneously faces calls from Indigenous leaders to stop financing oil and gas operations in the Amazon that pose “an existential threat” to Indigenous Peoples.¹² A 2022 Investor Risk Alert reported that Citigroup has the largest financial involvement of all foreign banks, an estimated \$438 billion, in oil and gas operations in the Amazon basin.¹³

Citigroup faces reputational risk if its “climate forward” commitments are discredited by its own financing activities.¹⁴ Citigroup’s human rights and risk management policies do not clearly define FPIC, nor include guidance on how Citigroup addresses companies with track records of violating Indigenous rights. Though Citigroup adheres to the Equator Principles to manage environmental and social risk, Indigenous experts have described them as “critically weak” and not aligned with international human rights standards.¹⁵ Effective policies that protect Indigenous rights are critical to managing material risk.

¹² <https://www.citigroup.com/press-releases/2022/07/2022-07-20-citigroup-announces-new-climate-forward-commitments>

RBC's Human Rights Position Statement invokes the United Nations Guiding Principles on Business and Human Rights (UNGPs) and states that RBC will take action to mitigate adverse human rights impacts, including by leveraging its business relationships. RBC has also disclosed ways in which it honours Call to Action #92

Shareholders believe further action is required to operationalize FPIC and Call to Action #92 into RBC's corporate policies and activities. An explicit reference to operationalizing FPIC will help mitigate human rights risk while giving RBC additional leverage to effect meaningful and necessary change on the path towards reconciliation

RESOLVED THAT RBC revise its Human Rights Position Statement to reflect that in taking action to mitigate adverse human rights impacts directly linked to its business relationships with

- : Racial equity audit & Indigenous Peoples - Canada**
- : Bank of Montreal (BMO)**
- : Similar resolutions were submitted to Canadian Imperial Bank of Commerce (CIBC) and**

**: Indigenous Peoples' rights, Human Rights, and Underwriting
: Chubb**

: A similar resolution was submitted to The Hartford and was withdrawn

Under the UN Guiding Principles on Business and Human Rights, companies are expected to conduct human rights due diligence to meet the corporate responsibility to respect human rights. The UN Declaration on the Rights of Indigenous Peoples recognizes the rights of Indigenous Peoples to self-determination, territories, and cultural practices, and establishes that entities must seek Free Prior and Informed Consent (FPIC) of Indigenous Peoples related to any projects that may impact their rights.

Chubb may be exposed to environmental and social risk through its underwriting and financing activities. The Principles for Sustainable Insurance, signed by 135 insurers representing \$15 trillion in assets,¹ serves as a framework to address environmental, social and governance (ESG) risks and opportunities. Chubb is not a signatory. Several companies incorporate ESG in their underwriting practice, including AIG,² Munich Re,³ and Zurich⁴ Allianz,⁵ AXIS Capital,⁶ and Swiss Re⁷ assess FPIC. Seventeen insurers have committed not to insure oil and gas. Mut

