



November 2, 2022

Via Courier and Email: karen.mccarthy@rbc.com

Karen McCarthy
Senior Vice-President, Associate General Counsel and Secretary
Corporate Secretary's Department
Royal Bank of Canada
200 Bay Street, 12th Floor, South Tower
Toronto ON M5J 2J5

Dear Ms. McCarthy,

Re Shareholder proposal for the 2023 Annual General Meeting of Shareholders (“AGM”)

The British Columbia General Employees’ Union submits the enclosed shareholder proposal and supporting statement (the “**Proposal**”) on behalf of the British Columbia General Employees’ Union General Fund and British Columbia General Employees’ Union Defence Fund, shareholders of the Royal Bank of Canada (“**RBC**” or the “**Bank**”) (together, the “**Shareholder**”), with support from the Union of British Columbia Indian Chiefs (“**UBCIC**” or the “**Supporter**”). The Proposal, attached hereto as Schedule A, is for inclusion in the management proxy circular RBC intends to deliver to the shareholders of RBC in connection with the AGM. The Proposal relates to operationalizing free, prior and informed consent (FPIC) to help mitigate human rights risk while giving RBC additional leverage to effect meaningful and necessary change on the path towards reconciliation.

In accordance with the eligibility requirements pursuant to the *Bank Act*, I represent the following:

1. The Shareholder is located at the address set out in Schedule B attached hereto, and the Supporter is located at 312 Main St, Suite 401, Vancouver, British Columbia V6A 2T2;
2. The Shareholder beneficially owns voting shares in the capital of the Bank whose fair market value, as determined as of the close of business on the day before the day the Proposal was submitted, was at least \$2,000 (the “**Shares**”);

3. The Shareholder held the Shares for a 6-month period immediately before the day on which the Proposal was submitted; and
4. The Shareholder will continue to hold the Shares until the end of the AGM.

Please note additional forms of proof of ownership, if requested, will be provided under separate cover.

Meeting Related Matters

The Shareholder requests that:

1. the vote on the Proposal at the AGM be conducted by ballot;
2. should the meeting be conducted as a virtual meeting, in keeping with the CSA's February 25, 2022 guidance, meeting practices should be consistent with in-person meetings. Further to this, we expect that full details of the ballot results be disclosed at the AGM;
3. it be provided with the means to present the Proposal directly to Bank shareholders (and not by having a Bank representative present the Proposal), even if the AGM is conducted on a virtual basis; and
4. the Proposal and supporting statement be published in the Bank's proxy circular be printed as it is presented in this letter, and not reordered, reorganized or edited in any way.

Questions and Engagement

Please direct all questions with respect to this shareholder proposal to both Emma Pullman (emma.pullman@bcgeu.ca), BCGEU's Capital Markets Advisor, and Eugene Kung (ekung@wcel.org), counsel to UBCIC.

Very truly yours,



Paul Finch, Treasurer
British Columbia General Employees' Union



Grand Chief Stewart Phillip, President
Union of BC Indian Chiefs

Schedule A

The United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) stipulates that States shall consult in good faith with Indigenous peoples in order to obtain their free, prior and informed consent (FPIC) before implementing measures that may affect them.¹

The federal UNDRIP Act affirmed that UNDRIP has legal effect in Canada as an international human rights instrument.² The Truth and Reconciliation Commission's Call to Action #92 calls upon the corporate sector to adopt and implement UNDRIP "as a reconciliation framework and to apply its principles, norms, and standards to corporate policy and core operational activities involving Indigenous peoples and their lands and resources."³

Foley Hoag LLP's report to banks which funded the controversial Dakota Access Pipeline Project recommended that international industry good practices on FPIC mean going beyond the minimum standards set by domestic law.⁴

Failing to consider FPIC also overlooks a material risk. Companies which only seek domestic legal minimums and fail to obtain FPIC routinely see project delays, conflict, and other significant legal, political, reputational and operational risks.

The Government of Canada has stated that FPIC is contextual and there is no "one size fits all" approach, and operationalizing FPIC may require different processes or new creative ways of working together.⁵

A 2019 paper prepared for the Union of BC Indian Chiefs (UBCIC) entitled Consent ⁶(Consent Paper) attempts to clear up misconceptions about FPIC, namely that:

- "consent" and "veto" are not the same; they have different meaning and uses; and
- FPIC is not an extension of consultation and accommodation, which are procedural in nature.

The Consent Paper outlines certain ways in which Canadian businesses can operationalize FPIC, including:

- seeking and confirming Indigenous consent prior to major Crown processes;
- outlining the conditions necessary for obtaining and maintaining a Nation's consent, as opposed to legal devices such as releases that are intended to limit Indigenous rights;

¹ <https://daccess-ods.un.org/access.nsf/Get?OpenAgent&DS=A/RES/61/295&Lang=E> (Articles 18-19)

² <https://www.canlii.org/en/ca/laws/stat/sc-2021-c-14/latest/sc-2021-c-14.html>

³ <https://www.rcaanc-cirnac.gc.ca/eng/1524506030545/1557513309443>

⁴ https://www.foleyhoag.com/news-and-insights/publications/ebooks-and-white-papers/2017/may/good_practices_social_impacts_oil_pipelines_united_states/

⁵ <https://www.justice.gc.ca/eng/declaration/bgnrcan-bgrncan.html>

⁶ https://www.ubcic.bc.ca/consent_paper

- using collaborative dispute resolution mechanisms and not limiting a Nation's ability to take legal action; and
- building a process for future decision-making and obtaining consent before any approvals are sought from the Crown.

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 clients (as outlined in the UNGPs), RBC will inform itself as to whether and how clients have operationalized FPIC of Indigenous peoples affected by such business relationships.