



Proxy Alert: Indigenous Rights at the Bank of Nova Scotia

March 20, 2020

Bank of Nova Scotia

Symbol: BNS (TSX)

Annual Meeting date: April 7, 2020

Filer: Harrington Investments

Shareholder Proposal No. 4: On the Bank of Nova Scotia's (Scotiabank) consideration of potential impacts on human and Indigenous peoples' rights, including respect for free, prior and informed consent (FPIC) of Indigenous communities affected by Scotiabank's financing.

RESOLVED: *Shareholders request that Scotiabank revise its Human Rights policies to ensure that, in all project finance and commercial lending settings where substantial concerns may be reasonably expected, the bank will thoroughly consider the finance recipients' policies and practices for potential impacts on Human and Indigenous Peoples' Rights, including respect for the Free, Prior and Informed Consent of Indigenous communities affected by all Scotiabank's financing.*

Vote recommendation: Vote FOR Proposal No. 4

Violations of human rights can expose a company to liability for those abuses, even if the company does not participate directly in those abuses and tries to distance itself from them. Scotiabank has exposed itself to this liability by providing financing for oil, gas, and coal development projects entangled in Indigenous rights violations, including the failure to obtain their free, prior and informed consent about projects on their land., through various project- and corporate-level loan agreements. For instance, Scotiabank funded companies that financed and built the Dakota Access Pipeline and the expansion of the Transmountain Pipeline. [1]

Despite updating their Human Rights Statement in 2019 to include mention of the rights of Indigenous peoples, Scotiabank does not mention nor commit to the implementation of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), including the need to obtain the free, prior, and informed consent of Indigenous peoples in their operations and financing activities. It is important for all projects on Indigenous lands to respect the provisions of the UN Declaration on the Rights of Indigenous Peoples. This includes seeking the free, prior, and informed consent of the local Indigenous communities, and providing tangible benefits to those communities. Indigenous communities must have a meaningful role in the decisions and management of any projects or corporate operations on their land. By not including the UNDRIP in its human rights policy, the bank risks ongoing liability for violations



of Indigenous rights. These risks include the potential for legal liability, financial losses from the loss of value in financed projects, and damage to the bank's reputation.

Scotiabank is a signatory to the Equator Principles, a risk mitigation framework for member financial institutions to apply in credit risk review process in order to avoid complicity in human rights abuses and environmental harm through their lending. Unfortunately, the Equator Principles do not include an adequate risk assessment process for respecting Indigenous peoples' rights. [2] The Equator Principles do not apply to all countries in which Scotiabank operates, and do not commit signatories to implementing the UNDRIP or obtaining the free, prior and informed consent of Indigenous communities.

Without a more robust human rights policy that includes respect for Indigenous peoples, Scotiabank is liable for potential violations of Indigenous peoples' rights. The proposed changes to that policy would help the bank mitigate that liability, improve its reputation, and show Indigenous communities the respect they deserve.

NATOA and SHARE's recommendation: Vote FOR the proposal to ensure Scotiabank considers Indigenous peoples' rights in financing, including respect for FPIC.

Link to the full proposal: https://www.scotiabank.com/content/dam/scotiabank/corporate/quarterly-reports/2020/q1/2020_Scotia_Circular-English_AODA.pdf, pages 27-28

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[1] Miles J, MacMillan H. Who's banking on the Dakota Access Pipeline? 2016, Sept. 6. Food and Water Watch. Available from www.foodandwaterwatch.org/news/who's-banking-dakota-access-pipeline

[2] First Peoples Worldwide. First Peoples' Response to EP4: Critically Weak Equator Principles Puts Global Development Ahead of Human Rights and the Environment. 2019, Nov. 19. Available from <https://www.colorado.edu/program/fpw/2019/11/19/first-peoples-response-ep4-critically-weak-equator-principles-puts-global-development>