

Voting for a just recovery

The Canadian Capital Stewardship Network's Decent Work
Proxy Vote Recommendations for the 2021 AGM Season

Proxy Bulletin



2021

CANADIAN
CAPITAL
STEWARDSHIP
NETWORK



RÉSEAU
CANADIEN
D'INTENDANCE
DU CAPITAL

The momentum for investor action on social issues is rising.

From COVID-19 outbreaks in low-wage workplaces to Black Lives Matter protests across North America, the events of this past year have exposed deep inequities across the globe—inequities that require bold action from investors in order to mitigate systemic risks.

This proxy season, Canadian investors can use their voting rights to press portfolio companies on workers' rights issues such as poor health and safety standards, precarious working conditions and racial discrimination in the workplace.

The Canadian Capital Stewardship Network (CCSN) is calling on Canadian trustees to encourage their managers to support the following shareholder resolutions and vote recommendations:

Amazon.com, Inc. (AMZN)

Shareholder proposals on workforce risks

The COVID-19 pandemic has highlighted issues related to employee health and safety, racial discrimination and the infringement of fundamental labour rights at Amazon.com, Inc. ("Amazon").

At the company's AGM on May 26, 2021, investors are encouraged to:

- **VOTE FOR** a shareholder proposal ([item 10](#), page 49) that urges Amazon to adopt a policy promoting worker representation on boards by requiring that the initial list of candidates from which new board nominees are chosen (the "Initial List") by the Nominating and Governance Committee include (but need not be limited to) hourly Associates;
- **VOTE FOR** a shareholder proposal ([item 9](#), page 43) that asks Amazon to commission a [racial equity audit](#) analyzing the company's impacts on civil rights, equity, diversity and inclusion, and the impacts of these issues on its business.

Investors are encouraged to **VOTE FOR** other shareholder proposals related to workforce practices, including proposals regarding

promotion velocity (Item 7, page 36), gender and racial pay gaps (Item 6, page 33) and a report on completion strategy and risk (Item 11, page 52).

The CCSN is echoing [global trade union movement calls](#) for investors to engage Amazon on implementing its own human rights commitments following the company's interference with its workers' internationally recognized rights to freedom of association in a recent union election in Bessemer, Alabama.

Chartwell Retirement Residences (CSH.UN)

Human capital disclosure and withholding votes for the re-election of Michael D. Harris as Director

The pandemic has provided clear evidence of the [operational and reputational risks](#) associated with poor working conditions and their link to the quality of resident care in the long-term care sector. Working conditions at Chartwell long-term care facilities—including low wages, insufficient benefits and shortages of personal protective equipment—combined with the [high death toll](#) in the company's 200 facilities indicate a need for stronger board oversight of workforce practices.

At the company's AGM on May 20, 2021, investors are encouraged to:

- **VOTE FOR** a shareholder proposal ([Unitholder Proposal No.1](#), page B1) asking the company to report on how it is upholding decent work practices, including: (1) information on its approach and board-level oversight of human capital management in the context of emerging workforce-related risks; and (2) comprehensive workforce metrics that effectively demonstrate the success and challenges the company faces.

Accountability for the company's performance during the pandemic sits with the board of directors. Michael D. Harris, Chair of the Board, has been a member of the board since 2004 – a tenure that makes it impossible to be considered an independent chair. As such, investors are encouraged to:

- **WITHHOLD THEIR VOTES FOR (effectively voting against)** the re-election of Michael D. Harris as Director.

Dollarama Inc. (DOL)

Human rights risks and third-party staffing agencies

Dollarama reports that the majority of its warehouse and distribution staffing needs are outsourced to temporary placement agencies. Research indicates that agency workers are exposed to unsafe working conditions, face significantly higher risks of injury compared to permanent workers, and are typically less likely to raise grievances due to feelings of constraint surrounding their employment status. At Dollarama's AGM (expected in June), investors are encouraged to:

- **VOTE FOR** a shareholder proposal asking Dollarama to prepare a report outlining how it assesses and mitigates the human rights risks arising out of its use of third-party staffing agencies for its warehouse and distribution centre staffing needs.

TMX Group (X)

Amended shareholder proposal on Indigenous reconciliation

In alignment with the United Nations Declaration on the Rights of Indigenous People (UNDRIP) and the Truth and Reconciliation Commission's Call to Action 92, a shareholder proposal at TMX Group, which jointly owns the Toronto Stock Exchange, is calling on the company to advance reconciliation goals in its business practices. This marks the first time an Indigenous reconciliation or diversity proposal has ever been jointly endorsed by the board of directors of a Canadian company, and it marks important progress for the Canadian financial sector. At TMX's AGM on May 12, 2021, investors are encouraged to:

- **VOTE FOR** the amended shareholder proposal that requests TMX Group to report on (1) its work developing internal programs and policies on equity, diversity, and inclusion, including for Indigenous employees and relationships with Indigenous communities; (2) set targets and disclosure practices on Indigenous procurement; and (3) work with Indigenous organizations to align company standards with commonly-used frameworks.

Walmart Inc. (WMT)

Report on alignment of racial justice goals and starting wages

The confluence of the #MeToo and the racial justice movements have intensified the widespread public debate about workplace equity. Although Walmart has dominated the debate on fair pay in the retail sector in recent years, it has not indicated its intention to address pay disparities among its workforce in its filings. At Walmart's AGM on June 2, 2021, investors are encouraged to:

- **VOTE FOR** a shareholder proposal (Proposal No.6, page 95) that requests Walmart to prepare a comprehensive report on the company's plan to address the racial pay gap within its workforce including an assessment of its program effectiveness.

Loblaw Companies Limited (L)

Balancing stakeholder interests in the pandemic

During the first nine months of the pandemic, Loblaw Companies Limited (L) spent \$548 million in cash on share repurchases—of which \$261 million in shares were paid back to its majority shareholder, George Weston—while ending hero pay to frontline employees after three months. At Loblaw's AGM on May 6, 2021, investors are encouraged to:

- **VOTE FOR** a shareholder proposal (Schedule B Shareholder Proposal, page 86) that asks Loblaw to publish a report examining capital and risk management practices during the pandemic, in terms of balancing the interests of Loblaw's stakeholders and monitoring/assessing actions that could cause Loblaw undue reputational risk. The report should include the rationale for (1) Loblaw's decision to purchase \$261 million in shares from its majority shareholder while ending hero pay to frontline employees after three months, and (2) not having the board or the Risk and Compliance Committee deliberate on the decision to end hero pay, which examines its capital and risk management practices during the pandemic.

Trustee Guidance: How to support these shareholder proposals and vote recommendations

- **Segregated funds:** Trustees of funds that hold their assets in segregated accounts can instruct their asset managers to vote their shares for a proposal. They can also ask their asset manager how it will vote other shares whose voting it directs.
- **Pooled funds:** Trustees of funds that invest through pooled funds can express their support for a resolution and ask their asset manager to report to them on how the shares represented by their interest will be voted and why.

Funds, trustees and union leaders can also increase the visibility of shareholder proposals by publicizing their support in the days before the company AGM.

The Canadian Capital Stewardship Network (CCSN) is a movement of trade union representatives and labour-nominated fund trustees who are committed to mobilizing workers' capital to uphold the rights of workers, their families and their communities.

Unions and trustees, both in Canada and throughout the world, are mobilizing workers' capital – the deferred savings of workers held in pensions and other funds – to transform the global financial system through collective organizing and action. Join us by signing up for our mailing list. For more information on getting involved, contact us directly.