Voting for decent work and racial justice

The Canadian Capital Stewardship Network's Key Proxy Vote Recommendations for the 2022 AGM Season

Proxy Bulletin

CANADIAN CAPITAL STEWARDSHIP NETWORK

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2022 Proxy Bulletin

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.

The secretariat of the CCSN is based out of the Shareholder Association for Research and Education (SHARE).

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Please note that this brief is for informational purposes only. It is not intended to provide and should not be relied on for investment, legal, tax or accounting advice. Trustees should consult their own advisors and investment professionals to evaluate the merits and risks of any investment.

Voting for decent work & racial justice

Against a backdrop of uncertainty and instability, investors are being asked to address systemic risks across their portfolios.

Exercising voting rights in support of a fair economy, decent work and racial justice is a practical way for investors to take action. 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) invites Canadian pension fund trustees to encourage their managers to support the following shareholder resolutions and vote recommendations.

Please note that this brief is composed of excerpts from the filers' submissions and texts, as well as "resolved" clauses.

Amazon.com, Inc. (AMZN)

AGM Date: May 25, 2022

VOTE FOR Item 13: Shareholder Proposal Requesting Additional Reporting on Freedom of Association

Amazon commits to the UN Guiding Principles on Business and Human Rights, which include fundamental labour rights, in its Global Human Rights Principles. However, the company has been the subject of negative media coverage accusing it of limiting fundamental labour rights through anti-unionization tactics.

RESOLVED: That shareholders of Amazon Inc. ("Amazon") urge the Board of Directors to produce a report analyzing how Amazon's current human rights policies and practices protect the rightful application of the fundamental rights of freedom of association and collective bargaining as guaranteed by the ILO Declaration on Fundamental Principles and Rights at Work and the UN Universal Declaration of Human Rights. The report should include information on whether, and if so how, input from affected stakeholders was taken into account. The report, prepared at reasonable cost and omitting confidential or proprietary information, should be publicly disclosed on the Company's website.

- **Filed by the Catherine Donnelly Foundation, supported by SHARE**
- **Management Proxy Circular, Item #13, p. 58.**

VOTE FOR Item 12: Shareholder Proposal Requesting Alternative Tax Reporting

The OECD estimates that profit shifting by corporations deprives governments $100 – 240 billion a year. The PRI, representing investors with $89 trillion AUM, argues that tax avoidance is key driver of global inequality.

Amazon does not disclose revenues, profits or tax payments in non-US markets, challenging investors' ability to evaluate the risks of taxation reforms, or whether Amazon is engaged in responsible tax practices that ensure long term value creation for the company and the communities in which it operates. The IPE reports that "Amazon's approach to taxation has been repeatedly challenged by tax authorities globally."

RESOLVED: Board of Directors issue a tax transparency report to shareholders, at reasonable expense and excluding confidential information, prepared in consideration of the indicators and guidelines set forth in the Global Reporting Initiative's (GRI) Tax Standard.

- Filed by the Missionary Oblates of Mary Immaculate / OIP Investment Trust -U.S Province
- Management Proxy Circular, Item #12, p. 56
- Amazon Tax Avoidance Brief (PIRC)

Dollarama Inc. (DOL)

AGM Date: Pending

VOTE FOR Shareholder Proposal on Freedom of Association and Collective Bargaining

Dollarama outsources the majority of its warehouse and distribution centre staffing needs to "third-party agencies, citing – in its 2021 ESG report – fluctuating seasonal needs. Research suggests that staffing agency workers may have heightened vulnerability to adverse human rights impacts, particularly when they cannot join a trade union or bargain collectively in the agency.

Dollarama's vendor code of conduct does not require suppliers to respect their employees' right to free association or collective bargaining. Other leading retailers such as Loblaw, Metro and Canadian Tire face the same fluctuating needs and require, in their vendor/supplier codes of conduct, that suppliers respect workers' rights to freedom association and collective bargaining.

RESOLVED: That shareholders request Dollarama 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.

- Filed by the BC General Employees' Union General Fund and the BC General Employees' Union Strike Fund
- Management Proxy Circular is pending

Loblaw Companies Limited (L)

AGM Date: May 5, 2022

VOTE FOR Proposal No. 1: Shareholder proposal on conducting an independent Human Rights Impact Assessment on migrant workers at Loblaw Companies Limited (Loblaw)

Migrant workers are the backbone of the Canadian food system. Loblaw is one of the largest food retailers and purchasers in Canada. However,

it has not provided clear explanations or transparent disclosure on how its policies and practices identify, monitor, prevent, and mitigate risks and harms to migrant workers employed through its suppliers operating within Canada. The failure to adopt measures to protect the human rights of migrant workers exposes shareholders to significant legal, reputational, and operational risks, and may impact shareholders' long-term value.

RESOLVED: Shareholders request the Board of Directors of Loblaw Companies Limited ("Loblaw") to publish a report, at reasonable cost and omitting proprietary information, with the results of an independent Human Rights Impact Assessment ("Assessment") identifying and assessing the actual and potential human rights impacts on migrant workers from the Company's business activities in its operations and supply chain.

- **Management Proxy Circular, Proposal 1, p. 86**
- **Proxy Alert (SHARE)**
- **Filed by the British Columbia Teachers Federation Salary Indemnity Fund, supported by SHARE**

VOTE FOR Proposal No. 2: Shareholder proposal requesting a summary of the results of Loblaw's supplier audits

Amid concerns about forced and child labour in cotton harvests, Loblaw has pledged to not source cotton produced in Uzbekistan, Turkmenistan or the Xinjiang Uyghur Autonomous Region (XUAR) of China. In July 2021, Loblaw signed on to the world's leading sustainability initiative for cotton, known as the Better Cotton Initiative. However, the proposal proponent has reviewed shipment data and alleges, in the Management Proxy Circular, that Loblaw imported textiles from XUAR as recently as August 2021.[1]

As part of their supply chain due diligence procedures, retailers across the globe (including Loblaw) conduct audits of suppliers. Enhanced information on these audits would give investors key information to ensure that Loblaw's human rights in their supply chains' risks are being managed and mitigated.

RESOLVED: Shareholders request that, consistent with its global peers, Loblaw publish annually a summary of the results of its supplier audits.

- Management Proxy Circular, Proposal 2, p. 87
- Investor Brief (BC General Employees' Union)
- Filed by the BC General Employees' Union General Fund and the BC General Employees' Union Strike Fund

Restaurant Brands International (QSR)

AGM Date: May 3, 2022

VOTE FOR Shareholder proposal on employment standards

Employment conditions, including low wages and benefits, are driving labour shortages in Canada's tightening labour market. Franchisors' inability to establish competitive working conditions and successfully attract and retain an operational workforce may threaten their ability to achieve their productivity goals and financial objectives, and negatively impact shareholders' long-term value.

It is critical for shareholders to understand how Restaurant Brands International (RBI) intends to support franchisors – which operate 95% of the Company's branded operations – in navigating the uncertainties of the shifting labour market through the adoption of competitive employment standards, including wages and benefits.

RESOLVED: That shareholders of Restaurant Brands International ("RBI") ask the board of directors to analyze and report on how its business strategy will be resilient in the face of increasing labour market pressure while sustaining shareholders' financial return and long-term value. The report should, at minimum, (1) explain how the Company's strategy, programs and incentives enable franchisees to adopt competitive employment standards, including wages and benefits and (2) demonstrate the effectiveness of its strategy through the disclosure of aggregated human capital performance indicators and information.

- Filed by the Atkinson Foundation, supported by SHARE

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[1] As per shareholder proposal #2 in the Loblaw Management Proxy Circular (p. 87), the data was compiled by Dr. Laura Murphy, Professor of Human Rights and Contemporary Slavery at the Helena Kennedy Centre for International Justice at Sheffield Hallam University (UK), using the Panjiva Market Intelligence online database.

SNC-Lavalin Group Inc (SNC)

AGM date: May 5, 2022

VOTE FOR Proposal 5: Shareholder proposal on Racial Justice

SNC Lavalin has committed to integrating equity, diversity and inclusion (ED&I) "into everything we do." Employees at the SNC-Lavalin's nuclear subsidiary, Candu Energy, report that the company has failed to grant the same basic entitlements to a predominantly female bargaining unit as are enjoyed by the predominantly male bargaining units. Comprehensive reporting on outcomes related to workforce composition and compensation practices would help both the Board and shareholders assess the efficacy of the company's ED&I program.

RESOLVED: Shareholders request that SNC-Lavalin report to shareholders on the outcomes of their diversity, equity and inclusion efforts by publishing comprehensive quantitative data on workforce composition (e.g., recruitment, retention and promotion rates) and compensation practices (e.g., wages, bonuses and access to benefits) by gender, race and ethnicity. The reporting should be done at reasonable expense and exclude proprietary information.

- Management Proxy Circular, Proposal #5, p. 125
- Proxy Alert (SHARE)
- Filed by SHARE on behalf of the Laidlaw Foundation

Walmart Inc. (WMT)

AGM Date: June 1, 2022

VOTE FOR Proposal No. 7: Report on Alignment of Racial Justice Goals and Starting Wages

Walmart is committed to advancing racial equity but has not disclosed the types of positions or the demographic breakdown of its hourly associates by wage level, which would track progress

towards its racial equity commitments. Given the high turnover rate of store associates and the current competitive market for retail workers, shareholders are concerned that this lack of transparency poses potential reputational and financial risks to the company.

RESOLVED: Shareholders of Walmart Stores, INC ("Walmart") request that the Board of Directors oversee the preparation of a public report on whether and how Walmart racial justice goals and commitments align with the starting pay for all classifications of Walmart associates.

- Proxy Statement (definitive), p. 91
- Filed by the Franciscan Sisters of Perpetual Adoration, supported by SHARE

Wendys Co (WEN)

AGM Date: May 18, 2022

VOTE AGAINST directors: Nelson Peltz, Peter May, Matthew Peltz and Peter Rothschild

See exempt solicitation filed by Majority Action and Investor Advocates for Social Justice

In 2021, 95% of Wendy's shareholders voted for a resolution asking the company to prepare a report addressing its supplier code of conduct and the extent to which its quality assurance audits and third-party reviews protect workers in its food supply chain from human rights violations.

This year, the company failed to engage with the shareholder proponents regarding the implementation of the proposal and its oversight of human rights risks. It then released a report in December that failed to address the core disclosures contained in the proposal's resolved clause.

Wendy's failure to adequately implement a majority vote shareholder proposal is contrary to major investor proxy voting standards and corporate governance best practices. As a result, independent oversight and board renewal are urgently required at Wendy's. In addition, as detailed in the exempt solicitation, key board members have disproportionate influence, overlong tenures and outside business relationships that compromise the board's independence.

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 in favour of a proposal.

- **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.