

## **Proxy Alert: Shareholder proposal on conducting an independent Human Rights Impact Assessment on migrant workers at Loblaw Companies Limited**

**Company:** Loblaw Companies Limited

**Ticker Symbol:** L (TSX)

**Annual Meeting Date:** May 5, 2022

**Filer:** British Columbia Teachers Federation Salary Indemnity Fund, supported by the Shareholder Association for Research and Education (SHARE)

### **Recommendation: Vote FOR shareholder proposal on conducting an independent Human Rights Impact Assessment on migrant workers at Loblaw Companies Limited**

Migrant workers are the backbone of the Canadian food system. The COVID-19 pandemic, however, has highlighted salient human rights risks in the Canadian food supply chain that disproportionately impact and harm migrant workers. Since the Canadian food system heavily relies on the labour and contributions of migrant workers, the rights of these workers should be respected and protected by all companies and entities that employ them, directly and through their suppliers.

In Canada, migrant workers are authorized to enter and work domestically under the Seasonal Agricultural Worker Program, which grants visas based on temporary contracts with a certain employer. These workers, therefore, are solely dependent and reliant on their employer to stay, live, and work in Canada. While migrant workers in the Canadian food and agricultural sector face increasingly dangerous and precarious working conditions, workers rarely speak out on such harms because they live in constant fear of retaliation from their employer, and any grievance could result in their potential deportation. Notably, there are few labour protections for these workers in Canada, and existing resources have failed to protect migrant workers' rights.

Loblaw Companies Limited ("Loblaw" or "the Company") is one of the largest food retailers and purchasers in Canada. However, the Company 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 lack of measures to identify and address existing and potential migrant workers' rights issues is concerning because it may indicate that Loblaw underestimates the severity of human rights issues within its domestic operations and supply chain.

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.

This year, a Proposal filed by British Columbia Teachers Federation Salary Indemnity Fund, supported by the Shareholder Association for Research and Education (SHARE), is seeking:

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.

### **SHARE’s recommendation and rationale**

As one of the largest food retailers in Canada, it is important for Loblaw to demonstrate leadership and management standards to encompass practices to respect and protect human rights in its supply chain, including its domestic supply chain.

In contrast to many of Loblaw’s peers in the retail sector, Loblaw has yet to commit to conducting an independent human rights impact assessment on high-risk supply chains and/or in specific food sectors where there may be human rights risks. Although Loblaw highlights that its Supplier Code of Conduct (“Code”) is sufficient to address the substance of the Proposal, Loblaw’s Code does not provide shareholders with enough information on how its current practices and policies are adequately identifying and preventing existing and potential human rights impacts, harms, and risks to migrant workers employed in its supply chain.

In its opposition statement to the Proposal, Loblaw states that it “is committed to upholding the human rights of all people with whom it interacts, including migrant workers within the supply chain, and regularly reviews its operations to ensure proper actions are being taken.” The only way shareholders can be confident that Loblaw’s actions are contributing to its stated human rights goals and commitments is through a human rights impact assessment on migrant workers within its domestic supply chain.

We are aware that Loblaw’s policies and practices are informed by international and industry-leading human rights standards, such as the United Nations Guiding Principles on Business and Human Rights (“UNGPs”). Therefore, an independent human rights impact assessment is in line with Loblaw’s own human rights policies and practices, as it will use international human rights standards, including the UNGPs, as a benchmark and framework to assess risks to migrant workers in Loblaw’s domestic supply chain. Such an assessment will help the Company understand these impacts from the perspectives of impacted rights-holders, such as workers, and it will also provide the Company with key takeaways on how to proactively shape a strategic approach to respect and protect migrant workers rights based on relevant risks and opportunities, rather than reacting to external pressure or unexpected incidents.

While Loblaw’s “Board of Directors does not feel that at this time it is necessary to conduct an independent Human Rights assessment of the impact of Loblaw’s high-risk business activities on migrant workers,” we believe it is urgent for the Company to address the well-documented, salient human rights abuses of migrant workers in the Canadian food supply chain. These abuses, while widespread in the Canadian food system, have been found to occur in Loblaw’s own supply chain.

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For example, [Loblaw supplier Procyk Farms Ltd.](#), one of the biggest vegetable growers in Norfolk County that employs at least 550 workers, mostly from Mexico, took measures to lock down their farm and restrict worker movement during the COVID-19 pandemic. Activists in Norfolk County found that migrant workers felt the brunt of the COVID-19 fears in the community and disclosed that there have been cases of racial profiling.

The lack of meaningful action to ensure the rights of migrant workers are respected and protected in its domestic supply chain causes shareholders to question whether the Company is taking the necessary and appropriate steps to address such risks in a timely fashion.

**Recommendation: Vote FOR shareholder proposal on conducting an independent Human Rights Impact Assessment on migrant workers at Loblaw Companies Limited**

**Link to full proposal:** [https://share.ca/wp-content/uploads/2022/04/22-04-06\\_Loblaw\\_2022\\_Proxy-Circular.pdf](https://share.ca/wp-content/uploads/2022/04/22-04-06_Loblaw_2022_Proxy-Circular.pdf)

**Contact:**

Sarah Couturier-Tanoh,  
Manager, Corporate Engagement & Advocacy  
[scouturier-tanoh@share.ca](mailto:scouturier-tanoh@share.ca)

Juana Lee  
Analyst, Shareholder Engagement and Policy  
[jlee@share.ca](mailto:jlee@share.ca)

**Additional resources:**

Hilary Beaumont, "They care about their plants and not us': for migrant farmworkers in Ontario, COVID-19 made a bad situation worse," *The Narwhal*, December 18, 2021, <https://thenarwhal.ca/covid-19-migrant-farmworkers/>.

"Housing conditions for migrant workers in Canada 'worse than if we were in prison,' new report says," *CBC News*, June 10, 2021, <https://www.cbc.ca/news/canada/windsor/migrant-farm-workers-housing-conditions-new-report-1.6060423>.

"'It's almost like racism will never be over.'" A migrant farm worker calls for an end to being treated like "a modern-day slave"," *Harvesting Freedom*, June 15, 2020, <https://harvestingfreedom.org/2020/06/15/its-almost-like-racism-will-never-be-over-a-migrant-farm-worker-calls-for-an-end-to-being-treated-like-a-modern-day-slave/>.

Jenna L. Hennebry, C. Susana Caxaj, Janet McLaughlin, and Stephanie Mayell, "Coronavirus: Canada stigmatizes, jeopardizes essential migrant workers," *The Conversation*, June 3, 2020, <https://theconversation.com/coronavirus-canada-stigmatizes-jeopardizes-essential-migrant-workers-138879>.

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John Paul Tasker, "In scathing report, auditor general says feds failed to protect foreign farm workers from the pandemic," *CBC News*, December 09, 2021, <https://www.cbc.ca/news/politics/ag-foreign-farm-workers-pandemic-1.6279572>.

Mark Kelley, Karen Wirsig, and Virginia Smart, "Bitter harvest," *CBC*, November 29, 2020, <https://newsinteractives.cbc.ca/longform/bitter-harvest-migrant-workers-pandemic>.

Megan Kinch, "COVID-19 makes a bad situation worse for agricultural migrant workers in Canada," *Equal Times*, April 23, 2021, <https://www.equaltimes.org/covid-19-makes-a-bad-situation?lang=en#.YISAvcjMK3B>.

"Unheeded Warnings: COVID-19 & Migrant Workers in Canada," *Migrant Workers Alliance for Change*, June 2020, <https://migrantworkersalliance.org/wp-content/uploads/2020/06/Unheeded-Warnings-COVID19-and-Migrant-Workers.pdf>.