



McGill

**COMMITTEE TO ADVISE ON
MATTERS OF SOCIAL
RESPONSIBILITY (CAMSR)**

**REPORT TO THE BOARD OF
GOVERNORS (GD21-52)**

Summary

On August 31, 2021, a member of the community, on behalf of the McGill Corporate Accountability Project (MCAP) and the Association of McGill University Support Employees (AMUSE), with assistance from Montreal's Immigrant Workers Centre (IWC), submitted an expression of concern to the Committee to Advise on Matters of Social Responsibility (CAMSR). The submission, entitled *Dollarama's Social Injury to Montreal Warehouse Workers and McGill's Duties as an Investor*, called on the Board of Governors to act in light of certain alleged working conditions of Dollarama warehouse workers. It was considered by CAMSR at the following meetings: October 6, 2021, November 19, 2021, and January 28, 2022. The Committee approved this report for submission to the Board of Governors by means of an electronic vote on February 1, 2022.

Based on a review of the merits of the expression of concern, CAMSR is not recommending any action by the Board of Governors as the allegations contained in the expression of concern were not supported by substantiated evidence and ultimately did not lead to a finding of social injury. This report provides an account of the Committee's consideration of the expression of concern and outlines additional steps that the Committee took, notably to consult one of McGill's investment managers, in relation to Dollarama.

CAMSR's Mandate

CAMSR is a standing committee, comprised of eight voting members, as described in Appendix A. Its mandate is to advise it on matters concerning social responsibility related to the University's investments within the mandate of the Board's Investment Committee. The Investment Committee has oversight responsibility for investing the University's endowment fund.¹

CAMSR's responsibility is to consider, report on and make recommendations to the Board on matters of social responsibility, following its consideration of the merits of an expression of

¹ *Terms of Reference of the Committee to Advise on Matters of Social Responsibility (CAMSR)*, Committee to Advise on Matters of Social Responsibility of the Board of Governors, McGill University, 24 September 2007 (last amended 26 April 2018), s. 3; *Terms of Reference of Investment Committee*, Investment Committee of the Board of Governors, McGill University, 24 September 2007 (last amended 21 April 2016), s. 2.

concern. The Committee makes a determination on expressions of concern based exclusively on the criterion of social injury, defined in the terms of reference as follows:

“For the purposes of the mandate of this Committee, the term “social injury” means the grave injurious impact which the activities of a legal person is found to have on consumers, employees, or other persons, or on the natural environment. Such activities include those which violate, or frustrate the enforcement of rules of domestic or international law intended to protect individuals against deprivation of health, safety, or basic freedoms, or to protect the natural environment. However, a legal person shall not be deemed to cause “social injury” simply because it does business with other legal persons which are themselves engaged in socially injurious activities.”

COMMITTEE’S STANDARDS OF REVIEW REGARDING THE EXPRESSION OF CONCERN

The following standards of review were established by the Committee in the course of its consideration of the expression of concern:

1. With respect to expressions of concern, based on the definition of social injury, the Committee recommends actions to the Board of Governors if it finds that the activities of a company or other legal person are found by the Committee to have caused social injury.
2. The Committee’s resources are limited, and its role is not to investigate, on its own, facts alleged in an expression of concern.
3. The findings of social injury have to be evidenced in the expression of concern in a manner which demonstrates: a) a pattern of breaches of existing rules or: b) a pattern of serious and continuing violations of widely accepted standards of behaviour.
4. Anecdotal evidence or assertions based on opinion or news reports that are untested before any of the applicable tribunals or instances charged with enforcing the rules, or unsupported by general evidence of wide-spread assessment and condemnation by

recognized organizations that are charged with objectively reporting on environmental, social and governance (ESG) matters, do not amount to a « finding » of social injury.

5. The Committee is not a substitute for tribunals or the public bodies charged with enforcing rules regarding minimum standards of pay, safety and worker treatment or for the specialized organizations whose work is to monitor compliance with broadly accepted norms of ESG performance.

OVERVIEW OF CAMSR’S ACTIVITIES IN RESPECT OF THE EXPRESSION OF CONCERN

CAMSR first evaluated the expression of concern to determine its compliance with the admissibility requirements outlined in section 5.1 of the CAMSR terms of reference. It then assessed whether the activities of Dollarama cause or caused ‘social injury’, as defined in its terms of reference.

ADMISSIBILITY OF THE PETITION

Following the Secretariat’s review of the signatures submitted to support the petition, it was noted that, due to duplicate signatures included in the petition, the document submitted to CAMSR contained 297 signatures, which was below the 300-signature requirement set by the terms of reference. CAMSR, taking due regard of the requirements of its terms of reference, was informed that obtaining the additional three signatures would result in a breach of the requirement to collect all signatures within the same academic year, which runs from September 1 – August 31 of a given year. On that basis, the Committee agreed to accept the petition but emphasized that this acceptance did not constitute, in any manner, a precedent for accepting future petitions that do not meet the prescribed requirements set by the terms of reference, including the signature requirements.

REVIEW OF CLAIMS OF SOCIAL INJURY

CAMSR’s review of the expression of concern focused, as required by its terms of reference, on whether Dollarama’s activities, as described in the expression of concern, constitute “social

injury”. To that end, CAMSR assessed the merits of the submission, which, in summary, claimed that Dollarama was causing ‘social injury’, expressed as the “grave injurious impact”:

- 1) to the incomes of Dollarama warehouse workers;
- 2) entailed by Dollarama’s use of precarious and third-party employment;
- 3) to Dollarama’s warehouse workers’ health and safety.

The submission also recognized that McGill received donations from Dollarama’s founding family and on account of these ties, called on McGill to help improve the working conditions and salaries of Dollarama warehouse workers. Specifically, the submission asked that the Board take a series of actions, which are detailed in Appendix B.

Worker Incomes

The expression of concern alleged that grave injurious impact is incurred on account of Dollarama’s Montreal site having the lowest annual salaries for warehouse workers, comments from surveyed warehouse workers claiming not having received paid sick days and claims made by warehouse workers that minimum shift pay regulations are not respected. The expression of concern went on to suggest that Dollarama fosters wealth inequities by paying racialized immigrant workers below the industry standard, and by paying a rate of remuneration that is too low for the tasks required.

Third-party Employment

The expression of concern also alleged that grave injurious impact is incurred by Dollarama’s ‘exclusive’ use of temporary placement/staffing agencies to staff their warehouses. The expression of concern underlined the general notion that ‘temporary workers are, by definition, probationary, and may be dismissed for any reason without severance or dismissal-related benefits’. It also made note of the ideas that temporary workers may suffer more unreported workplace injuries, and that it is difficult for temporary workers to unionize in order to attempt to ‘improve their working conditions’.

Health and Safety Concerns

The expression of concern alleges that Dollarama’s workplace health and safety conditions incur grave injurious impact to warehouse workers. It claims that some staff have experienced

psychological harassment, while others claimed they did not receive workplace safety training or adequate protective equipment. The expression of concern also claimed social injury on account of workplace injuries incurred by some warehouse workers. Lastly, it noted that during the COVID-19 pandemic, several protests took place denouncing Dollarama's warehouse health measures.

OBSERVATIONS AND FINDINGS

The Committee carefully reviewed the merits of the submission against the criterion of social injury. Committee members observed that the expression of concern contained little direct and concrete data and evidence with respect to social injury as a result of Dollarama's activities. For instance, allegations of illegal conduct relating to the pay, safety and the right of assembly, among other items covered by legislation, were not supported by evidence that the allegations had been received in court or even been made before the appropriate legal bodies. Similarly, allegations regarding standards of behaviour were unsupported by objective evidence that would be needed to confirm that such practices were either prevalent at Dollarama or that Dollarama had been the subject of unfavorable reports or condemnations by organizations that monitor these practices.

Although the submission provided testimonies of warehouse workers expressing concerns relating to their income, employment and health and safety conditions, these concerns appear to be limited in number, and are not sufficiently supported by evidence demonstrating the undertaking of other due processes, such as evidence considered by a tribunal or other regulatory body. Indeed, the claims of social injury are, to a large extent, based on media news reports, articles, and selected surveys. As a result, they do not contain sufficient evidence that would suggest to CAMSR a finding of social injury on account of grave injurious impact. As such, CAMSR's decision is that the submission does not substantiate a finding of social injury.

The Committee acknowledges that the burden of evidence needs to be considerable in order to provide for a finding of social injury that would then compel the Committee to make recommendations to the Board. Given that CAMSR does not have investigative capacity, its decision-making is, to a large extent, dependent on objective findings made by other bodies, such as a court or an organization that is responsible for the issue that gave rise to concerns.

CONCLUSION

CAMSR is not recommending any action by the Board of Governors.

ADDITIONAL INFORMATION

While CAMSR concluded that the expression of concern did not meet the criterion of social injury and therefore did not require any action, it did inform itself concerning the University's external investment manager responsible for stewarding the University's investments in Dollarama given that the University held \$3.9M investment in Dollarama as at October 1st, 2021, which represented 0.2% of the MIP. In line with the University's standard practice of hiring external investment managers to administer the MIP, the Committee learned that the University's holdings in Dollarama are managed by Fidelity. Fidelity is responsible for selecting companies in the Canadian equity market and for engaging with companies on particular issues and risks, including those involving environmental, social and governance (ESG) considerations.

Further to the additional information sought, which involved obtaining from Fidelity a summary of its analysis concerning its vote related to a shareholder proposal calling for a report into Dollarama human risk mitigation policy, CAMSR is satisfied that Fidelity, in stewarding the University's fund, relies on sound investment practices that take due regard of the University's priorities with regard to ESG considerations. The University also received a copy of the Dollarama ESG report dating from June 2021. The report included a public commitment to equal agency/full-time staff pay, with disclosures of pay levels and an overtime policy. It also noted Dollarama's commitment to additional health and safety measures applicable to all staff, including the use of proper personal protective equipment, health and safety training and onsite supervision to ensure compliance with safety procedures and policies.

Finally, at the Committee's request, a discussion was held between the Office of Investments and Canada Pension Plan (CPP) representatives to review CPP's rationale for voting in favour of the shareholder proposal calling for a report into Dollarama's human rights risk mitigation policy surrounding its use of third-party staffing agencies. The Committee learned that the CPP did not investigate the substance of the allegations calling for a report into Dollarama's policies regarding its use of third-party staffing agencies. Indeed, its decision to support the shareholder proposal was

based on CPP guidelines and its general philosophy to support transparency and disclosure, as well as on the perceived risk that misinformation in the media could result in a negative market sentiment toward Dollarama. Following consideration of the reasoning provided by the CPP, the Committee did not request further action.

Appendix A

1. Membership of CAMSR

- Chair of CAMSR and member-at-large of the Board: **Ms. Cynthia Price Verreault**
- Vice-Chair of CAMSR, Vice-Chair of the Board and member-at-large of the Board: **Ms. Maryse Bertrand**
- Chair of the Board and member-at-large of the Board: **Mr. Ram Panda**
- Principal and Vice-Chancellor and ex-officio member of the Board: **Prof. Suzanne Fortier**
- Academic member of Senate on the Board: **Dr. Edith Zorychta**
- Administrative and Support Staff member of the Board: **Ms. Adrienne Piggott**
- Student representative of the Board: **Ms. Claire Downie**
- Member of the Board's Investment Committee: **Mr. Sam Altman**

Appendix B

The expression of concerns calls on the Board of Governors to mandate:

1) That the Office of Investments file a shareholder proposal at Dollarama's Annual General Meeting of Shareholders (the "AGM"). This proposal should, in the least, request that 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.

2) The Office of Investments adopt a corporate engagement strategy with Dollarama, collaborating with the Immigrant Workers Centre (IWC) and The Association des travailleurs et travailleuses d'agences de placements (ATTAP), with the following goals:

- a) To promote a healthy and safe warehouse work environment within the company, whose conditions can continuously accommodate demands and concerns coming directly from warehouse workers.*
- b) To secure Dollarama's warehouse workers jobs as employees hired directly by Dollarama*
- c) To promote permanent pay raises for Dollarama warehouse workers in acknowledgement of the risks inherent in their work and Dollarama's rising profits and in line with demands from the IWC, ATTAP, and workers themselves.*