# DOLLARAMA'S SOCIAL INJURY TO MONTREAL WAREHOUSE WORKERS AND MCGILL'S DUTIES AS AN INVESTOR

August 2021

## Introduction

The following report traces nearly a decade of concerns over working conditions and salary in Dollarama's Montreal warehouses. Dollarama has over six warehouses across greater Montreal and one distribution centre. These are the only warehouses used for Dollarama's distribution needs across North America. Warehouse employees' concerns were brought to the McGill Corporate Accountability Project and the Association of McGill University Support Employees (AMUSE) in Fall 2020 by Montreal's Immigrant Workers Centre. The Immigrant Workers Centre was founded in 2000 "as a community-based workers' organization in Montreal's diverse, working-class neighbourhood of Co^te-des-Neiges." The centre's activities include popular education around workers' rights, political struggles to improve the legal status of migrants, mobilization around workplace issues, and is, generally, a space where workers can receive information, resources, and support from other members of Montreal's migrant community. Members of McGill's Faculty of Law frequently collaborate with the Immigrant Workers Centre.

As early as 2013 Dollarama workers were getting involved with the Immigrant Workers Centre. In 2019, the Immigrant Workers Centre, along with the Association des travailleurs et travailleuses d'agences de placements, published a detailed report of warehouse conditions in Montreal. The report was carried out by a core group of 5 temporary agency workers, who conducted group interviews and surveys with 42 workers in different Montreal warehouses and distribution centres. The eventual report focused heavily on the testimony and experience of Dollarama warehouse workers. The report revealed, in a systematic fashion, the climate of precarity, the dangerous pushes for productivity, the absence of safety training or equipment, the constant indifference or hostility of management to employee concerns, and the lack of fair wages which affect Dollarama's workers.

January 28 2021, the SSMU legislative council unanimously passed a motion "to establish the SSMU's support for Dollarama warehouse workers organising to demand better labour

<sup>&</sup>lt;sup>1</sup> IWC and ATTAP "Commission on Warehouse Work in Montreal" (2019). Link.

<sup>&</sup>lt;sup>2</sup> Choudry, Aziz & Thomas, Mark "Labour struggles for workplace justice: Migrant and immigrant worker organizing in Canada" (2013) 55:2 Journal of Industrial Relations. <u>Link</u>.

<sup>&</sup>lt;sup>4</sup> Solidarity Accross Borders "Immigrant workers denounce conditions at Dollarama warehouse" (10 May 2013). <u>Link</u>.

<sup>&</sup>lt;sup>5</sup> Supra note 1.

conditions from their employer." The approval of the motion followed testimony from a former Dollarama worker which was delivered live via their phone to the council. The SSMU backed the External Affairs Office's coalition work with AMUSE and the McGill Corporate Accountability Project to better working and salary conditions in Dollarama warehouses.

In August and June 2021, AMUSE and the McGill Corporate Accountability Project assisted in promoting a shareholder motion from the British Columbia Government and Service Employees' Union (BCGEU). The motion called on an internal review by the company of its usage of third party staffing agencies, stressing human rights and reputational risks these agencies posed to the company. The McGill Corporate Accountability Project assisted this campaign by organizing an email blitz of Dollarama shareholders prior to the vote in which many staff, students, and alumni participated. The motion ultimately received 21% support at Dollarama's AGA. The Canada Pension Plan Investment Board was one key investor who voted for the motion, despite Dollarama's insistence for investors to vote against the motion.

The present CAMSR submission recognizes McGill's several financial and professional ties to corporate Dollarama. These ties increase McGill's responsibility and ability to act to help improve working conditions and salary in Dollarama warehouses. These institutional connections include McGill's \$3.3 million holding of Dollarama equity; its establishment of a Wellness hub through Rossy family donations; its use of the Rossy name in McGill's naming of the Wellness hub; Lawrence Rossy's reception of an honorary degree from McGill; and Dollarama board member Gregory David's former presence on the Law Faculty Advisory Board and recognition as a 2017 alumni honouree.<sup>11</sup>

The attached petition's demands consider the strategy undertaken by the BCGEU, namely in its first demand for a "a shareholder proposal at Dollarama's Annual General Meeting of Shareholders (the "AGM")" which "in the least, request[s] 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." Furthermore, it demands that "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)." It is key that

<sup>&</sup>lt;sup>6</sup> SSMU "Motion Regarding Support For Dollarama Warehouse Workers" (28 January 2021). Link.

<sup>&</sup>lt;sup>7</sup> Dollarama "Notice of Annual Meeting of Shareholders and Management Proxy Circular" (2021). <u>Link</u>.

<sup>&</sup>lt;sup>8</sup> McGill Corporate Accountability Project "Safe Work Needed: Email Dollarama's Big Shareholders" (3 June 2021). Link.

<sup>&</sup>lt;sup>9</sup> Morissette, Nathaëlle "Les actionnaires contre un rapport sur les agences de placement" La Presse (10 June 2021). <u>Link</u>.

<sup>&</sup>lt;sup>10</sup> CPP Investments "Proxy Vocting" (2021). <u>Link</u> (values must be added manually to see the company's proxy voting).

<sup>&</sup>lt;sup>11</sup> McGill University "Lawrence Rossy receives honorary doctorate from McGill" Youtube (2 June 2016). <u>Link;</u> McGill Alumni "Profiles of Honourees" (2017). <u>Link</u>.

this corporate engagement strategy be adopted in consultations with the Immigrant Workers Centre and ATTAP. BCGEU took this approach. It is altogether necessary, if McGill looks to help meaningfully resolve Dollarama's acts of grave social injury, that it collaborate with the organizations that are in direct contact with Dollarama workers.

The social injury identified within this report is the grave injurious impact to the incomes of Dollarama warehouse workers, the grave injurious impacts entailed by the company's use of precarious and third-party employment, and the grave injurious impact to workers' health and safety.

### **Worker Incomes**

The Office of Investments adopt a corporate engagement strategy with Dollarama... [t]o 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.

The social injury identified by Dollarama workers and their allies in the migrant community includes a grave injurious impact to the incomes of Dollarama's warehouse workers. According to Montreal International, Montreal has the lowest annual salary of warehouse workers in North America. For instance, the average yearly salary for a warehouse worker in Montreal is \$27 000 (CDN) per year, where Chicago warehouse workers average \$33 000 (CDN) a year. 12 Dollarama employs roughly 1,000 of Montreal's roughly 36,000 warehouse workers. 13 Before the COVID-19 pandemic, all of Dollarama's workers earned below \$15 an hour.<sup>14</sup> In 2019, following surveys of warehouse workers, 60% of the Montreal warehouse workers surveyed said they are paid less than a permanent worker doing the same job, which is a violation of sections 41.1 and 41.2 of the Act Respecting Labour Standards. 15 54.8% of workers said they do not receive paid sick days, where only 11.9% could say yes. 12% said they suffered from wage theft. Nearly half of the workers were not paid the minimum three hours of work the labour standard stipulates a worker must be paid when coming to workplaces and there is no work, compared to 12% who were paid. 16 These wage conditions should be considered particularly grave as they target a low-income demographic of migrants, asylum-seekers, and immigrants, whose expenses are already increased by lack of legal or practical access to subsidized services at the disposal of citizens, such as daycare or medical aid.

<sup>&</sup>lt;sup>12</sup> Henaway, Mostafa "The City as Sweatshop" in Eric Shragge, Jason Prince, & Mostafa Henaway, eds, *A Citizen's Guide to City Politics: Montreal* (Montreal: Black Rose Books, 2021).

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

<sup>&</sup>lt;sup>15</sup> Supra note 1; An Act Respecting Labour Standards, chapter N-1.1, s. 41.1: "No employer may remunerate an employee at a lower rate of wage than that granted to his other employees performing the same tasks in the same establishment solely because of the employee's employment status, and in particular because the employee usually works fewer hours each week;" s. 41.2: "No personnel placement agency may remunerate an employee at a lower rate of wage than that granted to the employees of the client enterprise who perform the same tasks in the same establishment solely because of the employee's employment status, and in particular because the employee is remunerated by such an agency or usually works fewer hours each week."

<sup>16</sup> Supra note 1.

Workers have also expressed that hourly wages are too low for the work demanded of them. They are also too low to meet basic needs. Guarav Sharma was working at Dollarama when he was interviewed in 2020:

"It's very hard work, and the salary is very low," he said of his job, which involves lifting and stacking boxes. / Sharma, who lives with his wife, sister and father, said he is concerned about the precariousness of both his health and income, particularly for his family. / "He has a lot of medical problems," Sharma said of his 72-year-old dad. "My father and my sister are dependent on me."

In March 2020, warehouse workers saw a \$3 raise, resulting in hourly pay of between \$14.40 and \$16.10. These benefits were pulled back in August 2020, precipitating public protest, and in their June 2021 management circular, the company has defined them uniquely as "temporary wage increases." <sup>18</sup>

These payment trends contrast strongly against the wage recommended by the Institut de Recherche et d'Informations Socioéconomiques (IRIS). In 2021, an hourly salary of at least \$18 was identified by the IRIS as being the required income to live with dignity in Montreal for someone who is single and working just above 35 hours a week.<sup>19</sup> In 2019, the Canadian Centre for Policy Alternatives estimated a full-time worker needed to make at least \$16.09 to afford rent in Montreal.<sup>20</sup> However, this latter figure has certainly increased, with rents increasing, on average, in Montreal, by more than 4.6 per cent in 2020.<sup>21</sup> Even the IRIS wage is likely too low, considering the limited access racialized and migrant people have to social services. It also does not take into account the changing work schedules of warehouse workers which launch their incomes into further precarity:

Workers have essentially no control over their own schedules, a side-efect of the model of "labour flexibility" promoted by placement agencies. Sometimes, particularly in the month of December, this means that there won't be work available for long periods of time due to store shelves being overstocked for the holidays. Workers are expected to show up on call and do the work necessary. "On peut venir, on peut dire que: 'Bon le travail est fini maintenant, on va arrêter maintenant.' On n'a pas d'heures. C'est ça."<sup>22</sup>

In 2021, Dollarama's sales reached over \$4 billion. The company opened 65 net new stores

<sup>&</sup>lt;sup>17</sup> The Canadian Press "Dollarama workers call for resumption of pay raise amid the pandemic" Convenience Store News (25 August 2020). <u>Link</u>.

<sup>&</sup>lt;sup>18</sup> Reynolds, Christopher "Dollarama workers call for resumption of pay raise amid COVID-19 pandemic" Global News (20 August 2020). <u>Link</u>; Jon Victor "Dollarama hikes dividend, offers employee bonus but no wage increase planned" CTV News (9 December 2020). <u>Link</u>; Dollarama "Management's Discussion and Analysis / First Quarter Ended May 2, 2021" (9 June 2021). <u>Link</u>.

<sup>&</sup>lt;sup>19</sup> IRIS "Le revenu viable 2021: pour une sortie de pandémie sans pauvreté" (April 2021). Link.

<sup>&</sup>lt;sup>20</sup> MacDonald, David "Unaccommodating: Rental Housing Wage in Canada" Canadian Centre for Policy Alternatives (18 July 2021). <u>Link</u>.

<sup>&</sup>lt;sup>21</sup> CBC News "Montreal saw biggest rent increases in 18 years in 2020, study finds" CBC (10 May 2021). Link.

<sup>&</sup>lt;sup>22</sup> Supra note 1.

in 2021.<sup>23</sup> In 2020, the company opened 66 net new stores.<sup>24</sup> Dollarama's founding family, and prominent investors, the Rossy's, are one of the eight richest families in Montreal, with a net worth of over \$2.52 billion.<sup>25</sup> Dollarama's Montreal warehouses service its stores all across North America. These facts emphasize Dollarama's ability to pay its workers a stable, guaranteed, and dignifying wage for the work they are doing, without issues of wage theft, lack of paid sick days, or wage gaps. However, instead, the company exacerbates its social injury by increasing wealth inequalities, poorly paying its racialized immigrant workers below industry standards, to the financial benefit of its highly remunerated, mostly white, management and shareholders.

# **Third Party Staffing Agencies**

The Office of Investments adopt a corporate engagement strategy with Dollarama...
[t]o secure Dollarama's warehouse workers jobs as employees hired directly by
Dollarama

The social injury identified by Dollarama workers and their allies in the migrant community includes a grave injurious impact to Dollarama warehouse workers through their precarious and third-party employment.

Dollarama exclusively employs temporary placement agencies (or third party staffing agencies) to staff its Montreal warehouses with workers. These agencies train, hire, and fire Dollarama's workers. In 2021 the B.C. Government and Service Employees' Union (BCGEU) filed a shareholder motion with Dollarama meant to initiate an internal review of Dollarama's use of third party staffing agencies. Their report notes that "leading Canadian Retailers" diverge from Dollarama as "[n]one of Loblaw, Empire (Sobeys), Metro or Canadian Tire disclose using third party staffing agencies for their warehouse and distribution centre needs." <sup>27</sup>

Quebec had over 1,200 employment agencies as of 2008, some of which are legally registered and some of which operate unregulated and predominantly recruit desperate workers without legal status or with other major obstacles to employment.<sup>28</sup> The unregulated agencies typically offer less than minimum wage, do not provide health or safety coverage, and fail to respect minimum employment standards, for instance by demanding unpaid overtime or failing to pay wages in full.<sup>29</sup>

Temporary work creates an ideal context for abuses to be committed against workers due to

<sup>&</sup>lt;sup>23</sup> Dollarama "Annual Information Form Fiscal Year Ended January 31, 2021" (20 April 2021). Link.

<sup>&</sup>lt;sup>24</sup> Supra note 7.

<sup>&</sup>lt;sup>25</sup> Supra note 12.

<sup>&</sup>lt;sup>26</sup> Supra note 1.

<sup>&</sup>lt;sup>27</sup> Supra note 7.

<sup>&</sup>lt;sup>28</sup> Choudry, Aziz & Henaway, Mostafa "Temporary Employment Agency Workers in Montreal: Immigrant and Migrant Workers' Struggles in Canada" in Aziz Choudry and Mondli Hlatshwayo M eds, *Just work? : migrant workers' struggles today* (Pluto Press 2016).

the ease of firing and lack of meaningful negotiation over the conditions of employment.<sup>30</sup> Although workers may in practice remain with employers for years, temporary workers are by definition probationary and may be dismissed for any reason without severance or other dismissal-related benefits.<sup>31</sup> Erin Hatton has argued that while temporary workers were once seen as a short-term substitute for permanent workers, a new class of "permanent temporaries" has emerged in recent years; these workers are shifted among many employers on a long-term basis so that employers can avoid meeting minimum standards that would be required of them if they hired permanent employees.<sup>32</sup> In addition to avoiding the obligations tied to a traditional employment relationship, this practice allows employers to avoid paying for benefits such as severance and maternity leave. It, therefore, can benefit employers to replace permanent jobs with temporary ones even when the nature of the underlying work remains the same.

According to the CNESST's classification of the risks of injury, risks associated with agency workers range from "high" to "extreme."<sup>33</sup> These higher than average levels are largely attributable to the outsourcing of risks, which occurs when an employer has the most dangerous and physically demanding tasks performed by employees who are rented and therefore not part of the company. A company's premiums to be paid to the CNESST depends on its history of accidents or occupational diseases. Injuries sustained by agency workers are not counted in the history of the client company, even if the accident occurred on the company's premises.<sup>34</sup> Thus, companies like Dollarama, which only employ agency workers for their warehouse work, avoid paying higher premiums. This way, and as testimonies show, Dollarama can make agency workers perform dangerous tasks without proper training and equipment.<sup>35</sup>

Additionally, workers hired by temporary placement agencies are less likely to report workplace injuries. As a 2016 study of CNESST reporting of workplace injuries notes, based off secondary literature:

Precariously employed workers such as agency workers are more likely to be underrepresented in workers compensation statistics. In addition to fearing for their jobs, agency workers are at risk of seeing their compensation claims rejected due to the temporary nature of their positions. In fact, when a worker has worked, often intermittently, in numerous jobs, it is very difficult to piece together a professional history that could shed light on and characterize the various health hazards he or she has been exposed to. Because of the intermediaries between a client employer and a worker who has suffered a workplace injury, it is also complicated to reconstruct the facts for individuals employed by a subcontractor who, in turn, offers its services to

<sup>&</sup>lt;sup>30</sup> Freeman, Harris & Gonos, George "Regulating the Employment Sharks: Reconceptualizing the Legal Status of the Commercial Temp Agency" (2005) 8:3 The Journal of Labor and Society. Link.

<sup>&</sup>lt;sup>31</sup> Supra note 28.

<sup>&</sup>lt;sup>32</sup> Hatton, Erin *The Temp Economy: From Kelly Girls to Permatemps in Postwar America* (Philadelphia: Temple University Press 2011).

<sup>&</sup>lt;sup>33</sup> Direction régionale de santé publique "Les travailleurs invisibles" CIUSSS du Centre-Sud-de-l'Île-de-Montréal (2016). <u>Link</u>.

<sup>34</sup> Ibid.

<sup>&</sup>lt;sup>35</sup> Supra note 1.

other firms.36

Nonetheless, systematic studies of workers employed by temporary placement agencies reveal they have a much higher incidence rate of workplace injuries. The following is a literature review performed by the same 2016 study:

In the United States, an analysis of the claims (n=342 540) accepted by the Washington State Fund, the body responsible for workers compensation in that state, revealed that agency workers have higher rates of occupational injuries and more serious injuries than those in standard forms of employment. This discrepancy varies depending on labour sectors, with rates among temporary workers being twice as high in the construction and manufacturing industry sectors compared with permanent employees in these sectors....

In France, an analysis of EPICEA's workplace accident database2 for the year 2002 (n=676) showed that the injuries suffered by agency workers are more serious when compared with all recorded injuries (27.8% vs. 11.4%), and more often fatal (49.4% vs. 27.8% of all serious accidents). Client employers' use of temporary agency services is also associated with increased risk of accidents for direct-hire employees, who have to deal with colleagues who are often poorly trained for the tasks they are asked to do and lack experience. Those results are corroborated by a study carried out by the Institut de recherche Robert-Sauvé en santé et en sécurité du travail (IRSST) that looked at the employment, work, and occupational health and safety conditions of nurses from private agencies. The study showed that recruiting nurses from those agencies tended to increase the workloads of regular nurses.

According to a Spanish study looking at workplace accidents recorded for 2000 and 2001 (n=1 808 032), occupational injury rates are significantly higher for temporary workers (agency, fixed-term contracts, etc.) than for permanent employees [5]. Traumatic occupational injury rates are almost three times higher and fatal accidents two and half times higher among temporary workers than permanent personnel.

In Italy, researchers studied data (2000-2004) from the National Institute for Insurance against Occupational Accidents and Diseases. Results indicate that the frequency of occupational injury is significantly higher for temporary workers than for permanent workers in a same sector. The rates were 36% to 75% higher than the average for permanent workers in the sectors at highest risk. Results of a similar study of 20 000 workers in Friuli-Venezia Giulia revealed the incidence rate of occupational injuries was 2.5 times higher among agency workers than permanent staff.

An analysis of Finnish databases showed that prevalence of injuries is higher in the temporary agency sector than in other sectors of the country's economy, even after taking into account injured workers' sex, age and occupational category.

An Australian study of worker's compensation claims (1994-2001) in Victoria

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<sup>&</sup>lt;sup>36</sup> Supra note 33.

demonstrated that injury rates in this region were twice as high among agency workers than among all workers combined. The study indicated that agency workers are more likely than other workers to experience falls or to be hit by moving objects; the former are also at higher risk of suffering from repetitive strain injuries.

In Québec, a study carried out by IRSST covering the years 1995 to 1997 showed that prevalence of injuries among agency workers assigned to manual labour jobs is the highest among sectors of economic activity, with 81.5 injuries per 1000 full-time equivalent employees during this period.<sup>37</sup>

The causal relationship between the use of temporary placement agencies and workplace injuries and accidents can be explained by:

- 1) The precarious economic situation of workers that agencies engender. These are "incentives for workers to stay employed to ensure a minimum income. This situation can lead to dangerous practices such as work intensification, shoddy work, taking on dangerous tasks, presenteeism or injuries, and multiple job holding." Agencies engender this precarity by promoting job insecurity, irregular income, low wages, concurrent employment and irregular work schedules. For instance, in Canada, "salaries [of temp workers] are 18% lower for men and 23% lower for women, irrespective of personal characteristics and working conditions." Where job security is concerned, many agencies prohibit a second job, making workers feel compelled to go to great lengths to retain their current employment. Similarly, "half the participants in the 2012 Commission des normes du travail (CNT) survey reported that their agency required them to be available during certain periods, sometimes 10 hours a day, without remuneration and with no guarantee of a job, impeding possibilities of getting another job." 38
- 2) The temporary nature of agency work, their shortcomings in training and the lack of information provided to employees. That is, because of the temporary nature of the work and the mobility of workers, workers find themselves operating in workplaces where they lack proper training to keep themselves safe. Additionally, agencies often provide little in the way of training. For instance, "CNT survey data indicate that 42% of agency workers interviewed had not received training at the beginning of their most recent temporary assignment." Another survey of 700 injured Italian agency workers, administered a questionnaire, saw them identify, as the cause of their injury: "1. lack of experience with the tasks to be accomplished; 2. insufficient knowledge of workplace facilities; and 3. [an] inadequate training period."<sup>39</sup>
- 3) The Legal and Regulatory framework surrounding employment by temp agencies. This includes issues relating to premiums, inadequate assurances of worker protection when filing for compensation, discrepancies surrounding understood legal obligations among temporary placement agencies, and an ambiguity within the

<sup>&</sup>lt;sup>37</sup> Supra note 33.

<sup>38</sup> Ibid.

<sup>&</sup>lt;sup>39</sup> Ibid.

Moreover, by employing exclusively temporary placement agency workers, Dollarama hinders employees' ability to exercise their constitutionally protected right to strike and to bargain collectively. Several reports have shown that it is extremely difficult for temporary placement agency workers to unionize and improve their working conditions. The vulnerable and transient situation of many temporary workers is a major obstacle to the exercise of these rights. Not only do temporary workers frequently move between workplaces, making it difficult to build solidarity around any one workplace, but their precarious immigration statuses, discrimination, and poverty make it difficult for them to take risks which are high in union campaigns. Despite poor working conditions, "[i]n Canada, the 2003 Labour Force Survey indicated that the unionization rate among agency workers was only 5%."<sup>43</sup>

Dollarama has likely benefited from the dynamics inherent to third party placement in avoiding worker organizing. An August 2020 article, for instance, observed that "[p]lusieurs employés qui se sont plaints des conditions de travail dans le contexte de la COVID-19 ont été carrément congédiés." These employees included two who provided testimony, one of whom had worked for Dollarama for ten years, another for three. They were fired after bringing concerns to management in an attempt to improve safety conditions on the shopfloor. In 2013, another worker from Cameroon reported his experience with a "firing in disguise." Solidarity Across Borders reported the following:

After getting involved with the IWC, he began organizing know-your-rights workshops and distributing flyers at the [Dollarama] warehouse. / But when management found out, he lost his job. / "When they got wind of my movement, immediately they said that they needed to get rid of this bad element," he said. The temp agency gave him increasingly difficult work until he finally quit. / "I realized that the work they gave me was harder than what I had before, and that I had to work part-time for less money," he said. "I worked so that my family could survive." / Finally, he said he couldn't take it anymore. He quit his job, saying what he experienced was a "firing in disguise." / But he said he achieved his goal, raising awareness among immigrant workers about their labour rights. / "They know that they can be compensated for workplace accidents, know that they can be compensated when they're sick, so ... I'm very happy with what I did," he said. 46

In addition to the threats to worker organizing flowing from precarious working status, workers attempting to enforce their rights or form unions face many additional legal challenges in the triangulated workplace context.<sup>47</sup> While agencies take on the role of the

<sup>40</sup> Ibid.

<sup>&</sup>lt;sup>41</sup> Supra note 33.

<sup>&</sup>lt;sup>42</sup> Supra note 28.

<sup>&</sup>lt;sup>43</sup> Supra note 33.

<sup>&</sup>lt;sup>44</sup> The Canadian Press "La santé avant les profits, exigent des employés de Dollarama" Le soleil (13 June 2020). <u>Link</u>.

<sup>45</sup> Ibid.

<sup>&</sup>lt;sup>46</sup> Supra note 4.

<sup>&</sup>lt;sup>47</sup> Supra note 28.

employer on paper, and are normally responsible for making assignments, paying wages, and administering discipline, in practice control over working conditions usually remains predominantly with the agencies' client companies. This creates a situation in which identifying the responsible party in case of an employment law violation becomes a challenge in its own right, and in the labour law context, it can mean that unionizing requires first bringing a lawsuit to prove that the employees in the proposed bargaining unit are in fact employees of the employer and not the agency. In any area of law involving parties of very different means and levels of power, complexity serves as a bar to the less sophisticated party. Knowing this, legally sophisticated employers deliberately structure their workplaces to prevent liability, which to them represents an added cost of business. By taking over a part of the legal responsibility of employers, agencies buffer employers against liability; this provides yet another rationale from the employer's perspective to keep jobs temporary rather than permanent wherever possible.<sup>48</sup>

The following section on health and safety conditions within Dollarama explores in greater detail the actually existing safety landscape in Dollarama warehouses, which workers sometimes explicitly connect to third party placement agencies. For instance, the 2019 survey recorded the following, almost as a premonition of Dollarama's aforementioned COVID-19 firings:

Workers sometimes don't even declare their injuries, "parce qu'ils se disent que s'ils le déclarent certainement que l'Agence va les renvoyer. Voilà, et qu'ils ne pourront plus travailler. Donc il y en a qui restent avec leurs blessures, ils ne les déclarent pas." <sup>49</sup>

Another 2013 testimony from a West African worker (different from the person from Cameroon quoted previously) described the intersection between unsafe and arduous work, agencies, and racialization:

He said that as a black man, he was targeted for work comparable to slavery. / "Certainly one could compare it to slavery, and I've been able to understand in my time here that just by an individual's skin colour, when I go to the placement agency, there's work for those that are black, and there's work for those that are white," he said, adding that he lost jobs to white Quebecois people despite his advanced qualifications. <sup>50</sup>

McGill should take seriously the concerns workers have made about third party staffing agencies, particularly as they relate to unstable work, lack of training, dangerous work, and discrimination. It is not without merit that the Immigrant Workers Centre, experienced with working with Montreal's migrant population, has centered this concern over third party staffing agencies in its public activism, leading to the BCGEU's aforementioned shareholder motion. These concerns over the use of third party staffing agencies have been shared by larger bodies, including the ILO and the Director of Public Health of Montreal. That the CNESST classifies risks associated with this unnecessary employment model as "high" to

<sup>&</sup>lt;sup>48</sup> Supra note 28.

<sup>&</sup>lt;sup>49</sup> Supra note 1.

<sup>&</sup>lt;sup>50</sup> Supra note 4.

"extreme" should be, in the least, unsettling. As explored above, these agencies allow for an ease of firing, shifting work schedules and placement, inherently lower salaries, safety training in the hands of external parties, limits worker organizing, and create a legal quagmire for potential plaintiffs. Dollarama warehouses' following health and safety conditions are a good example of the kind of workplace model that threatens to be created from these conditions:

# **Health and Safety Conditions**

The Office of Investments adopt a corporate engagement strategy with Dollarama... [t]o promote a healthy and safe warehouse work environment within the company, whose conditions can continuously accommodate demands and concerns coming directly from warehouse workers

The social injury identified by Dollarama workers and their allies in the migrant community includes a grave injurious impact to Dollarama warehouse workers' health and safety.

Between March and December 2020, following inspections by the CNESST, Dollarama stores were found responsible for 21% of the violations for non-compliance with health rules in all of Quebec.<sup>51</sup> This proportion of Quebec industry infractions, nearly one-fifth, should cause alarm considering Dollarama's considerably less sizeable share of Quebec's labour force. It similarly lends legitimacy to conditions reported within Dollarama warehouses.

The 2019 survey of warehouse workers saw 14% of workers report experiencing psychological harassment at work.<sup>52</sup> 40% of the workers said they did not receive health and safety training at their workplaces. 42.9%, that is, nearly half, said they did not receive proper safety equipment at work and that they felt their workplace was not safe. 23.8% said they had been injured at work.<sup>53</sup> These self-reported lived experiences of Dollarama workers should not be ignored by McGill. They reveal a grave and serious injury, as well as threat thereof, to the mental and physical well being of Dollarama workers.

The same survey described, in greater detail, conditions in warehouses. These reports often emphasized the indifference of Dollarama's management to safety conditions. They also describe work that is unnecessarily arduous. There is, equally, a lack of equipment for self-protection, particularly from dust:

Workers regularly complained that their warnings about safety, including to safety coordinators, went unheeded. "Il y a des gens qui sont dans les bureaux qui réfléchissent à notre place, alors que c'est nous qui sommes sur le terrain, c'est nous qui sommes confrontés aux difficultés," one worker described. "C'est nous qui voyons plus les réalités." "I see some accidents. Some person took the pallet and it fell in the back," said one worker. "He goes after to the hospital." Accidents involving falling boxes were a regular feature of working in warehouses, and workers told that

<sup>&</sup>lt;sup>51</sup> Trussart, Antoine "Dollarama championne des infractions à la CNESST" La Presse (6 March 2021). Link.

<sup>&</sup>lt;sup>52</sup> Supra note 1.

<sup>53</sup> Ibid.

their supervisors didn't seem to take the issue seriously. After an accident, "they don't call," one worker said. "They wait if you are ok. It is like a joke. They don't help me for nothing." Workers sometimes don't even declare their injuries, "parce qu'ils se disent que s'ils le déclarent certainement que l'Agence va les renvoyer. Voilà, et qu'ils ne pourront plus travailler. Donc il y en a qui restent avec leurs blessures, ils ne les déclarent pas."

For workers who move objects manually, "il subit beaucoup, le corps, il subit beaucoup pour ce travail," according to a foor worker. "Il y a des boîtes qui sont lourdes, tu les mets en bas, tu sens la fatigue sur le dos, les bras." Workers describe particularly heavy boxes being placed in high places, and being expected to remove them manually—often leading to workplace injuries.

Some workers have even brought the issue to the attention of supervisors, in an attempt to encourage heavy boxes to be placed lower toward the ground, with no results. "Ça n'a rien changé," one worker said. "Il y a des gens qui se blessent." Boxes are strewn in the middle of alleyways, leaving little room to walk, and creating risk of injury.

What's more, only half of surveyed workers were provided with the proper equipment required to safely perform their tasks. Workers are often told that they must buy the proper boots with their own money, before they can start work. The same principle applies to masks, which shield workers from inhaling the omnipresent dust in the warehouses, which some workers say have made them sick.<sup>54</sup>

These are not isolated examples or testimonies. In 2013, one West African Dollarama worker described his experience in warehouses: Solidarity Across Borders reported the following:

[A] highly skilled worker with formal training and ten years of experience as an electro-mechanic in a powdered-milk factory, completed government job-market integration programs after immigrating, but said they "didn't pay off." / He finally turned to temp agencies for work, and found himself at a Dollarama warehouse. He was shocked by the difficulty of the labour. / "I was surprised that in an industrialized country like Canada, you could have places where people work more than machines," he said. / His job involved lifting boxes all day to build massive pallets of merchandise. His daily quota was 23 pallets. / "To do 23 pallets a day, you have to do a lot of heavy lifting, and we don't have time to rest, so it's physical, and the place is very noisy, there's a lot of dust," he said. / "There are a lot of people who bump into each other because everyone is on guard, everyone is stressed because everyone wants to reach their quota." / He said that as a black man, he was targeted for work comparable to slavery. / "Certainly one could compare it to slavery, and I've been able to understand in my time here that just by an individual's skin colour, when I go to the placement agency, there's work for those that are black, and there's work for those that are white," he said, adding that he lost jobs to white Quebecois people despite his advanced qualifications. / The physically taxing work has left its mark on his body, he said. / "It's slavery because I physically felt it. I have health problems

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<sup>&</sup>lt;sup>54</sup> Supra note 1.

that have continued after working at Dollarama. Even now I'm still being treated. I have muscle pains that I'm suffering currently. I'm on painkillers and anti-inflammatory drugs practically every week." / He warned others to expect menial labour if they decide to immigrate. / "When you come here, what you know is forgotten. It's like you're being reborn, because here ... you must go to their school. You should know that you're going to redo your training, that you're going to start with physical labour." / And he called on the government to revisit the laws regulating temporary placement agencies, to make them "more humane." 55

Here is another workers' experience, recorded by the McGill Daily in October 2020:

Gaurav Sharma, is an artist from Chandigarh, India, who came to Montreal in 2019 and is awaiting a decision on his refugee status claim. Hired by Di-Geo International, a temporary employment agency, he was assigned to Dollarama for almost a year as a palette builder. The long hours – at least 8 hours a day, including a half hour lunch break and a 15 minute bathroom break – and the quick pace of the physically strenuous work eventually resulted in severe back pain for Sharma. When the first instances of searing pain hit him, Sharma recalled, the warehouse had "no medical staff, no first aid kit and no painkillers available", so he had to find a doctor himself, and was prescribed 2 weeks of bed-rest. When he asked to be reassigned to a less physically strenuous task due to his injury, Shamra said, the employment agency insisted that "no transfer was possible," leading Sharma to quit in order to avoid aggravating his injury.<sup>56</sup>

Sharma also commented in another article, speaking at an August 2020 protest:

"I've worked at Dollarama for one year, as a pallet builder. It's a hard job." / "If I make one pallet, it takes 45 minutes. How can I make 15 pallets in 8 hours? We just have to work, work, work, and for nothing.<sup>57</sup>

During the COVID-19 pandemic, workers frequently launched demonstrations with the Immigrant Workers Centre, denouncing safety conditions within Dollarama warehouses. This included a protest in June 2020,<sup>58</sup> a protest in August 2020,<sup>59</sup> a protest in October 2020,<sup>60</sup> a press conference and worker-produced theatrical performance in December 2020,<sup>61</sup> and a protest in June 2021.<sup>62</sup> Here is one example of testimony given at an October 2020 protest:

Mohammed Barry is a Guinean refugee who has been active in the campaign to prevent Canada's deportation of exiled Guineans to a dangerous fate in their home country, in addition to his labour organizing. In the same press conference, he stated

<sup>55</sup> Supra note 28.

<sup>&</sup>lt;sup>56</sup> Koch, Andreas "Dollarama's Immigrant Workers Fight for their Rights" McGill Daily (31 October 2020). Link.

<sup>&</sup>lt;sup>57</sup> Milton, Jon "'Dollarama is our Amazon': Warehouse workers organize against unsafe conditions, 'misery wages'" Ricochet (26 August 2020). <u>Link</u>.

<sup>&</sup>lt;sup>58</sup> Facebook Event "Rassemblement: Solidarité avec les travailleurs.euses Dollarama" (2020). Link.

<sup>&</sup>lt;sup>59</sup> Supra note 57.

<sup>&</sup>lt;sup>60</sup> Supra note 56.

<sup>&</sup>lt;sup>61</sup> Facebook Event "Lancement De La Campagne De Coalition Contre Le Travail Précaire" (2020). Link.

<sup>&</sup>lt;sup>62</sup> Facebook Event "Rassemblement solidarité avec les travailleurs/else's Dollarama" (2021). Link.

that he worked at Dollarama for two weeks, in "deplorable" conditions. "There is no respect [for the workers]" he said, "and the contamination of the air [with Covid-19 in the warehouses] is enough to traumatize employees." In his time at Dollarama, he claims he experienced large numbers of workers that were packed together in such close proximity that it was impossible to maintain any kind of social distancing. 63

At an August 2020 protest, Le soleil also reported:

Plusieurs employés qui se sont plaints des conditions de travail dans le contexte de la COVID-19 ont été carrément congédiés, indiquent les manifestants, si bien qu'un climat de peur règne dans les installations de l'entreprise. / L'un d'eux, Aines Charles, malgré ses dix ans de service, aurait été remercié après avoir indiqué à un superviseur la présence de nombreux cas de COVID-19 parmi ses collègues. La direction aurait alors demandé à l'agence de placement qui l'employait de le mettre fin à son emploi. / Un autre aurait également été retiré des rangs de l'entreprise pour avoir réclamé davantage de mesures de protection. / «On m'a appelé au bureau le jour même et mis fin à mon contrat, après trois ans de travail», indique le communiqué. 64

These reports of firings following workers' raising serious health concerns not only reveal union busting tactics, but a serious lack of concern from Dollarama for their workers' health and safety. Workers were reporting lack of social distancing measures, as well as outbreaks of COVID-19 on the shopfloor. This evidence, when read in conjunction with the 2019 warehouse work report (where workers repeatedly described a similar attitude from management), and Dollarama's exceedingly high-rate of 2020 health and safety violations, should suggest a systematic disregard, within the company, towards serious health and safety concerns.

The corporation's present trends suggest dynamics that could initiate a future worsening of safety conditions on the shop floor. In 2020, Dollarama reported 66 net new retail outlets.<sup>65</sup> In 2021, they reported 65 net new stores.<sup>66</sup> However, the number of Montreal warehouses, which are forced to supply these stores, remains the same.<sup>67</sup> This implies more products and workers are being packed into the same space (a space already reported as overly crowded) as Dollarama increases its distribution. This increased packing of workers and products was observed as interacting dangerously with the lack of safety and technical training given to Dollarama workers. The 2019 Dollarama warehouse report reads:

In Dollarama's warehouse, workers described occasions where the push for productivity led to an unsafe amount of people on the floor. "it is risky, yeah, because... you know there is too many, too many peoples, sometimes," a worker said. "They need more, more peoples to work there." In this push to move as quickly as possible, workers are given tasks that are risky and beyond their training level. "Il

<sup>&</sup>lt;sup>63</sup> Supra note 56.

<sup>&</sup>lt;sup>64</sup> Supra note 44.

<sup>65</sup> Supra note 7.

<sup>&</sup>lt;sup>66</sup> Dollarama "Annual Information Form Fiscal Year Ended January 31, 2021" (20 April 2021). <u>Link</u>.

<sup>67</sup> Ibid.

faut être expert pour ce travail-là mais après un mois, il m'a donné ce fork lift à conduire," one worker said. "Some people are unsafe, some people work good, but with people that are unsafe and do not work good, that is dangerous for work environment." <sup>68</sup>

The lack of distancing measures, training, safety equipment, and management concern for working conditions, joins with warehouse workers' arduous and demanding work schedule, in which workers are demanded to do lots of dangerous work in as little time as possible. As workers' have described and hard numbers suggest, this has made Dollarama a seriously and abnormally unsafe workplace environment. McGill should take serious concern in the injuries Dollarama causes to their employees through these practices.

### Conclusion

It is difficult to imagine working and wage conditions within the city of Montreal that resemble those of Dollarama warehouses. That is to say, Dollarama, from the public record, appears to be in a class of its own. Its workers are given wages far below industry standards or recommended minimum wages, and their incomes face issues relating to unstable work schedules, wage theft (including lack of payment when they arrive at work and do not work a three hour shift), lack of paid sick days, and lack of severance, despite often carrying on full-time jobs for several months. The company's use of third party staffing agencies puts workers on this indefinite probationary status, and allows Dollarama to delegate dangerous work to racialized and migrant workers with much legal and financial impunity. This model has been exploited to crush worker organizing for better salaries and working conditions. These health and safety conditions include a lack of proper safety training in crowded working spaces, where workers and machines like forklifts are kept together at a dangerous pace. Workloads are heavy, and the work itself is demanding. A lack of safety equipment is provided to workers to deal with issues such as dust. During COVID-19, distancing measures were allegedly not respected and outbreaks were not given due attention. Workers who have attempted, through organization or talking to the employer, to improve these conditions, have been fired. The latter reveals both union busting tactics and a systematic disregard for employee safety.

The testimonies by Dollarama workers that have been copied above should serve as a valuable insight into these warehouse conditions. Considering the risks that face working people, particularly migrants, when denouncing their former or present employers, they should not be taken lightly, nor should the use of descriptors such as "slavery" or "deplorable." It is important for McGill to do justice, as an investor, to these workers and not attempt to undermine or delegitimate their lived experiences. Their testimonies, as well as the statistics, news reports, and studies surveyed above, are our only window into the social injury being committed within Dollarama warehouses. In light of these realities, and McGill's financial and professional ties to Dollarama, the university should commit to the following demands:

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,

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<sup>&</sup>lt;sup>68</sup> Supra note 1.

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.