

January 2022

Dear Company:

Re: Provision of Paid Sick Leave for Direct and Indirect Employees

On behalf of the 150 signatories of this letter, which includes State Treasurers as well as asset owners, asset managers, debt holders, and investor representatives representing more than \$3.6 trillion USD in combined assets, we would like to learn more about the company's paid sick time benefit for US workers, including part-time, subcontracted, and temporary workers. As the economy begins to emerge from the deepest impacts of the pandemic, we see growing reputational, financial, and regulatory¹ impacts associated with the lack of a comprehensive paid sick time benefit for all employees. We, therefore, urge the company to help make the recovery and the future operating environment more equitable by providing permanent paid sick time for all workers.

More than 26 million people² working in the private sector have no access to paid sick days, and millions more cannot earn and use paid sick time to care for a sick child or family member, leaving working people in the United States facing an impossible choice when they are sick: stay home and risk their economic stability or go to work and risk their health and the public's health.

Seven in ten of the lowest-wage workers do not have paid sick days to care for their own health.³ Black, Indigenous, and people of color (BIPOC) workers, low-wage, part-time, immigrant, and service-industry workers are especially unlikely to have access to paid sick days. Disparities in access to paid sick days disproportionately expose Latinx and Black workers to an increased risk of illness.⁴ Nearly half (48 percent) of Latinx workers and more than one-third (36 percent) of Black workers report having no paid time away from work of any kind.⁵ While women overall are about as likely as men to have paid sick days, low levels of coverage disproportionately affect mothers because they are more likely than fathers to miss work to take care of sick children. Further, workers who interact the most with the public are often the least likely to have paid sick days, leading to greater exposure and risk.

Businesses benefit when their employees have access to paid sick days. Paid sick days reduce turnover, which in turn reduces costs incurred from advertising, interviewing, and training new hires.⁶ This is particularly important in lower-wage industries where turnover is highest. Currently, tight labor markets have significantly increased competition for workers⁷, making paid sick leave a valuable recruiting and retention tool for employers. Employers in jurisdictions where employees have paid sick days have seen increased growth and reported no negative impact on profitability. Further, researchers calculated that

¹ 35 jurisdictions nationwide have adopted paid sick days laws, including 13 states: Arizona, California, Colorado, Connecticut, Maryland, Massachusetts, New Jersey, New York, Oregon, Rhode Island, Vermont, Washington and the District of Columbia. National Partnership for Women & Families. (2019, May). *Current Paid Sick Days Laws*. Retrieved 9 November 2021, from <http://www.nationalpartnership.org/our-work/resources/workplace/paid-sick-days/current-paid-sick-days-laws.pdf>

² U.S. Bureau of Labor Statistics. (2021, September). National Compensation Survey: Employee Benefits in the United States, March 2021. (Table 33). Retrieved 9 November 2021, from <https://www.bls.gov/ncs/ebs/benefits/2021/employee-benefits-in-the-united-states-march-2021.pdf>

³ National Partnership for Women & Families. Quick Facts. Retrieved 9 November 2021, from <http://www.paid sick days.org/research-resources/quick-facts.html>

⁴ Kumar, S., Crouse Quinn, S., Kim, K. H., Daniel, L. H., & Freimuth, V. S. (2012, January). The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic. *American Journal of Public Health, 102*(1), 134-140. doi: 10.2105/AJPH.2011.300482

⁵ U.S. Bureau of Labor Statistics. (2019, August 29). *Access to and Use of Leave Summary* (Table 1). Retrieved 9 November 2021, from U.S. Bureau of Labor Statistics website: <https://www.bls.gov/news.release/leave.t01.htm>

⁶ Siegwath Meyer, C., Mukerjee, S., & Sestero, A. (2001, Spring). Work-Family Benefits: Which Ones Maximize Profits?, *Journal of Managerial Issues, 13*(1), 28-44

⁷ New York Times. Low-Wage Workers Now Have Options, Which Could Mean a Raise. (July 20, 2021). Retrieved 9 November 2021, from <https://www.nytimes.com/2021/07/20/business/economy/workers-wages-mobility.html>

providing paid sick leave costs employers an average of 2.7 cents per hour of paid work.⁸ However, workplace policies that force workers to be on the job when they aren't healthy lead to decreased productivity and the possible spread of infection in the workplace. When workers can't earn paid sick time, they have to choose between recovering from illness and earning a day's pay—or, in some cases, keeping their jobs.

There is significant evidence that paid sick leave has a positive business case and we would like to understand if the company is embracing this opportunity. More transparency on the company's policies on paid sick leave would help investors understand how the company is managing this human capital management issue. Therefore, we would appreciate written responses to the following questions related to the company's paid sick leave:

1. **The total size of the company's workforce**, including direct hires, contract workers, or part of a franchise system, and the number and percent who are full-time and part-time across these categories with demographic information within each category.
2. **A detailed description of the company's paid sick time policy, by worker classification.**
 - a. Describe the company's permanent paid sick time benefit, and whether this benefit is mandated by local ordinances or offered via company policy.
 - b. Please outline how many hours/days of paid sick leave that workers are entitled to and which categories of workers are eligible for the benefit.
 - c. Please describe how workers are made aware of these benefits and are encouraged (or at least not penalized) for accessing the benefit allowed.
3. **Paid sick days benefit related to the pandemic**
 - a. Describe any special paid sick time benefit implemented due to the COVID-19 pandemic, including details of who was eligible to take this leave and estimates of how many workers took advantage of the benefit.
 - b. Describe how the company ensures all workers are aware of these enhanced benefits.
 - c. If the benefit has ended, when did it end?

We would like to work with the company's senior leadership to better understand the company's policies on paid sick time. To that end, we respectfully ask the company to respond to the above investor questions by February 18, 2022 and suggest some dates and times that will work for an investor dialogue on the issue.

Signed,

Aargauische Pensionskasse (APK)
Achmea
Achmea Investment Management
Adasina Social Capital
Adrian Dominican Sisters, Portfolio Advisory Board
AFL-CIO Office of Investment
Align Impact
American Baptist Home Mission Society
Aquinas Associates
As You Sow
ATISA Personalvorsorgestiftung der Tschümperlin-Unternehmungen
Atkinson Foundation
Augustine Asset Management
Aviva Investors
Azzad Asset Management

⁸ National Bureau of Economic Research. Mandated Sick Pay: Coverage, Utilization, and Welfare Effects. (March 2020). Retrieved 9 November 2021, from https://www.nber.org/system/files/working_papers/w26832/w26832.pdf

Bernische Lehrerversicherungskasse
Bernische Pensionskasse BPK
BMO Global Asset Management (EMEA), part of Columbia Threadneedle Investments
Boston Common Asset Management
Caisse Cantonale d'Assurance Populaire - CCAP
Caisse de pension du Comité international de la Croix-Rouge
Caisse de pension Hewlett-Packard Plus
Caisse de pensions de l'Etat de Vaud (CPEV)
Caisse de pensions du CERN
Caisse de pensions du personnel communal de Lausanne (CPCL)
Caisse de pensions ECA-RP
Caisse de prév. des Fonctionnaires de Police & des Etablissements Pénitentiaires
Caisse de Prévoyance de l'Etat de Genève CPEG
Caisse de Prévoyance des Interprètes de Conférence (CPIC)
Caisse de prévoyance du personnel communal de la ville de Fribourg
Caisse de prévoyance du personnel de l'Etat de Fribourg (CPPEF)
Caisse de prévoyance du personnel de l'Etat du Valais (CPVAL)
Caisse de retraite professionnelle de l'industrie vaudoise de la construction
Caisse intercommunale de pensions (CIP)
Caisse paritaire de prévoyance de l'industrie et de la construction (CPPIC)
CAP Prévoyance
Cassa pensioni di Lugano
Change Finance
CIEPP - Caisse Inter-Entreprises de Prévoyance Professionnelle
Comitato Lady Lawyer Village
CommonSpirit Health
Congregation of Sisters of St. Agnes
Congregation of St. Joseph
CorpGov.net
Corporate Responsibility office - Province of Saint Joseph of the Capuchin Order
CPCN - Caisse de pensions de la fonction publique du canton de Neuchâtel
Dana Investment Advisors
Daughters of Charity, Province of St. Louise
DNB Asset Management
Domini Impact Investments
Dominican Sisters ~ Grand Rapids (MI)
Dominican Sisters of Sparkill
Emmi-Vorsorgestiftung
EOS at Federated Hermes
Etablissement Cantonal d'Assurance (ECA VAUD)
Ethos Foundation
Etica Funds - Responsible Investments
Evangelisch-reformierte Landeskirche des Kantons Zürich
Everence and the Praxis Mutual Funds
Farm Girl Capital
Figure 8 Investment Strategies
First Affirmative Financial Network
Fondation de la métallurgie vaudoise du bâtiment (FMVB)
Fondation de prévoyance Artes & Comoedia
Fondation de prévoyance du Groupe BNP PARIBAS en Suisse
Fondation de prévoyance professionnelle en faveur de AROMED
Fondation de prévoyance Romande Energie
Fondation Interprofessionnelle Sanitaire de Prévoyance (FISP)
Fondation Leenaards

Fondation Patrimonia
Fonds de Prévoyance de CA Indosuez (Suisse) SA
Fonds interprofessionnel de prévoyance (FIP)
Future Super
Gebäudeversicherung Luzern
Gebäudeversicherung St. Gallen
Green America
Grey Nuns of the Sacred Heart
Hill-Snowdon Foundation
Impact Investors, Inc.
Investor Advocates for Social Justice
JSA Sustainable Wealth Management
Lady Lawyer Foundation
Le Regroupement pour la Responsabilité Sociale des Entreprises (RRSE)
LGIM America
Loyalis BVG-Sammelstiftung
Luzerner Pensionskasse
Mennonite Education Agency
Mercy Investment Services, Inc.
Miller/Howard Investments, Inc.
Natural Investments
NEI Investments
Nest Sammelstiftung
NorthStar Asset Management, Inc.
Parnassus Investments
Pensionskasse AR
Pensionskasse Bank CIC (Schweiz)
Pensionskasse Basel-Stadt
Pensionskasse Bühler AG Uzwil
Pensionskasse Caritas
Pensionskasse der Basler Kantonalbank
Pensionskasse der Stadt Frauenfeld
Pensionskasse der Stadt Weinfelden
Pensionskasse der Stadt Winterthur
Pensionskasse Pro Infirmis
Pensionskasse Römisch-katholische Landeskirche des Kantons Luzern
Pensionskasse Schaffhausen
Pensionskasse SRG SSR
Pensionskasse Stadt Luzern
Pensionskasse Stadt St. Gallen
Pensionskasse Unia
Personalvorsorgekasse der Stadt Bern
PIRC Limited
previva, fonds de prévoyance des professionnels du travail social
Prévoyance Santé Valais (PRESV)
Profelia Fondation de prévoyance
Prosperita Stiftung für die berufliche Vorsorge
Raiffeisen Pensionskasse Genossenschaft
Region VI Coalition for Responsible Investment
Rentes Genevoises
Reynders, McVeigh Capital Management LLC
Riverwater Partners
RP - Fonds institutionnel
Sarah Godlewski, Wisconsin State Treasurer

Secunda Sammelstiftung
Seth Magaziner, General Treasurer, State of Rhode Island
Seva Foundation
Seventh Generation Interfaith Coalition for Responsible Investment
Sisters of Notre Dame de Namur Base Communities
Sisters of Saint Joseph of Chestnut Hill, Philadelphia
Sisters of St Dominic-SRI Committee
Sisters of St. Dominic of Blauvelt, New York
Sisters of St. Francis of Oldenburg
Sisters of St. Francis of Philadelphia
Sisters of St. Joseph of Springfield
Sisters of the Humility of Mary
Sisters of the Presentation of the BVM of Aberdeen SD
SOC Investment Group
Socially Responsible Investment Coalition
Spida Personalvorsorgestiftung
St. Galler Pensionskasse
Stiftung Abendrot
Stiftung Personalvorsorge Liechtenstein
Sustainable Value Investors
SVA Zürich
Terre des hommes Schweiz
The Episcopal Church (DFMS)
Trillium Asset Management
Unfallversicherungskasse des Basler Staatspersonals
Unitarian Universalist Association
United Church Funds
United Methodist Women
Université de Genève (UNIGE)
Vancity Investment Management (VCIM)
Verein Barmherzige Brüder von Maria-Hilf (Schweiz)
Verve Super
Vorsorge SERTO
Zevin Asset Management