



Beyond the Union Election: Trillium's Advocacy for Workers' Right to Collective Bargaining



Executive Summary

As a sustainability-focused and socially responsible firm, Trillium Asset Management (Trillium) strives to activate our clients' capital to advance humankind towards a global sustainable economy, a just society and a better world. We believe that a balance of equity, ecology and economy is necessary to achieve this vision – and central to that balance is addressing the systemic risk of economic inequality and pressing companies to treat workers fairly.

One time-tested answer to the challenge of achieving that balance is labor unions. Throughout history, labor unions have fought for and won more just and favorable working conditions, providing an important check on corporate power and reducing economic inequality. However, in the United States, these labor unions face the dual headwinds of weak labor laws (when compared to international standards) and union-busting by companies.

As an investment firm, we believe using the tools of shareholder advocacy to uphold labor rights and address violations is a critical factor in building sustainable workplaces for workers who power the economy, in turn supporting the long-term health of the economy and the companies in which we invest. To that end, we have advocated for internationally recognized workers' rights to freedom of association and collective bargaining since late 2021 via direct corporate engagement and investor education efforts, including a discussion of the business case for unions in our [*Investor Case for Supporting Worker Organizing Rights*](#).

Beyond the Union Election: Trillium's Advocacy for Workers' Right to Collective Bargaining serves as a follow-up paper to the aforementioned first. In this second paper, we detail the importance of continuing investor advocacy on workers' rights even after workers successfully form unions. We also provide a recap of the last four years of our advocacy work at Starbucks, Apple, the New York Times, CVS Health, Chipotle and Costco, as well as an overview of our efforts to build investor capacity to engage on the right to collective bargaining.



Respect for Labor: Freedom of Association & Collective Bargaining

At Trillium, we define respect for labor as upholding the rights to organize and collectively bargain, paying living wages and providing just and favorable conditions of work.

A discussion of the rights to organize (i.e. freedom of association) and collectively bargain is especially relevant, taking into account the surge of organized labor activity during the last three years. Seemingly under-prepared for and under-educated about labor unions and legal obligations and norms, many companies have been accused of violating not only their own human rights commitments, but laws and international human rights standards as well. For investors, the surge in union organizing and subsequent corporate responses have raised critical questions of how to evaluate human rights commitments, labor activity and companies' labor management strategies.

The rights to freedom of association and collective bargaining are long-recognized fundamental human rights enshrined by the United Nations Guiding Principles on Business and Human Rights (UNGP), the Organization for Economic Co-operation and Development Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD Guidelines), and the UN Global Compact's principles.¹ Global companies commonly cite these standards as the foundation of their human rights policies, even making explicit commitments to follow such parameters. Certain elements of international human rights standards are also codified in national labor laws.

Of the two rights, collective bargaining is a re-emerging issue for investors evaluating labor relations, given the hundreds of successful union campaigns in the past few years in the United States. After a union is formed, the next step is the collective bargaining process – also referred to as contract negotiations – a negotiation between employers and labor unions determining wages, hours, health and safety measures and other workplace terms and conditions. The resulting agreement is termed a 'contract,' which governs the working terms and conditions of the union until expiration and renewal negotiations.

Collective Bargaining Challenges & Recommendations

While advocating for workers' right to freedom of association, we have found that the right to collective bargaining warrants equal attention because of the potential for further violations and the importance it has in establishing a positive and well-functioning relationship between the union and the company.

Unfortunately, sometimes negotiations do not go well, and violations of workers' rights can occur.

History has shown that some companies are undeterred by a successful union vote and take further action during the collective bargaining process to subvert the bargaining and suppress union activity. By using stalling tactics, these companies raise the probability that employees will give up on negotiations the longer a first contract is not reached and will eventually vote to decertify the union. Companies may approach contract renewal negotiations with a similar posture. Stalling tactics used by management may involve canceling bargaining sessions, failing to allocate adequate time for bargaining sessions, refusing to provide information to the union and sending negotiating representatives who lack decision-making power, amongst others.

Though there is no consensus on the appropriate timeline for the collective bargaining process for a first contract, the disparity between the average 465-day timeline as reported by Bloomberg and the proposed 90-day timeline in the federal Protecting the Right to Organize (PRO) Act and the Faster Labor Contracts Act suggests room for improvement.^{2,3} Investors should note that lengthy contract negotiations or other union-busting actions may result in strikes as well as potential lawsuits and fines.⁴

To be clear, companies do not hold sole responsibility for the collective bargaining process and outcomes. Unions share the negotiating duties and thus mutual efforts from both companies and unions are necessary to reach an agreement. To mitigate potential risks and take a proactive approach to healthy labor relations, we recommend companies adopt a position of neutrality; make available necessary people, information and resources; and collaboratively negotiate to reach a mutually agreeable contract within a reasonable period. We encourage our portfolio companies to respect workers' rights to both freedom of association and collective bargaining and engage in the process of union elections and contract negotiations in good faith.

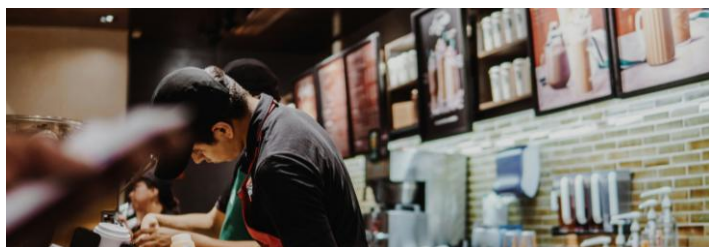
Between 2021 and the present, Trillium has engaged six companies on labor rights violations and identified delayed contract negotiations at four. We detail the history, outcomes and impact of our advocacy at Starbucks, Apple, the New York Times, CVS Health, Chipotle and Costco below. Additionally, we discuss our field-building efforts to advance investor understanding of the right to collective bargaining and its connection to labor relations and people management.

¹ United Nations, Guiding Principles on Business and Human Rights, p. 14, 2011; Organization for Economic Co-operation and Development, Guidelines for Multinational Enterprises on Responsible Business Conduct, pp. 26, 30; <https://unglobalcompact.org/what-is-gc/mission/principles>

² Combs, Robert. ANALYSIS: Now It Takes 465 Days to Sign a Union's First Contract, August 2, 2022. <https://news.bloomberglaw.com/bloomberg-law-analysis/analysis-now-it-takes-465-days-to-sign-a-unions-first-contract>.

³ Fontana, Matthew, et al. Bipartisan Push for Speedier Labor Agreements: Senators Unveil the Faster Labor Contracts Act. <https://www.faegredrinker.com/en/insights/publications/2025/3/bipartisan-push-for-speedier-labor-agreements-senators-unveil-the-faster-labor-contracts-act>





Trillium has engaged companies on labor rights since 2021, beginning with the unionization campaign at Starbucks.



Trillium's Advocacy for Workers' Right to Collective Bargaining

Starbucks

Perhaps our most intensive labor rights engagement, Trillium's labor rights advocacy at Starbucks exemplifies how we build on our financial and values-oriented concerns to hold corporations accountable and drive positive change.

Starbucks workers announced a unionization drive in Buffalo, New York in the fall of 2021 – a significant marker in Starbucks' history as there were no unionized stores in the U.S. at the time. After hearing that the company was reportedly union-busting, Trillium [initiated engagement](#) with Starbucks regarding its approach to respecting workers' right to freedom of association. We organized a [second investor letter](#) representing \$3.4 trillion in assets as dozens more Starbucks stores announced unionization drives and Starbucks management reportedly continued to engage in anti-union activities.

In the absence of meaningful engagement from Starbucks despite repeated invitations to meet, Trillium and other investors, including the New York City Retirement Systems, Pensions and Retirement Consultants (PIRC UK), and the Shareholder Association for Research and Education (SHARE) filed a shareholder proposal in September 2022. We believed the apparent misalignment between Starbucks' public commitments to human rights and its reported conduct represented material reputational, legal and operational risks that could potentially affect its long-term value.

Our proposal called for an independent, third-party assessment of Starbucks' adherence to its stated commitment to workers'

freedom of association and collective bargaining rights. Though the company announced that it would conduct a human rights impact assessment covering workers' rights, investors did not appear to be convinced that it would be sufficient. The proposal passed with a 52% vote during the 2023 Annual General Meeting, an astounding vote for the first filing of a proposal.

Recognizing that an assessment's efficacy hinges on its scope, we followed up with incoming CEO Laxman Narasimhan and independent board Chair Mellody Hobson, requesting to meet and discuss the implementation of the shareholder proposal. In May 2023, we traveled to Starbucks' headquarters in Seattle to meet with the management team. Following the meeting, we outlined our expectations for the assessment in a letter, emphasizing the importance of retaining an independent expert and soliciting worker input.

As 2023 progressed and the workers' rights assessment was underway, controversies such as NLRB complaints and a shareholder lawsuit filed against Starbucks highlighted the need for continued engagement. Trillium met with two members of the board in September 2023 and continued pressing the company on worker rights conduct and a proper execution of the assessment.

Disappointingly, the assessment published in December 2023 missed key elements that we had sought earlier in the year, such as worker input. On the other hand, it honestly detailed significant and concerning gaps in corporate governance oversight. We published a [critique](#) of the assessment in January 2024.

Despite the challenges, February 2024 marked a milestone. Starbucks and the Starbucks Workers United Union (SBWU) announced an agreement at the end of the month to develop a path for collective bargaining agreements and a fair process for workers to organize. Labor experts characterized the agreement as having the potential to "be a major development in labor relations in corporate America."⁵ The lead organizer of SBWU credited investor advocacy by Trillium and other organizations as one of the three key components driving the outcome.

As we waited for developments on the contract negotiations, Starbucks announced that then-Chipotle CEO Brian Niccol would replace Laxman Narasimhan as CEO in September 2024. Unfortunately, Chipotle had been accused of anti-union activities with Niccol at its helm, and so we believed it was important to express our expectations regarding respecting labor rights at Starbucks and wrote to him in September.⁶ That November, we met with him to reiterate our expectations.

⁵ Scheiber, Noam. Starbucks and Union Agree to Work Out Framework for Contract Talks, February 27, 2024.

<https://www.nytimes.com/2024/02/27/business/economy/starbucks-workers-united-union.html>

⁶ Sainato, Michael. Starbucks names Chipotle chief Brian Niccol as new CEO in surprise shake-up, August 13, 2024.

<https://www.theguardian.com/business/article/2024/aug/13/starbucks-new-ceo-brian-niccol-chipotle>



However, in December 2024, multiple SBWU-affiliated stores went on strike the week before Christmas, citing unreasonable wage adjustments in contract negotiations. Noting the corporate governance problems illuminated by the assessment, we wrote another letter to the chair of Starbucks' Environmental, Partner and Community Impact board committee to strongly urge the company to swiftly negotiate a fair contract, culminating in another meeting with senior management members.

As of January 2025, SBWU and Starbucks have entered a mediation process to finalize the collective bargaining agreement after hitting an impasse regarding wages. We eagerly await the announcement of a fair contract that is good for the workers and for the company.



Workers successfully unionized the first Apple retail store in Towson, Maryland in June 2022.



Apple

Trillium's labor rights advocacy spans sectors, and we have also been vocal in supporting workers' fundamental rights to organize at Apple.

Multiple Apple retail locations launched unionization campaigns in the spring of 2022, driven by workers' desire to have a greater voice over wages, scheduling and COVID-19 health and safety policies. Soon after, Apple was accused of union-busting activities, such as mandatory meetings with anti-union messaging and hiring a law firm known to specialize in union-

busting.⁷ Noting that such activities, if substantiated, violated Apple's Human Rights Policy, Trillium and other investors wrote to Arthur Levinson, the independent chair of the board of directors, outlining investor expectations and requesting a dialogue over the company's approach to worker rights.

The workers prevailed despite Apple's alleged union-busting activities, and they successfully unionized the first Apple retail store in Towson, Maryland in June 2022, with a store in Oklahoma City, Oklahoma soon following.

However, Trillium and other investors believed Apple had provided inadequate responses to our workers' rights questions and that the ongoing allegations and investigations around Apple's misconduct presented potential risks to the company's long-term value. Consequently, we filed a shareholder proposal in September 2022, requesting an assessment of the company's adherence to its stated commitments to workers' rights. We successfully withdrew the proposal for agreement in January 2023 when Apple committed to the requested assessment.

Following the agreement, we continued to press the company to include critical elements in its assessment, which led to meetings with the company, the law firm conducting the assessment and a member of the board of directors. In December 2023, Apple published its workers' rights assessment which, like the Starbucks assessment, also missed the critical elements we had sought. Investors published a [critique](#) of the assessment in February 2024.

Ongoing media coverage of alleged anti-union activities and delayed first contract negotiations prompted us to write again to the board of directors in May 2024. We believed that more oversight was required of Apple's response to labor activity to ensure Apple was acting in its long-term best interests and following its human rights standards.

In August 2024, the first unionized store in Towson, Maryland negotiated a successful first contract with Apple, covering 85 workers, that included an approximate 10% raise over the next three years, scheduling improvements and a clearer disciplinary process for workers.⁸ The unionized store in Oklahoma City, Oklahoma followed in September with a similar contract covering 78 retail workers.⁹

⁷ Vincent, James. Apple accused of union busting in its stores for the second time this week, May 19, 2022. <https://www.theverge.com/2022/5/19/23128247/apple-accused-union-busting-nyc-world-trade-center-stores-cwa>

⁸ IAM CORE, First U.S. Unionized Apple Retail Store Workers, Overwhelmingly Ratify Historic Labor Agreement with Tech Giant, August 6, 2024.

<https://www.goiam.org/news/iam-core-first-u-s-unionized-apple-retail-store-workers-overwhelmingly-ratify-historic-labor-agreement-with-tech-giant/>

⁹ Apple Retail Workers in Oklahoma City Win First Collective Contract with CWA, September 24, 2024. <https://cwa-union.org/news/releases/apple-retail-workers-oklahoma-city-win-first-collective-contract-cwa>



The New York Times Company

The recent unionization wave has notably included not only workers in the retail and service sectors, but white-collar industries as well.

As The New York Times Company software engineers and other tech workers sought to form a union in 2021, reports surfaced of the New York Times engaging in union-busting activities such as illegally instructing employees to withhold support for the campaign.¹⁰ Significant turnover of Times' tech workers in 2022 added to our concerns that there was a potential decline in employee morale and a loss of institutional knowledge at the company.



In March 2022, The New York Times tech workers prevailed and successfully voted to unionize as the Times Tech Guild, with a vote result of 404-88.

The Times Tech Guild is currently the largest union of tech workers in the country.



Trillium began engaging the New York Times in February 2022 on workers' rights by organizing an [investor letter](#) which brought together investors representing \$1.2 trillion in assets. The letter articulated investor expectations for the company, including to cease and refrain from actions that may violate federal labor laws, to respect the outcome of the Times Tech Guild union vote, and to swiftly come to a fair agreement with the Times Tech Guild.

Prompted by the letter, CEO Meredith Kopit Levien agreed to meet with Trillium and the Office of the New York City Comptroller's Brad Lander in March 2022. In the meeting, we emphasized the business case for neutrality to worker unionizing, especially for a company like the New York Times that already had a significant unionized workforce in the newsroom. Moreover, we highlighted the company's opportunity to advance its goal of diversity, equity and inclusion, as a key ask of the union was addressing racial and gender pay gaps. In March 2022, The New York Times tech workers prevailed and successfully voted to unionize as the Times Tech Guild, with a vote result of 404-88. They subsequently entered their first collective bargaining process.¹¹

Trillium wrote another letter to the Times in June 2023 noting multiple open contract negotiations at the company and the length of time it was taking to reach final agreements. We urged the company to engage constructively in the collective bargaining process and sign contracts with its various unions on a timely basis going forward, and that we hoped long negotiations would not become a pattern at the company.

Unfortunately, the Times Tech Guild also ran into prolonged negotiations and the union struck for eight days in November 2024. During this time, we believed it was important that the company not only hear from workers, but also investors, and we wrote to the CEO once more, requesting an explanation for the delays and highlighting the human rights and operational risks of prolonged contract negotiations.

Shortly after the strike, the New York Times and the Times Tech Guild reached a first contract in December 2024 with strong worker provisions such as wage increases, 'just cause' protections which prevent firings without good reason, and hybrid work schedules.¹² Currently, the Times Tech Guild is the largest union of tech workers in the country – a historic milestone.

¹⁰ Eidelson, Josh. New York Times Illegally Curbed Labor Activism, U.S. Alleges, January 5, 2022. <https://www.bloomberg.com/news/articles/2022-01-05/new-york-times-illegally-restricted-labor-activism-u-s-alleges>

¹¹ NYT Tech Workers Celebrate Blowout Win in Historic Union Election, March 3, 2022. <https://www.nyguild.org/front-page-details/nyt-tech-workers-celebrate-blowout-win-in-historic-union-election>

¹² Robertson, Katie. New York Times and Tech Guild Reach Deal, December 11, 2024. <https://www.nytimes.com/2024/12/11/business/media/new-york-times-tech-guild-deal.html>



CVS, Chipotle & Costco

Trillium has also advocated for worker rights at CVS, Chipotle and Costco.

In 2023, we co-filed a shareholder proposal with the New York State Retirement Systems and New York City Retirement Systems at CVS Health Corporation requesting a workers' rights assessment after learning that CVS had allegedly interfered in union elections and delayed negotiations of a collective bargaining agreement. The proposal garnered a 24% vote in favor.

Citing scheduling and wage issues, Chipotle workers at one location in Lansing, Michigan ran and won a union election campaign in August 2022. Almost three years later, they have yet to secure a first contract. We believed that Brian Niccol's departure as CEO of Chipotle in August 2024 offered the company an opportunity to pivot to a more constructive relationship with the union. In November 2024, we wrote to Chipotle, urging the company to reach a fair contract with its unionized location in a timely manner and to develop a clear process for future union elections.

Major grocer Costco has earned a strong reputation for creating a worker-first culture. However, in January 2025, we learned that Costco allegedly rejected a majority of the Costco Teamsters' proposals, canceled scheduled bargaining sessions and prematurely ended bargaining sessions during contract renewal negotiations, leading to 18,000 Costco workers voting to authorize a strike.^{14,15} We wrote to Costco's CEO, urging the company to recommit itself to its worker rights commitments and to adopt a collective bargaining process that promotes consistent advancement towards an agreement. Since then, the Costco Teamsters have secured a contract renewal.

Field-building: Guiding Principles of Collective Bargaining – An Investor Perspective

When investors engage companies on under-explored topic areas, investor-focused resources on such topics can be lacking. Such was the case for collective bargaining – in addition to being a largely unfamiliar topic to investors, it is an issue nested within human rights, which can be difficult to define. Investors have a baseline expectation that corporations respect human rights laws and norms, but concrete indicators of a good collective bargaining process that investors could use as an analytical lens were not clear.

Recognizing that collective bargaining and its intricacies, such as best practices, norms and precedents, were not well-understood by investors, Trillium held dialogues with several experts from both the business and human rights communities alongside

other investors to better understand and articulate an investor-centric perspective. We also gained valuable insights and noted patterns through our company engagements that further informed our perspectives.

Based on this work, we developed [a set of four principles](#) rooted in human rights standards, labor laws, and corporate precedents, with other investors including the New York City Retirement Systems, New York State Retirement Systems, SOC Investment Group, and PIRC UK. The principles state:

1. Collective bargaining commences and proceeds towards a mutually acceptable agreement without unjustified delay.
2. Parties establish collective bargaining procedures and ground rules for bargaining that support consistent advancement towards an agreement. The process should include regularly scheduled bargaining sessions and include representatives who have the authority to bind the parties present at these sessions.
3. Parties provide, as permissible, each other with information that facilitates meaningful and intelligent bargaining.
4. Parties consider each other's proposals and strive to identify acceptable solutions and overcome barriers to reaching an agreement, this includes timely exchange of proposals and responsive counterproposals.

We believe that following these principles supports a collective bargaining process that promotes consistent advancement towards an agreement, which is important for a positive working relationship between the company and the union. This set of principles is meant to be a helpful resource for investors and companies as they hold dialogues on collective bargaining.

Trillium believes that investor education and empowerment via sharing knowledge and insights is critical to building the field of sustainable and socially responsible investing. Thus far, Trillium has shared our perspectives related to these principles at industry conferences, webinars, and workshops. We hope to advance the industry conversation on strong management of labor rights as a part of an overall well-crafted people and talent management strategy.

Conclusion

Workers' rights to freedom of association and collective bargaining are internationally recognized, fundamental human rights. At a minimum, companies must comply with national labor laws, but they should strive to respect and uphold the full expression of such rights – especially if they have committed to international standards.

¹⁴ "Company Cuts Scheduled Bargaining Dates as January 31 Contract Deadline Approaches", <https://teamster.org/2024/12/costco-refuses-to-bargain-in-good-faith-with-teamsters/>; "Costco Refuses to Accept 98 Percent of Teamsters Proposals", <https://teamster.org/2024/12/costco-refuses-to-accept-98-of-teamsters-proposals/>

¹⁵ Sarnoff, Leah. "Costco Employee Details Negotiations Ahead of Union's Strike Deadline." ABC News. <https://abcnews.go.com/US/costco-employee-details-negotiations-ahead-unions-jan-31/story?id=117962352>

¹⁶ Triangle, Luc. "Workers' Rights Are Vital to Revitalizing Democracy. Here's Why." <https://www.weforum.org/stories/2024/01/priorities-democracy-workers-rights-2024/>



Trillium has consistently pressed our portfolio companies and their management teams to respect workers’ rights. Corporate responses demonstrating genuine respect for labor rights include voluntarily accepting the results of union elections, engaging in the collective bargaining process in good faith and reaching fair contracts without unnecessary delay. We believe respecting labor rights is not only the right thing to do but also may lead to positive business outcomes.

In 2025, we note that we operate in a chaotic regulatory and political environment where workers’ rights are acutely threatened. Unions are a counterweight to democratic regression, and it is more important than ever to support workers.¹⁶ We urge companies and investors to remember workers are the backbone of the economy. Trillium will continue engaging companies accused of violating fundamental labor rights as we pursue a sustainable economy that works for all.

¹⁶ Triangle, Luc. “Workers’ Rights Are Vital to Revitalizing Democracy. Here’s Why.” <https://www.weforum.org/stories/2024/01/priorities-democracy-workers-rights-2024/>

About Trillium Asset Management

Trillium Asset Management offers investment strategies and services that advance humankind towards a global sustainable economy, a just society, and a better world. For over 40 years, the firm has been at the forefront of ESG thought leadership and draws from decades of experience focused exclusively on responsible investing. Trillium uses a holistic, fully integrated fundamental investment process to uncover compelling long term investment opportunities. Devoted to aligning stakeholders’ values and objectives, Trillium combines impactful investment solutions with active ownership. The firm delivers equity, fixed income, and alternative investments to institutions, intermediaries, high net worth individuals, and other charitable and non-profit organizations with the goal to provide positive impact, long-term value, and ‘social dividends’™.

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