

## Uber

Uber is a timely, interesting and not completely conclusive study on current issues in ESG. The company scores very well on broadly accepted measures of ESG as shown in the chart at the bottom of this page. In a 2022 study from Just Capital, Uber was rated as the top retail company and the 41st most just company in the country. And yet, Just Capital banned them from the list over uncertainty of how to evaluate the treatment of gig economy workers.

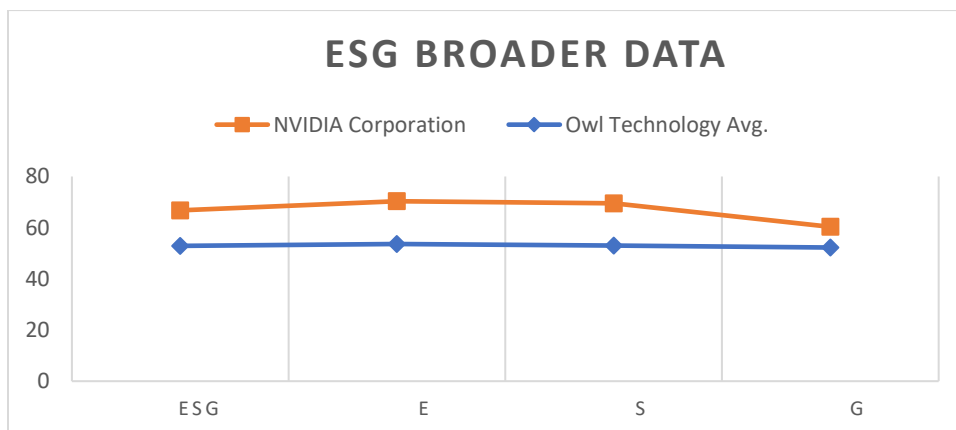
Are part-time, gig economy drivers employees of Uber or are they independent contractors? A 2020 ballot initiative in California, Proposition 22, passed with 59% of the vote and it allowed transportation and delivery companies to classify drivers as independent contractors rather than employees. As a result, it exempted employers from providing the full suite of mandated employee benefits that salaried employees receive. (A trial court judge struck down the results of Proposition 22, but it is being appealed. Courts in the U.K., France and Spain have said they are employees.)

The importance and focus on this issue is growing. In a recent survey, 40% of respondents said treatment of employees and sustainable wages were the most important ESG issues now, while only 10% viewed climate change as most important. This is a complete reversal from past years.

One's view of Uber is certainly framed by how the employment status of workers is viewed. Full-time employees receive very generous benefits (such as 18 weeks of paid leave to all parents (birthing and non-birthing), whether they have a newborn, adopted or foster child.) Four years ago the company conducted a pay equity study to see if there are any discrepancies due to sex or race. They report that they have 100% pay equity by sex and race. The company also provides more detailed demographic data on its workforce than perhaps any other company. Uber receives a perfect ranking from the Human Rights Campaign on LGBTQ+ issues and was named one of the Best Places to Work by this organization 5 years in a row.

And yet, Uber provides no similar reporting on its drivers. It does say that it ties executive compensation to the achievement of driver satisfaction and retention metrics.

While it is difficult for a transportation company to excel on environmental issues, Uber has committed to extensive goals. It pledges to be a net-zero emissions company in the US by 2030 and worldwide by 2040. It does provide up to \$4,000 per year payments to drivers to purchase electric vehicles.



Source: OWL SHARES

*Disclosure: This material may not be reproduced or transmitted to any third party or used for any other purpose without the prior written consent of Reynders, McVeigh Capital Management, LLC or its subsidiary Fresh Pond Capital (collectively "RMCM"). This material is proprietary and intended for informational purposes for RMCM clients only. The OWL SHARES ESG Ratings and Score consolidate information on 20,000 companies worldwide from over 500 sources, among them ESG research firms, news and media outlets, non-government organizations, government databases, unions and activist groups, and more. RMCM adjusts this research with its own proprietary weightings matrix. This material is not a recommendation to buy or sell a particular security. Past performance is not indicative of future results. Factor exposures other than ESG score, such as market capitalization, valuation ratios, and momentum have an effect on a company and its performance.*