



TAKING SIDES:

Calling on Thomson Reuters (TSX, NYSE: TRI) to Properly Assess Risks of Working with ICE

Shareholder Proposal

The B.C. Government and Service Employees' Union (BCGEU) has filed a shareholder proposal to be considered at Thomson Reuters Corporation's 2020 annual general meeting of shareholders (Proposal) on June 3, 2020.

The Proposal asks the Thomson Reuters board to investigate and disclose whether it has adequately assessed and mitigated the reputational and human rights risks associated with providing its software to the U.S. Department of Homeland Security's Immigration, Customs and Enforcement agency (ICE).

Trust Principles - Guiding Principles for a Media Company

Its guiding principles are a set of five 'Trust Principles', which it adopted when it acquired Reuters in 2008¹.

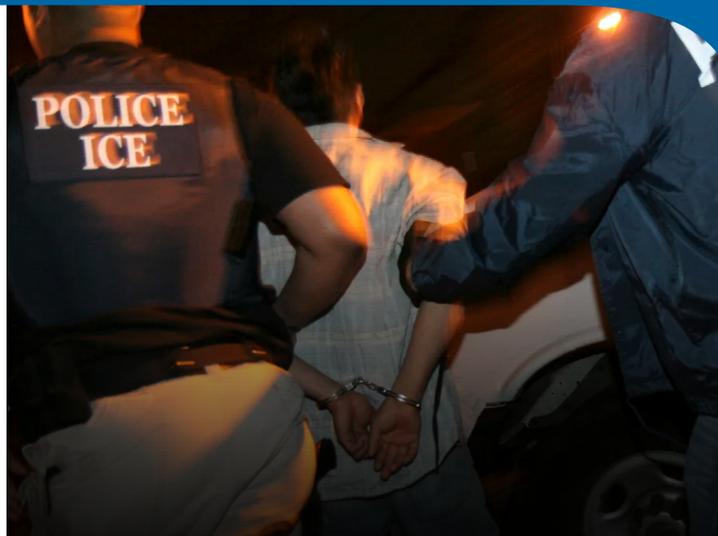
Reuters's originated the Trust Principles in 1941 "at a time when there were threats of censorship and "propaganda" around the world." Thomson Reuters says:

“ Reuters is dedicated to preserving its independence, integrity and freedom from bias in the gathering and dissemination of news and information.”²

But, what does news gathering have to do with the powerful CLEAR data analytics software that Thomson Reuters makes available to ICE? The Trust Principles do nothing to mitigate the potential harm that could be caused by the use of a technology company's products.

¹ <https://www.thomsonreuters.com/en/about-us/trust-principles.html>

² <https://www.reuters.com/article/us-thomsonreuters-f-r-blackstone-trust/fact-box-thomson-reuters-the-history-and-purpose-of-the-trust-principles-idUSKBN1FK08R>



Reputational Risks of Connections to ICE

Regarding Thomson Reuters's software contracts with ICE, a recent Forbes article³ asks, "Which side are you on, Thomson Reuters?" Well, according to Thomson Reuters, neither.

Thomson Reuters says its guiding principles require it to be impartial, including where questions of human rights violations arise. It says it cannot "take sides".

When faced with similar questions and concerns regarding reputational and human rights risk, all major US banks cut ties with the US private prison industry, which was facilitating ICE's separation and detention policy.

Thomson Reuters's version of impartiality involves asking ICE agents, who are enforcing the directives of the United States government, to certify that their use Thomson Reuters's software is "legally permissible".

³ <https://www.forbes.com/sites/morgansimon/2020/05/14/reuters-reporters-shed-light-on-family-separation-behind-closed-doors-reuters-parent-company-has-nearly-50m-in-contracts-with-ice-shareholders-want-answers/#2a7b0d68a666>



Thomson Reuters - Evolution into a Technology Company

It's clear from Thomson Reuters business divisions, financial results and outlook that it is a technology company, not a media company.

Business Divisions

In 2018 Thomson Reuters sold a controlling interest in the Reuters financial and risk business to a group led by Blackstone. In fact, after completing the sale, Thomson Reuters amended the Trust Principles so that they would no longer apply to this financial and risk business. The financial and risk business is now under agreement to be sold to the London Stock Exchange Group. Thomson Reuters largest business division, Legal Professionals, is the division that supplies CLEAR software to ICE.

Financial Results

The Reuters News business accounts for 10.7% of Thomson Reuters consolidated revenues, while Legal Professionals business accounts for 41% of consolidated revenues⁴.

Outlook

In its management discussion and analysis for the 2019 financial year, Thomson Reuters describes its priorities as follows:

“ We plan to continue Thomson Reuters' evolution into a platforms-based business information software and services leader by leveraging our core capabilities in content and technology, bringing our solutions together for our customers, and building an open ecosystem where legal, tax and accounting professionals collaborate and transact.

⁴ Thomson Reuters Corporation financial statements for the 2019 financial year: <https://ir.thomsonreuters.com/financial-information/annual-reports>

Risk Management 101 - Adaptation

Thomson Reuters has failed to adapt its risk management practices, starting with its Trust Principles, to the evolving nature of its business.

The result is a mismatch between the risks Thomson Reuters faces, and the framework it employs to manage those risks.

Prominent technology companies have recognized that their products could be used in a way that could cause harm to others and thus pose human rights risk. LexisNexis⁵, Thomson Reuters's biggest competitor, as well as other prominent technology companies, have adopted a different risk management framework, one that attempts to specifically address and mitigate human rights risk: the UN Guiding Principles on Business and Human Rights (UNGPs).

The UNGPs require human rights due diligence and engagement with affected stakeholders. Thomson Reuters has done neither.

As a result, Thomson Reuters shareholders are fully exposed to the reputational and human rights risks resulting from Thomson Reuters's facilitating ICE's work. Such risks will only increase as the current COVID-19 pandemic progresses, and during any second wave of the virus in the fall of 2020.

⁵ RELX PLC, owner of Thomson Reuters's biggest competitor, LexisNexis, has adopted the UN Guiding Principles on Business and Human Rights

VOTE FOR THE BCGEU SHAREHOLDER PROPOSAL AT THE THOMSON REUTERS AGM

Meeting date: **June 3, 2020**
Proxy cut off date: **June 1, 2020**

Voting Information: <https://ir.thomsonreuters.com/news-and-events/annual-shareholder-meeting>

NOTE: This is not a solicitation of authority to vote your proxy. Please DO NOT send us your proxy card; BCGEU is not able to vote your proxies, nor does this communication contemplate such an event. BCGEU urges shareholders to vote FOR its shareholder proposal at Thomson Reuters following the instructions provided on management's proxy mailing.