



Thursday, 22nd March 2018

Negligent behaviour towards low income workers and communities identified as a key factor in corporate fatalities

The Most Controversial Projects report, published today (Thursday 22 March 2018) by RepRisk, identifies the 10 most risk-exposed projects in the world, two of which are from the UK.

Six of the schemes identified involved workers or those affected, such as local communities, as being from lower socio-economic backgrounds, with five of those involving major UK and international corporates.

Highlighted projects include: the racial and physical abuse of immigrants by G4S at the Brook House detention centre near Gatwick; the repatriation of European employees from Lafarge's cement works in ISIS held Jalabiya while local workers were required to stay on until their eventual capture; and the use of illegal migrant workers to build the Imperial Pacific Resort in Saipan.

Drawing on more than 80,000 publicly available information sources, RepRisk has assessed more than 25,000 projects based on 28 environmental, social, governance (ESG) and business conduct risk factors, including human rights, labour, environment, and corruption.

However, the world's most controversial project has been identified as Grenfell Tower, following the fire that led to the deaths of 75 people. The report highlights the role of, not only the Royal Borough of Kensington and Chelsea Tenant Management Organisation, but also a number of companies in the construction supply chain, including Rydon Group Ltd and Harley Facades Ltd, as well as the manufacturer of the Hotpoint-branded refrigerator that caused the fire, namely Whirlpool Corp.

Philipp Aeby, CEO of RepRisk, said:

"Workplace accidents at projects show that hazardous and poor working conditions frequently cause exposure to ESG risks for the companies involved. Therefore, assessing a company's business conduct on the ground as reported by stakeholders and local sources helps to shed light on issues that can have reputational, compliance, and financial impact."

RepRisk's corporate partner on governance issues, the Chartered Quality Institute (CQI), is concerned at the lack of operational governance highlighted in the report.

Speaking about the findings, Estelle Clark, Director of Policy at the Chartered Quality Institute, said:

"This report reveals chronic operational governance failure, with major multi-national organisations such as Lafarge, headquartered in Switzerland, paying scant regard to the welfare of local workers in faraway, war-torn locations. The projects highlighted are not cases of bad luck but are clear cases of negligence.

"The introduction of ISO 45001 – the world's first internationally recognised standard for health and safety – is a potential turning point in encouraging organisations to put in place a framework to improve employee safety, reduce workplace risk and create better safer conditions. Businesses need to understand that the world is no longer going to tolerate a laissez-faire approach to health and safety, whether in central London or Jalabiya in Syria."