

New Report Shines a Light on Systemic Governance Failings of Leading Tech Companies

Actualizado el 5 de septiembre, 2018 - 09.12hs.

Report reveals alleged cases of child labour, forced labour, and human rights violations

- The average tech company RRI score is 39/100 - compared to an average among a random sample of 20,000 companies of 20/100.
- Top tech companies collectively recorded a combined 223 cases of alleged human rights violations in an 18-month period.
- 452 alleged violations of national regulations have been recorded against top tech companies.

A new report released today by the Chartered Quality Institute (CQI) - *'Technology on Trial, Do the world's leading technology companies have a governance problem?'* - has detailed the extent of the allegations against the world's Top 14 tech companies, along with numerous other household tech names, between **January 2017** and **June 2018**.

The Rep Risk Index (RRI) measures a company's risk exposure to environmental, social, and governance (ESG).

Working with RepRisk, a leading ESG data science company and CQI corporate partner, the Institute has compiled the Technology on Trial report to highlight evidence of systemic governance failures in the leading tech companies.

The report delves deeper than the anticipated governance issues surrounding privacy and tax, highlighting alleged forced labour practices, health and safety violations, corruption and fraud, and tax evasion cases in the tech sector.

Estelle Clark, Director of Policy at the CQI, comments: "For the first time the failings of the tech sector is laid bare. Previously, individual companies have hit the headlines for the wrong reasons, but it is now clear that this is a sector-wide and systemic problem.

Estelle said: "We have found a sector mired in governance violations, more akin to the first industrial revolution, than companies at the vanguard of technological advancement in the 21st Century. We should be expecting the tech sector to set new, higher, standards for governance rather than lagging way behind."

This report records allegations of child labour linked to big manufacturing companies which are also household names. One of the top manufacturing company had an RRI as at **June 2018** of 64, marking it out as the worst-performing company on the index. In 2018, children as young as nine were allegedly forced to work in US-based, manufacturing facilities supplying the online retailer.

The report also details alleged privacy violations, focusing on many tech companies. One of the leading tech company has been allegedly linked to numerous data breaches, and the exposing of up to 48 million detailed profiles.

Estelle concludes: "This report is a warning shot. It isn't good enough for the boards of these companies to say 'we didn't know'. Those who sit on the board have a responsibility, to know what is going on in their businesses, their divisions, and their supply-chains. The biggest companies must act as the standard bearers for corporate governance. Their boards must question their role in the communities they operate in and their impact on society."

A copy of the report is available at: <https://www.quality.org/Tech-on-Trial>