



VAN LANSCHOT  
KEMPEN

# Engaging beyond companies

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## Engagement

Company  
Vinci

Theme  
Labour and human rights

E, S of G?  
Social

SDG



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Human rights violations, inhumane treatment, modern slavery: there have been numerous concerns and allegations regarding the plight of migrants working in Qatar in the years leading up to the World Cup in late 2022.

French construction company Vinci, which was constructing a metro line in the capital Doha, was in the spotlight for potentially being involved in the controversies. To adequately assess the situation, we not only spoke to the company in which we invest, but also gathered information from independent human rights organisations on the ground.

In the lead up to the World Cup the situation for migrant workers in Qatar was fraught. Even though the World Cup ended over six months' ago, the controversies are still fresh in our minds. Vinci, a French construction conglomerate which carries out major infrastructure projects worldwide, was allegedly involved in human rights abuses of workers in Qatar. The company was sued by the French NGO Sherpa a few years' ago, citing the miserable working conditions of its workers. The result of this legal action meant that Vinci was placed on the sustainability hazard list for rating agency MSCI in 2020.

This was the trigger for Van Lanschot Kempen to enter into a serious dialogue with the company. That alone, however, proved insufficient. Portfolio manager Ludovico Cappelli said: 'During our initial talks with Vinci in early 2021, the company was dismissive and either denied that the problems described were happening, or said that they were no longer applicable. The company claimed that the situation of workers had already improved significantly during the period Vinci was active in Qatar, and in many respects was better than that of workers at other firms, as well as being above the legal requirements. This was a claim that naturally we wanted to investigate independently.'



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## A disappointment

To get a more independent view, Amnesty International was the organisation we spoke about the issue. One of the things that Amnesty reported, was that migrant workers were occasionally not free to leave their jobs. The human rights NGO also confirmed reports of passports seizures, trade union bans and, at times, withheld wages.

'But according to Amnesty, the situation had already improved compared to a few years ago - for example, with the introduction of a minimum wage,' Cappelli said. 'The problem was however, that the improvements often looked good on paper, but few businesses actually implemented these changes.' Had Vinci done so? Amnesty had little information on individual companies, and had set its sights on the Fifa.

Van Lanschot Kempen also spoke with Sherpa, the organisation which had taken Vinci to court. This conversation however, ended in disappointment, Cappelli said. Despite having sued Vinci themselves, Sherpa was unable to provide us with much concrete information on the actual facts surrounding the company. Their complaint appeared to be based mainly on general reports and they had not been in direct contact with Vinci.

## Digging deeper

More information was provided to us by BWi, an international trade union for construction workers. BWi had been monitoring the situation of workers since 2014 and conducted two targeted audits of Vinci employees in Qatar, in 2019 and 2021.

‘BWi was able to tell us that a lot had indeed already improved since 2014 and that, furthermore, the situation at Vinci was many times more favourable than at other companies’, Cappelli said. Among other things, the French company had taken on the duty of housing its own workers, resulting in greater comfort and lower costs for the migrants. Vinci had also eliminated rogue employment agencies and third-parties who charged high agency fees. In addition, workers’ committees had been established to give workers a voice, as an alternative to the unions banned by law in Qatar.

So although Vinci was, at first, reluctant to engage in conversation, the situation of their workers had improved significantly. As BWi reaffirmed again in 2022, the French company was seen as an example for other businesses in Qatar.

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We will shortly set up a new dialogue with the company, this time we will focus on executive remuneration and the connection between remuneration and sustainability.’

Ludovico Cappelli, portfolio manager



## The rating from ESG data providers

The case brought by Sherpa was rejected by the court and the NGO filed an appeal. However, using the evidence of BWi’s findings, we concluded that Vinci had taken sufficient and relevant measures to address the problems raised by Sherpa and MSCI. The company had also brought the situation of workers in Qatar to a higher standard than required by local law. We presented our finding to MSCI, after which they removed Vinci from the violations watch list.

## New dialogue coming up

Van Lanschot Kempen pursued a number of different paths in order to assess the situation. Ultimately, this led us to consider our engagement with Vinci on the subject of workers’ rights in Qatar as successfully completed. ‘This, however, does not mean that Vinci is rid of us.’ said Cappelli. ‘We will shortly set up a new dialogue with the company, this time we will focus on executive remuneration and the connection between remuneration and sustainability.’

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