



RepRisk Special Report

Uber Technologies Inc

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Uber Technologies Inc

Headquartered: United States

The mass shootings in Kalamazoo, Michigan on Saturday February 20, 2016, has drawn attention to Uber Technologies, a US company that connects passengers with private hire vehicles via a smart-phone app. Jason Dalton, a 45-year old Uber driver, apparently killed six people and injured two others in random acts of shooting, while picking up and dropping off Uber passengers in between. Although the tragedy has caused a major public relations crisis for Uber, the ground swell of criticism against the company over the past two years, shows that it was already seriously exposed to environmental, social and governance (ESG) risks prior to this tragic event.

Five hours before the first victim was shot in Kalamazoo, an Uber passenger reportedly called 911 to report that after receiving a telephone call, his Uber driver had driven erratically, had failed to respect stop signs, and had driven across grass lawns. The passenger claimed that he had “jumped” out of the car and had run away. However, Uber apparently did not given priority to the complaint, as the passenger did not complain of violence during the call.

However, prior to the Kalamazoo tragedy, RepRisk had identified harsh criticism of Uber Technologies and had ranked the company in fifth place in its [Most Controversial Companies \(MCC\) 2014 report](#) and in second place in its [MCC 2015](#) report. In December 2014, Uber’s RepRisk Index (RRI)¹ stood at 89/100, a score categorized as “very high risk exposure,” and in December 2015, the company’s risk exposure was rated as “high” as Uber’s RRI was 71/100.

1. The RRI is RepRisk’s proprietary risk metric that quantifies a company’s exposure to ESG risks. See methodology on page 9 for more information.

Uber Technologies Inc

Uber was launched in San Francisco in 2009, and in just over five years, the company has expanded its operations to offer services in more than 300 cities in 58 countries. However, the company's drivers have faced numerous allegations of rape, assault, and sexual harassment.

Human rights abuses and negligence

Since 2014, allegations of assault or harassment by Uber drivers have surfaced throughout the US, including in California, Chicago, Florida, Illinois, Massachusetts, San Francisco, Texas, and Washington DC. There have also been alleged incidents of sexual assault in Australia, Canada, China, India, and the United Kingdom. Protests against Uber for unfair competition and poor employment conditions have also been held in several countries around the world.

The Taxicab Limousine and Paratransit Association has warned that Uber's passengers are vulnerable, as allegedly the company signs on drivers without meeting them, and carries out private background checks instead of the more comprehensive government-run checks that include finger printing. District attorneys in San Francisco and Los Angeles counties have filed civil suits against Uber, claiming that a convicted murderer, registered sex offenders and other potentially dangerous people have become Uber drivers due to systemic deficiencies in the

Countries most associated with Uber Technologies Inc:

1. United States
 2. India
 3. France
 4. United Kingdom
 5. China
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company's background-check process. Uber paid a USD 28.5 million settlement in San Francisco in February 2016 for misleading consumers about the extent of background checks that it carried out on its drivers.

In February 2016, a member of the National Assembly of Quebec filed a fraud lawsuit against Uber Quebec in Canada, claiming that the company had caused financial losses to thousands of people by violating the law on paid transportation in Quebec. The politician described Uber as "a champion in tax evasion," and urged the company to stop encouraging drivers to violate the criminal code, which could make them liable to imprisonment.

In January 2015, an Uber passenger who claimed she had been kidnapped and raped by an Uber driver in New Delhi one month earlier, filed a lawsuit against the company in a US court, accusing Uber of failing to

check the background of its drivers. When the driver was arrested in New Delhi, Indian police discovered that he was facing other charges of assault. The Indian courts then found the driver guilty of kidnapping and raping the passenger and sentenced him to life imprisonment.

In June 2015, another Uber driver in India was suspended for attempting to harass a female client who was using the service from New Delhi to Gurgaon. In August, an Uber driver was also arrested in China for allegedly pulling a knife on a passenger and then robbing and molesting her. This was the second alleged sexual assault by an Uber driver in China.

In October 2015, an Uber customer in the US published an online account of an incident in which an Uber driver apparently threatened to kill and rape her. One month later, Uber was implicated in another alleged sexual assault on an intoxicated 24-year old woman in the US. The case came amid an October federal lawsuit filed in California alleging that Uber did not do enough to protect intoxicated passengers, despite the company's claims that it was helping to combat drinking and driving.

In 2014, US prosecutors in the state of Massachusetts also charged an Uber driver with rape, assault to rape, kidnapping and two counts of assault. According to the indictment, the driver picked up a young woman in Boston on December 6, 2014, and took her to a secluded area where he stopped the car

and attacked her. The company has also faced charges over claims that they operate at US airports without the necessary authorization, and in Portland, Oregon, the city government sued Uber for operating an "illegal, unregulated transportation service."

In December 2014, a former Uber driver was charged with vehicular manslaughter over the death of a six-year old girl in a December 2013 traffic accident in San Francisco.

Controversial business model

The legality of Uber's services has also been challenged in several countries and regions, including China, Europe, Japan, Mexico, South Korea, and the US.

Issues most associated with Uber Technologies Inc:

1. Human rights abuses and corporate complicity
2. Poor employment conditions
3. Impacts on communities
4. Anti-competitive practices

Topic Tags most associated with Uber Technologies Inc:

1. Privacy violations
 2. Negligence
 3. Migrant labor
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Uber Technologies Inc

In 2015, Uber's CEO in South Korea and nearly 30 people linked to the company were charged with running an illegal taxi firm. In the same year, the authorities in Hong Kong arrested five Uber drivers for operating without the necessary licenses, and in India, the Department of Telecommunications ordered Internet service providers to block the company's websites in New Delhi after claiming that Uber drivers were operating without radio-taxi permits.

Also during 2015, the Dutch police raided the company's offices in Amsterdam, municipal authorities in Rio de Janeiro ruled that the service was illegal, and French prosecutors charged two of the company's executives with using deceptive commercial practices, operating an illegal taxi service, and illicitly storing personal data.

The company's low cost "Uberpop" service, launched in February 2014, also proved to be extremely controversial as, unlike existing Uber services, Uberpop uses non-professional drivers. Uber contended that the new service was simply "ride-sharing," and therefore not governed by taxi laws. However, In September 2015, French prosecutors fined Uberpop drivers for transporting passengers without relevant licenses, and three months later, a French appeals court ordered Uber to pay a EUR 150,000 (USD 162,800) fine for deceptive commercial practices. A German court also banned the service after ruling that Uberpop violated transport laws.

Antitrust

Traditional taxi drivers in many countries including Brazil, Bulgaria, China, France, Italy, Mexico, the Philippines, and the UK have claimed that Uber's business model gave the company an unfair competitive advantage.

In May 2015, a court in Milan ordered Uber to discontinue its Uberpop service throughout Italy, and the Bulgarian Commission for Protection of Competition fined Uber BGN 100,000 (USD 55,000) for anti-competitive practices. In China's Shandong and Shenzhen provinces, the authorities ordered cab drivers to uninstall car-hailing apps, saying that the services disrupted the market.

In Europe, Uber has also been repeatedly accused of unfair competition. In June 2015, metered taxi drivers in Paris staged violent demonstrations claiming that the company's services were harming their livelihoods. In November 2014, the Swedish Taxi Association claimed that the company was restricting competition by not using taximeters. When Uber launched operations in Denmark later in the month, the Danish Transit Authority filed a police complaint against the company on the grounds that it was violating passenger legislation because the company lacked the required certificates.

In August 2014, Uber was accused of trying to sabotage its competitor, Lyft, by making 5,560 fake ride requests. Former Uber

Uber Technologies Inc

employees claimed that the company had employed 177 “ambassadors” to request rides from Lyft, and then cancel the requests moments later.

In July 2014, taxi drivers in Berlin, Paris, London, and Madrid likewise claimed that Uber’s app was a threat to their livelihoods. Taxi drivers in Barcelona also complained about unfair competition and asked the local government to shut down Uber after it began operating in Spain in April 2014. In the same month, a Belgian court ruled that Uber’s service was illegal. In December 2014, Spain joined Thailand in banning the service.

Poor working conditions

Uber drivers have repeatedly complained of insufficient pay, job insecurity, and poor treatment. Most of the complaints have centered on the fact that the company classifies drivers as independent contractors and therefore avoids paying the legal benefits and protection granted to legally recognized employees. In June 2015, a Californian court ruled that Uber drivers should be employees of the company, a ruling that put the company’s business model into jeopardy.

Privacy violations

The company has also faced ongoing criticism about its storage of customer data. In June 2015, the Electronic Privacy Information Center claimed that the company’s plan

to collect more detailed data about a customer’s location, was “deceptive” and posed a “direct risk” to the company’s clients.

In November 2014, it was alleged that Uber had hired researchers to investigate personal details of journalists who reported negatively on the company, and had used the information to target and harass the journalists and their families.

About Reprisk

RepRisk is a leading business intelligence provider, specializing in environmental, social, and governance (ESG) risk analytics and metrics.

Harnessing a proprietary, systematic framework that leverages cutting-edge technology and hands-on human intelligence in 15 languages, RepRisk curates and delivers dynamic risk information for an unlimited universe of companies.

Since 2006, RepRisk has built and continues to grow the most comprehensive ESG risk database that serves as a due diligence, research, and monitoring tool in risk management, compliance, investment management, corporate benchmarking, and supplier risk. The database currently includes risk profiles for over 60,000 public and private companies, 15,000 projects, as well as for every sector and country in the world.

Headquartered in Zurich, Switzerland, RepRisk serves clients worldwide, including global banks, insurance providers, investment managers, and corporates, helping them to manage ESG and reputational risks in day-to-day business.

RepRisk provides the transparency needed to enable better, more informed decisions.

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Methodology

RepRisk Special Reports are compiled using information from the RepRisk database, which monitors environmental, social and governance (ESG) risks or companies, projects, sectors and countries. The RepRisk database currently contains risk incidents on over 60,000 public and private companies, as well as over 15,000 projects. RepRisk analysts monitor the issues related to ESG risk across a broad shareholder and other stakeholder audience of NGOs, academics, media, politicians, regulators and communities. Once the risk incident has been identified with advanced search algorithms and analyzed for its novelty, relevance and severity, risk analysts enter an original summary into the database and link it to the companies and projects in question. No article is entered twice unless it has been escalated to a more influential source, contains a significant development, or has not appeared for the past 6 weeks.

The RepRisk Index (RRI)

All data is collected and processed through a strictly rule-based methodology. This helps to ensure the balanced and objective rating and weighting of the risk incident, and thus the company's quantitative measure of risk exposure, the RepRisk Index (RRI). The RRI measures the risk to a company's reputation, not its actual reputation. The RRI ranges from zero (lowest) to 100 (highest). The higher the value, the higher the risk exposure. The Peak RRI denotes the value of the Peak RepRisk Index (RRI), which denotes the highest level of reputational risk exposure related to ESG issues over the last two years.

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