THE TIMES

INVESTIGATION

Revealed: the cladding bosses who've made millions since Grenfell

Seven years on from the disastrous fire, the personal payouts of those who profited from the sale of flammable materials far exceed what their companies have paid to fix them

Gene Murtagh, right, with his father, Eugene, who founded Kingspan and has banked £149.3 million since 2017

Martina Lees, Robert Watts   Sunday June 16 2024, 12.01am BST, The Sunday Times

Ten individuals have banked more than £300 million since their products fuelled the Grenfell fire, but their companies have paid almost nothing towards the cost of Britain's cladding scandal.

Bosses of Arconic, Kingspan and Saint-Gobain — which manufactured parts of the west London tower's lethal flammable cladding system — have received a total of £302.3 million since 72 people died in the disaster seven years ago.

All three manufacturers had made fire-safety claims about their panels that turned out to be false. The products were also fitted on thousands of other buildings, trapping families with flats they cannot sell and leaving taxpayers to pay for repairs.

In time for the anniversary of the Grenfell fire on Friday, The Sunday Times analysed the companies' financial results, comparing the payouts that companies have made to fix buildings with what individuals have made in dividends, share sales and pay since 2017.

The cladding rich list

Ten manufacturing bosses have made over £300 million since the 2017 Grenfell fire but their companies have paid almost nothing to fix fire risk homes

Manufacturer	Individual	Personal payout	Fire-safety payout
Kingspan	Eugene Murtagh	£149.3m	**£752k**
Insulation producer	Gene Murtagh	**£26m**	
	Gilbert McCarthy	**£12.5m**	
	Geoff Doherty	**£11.4m**	
	Russell Shiels	**£11.1m**	
Arconic	Tim Myers	**£46.2m**	**£0**
Cladding producer	Erick Asmussen	**£11.2m**	
	Mark Vrablec	**£7.2m**	
Saint-Gobain	Pierre-André de Chalendar	**£11.7m**	**£0**
Owns insulation producer Celotex	Benoit Bazin	**£15.8m**	
TOTAL		£302.3m	**£752k**

Table: The Times and The Sunday Times • Source: Sunday Times analysis of financial results

Top of the payout list is **Eugene Murtagh**, 81, Kingspan's Irish billionaire founder, who started out making farm trailers in the back yard of a pub in Co Cavan, near the border with Northern Ireland, in 1965. In the seven years since flames engulfed Grenfell Tower, he has banked £149.3 million from share sales (£80.7 million), dividends (£68.1 million) and pay (£540,000). He stepped down as chairman in 2021.

His son, **Gene Murtagh**, the group's chief executive since 2005, made £26 million — including from a £3 million block of shares sold just before damaging fire test evidence emerged at the Grenfell Inquiry. It was revealed that Kingspan engineers joked that "alls we do is lie [sic]" about fire tests. A year after the disaster, Gene Murtagh bought a €7.5 million seafront mansion in Dalkey, Dublin.

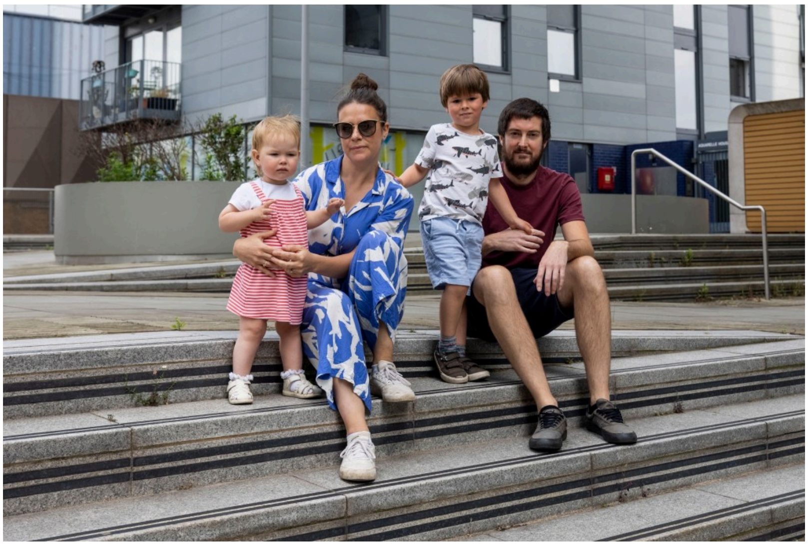
The managing director, **Gilbert McCarthy**, chief financial officer **Geoff Doherty** and insulated panels director **Russell Shiels** shared a further £34.9 million over the period.

In contrast, Kingspan has paid only £752,000 to strip its products from flats across Britain. The group posted record profits of €877 million (£763 million) last year. Kingspan's spending to fix dangerous buildings in the seven years since Grenfell is less than 0.1 per cent of that.

Kingspan is understood to have paid £4 million as part of the £150 million settlement with Grenfell survivors and bereaved families. The Irish giant denies liability for the disaster, saying its K15 insulation was used on 5 per cent of Grenfell Tower in a "non-compliant system" without the company's knowledge.

Kingspan said K15 **"**can be safely used" in "appropriate systems", adding that it stood by its commitment to pay its share of remediation costs where Kingspan was responsible for inappropriate use of K15. "We have responded to every remediation inquiry we have received; however, the volume has been very low," Kingspan said.

Work to strip Kingspan K15 insulation has yet to start at the 12-storey block where Nathan and Tara Jeans have been stuck with their son Ernest, five, and Etta, two. "We are a family of four in a one-bed," said Nathan, 40, a copywriter. The family has lost £100,000 from soaring insurance, services charges and rent on their unsellable shared-ownership flat (£25,000); legal fees on the sale they lost (£3,000); and increased house prices where they would have bought.



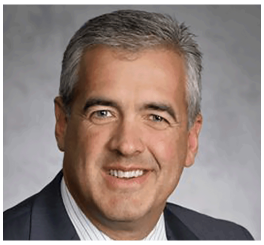
Nathan and Tara Jeans, with their children Ernest and Etta, have lost £100,000 in the cladding scandal
VICKI COUCHMAN FOR THE SUNDAY TIMES

They are among 700,000 residents who were trapped in dangerous buildings and almost three million people with flats they could not sell because of nationwide safety defects exposed by Britain's worst postwar fire.

"Here they are, the heads of these companies, earning millions while paying next to nothing to fix the financial problems they caused for thousands of leaseholders. At least we're only losing money; 72 paid the ultimate price," Nathan said.

The manufacturers Arconic and Saint-Gobain have recouped almost all their Grenfell legal spending from insurers, including their part of the £150 million civil settlement, according to their accounts.

Arconic made the cladding on Grenfell Tower. It had sold the panels as safe, based on a fire test for a different product, the Grenfell inquiry heard. “Oops,” a manager emailed after the real panels catastrophically failed tests in 2011. He urged colleagues to keep the results “VERY CONFIDENTIAL !!!!” The firm’s latest accounts still make no provision to strip its Grenfell-type cladding from blocks across Britain.



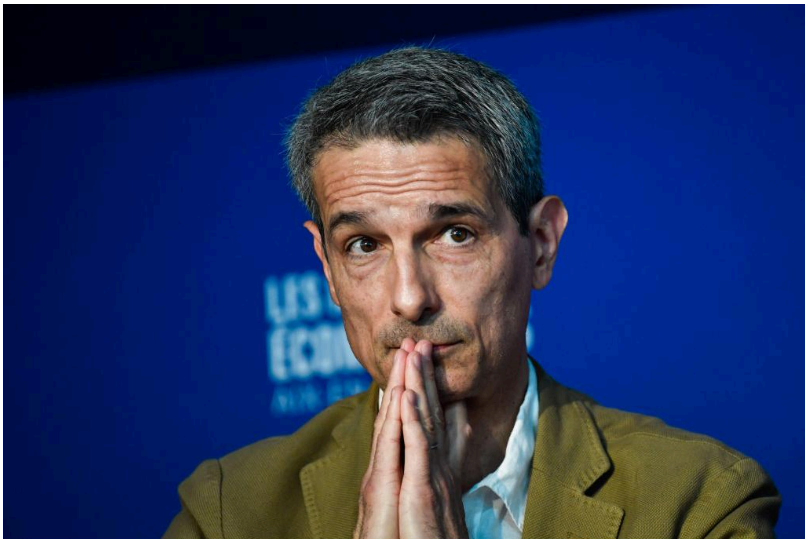
Tim Myers, former chief executive of Arconic, has profited from the sale of the business to a hedge fund last year

Bosses profited from Arconic’s sale to a hedge fund last year. **Tim Myers**, the chief executive of Arconic from 2020-23, cashed in shares of £22.3 million on top of £23.9 million in pay since Grenfell. Its chief financial officer **Erick Asmussen** and chief commercial officer **Mark Vrablec** made a further £9.2 million from share sales plus £9.2 million in pay, bringing the trio’s total to almost £65 million.

The group said its cladding had been used worldwide and test results had been widely available. Responsibility for building safety compliance “does not rest” with the supplier of materials, it added. Arconic said it did not comment on individual pay, but added that arrangements pre-dated last year’s sale.

Celotex, owned by the £35 billion French giant Saint-Gobain, rigged a 2014 fire test that cleared its flammable insulation for high-rise use — a lucrative market. The panels went on to cover most of Grenfell Tower, releasing toxic gas including hydrogen cyanide as it burnt.

Since the fire, Saint-Gobain has paid its chief executive **Pierre-André de Chalendar** £11.7 million. **Benoit Bazin**, his successor since 2021, has earned £15.8 million.



Benoit Bazin has earned £15.8 million at Saint-Gobain. The firm owned Celotex, which made insulation used at Grenfell

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Saint-Gobain's British arm has not set aside any sum to fix blocks as it was "not possible" to estimate costs reliably, its accounts said. Celotex has spent £36.5 million on legal claims and fees related to Grenfell, all of which it recouped from insurance.

Celotex said it does not design or fit cladding systems and did not at Grenfell. It adds that a system with its Grenfell insulation passed a subsequent fire test. Its own review found "unacceptable behaviour", but six employees have left and controls have been tightened.

The government changed the law two years ago to make companies that profited from unsafe buildings pay to fix them. Michael Gove, the housing secretary, told manufacturers in 2022 that he would do "whatever it takes" to stop "individuals and firms liable for building defects" from selling products in Britain if they do not commit funding.

The Grenfell public inquiry will publish its final report on September 4. Criminal court cases are expected to start only in 2027, ten years after the fire.

● *The methodology in full: Our research on bosses' earnings focused on annual reports since 2017, when the Grenfell disaster occurred on June 14. Personal payout figures are conservative, as they exclude earnings for 2017 if the company's financial year started before June, and for 2023 if results are not yet reported. Where totals do not add up, it is due to rounding.*

Remuneration reports published by companies set out the salaries, bonuses, pensions, benefits and number of shares owned by directors. However, they do not explicitly state directors' dividend income. We calculated this income using the dividend per share details disclosed by the companies multiplied by the number of shares owned.

Share sales also fall outside remuneration reports, but companies must disclose when directors buy and sell shares. We included all shares sold by the individuals since mid-2017 because this is when they realise the value of the stock. These shares may have been held for many years before 2017.

Analysts at Argus Vickers provided details of shareholdings in public companies for owners who no longer serve as directors but still hold large stakes in companies.

Fire-safety provisions and pay-outs are as stated in each company's most recent financial results.