

Most Environmentally and Socially Controversial Companies of 2009

Zurich, January 20, 2010 / Karen Reiner

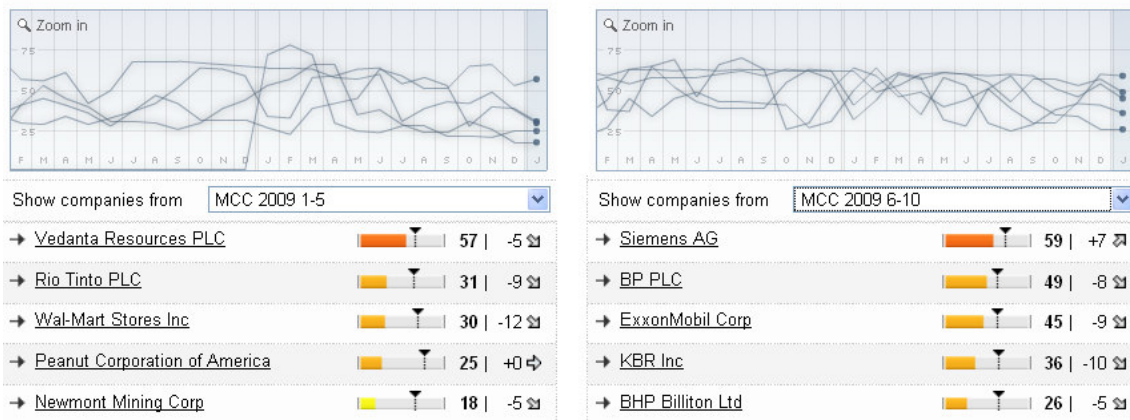


According to the reputational risk radar RepRisk, the top ten most environmentally and socially controversial companies in 2009 were:

- | | |
|----------------------------------|----------------------------|
| 1. Peanut Corporation of America | 6. Siemens |
| 2. Vedanta Resources | 7. KBR |
| 3. Newmont Mining | 8. Exxon Mobil Corporation |
| 4. Rio Tinto | 9. BP |
| 5. Wal-Mart | 10. BHP Billiton |

Companies on the list have been severely criticized by the world’s media, governmental organizations and NGOs for issues including human rights abuses, severe environmental violations, impacts on local communities, corruption and bribery, as well as breaches of labor, and health and safety standards. Rankings are based on the Reputational Risk Index (RRI), as measured by RepRisk throughout 2009. The RRI is directly derived from the negative press captured by RepRisk and its calculation is strictly rule-based.

RepRisk watchlist showing RRI trend over the past 24 months for top ten most controversial companies of 2009



*Values shown indicate current RRI (January 2010) and change from previous month

RepRisk does not measure a firm's overall reputation. Instead, by capturing criticism, RepRisk computes a firm's exposure to controversy and therefore provides an indicator for reputational risk. RepRisk is used by asset owners and asset managers, commercial and investment bankers, supply chain managers, and corporate responsibility experts.

The Reputational Risk Index (RRI) ranges from zero (lowest) to 100 (highest) and its calculation is based on the reach of news sources, the frequency and timing of news, as well as its content, i.e. severity and novelty of the issues addressed. The RRI is an indicator of a company's exposure to controversial issues and allows an initial assessment of risks that are attached to investments and business relationships. It also allows the exposure of an entity to be compared with that of its peers, and permits risk trends to be tracked over time.

The following pages provide a summary of the criticism to which the ten most controversial companies have been exposed in 2009, as well as the environmental and social issues that have been associated with these companies.

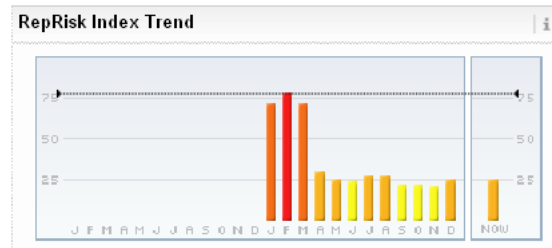
Please refer to page 8 for more details on methodology.

Rank 1: Peanut Corporation of America [United States of America; Food and Beverage]

The Peanut Corporation of America filed for bankruptcy and was the subject of several congressional hearings in the wake of a salmonella outbreak across North America that allegedly affected more than 900 people and led to nine deaths. The company was accused of knowingly shipping tainted peanuts, which led to the recall of almost 4,000 peanut products. Health inspectors reportedly found dead rodents and rodent excrement on site and all of its plants had their operations ceased. The company faced at least four civil lawsuits in the US.

Top three issues:

1. Products (Health and Environment)
2. Supply Chain
3. Violation of National Legislation



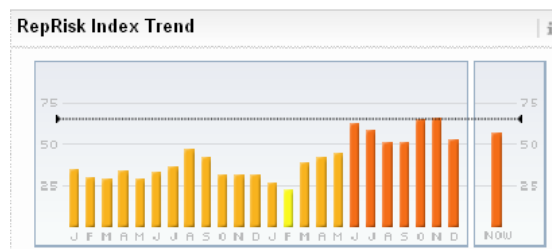
Peak RRI **78** in Feb 2009

Rank 2: Vedanta Resources PLC [United Kingdom of Great Britain and Northern Ireland; Mining]

Following a nine-month government investigation, Vedanta Resources was cited by the UK National Contact Point for allegedly violating OECD standards when planning the Niyamgiri Bauxite Mine in Orissa, India. Vedanta was advised to immediately engage with the affected Dongria Kondh tribe, which had protested against the project, claiming it threatens their future and will destroy the local ecosystem. Vedanta also came under fire in India for its alleged use of physical intimidation tactics to suppress opposition to its proposed Vedanta University that will allegedly displace hundreds of people. Furthermore, Indian police charged three managers of Vedanta subsidiary Balco with manslaughter after an industrial chimney collapsed, killing 40 workers. Balco was further criticized by India's Ministry of Environment and Forests for violating basic rules on resettlement and rehabilitation in regard to the possible expansion of its Bodai-Daldali bauxite mines in Chhattisgarh state. Another subsidiary, Vedanta Alumina, was accused of illegally expanding its refinery in Lanjigarh, India. Critics state this will affect regional water supplies, impacting hundreds of thousands of residents. Vedanta was also found guilty by Indian authorities of money laundering and tax evasion, and fined USD 70 million.

Top three issues:

1. Impacts on Ecosystems / Landscapes
2. Human Rights Abuses and Corporate Complicity
3. Impacts on Communities



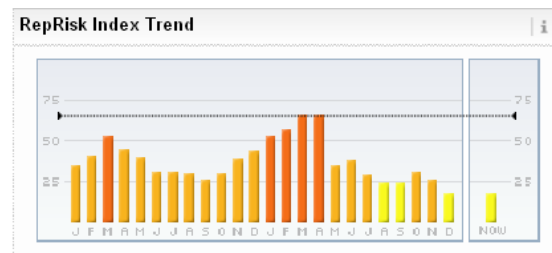
Peak RRI **66** in Nov 2009

Rank 3: Newmont Mining Corp [United States of America; Mining]

Newmont came under fire over its Ahafo and Akyem gold mines in Ghana for allegedly stripping local communities, including 10,000 small-scale farmers, of land and water resources; for deforestation; and for intimidating, assaulting and arresting those opposed to its presence. A Newmont executive is facing criminal charges in Indonesia after villagers fell ill and blamed the company for dumping toxic materials. In Peru, locals protested the company's proposed mining activities in the Sondondo Valley, claiming the water-intensive mining will cause water shortages and destroy agricultural land vital for their survival, whilst farmers near the Yanacocha Gold Mine stated their water supplies had been polluted. They also expressed anger that they have still not been compensated for a mercury spill in 2000. In Bolivia, the Kori Kollo Mine has allegedly made surrounding land infertile, and despite recently selling its share, Newmont is accused of having taken advantage of illiterate locals when originally establishing the mine, buying land for a fraction of its real value. Furthermore, in the US the company reached several settlements with authorities over contamination issues and health and safety violations.

Top three issues:

1. Impacts on Ecosystems / Landscapes
2. Human Rights Abuses and Corporate Complicity
3. Local Pollution



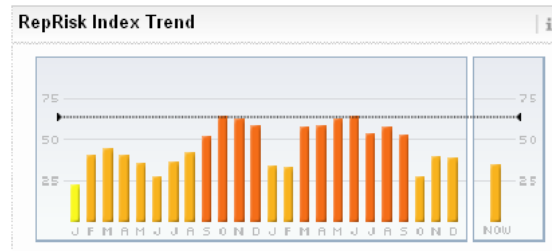
Peak RRI **66** in Jan 2009

Rank 4: Rio Tinto PLC and Ltd [Australia and United Kingdom; Mining]

The Grasberg Gold Mine in Indonesia continued to prove controversial, with shareholders criticizing the alleged practice of dumping waste minerals and chemicals directly into rivers and the forced relocation of tribal people. A class-action lawsuit will be heard in the US claiming that the company conspired with the government of Papua New Guinea in crimes against humanity, racial discrimination and war crimes. Rio Tinto's La Granja Copper Mine in Peru was named in an Oxfam report for alleged contamination of land and water sources, lack of local participation, and violations of human rights. Its Rio Tinto's Escondida Mine in Chile faced similar allegations. The company was further criticized for continued links to Myanmar's military junta through its stake in the Monywa Mine. In Namibia, a study indicated that workers at Rio Tinto's Roessing Uranium mine suffered health problems including TB and lung cancer. Opponents of Rio Tinto's subsidiary Kennecott's proposed Mineral Eagle Mine in the US claimed it will pollute rivers. In response to efforts to re-open its Panguna copper-gold mine on Bougainville Island, a US court agreed to hear an old case against the company for complicity in human rights abuses at the mine. Locals in Colombia alleged abuses by mining companies including Rio Tinto, and in China, four employees were arrested as part of an anti-corruption campaign and charged with bribery and stealing business secrets.

Top three issues:

1. Impacts on Ecosystems / Landscapes
2. Corruption, Bribery, Extortion and Money Laundering
3. Human Rights Abuses and Corporate Complicity



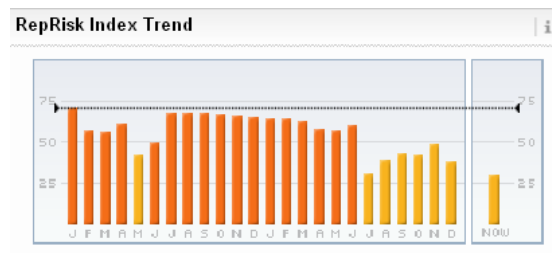
Peak RRI **64** in June 2009

Rank 5: Wal-Mart Stores Inc [United States of America; Retail]

Wal-Mart's partly-owned Mexican subsidiary Walmex faced strong criticism for labor rights abuses after it was revealed that 75,000 packers work without any salary or benefits, earning only tips, and often in dangerous conditions. Many are allegedly underage, and female cashiers face discrimination over pregnancy. Wal-Mart faced legal action over racial and gender discrimination and labor violation charges in the US. The company's US blueberry supplier was embroiled in a child labor scandal, accused of using children as young as five years old as fruit pickers. It also faced criticism for sourcing gold for its jewelry from Newmont Mining. A Clean Clothes Campaign report accused Wal-Mart suppliers in Bangladesh of verbally abusing employees and of union busting. Similar anti-union behavior including dismissing unionized staff, as well as poor working contracts and pay, were also mentioned at suppliers in Argentina, India, Kenya, South Africa, Thailand and Turkey, whilst its supplier factories in China were accused of sweatshop conditions.

Top three issues:

1. Poor Employment Conditions
2. Supply Chain (E,S,L issues)
3. Human Rights Abuses and Corporate Complicity



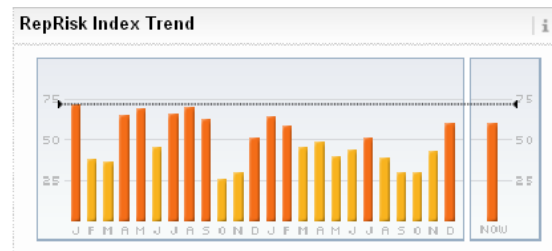
Peak RRI **64** in Jan 2009

Rank 6: Siemens AG [Germany; General Industrials]

The ramifications of Siemens' corruption scandals continued throughout 2009 following investigations in several countries and a USD 1.3 billion settlement in corruption probes in the US and Germany. Siemens' employees had allegedly been bribing officials in Argentina, Bangladesh, Cyprus, Egypt, Greece, Mongolia, Nigeria and Venezuela, among others, since 1999 to secure lucrative telecommunications, infrastructure and security system contracts. The bribery cases have allegedly cost the company around EUR 4 billion in fines and USD 800 million in legal fees. Additionally, Siemens was named in relation to the La Venta II wind farm project in Mexico for allegedly abusing peasant communities in Oaxaca. It was claimed the companies manipulated locals into leasing their land for 60-year periods. Furthermore, Siemens was denounced by Chilean officials for participating in the illegal trade of coltan, a mineral used in the manufacture of electronic devices, which supports rebels and armed groups in the Democratic Republic of Congo. It was also criticized for supporting the Iranian regime and its nuclear plans. Other accusations targeted its involvement in nuclear projects in Finland and Brazil.

Top three issues:

1. Corruption, Bribery, Extortion and Money Laundering
2. Impacts on Communities
3. Controversial Products and Services



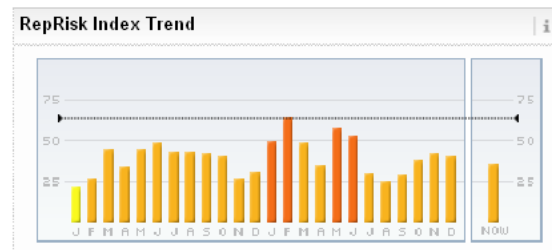
Peak RRI **64** in Jan 2009

Rank 7: KBR Inc [United States of America; Construction and Materials]

In the US, Halliburton and its former subsidiary KBR agreed to pay USD 579 million to settle criminal charges for violating the Foreign Corrupt Practices Act. KBR pleaded guilty in February 2009 to having paid USD 180 million to obtain USD 6 billion worth of contracts to build and expand the Liquid Natural Gas (LNG) Bonny Island project in Nigeria. The payments allegedly went to government and Nigerian National Petroleum Corporation officials between 1995 and 2004. Due to past corruption issues, critics expressed concern about the ExxonMobil Papua New Guinea LNG Project for which KBR reportedly arranged the contracts. The project will allegedly have negative environmental and social impacts, particularly on remote tribal communities. KBR has also been targeted in several lawsuits for negligent health and safety practices. Many of these relate to the company's activities in Iraq and include assault and sexual abuse suits by female employees as well as cases linked to toxic fumes exposure.

Top three issues:

1. Corruption, Bribery, Extortion and Money Laundering
2. Violation of National Legislation
3. Human Rights Abuses and Corporate Complicity



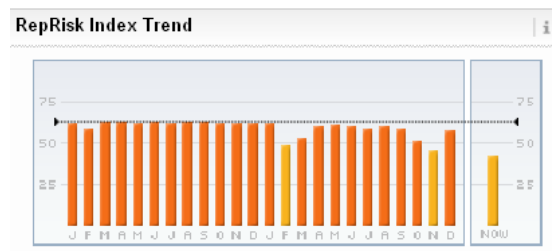
Peak RRI **64** in Feb 2009

Rank 8: Exxon Mobil Corp [United States of America; Oil and Gas]

ExxonMobil came under fire for continuing to flare gas from oil fields in Nigeria after the expiration of a government deadline and was accused of exposing communities to related health, environmental and human rights issues. The company was also criticized for its oil and gas exploration plans in the Sulu Sea's Sandakan Basin in the Philippines, which could affect fishermen's livelihoods. ExxonMobil's Papua New Guinea Liquid Natural Gas Project faced criticism as it is expected to emit vast amounts of greenhouse gases, destroy primary forests, discharge toxic pollutants and negatively affect remote tribal communities. Indonesian villagers accused the company's security forces of torture, murder, rape and kidnapping between 1999 and 2001. Exxon was found guilty of contaminating water wells in New York City with the banned chemical MTBE. A court in the US, found that ExxonMobil must pay USD 500 million to those harmed by the Alaskan spill of 1989. An ExxonMobil subsidiary was ordered to pay USD 6.1 million after a 15,000 gallon diesel spill at its oil terminal in Massachusetts. In Australia, environmentalists expressed concern about the potential threat that the joint Chevron, Shell, ExxonMobil venture, the Gorgon Liquefied Petroleum Gas Project, could have on 24 known endangered species on Barrow Island. A petition signed by over 50,000 people calls on oil companies, including ExxonMobil, to postpone any new development work off the coast of Sakhalin Island, Russia, while studies on impacts to the critically endangered Gray Whale are conducted.

Top three issues:

1. Impacts on Ecosystems / Landscapes
2. Impacts on Communities
3. Human Rights Abuses and Corporate Complicity



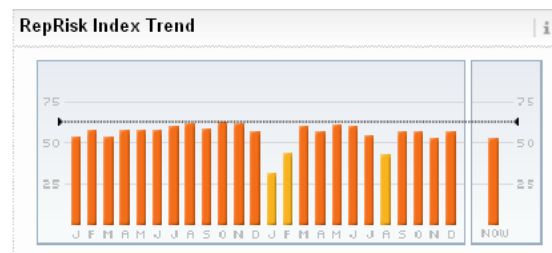
Peak RRI **62** in Jan 2009

Rank 9: BP PLC [United Kingdom of Great Britain and Northern Ireland; Oil and Gas]

A US court awarded ten plaintiffs USD 100 million in punitive damages for alleged injuries received from exposure to a toxic substance at BP's Texas City plant in 2007. It was fined USD 87.4 million by US authorities for failing to correct problems after a 2005 explosion at this same plant in which 15 people died and 170 were injured. The UK Joint Committee on Human Rights accused BP of abusing the human rights of Colombian farmers during the construction of its Ocesa pipeline. The company faced strong criticism for its Alberta tar sands operations in Canada, which allegedly pollute rivers with toxins thereby threatening the First Nations people living downstream. The company was criticized for accidents in Scotland and the US that have injured more than 170 people and killed 15. Environmental impact studies in the region of Sakhalin Island, Russia, allegedly showed that the critically endangered Gray Whale faces greater threats in areas where oil companies, including BP, operate. BP further faces a legal battle in relation to its Whiting Refinery expansion in the US, which opponents claim has released dangerous levels of the cancer-causing pollutant benzene for the past six years.

Top three issues:

1. Impacts on Ecosystems / Landscapes
2. Impacts on Communities
3. Violation of National Legislation



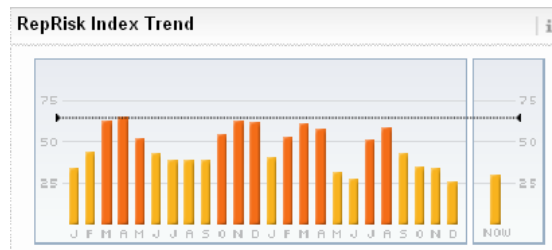
Peak RRI **61** in May 2009

Rank 10: BHP Billiton Ltd and PLC [Australia and United Kingdom; Mining]

At BHP's AGM in London, community members from Colombia pleaded with executives to conduct fairer negotiations with locals affected by the Cerrejon Coal Mine, one third owned by BHP. Its joint venture, Hallmark Nickel Mine, in the Philippines was criticized for allegedly using a flawed and corrupt process to secure indigenous peoples' lands. It faced further criticism in Argentina where its Piliciao 16 Mining Concession will reportedly require the removal of most of the inhabitants from the city of Andalgala. BHP's part-owned Escondida Mine in Chile came under fire for draining scarce water supplies. This is said to have killed wildlife and destroyed agricultural production in the region. Concern was also expressed about the potential leaking of millions of liters of radioactive waste at the company's Olympic Dam expansion project in South Australia. There was further opposition to the proposed desalination plant which would ensure a water supply for this expansion project with claims that the toxic brine would do irreparable damage to the fragile marine ecosystem. Furthermore, BHP faced criticism over its now closed Ravensthorpe Nickel Mine, accused of destroying a rare Western Australian biodiversity hotspot. BHP's safety record has been dubbed 'abysmal' with five employee fatalities at its Pilbara sites in the past year.

Top three issues:

1. Impacts on Communities
2. Impacts on Ecosystems / Landscapes
3. Local Participation Issues



Peak RRI **61** in March 2009

Methodology

RepRisk objectively monitors the level of criticism to which a company is exposed. All data is collected and processed by a strictly rule-based approach; it is not the result of an assessment, rating or verdict from our analysts.

The "Most Environmentally and Socially Controversial Companies" report was compiled using information from the RepRisk database, which consists of negative news on companies' environmental and social performance. The RepRisk database currently covers more than 12,000 companies and holds news from thousands of sources, ranging from commercial newspapers and on-line media to NGO websites, blogs and newsletters. Once the negative news has been identified with advanced search algorithms and analyzed for its novelty, relevance and severity, risk analysts enter it into the database and link it to the companies in question. No news is entered twice unless it has been escalated to a more influential source or higher-profile media outlet. This helps to ensure the balanced and objective rating and weighting of the negative news, and thus the company's RRI. The RRI measures the *risk* to a company's reputation, not its actual reputation in general. Each report is compiled by taking the ten most criticized companies in our database of more than 12,000 companies.

For more information about the "Most Environmentally and Socially Controversial Companies" report, please contact Karen Reiner at reiner@reprisk.com, tel: +41 44 350 6060, or visit our website: www.reprisk.com.

RepRisk®

RepRisk is a web-based tool that provides insights into environmental and social issues that present financial and reputational risks to a bank, company, or investment portfolio. It facilitates the identification and assessment of controversial issues associated with specific companies and business relationships.

RepRisk's assessment of the environmental and social performance of a company is based on the company's activities in the field as observed by independent third parties, and is not derived from information provided by the company itself.

Every day, RepRisk captures the reactions of print media, more than 650 NGO websites and newsletters, news websites, blogs and other online sources on controversial issues relevant to financial institutions, other companies, and projects. In addition to capturing news related to companies and projects already covered by RepRisk, approximately five new controversial companies and projects are identified and entered into the database every day.

RepRisk covers controversial issues ranging from employee and community relations to resource availability and efficiency, environmental footprint and product portfolio-related risks. In particular, it addresses all of the principles of the UN Global Compact.

For a closer look at working with RepRisk, please see the video tutorial: www.reprisk.com/reprisktutorials