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And the riskiest companies in emerging markets are...

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The most controversial companies in the emerging markets of Brazil, Russia, India and China are revealed in a report this week from consultancy [RepRisk](#), which bills itself as a leading provider of business intelligence on environmental, social and governance (ESG) risks.



An otherwise obscure Apple supplier topped the list of riskiest emerging market companies

The [report profiles the three riskiest companies in each of the BRIC emerging markets nations](#), by "systematically" collecting and analyzing facts, criticism, and controversies related to companies and projects worldwide. It does so on a daily basis and in 13 languages from thousands of public sources including international and local media, government sites, non-governmental organizations (NGOs), newsletters, social media and blogs.

RepRisk grades these emerging markets companies on a scale from 0-100, with a grade of 50 or higher signifying a high risk company. Probably unsurprisingly, the natural resource sectors scored highly. Brazilian mining giant [Vale](#) (*quote*) scored a peak RepRisk Index (RRI) of 66, energy company Petrobras ([PBR](#), *quote*) scored 55, while Norte Energia Consortium topped out at 52 this year, thanks to human rights abuses and environmental destruction in connection with its Belo Monte hydroelectric project.

All three of Russia's riskiest companies come from the energy sector. Gazprom ([OGZPY](#), *quote*) was *pronounced the most notorious* with a peak score of 60 for a range of environmental, social and governance issues including pollution, impacts on indigenous people, corruption, and anti-competitive practices. Arktimor Neftegaz Razvedka comes in second with a peak score of 53, while Femco Group gained the spotlight and a score of 40 thanks to one of its ships allegedly carrying military equipment to the Syrian regime of Bashar al-Assad.

None of India's top three offenders managed to break above the 50 level. Automaker Maruti Suzuki (a subsidiary of the Japanese parent company) scored a peak RRI of 49 due to labor and union issues, including alleged intimidation, illegitimate dismissals, bribery as a means of breaking strikes, as well as the death of an employee. Rashtriya Ispat Nigam Ltd. (Vizag Steel) scored 40, while power company Coastal Gujarat scored 37.

In China, Samsung device assembler HEG Electronics scored a peak RRI of 61 after being accused of child labor, exploitation of students as factory workers and other nefarious labor practices. China National Petroleum Corporation, including subsidiaries PetroChina ([PTR](#), *quote*) and Kunling Energy scored a peak of 57 thanks to a range of environmental and human rights issues in several countries, including both developed and emerging markets.

And the riskiest company amongst emerging markets? Shanghai based Riteng Computer Accessory Co., an Apple ([AAPL](#), *quote*) supplier in the vein of Foxconn, is a subsidiary of Pegatron ([PGTRF](#), *quote*). It scored a peak of 70 in March of this year, thanks to allegations of poor health and safety standards following a gas explosion at its electronics production facility in China that injured 61 workers, with 23 requiring hospitalization. It has also come under fire for poor labor conditions.

The *Financial Times* archly observes:

" *What price a reputation? Earning a good one takes time. Losing it can take a moment.* "

" *RepRisk's clients* are mostly banks and institutional investors, with a smattering of multinational companies - though a glance at its website suggests they do not include any companies mentioned in this report. Maybe this is a sales pitch."

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