

Wal-Mart, China Milk Producers Named to Most-Controversial List

By Jeremy van Loon

Nov. 7 (Bloomberg) -- **Wal-Mart Stores Inc.**, the world's biggest retailer, and **Fonterra Cooperative Group Ltd.** have been named to a list of the largest companies most criticized for their impacts on the environment, health and communities.

Wal-Mart was blamed for contaminants found in its bottled water last month while Fonterra, a New Zealand dairy, has been involved in a scandal over tainted milk in China, according to a study by RepRisk, a consulting firm that analyzes companies' exposure to controversial issues and news.

Fonterra along with Sanlu Group Co., in which it owns a minority stake, and Inner Mongolia Yili Industrial Group Co. have been hobbled by an investigation into the deaths of babies in China, thought to be the result of milk tainted with melamine. China's \$20 billion dairy industry has been dealt a blow after 22 producers were found to have introduced melamine, used to make plastics and tan leather, into milk, prompting more than 20 nations to ban Chinese dairy products.

The October RepRisk rankings "were heavily influenced by the contaminated Chinese milk powder scandal," the report said.

Other companies named in the study include BP Plc, whose refinery in Indiana was singled out by the U.S. Environmental Protection Agency for higher air pollution leading to asthma and heart disease, Exxon Mobil Corp., Monsanto Co. and BAE Systems Plc.

"We take allegations of violations to any of our standards very seriously," Wal-Mart spokesman **Richard Coyle** said today in an e-mailed statement. "We promptly investigate any claims and work with stakeholders to ensure our supply chain operates in an environmentally and socially responsible manner."

RepRisk's Reputation Risk Index is a division of Ecofact AG, a Zurich-based consulting firm.

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