

Joseph L. Shmidt
Aquaphor International OÜ
Katusepapi 44,
11412 Tallinn,
Estonia

September 27, 2023

RE: Aquaphor International's business operations in Russia

Dear Mr. Shmidt,

We write to you as [B4Ukraine](#), a coalition of Ukrainian and international civil society organizations working to curtail the financial resources enabling the Russian invasion of Ukraine. In the spirit of respect for the fundamental rights of all people, the rules-based international order, and a prosperous global economy, we expect companies to demonstrate public support for the people, democracy, and territorial integrity of Ukraine, opposition to Russia's war of aggression, and alignment with the UN Guiding Principles on Business and Human Rights (UNGPs).

We request an urgent dialogue regarding potential inconsistencies between Aquaphor International's obligations under international humanitarian and human rights law and the company's ongoing business operations and relationships in Russia that may contribute to, or be linked with, human rights harms.

We are writing to notify Aquaphor International's on the serious and increasing risks the company faces by continuing its operations in Russia that may amount to complicity in human rights abuses committed by Russia and to urge you to:

- Immediately cease operations and presence in Russia and completely exit the Russian market.
- Refrain from any future business, trade, or investment in Russia until Russia ends its war in Ukraine, territorial integrity of Ukraine is restored, and accountability imposed for war crimes and the destruction of Ukrainian infrastructure and property.
- Establish and implement comprehensive human rights due diligence measures for any responsible exit from or re-engagement with Russia.

It has been 18 months since Russia invaded Ukraine and the devastating impacts continue to shock the global conscience and shake the global economy. Russia is violating international humanitarian law (IHL), including war crimes and crimes against humanity, through attacks on civilians and civilian infrastructure (e.g., mass executions, sexual violence, torture, forcible transfer of civilians). More than 27,000 Ukrainian civilians have been killed and injured and millions more have been forced to flee their homes, creating one of the largest humanitarian and refugee crises of modern times. In recognition of the severity of abuses, in March 2023 the International Criminal Court issued an arrest warrant for Vladimir Putin to answer war crimes charges.¹

¹ International Criminal Court, "Situation in Ukraine: ICC judges issue arrest warrants against Vladimir Vladimirovich Putin and Maria Alekseyevna Lvova-Belova," March 17, 2023, <https://www.icc->

In response to this unprovoked and unjustified war² many other companies have already left Russia. According to the Kyiv School of Economics Institute's #LeaveRussia [company tracker](#), Aquaphor International OÜ has decided to stay and continue its operations in Russia.

AQUAPHOR International OÜ is a leading technology developer and manufacturer of drinking water purifiers, water softeners, and reverse osmosis systems and has had strong ties with Russia since its founding. Since the start of the invasion, the company has been in the process of redirecting the production of materials and equipment from Russia to Estonia.³

However, Russian customs data reveals that Aquaphor International OÜ is the largest exporter of Estonian goods to Russia after the full-scaled invasion started. Based on the customs data, Aquaphor International OÜ's exports to Russia have remained consistently high, even after the February 24, 2022, invasion of Ukraine, and at some points exceed pre-invasion levels. For example, in February 2023, the value of the company's exports amounted to over \$8mn, which is approximately double compared to the same period in 2021.⁴ After February 24, 2022, the company achieved \$60 million in exports to Russia. Aquaphor International OÜ experienced growth in both revenue and profit in 2022 compared to 2021.⁵

Based on this information, we are writing to pose the following questions:

- **Has Aquaphor International applied a conflict-sensitive approach, including numerous human rights violations and war crimes committed in Ukraine, as well as the fact that Russia is an aggressor state, in determining to continue providing its products in Russia?**
- **Which heightened human rights and other due diligence and KYC mechanisms has Aquaphor International used in order to secure its compliance with relevant human rights guidelines and regulations?**
- **How is Aquaphor International ensuring its compliance with the UNGPs, the OECD guidance, and other internationally recognised standards on business and human rights?**

Considering its ongoing business operations in the Russian market, Aquaphor International could be indirectly involved in financing Russian aggression since corporate taxes are estimated to make up a significant proportion of Russia's GDP.

- **How much tax has Aquaphor International paid in Russia in 2022 and 2023?**

Other companies have faced legal, administrative, and ethical challenges and still committed to, and exited, Russia. Aquaphor International has decided to continue operations with the country, even after over one year since the start of the war, over 100,000 reported war crimes, over 27,000 Ukrainian civilians killed or injured, and with the head of the Russian state indicted by the International Criminal Court for alleged war crimes, namely the abduction of Ukrainian children.

cpi.int/news/situation-ukraine-icc-judges-issue-arrest-warrants-against-vladimir-vladimirovich-putin-and (accessed March 22, 2023).

² The UN General Assembly condemned Russia's "aggression against Ukraine" and demanded that Moscow "unconditionally withdraw all of its military forces from the territory of Ukraine within its internationally recognized borders."

³ Jüri Nikolajev, "Freight traffic traveling to Russia continues to struggle," *ERR*, May 10, 2023, <https://news.err.ee/1608973511/freight-traffic-traveling-to-russia-continues-to-struggle> (accessed September 26, 2023).

⁴ Squeezing Putin, "Estonia Exports into Russia," September 5, 2023, <https://squeezingputin.com/support.html#Estonias5Sep23> (accessed September 26, 2023).

⁵ KSE, Leave Russia, "Aquaphor International," <https://leave-russia.org/aquaphor-international> (accessed September 26, 2023).

- **Considering these developments and the rising number of reported human rights abuses and war crimes, has Aquaphor International considered fully exiting Russia so as not to be even indirectly or remotely associated with these crimes?**

Please note that this letter and any response or lack thereof will be published on B4Ukraine's webpages after the indicated date below.

We kindly ask for your response to the B4Ukraine Coalition by 5:00pm CET, October 11th, 2023, at contact@b4ukraine.org.

Sincerely,

The B4Ukraine Coalition