

**B4Ukraine Coalition**

**Sjoerd Hubben**  
SVP Global Corporate Affairs

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28<sup>th</sup> July 2023

Dear Sir/Madam,

Thank you for your letter of 14 July.

From the outset of Russia's invasion of Ukraine, our priorities have remained the same: the safety and health of our staff, patients, refugees, and all those impacted by the war.

We have more than 200 people in our Ukraine team and have provided all practical support possible to ensure their safety, health, and wellbeing. In addition to physical security and support for employees in their daily lives, we have provided financial support, as well as emotional counselling services for employees and their families. We continue to provide humanitarian support in Ukraine and neighbouring countries and, so far, have committed more than \$10 million to response efforts.

In accordance with United Nation Human Rights Guidelines related to Access to Medicines, pharmaceutical companies, including innovator, generic and biotechnology companies, have human rights responsibilities in relation to access to medicines. Patients rely on our medicines which is why ensuring access to our products has always been, and continues to be, our principal focus. We are therefore doing all we can to ensure medical supply chains continue to operate and that patients are able to access our medicines in accordance with the sanctions rules that are in place.

Yours sincerely



**Sjoerd Hubben**

SVP Global Corporate Affairs

Pascal Soriot  
Chief Executive Officer  
AstraZeneca PLC  
2 Kingdom Street  
London W2 6BD  
United Kingdom

July 14, 2023

RE: AstraZeneca's business operations in Russia

Dear Mr. Soriot,

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 AstraZeneca'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 formally notify AstraZeneca 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 over one year 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 24,000 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 for an alleged

scheme to deport Ukrainian children to Russia.<sup>1</sup>

Moreover, as outlined below, recent developments in Russia point to an expanding universe of financial, legal, and reputational risks facing remaining companies.

On September 21, President Vladimir Putin escalated the war by announcing a “partial mobilisation” of the Russian population. The accompanying legislation ([Article 9 of Federal Law No. 31-FZ](#)) mandates all organisations, including the more than 1,500 international companies that are currently operating on a full or limited scale in Russia, to conduct military registration of the staff if at least one of the employees is eligible for military service.<sup>2</sup> They must also assist with delivering the military summons to their employees, ensure the delivery of equipment to assembly points or military units, and provide information, buildings, communications, land plots, transport, and other material means of support to the war effort.

A new decree issued by President Putin on March 3, 2023, enables the Russian government to suspend shareholders' rights and implement external management in companies that don't fulfil state defence contracts under conditions of martial law.<sup>3</sup> By specifying the process of appointing Russian government representatives to manage businesses that fail to meet state orders, the latest Decree effectively creates a scenario of "partial nationalization."

With new legislation introducing partial mobilisation, nationalisation, and potentially martial law in Russia, it is highly likely that corporations will be unable to prevent or mitigate negative human rights impacts; an obligation imposed on companies by the United Nations Guiding Principles on Business and Human Rights. As such, continuing to conduct business in Russia entails significant legal risks for companies, including potential civil and criminal liability under comprehensive sanctions regimes and recent international jurisprudence holding corporations and their officers responsible for human rights abuses abroad.<sup>4</sup> By remaining in Russia, companies face the rising risk of criminal

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<sup>1</sup> 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-cpi.int/news/situation-ukraine-icc-judges-issue-arrest-warrants-against-vladimir-vladimirovich-putin-and> (accessed March 22, 2023).

<sup>2</sup> Federal Law No. 31-FZ of February 26, 1997 "On mobilization training and mobilization in the Russian Federation" (as amended), <https://base.garant.ru/136945/> (accessed November 14, 2022).

<sup>3</sup> Decree of the President of the Russian Federation No. 139 dated March 3, 2023 "On Certain Issues of Carrying Out the Activities of Business Companies Participating in the Fulfilment of the State Defense Order", <http://publication.pravo.gov.ru/Document/View/0001202303030004> (accessed March 22, 2023).

<sup>4</sup> International companies remaining in Russia are now at a greater risk of violating sanctions regimes as implementation of the legislation will likely involve transacting with sanctioned individuals or entities. Furthermore, new domestic civil and criminal cases against companies involved in violations of international law demonstrate the risk of significant liability for facilitating state-sponsored human rights abuses abroad (e.g., Lafarge case, Lundin case, Castel Group indictment, Nevsun holding, and Dassault Aviation, Thales, and MBDA France criminal complaint.) Victoria Riello and Larissa Furtwengler, “Corporate Criminal Liability for International Crimes: France and Sweden Are Poised To Take Historic Steps Forward,” *Just Security*, September 6, 2021, <https://www.justsecurity.org/78097/corporate-criminal-liability-for-human-rights-violations-france-and-sweden-are-poised-to-take-historic-steps-forward/> (accessed November 14, 2022); The Sentry, “Breaking: France Opens War Crimes Inquiry Focused on Iconic Food and Beverage Conglomerate,” July 1, 2022, <https://thesentry.org/2022/07/01/7216/breaking-france-opens-war-crimes-inquiry-focused-iconic-food-beverage-conglomerate/> (accessed November 14, 2022); *Rfi*, “French technology firm charged over Libya cyber-spying,” July 2, 2022, <https://www.rfi.fr/en/business-and-tech/20210701-french-tech-firm-charged-over-libya-cyber-spying> (accessed November 14, 2022); Preston Lim, “Canadian Supreme Court Allows Corporate Liability for International Law Violations,” *Lawfare*, March 12, 2022, <https://www.lawfareblog.com/canadian-supreme-court-allows-corporate-liability-international-law-violations> (accessed November 14, 2022); Sherpa, “Aiding and abetting war crimes in Yemen: Criminal complaint

liability for complicity in international crimes, which can be prosecuted by domestic courts outside Russia under the doctrine of "universal jurisdiction."<sup>5</sup> Companies may also be exposed to financially material risks through operational restrictions, such as limitations of future government contracts.<sup>6</sup>

Firms which continue to trade with Russia also face high levels of risk attached to financial transactions. On 24 February 2023, the Financial Action Task Force (FATF) suspended Russia's membership as a result of the war, calling on all actors in the international financial system to exercise extreme caution in all dealings with Russia.<sup>7</sup> In practice, the decision means that all international banks will scrutinise all Russian payments, making financial transactions more expensive, lengthy, with no guarantee that the transaction will occur at all.<sup>8</sup> Although FATF has not yet blacklisted Russia, it highlighted the consensus among its 36 member countries that "the Russian federation's actions represent a gross violation of the commitment to international cooperation upon which FATF Members have agreed to implement and support the FATF Standards."<sup>9</sup> Previous practice shows that noncooperative behaviour is one of the reasons for FATF blacklisting. As a result, companies should examine and mitigate the high levels of risk attached to financial transactions with Russia and based on that risk, companies should reconsider all ongoing business operations related to Russia.

A recent report shows that Russia poses a "real threat to global financial integrity, as well as to national security more broadly."<sup>10</sup> Additionally, the revelation by the Russian president confirming that the internationally recognized transnational criminal organization known as the "Wagner Group" is funded by the Russian government has brought to light a range of alarming risks related to money laundering, terrorist financing, and other financial crimes for businesses involved in or working with Russia.<sup>11</sup> It is now a distinct possibility that businesses continuing their operations and paying taxes in Russia may be providing financial support to the Wagner Group, a notorious paramilitary organization.

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submitted against French arms companies," June 2, 2022, <https://www.asso-sherpa.org/aiding-and-abetting-war-crimes-in-yemen-criminal-complaint-submitted-against-french-arms-companies> (accessed November 14, 2022).

<sup>5</sup> For example, ongoing proceedings in the US and France against the French multinational Lafarge for complicity in human rights violations in Syria. The Paris Court of Appeal, "La Cour d'appel de Paris confirme la mise en état de la multinationale française Lafarge pour complicité de crimes contre l'humanité commis par l'Etat islamique," May 18, 2022, <https://www.doughtystreet.co.uk/sites/default/files/media/document/Press%20release%20french%20version.pdf> (accessed March 22, 2023); United States Attorney's Office, Eastern District of New York, "Lafarge Pleads Guilty to Conspiring to Provide Material Support to Foreign Terrorist Organizations," October 18, 2022, <https://www.justice.gov/usao-edny/pr/lafarge-pleads-guilty-conspiring-provide-material-support-foreign-terroris> (accessed March 22, 2023).

<sup>6</sup> Venable LLP, "Do You Contract with State Governments? If So, Beware of Emerging State Sanctions' Obligations Related to Russia and Belarus," *JD Supra*, June 3, 2022, <https://www.jdsupra.com/legalnews/do-you-contract-with-state-governments-6537229/> (accessed January 2, 2022).

<sup>7</sup> FATF, "FATF Statement on the Russian Federation," February 24, 2023, <https://www.fatf-gafi.org/en/publications/Fatfgeneral/fatf-statement-russian-federation.html> (accessed March 14, 2023).

<sup>8</sup> Liudmyla Sliptsova, "Russia's membership in the FATF suspended. What does this mean and how ruinous is this for the aggressor's economy?," *Mind*, February 27, 2023, <https://mind.ua/en/publications/20253993-russias-membership-in-the-fatf-suspended-what-does-this-mean-and-how-ruinous-is-this-for-the-aggre> (accessed March 14, 2023).

<sup>9</sup> FATF (n 7).

<sup>10</sup> Themis, "Russia; Country Risk Report," June 2023, <https://themisservices.co.uk/country-risk-report-russia> (accessed June 26, 2023).

<sup>11</sup> Telegram, "Встреча Путина с военными и его заявления по поводу ЧВК "Вагнер," June 27, 2023, [https://t.me/rian\\_ru/207202](https://t.me/rian_ru/207202) (accessed July 3, 2023).

Additionally, the Ukrainian government's [National Agency on Corruption Prevention](#) (NACP) has created a list of "foreign companies that, despite the international recognition of Russia as the aggressor state and the introduced sanctions restrictions, continue to cooperate with it."<sup>12</sup> These companies are recognised as "international sponsors of war" by the Ukrainian state. The listed entities will be included into the World-Check database to protect the global financial sector from Russian sponsors of war. Since banks and insurance companies use World-check to assess risks, companies on the list will be limited in freely accessing personal and corporate finances. So far there are 30 companies on the list, with NACP noting that it includes "international companies that provide the public and private sector with goods and services of critical purpose, as well as [those that] contribute to the Russian budget."<sup>13</sup>

In response to this unprovoked and unjustified war<sup>14</sup> many companies have already left Russia. According to the Kyiv School of Economics Institute's #LeaveRussia [company tracker](#), AstraZeneca has decided to pause investments while continuing other operations in Russia.

In December 2022, AstraZeneca issued a statement which confirms that the company "stopped commencing global clinical trials" and that it is continuing its "approach of no new investments" in Russia.<sup>15</sup> AstraZeneca also claims that it is compliant with "all applicable investment bans."

Prior to the war, AstraZeneca had significant operations in Russia which included a head office in Moscow, a production site in the Kaluga region, and 700 employees. The company webpages are still promoting its Russian operations and advertising career opportunities.<sup>16</sup>

In March 2023, AstraZeneca faced criticism over its continued operations in Russia, particularly for doubling its exports from Sweden to Russia since the start of the full-scale invasion of Ukraine. The report states that the company had exported "2.2 billion Swedish krona (£174 million) worth of chemicals to Russia from Sweden between March and December last year," which constitutes an "increase from 1.2 billion krona (£95 million) in the same period in 2021."<sup>17</sup> This would make AstraZeneca responsible for around a third of Sweden's total exports to Russia.<sup>18</sup>

In its response to the report, AstraZeneca stated: "Access to our medicines for all patients has always been and continues to be of the highest priority for us. It happens in accordance with the sanctions and rules that are in place. Many patients rely on our life-saving medicines."<sup>19</sup>

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<sup>12</sup> NACP, "International Sponsors of War," <https://sanctions.nazk.gov.ua/en/boycott/> (accessed February 6, 2023).

<sup>13</sup> NACP, "Companies from the NACP list of "International Sponsors of War" are now in the World-check database, used worldwide for reviewing counterparties," September 7, 2022, <https://nazk.gov.ua/en/news/companies-from-the-nacp-list-of-international-sponsors-of-war-are-now-in-the-world-check-database-used-worldwide-for-reviewing-counterparties/?highlight=sponsor+of+war> (accessed February 6, 2023).

<sup>14</sup> 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."

<sup>15</sup> AstraZeneca, "Our actions in response to the Russia-Ukraine war," December 26, 2022, <https://www.astrazeneca.com/media-centre/statements/2022/our-response-to-the-russia-ukraine-war.html> (accessed July 14, 2023).

<sup>16</sup> AstraZeneca in Russia, <https://careers.astrazeneca.com/russia> (accessed July 14, 2023).

<sup>17</sup> August Graham, "AstraZeneca doubled exports from Sweden to Russia after start of war – report," *Evening Standard*, March 7, 2023, <https://www.standard.co.uk/business/business-news/astrazeneca-doubled-exports-from-sweden-to-russia-after-start-of-war-report-b1065394.html> (accessed July 14, 2023).

<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

The company, however, did not address the doubled exports.

A recent report published by the Kyiv School of Economics and B4Ukraine finds that AstraZeneca is one of the companies that has the highest increase in revenue in 2022. The report states that the company's revenue grew by \$376mn in 2022, amounting to \$1.13bn.<sup>20</sup>

Considering these developments, B4Ukraine would like to pose the following questions to AstraZeneca:

1. We understand that AstraZeneca is continuing to provide “life-saving” medicine. However, this statement does not explain the reports of increasing exports to Russia or the significant increase in revenue since the start of the war.
  - Can AstraZeneca provide its definition and list of medicine it considers essential in light of the particular circumstances of this conflict?
  - Can AstraZeneca provide a list of medicine that it stopped producing and distributing since the outbreak of the war because they are not considered essential?
  - Has AstraZeneca considered whether its goods and medicine can be replaced with local substitutes?
  - Which stakeholders has AstraZeneca engaged with in determining its policies and the decision to stay in the market?
2. AstraZeneca has increased its exports into Russia in a time when many multinational businesses are curtailing their operations in the country so as not to contribute to the aggressor's economy.
  - How does AstraZeneca reconcile its statements that it is stopping new investments with increasing exports and revenue in Russia, after its illegal invasion of Ukraine?
  - Has AstraZeneca considered all the circumstances and complexities of the Russo-Ukrainian war, 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 goods within Russia?
3. AstraZeneca's revenue in Russia reportedly amounted to \$1.13bn in 2022. Considering its significant presence in the Russian market, AstraZeneca is contributing to the coffers of a state that is waging an illegal and aggressive war against Ukraine, which killed or injured at least 25,000 Ukrainian civilians so far.
  - How does AstraZeneca address the contradiction between expressing condemnation towards the war and its active role in supporting the economy of an aggressor state, thereby indirectly contributing to its war efforts?
  - Can AstraZeneca confirm that its revenue in Russia amounted to \$1.13bn in 2022?
  - How much tax has AstraZeneca paid in Russia in 2022 and 2023?
4. We understand that AstraZeneca has obligations towards its employees. These are laid out under the United Nations Guiding Principles on Business and Human Rights and in the wider international human rights legal and regulatory framework.
  - Can AstraZeneca clarify how it has used this framework to minimise the risks and impacts to its employees?
  - How has the company applied heightened human rights due diligence to its operations in Russia considering the new Russian legislation requiring businesses to help conduct

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<sup>20</sup> B4Ukraine and KSE, “The Business of Staying: a closer look at multinational revenues and taxes in Russia in 2022,” <https://b4ukraine.org/pdf/BusinessOfStaying.pdf> (accessed July 14, 2023).

**military registration, deliver the summons to its employees, and provide resources where required?**

**-Has AstraZeneca received any such requests, and if so, how has the company responded to them?**

**-What is AstraZeneca doing to safeguard its employees from mobilisation?**

**-Have any of your employees been mobilised and, if so, what was AstraZeneca's role in the process?**

5. Other companies have faced challenges and still committed to, and exited, Russia. Some pharmaceutical companies have scaled back their operations in Russia. While AstraZeneca emphasises its donations and humanitarian relief in Ukraine, it has increased its profits in an aggressor state, even after over one year since the start of the war, over 95,000 reported war crimes later, over 25,000 Ukrainian civilians killed or injured, and with the head of the Russian state indicted by the ICC for alleged war crimes.  
**-Considering these developments and the rising number of reported human rights abuses and war crimes, has AstraZeneca considered fully exiting Russia so as not to be even indirectly or remotely associated with these crimes?**

In consideration of the above points and B4Ukraine's [Declaration](#), we request an urgent dialogue with AstraZeneca's relevant senior management and staff to discuss the company's ongoing activities and relationships in Russia, associated risks to the people of Ukraine and the company, and potential steps to prevent/mitigate these risks. Please contact the B4Ukraine Coalition at [contact@b4ukraine.org](mailto:contact@b4ukraine.org) to schedule a call. We kindly ask for your response by 5:00pm CET July 28<sup>th</sup>, 2023.

Sincerely,

The B4Ukraine Coalition