CORPORATE ENABLERS OF RUSSIA'S WAR IN UKRAINE

A CLOSER LOOK AT MULTINATIONAL TAXES AND REVENUE IN RUSSIA IN 2023

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Squeezing Putin

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ABOUT THE AUTHORS

B4Ukraine is a global civil society coalition with a singular mission: to sever financial and material support for Russia's war on Ukraine.

In the wake of the full-scale invasion, B4Ukraine has partnered with the Kyiv School of Economics (KSE) and Squeezing Putin to meticulously monitor and disseminate information regarding corporate engagement in Russia.

KSE's research leverages a number of public sources, including the Russian company register, news reports, and corporate statements. Their analysis employs official company accounting reports to scrutinise the number of local companies, workforce figures, and financial metrics such as revenue, capital, assets, and profit tax paid.

B4Ukraine uses this research to do data-driven advocacy, urging the most significant companies still operating in Russia to make a responsible exit, in alignment with their obligations under the United Nations Guiding Principles on Business and Human Rights. To date, B4Ukraine has engaged with over 200 companies, emphasising these obligations and highlighting the extreme risks associated with continued business operations in Russia.

METHODOLOGY

Companies are contributing to Russia's war on Ukraine through the taxes they pay, the supply chains they support and the technology and training they provide. This report focuses on one specific angle: multinational company revenue and taxes associated with operations within Russia. It's based on detailed data gathered and analyzed by the Kyiv School of Economics (KSE) about foreign businesses' involvement in Russia's economy. The figures herein are sourced from KSE's Self Sanctions database, accurate as of November 3, 2024.

KSE categorises international businesses into two groups: those with local Russian subsidiaries and those maintaining trading or other commercial relationships in Russia without local establishments. Revenue and taxation data are exclusively available for international companies with local Russian subsidiaries.

The data on corporate withdrawals is derived from KSE's extensive research, which relies on a variety of public sources, including the Russian company register, news reports, and corporate statements. The latest data version is accessible as part of KSE's Self Sanctions project.

Revenue and taxation figures are obtained from the Russian company register, sourced from the annual reports of Russian companies. KSE's analysis covers data up to the end of 2023 and includes information on revenues, profits, and profit tax accruals and payments. It excludes data on other significant taxes levied on Russian companies, such as employee-related taxes and sales taxes like income tax and VAT.

The Russian fiscal year runs from January 1 to December 31, implying that the revenue and taxation figures for 2022 cover both pre- and post-invasion periods following the full-scale assault on Ukraine on February 24, 2022.

OVER THE PAST TWO AND A HALF YEARS, KSE HAS CONTINUOUSLY UPDATED ITS DATABASE, WHICH HAS INFLUENCED THE PROPORTION OF COMPANIES REMAINING IN RUSSIA. NOTABLY, MANY RECENT ADDITIONS TO THE DATABASE HAVE BEEN COMPANIES OPTING TO CONTINUE THEIR OPERATIONS IN RUSSIA.

For the first time in 2023, Russia's central bank disclosed financial data detailing the contributions of its financial institutions. This information has been incorporated into the 2023 analysis, alongside revised results for 2022. Some data on banks for 2021 (including revenues, profits, and profit tax) is not available.

A handful of foreign companies have opted to not disclose their financial information for 2023. In these cases, tax and revenue contributions are estimated based on previous financial reports for 2022. These companies are Jacobs Douwe Egbert, Leroy Merlin, Mars, Mondelez and Nestle.

B4Ukraine has reached out to all the companies mentioned in this report to confirm the accuracy of the data and solicit comments. Summaries of their responses are included in the report, with full replies available at the link.

KEY FINDINGS AND RECOMMENDATIONS

FINDINGS

- **Nearly three years into Russia's invasion, Ukraine has endured severe losses, with nearly 30,000 civilian casualties and over 150,000 documented war crimes.** Despite Russia's widespread atrocities, numerous foreign companies continue operations in the aggressor state. By prioritizing profits over ethics they are jeopardising the foundations of international law everywhere.

- **In 2023, 1600 multinational corporations played a pivotal role in strengthening Russia's economy, contributing to its illegal war of aggression in Ukraine.** These companies, including some that have since exited, made over $196.9 billion in revenues through their Russian subsidiaries, with $16.8 billion recorded as profit.

- **For 2023, foreign multinationals paid an estimated $21.6 billion in total tax[1], bringing the total estimated taxes paid to $41.6 billion since the full-scale invasion in 2022.** $41.6 billion is equivalent to just under one-third of Russia's estimated military budget for 2025, highlighting the major financial contribution these foreign companies still have on the Russian economy.

- **Companies based in nations committed to supporting Ukraine's war effort remain among the largest contributors to Russia's tax base.** These 930 G7 and EU firms were the top profit taxpayers in Russia, with 16 of the top 20 contributors coming from these nations. In 2023, 827 firms headquartered in EU member states generated $81.4 billion in revenues, down from $111.4 billion in 2022, but their profit tax contributions held steady at $3 billion. For every ten dollars of bilateral aid committed by G7 governments for Ukraine, their companies may still be paying one dollar in taxes to Russia.

- **On a country basis, American firms generated the largest total revenues in Russia and emerged as the Kremlin's most substantial contributors through profit taxes, paying $1.2 billion in 2023. Germany follows, with its companies paying $692.5 million in profit taxes to Russia in the same year.** This is particularly striking given that the United States and Germany, as major donors to Ukraine, have collectively committed over $125 billion in bilateral aid since the invasion.

[1] Taxes include profit tax, value-added tax, exit taxes, payroll tax, property tax, excise taxes and customs duties

- **Companies which remain in Russia will pay even more profit tax in 2025 and beyond.** Changes to the Russian Tax Code will see the corporate profit tax rate rise from 20% to 25%, beginning in 2025, marking a key step in Moscow's strategy to instrumentalise Western business presence to secure additional revenues. Meanwhile, domestic firms in Russia's military-industrial sector are being subsidized by the Kremlin, enjoying new tax breaks, subsidies, and preferential leasing programs.

- **Despite foreseeable increases in contributions to Russia's militarised budget and the extensive material, reputational and legal risks associated with doing business in Russia, almost three quarters of foreign companies with local subsidiaries in Russia have chosen to continue operations there today.** Almost all the top 20 revenue-generating companies have chosen to stay in the Russian market, continuing to earn substantial revenues and pay significant profit taxes to the state.

- **The Fast Moving Consumer Goods sector plays a pivotal role in sustaining corporate contributions to the Russian budget.** In 2023, this sector—which includes household names such as Mars, Nestle and Procter and Gamble—led the way as Russia's top earner, followed in joint-third place by alcohol and tobacco and food and beverages. Combined, these consumer sectors brought in a huge $587.52 billion in revenue and paid $1.5 billion in profit tax—out-earning their nearest competitors in finance and automotive sectors.

- **Multinational companies often justify staying in Russia by claiming they provide essential goods and services to the population. They also point to their humanitarian aid efforts to balance out the, frequently much larger, economic benefits they bring to the Russian state. By doing so, these companies are contradicting the UN's Guiding Principles on Business and Human Rights as well as, often, their own government's policies.** Corporations cannot credibly assert the essential nature of their operations without transparent evidence to support these claims—and none do. Equally, any declaration of solidarity with Ukraine is fundamentally undermined by their continued role in sustaining an economy actively compromising Ukraine's sovereignty and security.

- **On average, multinationals with local subsidiaries in Russia earned just 2.2% of their global revenue in Russia in 2023.** A fraction that is hard to justify in the face of the risks associated with remaining in Russia.

- **The Top 20 company earners in 2023 were:**

01	Philip Morris	11	Metro
02	Japan Tobacco International	12	Geely
03	Leroy Merlin	13	Great Wall Motor Company
04	Chery Automobile	14	Haier
05	Pepsi	15	Procter and Gamble
06	Haval Motor	16	Globus
07	Auchan	17	FAW Group
08	Raiffeisen	18	Ant Yapi/ANTTEQ
09	Mars	19	Cargill
10	Nestle	20	Changan

RECOMMENDATIONS

FOR COMPANIES:

- **Make a swift, responsible exit.** No corporate mitigation efforts can address the fundamental, systematic and grave abuses caused by Russia's illegal invasion of Ukraine. Companies operating in any capacity in Russia must prioritise a swift responsible exit to:

  - Minimize contributions to the war economy
  - Avoid complicity in human rights abuses
  - Align with international human rights obligations.

  A quick exit should be guided by principles of immediate cessation of harm to Ukrainian civilians, which means a quick disengagement from the systems that contribute directly to the harm. I.e. the Russian war economy. It must also focus on alignment with human rights law, seeking adherence to international legal frameworks over oppressive local laws which conflict with human rights principles.

  Exiting the market should therefore include measures to:

  - Secure intellectual property and other critical assets so that they are not misused by the regime post exit.
  - Ensure the protection of employees to the greatest extent possible.
  - Prepare to write down losses and pursue recourse through arbitration where feasible.
  - Engage in rapid, time-bound processes to implement the procedure, even if it involves financial loss.

- **Be transparent and honest.** All companies operating in Russia today should disclose the extent of their activities in Russia as well as all taxes, fees, and other financial contributions to the Russian government so stakeholders can hold companies accountable. This should include details of their heightened human rights due diligence and a review of financial contributions that may directly or indirectly support state actions that violate international law. The findings should be publicly disclosed and the processes should be transparent.

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Companies should also end the practice of issuing public statements intended to justify or distract from the reality of their ongoing presence in Russia. For example, statements which highlight humanitarian donations without acknowledging their ongoing contributions to the Russian state or which claim to be providing essential goods to the Russian population without any supporting evidence to demonstrate the criteria and process they used to reach that conclusion.

- **Contribute to reparations and reconstruction:** Companies operating in or benefiting from Russia's economy during its aggression against Ukraine should contribute to Ukraine's reparations and reconstruction.

FOR GOVERNMENTS:

- The G7 and allied countries urgently need to tackle the role their businesses play in Russia today and how it impacts Ukraine's population and the war's outcome. Beyond enforcing sanctions, they need to set clear standards for corporate behaviour, encourage swift responsible exits from Russia, and promote ethical business practices that align with internationally accepted and endorsed human rights and humanitarian law principles.

KEY TOOLS TO DO THIS INCLUDE:

- Introduce new and strengthen existing sanctions by explicitly targeting sectors that significantly feed into the Russian government's activities and directly support the state's militarised budget. Collaborate with relevant regulators and other stakeholders to identify loopholes and close gaps.

- Develop a clear, shared definition of what constitutes 'essential goods and services' in the context of Russia as an aggressor state.

- Issue business advisories and risk guidance to companies, as the U.S. did earlier this year, outlining key areas of risk and expectations for mitigation.

- Introduce deterrent measures such as financial penalties, restriction to access to contracts and exclusion from public procurement opportunities across G7 and/or EU countries.

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- Establish national reporting standards that compel companies to detail all taxes, fees, and other financial contributions to the Russian government so stakeholders can hold companies accountable for their financial support of state actions that constitute gross violations of internationally recognised human rights.

- Develop incentive programs that support companies that have made the choice of leaving the Russian market and are instead choosing to reinvest in Ukraine.

FOR INVESTORS:

- **Conduct Heightened Human Rights Due Diligence of your portfolios** to understand whether companies you are invested in have business operations or relationships that link them to Russia, and responsibly divest from these companies if they are unable to adequately cease, prevent, or mitigate their exposure to severe human rights abuses or international humanitarian law violations.

INTRODUCTION

Nearly three years after Russia's full-scale invasion, Ukraine has suffered tremendous losses, enduring relentless daily attacks. Meanwhile, mounting evidence reveals widespread war crimes committed by the Russian military. Despite this, a significant number of foreign companies have prioritised profits over principle, opting to remain in Russia while many of their competitors have exited.

The toll of Russia's aggression in Ukraine is devastating. Nearly 30,000 civilians have been killed or injured, and more than 150,000 war crimes have been documented. By staying in Russia, these firms risk complicity in a conflict marked by widespread atrocities, signalling a willingness to absorb considerable reputational and legal risks tied to operating in a country increasingly isolated on the global stage. Their decision underscores the tension between their financial interests and their obligations under human rights and international humanitarian law, as companies choose profits over their broader legal and ethical responsibilities.

Meanwhile, Russia is actively leveraging its private sector to fuel its war economy, making it clear that no company operating within its borders can remain a passive bystander in this conflict. On one hand, companies from nations deemed 'unfriendly' by Moscow face rising tax and resource demands in Russia, effectively contributing to the Kremlin's coffers and war machine. On the other, these firms are being held hostage by the threat of expropriation, as Moscow threatens retaliation against Western efforts to seize Russian Central Bank assets. This dynamic complicates global efforts to economically isolate Russia while heightening the burden on Ukraine and its allies.

This report shows that foreign businesses have continued to channel billions in taxes to the Russian state nearly three years into its war on Ukraine. It answers pressing questions, such as: Which firms remain? Who profits? What drives these decisions? And what can we expect of responsible companies? The analysis sheds light on the financial calculus behind corporate decisions to remain despite the regime's widespread and egregious human rights abuses.

SIGNIFICANT AND CONTINUED MULTINATIONAL TRADE WITH RUSSIA

Russia's February 2022 invasion of Ukraine led several foreign firms, including McDonald's, Starbucks, and FMC, to exit swiftly, citing material risks and ethical concerns. While some took an early moral stand, many adopted a "wait and see" approach that has since slipped into a normalisation of business relations, despite escalating atrocities across the border in Ukraine and stronger policies by Western countries to sanction Russia.

Media headlines often highlight the wave of corporations exiting Russia, but the reality paints a different picture: over 2,000 foreign companies still choose to do business with Russia. Despite widespread calls for a responsible exit, these businesses continue operations, generating profits for taxation and contributing to Russia's heavily militarised budget.

As of November 3, 2024, a total of 4,002 companies from 106 countries and 60 industries were documented by KSE as having business operations in or with Russia at the onset of the full-scale invasion. Of the total, the majority (55%) have opted to continue business as usual, while the remainder (45%) have cut business ties—either through suspension of operations, withdrawal, or sale of assets/liquidation of business.

Of the 1,599 companies with Russian subsidiaries at the start of the full-scale invasion, only 440—just 28%—have fully exited the country. The remaining businesses continue to operate in some capacity, indirectly supporting the war effort through corporate taxes, supply chains, and adherence to the Kremlin's Partial Mobilisation Order, which includes assisting with Russia's mobilisation efforts as required by local authorities. Their ongoing operations provide a crucial economic lifeline, helping to sustain state revenues despite international sanctions and economic isolation.

Only 28% of firms with Russia subsidiaries exited

28%

$41.6B

in taxes paid in 2022-2023 = 1/3 of Russia's 2025 military budget

Source: KSE, 2023 data

COMPANY EXITS HAVE MADE AN IMPACT

This is not to downplay the impact of companies that have chosen to exit Russia. The exits of 440 foreign businesses have not only caused immediate economic disruptions but also reshaped Russia's economic structure, amplifying its isolation and reliance on domestic and non-Western alternatives.

In 2021, these businesses employed 38.9% of the workforce linked to foreign enterprises, controlled 24.6% of foreign-owned assets, and accounted for 27.1% of capital investment. Their exit represents a considerable economic loss: collectively, they generated $103.6 billion in revenue, or 32.4% of the total revenue from foreign firms, and contributed $5.9 billion in taxes—23.2% of total tax revenue from foreign businesses.

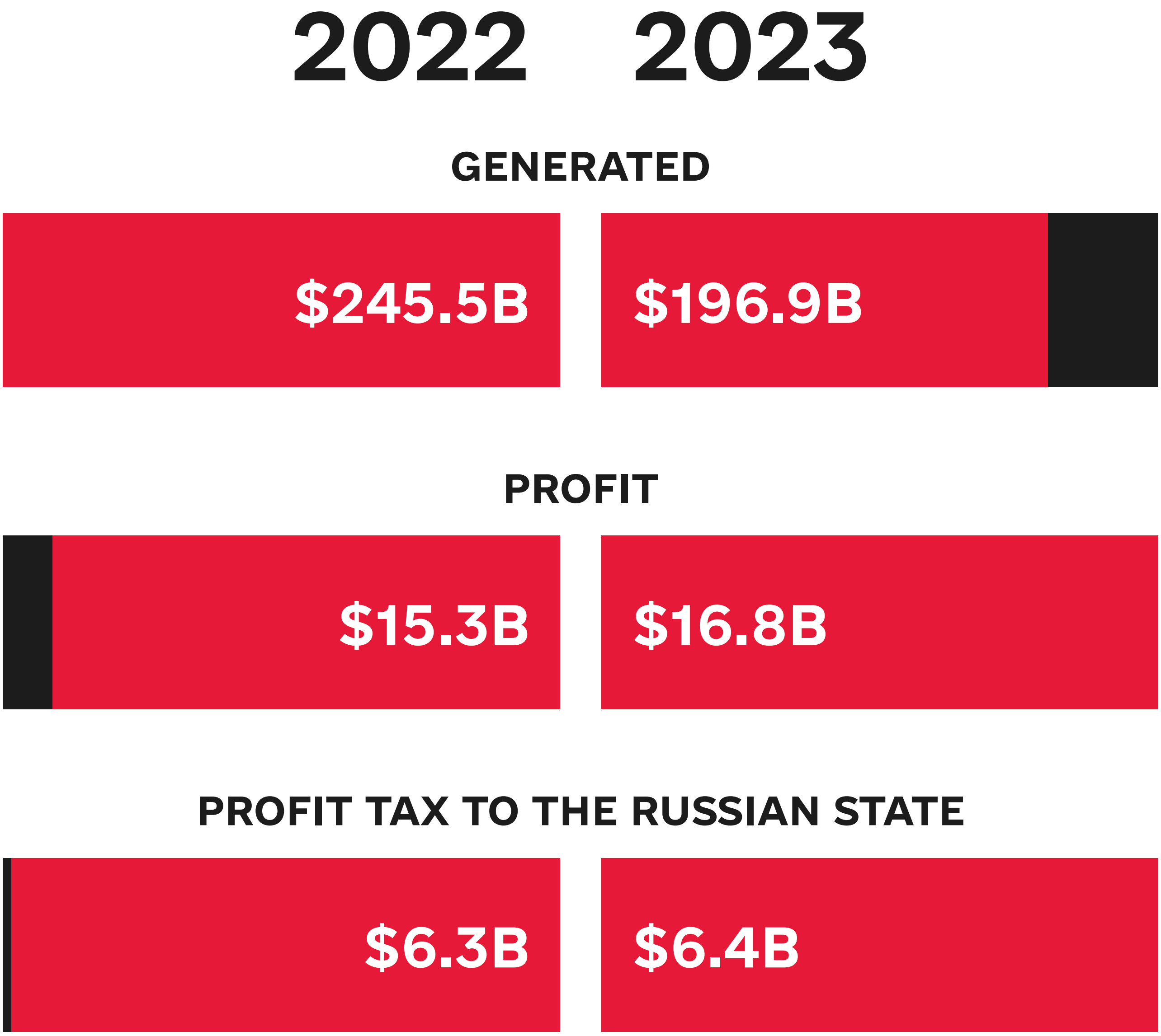
Those foreign companies who sold their subsidiaries to new owners in Russia, have seen their revenue plummet—from $99.5 billion in 2021 to $44.5 billion in 2023. **This highlights that ownership transfers have severely hurt business performance and haven't just been a simple handover to benefit the Russian state, as some suggest.**

Beyond immediate economic losses, Russia's economy is now facing significant structural challenges, according to some of its top business leaders. The departure of international companies has weakened key industries, especially in technology and machinery, reducing manufacturing capacity and complicating banking transactions. The growing demands of the defense industry are reshaping the economy into a "war economy," while efforts to replace imports with local production are moving slowly. On top of this, the military's push for new recruits is worsening labour shortages.

These pressures are starting to hold back economic growth, with limits on both labour and equipment playing a major role. **The combination of these structural changes paints a troubling picture for Russia's economic future.**

COMPANY PROFIT TAX AND REVENUE IN 2021-23 BY COUNTRY OF HQ

In 2023, global corporations—including those that have since exited—generated over $196.9 billion in revenue from their local Russian operations, down from $245.5 billion in 2022. Of this, $16.8 billion was profit, an increase from $15.3 billion in 2022. These firms paid $6.4 billion in profit tax to the Russian state, up slightly from $6.3 billion the previous year.



COMPANY REVENUE IN 2021-23 BY COUNTRY OF HQ

Revenue and profit tax figures exclude companies that have exited, and profit tax numbers exclude rebates.

Country of HQ	% staying	Revenue in 2021 - 2023 B, USD	Profit tax paid 2021 - 2023 M, USD
United States	40%	47.7, 30.5	915.7, 1.2K
China	90%	8.8, 25.0	70.7, 486.5
Germany	55%	32.5, 18.1	633.7, 692.5
France	61%	19.9, 16.4	315.4, 357.9
Switzerland	51%	19.6, 14.1	258.6, 315.7
Austria	69%	4.3, 5.2	119.6, 578.9
Italy	72%	6.9, 5.0	150.0, 265.5
Turkey	91%	4.1, 4.7	57.8, 126.0
Japan	52%	17.1, 3.8	275.7, 168.1
United Kingdom	37%	8.7, 3.8	128.0, 118.8
Netherlands	47%	5.1, 3.6	96.0, 107.0
Belarus	100%	2.0, 3.4	11.0, 20.5
South Korea	81%	18.2, 2.8	208.9, 105.8
Slovenia	83%	0.9, 1.4	7.0, 11.2
Thailand	100%	1.1, 1.3	5.0, 10.1
Poland	34%	1.8, 1.3	61.4, 24.8
Greece	81%	1.6, 1.1	42.0, 54.9
Denmark	29%	1.5, 0.8	43.0, 39.4
India	95%	0.9, 0.8	8.0, 22.9
Sweden	29%	2.7, 0.7	69.7, 57.6

Source: Kyiv School of Economics • Created with Datawrapper

COMPANY PROFIT TAX IN 2021-23 BY COUNTRY OF HQ

Revenue and profit tax figures exclude companies that have exited, and profit tax numbers exclude rebates.

Country of HQ	% staying	Revenue in 2021 - 2023 B, USD		Profit tax paid 2021 - 2023 M, USD	
		2021	2023	2021	2023
United States	40%	47.7	30.5	915.7	1.2K
Germany	55%	32.5	18.1	633.7	692.5
Austria	69%	4.3	5.2	119.6	578.9
China	90%	8.8	25.0	70.7	486.5
France	61%	19.9	16.4	315.4	357.9
Switzerland	51%	19.6	14.1	258.6	315.7
Italy	72%	6.9	5.0	150.0	265.5
Japan	52%	17.1	3.8	275.7	168.1
Turkey	91%	4.1	4.7	57.8	126.0
United Kingdom	37%	8.7	3.8	128.0	118.8
Netherlands	47%	5.1	3.6	96.0	107.0
South Korea	81%	18.2	2.8	208.9	105.8
Hungary	74%	0.4	0.7	4.0	69.8
Sweden	29%	2.7	0.7	69.7	57.6
Greece	81%	1.6	1.1	42.0	54.9
Denmark	29%	1.5	0.8	43.0	39.4
Poland	34%	1.8	1.3	61.4	24.8
India	95%	0.9	0.8	8.0	22.9
South Africa	67%	0.7	0.3	18.0	21.1
Belarus	100%	2.0	3.4	11.0	20.5

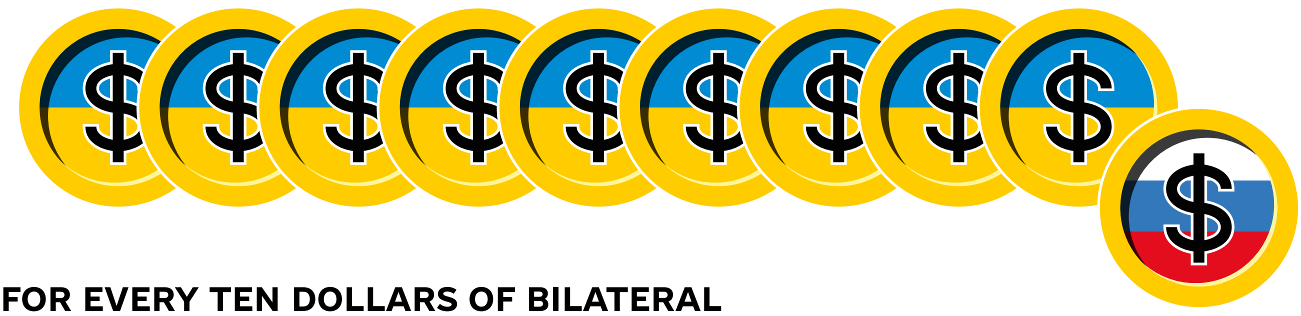
Source: Kyiv School of Economics • Created with Datawrapper

Despite the U.S. government's unwavering support for Ukrainian sovereignty, U.S. companies remain among the largest revenue generators in the Russian market and are the biggest contributors to the Kremlin's coffers through profit taxes. While their 'remain' rate is lower than that of countries like China, Turkey, or India, where most firms have opted to stay, the scale and significance of the remaining U.S. businesses mean they continue to play a crucial role in Russia's economy. In 2023, American companies paid $1.2 billion in profit taxes, up from $915.7 million in 2021, reflecting an overall increase in profit despite a sharp decline in combined revenues from $47.7 billion in 2021 to $30.5 billion in 2023.

The European Union, despite taking a firm stance on Russia and being a major donor to Ukraine, faces a similar problem. Companies headquartered in EU member states that have not exited Russia earned $55.8 billion in 2023, down from $70.1 billion in 2022—more than their U.S.-based counterparts. Despite a decline in revenue in 2023, these firms contributed approximately $2.3 billion in profit taxes in both 2022 and 2023.

IN 2023, G7 AND EU FIRMS WERE THE TOP PROFIT TAXPAYERS IN RUSSIA.

With Western firms withdrawing, Chinese companies have moved to capture market share and boost revenues, particularly in the automotive and technology sectors. Yet despite gains in these areas, it is still companies headquartered in G7 and EU countries who were cumulatively the highest profit taxpayers in Russia in 2023, representing 16 of the top 20 contributing countries. Companies from China - which is considered as a 'friendly' country by Russia - reported higher revenues than those from Germany, their profit tax contributions remain lower.



FOR EVERY TEN DOLLARS OF BILATERAL AID COMMITTED BY G7 GOVERNMENTS FOR UKRAINE, THEIR COMPANIES MAY STILL BE PAYING ONE DOLLAR IN TAXES TO RUSSIA.

Source: KSE, 2023 data

WARONOMICS AND TAXATION

Russia's budget 2024-2026 increases spending by 25% and devotes a record amount to defense. The latest approved three-year budget allocates a record 13.5 trillion rubles ($133.63 billion) to national defense in 2025, accounting for nearly 40% of the government's total spending. The budget for 2024-2026 was developed specifically to fund the Russian military and to mitigate the impact of "17,500 sanctions" on Russia, according to State Duma Chairman Vyacheslav Volodin. To meet these rising needs, Russia has adopted a civil-military fusion strategy, utilizing the private sector to support its military ambitions.

In July 2022, Russia enacted a Procurement Law mandating that businesses accept government contracts, including military-related ones, whenever deemed necessary. Then, in September 2022, Putin issued a Conscription Law requiring all companies to register eligible employees for military service and assist with delivering summons. Under this decree, businesses must supply resources, equipment, and logistical support to the military, facing fines or criminal charges if they fail to comply. Russia further tightened fiscal demands on companies with an August 2023 Windfall Tax, imposing a retroactive 10% tax on profits from 2021-2022 for companies earning over one billion rubles in profits.

This trend in increased profit tax contributions looks set to continue with the introduction of more permanent fiscal solutions to support Russia's fully militarised economy. Next year, amendments to the Russian Tax Code will see the corporate profit tax rate rise from 20% to 25%, beginning in 2025, marking a key step in Moscow's strategy to secure additional revenues. According to Russia's Finance Ministry, this increase in corporate profit tax is expected to raise additional revenues of approximately US$17.9 billion in 2025.

Looking at the data, it appears that Western companies from countries Russia labels as "unfriendly" are already paying higher profit taxes compared to businesses from "friendly" nations. The reasons behind this are unclear: it could be because these companies are more profitable or due to differences in how taxes are applied and enforced.

Russian law doesn't explicitly call for higher corporate taxes on "unfriendly" states. However, one potential factor behind this shift is Russia's suspension of double taxation treaties with these nations. On August 8, 2023, President Putin signed Decree No. 585, halting provisions of such treaties with 38 countries. This suspension will continue until these nations "address violations of Russia's legitimate economic and other interests." The move adds extra financial pressure on companies from these countries operating in Russia.

In stark contrast, firms operating within Russia's military-industrial sector are benefiting from newly introduced tax breaks, subsidies, and access to preferential leasing programmes, further bolstering their position amid the ongoing conflict.

PROFIT TAX TO REVENUE RATIOS ACCORDING TO COUNTRY HQ 2021-23

Country	Tax to Revenue Ratio 21	Tax to Revenue Ratio 22	Tax to Revenue Ratio 23
Unfriendly Countries (as designated by Russia)	1.7%	2.6%	3.6%
Belarus	0.6%	0.7%	0.6%
China	0.8%	2.4%	1.9%
India	0.9%	1.8%	2.7%
United States	2.1%	2.7%	3.9%
United Kingdom	1.6%	2.3%	3.3%
Germany	1.6%	2.3%	3.7%
France	1.3%	1.7%	2.1%

The Kremlin is also now using unpaid taxes to boost its budget. In 2024, Russia's Federal Tax Service (FTS) filed over 543 bankruptcy cases against foreign companies that owed taxes. As a result, 310 of these companies cleared their debts, adding $89 million (8.2 billion rubles) to the national budget.

For 53 companies, courts sided with the tax authorities and initiated bankruptcy proceedings. This means these companies' Russian assets will be seized and sold off to settle their tax debts, further replenishing the budget. It's a clear strategy to recover funds while exerting pressure on foreign businesses operating in Russia.

WHICH SECTORS ARE PROFITING FROM REMAINING?

The consumer goods industries have dominated as top earners and tax payers across 2021-23. In 2023, the fast-moving consumer goods (FMCG) sector led the way as Russia's top earner, followed in joint-third place by alcohol and tobacco and food and beverages. Combined, these consumer sectors brought in a huge $58.5 billion in revenue and paid $1.5 billion in profit taxes, making them the biggest contributors. Their dominance highlights how consumer goods companies maintained their hold on the market, often using inflated or questionable claims about the essential nature of their products to justify their continued presence and safeguard their market share.

The automotive industry—despite several notable exits—emerged as another significant revenue-generator in second place and third highest profit tax payer, largely due to high consumer demand.

Although it generated less revenue compared to other sectors, the Finance and Banking sector stood out as the largest contributor to profit tax in 2023, paying $1.15 billion. This figure was nearly double the amount paid by the automotive sector, which was the second highest contributor.

REVENUE BY SECTOR 2021-23

Industry	% staying	Revenue in 2021 - 2023 B, USD		Profit tax paid 2021 - 2023 M, USD	
FMCG	51%	28.8	26.9	440.9	517.4
Automotive	48%	37.2	24.7	489.8	529.8
Food & Beverages	63%	16.8	15.8	236.0	530.3
Alcohol & Tobacco	40%	15.2	15.8	308.0	466.5
Pharma, Healthcare	83%	16.4	13.7	346.6	357.4
Finance and Payments	47%	13.1	8.3	113.0	1.1K
Electronics	63%	24.1	8.1	382.7	117.4
Consumer Goods and Clothing	56%	13.9	6.8	304	284.2
Construction & Architecture	51%	7.3	6.7	226.1	195.3
Energy, Oil, and Gas	65%	8.4	4.5	141.6	185.7

Source: Kyiv School of Economics • Created with Datawrapper

PROFIT TAX BY SECTOR 2021-23

Industry	% staying	Revenue in 2021 - 2023 B, USD		Profit tax paid 2021 - 2023 M, USD	
		2021	2023	2021	2023
Finance and Payments	47%	13.1	8.3	113.0	1.1K
Food & Beverages	63%	16.8	15.8	236.0	530.3
Automotive	48%	37.2	24.7	489.8	529.8
FMCG	51%	28.8	26.9	440.9	517.4
Alcohol & Tobacco	40%	15.2	15.8	308.0	466.5
Pharma, Healthcare	83%	16.4	13.7	346.6	357.4
Consumer Goods and Clothing	56%	13.9	6.8	304	284.2
Construction & Architecture	51%	7.3	6.7	226.1	195.3
Energy, Oil, and Gas	65%	8.4	4.5	141.6	185.7
Chemical industry	53%	5.6	3.6	113.0	117.6

Source: Kyiv School of Economics • Created with Datawrapper

BOX 1: THE CONTRIBUTION OF FOREIGN BANKS TO RUSSIA'S WAR ON UKRAINE

International banks and financial institutions play a unique role in sustaining Russia's war of aggression. In addition to themselves paying taxes in Russia, these institutions enable other companies to delay their Russian exits by continuing to facilitate cross-border payments in and out of Russia. Since most Russian banks have been sanctioned by the US and EU and removed from the SWIFT payment system, companies that do international business from Russia are dependent on the payment services provided by non-Russian banks.

Many international banks have withdrawn from the Russian market, and most have completely or partially stopped processing outgoing transfers from Russia in foreign currencies to avoid complicity in sanctions violations.

Austria's Raiffeisen Bank International (RBI)—the international bank with the largest Russia presence by far—continues to provide foreign exchange transfer services to large and international businesses in Russia, however. In doing so, the bank acts as an important lifeline in keeping Russia connected to the global economy and enabling the Russian economy to withstand pressure from coordinated sanctions and boycotts.

It is in part for this reason that the Kremlin describes Raiffeisen Bank International as one of just two "systemically important" international banks in Russia, alongside Italy's UniCredit, meaning that the bank's exit or failure could trigger a financial crisis in the country. RBI maintains an outsized role in propping up the Russian economy, more so than any other financial institution.

In 2023, RBI's Russian unit turned a pre-tax profit of $1.99bn—meaning that the group earned over 50% of its profits in Russia. That same year, the bank's tax payments in Russia totalled $491m, more than any other foreign company, and more than all other international banks put together. The bank therefore remains intimately exposed to the Russian economy and war and continues to subject itself to significant operating risks as a result. RBI has publicly claimed that it is committed to exiting Russia via a sale or a spin-off of its Russian unit. As of September 2024, however, a Russian court has ordered a transfer ban on shares in AO Raiffeisenbank, RBI's Russian subsidiary, meaning that the bank is currently not able to sell any stake in its Russian unit.

The bank's path to exiting Russia remains unclear following this transfer ban. Although the bank is currently scaling down its lending activity in Russia in line with an order from the European Central Bank, RBI has publicly refused to commit to an exit by way of closing its Russian business or reducing its activities to zero, with the bank's CEO Johann Strobl claiming that the bank would not withdraw "without any compensation."

TOP 20 SIGNIFICANT TAX CONTRIBUTORS

TOP 20 COMPANIES BY PROFIT TAX PAID IN 2023

The list does not include those companies that have exited

Company name	% staying	Revenue in 2021 - 2023 B, USD		Profit tax paid 2021 - 2023 M, USD	
Raiffeisen	Staying	1.5	3.1	135.0	491.0
Chery Automobile	Staying	0.9	6.5	3.0	221.9
Philip Morris	Staying	7.3	6.9	147.0	219.6
Japan Tobacco International	Staying	5.8	6.7	135.0	182.3
UniCredit Bank	Leaving	1.3	1.4	55.0	154.2
Pepsi	Staying	4.4	4.2	32.0	134.9
Leroy Merlin	Staying	6.4	6.7	122.0	125.0
Mars	Staying	2.2	2.9	64.0	99.0
Uniper SE	Leaving	1.3	1.5	28.0	78.7
OTP Bank	Staying	0.0	0.5	30.0	68.6
Procter & Gamble	Staying	2.4	1.8	64.0	67.2
Industrial and Commercial Bank of China (ICBC)	Staying	0.0	0.1	0.0	63.8
Mondelez	Staying	1.0	1.4	17.0	62.4
Citi (Citigroup)	Leaving	0.0	0.3	0.0	53.1
Knauf Gips	Leaving	1.4	1.3	31.0	51.8
Cargill	Staying	1.8	1.5	3.0	50.0
Hellenic Bottling Company	Staying	1.3	0.9	35.0	49.3
Adidas	Leaving	0.8	0.1	15.0	42.3
Johnson & Johnson	Staying	1.1	0.8	75.0	42.3
Haval Motor	Staying	0.8	3.8	0.0	42.3

Source: Kyiv School of Economics • Created with Datawrapper

TOP 20 COMPANIES BY REVENUE IN 2023

The list does not include those companies that have exited

Company name	% staying	Revenue in 2021 - 2023 B, USD (2021)	Revenue in 2021 - 2023 B, USD (2023)	Profit tax paid 2021 - 2023 M, USD (2021)	Profit tax paid 2021 - 2023 M, USD (2023)
Philip Morris	Staying	7.3	6.9	147.0	219.6
Japan Tobacco International	Staying	5.8	6.7	135.0	182.3
Leroy Merlin	Staying	6.4	6.7	122.0	125.0
Chery Automobile	Staying	0.9	6.5	3.0	221.9
Pepsi	Staying	4.4	4.2	32.0	134.9
Haval Motor	Staying	0.8	3.8	0.0	42.3
Auchan	Staying	3.9	3.3	16.3	13.3
Raiffeisen	Staying	1.5	3.1	135.0	491.0
Mars	Staying	2.2	2.9	64.0	99.0
Nestle	Staying	3.0	2.8	24.0	24.0
Metro AG	Staying	3.2	2.8	4.0	15.6
Geely	Staying	0.5	2.3	1.0	11.4
Great Wall Motor Co.	Staying	0.8	2.1	0.0	0.2
Haier	Staying	0.6	1.9	17.0	5.3
Procter & Gamble	Staying	2.4	1.8	64.0	67.2
Globus	Staying	1.7	1.7	12.0	22.3
FAW Group	Staying	0.2	1.6	4.0	0.0
Ant Yapi | ANTTEQ | Ant Development | Stellar Construction	Staying	1.0	1.6	13.0	21.8
Cargill	Staying	1.8	1.5	3.0	50.0
Changan	Staying	0.1	1.5	0.0	29.4

Source: Kyiv School of Economics • Created with Datawrapper

The chart reveals the deep financial ties between major multinational corporations and Russia, even amid the ongoing war and international sanctions. **Almost all the top 20 revenue-generating companies have chosen to stay in the Russian market,**[2] continuing to earn substantial revenues and pay significant profit taxes to the state.

Leading the pack are consumer goods tobacco giants Philip Morris and Japan Tobacco International, both of whom significantly increased their profit tax payments in 2023. Raiffeisen Bank also stands out, with its profit tax payments skyrocketing from $135 million to an astounding $491 million, underscoring the vital role financial institutions play in supporting Russia's fiscal health.

Automotive companies like Chery Automobile, Haval Motor, and Geely have also maintained their presence, with Chery contributing $222 million in profit taxes in 2023 alone.

Consumer goods leaders such as Mars, Mondelez, Nestlé, Pepsi, and Procter & Gamble continue to play a key role in the Russian economy. Notably, PepsiCo's tax payments soared from $32 million to $135 million, while Mars increased its contributions by over 50%, from $64 million to $99 million.

[2] Raiffeisen bank has said it will drastically reduce its operations in Russia in line with European Central Bank requirements and OTP bank claimed in correspondence with B4Ukraine that it is actively trying to exit Russia.

BOX 2: NOT SO SWEET: THE ROLE OF CONSUMER GOODS GIANTS IN RUSSIA'S ECONOMY

One of the most striking insights from the data is the significant and continued presence of major Western household names in Russia's economy. Despite the conflict and international sanctions, companies like Mars, Mondelez, Nestlé, PepsiCo, and Procter & Gamble remain embedded in the market, generating substantial revenues and contributing very significant profit taxes to the Russian state. Beyond their financial contributions to Russian coffers, the ongoing presence of these widely recognized brands helps create a "normalising" effect, subtly reinforcing a sense of stability and business-as-usual within the Russian market. This effect signals to the Russian consumer, investor, and international community that large, familiar brands are undeterred by the country's aggressive war and militarised budget. For these reasons, the Ukrainian government's National Agency for the Prevention of Corruption (NACP) has previously designated these companies as "International Sponsors of War."

Company name	% staying	Revenue in 2021 - 2023 B, USD	Profit tax paid 2021 - 2023 M, USD
Pepsi	Staying	4.4 → 4.2	32.0 → 134.9
Mars	Staying	2.2 → 2.9	64.0 → 99.0
Procter & Gamble	Staying	2.4 → 1.8	64.0 → 67.2
Mondelez	Staying	1.0 → 1.4	17.0 → 62.4
Unilever	Exited	1.2 → 0.7	18.0 → 32.9
Nestle	Staying	3.0 → 2.8	24.0 → 24.0

Source: Kyiv School of Economics • Created with Datawrapper

In contrast, consumer goods behemoth Unilever set itself apart by achieving an exit from Russia, disproving corporate claims that leaving is impossible due to red tape and expropriation risks. Known for brands like Dove, Knorr, and Ben & Jerry's, Unilever operated in Russia until October 2024, despite condemning the 2022 invasion of Ukraine. With €775 million in assets and eight plants, Russia contributed 1.4% of its revenue. Although Unilever halted new investments and ads, it continued business, citing "essential goods" and employee care. In July 2023, Ukraine labelled Unilever an "International Sponsor of War" for tax payments benefiting Russia, sparking criticism from British MPs and protests by civil society groups. CEO Hein Schumacher defended staying, pointing to vague "containment actions." By March 2024, Unilever planned to spin off its ice cream unit but kept making Cornetto in Russia. Finally, in October 2024, Unilever was able to do what other companies claim they can't: it found a buyer for its Russian business, selling to the Arnest Group for €520 million, successfully exiting the market and **proving an exit from Russia is still possible.**

BOX 3: COMPANY RESPONSES

B4Ukraine wrote to all top 20 companies named above to ask for comments on these figures in advance of publication. Responses received are summarised below and can be found in full here. At time of publication, B4Ukraine had not received replies from the other companies.

Citigroup outlined its reduced operations in Russia, stating it has ceased nearly all institutional banking services since March 2023 and is winding down consumer and commercial banking activities, with ongoing services limited to legal and regulatory obligations. Citi's Russia exposure, primarily tied to frozen corporate dividends, remains documented in recent financial disclosures. They added that the bank is assisting multinational clients with exit strategies from Russia.

Raiffeisen Bank International (RBI) said it is progressing towards an exit from Russia and Belarus, aligning with sanctions and reducing operations. It added that Raiffeisenbank Russia's (RBRU's) profit growth is driven by Russia's unique economic conditions, especially high interest rates.

OTP Bank also says it is actively trying to exit Russia, although Russian regulations are presenting challenges. It confirmed its compliance with EU sanctions and said it is a small player, holding only 0.14% of the Russian market. Since the war began, OTP Bank Russia has reduced corporate lending by 85%, closed 39% of its branches, cut staff by a quarter, and ceased business with state-owned entities. It also pointed out that it does not serve Russian military members or operate in occupied territories and 'Unlike other European banks, we no longer offer a USD transfer facility to and from Russia as of May 2023.' While OTP Bank Russia's profits increased in 2023, the Bank claims this was largely due to reallocated provisions and high-interest rate spreads, not expanded operations. It says tax payments rose primarily because of passive profits and a one-off capital withdrawal tax.

Mondelez responded that it does not disclose detailed profitability by country. It has restructured its Russian business to operate independently, halted new capital investments and advertising, and shifted to local production and distribution, with no imports to or exports from Europe. The situation is under ongoing review.

Auchan Group said its stance on its Russian subsidiary hasn't changed. The company follows all sanctions, has stopped new investments, and allows the Russian branch to operate independently. It also underlined that it is actively backing its Ukrainian subsidiary, working to keep it running smoothly and supporting Ukraine's economy and people.

Metro pointed to its publicly available annual report, which provides consolidated global financial figures without breakdowns by individual countries. Adidas said it has now nearly fully ceased its operations in Russia, having closed stores, halted e-commerce, and ended sponsorships soon after the war began. Most leases for its former 300 stores have been cancelled or expired, with some locations sublet.

EXCUSES FOR STAYING AND THE NEED FOR A QUICK EXIT

When publicly defending their decision to remain in Russia, companies rarely admit it is for profit or market share. Instead, they cite more palatable explanations. In a review conducted by B4Ukraine, which engaged with 150 firms last year, several recurring reasons emerged. Many companies stress the essential nature of their products, claim concern for the well-being of their Russian employees—arguing that these workers should not be penalized for their government's actions—and highlight the increasingly complex administrative and legal environment, which they expect to become even more onerous as the Kremlin ramps up its retaliatory measures.

The most common reason provided was "essentiality." For example, some chocolate manufacturers argued their products were vital foods on Russian shelves. However, when asked to provide details on the decision-making processes behind labelling their products as "essential," all but one company failed to clarify how they determined this designation. This raises questions about how the word "essential" is being used.

Companies also expressed concern for their employees' safety, but there was no clarity on how they protected workers from being drafted under Russian conscription laws. No firm could provide clear answers on how many employees received conscription orders, were sent to the front, or were harmed. Several companies confirmed that they comply with national legislation, implying that they have or would participate in delivering the summons or providing other forms of support for the war effort.

While all companies emphasise compliance with sanctions, this does not equal responsible business conduct. Companies shouldn't use sanctions compliance as an excuse to keep operating in harmful environments; they also need to follow well-established international standards on business and human rights.

The process for responsible business conduct in conflict-affected areas is straightforward and widely endorsed by governments and business. The UN Guiding Principles on Business and Human Rights require businesses to conduct heightened human rights due diligence in these contexts. This means identifying and addressing their adverse impacts on both human rights and conflict dynamics. When adverse human rights impacts are identified, businesses are obligated to take appropriate measures to cease, prevent, mitigate, or remedy these effects—up to and including a responsible exit from the market if harms cannot be mitigated.

Operating within situations of armed conflict or under authoritarian regimes, where governments actively violate human rights and humanitarian law, significantly heightens the risk of businesses becoming implicated in severe human rights abuses. For instance, if a company's products are linked to human rights violations, it raises serious questions about the company's role and responsibility.

In Russia, existing legislation requires businesses to act in a way which is inconsistent with internationally recognised human rights standards. Specifically the legislation requires international businesses to conduct military registration of any staff eligible for military service, facilitate the delivery of military summons to employees, and assist with providing equipment and other material support for military activities. While companies are required to respect local laws, when those laws are conflicting with international human rights and humanitarian law, companies must seek ways to prioritise complying with the latter. As noted by the UNGPs, businesses are expected to respect human rights wherever they operate, however "[w]here the domestic context renders it impossible to meet this responsibility fully, business enterprises are expected to respect the principles of internationally recognized human rights to the greatest extent possible."

Since the annexation of Crimea in 2014 and particularly following the full-scale invasion of Ukraine in 2022, heightened human rights due diligence processes should have identified the need for corporations to take decisive action to minimise harm and align with the UNGPs and the Business and Human Rights framework. These processes underscore the corporate responsibility to respect human rights, which includes avoiding complicity in systemic abuses.

Recognizing the risks posed by continued operations in Russia, such as indirect contributions to human rights violations through taxation and compliance with oppressive laws, corporations should have utilised hHRDD findings to prepare for an orderly and responsible exit. This would have helped minimize harm to their stakeholders and meet international human rights standards. However, most companies didn't take these steps. Now, almost three years into the war, they are facing increasing contributions to the Russian war economy without a clear end in sight.

Given the persistence of grave violations and the heightened risks of complicity, corporations must now prioritise a swift exit from the Russian market. This action aligns with their legal commitments under international human rights law.

Under current circumstances, a swift exit is not only the most responsible choice but also the most aligned with international human rights principles. Remaining in Russia perpetuates harm through direct financial contributions to a war economy and compliance with laws that mandate corporate complicity in human rights violations. A quick and complete exit, despite its complexities, avoids further entrenchment in the increasingly authoritarian legislative, administrative, and taxation systems which perpetuate human rights abuses.

While this path involves trade-offs, including asset forfeiture, financial hits, and write-offs, it ultimately upholds higher human rights standards by reducing direct and indirect contributions to human rights violations through participating in the legislative environment mandating corporate complicity in the Russian aggression and the country's increasingly militarised budget.

IN SUMMARY, A QUICK AND COMPLETE EXIT, DESPITE ITS COMPLEXITIES, BETTER ALIGNS WITH HUMAN RIGHTS PRINCIPLES THAN CONTINUING OPERATIONS UNDER LOCAL CONDITIONS OF AN AUTHORITARIAN GOVERNMENT ENGAGED IN AGGRESSIVE WARFARE AND LEGISLATIVE ENVIRONMENT MANDATING CORPORATE COMPLICITY IN HUMAN RIGHTS HARMS.

BOX 4: SUPPORTING UKRAINE OR SUSTAINING RUSSIA? HUMANITARIAN AID AND ONGOING SUPPORT FOR THE RUSSIAN ECONOMY

The purpose of this section is to provide a brief overview of how some of the most egregious contributors to the Russian state (notably the companies analysed in the previous two sections) are using humanitarian aid to Ukraine as a smokescreen for their continued involvement in Russia. We aim to make clear that no amount of humanitarian aid can offset their ongoing contributions to Russia, almost three years into the war. These companies, many of which leave behind substantial revenue and pay significant taxes to the Russian state, are attempting to manage their reputations by emphasizing their contributions to Ukraine's relief efforts. They do so by presenting polished overviews of their humanitarian work for Ukraine, often highlighting donations, aid packages, and public statements of support. Yet, behind these "charitable gestures," they are quietly contributing millions in taxes that help sustain Russia's economy and, by extension, its war machine.

In the interest of brevity, this section will examine only a few examples from the top 20 companies identified above in the report as having the highest revenues or profit tax contributions in Russia. While we limit our analysis to these specific cases, the patterns observed in their responses and public communications are largely representative of a broader trend. The pattern was identified through direct engagement of B4Ukraine with the companies, the communication provided to the Coalition partners (notably the Business and Human Rights Resource Centre), and by reviewing corporate public communications and websites.

"VIRTUE SIGNALLING"

In their efforts to manage reputations as casualties in Ukraine rise, many businesses adopt "virtue signalling" strategies that divert attention from their operations in Russia. One such tactic involves vague language designed to obscure their involvement. Companies often claim they are "downsizing," "scaling down," or making Russian subsidiaries "self-sufficient," creating the illusion of substantial withdrawal without any real commitment to leaving the Russian market. These phrases also serve to buy time, allowing the companies to maintain the status quo with less scrutiny from the media or civil society. Another common strategy is to deflect criticism by emphasizing their compliance with international sanctions. However, sanctions compliance is not an act of goodwill or ethics; it is merely a minimum legal obligation.

The third strategy, the focus of this section, is the highlighting of humanitarian efforts in Ukraine as a form of strategic diversion. In their public communications, companies are eager to emphasize their humanitarian contributions, often highlighting material donations, aid packages, support, and assistance to Ukrainian refugees. While these contributions are frequently framed as direct actions taken by the company, many are facilitated by employees on the ground. Moreover, while there are instances of significant contributions, they often pale in comparison to the profits companies continue to reap in Russia, with some donations being alarmingly small.

In essence, while businesses may be donating to Ukraine on one hand, they are simultaneously funding the Russian state through their ongoing business dealings. Their humanitarian efforts, even if well-intentioned, cannot obscure the reality that they remain active contributors to the aggressor's economy. This attempted balancing act between aiding Ukraine and maintaining operations in Russia reveals how companies use various PR tactics to navigate reputational challenges without addressing the fundamental contradictions in their actions. The self-serving narrative distracts from the uncomfortable truth that, despite claiming to stand against the war, businesses continue to prioritize profits over principles.

No amount of humanitarian contributions can morally or legally justify the continued business operations that directly or indirectly support the Russian war-driven economy – particularly when Russia stands as the aggressor responsible for over 150,000 documented war crimes. By continuing to operate in Russia, companies become potentially complicit in a conflict that has resulted in widespread atrocities. Each dollar paid in taxes in Russia strengthens a government that uses these resources to fund its military operations. This complicity is not just an abstract concern; it has real implications for the victims of Russia's aggressive war. The notion that humanitarian efforts can offset these contributions is not only morally misguided and legally incorrect, it is in contradiction to the UNGPs which state that business enterprises may undertake other commitments or activities to support and promote human rights, which may contribute to the enjoyment of rights, but that this does not offset a failure to respect human rights throughout their operations. Companies cannot claim to stand with Ukraine while simultaneously enriching a state that is perpetrating war crimes against it.

EXAMPLES:

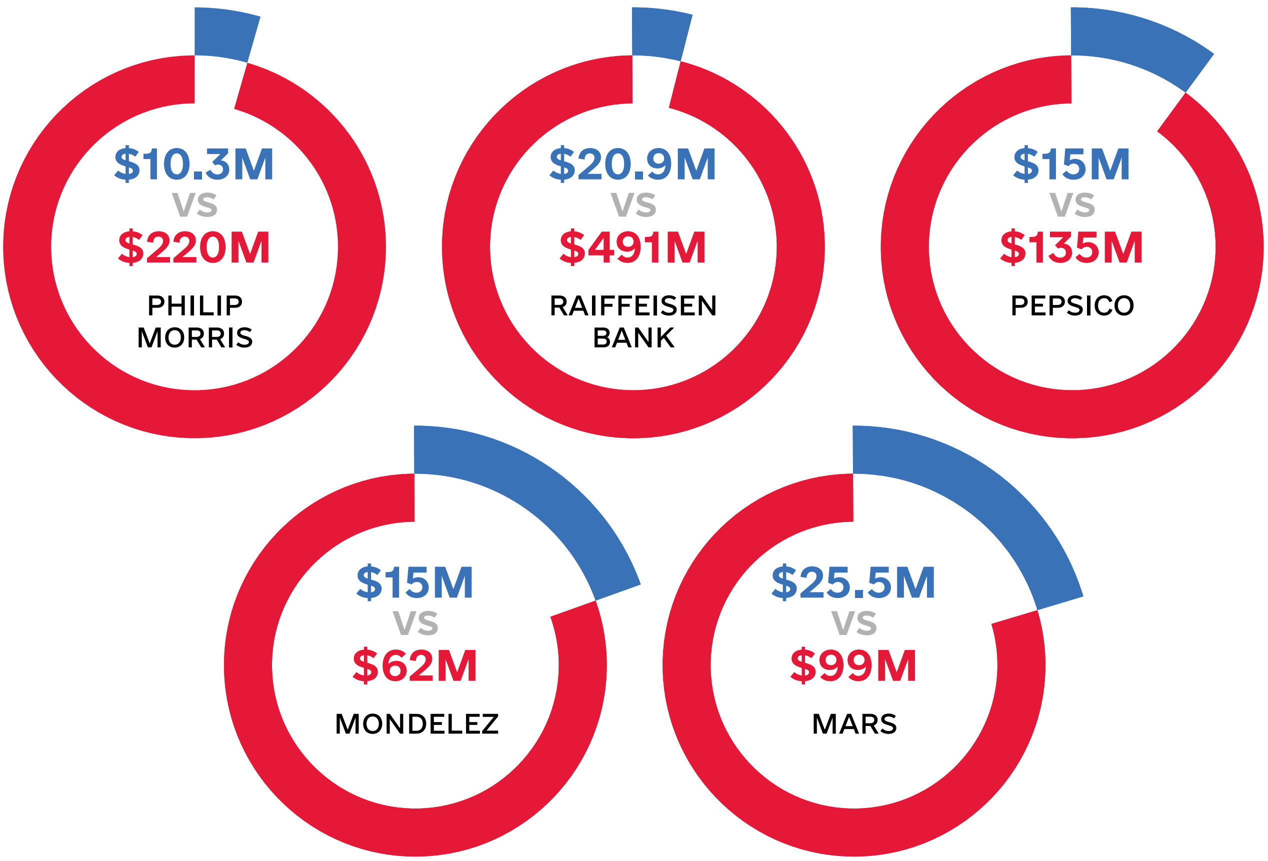
In examining the statements from various multinational corporations, a clear pattern emerges. For example, **Philip Morris International (PMI)** claims to support humanitarian efforts and has pledged an initial $10 million to aid Ukraine, alongside employee donations of over $300,000 matched by the company. While these contributions are substantial on the surface, they do little to address the ongoing financial support PMI provides to the Russian state through its operations and taxes, contributing $220 million in profit tax alone. **JTI** echoes this sentiment, stating they are extending support to affected individuals and committing "significant resources" to humanitarian aid. However, this commitment is overshadowed by their continued presence in Russia, where they paid $182 million in profit tax in 2023.

UniCredit's employees initiated a donation of their personal funds, which was then matched by the UniCredit Foundation for a final total contribution of approximately €846,000 benefitting the Red Cross, Save the Children and the UN Refugee Agency (UNHCR). While the initiative of the employees is welcomed, UniCredit's revenue in 2023 amounted to $1.4 billion. **RBI**, one of the most egregious contributors to the Russian economy, claims to have provided "extensive humanitarian aid measures for Ukraine which is not limited by direct financial aid amounting to €20 million." RBI's revenue in 2023 was $3.1 billion, while its contribution in profit tax to Russia was $491 million (For more on RBI, see Box 1)

PepsiCo announces that it has contributed $15 million in resources for Ukrainian refugees. While this donation seems generous, it is dwarfed in comparison to the $135 million paid in profit tax in 2023 alone. **Mondelez** also falls into this pattern of humanitarian distraction. In its response to B4Ukraine, the company emphasizes its $15 million in humanitarian aid. However, these efforts are overshadowed by Mondelez's financial ties to Russia, contributing $62 million in profit tax in 2023 alone.

SUPPORTING UKRAINE OR SUSTAINING RUSSIA?

AID FOR UKRAINE VS. PROFIT TAX IN RUSSIA IN 2023



CONCLUSION

Far too many western companies continue to operate in Russia today, bolstering its economy and morale while disregarding globally accepted guidelines on responsible business and undermining their own governments' foreign policies. Though some have reaped short-term financial gains, they are now effectively hostages to their own greed—facing certain rising taxes, demands to support the Russian military machine and becoming targets for expropriation when the political climate shifts.

Their precarious positions shouldn't mean surrendering to fate or accepting an indefinite presence in Russia. Instead, it should be about acknowledging the increasing risks and responsibilities that go beyond the bottom line. By swiftly and responsibly exiting, companies align with the policies of their home countries and with international human rights principles, safeguarding long-term shareholder value and brand integrity.

For responsible businesses, the path is straightforward: it is time to face reality, end operations, and leave Russia.