

Prabh Das  
Managing Director and Chief Executive Officer  
HPCL-Mittal Energy Limited (HMEL)  
INOX Tower, Plot No.17,  
Sector 16-A,  
NOIDA - 201301,  
INDIA

February 09, 2024

RE: HPCL-Mittal Energy Limited (HMEL) business operations in Russia

Dear Mr. Das,

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 HMEL'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 urge HMEL to:

- Immediately cease operations with 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 almost 2 years 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 27,500 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.<sup>1</sup>

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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).

Moreover, recent developments in Russia point to an expanding universe of financial, legal, and reputational risks facing those still conducting business with the country.

In response to this unprovoked and unjustified war<sup>2</sup> many other companies have already left Russia. According to the Kyiv School of Economics Institute's #LeaveRussia [company tracker](#), HMEL has decided to continue its operations with Russia by persisting in its commitment to purchase oil from the country and deliver it to its refineries in India.

Recent reporting by Global Witness shows that from February 24th, 2022, when Russia invaded Ukraine, until August 2023, HMEL imported approximately 7 million tonnes of Russian crude oil, valued at about over \$3 billion. Specifically, in the initial seven months of 2023, these imports contributed an estimated \$788 million in direct tax revenues to the Kremlin amid its ongoing war against Ukraine.<sup>3</sup>

Global Witness analysis of customs records and data from commodity tracking databases, reveals a disturbing trend for HMEL. Throughout 2022, the diversity of HMEL's oil sources diminished significantly, with the refinery markedly increasing its imports of Russian crude. In fact, in 2022, HMEL experienced a significant increase in seaborne oil imports from Russia, amounting to five times more than the combined imports of the previous five years. Data indicates that Russian oil made up about 62% of HMEL's total crude feedstock. From the onset of the Ukraine invasion through July 2023, HMEL imported a total of 7 million tonnes of Russian oil, with the estimated value of these Russian oil cargoes exceeding \$3 billion.<sup>4</sup>

**Can HMEL provide clarification on the substantial increase in Russian oil imports in the period after the full-scale invasion of Ukraine? What factors influenced the decision to significantly shift oil sourcing towards Russia? Could HMEL provide further clarifications on the continuation of imports from Russia and the decrease in diversification of sources?**

**Likewise, please clarify whether Lakshmi Mittal consented to these purchases and if he was aware of them as a joint shareholder?**

While we understand that these purchases are technically legal, the \$788 million that HMEL provided to Russia in the first seven months of 2023 alone, is feeding Russia's state coffers and its ability to wage the illegal war against Ukraine. As Global Witness notes, this money is "enough to buy over 450 of the Kalibr cruise missiles that have been used to kill scores of Ukrainian civilians."<sup>5</sup> **Can HMEL elaborate on its awareness of its financial contribution to the Russian war machine? In what ways is HMEL ensuring that its business activities align with broader corporate responsibility and ethical considerations and the business and human rights framework? Has the company conducted heightened human rights due diligence with regards to the particular context of the war against Ukraine to understand HMEL's human rights impacts in the region?**

Other companies have faced legal, administrative, and ethical challenges and still committed to, and completely exited, Russia. HMEL has decided to continue importing oil from the country, even after

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<sup>2</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>3</sup> Global Witness, "Russian oil, Ukrainian steel: how two companies owned by one of Britain's richest men trade with both Moscow and Kyiv," January 21, 2024, <https://www.globalwitness.org/en/campaigns/stop-russian-oil/russian-oil-ukrainian-steel-how-two-companies-owned-one-britains-richest-men-trade-both-moscow-and-kyiv/> (accessed February 2, 2023).

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

almost 2 years of war, over 100,000 reported war crimes, over 27,500 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.

Considering these developments and the rising number of reported human rights abuses and war crimes, has HMEL considered fully ceasing its business operations with Russia so as not to be even indirectly or remotely associated with these crimes?

We request an urgent dialogue with HMEL's relevant senior management and staff to discuss the company's ongoing activities and relationships in Russia and associated risks to the people of Ukraine and the company. 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, February 23, 2023.

Please note that this letter and any response received will be published on the B4Ukraine webpages. In case HMEL wishes to proceed with the proposed meeting, any such meeting will be held under Chatham House rules.

Sincerely,

The B4Ukraine Coalition