Dear Mr. Moeller,

We are writing to follow up on our previous correspondence with Procter & Gamble dated February 14th, 2023, regarding potential inconsistencies between Procter & Gamble’s obligations, as articulated in the UN Guiding Principles on Business and Human Rights (UNGPs), and the company’s ongoing business operations and relationships in Russia that may contribute to, or be linked with, human rights harms. We have not received a response to our letter. We are writing once again to formally notify Procter & Gamble 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.¹

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.²

Moreover, recent developments in Russia point to an expanding universe of financial, legal, and reputational risks facing those left behind.

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

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of the employees is eligible for military service. 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 Vladimir Putin on March 3, 2023, enables the Russian government to suspend shareholders’ rights and implement external management in companies that don’t fulfill state defense contracts under conditions of martial law. 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.” The latest information indicates that the Kremlin is introducing further legislation that would make the measures to fully nationalise assets of foreign companies not adhering to Putin’s rules even more draconian. Some indicate that the “nationalisation is inevitable.”

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. Companies face the rising risk of criminal liability for complicity in

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international crimes, which can be prosecuted by domestic courts outside Russia under the doctrine of "universal jurisdiction." ^7

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. ^8 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. ^9 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.” ^10 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.

Companies may also be exposed to financially material risks through operational restrictions, such as limitations of future government contracts. ^11

Additionally, the Ukrainian government’s National Agency on Corruption Prevention (NACP) is creating 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.” ^12 These companies are recognised as international sponsors of war. 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 29 companies on the list, but the NACP notes that it will be expanded with “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.” ^13

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10 FATF (n 8).
13 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,
Companies that maintain business relationships with Russia risk being perceived as supporting Russia’s war effort. This could have a negative long-term impact on sales in other countries and attract investor scrutiny over adherence to ESG principles. The longer it takes for brands to extricate themselves from the situation, the more damaging it will be for their reputation.

In response to this unprovoked and unjustified war\(^\text{14}\) many other companies have already left Russia. According to the Kyiv School of Economics Institute's #LeaveRussia company tracker, Procter & Gamble has decided to stay and continue its operations in Russia.

Considering these risks and the company’s continued presence in Russia, we would like to pose the following questions to Procter & Gamble:

1. On March 8, 2022, Procter & Gamble announced that it would “discontinue all new capital investments in Russia and suspend all media, advertising, and promotional activity [...] significantly reducing [our] product portfolio to focus on basic health, hygiene and personal care items.”\(^\text{15}\) Five months after this statement, Procter & Gamble reportedly stopped investing in business development in Russia.\(^\text{16}\) However, the company’s chemical plant and Gillette blades and razors plant continued to operate,\(^\text{17}\) and the distribution and availability of Procter & Gamble products in Russia remains abundant.\(^\text{18}\)
   - Can Procter & Gamble provide its definition and list of goods it considers essential in light of the particular circumstances of this conflict?
   - Can Procter & Gamble provide a list of goods that it stopped producing since the outbreak of the war because they are not considered essential?
   - Has Procter & Gamble considered whether its goods can be replaced with local substitutes?
   - Which stakeholders has Procter & Gamble engaged with in determining its policies and the decision to stay in the market?

2. While we do not deny that some goods, such as medicine, are essential for the survival of the local population, products like detergents, razors and other hygiene and beauty products Procter & Gamble provides on the Russian market cannot be and are not considered essential. Businesses should consider the availability of local substitutes, and the potential human rights risks and impacts associated with their operations. Furthermore, when determining the scope and meaning of essential goods, it is crucial to apply a contextual, conflict-sensitive approach. In the context of the war in Ukraine and ongoing operations in Russia, the concept of essentiality should prioritise items such as life-saving medicines that are not manufactured in Russia, while excluding goods such as food, hygiene, and “personal care” items that are readily available


\(^\text{14}\) 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.”


\(^\text{17}\) Ibid.

locally. The continued production, distribution, and import of goods that are available/easily substituted locally and non-essential, in a way that their absence would not be life-threatening to the local population, indirectly perpetuates the conflict by sustaining the resources that enable Russian aggression.

- Has Procter & Gamble 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 these goods within Russia?

3. As a reminder, Bonduelle and Auchan have recently faced significant backlash because their goods were sent to Russian troops in Ukraine, some with notes wishing "a speedy victory." Both companies deny these allegations.
   - How has Procter & Gamble practised due diligence in preventing the direct supply of its products to the Russian military?
   - Does Procter & Gamble have policies, mechanisms, and tools in place to carry out enhanced due diligence of supply chains, intermediaries, customers, and end-users to prevent the supply of goods to the Russian army?
   - If so, how were they utilised for defining business connections that involve the Russian government, its agencies, and state-controlled or sanctioned organisations?

4. We understand and agree that Procter & Gamble has obligations towards its Russian employees. These obligations are laid out under the UNGPs and in the wider international human rights legal and regulatory framework.
   - Can Procter & Gamble 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 military registration, deliver the summons to its employees, and provide resources where required?
   - Has Procter & Gamble received any such requests, and if so, how has the company responded to them?
   - What is Procter & Gamble doing to safeguard its employees from mobilisation?
   - Have any of your employees been mobilised and, if so, what was Procter & Gamble’s role in the process?

5. The safety of employees is and should be a considerable point of concern and obligations for companies. But in light of the specific context of the illegal war on Ukraine, there are other options for the safeguarding of employees that can and have been used by other international companies in Russia. Many companies have offered relocation packages, or contractual clauses which condition the continued employment and safety of employees remaining in Russia. For example, if Procter & Gamble had decided to sell its Russian business it could have included

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contractual clauses to ensure the continued safety of its employees, as previously exemplified by the actions of the French Publicis Groupe who employed 1,200 people in the country.

-Has Procter & Gamble considered any of these or other options before deciding to continue operations in Russia?

6. Despite Procter & Gamble’s promise to scale back its operations and suspend all advertising activities in Russia, the company’s career page lists at least 44 open positions in the country. Moreover, Procter & Gamble also has 2 plants in Ukraine, in Pokrov and Boryspil, and both towns were repeatedly attacked by Russia.

-How does Procter & Gamble reconcile its statements on scaling back its operations with these ongoing employment opportunities in Russia?

-How does Procter & Gamble reconcile its statements on employee wellbeing with continued employment opportunities in light of the new Russian legislation obliging companies to help with the military conscription of its employees?

-How does Procter & Gamble comment on its responsibility towards its Ukrainian employees whose lives and livelihoods were endangered by Russia’s continuous attacks?

7. Procter & Gamble is one of the largest foreign companies still operating in Russia. In 2022, the company’s annual revenue in Russia was $2.2bn. Considering its significant position in the Russian economy, Procter & Gamble is also a significant taxpayer in Russia. This could make the company indirectly involved in financing Russian aggression since corporate taxes are currently estimated to make up approximately 10% of Russia’s GDP — enough to fund 43% of Russia’s military budget. Therefore, taxes paid by companies who stay in Russia indirectly contribute to the war.

-How much tax has Procter & Gamble paid in Russia in 2022 and 2023?

-Can Procter & Gamble confirm that its revenue in 2022 amounted to £2.2bn?

8. Procter & Gamble boasts an impressive portfolio of globally recognized brands such as Pampers, Ariel, Gillette or Pantene. By choosing to continue operating in Russia, the company inadvertently grants the regime a sense of legitimacy and approval. By leveraging the power and reputation of its brands, Procter & Gamble indirectly expresses support for the regime’s actions, which could be interpreted as condoning the war. The continued presence of Procter & Gamble’s brands in the Russian market creates a perceived association between the company and its widely known brands and the Russian government, which may not align with the values of its customers.

-How is Procter & Gamble ensuring that it does not align itself and the names of its brands with the war and the Putin regime?

9. Other companies have faced legal, administrative, and ethical challenges and still committed to, and exited, Russia. Procter & Gamble has decided to stay in the country, even after over one year since the start of the war, over 90,000 reported war crimes, over 24,000 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.

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

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These activities in Russia risk enabling and financing Russia’s violations of IHL and human rights law during the ongoing invasion and occupation of Ukraine.

In consideration of the above points, we are asking Procter & Gamble to:

- Immediately cease all 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.

We request an urgent dialogue with Procter & Gamble’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 to schedule a call. We kindly ask for your response by 5:00pm CET, June 30th, 2023.

Sincerely,

The B4Ukraine Coalition
Jon R. Moeller  
Chief Executive Officer  
Procter & Gamble  
1 Procter & Gamble Plz,  
Cincinnati, Ohio, 45202,  
United States  

RE: Procter & Gamble's business operations in Russia  
February 14, 2023  

Dear Mr. Moeller and Procter & Gamble leadership team,  

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. We expect companies to demonstrate opposition to Russia’s war of aggression, public support for the people, democracy, and territorial integrity of Ukraine, and alignment with the UN Guiding Principles on Business and Human Rights (UNGPs). At stake is not only the sovereignty and territorial integrity of a democratic Ukraine, but also the continuity of the rules-based international order and the prosperity of the global economy.  

We request an urgent dialogue regarding potential inconsistencies between Procter & Gamble’s stated policies on human rights and the company’s ongoing business operations and relationships in Russia that may contribute to, or be linked with, human rights harms.  

We acknowledge that Procter & Gamble has policies in place to guide the company toward ethical behaviour. According to Procter & Gamble’s statements, respect for human rights is “fundamental to the way we manage our business.”¹ Procter & Gamble reinforces this approach and its stated commitment to human rights with its Human Rights Policy Statement. According to the company:  

“We support the U.N. Guiding Principles for Business and Human Rights which respects and honors the principles of internationally recognized human rights, including […] those rights expressed in the International Bill of Human Rights (i.e., Universal Declaration of Human Rights and the International Covenants on Economic, Social and Cultural Rights and Civil & Political Rights).”²  

Procter & Gamble’s commitment to human rights is further expressed in its Ethics and Corporate Responsibility statement, and its Environmental Sustainability report.³  

¹ Procter & Gamble, “Policies and Practices,”  
² Procter & Gamble, “Human Rights Polic Statement,”  
³ Procter & Gamble, “Ethics and Corporate Responsibility,”  
https://us.pg.com/ethics-and-corporate-responsibility/ (accessed February 7, 2023); “Environmental Sustainability,”
It has been almost 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, and forcible transfer of civilians). More than 18,000 Ukrainians 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.

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 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. 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.

This legislation entails new and significant legal risks for companies remaining in Russia, 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. Companies may be exposed to financially material risks through operational restrictions, such as limitations of future government contracts.


In response to this unprovoked and unjustified war\(^7\) many companies have left Russia. According to the Kyiv School of Economics Institute’s (KSE) #LeaveRussia company tracker, Procter & Gamble is pausing investments, while continuing substantive business in Russia.\(^8\) On March 8, 2022, Procter & Gamble announced that it would be reducing the scale of its Russian operations, including “discontinue[ing] all new capital investments in Russia and suspending all media, advertising, and promotional activity […] significantly reducing [our] product portfolio to focus on basic health, hygiene and personal care items”.\(^9\) Following that, on April 20, 2022, Procter & Gamble representatives indicated the possibility of leaving the Russian market “because of sanctions, restrictions on financial institutions, supply challenges and monetary controls.”\(^10\) In August, the company reportedly stopped investing in business development in Russia.\(^11\) Despite these statements, the company still has a significant presence in Russia.

Prior to the invasion, Procter & Gamble’s business operations in Russia and Ukraine accounted for 1.5-2% of the company’s global profit.\(^12\) The company has 2 plants in Russia which produce Tide detergent and Gillette razors.\(^13\) These factories are still in operation. The company also directly employs 2,500 people in the country, and continues to seek new employees.\(^14\)

While the company empathised with the Ukrainian people, as well as its Russian employees, and promised to significantly reduce its portfolio of products, Procter & Gamble raised the prices of these products by an average of 43% to offset the loss of income for the planned reduction.\(^15\) The Economic Security Council notes that, according to Procter & Gamble’s report for 2022, the company’s sales in Russia increased due to the rise in product prices.\(^16\) While we understand that Procter & Gamble links the rise in prices to increasing difficulties in the supply chain and the impact of exchange rates, the action has Ukrainian media claiming that:

\(^7\) 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.”


\(^12\) TASS, “P&G announces possible withdrawal from Russia, says agency,” April 21, 2022, https://tass.com/economy/1440763 (accessed February 7, 2023).


“It seems that the declared concern for ordinary Russians is actually an attempt to stay in the big market by any means and take advantage of the fact that more responsible competitors have completely cancelled cooperation with the totalitarian regime.”

The company also has 2 plants in Ukraine, in Pokrov and Boryspil. Both towns were repeatedly attacked by Russia.

By continuing its operations, Procter & Gamble are creating jobs and paying taxes in support of the Russian economy, which directs a large part of the budget to the military industry. In 2021 alone, the company paid approximately $5.2 million in tax revenues and other payments.

In response, on February 2, 2023, the Ukrainian National Agency for Prevention of Corruption (NAPC) included Procter & Gamble in the list of international sponsors of the war. The basis for this decision was the information provided by the Economic Security Council of Ukraine, which notes that Procter & Gamble continues to work in Russia, pays taxes to the budget and contributes to mobilisation measures.

Due to these developments, we are requesting a clarification from Procter & Gamble on whether it intends to follow through on its commitments and leave the Russian market. The company’s activities risk enabling and financing Russia’s violations of IHL and human rights law during the ongoing invasion and occupation of Ukraine and violating Procter & Gamble’s Human Rights policies and the company’s commitment to abiding by the UNGPs. It remains to be seen how directly Procter & Gamble will be impacted by the partial mobilisation and the heightened legal, regulatory, operational, and financial risks associated with companies being required to provide direct support to the internationally sanctioned Russian military.

We seek to understand how Procter & Gamble has conducted and continues to conduct heightened human rights due diligence and how the findings of such a process has resulted in these continued business activities and relationships. As noted by the UNGPs:

…the more severe the abuse, the more quickly the enterprise will need to see change before it takes a decision on whether it should end the relationship. In any case, for as long as the abuse continues and the enterprise remains in the relationship, it should be able to demonstrate its own ongoing efforts to mitigate the impact and be prepared to accept any consequences – reputational, financial or legal – of the continuing connection.

In consideration of the above points and B4Ukraine’s Declaration, we request an urgent dialogue with Procter & Gamble’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 B4Ukraine at contact@b4ukraine.org to schedule a call. We kindly ask for your response by 5:00pm CET, February 28, 2023.

Please do not hesitate to get in touch if you require any further information.

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18 NACP (N 16).
19 Ibid.
20 Ibid.
Sincerely,

The B4Ukraine Coalition