

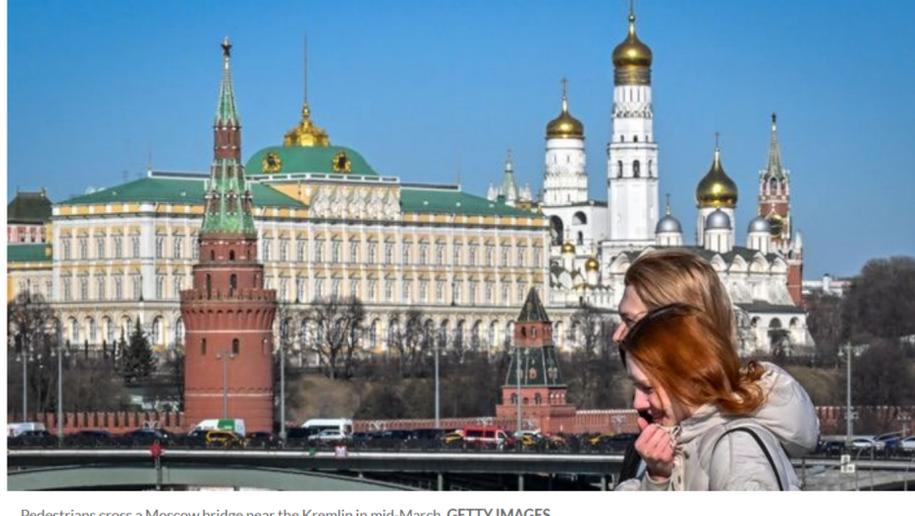
# PepsiCo and other U.S. companies accused of ‘moralwashing’ in statements about Russia

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Companies have been accused of making statements about Russia that 'look better than their actions,' according to Moral Rating Agency



Pedestrians cross a Moscow bridge near the Kremlin in mid-March. GETTY IMAGES

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### Referenced Symbols

PEP 0.45%▲ JNJ -0.46%▼ CVX -0.59%▼ PG -0.91%▼ DELL -0.81%▼ GS 0.65%▲

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A host of companies has been accused of making statements about Russia that “look better than their actions,” according to the Moral Rating Agency.

The [Moral Rating Agency](#) has published a list of companies, both in the U.S. and overseas, that it accuses of “moralwashing,” or making confusing statements about their involvement with Russia. The 12 companies in “the communications hall of shame” include PepsiCo Inc. [PEP, 0.47%](#), Johnson & Johnson [JNJ, -0.44%](#), Chevron Corp. [CVX, -0.52%](#), Procter & Gamble Co. [PG, -0.91%](#), Dell Technologies Inc. [DELL, -0.75%](#) and Goldman Sachs Group Inc. [GS, 0.65%](#).

To compile its latest report, the Moral Rating Agency analyzed the announcements of 112 companies that were involved in Russia at the time of the Ukraine invasion on Feb. 24. The agency classified “communications failure” into four categories: “confusing wording,” “wriggle-room wording,” “red herring” statements, and not disclosing one or more Russian activities properly, which the researchers describe as “corporate amnesia.”

“The 12 worst offenders didn’t just fail to exit Russia properly,” said Moral Rating Agency founder Mark Dixon, in a statement. “They also frequently moralwashed their failures by saying one thing and doing another.”

See: [Six months after Russia invaded Ukraine, Moral Rating Agency’s ‘Courage Index’ analyzes companies’ statements on Kremlin’s aggression](#)

“Continuing to work with Russia is immoral, but moralwashing it is ‘doubly immoral,’” he added.

PepsiCo is at the top of the Moral Rating Agency’s list. Researchers accused the consumer giant of “confusing wording” on several points, “corporate amnesia” about its snack-production business in Russia and issuing a “red herring” statement.

The agency pointed to a Reuters [report](#) last month that PepsiCo had stopped making Pepsi, 7Up and Mountain Dew in Russia nearly six months after the company said it would suspend sales and production in the country. Reuters reported that it had visited dozens of supermarkets, retailers and gyms in Moscow and other areas and found Pepsi cans and bottles printed with July and August production dates from factories in Russia.

On March 8 PepsiCo [published](#) a letter sent by CEO Ramon Laguarta to employees via email. In the letter he announced the suspension of “the sale of Pepsi-Cola, and our global beverage brands in Russia, including 7Up and Mirinda.”

See: [Kremlin could seize Russian assets of U.S. companies, warns Moral Rating Agency](#)

A spokesperson for PepsiCo referred MarketWatch to a recent statement from the company. “In line with the announcement we made in March 2022, we ceased the manufacture of relevant concentrates for Pepsi-Cola, Mirinda, 7Up and Mountain Dew in the Russian market and suspended capital investments, advertising and promotional activities in Russia,” the company said. “All concentrates have subsequently been exhausted in Russia and production has ended.”

The Moral Rating Agency contends that PepsiCo used confusing wording in its statement released on March 8. “When using the word ‘sale’, the company’s initial

statement didn’t specify that it was only suspending deliveries of concentrates, which the company only clarified when the continuing production and sales were exposed by Reuters,” it said, in its research.

The Moral Rating Agency accused Dell of “corporate amnesia” regarding its ownership of a development center in St. Petersburg. It was months before the center’s closure was announced, according to the Agency.

A spokesperson for Dell told MarketWatch that the company closed its offices and ceased all Russian operations in mid-August. “Back in February, we made the decision to not sell, service or support products in Russia, Belarus and the Donetsk and Luhansk regions of Ukraine, in addition to the already embargoed Crimea,” the spokesperson added, in an emailed statement.

Regarding Johnson & Johnson, the Moral Rating Agency accuses the company of using “confusing wording,” arguing that the company’s initial statement on March 4 didn’t disclose the status of its personal-care products, which it later suspended.

See: [Despite plenty of talk, many U.S. companies have still not fully exited Russia: Moral Rating Agency](#)

A Johnson & Johnson spokesperson referred MarketWatch to a [statement](#) released by the company on March 29. At that time, Johnson & Johnson announced its decision to suspend the supply of personal-care products to Russia.

Johnson & Johnson in early March suspended all advertising, enrollment in clinical trials and any additional investment in the country. “We will continue to support those most directly impacted and are committed to providing access to our essential medical products in the countries where we operate, in compliance with current international sanctions,” it said, in the [statement](#) on March 4.

Chevron, Procter & Gamble and Goldman Sachs had not yet responded to a request for comment for this story.



### About the Author



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