

Who is still in Russia? Year-end report

- Many companies have not left
- Others keep some of their Russian activities going

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A Moral Rating Agency report shows that there are plenty of well-known corporations still in Russia. Some have not moved out at all, while others have decided to quit some activities but not others.

The MRA selected twelve of the most famous companies that range from being 50% to 100% still involved in Russia, calling them the ‘Dirty dozen’.

The Moral Rating Agency was set up to expose companies involved with the economies of autocratic regimes such as Putin’s. It is currently issuing ratings to embarrass companies working with Russia in order to get Russia out of Ukraine and to use this momentum to help pro-democracy Russians get Putin and his regime out of Russia.

Dirty dozen			
Well-known companies still in Russia, ranked by MRA degree of involvement			
Company	Russian involvement		Activity found by Moral Rating Agency
 Alibaba	100%		Still owns 48% of AliExpress Russia
 Saudi Aramco	100%		Still owns 31% of Russian Novomet
 Johnson & Johnson	90%		Continuing J&J institute in Moscow and pharmaceuticals and medical devices
 HSBC Holdings	84%		Still operating and serving existing customers
 Goldman Sachs	80%		Continuing to serve existing customers
 Unilever	80%		Still producing products described as essential, including ice-cream
 Procter & Gamble	75%		Still producing health-related goods and retained employees in general
 General Electric	70%		Continuing existing power services and providing essential medical equipment
 Nestlé	65%		Continuing to retain employees and still producing baby food and medical goods
 PepsiCo	65%		Still producing milk products and retained employees in general
 BP	60%		Still owns 19.75% Rosneft stake
 Chevron	50%		Still owns 15% stake in Caspian pipeline, which transports Russian oil to coast

Note: Degree of Russian involvement is based on a calculation of 'Breadth' and 'Depth' according to MRA Rating Methodology. 'Breadth' deals with the range of activities withdrawn, and 'Depth' with the completeness of their withdrawal.

Source: MoralRatingAgency.org

In this report, the MRA focuses on companies' degree of involvement in Russia. The rating is based on a calculation of 'breadth' and 'depth' according to MRA rating methodology. 'Breadth' deals with the range of activities withdrawn, and 'depth' with the completeness of their withdrawal, for example whether a promise to sell a factory has actually been carried through.

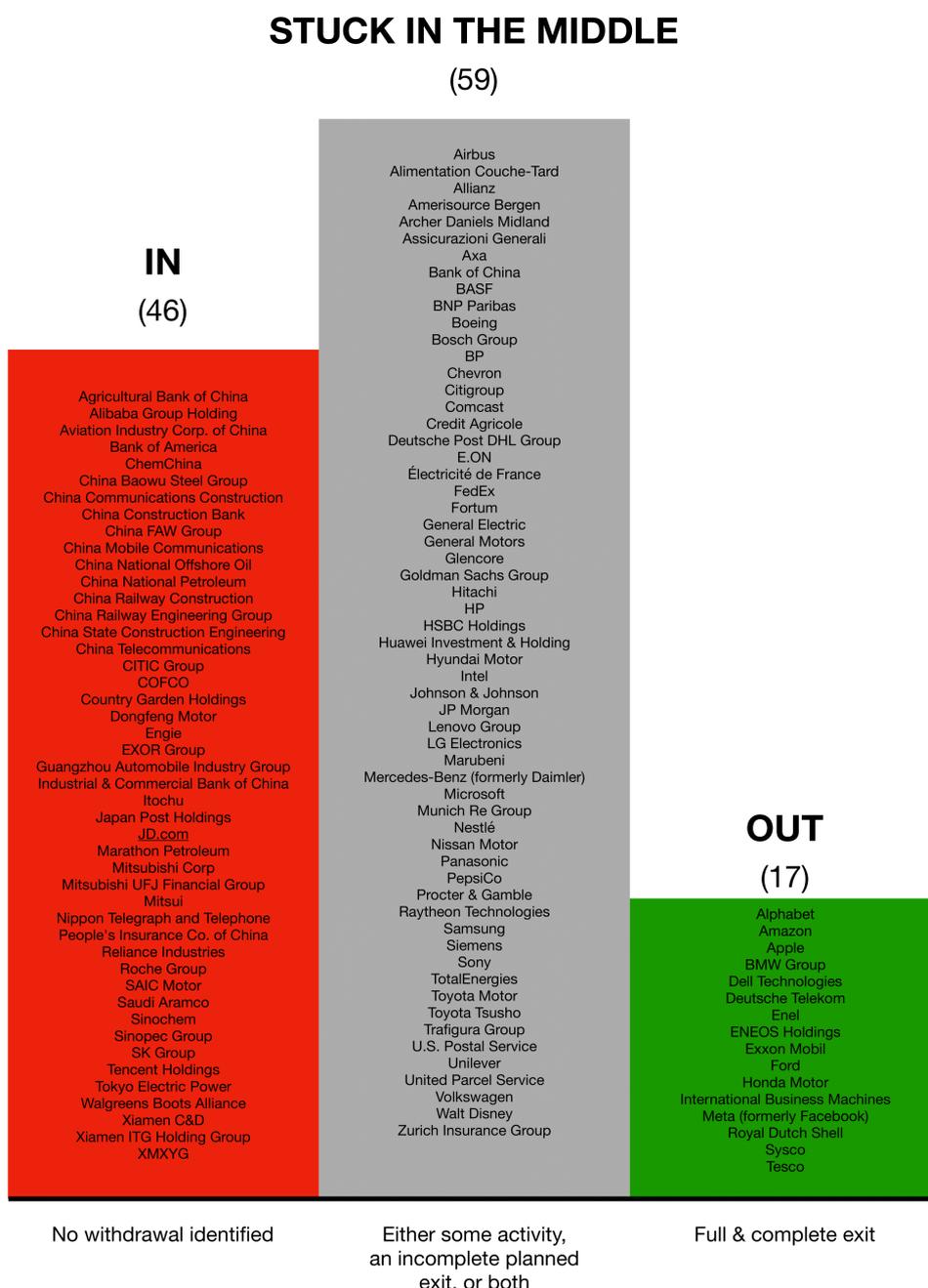
Many companies are only half out

Of the 122 largest corporations in the world involved with Russia at the time of Ukraine's invasion, only 17 exited from all of their activities while 46 have not announced any exit. Surprisingly, the largest group are those that made a partial or incomplete withdrawal from their Russian activities and are 'stuck in the middle' or may be on a journey to complete their withdrawal.

Mark Dixon, the MRA's founder, explained: "Often companies say they will get out but the devil is in the detail. They often get credit before they have left – they are devils in angels' clothing."

Their exit deficiencies span over a wide range of shortcomings, from those that have put only a toe outside Russia to those that keep only a foot in the door.

Activities measured include exports, imports, wholly-owned factories and assets, offices and partly-owned investments, meaning that large corporations usually need to take many actions to get a clean rating under the Moral Rating Agency's strict 'out means out' rule.



Note: Breakdown of the 122 companies in Russia at time of invasion, out of largest 200 in the world

Source: MoralRatingAgency.org

The Moral Rating Agency found that companies use four main loopholes or excuses to avoid a proper exit:

- A Russian activity is not mentioned in the statement, allowing the corporation to keep operating something that is often economically more significant than the announced closure without people knowing.
- The corporation makes an exit with a ‘carve-out’, such as for essential goods.
- A factory or operation is mothballed but employees are retained so the lights can be switched on at a moment’s notice.
- A sale of a Russian company or asset is promised but without any timeframe for the actual sale, which may never materialize.

Mr. Dixon explained, "Companies are hiding in shades of grey: doing little but looking like they are doing a lot. When people hear that a company is out of Russia, they don’t have time to check which activities were not included in the statement, or whether the pull-out was actually implemented."

"Some company announcements are not worth the paper they are written on. You read the statement and it sounds like the company is doing something real – but often it is just a promise that the company will be able to tear up. If it manages to delay a sale until it is less embarrassing to work with Russia, it can avoid doing anything at all." he adds.

Moralwashing

Companies often don’t just fail to exit properly, but also exaggerate or spin up their paltry efforts. Mr. Dixon said, "Russia is such a hot potato that companies are ‘moralwashing’ to hide their inaction or incomplete action."

Companies that refuse to break at all with Russia are considered the worst of the worst by the MRA's rating methodology. These include many Chinese companies like Alibaba which may never leave. Alibaba's joint venture AliExpress Russia controls about 10% of Russia’s e-commerce market and the company has made no announcement of exit.

Mr. Dixon said, "We think Alibaba is trapped. If it fails to follow the Chinese regime's Putin appeasement policy, it runs the risk of retribution. It may be caught between a rock and a hard place, of wanting to do the right thing and fearing doing the right thing. It loses profits in the West if it becomes a pariah, and loses profits in the East if it doesn’t side with China. Such quandaries are the price of living under the long shadow of the Chinese regime. Alibaba is a pawn on a chessboard being played by democracy on one side and autoeratic regimes on the other, but in this case autocracy is winning." Amazon, by contrast, is totally clear of Russia.

Ukraine's 2022 Misery at a glance	
Civilian deaths (total)	6,490
Children deaths	430
Civilian injured (total)	9,972
Children injured	745
Military deaths	100,000
Population displaced	14,600,000
Population affected by power cuts	4,500,000
Residential buildings destroyed	1,500
Schools destroyed	202
Hospitals destroyed	34

Source: [MoralRatingAgency.org](https://moralratingagency.org) based on data from UN Human Rights, US government, and EUAA, IOM and OECD reports
Note: Figures reflect different dates for each sources

Companies ‘stuck in the middle’ like the big Western consumer brands Johnson & Johnson, Nestlé, Unilever, PepsiCo, Procter and Gamble have started their journey out of Russia. But, as Mr. Dixon insists, **“We hope to make life so unbearable for the half-hearted companies that they are forced to make full and complete exits according to our uniform standards. Until then, we will spotlight and publicly admonish them.”**

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About the [Moral Rating Agency](#)

The Moral Rating Agency was set up to get Russia out of Ukraine. It later plans to cover corporate unethical actions in other countries and on other issues.

In addition to exposing, and crediting, corporations through moral ratings, the MRA maintains an [Indelible Ledger](#) of a company’s actions so any later corrective actions do not wipe the slate clean. Time is of the essence, so the rating system includes a disincentive for delay through exposing and tracking what preceded a later corrective action.

Unlike ESG (Environmental, Social and Governance) rating agencies, which have a commercial responsibility to their institutional investor clients to cover the range of issues these clients wish, the Moral Rating Agency is zeroing in on a single corporate moral issue, in this case the Russia-Ukraine war.

The MRA was founded and is led by Mark Dixon, who runs the mergers & acquisitions consultancy Thinking Linking in the City of London and New York. He was one of the co-founders of the online financial commentator [BreakingViews.com](#), which is today part of Thomson Reuters. Mark has been opposed to autocratic regimes, particularly to the Chinese government and to Putin’s transformation of Russia from a nascent democracy into a fully-throttled autocracy. He has a personal connection with Ukraine because he has owned an apartment in the city of Lviv since 2010. He has also lived in China.

The MRA has a paid staff of moral raters, verifiers, and fact-checkers who operate according to its [Rating Methodology](#). It also has an on-site team involved in statistics, media relations, site production and publishing.

The MRA has no customers, external commercial relationships, or conflicts of any kind. It will rate and publish so that consumers, media and governments can judge companies on a single topic on a fair basis. This objectivity on individual companies and their relative scores is maintained despite the campaigning nature of the agency, as explained in [Rating Philosophy](#).