

Allianz and Goldman Sachs among firms accused of 'moralwashing' on Russia

12 'worst offenders'

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Image: 12 firms accused of "making confusing statements about their involvement with Russia".

The Moral Rating Agency has accused 12 corporations of “moralwashing or making confusing statements about their involvement with Russia”, among which are financial firms Allianz and Goldman Sachs.

The MRA said that many corporations had been “moralwashing” their approach to Russia in the wake of its invasion of Ukraine back in February.

It said it had “identified statements that give the impression of a more complete Russian exit than actually took place, or saying one thing and doing another”.

Companies’ involvement and potential profits made from Russia have been highly scrutinised and protested after Russia carried out an unprovoked invasion of Ukraine on 24 February this year.

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For its report, titled *Russian Moralwashing*, the agency analysed the announcements of 112 out of the top 200 companies in the world that were involved in Russia in some way at the time of the invasion of Ukraine.

The 88 that were excluded either had no activities in Russia, were Russian company or had already made a “full and complete withdrawal” from the state.

Across the remaining businesses with some links to Russia, the MRA examined five metrics: degree of exit, speed of exit, conviction in exit, the impact of the exit on Russia, and the sacrifice involved.

It then classified what it called ‘communications failures’ into four categories: ‘confusing wording’, ‘wriggle-room wording’, ‘red herring’ statements, and not disclosing one or more Russian activities properly, which the MRA calls ‘corporate amnesia’.

From here it determined the 12 “worst offenders”, of which Allianz ranked eighth and Goldman Sachs eleventh. The worst offender overall was Pepsico.

MRA founder Mark Dixon said: “The 12 worst offenders did not just fail to exit Russia properly. They also frequently moralwashed their failures by saying one thing and doing another. Russia is such a pariah that companies find it difficult to speak plainly.”

He added: “Continuing to work with Russia is immoral, but moralwashing is doubly immoral.”

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Out of the four types of ‘communication failures’, red herring statements made up 35% (18 cases) of the cases examined.

MRA said that corporations would often make a “big splash” of promising not to make further investments in Russia, but the agency found these statements “gratuitous” since this was “unrelated to existing activities” the company may already have in Russia.

On Allianz specifically, the MRA highlighted its deal to sell its majority stake in its Russian operations to Interholding LLC, the owner of Russian property and casualty insurer Zetta and merge the two companies.

Upon completion, it said Allianz will hold 49.9% of the combined company and “in effect, it will own a smaller slice of a bigger pie”.

Regarding Goldman Sachs, the agency said that its statement made on 10 March about winding down its business activities in Russia was “very unclear” and added that the statement implies Goldmans Sachs will be ceasing all business in Russia, although it “may be making no commitment to wind down anything beyond what it is legally required to do”.

Both Allianz and Goldman Sachs have been contacted for comment.

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