

Pernod Ricard is exiting the Russian market after giving in to outside pressure

👤 Mia Gordon · May 16, 2023



Pernod Ricard has suspended all activities in Russia after facing increasing pressure from the Moral Rating Agency (MRA) to back down and not back down as previously announced.

The MRA was set up after Russia invaded Ukraine in 2022. It examines, evaluates and reveals the extent to which the world's largest companies are in contact with Russia.

It condemned the liquor company for withdrawing to Russia and "swimming against the moral tide".

In April, the liquor giant said that while it "strongly condemned" Russia's invasion of Ukraine, the reality of the pullout from Russia was "complex and extremely challenging".

The statement said: "Our commitment to protecting our colleagues in the region has been the guiding principle behind the difficult decisions we have made and we continue to work hard to find the best solution to this difficult dilemma."

Also read: [Pernod Ricard ceases its operations in Russia after a controversy over its Absolut vodka](#)

As a result, Pernod Richard this week announced to shareholders that it would stop distributing its portfolio in Russia, a process that is expected to "take a few months".

"Outrageous idea"

However, the \$59 billion conglomerate will continue to pay Russian employees to maintain its position in the market if operations resume in the future.

MRA's Mark Dixon says it was an "outrageous idea" to resume exports to Russia. "The resignation of Pernod Ricard in the face of public outcry is a lesson for other companies – no one should be tempted to do the same."

"Since we attacked his plan to resume deliveries, [Pernod Ricard] has refused to give a specific date for a withdrawal and has said it will resume operations in the future. "We will be closely monitoring his actions to make sure it actually comes out."

In its most recent financial update, Pernod Ricard reported total sales of 9.5 billion euros (\$10.4 billion) for the first nine months of the year on broad-based organic growth of 8 percent.