## WeWork, Carl's Jr., Unilever and Shell among companies slammed by Yale over operations in Russia Last Updated: July 15, 2023 at 12:06 p.m. ET

First Published: July 14, 2023 at 4:13 p.m. ET By James Rogers (Follow)

More than 1,000 companies have exited Russia, says Yale, although some remain in the country.



AAPL+0.08% ▲ GOOG+0.70% ▲ GOOGL+0.71% ▲ AMZN+0.28% ▲ IBM-0.39% ▼ MCD-0.09% ▼ WE-5.49% ▼ UL+0.44% ▲ ULVR 0.74% ▲ SHELL -0.68% ▼ SHEL -0.39% ▼ SHEL -2.30% ▼

WeWork Inc., Carl's Jr., Unilever PLC and Shell PLC are among around 400 Western

Russia, despite a major retreat from the country by more than 1,000 multinationals.

A slew of major Western corporations such as U.S. giants Apple

companies slammed by the Yale School of Management over their continuing presence in









8 minutes

in Russia on the WeWork app," they wrote.

researchers add.

Russia.

Agency

country, exiting is not straightforward."

crucial to Putin's revenues," the researchers said.

giant told the **BBC** that it is not violating laws or sanctions.

energy giant Gazprom with ongoing operations inside Russia.

operate. We have been clear about this."



Inc. <u>AAPL, +0.08%</u>, Alphabet Inc. <u>GOOG, +0.70%</u> <u>GOOGL, +0.71%</u>, Amazon.com Inc. AMZN, +0.28%, International Business Machines Corp. IBM, -0.39% and McDonald's Corp. MCD, -0.09% left Russia in response to Moscow's devastating invasion of Ukraine. But others still maintain a Russian presence, according to ongoing research by the Yale School of Management Chief Executive Leadership Institute.

Of 1,584 global multinational companies in the Yale study, 1,181 were classified as either

having withdrawn or suspended all or most of their Russian operations; or having

suspended a significant proportion of their business in Russia as of July 2023. But 403 companies are described as either "buying time" while continuing substantive Russian operations or "digging in" and largely conducting business as usual. These companies have been dubbed "the feckless 400" by Yale's researchers. "While the overwhelming majority of the 1,000+ global companies have kept their promises to exit Russia, we are disappointed that a small handful have seemingly reneged on their initial promises to leave," Yale professor Jeff Sonnenfeld and his research colleague, Steven Tian, wrote in the research. WeWork WE, -5.49% was among the companies singled out by the researchers. "The

famous co-work space real estate company promised to leave Russia in March 2022 but not only has WeWork not left Russia, anyone can continue to book a workspace

"We have full intentions to discontinue operations in Russia and are in the final stages of

our divestiture plans," a spokesperson for WeWork told MarketWatch.

Another company criticized by the Yale team was fast-food restaurant chain Carl's Jr. "Bafflingly, the fast-food chain not only continues to do business in Russia after vague reports of possible withdrawal but is proud of it," the researchers write, pointing to Russian-language advertisements that regularly appear on the company's Instagram <u>account</u>. The advertisements show "Russians — overwhelmingly striking young females

feasting on American fast food as if there was nothing out of the ordinary," the

Carl's Jr. has not yet responded to a MarketWatch request for comment. Consumer-goods giant Unilever <u>UL, +0.44%</u> <u>ULVR, 0.74%</u> also was a target of Yale

criticism. "Despite ample consumer boycotts, Unilever continues to sell consumer goods

into Russia under the guise of 'essential' products, like other consumer goods giants though Cornetto ice cream hardly seems essential," wrote Sonnenfeld and Tian. Earlier this year, on the anniversary of Russia's invasion, the Economic Security Council of Ukraine slammed Unilever over its Russian presence. "It's making their hands bloodstained because of what Russia is doing in Ukraine," a representative for the Economic Security Council told MarketWatch. The Economic Security Council of Ukraine was set up to develop expertise in identifying and counteracting internal and external threats to Ukraine's economic security. The Moral Rating Agency, an organization set up after the invasion of Ukraine to examine

whether companies were carrying out their promises of exiting Russia, has also targeted

Agency urged Unilever's new CEO, Hein Schumacher, to "do the moral thing" and exit

Unilever. In a statement released earlier this month the Moral Rating

have ceased all imports and exports of our products into and out of Russia, and we have stopped all media and advertising spend," the company said. "We have also ceased all capital flows into and out of the country." "We continue to supply our everyday food and hygiene products made in Russia to people in the country," Unilever added.

"We understand why there are calls for Unilever to leave Russia. We also want to be clear

"However, for companies like Unilever, which have a significant physical presence in the

Related: Kremlin could seize Russian assets of U.S. companies, warns Moral Rating

The company said it has three options in Russia, one of which is closing down its business, which employs around 3,000 people across four manufacturing sites and a

that we are not trying to protect or manage our business in Russia," Unilever said.

Unilever directed MarketWatch to a statement issued in February. "Since March 2022, we

head office. "However, it is clear that were we to abandon our business and brands in the country, they would be appropriated — and then operated — by the Russian state," the company said. "In addition, we do not think it is right to abandon our people in Russia."

A second option would be to sell the business, but Unilever says that it has not been able to find a solution that avoids benefiting the Russian state and safeguards the company's people. The third option is allowing the business to run with the constraints Unilever put in

place last year. Unilever acknowledges that none of the options is desirable. "Nevertheless, we believe the third remains the best option, both to avoid the risk of our business ending up in the hands of the Russian state, either directly or indirectly, and to help protect our people," the company said. "We will of course continue to keep this position under close review."

Yale also called out Shell **SHELL, -0.64% SHEL, -0.32% SHEL, -2.30%** in its research. "Although the energy giant pledged to suspend new purchases of Russian commodities, they are continuing to fulfill existing contracts, taking huge amounts of Russian gas that is

made hundreds of millions of dollars trading Russian liquefied natural gas since Russia's full-scale invasion of Ukraine in February 2022. "Russia's LNG exports are helping to finance the country's war in Ukraine and in 2022 were worth an estimated \$21 billion," the organization said. "Few companies have helped this trade more than Shell." Related: Russia's Mir payment system increasingly isolated, but concerns linger about possible stealth links to the outside world

The Moral Rating Agency has accused Shell of "compliance washing," after the energy

"Shell has stopped buying Russian LNG on the spot market, but still has some long-term contractual commitments," a spokesperson for Shell told MarketWatch. "This is in full compliance with sanctions, applicable laws and regulations of the countries in which we

Environmental and human-rights campaign group Global Witness estimated that Shell has

"Shell made its decision to withdraw from all Russian hydrocarbons with conviction and we have stopped all purchases of Russian crude oil, as well as cargoes of refined products, such as diesel, exported from Russia," the spokesperson said. "We also exited all our downstream business in Russia, such as services stations." The spokesperson added that Shell is no longer part of any joint ventures with Russian

"It is for governments to decide on the incredibly difficult trade-offs that must be made." Read on: Tinder owner Match exits Russia: 'We are committed to protecting human rights'

MW

**Read Next** 

Once-mighty Canopy Growth loses billions as dream of pot riches runs into reality of

atrocities in Ukraine and ensuring stable, secure energy supplies," the spokesperson said.

"There is a dilemma between putting pressure on the Russian government over its

JPMorgan Chief Executive Jamie Dimon on Friday said the U.S. economy was basically doing OK. But caution still prevails.

The nation's biggest banks are gearing up for more consumer struggles ahead

Cathie Wood's ARK ETFs sold \$50 million in Coinbase stock Barron's: New Apartment Buildings Are Opening Up. How the Glut Changes Rent. Barron's: With the Cybertruck, Tesla Faces Its Edsel Moment About the Author James Rogers 🖾 💟 James Rogers is a Financial Columnist for MarketWatch.

oversupply and overspending

More On MarketWatch

Conversation

*MarketWatch* 

f in Cownload on the App Store Google Play

**COMMUNITY GUIDELINES • FAQS** Be the first to comment...

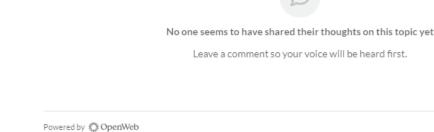
> MARKETWATCH COMPANY

Terms | Privacy | Feedback

DOW JONES NETWORK

BACK TO TOP

2 Viewing



Powered by 💸 OpenWeb

