

Avon slammed over Russia links, described as 'Beauty and the Beast' by Moral Rating Agency

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Beauty giant Avon says its Russian operations are 'a critical support' for women in the country

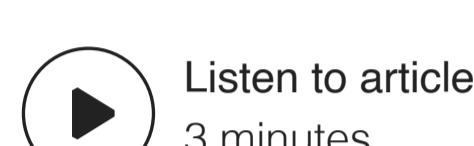


Avon is being slammed by report that it's still operating in Russia after its invasion of Ukraine. (Photo by VERA SAVINA/AFP via Getty Images)



Referenced Symbols

AAPL -0.29% ▼ GOOGL -0.26% ▼ GOOG -0.19% ▼ AMZN -0.28% ▼ IBM +0.00% ▲ MCD +0.15% ▲ NTCO -2.06% ▼



Beauty giant Avon Products Inc. is in the spotlight after a BBC report said that the company has maintained links with Russia after the Ukraine invasion.

A slew of major Western corporations such as U.S. giants Apple Inc. **AAPL, -0.29%**, Alphabet Inc. **GOOGL, -0.29%** **GOOG, -0.20%**, Amazon.com Inc. **AMZN, -0.31%**, International Business Machines Corp. **IBM, +0.01%** and McDonald's Corp. **MCD, +0.15%** left Russia in response to Moscow's invasion of Ukraine.

In 2022, shortly after Russia launched its invasion, Avon announced the suspension of investments in Russia and the end of Russian exports to other markets. But, while Western companies have come under intense pressure to exit Russia, the BBC reports that Avon is still recruiting new sales agents in the country and is continuing production at a plant in the Moscow region.

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In a statement sent to MarketWatch Avon described the company's operations in Russia as "a critical support" for women in the country.

"In terms of operations in Russia, Avon continues to provide its Representatives with the means to sustain their financial independence and is supplying their social selling businesses," it said. "We see this as critical support for women whose livelihoods depend on their Avon business and believe that restricting their access to selling products would have an outsize impact on women and children."

The plant in Naro-Fominsk serves only the Russia market and does not export to other markets, Avon added.

"For over 135 years, Avon has stood for women wherever they are in the world, regardless of ethnicity, nationality, age or religion."

Avon's parent company Natura & Co **NTCO, -2.06%** declined to comment when contacted by MarketWatch.

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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 slammed Avon over its Russian operation, accusing the company of "moralwashing."

"[Avon] is weaponizing women's issues and victimizing women for its own commercial interests," said Moral Rating Agency Founder Mark Dixon, in a statement.

"By hiring new people, keeping production going, and keeping products on the shelves, Avon is supporting the economy that pays for the invasion of Ukraine," Dixon added. "Avon reps knocking on doors in Russia sends a 'business as usual' signal to Russian people while the West is trying to send them the message that Putin has made Russia a pariah state."

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MRA also called for a boycott of Avon. "The Avon reps around the world and consumers of Avon should boycott the company," Dixon said, in the statement. "Ukraine should ban Avon from operating in its country in the future if it doesn't get out of Russia now."

"We are giving Avon a new slogan—'Beauty & The Beast,'" Dixon added.



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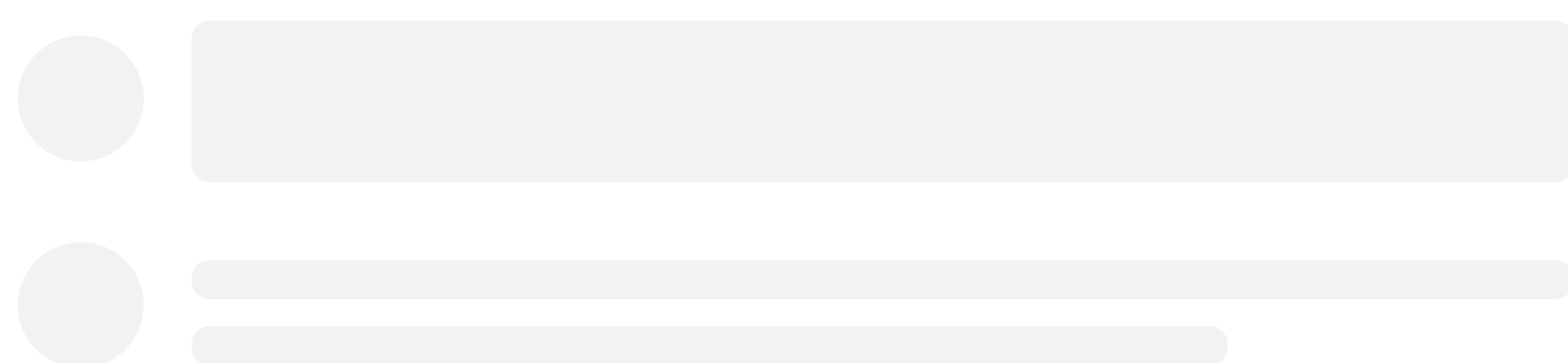
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