

Unilever CEO Reevaluates \$870M Russian Operations Amid Exit Pressure



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In the wake of escalating tensions in Russia, global consumer goods behemoth Unilever PLC is facing intensifying demands to withdraw its operations from the country. The pressure follows a recent statement from Unilever's CEO Hein Schumacher, who, according to The U.K. Telegraph, indicated to a Ukrainian war veteran that the company's decision to retain its Russian business would be reevaluated with "fresh eyes."

Despite Unilever's suspension of all imports and exports of its products into and out of Russia since March 2022, the firm's continued production of "everyday food and hygiene products" within the country has drawn criticism from various quarters. The company has been added to the Ukrainian government's 'International sponsors of war' list, and organizations such as the Ukraine Solidarity Project and the Moral Rating Agency have been calling for Unilever's exit from Russia, arguing that its continued presence equates to profiteering from the conflict.

Unilever Pressured to Exit Russia Amid Ongoing Ukraine Conflict

Consumer goods titan, Unilever PLC, is facing increasing pressure to withdraw its operations from Russia, based on recent remarks from CEO Hein Schumacher. Schumacher, according to U.K. Telegraph reports, informed a Ukrainian war veteran that he would reconsider Unilever's decision to retain its Russian business with a "fresh perspective". This has led many, including the Ukraine Solidarity Project, to hope that the CEO will make the "bold decision" to exit Russia.

Criticism and Calls for Exit

Unilever has found itself in a whirlwind of critique due to its continued operations in Russia. The Moral Rating Agency (MRA), a group established post the Ukraine invasion to evaluate companies' commitment to leaving Russia, has repeatedly urged Unilever to terminate its Russian operations. The MRA's founder, Mark Dixon, denounced Unilever's stalling tactics as a means to continue profiting from its presence in the country.

Further, the company has been added to the Ukrainian government's 'International sponsors of war' list and faced boycott calls. Despite this, Unilever, which had approximately 3,000 employees in Russia and net assets worth around \$870 million as of June 2023, continues to maintain its position. The company's spokesperson reiterated that they were keeping their Russian operations under close scrutiny.

Unilever's Position and Response

In the first half of 2023, Russia accounted for 1.2% of Unilever Group's turnover and 1.5% of net profit. While Unilever ceased all import and export of its products from and to Russia in March 2022, it continues to provide "everyday food and hygiene products" made in Russia to the local population. The company has acknowledged the calls for its exit but has also highlighted the complexity of such a move given its significant physical presence in the country.

The Larger Picture

The Ukraine Solidarity Project has initiated a high-profile campaign, using images of war injured Ukrainian veterans, to pressure Unilever into leaving Russia. Major Western corporations like Apple, Alphabet, Amazon, IBM, and McDonald's have already left Russia in response to the invasion of Ukraine.

Conclusion

The continued presence of Unilever in Russia, in spite of the ongoing Ukrainian conflict, has led to mounting pressure on the company to reconsider its stance. The situation draws attention to the ethical responsibilities of global corporations during geopolitical crises. Whether Unilever will succumb to the pressure and join other corporations in exiting Russia remains to be seen.

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