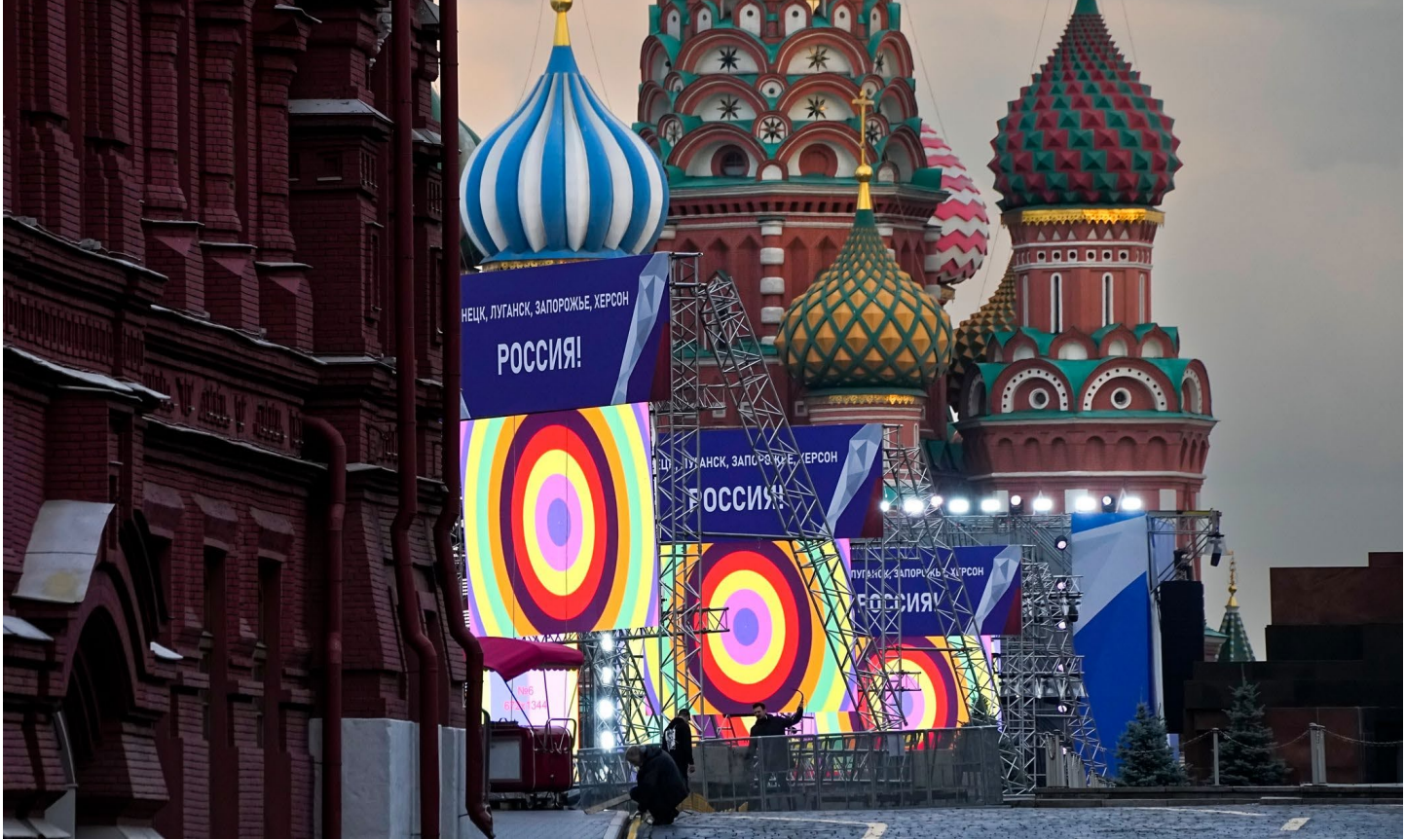


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WeWork, Carl's Jr., Unilever and Shell among companies slammed by Yale over operations in Russia



More than 1,000 global multinationals have exited Russia since the invasion of Ukraine, although around 400 still have Russian operations, according to ongoing research by the Yale School of Management Chief Executive Leadership Institute. (AP Photo/Alexander Zemlianichenko)

WeWork Inc., Carl's Jr., Unilever PLC, and Shell PLC are among around 400 Western companies slammed by Yale over their continuing presence in 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 Inc. [AAPL, +0.08%](#), Alphabet Inc. [GOOG, +0.70%](#) [GOOGL, +0.71%](#), 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Of 1,584 global multinational companies in the [Yale study](#), 1,181 were classified as either having withdrawn or suspended all or most of their Russian operations; or having suspended a significant proportion of their business in Russia as of July 2023.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 doing 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 in [Russia on the WeWork](#) app,” they wrote.

“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, noting Russian-language advertisements that regularly appear on the company's [Instagram page](#). The advertisements show “Russians – overwhelmingly striking young females – feasting on American fast food as if there was nothing out of the ordinary,” the researchers add.

Carl's Jr. has not yet responded to a request for comment on this story from MarketWatch.

Consumer goods giant Unilever [UL, +0.44%](#) [ULVR, +0.47%](#) also was a subject of 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 Unilever. In a statement released earlier this month The Moral Rating Agency [urged](#) Unilever's new CEO Hein Schumacher to “do the moral thing” and exit Russia.

Unilever directed MarketWatch to a [statement](#) issued in February. “Since March 2022, we 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 that we are not trying to protect or manage our business in Russia,” Unilever said. “However, for companies like Unilever, which have a significant physical presence in the country, exiting is not straightforward.”

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 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 the Russian state potentially gaining further benefit, and which 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 [SHEL, -1.39%](#) 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 crucial to Putin's revenues,” the researchers said.

Environmental and human rights campaign group [Global Witness](#) estimated that Shell has made hundreds of millions of dollars trading Russian Liquefied Natural Gas since Russia's invasion of Ukraine began 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 also accused Shell of “[compliance-washing](#),” after the energy giant told the [BBC](#) that it is not violating laws or sanctions.

“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 operate. We have been clear about this.”

“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 energy giant Gazprom with ongoing operations inside Russia.

“There is a dilemma between putting pressure on the Russian government over its atrocities in Ukraine and ensuring stable, secure energy supplies,” the spokesperson said. “It is for governments to decide on the incredibly difficult trade-offs that must be made.”