

Michel Doukeris  
Chief Executive Officer  
Anheuser-Busch InBev SA/NV  
Grand Place 1  
1000 Brussels  
Belgium

August 31, 2023

RE: Ab InBev's business operations in Russia

Dear Mr. Doukeris,

We write to you as [B4Ukraine](#), a coalition of Ukrainian and international civil society organizations working to curtail the financial resources enabling the Russian invasion of Ukraine. In the spirit of respect for the fundamental rights of all people, the rules-based international order, and a prosperous global economy, we expect companies to demonstrate public support for the people, democracy, and territorial integrity of Ukraine, opposition to Russia's war of aggression, and alignment with the UN Guiding Principles on Business and Human Rights (UNGPs).

We are writing to notify Ab InBev on the serious and increasing risks the company faces by continuing its operations with Russia that may amount to complicity in human rights abuses committed by Russia and to urge you to:

- Immediately cease all operations and presence in Russia and completely exit the Russian market.
- Refrain from any future business, trade, or investment in Russia until Russia ends its war in Ukraine, territorial integrity of Ukraine is restored, and accountability imposed for war crimes and the destruction of Ukrainian infrastructure and property.
- Establish and implement comprehensive human rights due diligence measures for any responsible exit from or re-engagement with Russia.

It has been over one year since Russia invaded Ukraine and the devastating impacts continue to shock the global conscience and shake the global economy. Russia is violating international humanitarian law (IHL), including war crimes and crimes against humanity, through attacks on civilians and civilian infrastructure (e.g., mass executions, sexual violence, torture, forcible transfer of civilians). More than 25,000 Ukrainian civilians have been killed and injured and millions more have been forced to flee their homes, creating one of the largest humanitarian and refugee crises of modern times. In recognition of the severity of abuses, in March 2023 the International Criminal Court issued an arrest warrant for Vladimir Putin to answer war crimes charges.<sup>1</sup>

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<sup>1</sup> International Criminal Court, "Situation in Ukraine: ICC judges issue arrest warrants against Vladimir Vladimirovich Putin and Maria Alekseyevna Lvova-Belova," March 17, 2023, <https://www.icc-cpi.int/news/situation-ukraine-icc-judges-issue-arrest-warrants-against-vladimir-vladimirovich-putin-and> (accessed March 22, 2023).

Moreover, recent developments in Russia point to an expanding universe of financial, legal, and reputational risks facing those left behind.

On September 21, President Vladimir Putin escalated the war by announcing a “partial mobilisation” of the Russian population. The accompanying legislation ([Article 9 of Federal Law No. 31-FZ](#)) mandates all organisations, including the more than 1,500 international companies that are currently operating on a full or limited scale in Russia, to conduct military registration of the staff if at least one of the employees is eligible for military service.<sup>2</sup> They must also assist with delivering the military summons to their employees, ensure the delivery of equipment to assembly points or military units, and provide information, buildings, communications, land plots, transport, and other material means of support to the war effort.

A new decree issued by President Vladimir Putin on March 3, 2023, enables the Russian government to suspend shareholders' rights and implement external management in companies that don't fulfil state defence contracts under conditions of martial law.<sup>3</sup> By specifying the process of appointing Russian government representatives to manage businesses that fail to meet state orders, the latest Decree effectively creates a scenario of "partial nationalization." The latest information indicates that the Kremlin is introducing further legislation that would make the measures to fully nationalise assets of foreign companies not adhering to Putin's rules even more draconian. Some indicate that the “nationalisation is inevitable.”<sup>4</sup>

With new legislation introducing partial mobilisation, nationalisation, and potentially martial law in Russia, it is highly likely that corporations will be unable to prevent or mitigate negative human rights impacts, an obligation imposed on companies by the United Nations Guiding Principles on Business and Human Rights. As such, continuing to conduct business in Russia entails significant legal risks for companies, including potential civil and criminal liability under comprehensive sanctions regimes and recent international jurisprudence holding corporations and their officers responsible for human rights abuses abroad.<sup>5</sup> Companies face the rising risk of criminal liability for complicity in

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<sup>2</sup> Federal Law No. 31-FZ of February 26, 1997 "On mobilization training and mobilization in the Russian Federation" (as amended), <https://base.garant.ru/136945/> (accessed November 14, 2022).

<sup>3</sup> Decree of the President of the Russian Federation No. 139 dated March 3, 2023 "On Certain Issues of Carrying Out the Activities of Business Companies Participating in the Fulfilment of the State Defense Order", <http://publication.pravo.gov.ru/Document/View/0001202303030004> (accessed March 22, 2023).

<sup>4</sup> Max Seddon and Anastasia Stognei, “Russia moves to seize ‘naughty’ western companies,” *Financial Times*, June 15, 2023, <https://www.ft.com/content/cd627211-68f6-4dfa-8a04-3344deee2e85> (accessed June 15, 2023).

<sup>5</sup> International companies remaining in Russia are now at a greater risk of violating sanctions regimes as implementation of the legislation will likely involve transacting with sanctioned individuals or entities. Furthermore, new domestic civil and criminal cases against companies involved in violations of international law demonstrate the risk of significant liability for facilitating state-sponsored human rights abuses abroad (e.g., Lafarge case, Lundin case, Castel Group indictment, Nevsun holding, and Dassault Aviation, Thales, and MBDA France criminal complaint.) Victoria Riello and Larissa Furtwengler, “Corporate Criminal Liability for International Crimes: France and Sweden Are Poised To Take Historic Steps Forward,” *Just Security*, September 6, 2021, <https://www.justsecurity.org/78097/corporate-criminal-liability-for-human-rights-violations-france-and-sweden-are-poised-to-take-historic-steps-forward/> (accessed November 14, 2022); The Sentry, “Breaking: France Opens War Crimes Inquiry Focused on Iconic Food and Beverage Conglomerate,” July 1, 2022, <https://thesentry.org/2022/07/01/7216/breaking-france-opens-war-crimes-inquiry-focused-iconic-food-beverage-conglomerate/> (accessed November 14, 2022); *Rfi*, “French technology firm charged over Libya cyber-spying,” July 2, 2022, <https://www.rfi.fr/en/business-and-tech/20210701-french-tech-firm-charged-over-libya-cyber-spying> (accessed November 14, 2022); Preston Lim, “Canadian Supreme Court Allows Corporate Liability for International Law Violations,” *Lawfare*, March 12, 2022, <https://www.lawfareblog.com/canadian-supreme-court-allows-corporate-liability-international-law-violations> (accessed November 14, 2022); Sherpa, “Aiding and abetting war crimes in Yemen: Criminal complaint

international crimes, which can be prosecuted by domestic courts outside Russia under the doctrine of "universal jurisdiction."<sup>6</sup>

On 24 February 2023, The Financial Action Task Force (FATF) suspended Russia's membership as a result of the war, calling on all actors in the international financial system to exercise extreme caution in all dealings with Russia.<sup>7</sup> In practice, the decision means that all international banks will scrutinise all Russian payments, making financial transactions more expensive, lengthy, with no guarantee that the transaction will occur at all.<sup>8</sup> Although FATF has not yet blacklisted Russia, it highlighted the consensus among its 36 member countries that "the Russian federation's actions represent a gross violation of the commitment to international cooperation upon which FATF Members have agreed to implement and support the FATF Standards."<sup>9</sup> Previous practice shows that noncooperative behaviour is one of the reasons for FATF blacklisting.

A recent report shows that Russia poses a "real threat to global financial integrity, as well as to national security more broadly."<sup>10</sup> Additionally, the revelation by the Russian president confirming that the internationally recognized transnational criminal organization known as the "Wagner Group" is funded by the Russian government has brought to light a range of alarming risks related to money laundering, terrorist financing, and other financial crimes for businesses involved in or working with Russia.<sup>11</sup> It is now a distinct possibility that businesses continuing to trade with Russia may be providing financial support to the Wagner Group, a notorious paramilitary organization.

Companies may also be exposed to financially material risks through operational restrictions, such as limitations of future government contracts.<sup>12</sup>

Additionally, the Ukrainian government's [National Agency on Corruption Prevention](#) (NACP) is creating a list of "foreign companies that, despite the international recognition of Russia as the

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submitted against French arms companies," June 2, 2022, <https://www.asso-sherpa.org/aiding-and-abetting-war-crimes-in-yemen-criminal-complaint-submitted-against-french-arms-companies> (accessed November 14, 2022).

<sup>6</sup> For example, ongoing proceedings in the US and France against the French multinational Lafarge for complicity in human rights violations in Syria. The Paris Court of Appeal, "La Cour d'appel de Paris confirme la mise en état de la multinationale française Lafarge pour complicité de crimes contre l'humanité commis par l'Etat islamique," May 18, 2022, <https://www.doughtystreet.co.uk/sites/default/files/media/document/Press%20release%20french%20version.pdf> (accessed March 22, 2023); United States Attorney's Office, Eastern District of New York, "Lafarge Pleads Guilty to Conspiring to Provide Material Support to Foreign Terrorist Organizations," October 18, 2022, <https://www.justice.gov/usao-edny/pr/lafarge-pleads-guilty-conspiring-provide-material-support-foreign-terroris> (accessed March 22, 2023).

<sup>7</sup> FATF, "FATF Statement on the Russian Federation," February 24, 2023, <https://www.fatf-gafi.org/en/publications/Fatfgeneral/fatf-statement-russian-federation.html> (accessed March 14, 2023).

<sup>8</sup> Liudmyla Sliptsova, "Russia's membership in the FATF suspended. What does this mean and how ruinous is this for the aggressor's economy?," *Mind*, February 27, 2023, <https://mind.ua/en/publications/20253993-russias-membership-in-the-fatf-suspended-what-does-this-mean-and-how-ruinous-is-this-for-the-aggre> (accessed March 14, 2023).

<sup>9</sup> FATF (n 7).

<sup>10</sup> Themis, "Russia; Country Risk Report," June 2023, <https://themisservices.co.uk/country-risk-report-russia> (accessed June 26, 2023).

<sup>11</sup> Telegram, "Встреча Путина с военными и его заявления по поводу ЧВК "Вагнер," June 27, 2023, [https://t.me/rian\\_ru/207202](https://t.me/rian_ru/207202) (accessed July 3, 2023).

<sup>12</sup> Venable LLP, "Do You Contract with State Governments? If So, Beware of Emerging State Sanctions' Obligations Related to Russia and Belarus," *JD Supra*, June 3, 2022, <https://www.jdsupra.com/legalnews/do-you-contract-with-state-governments-6537229/> (accessed November 14, 2022).

aggressor state and the introduced sanctions restrictions, continue to cooperate with it.”<sup>13</sup> These companies are recognised as international sponsors of war. The listed entities will be included into the World-Check database to protect the global financial sector from Russian sponsors of war. Since banks and insurance companies use World-check to assess risks, companies on the list will be limited in freely accessing personal and corporate finances. So far there are 36 companies on the list, with the NACP noting that the list includes “international companies that provide the public and private sector with goods and services of critical purpose, as well as [those that] contribute to the Russian budget.”<sup>14</sup>

Companies that maintain business relationships with Russia risk being perceived as supporting Russia's war effort. This could have a negative long-term impact on sales in other countries and attract investor scrutiny over adherence to ESG principles. The longer it takes for brands to extricate themselves from the situation, the more damaging it will be for their reputation.

In response to this unprovoked and unjustified war<sup>15</sup> many other companies have already left Russia. According to the Kyiv School of Economics Institute's #LeaveRussia [company tracker](#), Ab InBev has decided to stay and continue its operations in Russia.

Considering these risks and the company's continued presence in Russia, we would like to pose the following questions to Ab InBev:

1. In April 2022, Ab InBev announced the decision to sell its interest in the Russian joint-venture, Ab InBev Efes, to its Turkish partner, Anadolu Efes.<sup>16</sup> In the same statement, Ab InBev continues: “AB InBev is de-recognizing the investments in AB InBev Efes and will report a 1.1 billion USD non-cash impairment charge in non-underlying share of results of associates as part of its first quarter results announcement.” Thereafter, it was widely reported that the company is selling its Russian business and incurring a \$1.1bn loss.<sup>17</sup>

However, although announced in April 2022, 16 months ago, there is no indication that the sale has been finalised.

**-We are writing to enquire whether Ab InBev is intending to honour its pledge to sell its Russian operations.**

**-Could Ab InBev share the timeline in which the announced sale would be finalised and whether this would constitute a complete exit from all operations in the Russian market?**

2. Ab InBev Efes is the market leader in Russia and counts eleven breweries and three malt complexes in Russia, highlighting the company's significant position in the Russian economy.

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<sup>13</sup> NACP, “International Sponsors of War,” <https://sanctions.nazk.gov.ua/en/boycott/> (accessed February 6, 2023).

<sup>14</sup> NACP, “Companies from the NACP list of “International Sponsors of War” are now in the World-check database, used worldwide for reviewing counterparties,” September 7, 2022, <https://nazk.gov.ua/en/news/companies-from-the-nacp-list-of-international-sponsors-of-war-are-now-in-the-world-check-database-used-worldwide-for-reviewing-counterparties/?hilite=sponsor+of+war> (accessed February 6, 2023).

<sup>15</sup> The UN General Assembly condemned Russia's “aggression against Ukraine” and demanded that Moscow “unconditionally withdraw all of its military forces from the territory of Ukraine within its internationally recognized borders.”

<sup>16</sup> Ab InBev, “Anheuser-Busch InBev Announces Decision to Sell Interest in Russian JV,” April 22, 2022, [https://www.ab-inbev.com/assets/pressreleases/2022/04/AB%20InBev\\_Press%20Release\\_EN\\_FINAL.pdf](https://www.ab-inbev.com/assets/pressreleases/2022/04/AB%20InBev_Press%20Release_EN_FINAL.pdf) (accessed August 31, 2023).

<sup>17</sup> Philip Blenkinsop, “AB InBev to sell interest in Russia with \$1.1 billion charge,” *Reuters*, April 22, 2023, <https://www.reuters.com/business/brewer-ab-inbev-sell-its-interest-russia-2022-04-22/> (accessed August 31, 2023).

In seeming contradiction to the announcement to exit its Russian operations, Ab InBev Efes has reportedly expanded its production since the start of the invasion. Ukrainian media reports that in August, seven Russian factories began production of products under the brands Spaten, Franziskaner, Leffe Blonde and Brune, which are owned by Ab InBev. The drinks, named under world-famous brands, are bottled at the company's plants in Ulyanovsk, Kaluga, Omsk, Volga, Saransk, Klin, and Ivanovo.<sup>18</sup> While we understand that the production of certain brands in Russia has stopped, we would like to enquire on Ab InBev's role in the reported expansion of production.

While Ab InBev notes that it does not have a controlling share in Ab InBev Efes, as a partner in the joint venture, the company has leverage over the operations of the Russian company. According to the UNGPs, in order to prevent and mitigate adverse human rights impacts, business enterprises should take appropriate actions, which includes exercising leverage in order to mitigate impact to the greatest extent possible. In cases where leverage cannot be exercised, the enterprise should consider ending the relationship which links it to adverse human rights impacts.

**-Has Ab InBev exercised its leverage or taken any steps to prevent the expansion of production of products under its brands in Russia?**

**-Can Ab InBev explain the discrepancies between its initial pledge to exit Russia with subsequent developments that are in contradiction with this promise?**

**-Which stakeholders has Ab InBev engaged with in determining its policies and the decision to continue operating in Russia, 18 months since the start of the war?**

**-Has Ab InBev considered all the circumstances and complexities of the Russo-Ukrainian war, including numerous human rights violations and war crimes committed in Ukraine, as well as the fact that Russia is an aggressor state, in determining to continue providing its goods in Russia?**

3. Data shows that Ab InBev, instead of scaling down its operations, saw an increase in revenue in 2022 (\$1.42bn) compared to 2021 (\$1.18bn).

Considering its considerable position in the Russian economy, Ab InBev is also a significant taxpayer in Russia. This could make the company indirectly involved in financing Russian aggression since corporate taxes help fund Russia's military budget. Therefore, taxes paid by companies who stay in Russia indirectly contribute to the war.

**-How much tax in total has Ab InBev paid in Russia in 2022 and 2023?**

4. As a reminder, Bonduelle and Auchan have recently faced significant backlash because their goods were sent to Russian troops in Ukraine, some with notes wishing "a speedy victory."<sup>19</sup> Both companies deny these allegations.

**-How has Ab InBev practised due diligence in preventing the direct supply of its products to the Russian military?**

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<sup>18</sup> Dmytro Denkov, "Belgian beer at the service of Russia. Why the producer of "Chernihivsky" does not leave the aggressor country," *Economic Truth*, September 22, 2022, <https://www.epravda.com.ua/publications/2022/09/22/691751/> (accessed August 31, 2023).

<sup>19</sup> Euromaidan Press, "Bonduelle accused of gifting 10,000 food kits to Russian troops; French office denies," January 3, 2023, <https://euromaidanpress.com/2023/01/03/french-bonduelle-gifts-10000-food-kits-to-russian-troops-wishes-them-victory/> (accessed May 4, 2023); Business and Human Rights Resource Centre, "New evidence reveals Auchan was fully aware of destination of its goods supplied to Russian army," March 3, 2023, <https://www.business-humanrights.org/en/latest-news/russia-auchan-allegedly-supports-soldiers-fighting-in-ukraine-despite-french-management-denials-recent-investigation-reveals-more-proofs/> (accessed May 4, 2023).

**-Does Ab InBev have policies, mechanisms, and tools in place to carry out enhanced due diligence of supply chains, intermediaries, customers, and end-users to prevent the supply of goods to the Russian army?**

**-If so, how were they utilised for defining business connections that involve the Russian government, its agencies, and state-controlled or sanctioned organisations?**

5. We understand that Ab InBev has obligations towards its Russian employees. These obligations are laid out under the UNGPs and in the wider international human rights legal and regulatory framework.

**-Can Ab InBev clarify how it has used this framework to minimise the risks and impacts to its employees?**

**-How has the company applied heightened human rights due diligence to its operations in Russia considering the new Russian legislation requiring businesses to help conduct military registration, deliver the summons to its employees, and provide resources where required?**

**-Has Ab InBev Efes received any such requests, and if so, how has the company responded to them?**

**-What is Ab InBev doing to safeguard its employees from mobilisation?**

**-Have any of your employees been mobilised and, if so, what was Ab InBev's role in the process?**

6. Ab InBev has also referred to the illegal war as a "conflict between Russian and Ukraine."<sup>20</sup>

**-Is Ab InBev willing to publicly condemn the war against Ukraine?**

7. Ab InBev boasts an impressive portfolio of globally recognized brands. By choosing to continue operating in Russia, the company inadvertently grants the regime a sense of legitimacy and approval. By leveraging the power and reputation of its brands, Ab InBev indirectly expresses support for the regime's actions, which could be interpreted as condoning the war. The continued presence of Ab InBev's brands in the Russian market creates a perceived association between the company and its widely known brands and the Russian government, which may not align with the values of its customers.

**-How is Ab InBev ensuring that it does not align itself and the names of its brands with the war and the Putin regime?**

8. Other companies have faced legal, administrative, and ethical challenges and still committed to, and exited, Russia. Ab InBev is still operating in the country, even after over one year since the start of the war, over 100,000 reported war crimes, over 25,000 Ukrainian civilians killed or injured, and with the head of the Russian state indicted by the International Criminal Court for alleged war crimes, namely the abduction of Ukrainian children.

**-Considering these developments and the rising number of reported human rights abuses and war crimes, has Ab InBev considered expediting its exit from Russia so as not to be even indirectly or remotely associated with these crimes?**

We request an urgent dialogue with Ab InBev's relevant senior management and staff to discuss the company's ongoing activities and relationships in Russia and associated risks to the people of Ukraine and the company. Please contact the B4Ukraine Coalition at [contact@b4ukraine.org](mailto:contact@b4ukraine.org) to schedule a call. We kindly ask for your response by 5:00pm CET, September 14<sup>th</sup>, 2023.

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<sup>20</sup> Ab InBev, "Unaudited Interim Report for the six-month period ended 30 June 2022," <https://www.ab-inbev.com/assets/pressreleases/2022/07/HY22%20European%20financial%20statements.pdf> (accessed August 31, 2023).

Sincerely,

The B4Ukraine Coalition