Gmail

Business for Ukraine <contact@b4ukraine.org>

Letter re Vitol's Reported Business Operations with Russia

Andrea Schlaepfer <acs@vitol.com>
To: Business for Ukraine <contact@b4ukraine.org>

15 July 2025 at 16:21

Dear B4Ukraine Coalition,

We thank you for your letter of 30 June 2025.

Vitol's position in relation to Russia remains unchanged and we attach previous correspondence from March 2023 which details this position.

The comments by Mr Hardy which you refer to are consistent with our long-held position and do not imply a change of approach.

Vitol continues to support the Ukrainian energy sector through its trading activity. In addition, Vitol is supporting the development of new sources of energy, such as biogas.

We are always happy to engage with stakeholders. Please let me know if you wish to arrange a date for a conversation.

Kind regards,

Andrea Schlaepfer

Russell Hardy
Chief Executive Officer
Vitol SA
Place des Bergues 3
1201 Geneva,
P.O. Box 2056,
1211 Geneva 1
Switzerland

B4Ukraine

June 30, 2025

Dear Mr. Hardy and the Vitol Leadership Team,

We write to you as B4Ukraine, a coalition of Ukrainian and international civil society organizations committed to curbing the financial support that fuels Russia's brutal invasion of Ukraine. Given the turbulent and uncertain political situation and discussions about the potential return of Western businesses to Russia, we are reaching out again to urge your company to commit to a full and permanent exit from the Russian market.

Businesses must not return to the Russian market until:

- Ukraine's sovereignty and complete territorial integrity are restored, as recognized by international law.
- Reparations are paid in full for all damages caused by Russian aggression, covering infrastructure, economic losses, and human suffering.
- Accountability is imposed for violations of international law, including the crime of aggression, war crimes, and crimes against humanity.

As is outlined below, this is not only a matter of principle but also a strategic and financial judgment based on a plethora of risks related to Russia. The circumstances that led to the withdrawal of foreign firms from Russia have not changed. The war against Ukraine continues, and the economic, legal, and reputational risks of doing business in Russia remain high.

We are concerned about Vitol's continued involvement in the Russian energy sector. While some firms chose to exit fully following the full-scale invasion of Ukraine, Vitol has maintained a level of activity in trade involving Russian-origin energy products.

In a recent statement, Russell Hardy, CEO of Vitol Group, acknowledged that the company's future activity in Russia would "obviously depend on the rules and regulations at the time," while also describing the process of negotiating a ceasefire as "incredibly complex." He added: "In reality we do think it's going to be a year or two, so there isn't any anxiousness inside of the organization about being ready or preparing for it. But clearly I could be wrong and it could be quicker than anticipated."

These remarks suggest that Vitol is keeping the door open to continued or potentially expanded engagement with Russia, depending on the regulatory environment. In the context of ongoing Russian aggression against Ukraine and sustained international efforts to reduce the Kremlin's war revenues, such a position raises serious concerns.

We therefore seek clarity on Vitol's current operations involving Russian energy and ask the company to clarify whether it intends to fully exit the Russian market. Given the legal, financial,

reputational, and human rights risks of ongoing involvement, we urge Vitol to publicly clarify its stance and demonstrate alignment with international human rights and humanitarian law, as well as its responsibilities under the UN Guiding Principles on Business and Human Rights.

The wide range of risks associated with returning to and operating in Russia, including financial, legal, reputational, operational, and human rights risks, are outlined in greater detail below. We would welcome the opportunity to discuss these concerns directly and confidentially with your team. To that end, we invite you to a meeting to explore these issues further. If you would like to discuss these matters with representatives of Ukrainian and wider civil society, please confirm your availability by **July 14, 2025**, so that we can arrange a suitable time. Please note that following this date, this letter and any responses received will be published on the B4Ukraine website.

Sincerely,

The B4Ukraine Coalition

The Risks of Re-Engaging with the Russian Market

Recent speculation about the potential lifting of sanctions, particularly in the United States, has created uncertainty. However, it is clear that the broader sanctions regime remains intact. The United States has for now maintained its restrictions, while the European Union recently approved its 17th package of sanctions. Even if some policymakers consider relaxing their stance, the reality remains that the EU, UK, Japan, Canada, and numerous other governments and organisations have imposed sanctions on Russia, making it the most sanctioned country in the world, due to its crime of aggression against its sovereign neighbour.

It has been three years since Russia invaded Ukraine, committing the crime of aggression and breaching the UN Charter. Russia is violating international humanitarian and human rights law, committing over 150,000 documented war crimes. In recognition of the severity of abuses, in March 2023 the International Criminal Court issued an arrest warrant for Vladimir Putin to answer charges of war crimes.

At the same time, economic and regulatory conditions in Russia are no longer conducive to stable business operations. Companies re-entering the market would be navigating a landscape of restricted supply chains, financial barriers, and legal uncertainties. Since 2022, Russia has pursued a deliberate strategy of seizing foreign-owned assets, whether through formal expropriations or regulatory coercion. According to a study conducted by the London School of Economics, over 500 Western firms have seen their assets expropriated under various pretexts, including companies in industries ranging from brewing and consumer goods (e.g., Danone, Carlsberg) to energy (e.g., Uniper, Fortum). The scope of legislation and Russian domestic case law showing the readiness for expropriation has skyrocketed since the start of the full-scale invasion. Businesses looking to re-enter must expect that their assets would meet a similar fate.

These patterns show a blatant disregard for property rights, investor and shareholder rights, and are a general indicator of an authoritarian government. Accordingly, any western business seeking re-entry faces the risk of Kremlin decrees that introduce new fees, taxes, and price controls; limit the repatriation of profits and dividends; restrict asset sales and management decisions; and expropriate private businesses.

Russia's macroeconomic environment further devalues the case for re-engagement. Interest rates have soared to 2%, labour shortages are worsening, and consumer purchasing power has significantly declined. The country's middle class is shrinking, and the infrastructure that once supported international trade and investment has deteriorated.

Meanwhile, Russia's own officials have stated that returning businesses should not expect to be treated on equal footing with local firms. As Vladimir Putin confirmed, those seeking re-entry would be disadvantaged to ensure the competitiveness of local businesses. Many Western brands have already been replaced by domestic or Chinese alternatives, making it difficult, if not impossible, for companies to regain their former market position. Rebuilding operations in such a climate would require substantial financial investment with little certainty of return, naturally concerning investors. Russian policy is confirmed to be favourable towards domestic production and market share.

The Russian legislative framework continues to pose a high risk of business complicity in the war. Under Federal Law No. 31-FZ businesses, including international companies that are operating on a full or limited scale in Russia, are required to conduct military registration of the staff if at least one of the employees is eligible for military service. 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.

Beyond financial and legal exposure, reputational risks remain high. Any company that chooses to return to Russia will be seen as disregarding the human cost of the war in Ukraine. Some Russian officials have even suggested that businesses seeking to re-enter should contribute financially to the Russian military or establish operations in occupied Ukrainian territories. These decisions would directly associate a company's name with a government engaged in an ongoing conflict, one that has been widely condemned for violations of international law. Moreover, they could render the company complicit in violations of international law.

For all these reasons, we strongly urge your company not only to remain outside the Russian market but to take an active role in discouraging others from returning. We ask that you publicly **affirm your commitment to staying out of Russia**, engage with your peers, and use your influence to advocate for continued economic pressure until meaningful conditions for peace and accountability are met.

With so many alternative markets offering greater stability and growth potential, the case for returning to Russia is weak. The financial, legal, and reputational risks outweigh any potential short-term benefits. More importantly, to re-enter the Russian market under current conditions would be to ignore the principles that led to withdrawal in the first place and contradict all principles of ethical business conduct and a business' responsibility to respect human rights.

We hope that your company will make the right decision by refraining from operating in Russia and by using its influence to encourage others in the industry to follow suit.

Request for a meeting with Vitol regarding business operations in Russia

Andrea Schlaepfer <acs@vitol.com>

Fri, Mar 24, 3:13 PM

to me

Dear B4Ukraine,

Many apologies, I thought I had responded.

Our position in respect of Russia is clear:

- Vitol's policy is to comply fully with all applicable legislation and regulation and to minimise Russian origin purchases.

- Since the invasion Vitol has responsibly reduced Russian activity, including exiting significant assets. Our volumes of Russian crude oil and product lifted have fallen by over 90% and are now negligible.

For your information, please find below information regarding out position regarding Ukraine:

- Vitol had invested in a Ukrainian wind farm, which is now in occupied territory.

- Since February 2022 it has continued to supply Ukrainian companies with petroleum products and LPG, despite the significant logistical challenges.

- It continues to use Ukrainian gas infrastructure, including storage, generating revenues for Ukraine. It continued to do this even in Q4 2022, despite significant military activity and when most other international companies had withdrawn from the country.

- It is working with state-owned entities to try and better connect Ukraine to Europe's power networks.

- Notwithstanding the war, Vitol is looking to invest in renewable projects in Ukraine, notably the biogas sector, which would support the creation of a new sustainable industry for the country.

I would be happy to have a conversation at your convenience.

Kind regards,

Andrea

B4Ukraine

Russell Hardy
Chief Executive Officer
Vitol SA
Place des Bergues 3
1201 Geneva,
P.O. Box 2056,
1211 Geneva 1
Switzerland

RE: Vitol SA's business operations in Russia

February 28, 2023

Dear Mr. Hardy,

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. We expect companies to demonstrate opposition to Russia's war of aggression, public support for the people, democracy, and territorial integrity of Ukraine, and alignment with the UN Guiding Principles on Business and Human Rights (UNGPs). At stake is not only the sovereignty and territorial integrity of a democratic Ukraine, but also the continuity of the rules-based international order and the prosperity of the global economy.

We request an urgent dialogue regarding potential inconsistencies between Vitol SA's (Vitol) stated policies on human rights and the company's ongoing business operations and relationships in Russia that may contribute to, or be linked with, human rights harms.

We acknowledge that Vitol has policies in place to guide the company toward ethical behaviour. According to Vitol's Environmental & Social Framework:

> "We are committed to respecting all internationally recognized human rights – we will seek to conduct our business in accordance with the UN Guiding Principles on Business and Human Rights, whilst striving to improve year on year."[1]

Vitol reiterates its commitment to human rights in its ESG report, emphasising the company's dedication to implementing the UN SDGs and the UN Guiding Principles on Business and Human Rights.[2] Vitol strives to conduct ongoing human rights due diligence, including when "undertaking transactions and when performing counterparty due diligence."[3] These commitments are further supported by the company's Code of Conduct, Modern Slavery Policy, and ESG reporting.

[1] Vitol, "E&S beliefs – Human Rights," https://www.vitol.com/environment-social/ (accessed February 23, 2023).
[2] Vitol, "ESG Report 2021," https://www.vitol.com/wp-content/uploads/2022/12/ESG-2021-Report-digital-1.pdf (accessed February 23, 2023).
[3] Vitol, "Vitol Documents," https://www.vitol.com/vitol-documents/ (accessed February 23, 2023).

It has been 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, and forcible transfer of civilians). More than 18,000 Ukrainians 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.

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 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.[4] 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.

This legislation entails new and significant legal risks for companies remaining in Russia, 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.[5] Companies may be exposed to financially material risks through operational restrictions, such as limitations of future government contracts.[6]

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[4] 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 January 2, 2022).

[5] 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," 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 January 2, 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 January 2, 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 January 2, 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 January 2, 2022); Sherpa, "Aiding and abetting war crimes in Yemen: Criminal complaint 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 January 2, 2022).

[6] 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 January 2, 2022).

In response to this unprovoked and unjustified war[7] many companies have left Russia. According to the Kyiv School of Economics Institute's (KSE) #LeaveRussia company tracker, Vitol has exited its Russian operations.[8] However, our research indicates that there are inconsistencies between Vitol's pledge to exit the Russian market, and its continued business operations in the country.

In April, Vitol reportedly decided to stop trading Russian crude oil and products by the end of 2022.[9] According to the company, the volumes of Russian oil handled "will diminish significantly in the second quarter as current term contractual obligations decline."[10] However, despite this pledge, reports show that Vitol chartered shipments of more than 38 million barrels of oil from Russian ports – worth an estimated $3.21 billion and averaging more than 9 million barrels a month – since the invasion began on 24 February until July 2022. These activities prompted Oleg Ustenko, Volodymyr Zelenskiy's chief economic advisor, to say that Vitol is "the largest western trader of seaborne Russian oil since the full-scale invasion on 24 February. This is brazen profiteering from blood oil that is funding the murder of Ukrainian civilians."[11] The shipments were made from Russian ports including Ust-Luga near the Estonian border, St Petersburg on the Baltic Sea, Novorossiysk on the Black Sea and included the exports of Kazakh crude and oil products.[12]
Further, in a response to the Business and Human Rights Resource Centre, Vitol confirmed it has a trading presence in Russian LNG.[13]

In July 2022, Vitol proceeded with the sale of its 5% ($3.57 billion) stake in the Russian oil project Vostok, stating: "Vitol has agreed to sell its shares and is in the process of completing the legal formalities necessary to complete this transaction."[14]
On December 30, 2022, Vitol announced that it has divested its interest in Vostok Oil LLC.[15]

Research conducted by Global Witness reveals that Russian crude is taken from ports in the Baltic and the Black Sea to Turkish refineries, before being refined and imported into the EU by traders, including Vitol.[16] The report shows that Vitol brought 900,000 barrels into Latvia from the STAR and Tupras Izmit refineries since December 5. Further reports show that Vitol helped Russia sell more than 74 million barrels of oil and oil products since the start of the invasion, including crude oil worth

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[7] 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."
[8] KSE, Leave Russia, "Vitol," https://leave-russia.org/vitol-group (accessed February 23, 2023).
[9] Livvy Doherty and Anna Cooban, "World's top oil trader will stop buying Russian crude," *CNN Business*, April 13, 2022, https://edition.cnn.com/2022/04/13/business/vitol-russian-oil/index.html (accessed February 23, 2023).
[10] Alex Lawson, "Zelenskiy calls on trader Vitol to stop shipping Russian 'blood oil'," *The Guardian*, July 6, 2022, https://www.theguardian.com/business/2022/jul/06/ukrainian-president-zelenskiy-accuses-vitol-over-russian-blood-oil (accessed February 23, 2023).
[11] Ibid.
[12] Ibid.
[13] Business & Human Rights Resource Centre, "Vitol Response," March 21, 2022, https://www.business-humanrights.org/en/latest-news/vitol-response-2/ (accessed November 11, 2022).
[14] Bloomberg Law, "Vitol Advances With Sale of Russian Oil Project Vostok Stake (1)," July 7, 2022, https://news.bloomberglaw.com/mergers-and-acquisitions/vitol-advances-with-sale-of-stake-in-giant-russian-oil-project?utm_source=rss&utm_medium=MRNW&utm_campaign=00000181-d920-d5b2-a381-f97b15560001 (accessed February 23, 2023).
[15] Vitol, "Vitol divests interest in Vostok," December 30, 2022, https://www.vitol.com/vitol-divests-interest-in-vostok/ (accessed February 23, 2023).
[16] Global Witness, "Shell & Vitol bring Russian-origin diesel into Europe, despite swearing off Russian oil," February 19, 2023, https://www.globalwitness.org/en/campaigns/stop-russian-oil/shell-vitol-bring-russian-origin-diesel-europe-despite-swearing-russian-oil/ (accessed February 23, 2023).

an estimated $1.9 billion.[17] While Vitol claims that its business is "in full compliance with all applicable laws and regulations," these actions have some saying that Vitol is prolonging the war in Ukraine by taking advantage of a 'loophole' in the sanctions.[18]

The Ukrainian National Agency on Corruption Prevention (NACP) is creating a list of "foreign companies that, despite the international recognition of Russia as the aggressor state and the introduced sanctions restrictions, continue to cooperate with it."[19] These companies are recognised as international sponsors of war. So far there are 15 companies on the list, but the NACP notes that it will be expanded with "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."[20]

Due to these apparent inconsistencies, we are requesting a clarification from Vitol on whether it intends to follow through on its commitments and leave the Russian market. These activities risk enabling and financing Russia's violations of IHL and human rights law during the ongoing invasion and occupation of Ukraine and violating Vitol's Human Rights policies and the company's commitment to abiding by the UNGPs. It remains to be seen how directly Vitol will be impacted by the partial mobilisation and the heightened legal, regulatory, operational, and financial risks associated with companies being required to provide direct support to the internationally sanctioned Russian military.

We seek to understand how Vitol has conducted and continues to conduct heightened human rights due diligence and how the findings of such a process has resulted in these continued business activities and relationships. As noted by the UNGPs:

> …the more severe the abuse, the more quickly the enterprise will need to see change before it takes a decision on whether it should end the relationship. In any case, for as long as the abuse continues and the enterprise remains in the relationship, it should be able to demonstrate its own ongoing efforts to mitigate the impact and be prepared to accept any consequences – reputational, financial or legal – of the continuing connection.

In consideration of the above points and B4Ukraine's Declaration,[21] we request an urgent dialogue with Vitol's relevant senior management and staff to discuss the company's ongoing activities and relationships in Russia, associated risks to the people of Ukraine and the company, and potential steps to prevent/mitigate these risks. Please contact B4Ukraine at contact@b4ukraine.org to schedule a call. We kindly ask for your response by 5:00pm CET, March 14th, 2023.

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[17] Global Witness, "One year on: Western companies traded 384 million barrels of Russian oil," February 24, 2023, https://www.globalwitness.org/en/campaigns/stop-russian-oil/one-year-western-companies-traded-384-million-barrels-russian-oil/ (accessed February 27, 2023).

[18] Alex Lawson, "Shell and Vitol accused of prolonging Ukraine war with sanctions 'loophole'," *The Guardian*, February 19, 2023, https://www.theguardian.com/business/2023/feb/19/shell-and-vitol-accused-of-prolonging-ukraine-war-with-sanctions-loophole (accessed February 23, 2023).

[19] NACP, "International Sponsors of War," https://sanctions.nazk.gov.ua/en/boycott/ (accessed February 6, 2023).

[20] 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).

[21] B4Ukraine, "About," https://businessforukraine.info/about (accessed January 2, 2022).

Please do not hesitate to get in touch if you require any further information.

Sincerely,

The B4Ukraine Coalition