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Yandex Founder, CEO Resigns After Being Hit By EU Sanctions

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Arkady Volozh. **Alexander Miridonov / Kommersant**

The billionaire founder and CEO of Russian tech giant Yandex has resigned from the company after being targeted by European sanctions in response to Moscow's invasion of Ukraine.

The European Union included Arkady Volozh in its latest package of sanctions on Russia on Friday, citing his company's role in "promoting state media and narratives in its search results" and removing "content related to Russia's war of aggression against Ukraine."

Volozh, 58, will resign from his post as Executive Director and CEO and step down from his spot on the company's board of directors, according to a company statement released Friday. The resignations are effective immediately.

In the statement, Volozh described the sanctions as "misguided and ultimately counterproductive."

The company itself — often dubbed "Russia's Google" — remains unaffected by Western

sanctions as Volozh was targeted as an individual.

But Yandex shares nonetheless started to drop following the EU's announcement.

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Moscow-listed shares in Yandex were down 6% at 1,496 rubles ($23.43) as of 14:07 GMT.

"The Board continues to function as normal. Yandex has a strong and deep management team that is well placed to take the company to new levels with the ongoing support of the Board," the company said.

Deputy CEO Tigran Khudaverdyan previously stood down in March after being sanctioned by the EU, along with Yandex chief executive Elena Bunina.

Yandex, which is headquartered in the Netherlands, is the largest Russian search engine, representing over 60% of the country's internet searches in the fourth quarter of 2021, according to the company.

In recent years it has tread a fine line of compromise with the Kremlin.

But following Russia's invasion of Ukraine, Yandex has been accused of suppressing independent news sources in its search results as the Kremlin clamped down on information relating to the war that clashed with its own narrative.

Last month the tech giant announced it would sell its digital news and blogging products to fellow internet conglomerate VK.

The tech giant has diversified its products in recent years, offering e-commerce, taxi, fast food delivery and other services.

In 2021, Yandex earned about 356 billion rubles — about $4.77 billion at the December exchange rate.

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