

Unilever Doubles Russia Profits, Boosts Ad Sales Despite Divestment Pledge

May 12, 2023



Protesters at a demonstration in London in 2022 hold placards demanding that Unilever stop doing business in Russia. **Vuk Valcic / SOPA Images / Sipa USA / Reuters**

British consumer goods giant Unilever has doubled profits and increased ad spending in Russia despite its pledge to stop profiting from the market after Moscow invaded Ukraine last year, investigative media [reported](#) Friday.

Unilever became the first major European food company to stop imports and exports from Russia, as well as media and ad spending there, in March 2022. It continued, however, to supply “essential” food and hygiene products to Russians while pledging not to take any profits from those sales.

Its Russian subsidiary Unilever Rus, which employs more than 3,000 people, almost doubled its 2022 net profit from 4.8 billion rubles (\$62 million) to 9.2 billion rubles (\$119 million), according to the investigative news outlet Follow the Money.

Unilever Rus also reportedly spent 10% more on advertising costs than in 2021, at 21.7 billion

rubles (\$281 million).

Unilever has attributed its increase in profit to the changing value of the ruble and inflation, according to Follow the Money. The company did not address the increase in advertising spending.

Related article: [To Stay or to Leave? How 9 Major Western Brands in Russia Responded to the Ukraine War](#)

Unilever is among 175 companies that continue “substantive” business in Russia while holding off new investments, according to a comprehensive list [compiled](#) by the Yale School of Management.

More than 1,000 international businesses have stopped or halted activities in Russia in the months since the invasion that killed or injured more than 23,000 Ukrainian civilians, according to the UN.

Unilever CEO Alan Jope said in February 2023 that leaving Russia “would definitely result in more contribution to the Russian economy.”

Russia has expropriated 20 billion rubles (\$250 million) in “voluntary contributions” into its budget from foreign businesses that have left the country since December 2022. The country’s commission on foreign investments that month started charging foreign companies an exit fee totaling 10% of the value of the sale.

But Follow the Money took note that Unilever dropped the “essential” modifier in favor of “everyday food and hygiene products” that it continued supplying in Russia.

Extrapolating Unilever Rus’ \$331 million paid in taxes to the Russian treasury in 2021, Follow the Money and the Kyiv School of Economics (KSE) research project Leave Russia projected a similar tax base for 2022.

“Kalibr missiles cost \$1 million each. For us Ukrainians, an amount like this means that Russia can produce 331 missiles. So Russia can continue to kill our people and destroy our cities and infrastructure,” said Andrei Onopriienko, the head of the Leave Russia project.

Original url:

<https://www.themoscowtimes.com/2023/05/12/unilever-doubles-russia-profits-boosts-ad-sales-despite-divestment-pledge-a81118>