

Guillaume DeBrosse
Chief Executive Officer
Rue Nicolas Appert, 59650 Villeneuve-d'Ascq, France

RE: Bonduelle's business operations in Russia

January 11, 2023

Dear Mr. DeBrosse,

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 Bonduelle's 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 Bonduelle has policies in place to guide the company toward ethical behaviour. In 2003, Bonduelle became a signatory to the United Nations Global Compact and its 10 fundamental values related to Human Rights, labour standards, the environment and the fight against corruption. The company reinforced this voluntary approach in 2012 with the publication of its Ethics Charter. According to the company:

This Ethics Charter is the cornerstone of our values and principles. This Charter, beyond the legal framework which must be faithfully respected, guides our actions and internal policies and processes, specifically the Code of Conduct for Ethical Business Practices, with which everyone must comply.

While the company analyses the "intrinsic risks" of the countries where it operates, the analysis is limited to three indicators: the Environmental Performance Index (EPI), the Human Development Index, and the Kids Rights Index. This constrained methodology fails to adequately address material risks that arise from business operations in conflict-affected and high-risk countries like Russia.

It has been more than ten months 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 17,000 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.¹ 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.² Companies may be exposed to financially material risks through operational restrictions, such as limitations of future government contracts.³

In response to this unprovoked and unjustified war⁴ many companies have left Russia. According to the Kyiv School of Economics Institute's (KSE) #LeaveRussia [company tracker](#), Bonduelle announced it was suspending all new investments in Russia and donating all profits from its Russian operations to the reconstruction of Ukraine.⁵ While we acknowledge and welcome Bonduelle's initial steps of support for Ukraine, the company declared it would continue providing its food products to the Russian market, stating it intends to "feed people, not to wage a war against Russians, Kazakhs or Central Asia." The company explained further, releasing the following statement:

¹ 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).

² 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).

³ 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).

⁴ 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."

⁵ Bonduelle, "Bonduelle's Statement on Ukraine and Russian," <https://www.bonduelle.com/en/bonduelle-statement-on-ukraine-and-russia/> (accessed January 2, 2022).

The geopolitical situation is marked by the war led by Russia in Ukraine. First of all, it affects us humanely. All our support and attention goes of course to our Ukrainian teams, whose courage I salute. In line with its food mission, Bonduelle ensures the continuity of its activities in Russia to feed the 145 million Russians and the 90 million inhabitants in the surrounding countries.⁶

Bonduelle's Russian canned foodstuff operations consist of three agro-industrial sites and over 900 workers.⁷ According to its Interim Report, Bonduelle's Russian segment made a profit of €1.2 million from the start of the invasion through June of 2022,⁸ and the company recorded an annual external revenue for 2021-2022 from customers based in Russia of €132.8 million.⁹ The value of Bonduelle's intangible assets and property, plant, and equipment in Russia amounts to €52.6 million (excluding working capital),¹⁰ and according to KSE's research, the company pays over €46 million in taxes.¹¹ Bonduelle disclosed its Russian supply chain sources cardboard, vegetables, packaging wrap, and other ingredients domestically and that 80 percent of what is sold in the country is produced locally.¹² Furthermore, Bonduelle has profited from remaining in the Russian market. On November 8th, Bonduelle announced a +10.9% increase in revenue, indicating that the "strengthening of the Russian ruble compared to the first quarter of the previous fiscal year and the persistent weakening of the euro against the US dollar led to additional growth linked to exchange rate variations of +6.5%."¹³

It remains to be seen if Bonduelle's employees, operations, and assets 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. However, Bonduelle has already acted outside of its humanitarian mission to provide food for the Russian population and directly assisted Russia's military activities against Ukraine. According to recent reports, Bonduelle sent 10,000 holiday boxes with canned corn and peas to Russian soldiers on the frontlines. Though the company claims these allegations are spreading false information, each basket included a signed note from an executive of a Russian Bonduelle subsidiary and former FSB agent, wishing the soldiers "a quick victory."¹⁴ Continuing Bonduelle's Russian operations and sending direct support to Russian troops fighting in the Ukraine risks enabling and financing Russia's violations of IHL and human rights law during the ongoing invasion and occupation of Ukraine and violating Bonduelle's human rights commitments.

⁶ Bonduelle, "Corporate Social Responsibility Report," https://www.bonduelle.com/app/uploads/2022/11/BON2021-22_RSE_EN_MEL.pdf (accessed January 2, 2023).

⁷ Bonduelle, "Universal Registration Document," October 28, 2022, https://www.bonduelle.com/app/uploads/2022/10/BON2021-22_URD_EN_MEL2.pdf (accessed January 2, 2023).

⁸ Ibid.

⁹ Bonduelle, "Consolidated financial statements, October 5, 2022," https://www.bonduelle.com/app/uploads/2022/10/BOND_Chap-5_-_Annexe-Comptes-consolide%CC%81s-30.06.2022-v2_EN_Publiee_06102022.pdf (accessed January 2, 2023).

¹⁰ Ibid.

¹¹ Kiev School of Economics, "Bonduelle" <https://leave-russia.org/bonduelle> (accessed January 2, 2023).

¹² Bonduelle, "Universal Registration Document," October 28, 2022, https://www.bonduelle.com/app/uploads/2022/10/BON2021-22_URD_EN_MEL2.pdf (accessed January 2, 2023).

¹³ Bonduelle, "Chiffre d'affaires du 1er trimestre 2022-2023," November 8, 2022, <https://www.bonduelle.com/app/uploads/2022/11/AvisFinancier221108enFR.pdf> (accessed January 9, 2023).

¹⁴ "The Bonduelle company, which has been practicing in the Russian Federation, has promoted Russian military," December 31, 2022, <https://novynarnia.com/2022/12/31/kompaniya-bonduelle-shho-i-dali-praczuuye-v-rf-pidtrymala-rosiiskyyh-viis-kovyh/> (accessed January 2, 2022).

According to Bonduelle's CSR Report (2022), the company has identified the CSR risks associated with its three main activities (e.g., Agriculture, AgroIndustry, Transport) using reference sources such as EcoVadis, the World Economic Forum, the World Bank and UNICEF, CCFD - Terre solidaire, Sherpa. The company then:

...selected and ranked the risks according to the following criteria: impact of the risk on human rights, fundamental freedoms, health and safety of people, the environment and the probability of such an event occurring through its activities and those of its suppliers and subcontractors with whom it has an established business relationship. The criticality presented is the product of the impact and the probability.

We seek to understand how Bonduelle has conducted and continues to conduct heightened HRDD 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,¹⁵ we request an urgent dialogue with Bonduelle'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, January 25th, 2023.

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

Sincerely,

The B4Ukraine Coalition

¹⁵ B4Ukraine, "About," <https://businessforukraine.info/about> (accessed January 2, 2022).