

Aslan Saranga
Chief Executive Officer
DP Eurasia N.V.
Herikerbergweg 238,
Luna Arena, 1101 CM Amsterdam, the Netherlands

January 9, 2023

RE: DP Eurasia's business operations in Russia

Dear Mr. Saranga,

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 DP Eurasia'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 DP Eurasia has a limited number of policies in place to guide the company toward ethical behaviour.¹ According to DP Eurasia's Code of Ethics, the company "respects and promotes human rights in all the cultural, socioeconomic and geographic contexts in which it operates, respecting the traditions and cultures of, and providing support for, local communities in accordance with specific interests in each region."² The Code of Ethics also states that the company is "obliged to comply with all national and international legislation in force in any country in which it operates," including ongoing business operations in 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

¹ DP Eurasia N.V., "Code of Ethics and Business Conduct," July 3, 2017, <https://www.dpeurasia.com/Dosyalar/regulatorydocuments/code-of-ethics-and-business-conduct.pdf> (accessed December 31, 2022).

² Ibid.

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.³ 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.⁴ Companies may be exposed to financially material risks through operational restrictions, such as limitations of future government contracts.⁵

In response to this unprovoked and unjustified war⁶ many companies have left Russia. In April 2022, DP Eurasia announced it was limiting new investments in Russia and focusing on store optimization, which ultimately resulted in reducing the number of stores from 184 to 171.⁷ While DP Eurasia has been “shocked and saddened to witness the unfolding conflict involving Russia and Ukraine and the effect it has had on all of the innocent civilians across the region,”⁸ continues to closely monitor the “geo-political” situation, and has prioritised the safety and welfare of all the company’s employees and customers, it has chosen to continue operations in 171 stores across Russia. DP Eurasia has profited from remaining in the Russian market. According to its Interim Reporting, DP Eurasia’s revenue for the first half of 2022 increased by over 67% with a corresponding 16.1% increase in

³ 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 December 13, 2022).

⁴ 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 December 13, 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 December 13, 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 December 13, 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 December 13, 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 December 13, 2022).

⁵ 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 December 13, 2022).

⁶ 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.”

⁷ Frederica Mileo and Diana Mandia, “Pizza firm DP Eurasia says Russian business sustainable as group sales jump,” Reuters, May 26, 2022, <https://www.reuters.com/world/middle-east/pizza-company-dp-eurasia-4-month-sales-jump-strong-turkish-demand-2022-05-26/> (accessed January 3, 2023).

⁸ Aslan Saranga, “Message from the CEO,” DP Eurasia N. V., <https://www.dpeurasia.com/message-from-the-ceo> (accessed January 5, 2023).

operating profit.⁹ On December 28, DP Eurasia released a statement concerning recent speculation regarding an exit by the company from its Russian operations, announcing that it is evaluating its presence in Russia, the impact of sanctions, and its ability to continue to serve its customers. The company acknowledged it is considering various options which may include a divestment of its Russian operations but cautioned that while work on a potential transaction is ongoing, there can be no certainty as to the outcome.¹⁰

It remains to be seen if and how DP Eurasia, and its 1,121 Russian-based employees,¹¹ 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, any proximity to the Russian state risks enabling and financing Russia's violations of IHL and human rights law during the ongoing invasion and occupation of Ukraine and violating DP Eurasia's Code of Ethics and the spirit of its public statements.

We seek to understand how DP Eurasia has conducted and continues to conduct heightened HRDD and how the findings of such a process have 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,¹² we request an urgent dialogue with DP Eurasia'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 23rd, 2023.

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

Sincerely,

The B4Ukraine Coalition

⁹ DP Eurasia, "Interim Results," September 30, 2022, https://www.dpeurasia.com/Dosyalar/report/1H22_interim_Presentation.pdf (accessed January 3, 2022).

¹⁰ DP Eurasia N.V., "Statement in response to market speculation," December 28, 2022, <https://tools.eurolandir.com/tools/Pressreleases/GetPressRelease/?ID=4222157&lang=en-GB&companycode=nl-dpeu&v=> (accessed January 1, 2023).

¹¹ DP Eurasia, "Annual Report and Accounting 2021," April 26, 2022, https://www.dpeurasia.com/Dosyalar/report/Annual_Report_and_Accounts_2021.pdf (accessed January 3, 2023).

¹² B4Ukraine, "About," <https://businessforukraine.info/about> (accessed December 14, 2022).