

Jean-David Schwartz
CEO - Yves Rocher Brand
Groupe Rocher
Yves Rocher S.A.
La Croix des Archers,
56200 La Gacilly,
France

RE: Yves Rocher's business operations in Russia

March 21, 2023

Dear Mr. Schwartz,

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 Yves Rocher'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 Yves Rocher has policies in place to guide the company toward ethical behaviour. The Groupe Rocher's Code of Conduct states that:

"The principles that guide our actions and behaviour must honour the commitments made by Groupe Rocher to respect and adhere to:

- the Universal Declaration of Human Rights,
- the Conventions of the International Labour Organization,
- the guidelines of the OECD, in particular regarding the fight against corruption."¹

The Code of Conduct continues to state that "respecting Human Rights, our ethical rules and social legislation is key and essential to a successful collaboration and the sustainability and effectiveness of our business model."² In its Alert & Grievance Collection Scheme, Groupe Rocher pledges to meet the obligations of the French Duty of Vigilance law, with regard to the identification and prevention of serious violations of human rights and fundamental freedoms, the health and safety of individuals, as well as the environment.³ In 2007, Groupe Rocher became a signatory to the United Nations

¹ Groupe Rocher, "The Code of Business Conduct," November 2022, <https://groupe-rocher.com/en/suppliers/code-of-conduct> (accessed March 20, 2023).

² Ibid.

³ Groupe Rocher, "Alert & Grievance Collection Scheme," November 2022, <https://groupe-rocher.com/gouvernance-ethique> (accessed March 20, 2023).

Global Compact and its 10 fundamental values related to Human Rights, labour standards, the environment and the fight against corruption.⁴

It has been over 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 21,793 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.⁵ 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.

A new decree issued by President Vladimir Putin on Friday, 3 March, enables the Russian government to suspend shareholders' rights and implement external management in companies that don't fulfil state defence contracts under conditions of martial law. By specifying the process of appointing Russian government representatives to manage businesses that fail to meet state orders, the latest Decree effectively creates a scenario of “partial nationalization.” “The growing set of risks associated with continuing operations in Russia are now foreseeable, predictable, and largely avoidable. Companies must act now or risk enabling Russian war crimes as well as the material interests of their shareholders.”⁶

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.⁷

⁴ United Nations Global Compact, “Groupe Rocher,”

<https://unglobalcompact.org/what-is-gc/participants/10267-Yves-Rocher> (accessed March 20, 2023).

⁵ 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).

⁶ B4Ukraine, “New Kremlin regulation raises risks for the 1600 international companies left in Russia,” March 7, 2023, <https://b4ukraine.org/whats-new/new-kremlin-regulations> (accessed March 13, 2023).

⁷ 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

Companies may be exposed to financially material risks through operational restrictions, such as limitations of future government contracts.⁸

In response to this unprovoked and unjustified war⁹ many companies have left Russia. According to the Kyiv School of Economics Institute's (KSE) #LeaveRussia [company tracker](#), Yves Rocher has decided to stay in the Russian market and continue its business operations in the country.¹⁰ Prior to the invasion, the company had significant business operations in Russia, which represents 4% of the Yves Rocher brand sales. The company has a 30-year history in Russia, and its business in the country includes 430 stores in over 170 cities,¹¹ with over 630 direct and 2,500 franchise employees. Yves Rocher names this long history as one of the reasons for not exiting the Russian market. In its statement on March 16, 2022, the company states:

“Regarding our business activity in Russia, this situation particularly saddens us as we have a significant history in this country in which we have been present for over 30 years. For the moment we have decided to maintain our activity in Russia.”¹²

On February 14, 2023, Yves Rocher issued a statement condemning the invasion of Ukraine expressing its solidarity with the Ukrainian people:

“We are terribly shocked by this tragedy and it is with the utmost with the greatest firmness that we condemn this situation that affects us all. Every day we receive heartbreaking testimonies from our teams in the field; our thoughts are with the Ukrainian people and our thoughts are with the Ukrainian people and our employees.”¹³

However, in the same statement, the company confirmed the continuation of its Russian operations, with the suspension of new investments and media presence.¹⁴

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).

⁸ 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).

⁹ 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.”

¹⁰ KSE, Leave Russia, “Yves Rocher,” <https://leave-russia.org/yves-rocher> (accessed March 20, 2023).

¹¹ Olena Snezhko, “First in, first out? What international giants continue to finance Russia,” *Ukrainska Pravda*, June 3, 2022, <https://www.pravda.com.ua/eng/articles/2022/06/3/7350413/> (accessed March 20, 2023).

¹² Groupe Rocher, “Groupe Rocher stands alongside its employees and the Ukrainian people,” March 16, 2022, https://groupe-rocher.com/sites/default/files/2022-03/16032022%20-%20Press%20Release%20-%20Geopolitical%20situation%20in%20Ukraine%20and%20Russia_1.pdf (accessed March 20, 2023).

¹³ Yves Rocher, “Groupe Rocher commits to its employees and the Ukrainian people,” February 14, 2023, <https://groupe-rocher.com/sites/default/files/2023-02/EN%20-%2014022023%20-%20Groupe%20Rocher%20commits%20to%20its%20employees%20and%20the%20Ukrainian%20people%20-%20Press%20Release.pdf> (accessed March 20, 2023).

¹⁴ Ibid.

Additionally, Yves Rocher has come under scrutiny for, as some sources suggest, “pushing racist narratives and pseudo-science associated with Nazism.”¹⁵ On March 1, 2023, Yves Rocher allegedly launched a campaign “Russian Beauty” which highlights the “purity of Russian culture, a special and vivid example for those who have long lost their originality and exclusivity, wastefully mixing their genes with the genes of other peoples.”¹⁶ The text continues by invoking the heightened patriotic sentiments in Russia, possibly referring to the invasion of Ukraine.¹⁷ Yves Rocher’s Kyiv office denies these claims.¹⁸

In response to these developments and the continuation of business operations which significantly contribute to the Russian economy, on March 17, 2023, the Ukrainian National Agency for Prevention of Corruption (NACP) included Yves Rocher in the list of international sponsors of war.¹⁹ The NACP notes that the list includes “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 The NACP notes that Yves Rocher is one of the most famous Western companies that refused to boycott Russia and stop its activities there during the full-scale invasion of Ukraine by Russian troops. By contributing \$6 million in taxes to the Russian economy in 2022 alone, “Yves Rocher continues to sponsor the military aggression of Russia, a state which the European Parliament recognised to be a sponsor of terrorism.”²¹ Entities on the NACP list are also included into the World-Check database in order to protect the financial sector from “accomplices of Russian war.”²²

In addition to the company’s placement on the list, several members of Groupe Rocher’s leadership team have been named personally as individual sponsors of war, including: Bris Rocher (CEO of Groupe Rocher); Jacques Rocher (Group Prospective Director - President of the Yves Rocher Foundation of Groupe Rocher); Jean-Michel Garrigue (Deputy CEO – General Counsel of Groupe Rocher); Vincent Nida (Deputy CEO - Premium Division & Innovation of Groupe Rocher); Yann De Feraudy (Deputy CEO - Operations & IT Groupe Rocher); Jean-David Schwartz (Deputy CEO - Yves Rocher Brand of Groupe Rocher); and Jeanne Renard (Deputy CEO, Group Managing Director - People, Mission & Impact, Communication, Organization Groupe Rocher).²³

Due to these developments, we are requesting a clarification from Yves Rocher on whether it intends to continue operating in 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

¹⁵ Jason Jay Smart, “Scandal as Yves Rocher Accused of Promoting Ethnic Superiority of Russian Women,” *Kyiv Post*, March 13, 2023, <https://www.kyivpost.com/post/14215> (accessed March 20, 2023).

¹⁶ Institute of Plastic Surgery and Cosmetology, <https://web.archive.org/web/20230307151634/https://iphk.ru/news/standart-krasoty-ot-yves-rocher-revoljutsionnyy-podkhod-v-industrii-kosmetiki/> (accessed March 20, 2023).

¹⁷ Ibid.

¹⁸ Smart (n 15).

¹⁹ NACP, “International Sponsors of War,” <https://sanctions.nazk.gov.ua/en/boycott/> (accessed March 20, 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 NACP, “International Sponsors of War – Yves Rocher,” <https://sanctions.nazk.gov.ua/en/boycott/22/> (accessed March 20, 2023).

²² NACP, “International Sponsors of War,” <https://sanctions.nazk.gov.ua/en/boycott/> (accessed March 20, 2023).

²³ NACP, “International Sponsors of War – Individuals,” <https://sanctions.nazk.gov.ua/en/boycott/> (accessed March 20, 2023).

violating Yves Rocher's commitment to abiding by the UNGPs. It remains to be seen how directly Yves Rocher will be impacted by the partial nationalisation, 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 Yves Rocher has conducted and continues to conduct heightened human rights due diligence 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,²⁴ we request an urgent dialogue with Yves Rocher'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, April 5th, 2023.

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

Sincerely,

The B4Ukraine Coalition

²⁴ B4Ukraine, "About," <https://businessforukraine.info/about> (accessed January 2, 2022).