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## **ITUC Note/guidance on business withdrawal from Russia in the context of its war on Ukraine**

It is recognized that it is almost impossible for foreign businesses operating in Russia to continue as a result of, among other things:

- sanctions and their impact;
- concerns over directly supporting the war effort of the aggressor-state and implications for international human rights and humanitarian law;
- concerns over complicity in the war effort of the aggressor-state and implications for international human rights and humanitarian law; and
- an increasingly tense environment in Russia, including the passing of war-related legislation.

In addition to the fact that the labour laws of Russia are still applicable, the international human rights responsibility of business requires that where a company contemplates disengaging, it does so in a responsible manner (responsible withdrawal/exit) after having conducted a heightened human-rights due diligence, given the war situation<sup>1</sup>, to identify the human rights risks and impact of its decision and to take steps to prevent, avoid, mitigate and remedy.

In the specific case of Russia, responsible exit, for purposes of respecting international labour rights and standards<sup>2</sup>, will include the following:

1. Conducting heightened human-rights due diligence, given the situation of war, is required.
2. Meaningfully consulting with workers and trade unions/workers' representatives on the report/outcome of the heightened due diligence, including the nature and rationale for the exit in the context of the best interest of the workers, is required.
3. Companies must take measures to specifically address risks and the potential adverse impact of their decision identified in the due diligence report, including on workers, in their direct and indirect business relationships.

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<sup>1</sup> Distinction is made between the obligations/responsibility of companies in Ukraine, where there are the full effects of the war, resulting in a situation of "force majeure" and the absence of effective government and functioning state institutions, and in Russia, where state institutions are functioning, albeit under strain.

<sup>2</sup> With reference to the UNGPs and relevant reports of the UN Working Group on Business and Human Rights and ILO standards, including ILO Recommendation 205.

4. Companies must respect their collective bargaining and industrial relations obligations regarding exit (the extent of which will depend on the nature of the exit or separation) and compensation, especially where the collective bargaining arrangements are more beneficial than existing legislation.
5. Where there are particular workers exposed as a result of the performance of their duties for the company, the company must evacuate such workers in addition to evacuating expatriate workers.<sup>3</sup>
6. In all cases, companies must provide support and pay requisite wages, redundancies or severance and compensation, including resolving all conditions of service-related grievances and complaints.
7. Companies must engage with unions or workers' representatives on the state in which the operations of the company are being left or maintained, and they must also engage on the channels of communication for further discussions, including a timeframe for reviewing the decision to exit.

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<sup>3</sup> The decision to stay or leave rests with the affected/exposed worker. But the company must make this available.