

Major food companies curb business activity in Russia

McDonald's, PepsiCo, Starbucks, The Coca-Cola Company and Yum Brands have all announced the suspension or limitation of business operations in Russia, following the recent invasion of Ukraine.



Source: @cookelma - [123RF](#)

The food companies join a wave of other retail brands that halted business in the Russian Federation as a result of the war that is unfolding in Ukraine.

McDonald's and Coca-Cola draw criticism

McDonald's and Coca-Cola have both faced [mounting pressure](#) on social media to cease operations in Russia and to speak out against the attacks in Ukraine, with #BoycottMcDonalds and #BoycottCocaCola having trended on Twitter over the past week. Both companies responded by issuing statements on Tuesday, 8 March, announcing the temporary pause on Russian business.

The McDonald's statement took the form of [an email](#) sent from CEO Chris Kempczinski to McDonald's employees and franchisees, which stated that the fast food chain would temporarily close all Russian restaurants (approximately 850) and pause operations in the country. "The situation is extraordinarily challenging for a global brand like ours, and there are many considerations," Kempczinski said.

“ In a message shared to employees and franchisees, CEO Chris Kempczinski shared that McDonald's will temporarily close all restaurants and pause all operations in Russia. Click to read the message in its entirety. <https://t.co/g8BXaKxvNj> [pic.twitter.com/6jt0NnYhKz](https://t.co/g8BXaKxvNj)— McDonald's Corporation (@McDonaldsCorp) [March 8, 2022](#) ”

He added, "In Russia, we employ 62,000 people who have poured their heart and soul into our McDonald's brand to serve their communities. We work with hundreds of local, Russian suppliers and partners who produce the food for our menu and support our brand. And we serve millions of Russian customers each day who count on McDonald's. In the thirty-plus years that McDonald's has operated in Russia, we've become an essential part of the 850 communities in which we operate.

"At the same time, our values mean we cannot ignore the needless human suffering unfolding in Ukraine."



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McDonald's will continue paying salaries to all its 62,000 employees in Russia.

Kempczinski added that McDonald's will continue paying full salaries to its Ukrainian employees impacted by the invasion and the company has donated \$5m to its Employee Assistance Fund, and will continue to support relief efforts led by the International Red Cross in the region.

Meanwhile, in a short statement published on The Coca-Cola Company's website on Tuesday, the beverage giant said, "The Coca-Cola Company announced today that it is suspending its business in Russia. Our hearts are with the people who are enduring unconscionable effects from these tragic events in Ukraine. We will continue to monitor and assess the situation as circumstances evolve."

PepsiCo halts beverage sales, investment and advertising

Food and beverage giant PepsiCo, which owns brands including Pepsi, Lay's, Mountain Dew and 7Up, said it's suspending production and sale of Pepsi-Cola and other global beverage brands in Russia. However it will continue to sell essential food items such as dairy products and baby formula.

In [an email](#) from PepsiCo CEO Ramon Laguarta to PepsiCo associates, Laguarta said that while been Pepsi has been operating in Russia for more than 60 years, and has "a place in many Russian homes" given the "horrific events occurring in Ukraine" the company is suspending the sale of Pepsi-Cola, and other global beverage brands in Russia, including 7Up and Mirinda.

PepsiCo will also be suspending capital investments and all advertising and promotional activities in Russia.



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Laguarta said, "As a food and beverage company, now more than ever we must stay true to the humanitarian aspect of our business. That means we have a responsibility to continue to offer our other products in Russia, including daily essentials

such as milk and other dairy offerings, baby formula and baby food. By continuing to operate, we will also continue to support the livelihoods of our 20,000 Russian associates and the 40,000 Russian agricultural workers in our supply chain as they face significant challenges and uncertainty ahead.

"Our first priority continues to be the safety and security of our fellow Ukrainian associates. We suspended operations in Ukraine to enable our associates to seek safety for themselves and their families, and our dedicated crisis teams in the sector and region continue to closely monitor developments in real time. We are also continuing to provide aid on the ground to assist Ukrainian refugees in neighboring countries.

Starbucks suspends all business activity

Coffee chain Starbucks also announced on Tuesday that it was "suspending all business activity in Russia", including shipment of all Starbucks products. Starbucks CEO Kevin Johnson said in a letter to staff on Tuesday that its licensed partner has agreed to immediately pause store operations and will provide support to the nearly 2,000 partners in Russia who depend on Starbucks for their livelihood.

"Through this dynamic situation, we will continue to make decisions that are true to our mission and values and communicate with transparency," Johnson said.

KFC and Pizza Hut

Yum Brands, the owner of quick-service restaurant chains including KFC and Pizza Hut, is suspending operations of KFC company-owned restaurants in Russia and is finalising an agreement to suspend all Pizza Hut restaurant operations in Russia, in partnership with its master franchisee. "This action builds on our decision to suspend all investment and restaurant development in Russia and redirect all profits from operations in Russia to humanitarian efforts," the company said.

The group's humanitarian efforts include a \$1m donation from the Yum Brands Foundation to the Red Cross to support those affected by the crisis, activating the Yum Disaster Relief Fund to support Ukrainian franchise employees, and matching donations from employees to the following charities providing relief in Ukraine: Unicef, Red Cross, World Food Programme and International Rescue Committee. In addition, its franchisees in the surrounding regions are providing food for refugees.

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