

# How Nokia, Citi, Coca-Cola and Nike Treat Gay Employees in Russia

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*An investigation into whether multinational companies treat LGBT employees with the same equality principles as in their home countries yields surprising results. Many companies just do not want to talk about it.*

Every year, the U.S. organization Human Rights Campaign publishes a Corporate Equality Index that rates workplaces on LGBT equality.

Companies are evaluated on criteria such as whether they forbid discrimination based on sexual orientation, offer household healthcare insurance packages to same-sex couples, organize workshops on tolerance and the benefits of diversity, and donate to LGBT organizations.

The companies that garner the most points are declared the Best Places to Work. Among the companies included on the 2014 list are Chevron, GM, Deloitte and Nokia, all of which not

only meet the above criteria but also reimburse hormone treatment expenses for transgender employees.

But do the employees at the Russian offices of these and other multinational companies on the list enjoy the same rights as their peers in the U.S.?



Sergei Nikolayev / Vedomosti

Citibank refused to comment on its policies toward LGBT employees, while Coca-Cola avoided being specific.

Looking for answers, I chose 36 companies from a variety of sectors and contacted their Russian press offices with the same question: Do you offer household healthcare insurance packages to same-sex couples just like you do in the U.S.?

In all fairness, it should be noted that Russian law does not require a company to provide health insurance to employees or their relatives.

But if top executives at Coca-Cola and Citi have declared their companies free of discrimination and the proud sponsors of gay pride parades and LGBT forums, then it seemed acceptable to ask them whether their employees in Russia qualified for equal benefits.

My quest turned out to be less of an investigation and more of an eye-opening adventure into the intricacies of Russian public relations and how difficult to can be to obtain information — any kind of information — from the Russian representatives of multinational companies.

## **Plain Silence**

To be completely honest, I was not well acquainted with the particularities of Russian public relations before I started researching this report. I was not prepared to hear the receptionist at U.S. oil major Chevron say she could not transfer my call to the press department because of "the confidentiality policy of the company." Moreover, this problem was not confined to Russia. Chevron's headquarters in California also failed to respond to repeated requests for comment over a period of three weeks.

A wall of silence enshrouded other companies as well. Russian communications executives at GM, Volkswagen, Credit Suisse, Deloitte, Nokia, Johnson & Johnson, and Gap did not answer e-mails, declined to take phone calls and ignored messages posted on their personal Facebook pages for two weeks.

This may be public relations strategy No. 1: avoid uncomfortable questions. But silence is not what I had expected from the biggest multinationals. I especially had wanted to talk to Credit Suisse, which launched a blue-chip investment portfolio targeting the LGBT community last fall. But no one at its Russian or British offices responded.

## **'No Comment'**

My query about LGBT rights caused a range of reactions from communications executives: laughter, confusion, surprise, aggression and misunderstandings. One executive said: "Are you seriously asking that? Do you know that 88 percent of Russians support this law?" The law in question is, of course, a ban on promoting "gay propaganda" to minors that President Vladimir Putin signed in June.

Another executive, after a week of silence, conceded, "You journalists are making us think."

After two weeks of exchanges, some companies decided that they would not give a comment for this article. Chrysler "decided not to comment because it is a sensitive issue," while Novartis felt "this is not a matter of principle, so we have nothing to say." Citi and McKinsey offered no explanation for their refusal to comment. Xerox "preferred not to comment" and Natalia Luneva, director of corporate communications at Dutch bank ING, said she "did not want to comment on this."

The HR executive at Pfizer was sick when I first called. Later the press office said it "took the issue off the table."

MasterCard initially said its HR executive was on a business trip and later that it had "realized that they did not have time for the question anyway."

PRP Group, which handles public relations for Microsoft, first told me that "the person authorized to give this kind of comment is very busy with Sochi." Then I was told that "there is no way to ask this question" of Microsoft. Subsequent phone calls yielded the excuses: "We have already involved a lot of people" into researching the question, "We already said that all our officials are too busy," "We are depending on our headquarters," and "Sometimes we wait two weeks for the U.S. office to answer."



Andrei Makhonin / Vedomosti

At EY — the rebranded name of Ernst & Young — the communications department could not find an executive to comment for a week because "everyone is at Davos." Incidentally, the World Economic Forum at Davos hosted a roundtable in late January called "The Global Fight for LGBT Equality" with the support of Credit Suisse, Microsoft, Time Warner and The Huffington Post. The roundtable discussed homophobic policies in Russia and Nigeria, with journalist and Russian immigrant Masha Gessen representing Russia. No one spoke from Nigeria, where same-sex relations are a crime punishable by death.

EY has commented on gay rights in Russia in that past. EY managing partner Andy Baldwin, speaking at Out On the Street: Europe, a summit for LGBT leaders in financial services, said that some of his clients had been quite shocked by Russia's anti-gay law. "We are probably not there yet, but I think in some of these markets, we may reach a tipping point where corporates will say we are not prepared to do business in this market," he said.

But in the end, a EY spokesman decided that the company would not offer a comment for this article.

### **Tolerance Minus Insurance**

The next group of companies calmly and thoroughly explained their positions toward LGBT employees. No one hung up the phone, and executives actually returned calls.

Ford Sollers, the only carmaker that answered, said it followed international nondiscrimination standards but household insurance packages could only be provided to legally married couples. Avon offered a similar reply.

The Russian branch of BNP Paribas said the bank offers a standard social package to its 200,000 employees in 80 countries and some benefits might be extended to same-sex couples, such as in the U.S. But nondiscriminatory practices, it said, are in place in every country.

HP said its insurance covers only legally married couples. If, for example, a French citizen — whose country recognizes same-sex marriages — comes to work in Russia, his partner will be covered by the household package. But Russian citizens do not have this option.

At KPMG, insurance is issued for employees only, and its local diversity program is mainly focused on the employment of disabled people.

Sony said its nondiscrimination policies could be found in the Sony Group Code of Conduct and it functions here in accordance with Russian legislation.

PriceWaterhouseCoopers said it has not dealt with any requests from LGBT employees to provide insurance for partners. Its press office also said such a request, if made, could be problematic because Russian insurance companies require a marriage certificate.

U.S. hotel chain Hyatt said it acted according to the legislation of each particular country where it operates.

PepsiCo did not have time to get its answer approved by its U.S. headquarters, but my discussions with employees indicated that the company does not offer household packages to anyone. The beverage company only insures employees and covers part of their children's insurance.

Coca-Cola, which has come under fire from gay rights supporters for its sponsorship of the Winter Olympics in Sochi, provided an answer through a spokesman. But he asked that it not be published "in order to avoid unnecessary escalations in the Western press."

Instead, Coca-Cola e-mailed an Aug. 28 statement that it released after gay rights activists staged a New York rally calling on the company to boycott the Olympics. In the statement, Coca-Cola noted that it had long been a strong supporter of the LGBT community, that it did not condone intolerance or discrimination of any kind anywhere in the world, and that it sponsored the NYC Pride parade. Curiously, the Russian version of the statement did not mention the word "LGBT" once, saying only that "we didn't condone intolerance" and "Coca-Cola always acts according to the legislation of a particular country and does not intervene in political issues."

Unilever said it praises personal diversity and, at various events that it organizes, encourages employees to bring their "significant other," without specifying the sex or relationship status. It made no comment on its insurance policy.

## **The Winners**

Most of my colleagues and friends did not believe that I would find a company that maintained the same LGBT policies in Russia and the U.S. But I did. In fact, I found a bunch of them: Nike, Deutsche Bank, Dell, Boston Consulting Group, Disney and Google.

A Nike representative said the company "has long supported the LGBT community including the recognition of same-sex civil marriage, domestic partnerships and workplace non-discrimination." He could not go into details about employees' contracts, citing confidentiality, but assured me that "company practices are the same for all of our employees."

Google offered a similar answer: no discrimination, but it could not talk about individual contracts.

The Russian branch of Deutsche Bank said it has the same diversity program as the bank's offices elsewhere around the world, supporting not only LGBT employees but also single mothers and sportsmen with flexible working hours, training and remote working plans. A bank official said no LGBT employee in Russia has asked for insurance for a partner, but if one did, the bank's policy would require that the insurance be granted.

Dell said its LGBT policy applied worldwide, and employees in Russia had the same rights as those in the U.S.

The Moscow office of The Boston Consulting Group said it uses the term "significant other, or SO" on all employment documents, allowing an employee to choose a spouse, girlfriend or boyfriend, or same-sex partner as the person who automatically is included in the household package.

Disney's Moscow office said its employees have the right to include a same-sex partner in the insurance package.

### **How It Is in Real Life**

Many companies said they would be more than happy to insure LGBT employees' partners, but they are blocked by insurers' rules that demand legal proof of affinity.

Another issue for companies is the time frame of the relationships. Marriages between same- and opposite-sex couples can last for a long time, but partners can be changed regularly. The need to constantly change a partner's name on the contract can be a troublesome and time-consuming process.

Journalists from U.S. government-funded Radio Liberty told me that they can include a family member or a "civil partner" in their insurance contracts. This way you can insure either a civil or same-sex partner without feeling discriminated.

An employee at a European pharmaceutical company said his employer had an even easier system. A worker who reaches a certain level is provided with a second insurance that can be used however he or she wishes. The only exception is in the case of death. To qualify for financial assistance for the funeral, the worker must provide legal proof of marriage.

Expatriates seem to have it better off than Russians. A lawyer who has worked at several U.S. companies here over the years said that expatriates usually are offered senior positions with extended benefits. When moving to Russia, they are free to include in the benefit package whomever they want: a girlfriend, children, a civil partner and even a nanny.

Whether Russian LGBT employees want insurance for their partners is another question. Informal conversations with employees from several companies suggested that they would not ask for the insurance even if they could. The unspoken rule in many Russian offices appears to mirror the old policy of the U.S. military: "Don't ask, don't tell."

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