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Dear Inditex Leadership Team,

We write to you as [B4Ukraine](#), a coalition of Ukrainian and international civil society organizations committed to curbing the financial support that fuels Russia's brutal invasion of Ukraine. We are writing to express concern regarding the reported circumstances of Inditex's exit from the Russian market, and mounting evidence that this exit was not a genuine divestment but rather a transactional restructuring designed to preserve business continuity and facilitate re-entry.

We call on businesses to:

- Immediately cease operations and presence in Russia and completely exit the Russian market.
- Refrain from any future business, trade, or investment in Russia until Russia ends its war against Ukraine, territorial integrity of Ukraine is restored, and accountability imposed for war crimes and the destruction of Ukrainian infrastructure and property.
- Ensure that any re-engagement with the Russian market occurs only after all of the following conditions are met:
 - Ukraine's sovereignty and complete territorial integrity are restored, as recognized by international law.
 - Reparations are paid in full for all damages caused by Russian aggression, covering infrastructure, economic losses, and human suffering.
 - Accountability is imposed for violations of international law, including the crime of aggression, war crimes, and crimes against humanity.

Inditex announced its [exit](#) from the Russian market in March 2022 following the full-scale invasion of Ukraine. However, a Financial Times investigation published in May 2025, as well as detailed analysis from civil society organizations, suggests this exit was largely symbolic and structured in a way that leaves Inditex well positioned [to return to Russia](#) at will.

In April 2023, Inditex finalized the sale of its Russian assets to entities owned by the Lebanese Daher family, the long-standing franchise [partners](#) of Inditex in the Middle East. Notably, the sale was completed for a “not significant” sum, even after Inditex injected approximately [€57 million](#) into the business and wrote off an additional [€120 million in loans](#). Corporate filings confirm these transactions took place in the months immediately preceding the handover. According to experts, it is virtually unprecedented for a western company to [inject capital into a business it is divesting](#), particularly in a warzone economy under heavy sanctions. This decision calls into question whether Inditex ever intended a full withdrawal.

Raising further questions about its exit, Inditex retained the legal right to re-enter the Russian market under a pre-negotiated franchise agreement with the Daher-owned company, obliging the buyer to “[immediately](#) set up a Russian franchise agreement for Inditex with the transferred stores should the Spanish company choose to return.”

The restructured company quickly launched four brands ([Maag, Dub, E cru, and Vilet](#)) as placeholders in Inditex’s former Russian stores. These brands are effectively identical to Zara, Pull & Bear, Bershka, and Stradivarius. Store designs remain the same, product collections are functionally indistinguishable from past Zara collections, and overlapping supply chains and creative campaigns further blur the distinction between old and new. For example, Maag’s women’s collection seems to be identical to Zara’s past or present catalogue. Some claim that these items are not merely “inspired by global fashion trends” as claimed by Inditex CEO Óscar García Maceiras, but almost exact [copies](#), including the stitching, design, and fabric.

Maag’s launch campaign was also shot at the same time and in the same Lanzarote location as Zara’s own Spring/Summer collection, using the [same Spanish production company](#). This level of overlap strongly suggests coordination or shared resources, and undermines Inditex’s claims that the companies are independent.

Moreover, reports show significant movement of Inditex personnel into the Daher Group’s Russian operations before the deal was even approved by Russian authorities. At least [nine employees](#) transferred in late 2022, months before the finalisation of the transaction. These included staff with insider knowledge of Inditex’s operations and strategies. Again, this continuity of strategy and personnel raises questions about the separation between these entities.

We are also reminding Inditex of its responsibilities under the EU’s “best efforts” obligation ([Article 8a of Regulation 833/2014](#)). The regulation requires EU operators to take all necessary and feasible steps to ensure that entities they own or control do not undermine the EU’s measures against Russia nor the spirit of sanctions. This includes establishing effective compliance policies, monitoring the activities of subsidiaries, and actively intervening to prevent risks to sanctions objectives.

These activities challenge the company’s previous statements on its exit from the Russian market as well as its ongoing commitment to the internationally accepted framework on business and human rights, particularly in the context of an ongoing war of aggression.

We are therefore writing to ask:

- Why did Inditex inject approximately €57 million into its Russian subsidiary and write off over €120 million in loans prior to finalising the sale, despite designating the business as a non-current, held-for-sale asset?
- Why was the re-entry clause included in the sale agreement if Inditex’s stated intention was to exit the Russian market permanently?
- Under what conditions, as defined internally by Inditex, would this franchise clause be activated?
- What legal and governance safeguards has Inditex put in place to prevent any informal or de facto influence over its former Russian operations or the use of its trademarks, product designs, and supplier relationships?
- Has Inditex established a timeline, framework, or internal risk assessment process for deciding whether to exercise this re-entry option?
- Can Inditex unequivocally confirm that the Daher Group and all of its subsidiaries are fully independent of Inditex, both operationally and financially?

- Does Inditex maintain any direct or indirect influence over the Daher Group's operations, branding, personnel decisions, product lines, suppliers, or marketing strategy in Russia?
- Why has Inditex not pursued legal action against brands selling exact replicas of its products, given its historic stance on IP enforcement?
- How does Inditex ensure that its internal know-how, product IP, and commercial strategies are not being used to support brands that are now competing under nearly identical products in Russia? Why were multiple senior Inditex employees transferred to the Daher Group's Russian business before the sale was approved by Russian authorities?
- Why are the same suppliers serving both Inditex and the Daher Group's Russian brands, in many cases providing near-identical products? What measures has Inditex taken to prevent the indirect continuation of product lines or operational models in Russia via shared supply chains?
- How does Inditex respond to concerns raised by civil society and media that the sale to the Daher Group may constitute a reputational manoeuvre or 'fig leaf' strategy designed primarily to shield Inditex from public scrutiny while maintaining long-term continuity in the Russian market?
- Will Inditex commit to publicly disclosing any future commercial re-engagement with the Russian market, including through franchise agreements, prior to taking any steps toward re-entry?

On the point regarding re-entry, we also refer Inditex to the annex below, which outlines the legal, financial, reputational, and human rights risks associated with re-engaging in the Russian market.

We would be pleased to discuss these matters in greater detail and are therefore inviting you to a confidential meeting. Should you wish to participate in a meeting with Ukrainian and international civil society representatives, please confirm your availability by **July 23, 2025** to schedule. Kindly note that after this date, this letter and any responses will be published on the B4Ukraine website.

Sincerely,

The B4Ukraine Coalition

The Risks of Re-Engaging with the Russian Market

Recent speculation about the potential lifting of sanctions, particularly in the United States, has created uncertainty. However, it is clear that the broader sanctions regime remains intact. The United States has for now maintained its restrictions, while the European Union recently approved its [seventeenth package](#) of sanctions. Even if some policymakers consider relaxing their stance, the reality remains that the EU, UK, Japan, Canada, and numerous other countries and organisations have imposed sanctions on Russia, making it the most sanctioned country in the world, due to its crime of aggression against its sovereign neighbour.

Further, economic and regulatory conditions in Russia are no longer conducive to stable business operations. Companies re-entering the market would be navigating a landscape of restricted [supply chains, financial barriers, and legal uncertainties](#).

Russia has demonstrated a pattern of malignant and systematic asset seizures, expropriations, and regulatory manipulation, using foreign businesses as leverage in political disputes. According to a study conducted by the London School of Economics, since 2022, [over 500 Western firms](#) have seen their assets expropriated under various pretexts, including companies in industries ranging from brewing and consumer goods (e.g., [Danone, Carlsberg](#)) to energy (e.g., [Uniper, Fortum](#)). The scope of legislation and Russian domestic case law showing the readiness for expropriation has skyrocketed since the start of the full-scale invasion. Businesses looking to re-enter must expect that their assets would meet a similar fate.

These patterns show a blatant disregard for property rights, investor and shareholder rights, and are a general indicator of an authoritarian government. Accordingly, any western business seeking re-entry faces the [risk of Kremlin](#) decrees that introduce new fees, taxes, and price controls; limit the repatriation of profits and dividends; restrict asset sales and management decisions; and expropriate private businesses.

The [economic outlook](#) in Russia further devalues the case for re-engagement. Interest rates have soared to 21 percent, labour shortages are worsening, and consumer purchasing power has significantly declined. The country's middle class is shrinking, and the infrastructure that once supported international trade and investment has deteriorated.

Russia's own leaders have stated that returning businesses should [not expect to be treated on equal footing](#) with local firms. Instead, as confirmed by Vladimir Putin himself, those seeking re-entry would be [disadvantaged](#) to ensure the competitiveness of domestic businesses. Many Western brands have already been [replaced](#) by domestic or Chinese alternatives, making it difficult, if not impossible, for companies to regain their former market position. Rebuilding operations in such a climate would require substantial financial investment with little certainty of return, naturally concerning investors. Russian policy is confirmed to be favourable towards domestic production and market share.

The Russian legislative framework continues to pose a high risk of business complicity in the war. Under [Federal Law No. 31-FZ](#) businesses, including international companies that are operating on a full or limited scale in Russia, are required to conduct military registration of the staff if at least one of the employees is eligible for military service. 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.

Beyond financial and legal risks, reputational risks remain high. Any company that chooses to return to Russia will be seen as disregarding the human cost of the war in Ukraine. Some Russian officials have even suggested that businesses seeking to re-enter should [contribute financially to the Russian military or establish operations in occupied Ukrainian territories](#). These decisions would directly associate a company's name with a government engaged in an ongoing conflict, one that has been widely condemned for violations of international law. Moreover, they could render the company complicit in violations of international law.

It has been over three years since Russia invaded Ukraine, committing the crime of aggression and breaching the UN Charter. Russia is violating international humanitarian and human rights law, committing over 150,000 documented war crimes. In recognition of the severity of abuses, in March 2023 the International Criminal Court issued an arrest warrant for Vladimir Putin to answer charges of war crimes.

As affirmed by international frameworks, in conflict-affected and high-risk areas, businesses are not neutral actors. The company's continued presence in Russia is not passive, but part of the system that enables and sustains Russia's aggressive war against Ukraine.