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Lush Cosmetics Forced Out of Russia by Supply Crunch – Kommersant

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The Russian owner of British ethical cosmetics retailer Lush is being forced to close its stores in the country due to supply chain disruptions stemming from wartime sanctions, the Kommersant business daily reported Tuesday.

Lush was among the hundreds of international brands that suspended operations in Russia in response to Moscow's invasion of Ukraine.

Lush Russia is now in the process of liquidation and plans to sell off its remaining stock through its online store, Kommersant cited one of three commercial real estate consultants as saying.

The maker of popular natural bath bombs, face masks and shower gels has had its last shipment to Russia stuck in Latvia since March, the source said.

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Imports account for 95% of sales across 48 Lush stores in Russia, 21 of which have closed since the start of the war.

But even Russia's recently approved "parallel imports" scheme, which allows shipments without permission from trademark owners, has been unable to revive supplies.

According to Kommersant's source, Lush conducts wholesale trade exclusively with its partners.

Businessman Dmitry Azarov, 61, who owns 65% of Lush's Russian and Ukrainian entities, estimated in May that he had three months left before he would run out of stock and be forced to fire 600 Russian and Ukrainian employees.

Kommersant's report on Lush's closure in Russia comes one day after French beauty retailer Sephora announced a sale of its Russian subsidiary and a permanent exit from the market.

Fellow French beauty retailer L'Occitane announced its plans to divest its business in Russia to local management in May.

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