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French DIY Retailer Leroy Merlin to Cede Control of Russian Stores

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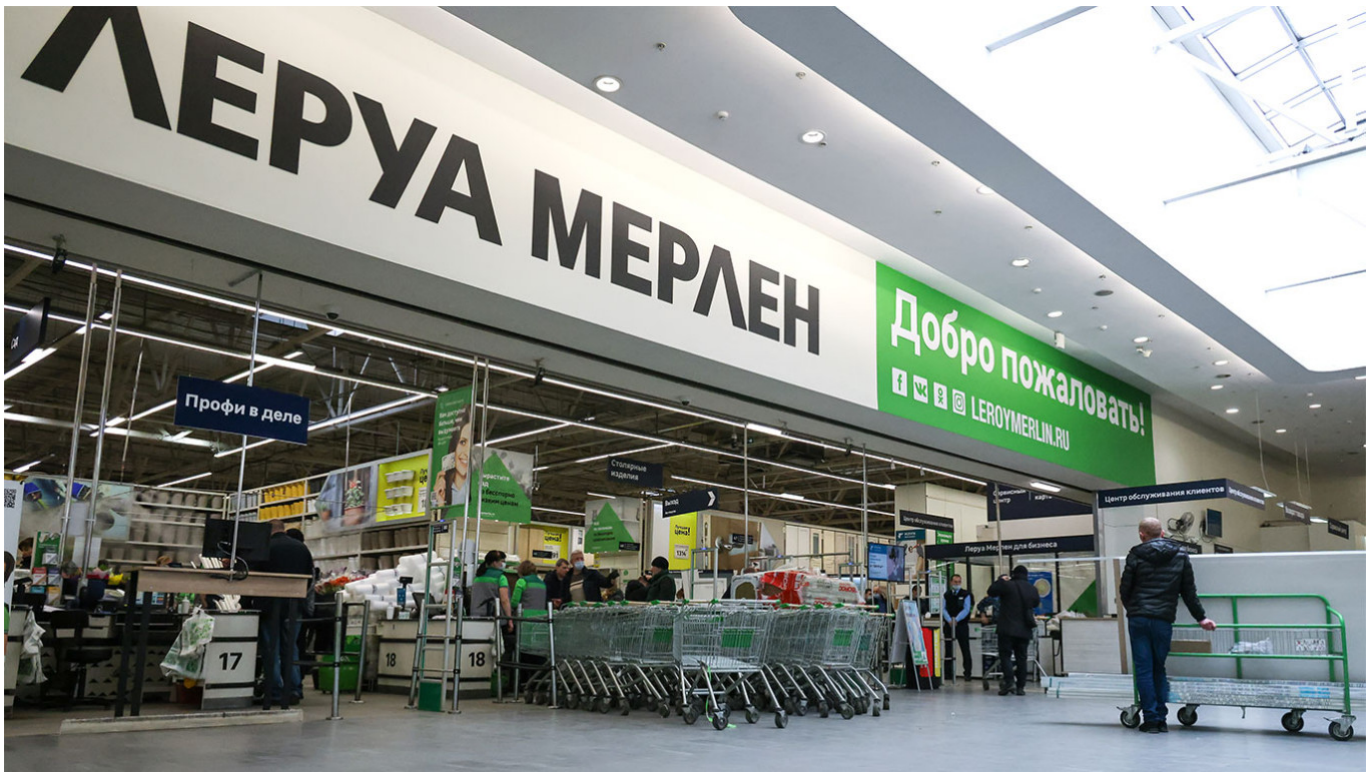

Unlike most Western brands, Leroy Merlin initially opted to stay in Russia after the invasion of Ukraine.
Anton Novoderezhkin / TASS

The French home improvement retailer Leroy Merlin will transfer control of its stores in Russia to local management, parent company ADEO announced Friday, more than a year since the invasion of Ukraine triggered an exodus of Western businesses.

Leroy Merlin was embroiled in controversy last month when a media investigation implicated the company and the French retailer Auchan in supplying goods to the Russian army in occupied Ukraine.

In a statement, the retail giant ADEO said its decision to cede control of 143 Leroy Merlin stores to Russian management was aimed at preserving 45,000 local jobs.

“This process is the result of work initiated several months ago in compliance with international regulations,” ADEO said.

“It follows the suspension of all new investments by ADEO in Russia from the beginning of the conflict and the gradual independence of the local operations.”

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The Leroy Merlin transfer was subject to approval by the Russian authorities, ADEO stressed.

Leroy Merlin has consistently grown its revenues since entering the Russian market in 2004, according to the TAdviser business portal.

In February, a joint investigation by Russian, French, and Dutch media accused Leroy Merlin of allowing pro-Kremlin activists to use the company's delivery network to supply the Russian military in the occupied Ukrainian city of Mariupol.

ADEO said it was “shocked” by the allegations.

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