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B4Ukraine 

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Dear Hyundai 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. Given the ongoing instability and discussions around companies potentially re-engaging with the Russian market, we are reaching out to urge your company to refrain from resuming or expanding any operations in Russia.

Businesses must not return to the Russian market until:

- 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.

As is outlined below, this is not only a matter of principle but also a strategic and financial judgment based on a plethora of risks related to Russia. The circumstances that led to the withdrawal of firms from Russia have not changed. The war against Ukraine continues, and the economic, legal, and reputational risks of doing business in Russia remain high.

We commend Hyundai for its decision to [leave](#) the Russian market following the full-scale invasion of Ukraine.

However, recent reports indicated the possibility of Hyundai exploring the [possibility of returning](#) to the Russian market. Following these reports, a company representative explained that the rumours are "[speculation](#) that has nothing to do with reality."

The concern about Hyundai signalling a [possible return](#) to Russia arose as the factory buyback option nears expiration in December. Furthermore, the company recently re-registered the "HYUNDAI" trademark with Russia's intellectual property agency, three years after halting operations. This move follows 17 trademark applications for Genesis models and parts filed last August. Meanwhile, Kia Russia has begun hiring for technical and marketing roles, with recruitment increasing in Hyundai Mobis and Hyundai Steel. While activity is ramping up, Hyundai says no final decision has been made.

Korean media [reports](#): "The recruitment drive is a clear indication of Hyundai Motor Group's intent to capitalize on easing sanctions and potential economic opportunities in post-war Russia." Most recently, a Hyundai company representative [stated](#): "No decision has been made yet, and the company is closely monitoring the situation."

We are concerned by reports suggesting the possibility of Hyundai re-entering the Russian market and seek clarification regarding the company's ongoing commitment to ceasing operations in Russia.

In light of the continued Russian aggression against Ukraine, we strongly urge Hyundai to publicly reaffirm its position and provide clear assurance that it remains aligned with the values that informed its original decision to leave the 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 [sixteenth 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.

It has been 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 160,000 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.

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 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 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.

For all these reasons, we strongly urge your company not only to remain outside the Russian market but to take an active role in discouraging others from returning. We ask that you publicly **reaffirm your commitment to staying out of Russia**, engage with your peers, and use your influence to advocate for continued economic pressure until meaningful conditions for peace and accountability are met.

With so many alternative markets offering greater stability and growth potential, the case for returning to Russia is weak. The financial, legal, and reputational risks outweigh any potential short-term benefits. More importantly, to re-enter the Russian market under current conditions would be to ignore the principles that led to withdrawal in the first place and contradict all principles of ethical business conduct and a business' responsibility to [respect human rights](#).

We hope that your company will remain firm in its decision to stay out of Russia and will use its influence to encourage others within its industry to do the same.

We are happy to discuss these issues in greater detail and are therefore inviting you to a confidential meeting. We are happy to provide further information and address any questions you may have. Should you wish to participate in such a meeting, please confirm your availability by May 9, 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