

Case #7. Fashion Handbags and Rainforest Destruction?

A recent report examines the links between fashion brands and Amazon deforestation.



Cattle grazed on land burned by farmers in Brazil in August 2020. Credit...Andre Penner/Associated Press

By Whitney Bauck, New York Times February 5, 2022 (Updated Feb. 14, 2022)

This article has been updated to include a response from JBS, a beef and leather exporter in Brazil.

The rainforest and the runway may seem worlds apart, but deforestation in the Amazon is partly fueled by something that's on display in every fashion capital this month: leather. A New York Times investigation published in November established the connection between deforestation and American appetites for leather in luxury cars, but the problem goes beyond the **auto industry**.

Fashion's extensive use of leather is contributing too, according to a study released late last year that looked at the connection between the leather in our wardrobes and deforestation. Most of that leather comes from cattle, and rainforest in the Brazilian Amazon is increasingly being slashed and burned to create more grazing space.

Exactly how much of the fashion industry's leather comes from Brazil is difficult to pinpoint, but according to UN Comtrade, a trade statistics database, Brazil accounted for 19 percent of tanned leather exports globally in 2020; those exports accounted for 41 percent of China's tanned leather imports and 36 percent of Italy's. Both countries are production centers for the fashion world.

Scrutiny of fashion's connection to deforestation in the Amazon surged in 2019, when images of rainforest fires that were started to clear land for agriculture went viral. **LVMH** announced shortly afterward that it would donate more than \$11 million to fight the Amazon fires, and **H&M and VF Corporation**, which owns Timberland and Vans, pledged to stop buying Brazilian leather unless it wasn't tied to deforestation.

These brands were all named in the study, "Nowhere to Hide: How the Fashion Industry Is Linked to Amazon Rainforest Destruction," by the conservation-focused nonprofit **Stand.Earth** and its research arm, **Stand Research Group (S.R.G.)**, which used customs data to illustrate how leather flowed out of the deforested Amazon. The report was released in November in collaboration with **Slow Factory**, a climate and culture nonprofit, and **Model Mafia**, an activist collective.

Identifying the Problem

S.R.G. analyzed nearly 500,000 rows of Brazilian customs data cross-checked with import data collected from leather processors in countries including China, Vietnam and Italy that supply companies including **LVMH, H&M, VF Corporation, Nike, Prada, Adidas, Tapestry (the owner of Coach) and Zara.**

The S.R.G. team sought to establish brands' connections to deforestation by tracing exports back through major leather suppliers in Brazil, and referring to other research connecting those suppliers to deforestation. According to the study, **JBS**, for example, the country's largest beef and leather exporter, supplies leather processors and manufacturers that in turn supply Coach and others. In a statement sent to The Times, **JBS** said that it "has no tolerance for illegal deforestation" and that it has "blocked more than 14,000 supplier farms for failure to comply with our policies and standards."

While the S.R.G. report doesn't prove that your Coach bag is made from "tainted leather" — the term S.R.G. uses for leather that helps drive deforestation — the more connections a brand has to companies that may have a role in deforestation, the higher the risk, said Greg Higgs, the study's lead researcher.

Because leather is often treated as a commodity that's sorted, at processors, by the quality of the hide rather than by its country of origin, it's difficult for brands to ensure that tainted leather won't end up in their products.

Many brands say the measures they already have in place to prevent tainted leather from entering their supply chains, including what they describe as external audits, are adequate.

The Limits of Certifications

One of the most frequently cited certification bodies is the **Leather Working Group (L.W.G.)**. It was founded by companies including Nike, Adidas and Timberland, and focuses on certifying tanneries based on environmental responsibility metrics.

However, the tannery stage is far too late to catch deforestation, according to Mr. Higgs and others, because many slaughterhouses — which come a step before tanneries — have no reliable way to ensure that farmers are not bringing them cattle from slash-and-burn sites. “Cattle laundering,” through which companies try to remain technically in compliance with restrictions, is common.

L.W.G. does not claim that its certifications ensure deforestation-free leather, though its website says that is part of its “vision for the future.”

“Our approach is to recognize credible third-party satellite monitoring systems and rely on the governmental efforts to manage deforestation commitments where available,,” an **L.W.G.** representative wrote in an email.

Relying on governmental efforts may be ineffective, however. **Jair Bolsonaro, the president of Brazil**, took office vowing to develop the Amazon rather than protect it, and the country has lost a forest area bigger than Belgium since he took office in 2019.

When asked for comment after being named in the S.R.G. report, **Adidas, Nike and Tapestry** pointed to the certifications their suppliers have received from L.W.G. A spokesperson from Tapestry added that it requires “suppliers sourcing from Brazil to certify in writing” that they do not use hides from animals raised on deforested lands.

LVMH said that Louis Vuitton, Fendi and Marc Jacobs — the three brands it owns that are in the report — “have not worked with direct and indirect suppliers in Brazil and have been sourcing 100 percent of raw skins from other countries over the past two years.”

A spokesperson for H&M said that the brand is working on traceability initiatives with the **Responsible Leather Roundtable at Textile Exchange**, a nonprofit focused on accelerating the use of materials that have a lower impact.

Prada, VF Corporation and Zara did not respond to requests for comment on the report’s allegations.

What Happens Next

Fashion supply chains are difficult to track, according to conservation advocates and fashion executives. Farming, slaughtering and skinning a steer may happen in one country, leather processing may happen in another and the clothing production in yet another.

And the expense of tracing can be high, according to Jason Kibbey, the C.E.O. of Higg, which helps brands measure their environmental impact. “Sometimes the cost of tracing a raw material can be the same as the raw material itself.”

The method that S.R.G. used for following a hide across so many countries is a trusted approach for supply chain evaluation, said Aynur Mammadova, a research fellow at the University of Padova who has been conducting independent research on Brazilian leather’s connections to deforestation.

Currently, many companies say that leather is a byproduct of the meat industry, shifting the blame for forest clearing, Ms. Mammadova said. But, she added, leather brought in \$1.1 billion for Brazilian slaughterhouses last year. It would be more accurate to describe them as “co-products,” rather than byproducts, she said.

The S.R.G. researchers said the goal is not to shame any one company, but rather to offer brands more information about their supply chains.

“This is definitely not a study where we’re ranking the brands against each other,” said Angeline Robertson, an S.R.G. researcher.

“If the fashion industry says, ‘We won’t tolerate this anymore,’ and they put pressure back on their suppliers, it can cause a domino effect and it can be really successful.”

- <https://www.nytimes.com/2022/02/05/style/lvmh-nike-prada-amazon-deforestation.html>

ACTORS IN THE CASE

FASHION HOUSES: LVMH, H&M, VF Corporation, Nike, Prada, Adidas, Tapestry (the owner of Coach) and Zara.

LVMH H&M and VF Corporation,

Leather Working Group (L.W.G.).

Stand.Earth and its research arm, **Stand Research Group (S.R.G.)**, **Slow Factory**, a climate and culture nonprofit, and **Model Mafia**, an activist collective.

Responsible Leather Roundtable at Textile Exchange

Case 7 Questions

1. (2) Cite 2 main actors and 2 main “issues”(issues broadly defined) FASHION HOUSES should be monitoring external to the company and why?

Your answers should take the form:

FASHION HOUSES should monitor: _____ because: _____.

(maximum for each answer: 30 words)

2. (3) Module 4 argues that there is an ongoing movement from “corporate social responsibility” to “sustainability” and now to “creating shared value.” Create (a) supporting and (b) a dissenting argument for the following assertion:

“The leading FASHION HOUSES have moved to the “sustainability” stage of development.”

Maximum length 40 words for a and 40 words for b.

3. (3) Create a (a) supporting and (b) dissenting argument for the following assertion:

“FASHION HOUSES have a social responsibility to develop fashion accessories that have no impact on vulnerable rainforests.”

Maximum length 40 words for a and 40 words for b.