

# Case #4c. H&M Rain Forests, Leather and Sustainability

**This case is based on the following article: “H&M Stops Buying Leather From Brazil Over Amazon Fires”**

By The Associated Press Sept. 6, 2019 New York Times

COPENHAGEN, Denmark — Low-cost fashion retailer **H&M** said Friday it is suspending leather purchases from Brazil to make sure it is not supporting cattle farming that may be contributing to the fires in the Amazon rainforest.

The move by the Stockholm-based company follows a similar decision by the maker of Vans and Timberland shoes. Some international investors are also trying to put pressure on the Brazilian government, which has been seen as too lax in its approach to protecting the rainforest.

**H&M** said its temporary ban on leather from Brazil will remain in place "until there are credible assurances ... that the leather does not contribute to environmental harm in the Amazon."

The move may be more about the message than the business impact, as **H&M** sources the vast majority of its leather from Europe's from the meat industry, with only a small part from Brazil. The company declined to provide figures.

In 2017, less than 1% of **H&M**'s range of clothes was made of leather and it used synthetic leather products five times as much as real leather. The group has already been moving away from using materials derived from animals.

For more details on H&M's sustainability commitments, see <https://hmgroup.com/sustainability.html> An excerpt is below:

## **H&M Vision and Strategy**

“At H&M Group, we’ve always believed that great design should — and can — be available to anyone. From the beginning, our role has been to democratise fashion. Today, that means making it sustainable: it’s the only way we’ll keep making great fashion and design available to many people, for many years to come.

Our vision is to lead the change towards a circular and renewable fashion industry while being a fair and equal company. Using our size and scale, we are working to catalyse systemic changes across our own operations, our entire value chain and the wider industry. In this way, we can continue to engage our customers and provide great fashion and design choices — today, and into the future.

”Big change requires bold actions and the courage to aim high. At the same time, we have to be humble to the challenges our planet is facing. So if we want to make real change we have to be brave, push the boundaries and not be afraid to fail”

*Anna Gedda, Head of Sustainability, H&M Group*

Our vision and strategy apply to all our brands while allowing each of them to maintain their own brand identity. While our business has a long and well- established history in sustainability, projected population growth figures and natural resource levels make it clear that a more focused approach to sustainable fashion is needed. Our role, as leaders in our industry, is to innovate, influence, collaborate and lead the way towards a truly sustainable fashion future. This vision is not only necessary from a social and environmental perspective, but it also makes good business sense. Long-term investments in sustainability provide us with long-term business opportunities that will keep H&M Group relevant and successful in our rapidly changing world.

## Our sustainability strategy



We know that achieving our vision will not be easy, but our openness to tackling challenges keeps us alert to opportunity. We are strongly positioned to make a positive impact, in part because of our continuing partnership with stakeholders and industry experts who help set and shape our sustainability work. Furthermore, by applying a science-based approach to our work, we can set the best goals and roadmaps possible to drive positive change throughout our company and the wider industry.”

### Case Questions:

Module 4 argues that there is an ongoing movement from “corporate social responsibility” to “sustainability” and now to “creating shared value.” Review the H&M website Sustainability Commitment and then its Sustainability Report.

1. Create an argument that **H&M** is:

a. still at the “corporate social responsibility” stage but has moved no further

b. has moved to the “sustainability” stage and has moved no further, i.e., is not yet at the “creating shared value” stage.

c. is now at the “creating shared value” stage in its development.

Note: Your conclusion may be that the company is really at one of the three levels. Nevertheless, you are to make separate argument that it is at each of the levels.

**Word limit: 400 words**

