



Puma executive chairman Jochen Zeitz (right) seen here with Ferrari chairman Luca Cordero di Montezemelo.

CREDIT: PUMA

Sustainability must be balanced

Earlier this year, Paris-based luxury group PPR issued a set of core sustainability targets for its luxury and sports-lifestyle brands to achieve by 2016. Two of these referred directly to leather. The group, whose footwear and leathergoods brands include Bottega Veneta, Gucci, Balenciaga, Puma, Yves Saint Laurent and Sergio Rossi, announced the new guidelines as part of a wider sustainability programme at its April 2012 annual general meeting.

Specifically, the group said that all leather from domestic livestock used in PPR products would be from responsible and verified sources that do not result in converting sensitive ecosystems into grazing or agricultural lands for food production for livestock. At the same time, it also declared that all exotic skins would come from verified captive breeding operations or from sustainably managed wild populations.

It went on to state that suppliers of leather to all PPR brands must employ accepted animal welfare practices and humane treatment in sourcing. In order to achieve this going forward, the group will make monitoring of its suppliers of

leather and other raw materials a priority. The various brands within the group would create their own action plans and identify priority issues that affected them so that they would be able to achieve 2016 group targets.

"The next five years are pivotal and we now have a clear view of what we want to achieve and the actionable targets we need to take to get us there," said chief executive, Francois-Henri Pinault. "We are confident that this type of innovative, sustainability-driven approach will ultimately generate new business revenues from sustainable products and services and create new business models for us as a group."

PUMA'S STANCE

Puma's executive chairman Jochen Zeitz has since made it abundantly clear that life for its suppliers of leather, natural rubber and cotton will become tougher from now on as the emphasis will now be on them rather than the company's own activities.

At the United Nations global environment conference at Rio de Janeiro in June, he got into conversation with influential UK newspaper the

Financial Times and levelled some fierce criticisms of his company's raw material suppliers, with particularly harsh remarks aimed at tanners supplying his company's leather. One wonders what might have prompted him to do this as, although in its environmental profit and loss account Puma said that 57% of all environmental impacts are associated with the production of raw materials, natural rubber and cotton as well as leather, it continues to regard the latter as its chosen upper material for footwear production.

He is reported to have even gone so far as to say that: "I think eventually we'll have to look at alternative materials, there's no question about it. We should eat less meat, all of us, and we should use less leather, I mean that's reality. We all know that cattle and beef are among the biggest contributors to carbon emissions." This is clearly a personal opinion, but he also pointed out that Puma now has a meat-free Monday policy in its staff restaurants. One also wonders what the chairmen of the other PPR brands whose products are highly reliant on the use of leather thought of all this.



21st century tanneries are as clean and pollution free as in any other modern industry.

CREDIT: WTP

UNFAIR TO COWS

The influential tanning industry publication *World Leather* has since responded to Mr Zeitz's criticism of cattle via a letter in the FT pointing out that this is less than entirely fair. An equally influential academic from the University of Colorado who acts as a consultant to the US beef and cattle industry, Dr Temple Grandin, has made the point that much of the agricultural land on the face of the earth is unsuitable for growing crops and that allowing cattle, sheep and goats (the mainstays of the leather industry) to graze there is the best utilisation of such land for growing food. The populations of countries such as China, India and other developing countries, all hungry for meat, would doubtless also support that view.

Global meat consumption not surprisingly therefore remains high (the UN's Food and Agriculture Organization predicts beef production of 67.5 million tonnes in 2012 and continuing to rise going forward) and where there is beef, there will be hides. In Brazil alone, meat companies produced 28.8 million hides in 2011. We really would have an environmental problem if they all went into landfill and, as beef appears likely

to remain part of the food chain long into the future, so will hides as an inevitable by-product.

Furthermore, she insists that a correctly used rotational grazing system is an effective way to encourage plant growth on land unsuited to growing crops, which in turn helps capture more carbon from the atmosphere. The Colorado-based academic also states that ruminant animals that eat grass are not the environmental wreckers that some people say they are and that good

cattle farming may in fact compare favourably with rice production. Despite being a hugely important food source in much of the world, Dr Grandin claims rice paddies, with their warm, waterlogged soil, are likely to account—together with coal-fired power stations and landfill sites—for 80% of all methane emissions. Cows, meanwhile, offset their admitted carbon emissions by grazing land and so stimulating new carbon-capturing plant growth.

UNFAIR TO RANCHERS

Another of Jochen Zeitz's objections to leather is particularly relevant to Brazil. Campaign group Greenpeace has long claimed there are links between illegal deforestation in Amazonia and the global leather industry. It says the hides of cattle farmed on deforested land are going to tanneries that supply prominent footwear and fashion brands around the world. Its continued accusations against one meat and tanning group in particular, JBS, landed it in a Brazilian court in June. JBS refuted each of a series of specific criticisms in a document in which the campaign group named JBS suppliers that it said were raising cattle on illegally cleared land. JBS said the information was incorrect and a judge agreed, ordering Greenpeace to stop its campaign in Brazil or face a daily penalty of \$25,000 in damages.

Apart from deforestation, cattle ranches in Amazonia have faced



Jochen Zeitz's comments have been less than fair to cows.

CREDIT: SHUTTERSTOCK

criticism for their treatment of indigenous peoples, another detail that Puma has picked up on. But for some time now, the Brazilian government has been monitoring the situation in its Amazon regions very carefully and has started publishing a list of farms that breach its protocol. The major tanning groups all have access to this list and know which ones to avoid. For this reason, practically the entire Brazilian leather industry has no connection whatsoever to illegally deforested land.

UNFAIR TO TANNERS

Of course it's true that leather production uses water and chemicals, but pioneering tanners and new technology are making it less resource-intensive all the time. The best in the business are consistently cutting consumption of water, chemicals and energy while reducing waste or eliminating it altogether. Their achievements are winning the attention of their peers and of governments and users of leather around the world.

Too many people unfortunately hold on to a 20th century view of tanning as a dirty industry responsible for too much pollution. Today's tanneries are as clean and pollution free as in any other modern industry, a fact amply borne out

by the high standards shown by entrants in *World Leather's* prestigious global Tannery of the Year competition. The leather industry has totally transformed itself over the past 20 years and deserves credit rather than being continually hit over the head with a big stick.

If, for whatever reason, Brazilian tanners are still failing to convince Puma that their leather is environmentally sound, it has the option to safely source most of its leather from other parts of the world. European raw material would probably cost it more money, but something else might prove exceptionally interesting and that would be to state a preference for sourcing leather from Africa as it already does with regard to cotton.

PARENT PRESSURE

It now appears that Puma is saying that it wants more sustainable production of conventional materials and has warned that it will terminate the contracts of suppliers and countries that do not guarantee to refrain from clearing rainforests for the cultivation of raw materials. As far as one can tell, the threat of terminating contracts is a new development and a tightening of the pressure on the Puma supply chain. It seems well within the bounds of

possibility that the new set of core sustainability targets published by Puma's majority shareholder, the PPR Group, at its annual general meeting in April may have helped set the new tone.

PPR says the targets apply across its luxury and sport and lifestyle brands. There is plenty in the document that taps into Puma's previous pronouncements, including reducing carbon, waste and water by 25%. It also mentions monitoring of suppliers and that PPR will be monitoring performance with a priority focus on the sourcing and suppliers of raw materials, and evaluating all key suppliers a minimum of every two years. None of this is surprising if one takes into account the name of the PPR group's chief sustainability officer: Jochen Zeitz.

As mentioned earlier, the targets for leather state that if the source is domestic livestock, it must come from responsible and verified sources that do not result in converting sensitive ecosystems into grazing lands or agricultural lands for food production for livestock. If it's more exotic skins such as snake or crocodile, suppliers must use skins from verified captive breeding operations or from sustainably managed wild populations. But, surely, this is what tanners have been going to great lengths to achieve for some years now?

Mr Zeitz's remarks in June also included the fact that he actually longs for an economic way of producing a leather-like product in the laboratory. Petrochemical companies are certainly trying hard, but it's far from easy, even with their big budgets and lobbying power. As well as presenting an excellent and ancient example of recycling, leather is renewable, flexible, breathable, strong, water-resistant, sensual, natural and unbelievably beautiful. Furthermore, consumers like it.

PPR targets fortunately say nothing of trying to find a substitute for leather, which must come as a relief for the rest of its big-name leathergoods and footwear brands, including Gucci, Bottega Veneta, Sergio Rossi, Brioni and all their customers. In fact, the material that is to be eliminated by 2016 (at the latest) is one that many brands have used in an attempt to find a substitute for leather – mostly for price reasons – PVC and few have a problem with that as it contains known carcinogenics. When Jochen Zeitz spoke in June of



Africa has a plentiful supply of hides and skins and is rapidly gaining the skills and technology needed to produce top grade leather. CREDIT: WTP

Puma Super Atom football boot from 1952, the first boot with screw-in studs and, naturally, a leather upper.

CREDIT: PUMA



wanting to replace leather altogether, one must presume he was expressing a personal point of view. The PPR Group fortunately continues to love leather, provided it comes from suppliers who do things the right way. And few have a problem with that either.

SENDING THE RIGHT MESSAGE

More recently and, on the back of an in-house profit-and-loss analysis comparing a biodegradable shoe from the new InCycle collection and a traditional suede Puma athletic shoe,

which he claimed dramatically demonstrated the need to increase the use of sustainable materials, the executive chairman of Puma called on governments to reduce the 'antiquated' import duties on synthetic materials to help them compete with leather.

The analysis unfortunately contained some conclusions that have been disputed by leather and footwear industry experts, the least of which was that if leather was not a sustainable material, what was?

And now, PPR has suddenly announced that Jochen Zeitz is to step

down as executive chairman of Puma as of November 30. One must draw one's own conclusions from that. However, what does come out of this whole sorry saga is that ill-considered comments by senior figures can very easily cause a great deal of unwarranted harm to the leather and footwear industry's environmental reputation in the eyes of consumers.

While the ongoing pursuit of sustainability and support for the environment is laudable and must continue, it must nevertheless be treated in a pragmatic and balanced manner. 

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