



25 January 2024

(By Email)

Business & Human Rights Resource Centre  
London, UK

Attn: BHRRC – Latin America Desk

Dear BHRRC,

### **Animal hides sourced from Brazil**

Thank you for your email of 18 January 2024 and for your invitation to respond to recent media coverage on deforestation and human rights risks associated with the sourcing of animal hides from Brazil.

adidas' Workplace Standards prohibit all forms of forced labor, and we apply this equally to all companies in our supply chain. If there is clear evidence of a direct linkage between an act, which has caused a human rights impact or environmental harm, involving a manufacturing partner, or materials being supplied to adidas, we will seek to support a remedy. Where such specificity is lacking, we will still look for ways in which we can encourage preventive measures, or improvements in our own sourcing practices.

A member of the Leather Working Group (LWG) since 2006, adidas has defined standards for our leather suppliers including LWG certification, compliance with our restricted substances list A-01, as well as the exclusion of hides from India and China and the exclusion of any exotic leathers or furs.

Currently, more than 99% of our leather volume is audited in accordance with the Leather Working Group protocol, and most of our hides are sourced from tanneries with the highest LWG rating (LWG Gold). We believe the existing LWG audit protocol and chain of custody initiatives provide a strong foundation on which to create a robust and scalable traceability solution for leather.

LWG is working together with other organizations on enhancing the audit protocol to include more information in the due diligence scope, specifically on deforestation, and as next step aims to create a traceability mechanism and chain of custody standard for leather. This will allow higher transparency on important environmental impacts such as deforestation from the origin of the material, as well as the ability to assess any related human rights impacts along the upstream supply chain.

With around 2 percent share in our materials portfolio, leather is one of the least used materials and animal hides are a by-product of the supply of meat, which is the primary driver for cattle farming<sup>1</sup>. Our main source of hides is the USA, whereas the amount of Brazilian sourced hides in adidas-linked leather production is rather small.<sup>2</sup> Given our limited leverage in the upstream supply chain, we are convinced

---

<sup>1</sup> Typically, hides which are a by-product of slaughtering animals for meat account for about 5% of the revenue generated from the cattle at slaughter.

<sup>2</sup> We estimate that in 2022 animal hides sourced from Brazil for adidas-linked leather production represented less than 0.006 percent (by m<sup>2</sup>) of that country's global exports of skins and hides.



that we have a greater impact to prevent deforestation, and associated human rights issues, in collaboration with partners by setting cross-industry standards and by supporting multistakeholder-endorsed accountability frameworks and certification programs, the most prominent of which have been the *Deforestation-Free Call to Action for Leather* developed by Textile Exchange, LWG and the World Wide Fund for Nature (WWF)<sup>3</sup> and the UNECE *Blockchain Pilot for Sustainable Value Chains (leather case)*.<sup>4</sup>

We are also supporting a cattle traceability pilot project, *Certification of Origin and Traceability Implementation Initiative* (COTI), which has recently launched in Brazil, to ensure the monitoring of cattle from birth to slaughter.<sup>5</sup>

We recognize the need for greater engagement with stakeholders across all tiers in the leather supply chain, and the important role that the major meat processing businesses can play in identifying, mitigating and preventing adverse environmental and human rights impacts, through their own buying practices, and through the active protection and preservation of natural ecosystems and biodiversity in areas impacted by cattle farming. In this respect, we have seen the creation of new multistakeholder initiatives, such as the *Tropical Forest Alliance*, which are partnering with industry and using collective action to drive a transition to deforestation-free supply chains.<sup>6</sup>

We trust this answers your question.

Sincerely,

William Anderson  
Vice President, Global  
Social & Environmental Affairs

---

<sup>3</sup> See <https://textileexchange.org/leather-call-to-action/>

<sup>4</sup> See [ECE/TRADE/C/CEFACT/2022/9](https://unece.org/trade/c/cefact/2022/9) (unece.org)

<sup>5</sup> See <https://www.cotiinitiative.org/>

<sup>6</sup> See <https://www.tropicalforestalliance.org/en/about-tfa/about/>