



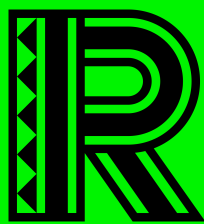
Rainforest Foundation
Norway

Hide on the Highway

*Tracing Leather from Brazil to Europe
under the EU Deforestation Regulation*

*A report prepared by AidEnvironment
for Rainforest Foundation Norway*

May 2024



Rainforest Foundation Norway (RFN) is one of the world's leading organisations in the field of rightsbased rainforest protection. We are working for a world where the environment is protected and human rights are fulfilled.

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Front cover: Victor Moriyama/RFN

Authors: Sarah Drost and Rita Raleira

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AidEnvironment
Barentszplein 7
1013 NJ Amsterdam
The Netherlands
+ 31 (0)20 686 81 11
info@aidenvironment.org
www.aidenvironment.org

Rainforest Foundation Norway
Mariboegate 8
0183 Oslo
Norway
+ 47 23 10 95 00
rainforest@rainforest.no
www.regnskog.no/en/

The upcoming **European Deforestation Regulation (EUDR)** will place due diligence requirements on the **deforestation-free** nature of several commodities entering the EU markets, including **leather**. The EUDR is expected to become applicable by the **end of 2024**. After that, companies will have to demonstrate their leather is not linked to deforestation or forest degradation since December 31, 2020.

The present study maps the bovine **leather supply chain** originating in Brazil and its connection to end-products circulating in Europe via midstream **tanneries**. The study uncovers potential noncompliant cases under the EUDR while simultaneously highlighting the lack of transparency and difficulty in tracing leather.

The **Rainforest Foundation Norway (RFN)** has an ongoing advocacy work targeting the deforestation and human rights violations associated with cattle ranching in Brazil, with a focus on leather and the **automotive industry**. RFN urges for the quick, smooth and efficient transition to EUDR **compliance** to stop the monumental loss of nature driven by agricultural commodity trade.

EXECUTIVE SUMMARY

BACKGROUND

Cattle ranching is a major driver of tropical forest loss. In 2022, Brazil had the largest commercial bovine herd in the world with 234 million animals. About half of these animals graze within the Legal Amazon region. The link between cattle and deforestation derives from clearing forested areas into pastureland for animals. The national and global demands for beef and leather contribute to driving the expansion of this sector deeper into the forest, which has severe consequences for the valuable Amazonian ecosystem. It is estimated that 80% of Amazon deforestation can be linked to cattle ranching.

On the other side of the Atlantic, the European Union (EU) has sought to guarantee that the products EU citizens consume do not contribute to deforestation or forest degradation worldwide. In December 2022 the EU approved its Deforestation Regulation (EUDR), which will place due diligence requirements on the deforestation-free nature of several commodities entering the EU market, including leather. The EUDR is expected to become applicable by the end of 2024. After that, companies will have to demonstrate their leather has not been linked to deforestation or forest degradation since December 31, 2020.

In a prior RFN/AidEnvironment study conducted in 2021 titled 'Driving Deforestation', RFN recommended that companies adopt zero-deforestation policies with specific targets and deadlines. We are pleased to observe these recommendations manifesting in impactful legislation such as the EUDR. Presently, we call upon European companies and authorities to actively engage with clear guidelines, technological infrastructure, capacity-building initiatives, and robust monitoring and evaluation processes essential for the swift implementation of the EUDR. Therefore, we aim for this study to enhance understanding of the leather supply chain in light of the forthcoming regulation, identifying areas where immediate action is needed to ensure timely compliance.

METHODOLOGY

The study is commissioned by Rainforest Foundation Norway (RFN) and prepared by AidEnvironment to map the bovine leather supply chain in Brazil and its connection to European markets, with a focus on compliance with the upcoming EUDR. The mapping has analysed (1) trade and shipment data covering the period since the cut-off date of the EUDR (December 31, 2020); (2) European tanneries with a focus on those linked to Brazilian leather exports; and (3) case studies linking deforestation events in Brazilian cattle farms to end-products circulating within the EU market, with a focus on the automotive industry.

The study has cross-referenced territorial analysis of cattle farms with animal transit data to link these farms with specific slaughterhouses in Brazil. Territorial analysis also informs the proximity of tanneries to slaughterhouses. In the previous 'Driving deforestation' report, we concluded that closer proximity between tanneries and slaughterhouses determines a higher certainty of connection between these two actors. Shipment data and tannery databases in Europe were used to map the main importers of Brazilian leather into Europe and the main end-product outlets.

KEY TAKEAWAYS

1. Concerns regarding compliance with the EUDR

All cases in this study could be potentially non-compliant with the EUDR if the cleared area after the cut-off date includes “forest vegetation” and if the leather originating from cleared areas can be connected to European downstream markets and consumption. The burden of proof on the origin of the leather under the EUDR will be on European actors placing the leather on the European markets. Downstream companies must make sure that they do not source from tanneries whose leather cannot be traced to the farm of birth of the animals.

2. Lack of transparency and poor governance

The Brazilian cattle sector remains non-transparent and poorly governed, which may impede compliance with the EUDR. Lack of transparency in the supply chain makes it difficult to trace the origins of cattle and verify compliance with environmental and social requirements in Brazil and the EU. This opacity can enable illegal activities such as deforestation, land grabbing, and ‘cattle laundry’ to go undetected. A telling example is the unavailability of updated animal transit data (GTA) for Mato Grosso, the Brazilian state with the highest cattle population.

3. JBS requires special attention

The study places particular emphasis on JBS, given the company's significant size and influence in the broader sector, along with allegations concerning its supply chain practices in Brazil. Downstream actors and end-users in the EU linked to JBS would be wise in suspending sourcing from JBS until it can be transparently shown that the company is complying fully with the EUDR. This is valid for all companies indicated in the case studies of this report, but particularly for companies such as Howe Leather and Lear Corporation that source respectively all or significant amounts of Brazilian leather from JBS.

4. Key leather actors hidden behind logistics companies

About 45% of the leather volumes sampled in this study are listed under the names of logistics companies, which adds another layer of opacity to the leather supply chain. This complicates identifying the entities responsible for introducing the leather into the EU market. With limited access to public information, civil society faces challenges in identifying both the suppliers and importers of leather transported by logistics companies.

5. Obscure corporate ownership structure

A case in point of unknown corporate ownership structures in the leather sector is the Italian tannery Conceria Priante, which is a subsidiary of JBS. This is interesting as it represents the extent of vertical integration within JBS's operations. The company controls both the slaughtering process and various stages of leather processing.

6. Alienation - ‘Italian leather’ from Brazil

There is the alienation of end-consumers who may believe they are buying products labeled as “Italian leather,” whereas the origin of that leather may still be Brazilian. This is particularly the case when the transformation of semi-processed leather into finished leather leads to a change in the tariff trading code. Furthermore, considering how globalized the leather supply

chain is, consumers could potentially buy a pair of shoes ‘made in India’ with a ‘Italian leather’ tag from cattle born and slaughtered in Brazil.

7. Possibility of dual penalties under the EUDR

Related to the previous point, the study also notes that European tanneries import semi-processed leather into the EU and export finished leather out of the EU. This prompts the question of whether these actors could potentially face double penalties if the leather is associated with deforestation after December 31, 2020.

8. EUDR and the European Economic Area (EEA)

Some companies in non-EU countries import Brazilian leather through ports within the EU. A case in point is the Norwegian company Ekornes sourcing Brazilian leather via Hamburg in Germany. This raises questions such as (1) which country's competent authorities will oversee inspections of the leather volumes and (2) the scenario where leather is introduced into EU territory only to be swiftly transported out of it.

9. Insufficient commitments from mid and downstream companies

The study draws attention to deficient or incomplete sustainability commitments by companies in Europe. Companies such as Mario Levi and Howe Leather lack a public deforestation policy. Lear, one of the world's largest manufacturers of car interiors, only focuses on illegal deforestation. Deforestation policies that only focus on illegal deforestation are insufficient to meet the zero-deforestation requirements of the EUDR. Such a policy also brings other wooded lands (OWL) into the discussion. In practice, this means that leather from the Cerrado biome in Brazil can legally enter the EU, even if it comes from areas with deforestation.

The study emphasizes the need for greater transparency, accountability, and adherence to sustainability commitments within the leather industry to ensure compliance with the EUDR and mitigate the risk of deforestation-linked products entering European markets. After all, protecting rainforests from commercially driven deforestation is not just an environmental imperative; it's a moral obligation to safeguard Earth's biodiversity and climate stability for present and future generations.

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1. INTRODUCTION

In the framework of the EU Deforestation Regulation (EUDR), this bovine leather supply chain mapping study, commissioned by Rainforest Foundation Norway (RFN), has two main goals:

- To outline trade flows, and the landscape of key exporters and importers (operators) in the Brazilian leather supply chain that will have to ensure compliance with the EUDR.
- To uncover potential noncompliant cases under the EUDR, linking leather products from Brazilian cattle ranches and tanneries to European operators, such as EU tanneries, and downstream companies, with a specific focus on the automotive industry.

A sub-objective of this study includes the mapping of the main tanneries in the EU, that are linked to Brazilian leather exports.

The deliverable, a mapping of the Brazilian bovine leather supply chain and its connection to European end-products, includes:

- Tables with trade data summarizing the major exporters and European importers of Brazilian bovine leather products, including background research on these importing companies and their business ties to specific industries.
- Overview table listing European tanneries and highlighting those that are confirmed recipients of leather products imported from Brazil.
- Five specific case studies of bovine leather products in automotive, furniture, and footwear end-products linked to non-compliant cattle ranches in Brazil, with visuals on deforestation, illegal fires, and other negative social impacts linked to the farm(s), slaughterhouses, and tanneries.

2. APPROACH AND METHODS

Companies in the leather sector (specifically operators and non-SME traders) that place products in the EU market will have to comply with the requirements established by the EUDR, among which ensuring that the products covered by the regulation, including three leather derivatives (HS 4101, HS 4104, and HS 4107), are not linked to deforestation and forest degradation since December 31, 2020 (“cut-off date”). The leather products included in this study include the more “raw forms” of leather products that are under the scope of the EUDR, namely **raw hides and skins** of bovine animals (HS 4101); **tanned (wet blue) crust hides and skins** of bovine animals (HS 4104); and **leather further prepared** after tanning or crusting (HS 4107). However, end-consumer products, such as leather seats, bags, accessories, shoe soles etc., are not included as HS codes in this study. Salted and semi-processed (e.g., wet blue) leather products are more suitable for international export than raw hides since these allow for longer storage and transportation times. In leather supply chains, many European tanneries will likely assume the role of operators, as defined in the EUDR, and therefore be subject to the requirements mentioned.

As a main approach, this study has analysed:

- **Trade and shipment data** covering the period since the cut-off date of the EUDR. This analysis entailed the quantification of the leather volumes originating from Brazil that are being imported in the EU27 + UK + European Free Trade Association (EFTA) countries (Norway, Switzerland, Iceland, and Liechtenstein). Based on shipment data and if available, we identified key exporters to and key importers (operators) in the EU27+UK and EFTA markets (desk study).
- The **locations of European tanneries**, with a focus on those linked to Brazilian leather exports, which will likely assume the role of operators under the EUDR (desk study).
- **Case studies** linking deforestation events in Brazilian cattle farms, Brazilian slaughterhouses and tanneries, European tanneries, and downstream sectors, with a focus on the automotive industry in the European market (desk study and GIS analysis).

TRADE FLOWS AND IDENTIFICATION OF KEY OPERATORS

To determine import volumes and identify key EU operators importing bovine hides, we have primarily relied on trade data analysis. We have used both overall 2020-2023 **EU trade statistics** (European Commission, Access2Markets¹), as well as the most recent (from the EUDR cut-off date upon until 2023) available **shipping data** (Seair²), providing reliable insights on the key exporters and operators (importers) of bovine hides to and in the EU27+UK+EFTA. It is important to highlight that shipment data needs to be seen as a sample and not as a dataset covering the entire trading flows of the companies covered. Relevant exporters and importers might be part of traded volumes under logistical companies due to which they cannot be identified nor can traded volumes under these circumstances be unequivocally linked to them.

Moreover, we have used **Brazilian national trade data** (ComexStat³) for HS codes 4101, 4104, and 4107 from January 2021 to October 2023 to identify high-deforestation risk municipalities from where leather is being exported with destination EU27+UK+EFTA countries. We have found zero or negligible volumes on imports of raw hides and skins (4101) in the EU27+UK+EFTA countries in the trade and shipment data. Therefore, this category of leather products was not included in the remainder of the analysis and only wet-blue (4104) and prepared leather (4107) products have been included in the case studies.

For the **upstream bovine leather supply chain**, AidEnvironment has tested methodologies on how to connect Brazilian cattle ranches to slaughterhouses, and slaughterhouses to tanneries. For the connection of slaughterhouses to Brazilian cattle ranches, we have relied on AidEnvironment's large existing sample of direct and indirect suppliers to the three main Brazilian meatpackers, based on animal transit data (so-called GTA data) and rural cadastre data (SIGEF, SNCI). We currently have identified 19,999 direct and 38,284 indirect supplier farms to Brazil's largest meatpackers JBS, Marfrig, and Minerva. The GTA data has several limitations. For instance, for several Brazilian states, there is no publicly available access to GTA data (e.g., São Paulo and Rio Grande do Sul). Moreover, how recent the data is, varies per state. For instance, the last year covered in GTA data for Mato Grosso is 2019 while for Pará and Goiás more recent data (2023) exists. Generally, AidEnvironment sees that many cattle farms have a relatively stable supplier-buyer relationship and supply the same meatpackers for multiple years. Companies such as JBS strive for and establish long-term contracts with suppliers to "strengthen and enhance the relationship with its suppliers"⁴. AidEnvironment believes the burden of proof on supply chain linkages, and on whether they are still valid in 2023, or in upcoming years, is on the meatpacker companies.

For the connection of Brazilian slaughterhouses to **Brazilian leather tanneries**, we have used the findings of an earlier AidEnvironment study⁵ for RFN, where we have mapped the locations of all tanneries of the main leather producers in Brazil (see methodology section of that study on how the locations of all tanneries in the Amazon and Cerrado biomes were plotted). This earlier study supported us in this assignment by revealing which tanneries have a high level of certainty of being connected to certain slaughterhouses. The ones most directly exposed to deforestation are those in the areas near the deforestation frontier, and those where the company has a slaughterhouse close to the tannery. For instance, for JBS, we have found that six tanneries have a high level of certainty of being connected to nine JBS-owned slaughterhouses in Brazil's Legal Amazon that have a high risk of being connected to (illegal) Amazon deforestation. They are JBS Colíder, Barra do Garças, Água Boa, Pedra Preta, and Alta Floresta in Mato Grosso; JBS Pimento Bueno, Vilhena, and São Miguel do Guaporé in Rondônia; and JBS Marabá in Pará. Since JBS operates a vertically integrated supply chain, the animals being slaughtered in JBS-owned slaughterhouses will most likely end up in the nearest JBS-owned tannery. We were not able

¹ Welcome home | Access2Markets (europa.eu)

² Seair.co.in - Global Export Import Trade Data of 100+ Nations

³ Comex Stat - Export and Import Municipalities (mdic.gov.br)

⁴ <https://jbs.com.br/en/about/our-business/beef/>

⁵ Driving_Deforestation_16_June-compressed.pdf (d5i6is0eze552.cloudfront.net)

to identify publicly available tracking system (similar to GTA) for leather hides and skins covering the Brazilian territory.

Considering the high Brazilian deforestation exposure of JBS, JBS's position as the second largest exporter (after a logistical company) of wet blue leather products to Europe, and the fact that AidEnvironment has a concrete sample of direct and indirect suppliers to JBS, **most case studies are focused on JBS-linked cases** (four cases linked to JBS, one to Minerva).

OVERVIEW OF EU TANNERIES

In the case of European tanneries, mapping these companies and identifying them as operators under the EUDR required a combination of sources that allow both for mapping the tanneries that currently exist in the EU and identifying those that import leather from non-EU countries, specifically Brazil. To map the tanneries, we have used accessible databases of the Confederation of National Associations of Tanners and Dressers of the European Community (COTANCE⁶) and of the Leather Working Group (LWG⁷). Both provide data on the tanneries operating in the EU, disaggregated per Member State (in the case of COTANCE). We have cross-referenced the tannery databases with the shipping data on EU importers to determine the tanneries that are recipients of leather from Brazil and will therefore be considered operators under the EUDR and thereby be subject to the applicable requirements.

Lack of transparency limits the possibility to link EU tanneries to the logistical companies. However, there are some insights on trade flows through logistical companies. A study⁸ on Brazilian–Italian Bovine Leather Trade from 2020, showed that:

“The biggest consignee on the Italian side, Mar VI Speed SRL Spedizioni Internazionali, is also a major client of the biggest (logistical) exporting company on the Brazilian side, Euro America International Freight Forwarders. Although the mentioned importing logistics company has offices all over Italy, one of the major shipping centers is located in the Arzignano district in the Veneto region, north-east Italy. Based on the convenient location of this company in the heart of the Arzignano district as well as triangulation through the information gathered from the website of the UNIC and through personal communications, we can infer that the majority of the Brazilian leather is imported by the Veneto region tanning district. As the district mainly serves upholstery and furniture markets, major clients of these tanneries face a risk that they could be purchasing leather from deforested lands in the Amazon.”

For the tanneries overview we have only selected the main tanneries (importing largest volumes) located in the EU27+UK+EFTA countries that could be linked to the largest volumes of Brazilian exports of leather. This selection is needed, as for Italy alone, in 2022, 1,146 tanneries⁹ were registered.

CORPORATE OWNERSHIP ANALYSIS AND CASE STUDIES

Finally, we have conducted background research on the main importing operators (e.g., company type, sector, ownership structures, size of operations, and supply chain linkages), mainly to identify which downstream sectors of the EU consumer goods industry they supply. For **corporate ownership** structures, we mainly use the Orbis database¹⁰, at times complemented by official information disclosed by the companies on their publicly available platforms (i.e., websites). We have focused on the automotive sector to address the interest shown by RFN.

We have combined these approaches to arrive at the development of **five potentially noncompliant case studies under the EUDR**, connecting to the extent possible non-complaint farms in Brazil to European downstream companies. We have aimed for three case studies linked to the automotive

⁶ <https://www.euroleather.com/>

⁷ <https://www.leatherworkinggroup.com/>

⁸ https://www.researchgate.net/publication/340876754_Embedded_Deforestation_The_Case_Study_of_the_Brazilian-Italian_Bovine_Leather_Trade

⁹ <https://unic.it/storage/RdP%202023/UNIC%20Italian%20Tanneries%20-%20Business%20Overview%20on%20Italian%20Tanning%20Industry%202022.pdf>

¹⁰ <https://www.moody's.com/web/en/us/kyc/products/orbis-compliance.html>

industry, one to the footwear industry, and one to the furniture industry. We have also regarded possible connections to Norwegian operators.

In the case studies and in one **additional case study 6**, we have also problematised the potential rebranding issue of Brazilian leather into Italian leather. This information was also based on consultation of two experts in November 2023: Christina MacFarquhar, research analyst at Global Canopy, and Aynur Mammadova, academic researcher at TESAF, University of Padova.

Finally, in the case studies, the section on “linked farms with socioenvironmental issues” does not necessarily imply that the cattle from that farm ended up in the leather product in the downstream market. We can only **express “risk”**, since cattle is supplied to multiple slaughterhouses, and slaughterhouses source from multiple farms while the large majority of the Brazilian bovine herd cannot be traced individually. We are therefore unable to trace the individual bovine animal to a specific location and beef/leather product in end markets. We can, however, confirm supplier-buyer relationships between a specific farm and meatpacker slaughterhouse, and a slaughterhouse and a tannery, and confirm if the tannery owner has supplied a certain downstream market in Europe.

3. FINDINGS ON TRADE FLOWS, OPERATORS, AND LINKED EU TANNERIES

HIGH-RISK BRAZILIAN MUNICIPALITIES LINK TO ITALY, SPAIN, PORTUGAL, AND THE NETHERLANDS

Based on Brazilian leather export data (ComexStat), we can conclude that, since the EUDR cut-off date, **Italy, Spain, Portugal, and the Netherlands, in particular, have directly sourced leather products (wet blue and prepared leather) from high-deforestation risk municipalities in Brazil.** Moreover, the official Brazilian deforestation monitoring agency (Prodes) points to¹¹ the following Brazilian states in the Amazon as those where the majority of recent clearing of forests has been taking place: Pará, Mato Grosso, Amazonas, Rondônia, Acre, and Roraima. Based on these states, we have considered the following municipalities, directly linked to several EU countries by export, particularly high-risk (Figure 1 below):

Recipient country/ High-risk export municipalities	Leather exports 2021-2023 (KG)
Italy	31,066,920
Xinguara – PA	24,183,079
<u>Colíder – MT</u>	2,431,728
Várzea Grande – MT	1,538,049
Belém – PA	1,414,349
Manaus – AM	534,608
Barra do Bugres – MT	452,700
<u>Pedra Preta – MT</u>	372,188
<u>Barra do Garças – MT</u>	51,354
Cacoal – RO	49,755
Mirassol d'Oeste – MT	39,110
Spain	1,397,156
<u>Pedra Preta – MT</u>	1,274,040
Belém – PA	75,470
Xinguara – PA	47,646

¹¹ <http://terrabrasilis.dpi.inpe.br/app/dashboard/deforestation/biomes/amazon/increments>

Netherlands	918,550
<u>Pedra Preta – MT</u>	918,550
Portugal	147,448
Barra do Bugres – MT	91,853
Várzea Grande – MT	37,585
Belém – PA	18,010
Grand Total	33,530,074

Figure 1: High-deforestation risk municipalities in Brazil linked to leather imports in Italy, Spain, Netherlands, and Portugal after the EUDR cut-off date. Source: Brazilian ComexStat, 1 January 2021 – October 2023 for HS codes HS 4101, 4104 and 4107 (for 4101 no exports were found) and filtered on exporting municipalities in high-risk deforestation states. No leather exports were found for Acre state (does not mean that embedded deforestation could not enter through adjacent states and municipalities). Note: underlined are municipalities wherein the 2021 RFN-AidEnvironment study found slaughterhouses and tanneries of JBS that have a high risk of being connected to (illegal) Amazon deforestation.

While this is a relevant indication of high deforestation risks linked to leather production for the demonstrated countries in Figure 1, this does not mean that other EU27, UK, and EFTA countries do not receive any leather products from high-risk states and municipalities. Since semi-finished leather products can travel significant distances, leather products linked to indirect deforestation can also be exported from Brazilian states and municipalities in the South that are considered less deforestation-risk prone (e.g. São Paulo, Paraná, Rio Grande do Sul).

ITALY, SPAIN, AND GERMANY: TOP-3 RECIPIENTS OF BRAZILIAN BOVINE LEATHER

Based on official EU trade statistics, wet blue leather (HS 4104) and prepared leather (HS 4107) are the most relevant leather products covered by the EUDR that originate from non-EU countries (see Trade Statistics in Annex). Raw leather (HS 4101) is mostly imported into the EU from other European countries – 64 percent of the volumes of raw leather imported in the EU market in 2022 came from the UK, Switzerland, Norway, and Bosnia and Herzegovina. In the case of wet blue leather, the total volumes imported by EU Member States from non-EU countries in 2022 were the largest out of the three leather products covered by the regulation and 31 percent of these (293,990 MT) came from Brazil. The same happened for prepared leather, wherein 27 percent of the total volumes imported in the EU in 2022 originated from Brazil.

Globally, **Italy is the second largest importer of Brazilian bovine leather after China**. The Italian Tanners' Association reports¹² (in 2021) that the most important downstream markets of Italian finished leather are fashion (36% for footwear, 26% for leather goods, and 4% for clothing) and upholstery (16% furniture and 16% car interiors).

Focusing on shipping data to the EU27+UK+EFTA countries, Italy, Spain, and Germany are the top-3 recipients of Brazilian leather products (wet blue and prepared leather) in the period **since the EUDR cut-off date** (Figure 2 below). Of these countries, Germany receives mostly prepared leather (4107) products (11,104 MT, 98% prepared leather), while Italy (94% wet blue) and Spain (91% wet blue) receive the bulk of wet blue leather (4104).

Major EU27+UK+EFTA destination countries of Brazilian leather	MT
ITALY (IT)	172,269
SPAIN (ES)	34,005
GERMANY (DE)	11,361
NETHERLANDS (NL)	2,978

¹² 2021-Sustainability_Report_UNIC.pdf

UNITED KINGDOM (GB)	2,865
PORTUGAL (PT)	1,143
SLOVAKIA (SK)	499
FRANCE (FR)	335
BELGIUM (BE)	214
NORWAY (NO)	173
LITHUANIA (LT)	113
HUNGARY (HU)	102
POLAND (PL)	89
ROMANIA (RO)	86
DENMARK (DK)	77
SLOVAK REP (SK)	56
GREECE (GR)	50
SLOVENIA REPUBLIC (SI)	40
MALTA (MT)	22
CZECH REPUBLIC (CZ)	10
Grand Total	226,433

Figure 2: Major EU27+UK+EFTA destination countries of Brazilian leather. Source: Shipping data for HS 4104 and 4107 between 1 January 2021 and 31 August 2023. Volumes traded should be regarded as not providing a full picture, since significant volumes are traded under logistical companies.

GENERAL FINDINGS EU OPERATORS

The shipment data analysed revealed that, between 1 January 2021 and 31 August 2023, volumes of wet blue leather (HS 4104) and prepared leather (HS 4107) were exported from Brazil to several countries of the EU27+UK+EFTA, specifically those listed in Fig. 2 above. The leather volumes displayed were imported by several companies that **will fall under the operator category**¹³ as specified in the EUDR. The companies in the shipping data were categorized according to their role in the supply chain and their specific activity sector in order to provide an overview of those that are likely to be considered operators under the EUDR. The categories defined were tannery, wholesaler/trader, downstream company (as in those that produce end-consumer products), financial institutions (several appear as importers, likely because they are linked to leather industry companies that remain undisclosed), and logistic companies. Not all companies present in the shipping data were categorized due to lack of publicly available and reliable information on their activities that could allow us to understand the role/activity of the company. Thus, the companies placed in the categories listed were those for which we could confirm their status. Companies that remaining “undefined” in this regard compounded a total of 4,297 MT of leather imports – roughly 2 percent of the total imports (226,433 MT).

Total leather volumes imported from Brazil per importing company category	
Company category	Leather volumes imported (MT)
Tanneries	73,501
Wholesalers/traders	17,609
Downstream companies	26,696
Logistics companies	100,997
Others	7,630
TOTAL	226,433

Figure 3: Leather volumes (HS codes 4104 and 4107) imported from Brazil to the EU27+UK+EFTA per type of importing company, between 1 January 2021 and 31 August 2023.

As becomes apparent in Fig. 3 above, **logistics companies play a pivotal role** when it comes to exporting and importing Brazilian leather to Europe. Even though these companies are, in most cases, not linked to the production or sale of leather products, they work as intermediaries between actual exporters and importers. In doing this, they increase the lack of transparency in leather supply chains. They make it harder to identify the underlying actors that are involved in the transactions of these products, and which are ultimately responsible for placing or making them available in the EU market. From the data compiled on the table in Fig. 3, it is possible to derive that around 45 percent of the leather that was

¹³ According to Art. 2 of the EUDR, an operator is any natural or legal person who, in the course of a commercial activity, places relevant products on the market or exports them.

imported from Brazil during the period of analysis is linked to logistics companies, both on the importing and exporting side. The leather volumes linked to importing logistics companies (100,977 MT) are also largely linked to logistics companies on the exporting side. Our findings show that at least 99,572 MT of the Brazilian leather volumes exported were linked to logistics companies operating in Brazil.

Two operators received our special notice, however, we were not able to develop them into case studies. Specifically for Norway, we have found one company, Unico AS, that has imported 172 MT of prepared leather (HS 4107) products in Norway (Alesund and Ikorndes ports) from Brazil. After investigation, it remains unclear what type of company Unico AS is. It could be linked to Danish company Unico AS that is active in car lease. Or it could be linked to a rather obscure Norwegian company in “business services” located in Mekjarvik 2; 4072 Randaberg, Norway (Orbis). But that company does not have a website. We could not make a case study out of this limited and non-transparent information.

One other operator that received our specific attention was Lapelle SRL, based in Arzignano. From Brazilian export data at municipality level, we derived that in February 2021 and in 2023 (June, July, Sept) the Amazon-based municipality Manaus exported solely to Italy. This municipality is particularly high deforestation-risk considering its central location in the Brazilian Amazon. In the shipment data we found that Italian tannery Lapelle SRL has imported 171 MT of leather products from Manaus in the Livorno port, since the EUDR cut-off date and 31 August 2023. However, since we could not clearly link Lapelle to the automotive industry, we could not transform this limited information into a case study.

EU TANNERIES: MAIN ITALIAN IMPORTERS OF BRAZILIAN LEATHER

Based on shipment data and mapping of EU tanneries, we can conclude that Italy is by far the most relevant country in terms of imports of Brazilian leather products, namely those covered by the EUDR and in particular wet blue leather (HS code 4104) and to smaller extent prepared leather (HS code 4107). This is not only supported by our research findings, but also by existing databases on EU tanneries and their distribution within Europe, such as COTANCE (Confederation of National Associations of Tanners and Dressers of the European Community). According to [tannery mapping information](#) made available by COTANCE, Italy counts with 1,213 tanneries, being followed by Spain with only 99 tanneries registered. Additionally, literature on the topic also [indicates](#) that Italy is the second major importer of Brazilian bovine leather globally (after China) and that the most important end-use markets of Italian finished leather are footwear, leather goods, furniture and upholstery, and clothing. In terms of leather volumes imported, the top-20 Italian tanneries found in shipment data were responsible for 54,254 MT of leather imports from Brazil between January 2021 and August 2023.

In the infographic displayed below (Fig. 4), **the top-20 Italian tanneries that imported bovine leather from Brazil have been mapped** (considering exclusively the HS codes 4104 and 4107) according to the region where they are located in the country. An overview of the volumes imported by each one of them (considering the shipping data sample used for this research and the period between 1 January 2021 and 31 August 2023) and the respective links to Brazilian leather exporting companies is also provided, together with the downstream markets supplied by the tanneries showcased (information provided whenever this data and information was publicly available).

An important aspect to consider here is that these tanneries were identified by cross-referencing several information sources, namely the shipment data available for the period indicated, existing databases on companies linked to leather production and trade, such as COTANCE and the Leather Working Group (LWG), company’s own websites, and/or other publicly available sources. We also used the Orbis database on companies’ corporate structures and groups in this identification process as it also provides information on the industry and activities in which the companies operate, allowing for the identification of tanneries as such. Furthermore, we took into consideration different definitions used by

the LWG, namely subcontractor¹⁴, commissioning manufacturer¹⁵, and leather manufacturer¹⁶, to better classify companies as leather producers/tanneries.

The infographic clearly shows that the main importing tanneries of Brazilian leather during the period analysed were **concentrated in the province of Vicenza (Veneto region) in Italy**. All the tanneries listed in the infographic in this area are located in Arzignano, Chiampo, Montorso Vicentino, and Zermeghedo. Also in the Veneto region, but in the province of Verona (in Bevilacqua more specifically), there is Maco Leather and, finally, in the province of Milan (Milano region), there are two top-20 tanneries – Oetz and Conceria Stefania – located in Milan and Castano Primo respectively. According to [existing literature](#), Veneto and Lombardy are two of the main industrial regions of regions for the leather sector in Italy, which is corroborated by our findings and can be confirmed in the infographic. However, there is also indication, according to the same literature source, that downstream sectors supplied by Italian tanneries also follow a distinctive pattern relative to the province where the tannery is located. For instance, it is deemed that tanneries based in Veneto mainly serve the furniture and automotive sectors. While not denying this, our findings do not show a clear geographical spread according to downstream sector supplied for the top-20 tanneries considered. Nonetheless, our findings do confirm that most of the tanneries/company groups present in the Veneto region are indeed linked to upholstery sectors, namely the automotive and the furniture sectors (see Fig. 4 for details). Moreover, a [LWG report](#) also indicates that Brazilian leather tends to be of lower quality due to climate and ranching style, which makes it more suitable for sectors where lower end leathers can be used, such as the automotive and the footwear sectors, aligning again with our findings.

Livorno was also the most important Italian port for the delivery of Brazilian leather to these top-20 tanneries during the period contemplated in this research. More than 60 thousand metric tons of leather had Livorno as a delivery point, which is also in line with the fact that the Tuscany region (where Livorno is located) is also one of the main industrial areas of the Italian leather sector.

¹⁴ The LWG defines as SUBCONTRACTOR any company undertaking manufacturing operations on material that they do not own, on behalf of another organization.

¹⁵ The LWG defines as COMMISSIONING MANUFACTURER companies which buy and own leather, but use subcontractors to complete all operations, whether they subcontract out the production to a full scope leather manufacturer or to a series of separate companies each completing some operations.

¹⁶ The LWG defines as LEATHER MANUFACTURER companies which have facilities to process leather from raw, crust, tanned material into pre-tanned, tanned, crust, or finished leather.

A. MAIN ITALIAN TANNERIES IMPORTING LEATHER PRODUCTS FROM BRAZIL



Figure 4: Top-20 Italian tanneries importing leather products (wet blue and prepared leather) from Brazil between 1 January 2021 and 31 August 2023. **Note:** Lapelle and Crest Leather Italia are both part of the Crest Leather Group by which they are presented separately in the infographic, although the group was considered as one when considering the top-20 Italian importers of Brazilian leather. **Source:** AidEnvironment, based on shipping data for HS 4104 and 4107 during the period indicated. Volumes traded should be regarded as a sample and not providing a full picture.

EU LEATHER TRADERS AND DOWNSTREAM SECTOR COMPANIES

Leather wholesalers and traders, as well as downstream companies such as furniture or footwear manufacturers, can also be operators under the scope of the EUDR. As importers of leather products covered by the regulation and the ones that place or make available such products on the EU market¹⁷, these companies also deserve attention in the context of the regulation as they will also be subjected to the compliance requirements foreseen.

Again, we cross-referenced different information sources (shipment data available for the period indicated; existing databases on companies linked to leather production and trade, such as COTANCE and the Leather Working Group (LWG); company's own websites, and/or other publicly available sources) to be able to identify these companies. By doing this, we were able to conclude from the shipment data available that 44,202 MT of leather (considering HS codes 4104 and 4107 once again) were imported by wholesalers/traders/downstream companies (considering only those that we were able to clearly identify as such) into eight countries of the EU27+UK+EFTA group – Italy, Spain, Germany, United Kingdom, Netherlands, Portugal, Hungary, Belgium, and France.

The data shows that the **type of leather imported by these companies varies depending on the country of arrival**. Wholesalers/traders/downstream sector companies importing into Italy and Spain, which are two heavyweights in what comes to leather tanning and processing, tended to import much larger quantities of wet blue leather (HS 4104), while this type of companies importing into countries such as Germany and the Netherlands were much more likely to import prepared leather (HS 4107). This is likely related with the local context of the leather sector, that is, if there is significant leather manufacturing industry in the country (which is the case of Italy and Spain) demanding higher inputs of semi-processed leather products or if there are more downstream companies from end-user sectors, such as footwear or furniture (which is the case of Germany and the Netherlands) which are likely to have more demand for finished leather products.

Since these companies were also largely present in shipment data, the locations of their imports were also mapped (Fig. 5 below). The infographic shows the top-10 companies (when available in such a number) that imported more than 20 MT of the leather products mentioned (either wet blue leather, finished leather, or both) to the countries highlighted. Although some wholesalers/traders/downstream companies were identified in the shipping data to be importing into Belgium and France, as mentioned before, the volumes imported did not surpass the 20 MT threshold set (hence why they are not included in the infographic). Furthermore, the companies showcased are those which imported leather volumes entered the EU market via the country indicated on the map, even if the company facilities are not located in the country of import. For instance, three Portuguese companies – Importe Comércio Internacional, MACAP II, and Lamifil – imported leather volumes through the Netherlands during the period of analysis while they do not have affiliate facilities or subsidiaries in the Netherlands. This is likely not an uncommon situation given the complex nature of transport logistics and the likelihood that different products imported into Europe from Brazil and other overseas regions may more often arrive in certain European countries due to specific sea/air freight arrangements and availability, for instance, being transported afterwards by road or rail to their ultimate destination countries and company facilities. Because of this, the location of the companies included in the infographic has been added. However, a similar map may be found in Annex II of this report showcasing the leather volumes imported by this type of company into their country of location exclusively.

¹⁷ According to Art. 2 of the EUDR, 'Placing on the market' means the first making available of a relevant commodity or relevant product on the Union market. The [Blue Guide on the Implementation of EU product rules](#) provides further clarification into this by stating that "Placing a product on the market requires an offer or an agreement (written or verbal) between two or more legal or natural persons for the transfer of ownership, possession or any other property right concerning the product in question" and that "This operation should be done by the manufacturer or by an importer (46). When a manufacturer or an importer supplies a product to a distributor (47) or an end-user for the first time, the operation is always labelled in legal terms as 'placing on the market'. Any subsequent operation, for instance, from a distributor to distributor or from a distributor to an end-user is defined as making available"

B. MAIN WHOLESALERS, TRADERS, AND DOWNSTREAM COMPANIES IMPORTING LEATHER PRODUCTS FROM BRAZIL TO THE EU27+UK+EFTA

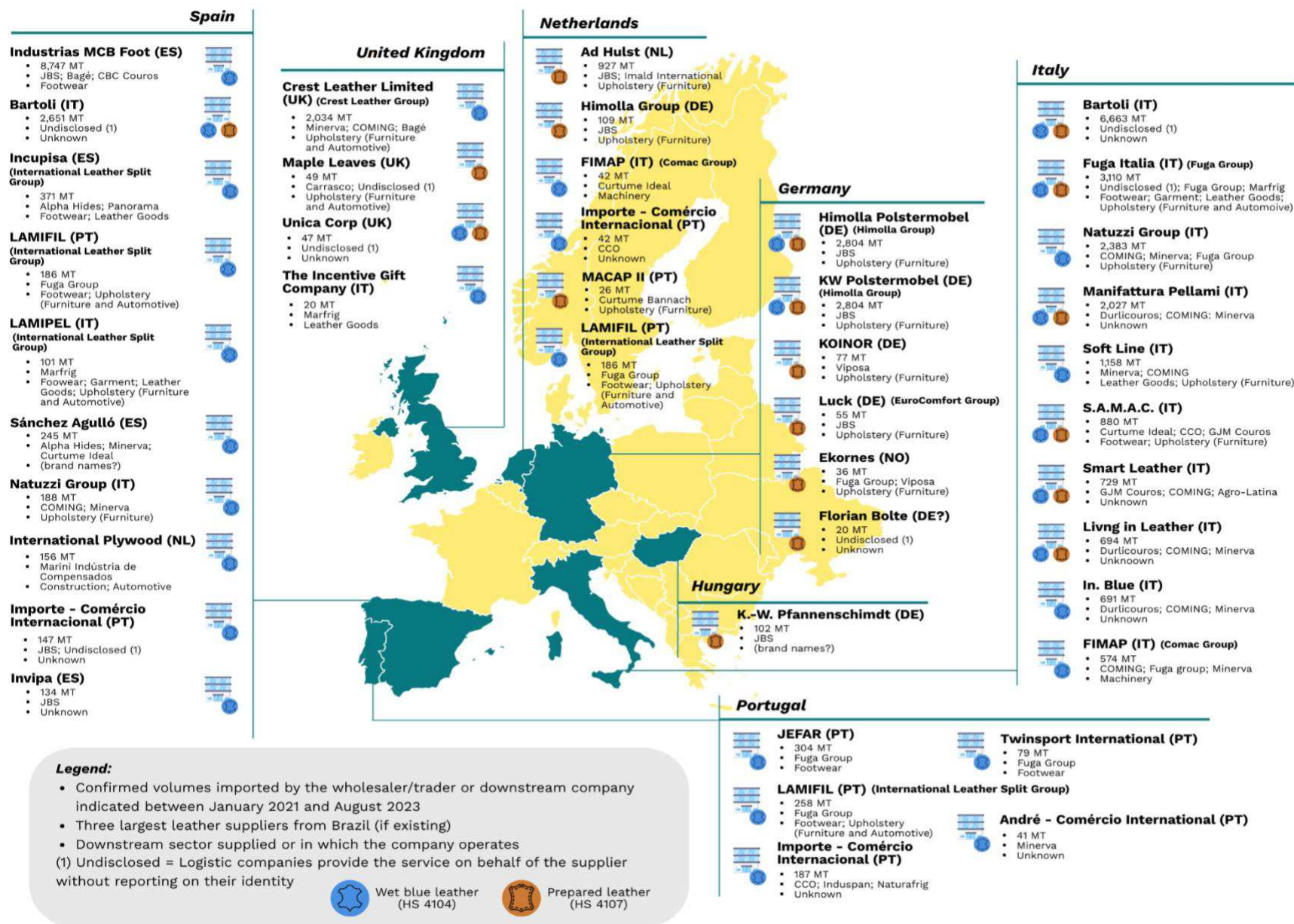


Figure 5: Main wholesalers/traders/downstream companies importing leather products (wet blue and prepared leather) from Brazil between 1 January 2021 and 31 August 2023. **Note 1:** We included the top-10 companies per country (when available) or all those that imported leather volumes of more than 20 MT. **Note 2:** In some cases, the exporting companies are not disclosed as the exporting service is provided by a logistics company on their behalf, being the logistics company the only one mentioned in shipping data. Such cases have been flagged according to the indications in the legend. **Source:** AidEnvironment, based on shipping data for HS 4104 and 4107 during the period indicated. Volumes traded should be regarded as a sample and not providing a full picture.

OVERVIEW OF MAIN BRAZILIAN EXPORTERS AND EU OPERATORS OF BRAZILIAN LEATHER

MAIN BRAZILIAN EXPORTERS OF BRAZILIAN WET BLUE (HS 4104 – TANNED HIDES AND SKINS OF CATTLE)

Top-20 exporters	Country of headquarter	Volume (MT)	Relative share of the total (%)	Company type	Notes
Euro-América – International Freight Forwarders	Brazil	58,328	29.5%	Logistics company	Euro-América is a Brazilian logistics and transport company closely linked to the leather exports from Brazil. The company is owned by the Merlin family and its main locations (headquarters and branches) are located in important Brazilian port areas – Novo Hamburgo, Paranaguá, and Santos. A substantial part of the leather volumes displayed here are linked to other logistics companies in the EU, such as Mar.Vi.Sped, Fratelli Bartoli, and F.Ili Colò.
JBS	Brazil	22,396	11.3%	Meatpacker Slaughter Leather manufacturer Trader	JBS is the largest animal protein company and the second-largest food company in the world. JBS Couros is its leather dedicated branch (and a major leather processing company), which produces wet blue, wet white, crust and finished leather for the automotive, furniture, footwear and leather goods industries. 20 JBS leather manufacturing facilities are certified suppliers by the Leather working group. The leather volumes displayed were exporter both by JBS S.A. and BrazService Wet Leather S.A., which is a JBS subsidiary located in Pedra Preta (Mato Grosso, BR). The leather volumes displayed here are linked to large importing companies in the EU, such as Industrias MCB Foot, JBS itself, and Peymapiel.
Wave Logistica International	Brazil	20,863	10.6%	Logistics company	Wave Logistica Internacional was established in 2019 in Novo Hamburgo (RS) and its main economic activities are shipping agency and customs brokerage. A substantial part of the leather volumes displayed here are linked to other logistics companies in the EU, such as Globo srl, Hellman Worldwide, and Weltra International Transports.
COMING - Indústria e Comércio de Couros	Brazil	15,307	7.8%	Leather manufacturer Trader	Coming – Indústria e Comércio de Couros is an independent company from Trindade (Goiás, BR) which produces wet blue leather, crust leather, and finished leather (prepared) used in different industry sectors, such as footwear, leather goods, furniture upholstery, and automotive. It is a certified supplier of the Leather Working Group. The leather volumes displayed here are linked to large importing companies in the EU, such as the Faeda group, Italpelli and Oetz.
BF Logistics	Brazil	15,105	7.6%	Logistics company	BorderFree Logistics – Agenciamento de transportes internacionais is a company active in the transport, freight, and storage sector, which is dedicated to customs brokerage, shipping agency and commissary, and cargoes transport logistics. According to Orbis, the ultimate owners of the company are, in equal parts, Raquel Leticia Thomazi Bernardes and Rafael Pereira. Together, they also own another logistics company – Innovare Global Forwarding - which is not, however, linked to BF logistics as a branch or subsidiary. A substantial part of the leather volumes displayed here are linked to other logistics companies in the EU, such as Weltra International Transports, Francesco Parisi Group, and Globo srl. Additionally, a relevant amount of BF logistics' wet blue leather exports from Brazil is also linked to Bartoli SpA – a company originally focused on the production of paper and paper products, which has expanded its activities to the production of special fibres and items used in different sectors, such as footwear and leather goods.
Durlicouros	Brazil	14,937	7.6%	Leather manufacturer Trader	Durlicouros produces wet blue, crust, and finished leather, offering transport services for its products as well. It has facilities in seven Brazilian states and opened a new subsidiary in Paraguay in 2018. Five out of the seven facilities in Brazil are certified suppliers of the Leather Working Group. Durlicouros has been linked to a joint operation with VÍPOSA and VANCOUROS – Blubrasil Indústria e Comércio de Couros – in Bataguassu (Mato Grosso do Sul, BR), which has potential links to slaughterhouses operated by Marfrig. The leather volumes displayed here are linked to large importing companies in the EU, such as the Peretti Group, the Crest Leather Group, and Manifattura Pellami.

Minerva	Brazil	11,789	6.0%	Meatpacker Slaughter Leather manufacturer Trader	Minerva is an export-oriented beef company, which has a leather dedicated branch (Minerva leather). Besides Brazil, this branch operates as well in Paraguay, Uruguay, Argentina, and Colombia, producing and selling wet blue and crust hides to several different industry sectors (automotive, furniture, footwear, and leather goods). Minerva has stated that its leather originates from its own slaughterhouses. Two Minerva facilities are certified suppliers of the Leather Working Group – One in Brazil and one in Paraguay. The leather volumes displayed here are linked to large importing companies in the EU, such as the Crest Leather Group, Mario Levi Group, and Natuzzi Group.
Fuga Group	Brazil	8,355	4.2%	Meatpacker Slaughter Leather manufacturer Trader	Fuga Group, which has a leather dedicated branch (Fuga Couros), specializes in leather, meat, biodiesel, pet food and by-products. The group has a subsidiary in Italy (Fuga Italia Srl), owns seven tanneries in Brazil (three of which in the Legal Amazon area), and is also the owner of Frigosul (commercially known as SULBEEF), which has slaughterhouses in the Brazilian states of Mato Grosso, Mato Grosso do Sul, Rio Grande do Sul, and São Paulo. Three facilities in Brazil (Hidrolândia, Jales, and Marau) and the Italian subsidiary are certified suppliers by the Leather Working Group. The leather volumes displayed here are linked to large importing companies in the EU, such as the Fuga Group itself, Conceria San Biagio, and the Crest Leather Group.
Vancouros	Brazil	3,399	1.7%	Leather manufacturer	Vancouros produces wet blue and finished leather (prepared) and is a certified supplier of the Leather Working Group. Vancouros has been linked to a joint operation with Viposa and Durlicouros – Blubrasil Indústria e Comércio de Couros – in Bataguassu (Mato Grosso do Sul, BR), which has potential links to slaughterhouses operated by Marfrig. The leather volumes displayed here are linked to large importing companies in the EU, such as Mario Levi Group, the Faeda Group, and LD Leather Development.
Marfrig Global Foods	Brazil	3,139	1.6%	Meatpacker Slaughter Trader	Marfrig is the world's second-largest beef company by production capacity. However, Marfrig does not have a leather dedicated branch and shipping data suggests that the company does not have a direct role in leather production. Nonetheless, leather from animals slaughtered in Marfrig's facilities is likely to be processed by tanneries which produce and/or export leather products. Marfrig has been linked, as a raw material provider, to Viposa and Durlicouros in Brazil. The leather volumes displayed here are linked to large importing companies in the EU, such as the Mastrotto Group, Cierre Imbottiti, and Marchetto Pellami.
Induspan	Brazil	2,414	1.2%	Leather manufacturer	Induspan – Indústria e Comércio de Couros Pantanal is a producer of wet blue leather and crust leather, which is mostly oriented for international export. Induspan is a certified supplier by the Leather Working Group. The leather volumes displayed here are linked to large importing companies in the EU, such as the Faeda Group, the Crest Leather Group, and Mira Leathers.
Curtume Bagé	Brazil	2,355	1.2%	Leather manufacturer	Curtume Bagé is allegedly part of Grupo Bom Retiro. This group has been included in the 2022 Forest 500 assessment, where it is introduced as a Brazilian processor of salted hides and finished leather. According to Orbis, Curtume Bagé is linked to another tannery in Brazil – Curtume Korobras -, and both are certified suppliers of the Leather Working Group. Both tanneries are also linked to Ro Log – Transporte e Logística, a logistics company headquartered in Brazil. The leather volumes displayed here are linked to large importing companies in the EU, such as Industrias MCB Foot, Conceria Volpiana, and Marleather.

Viposa	Brazil	2,333	1.2%	Leather manufacturer Trader Footwear producer Wholesaler	Viposa is a producer of wet blue leather, crust leather, finished leather (prepared), and leather for the automotive, upholstery, leather goods, and footwear industry sectors. Viposa is a certified supplier of the Leather Working Group. It has been linked to Marfrig, as well as Vancouros and Durlicouros through joint ventures/operations in Brazil. The leather volumes displayed here are linked to large importing companies in the EU, such as Conceria Volpiana, Italpelli, and Faeda Group. Viposa has also been linked, through the shipment data, to several financial institutions in Europe, such as Intesa Sanpaolo and Banco BPM.
Premium International Freight Agency	Brazil	1,819	0.9%	Logistics company	Premium International Freight Agency provides foreign trade services, including hiring domestic and international freight and customs clearance. Its headquarters is in Novo Hamburgo (RS) and it has a branch in Orlando (US). Its ultimate owners, according to Orbis, are Samara Colombo and Alexandre Eduardo Dill. All the leather volumes displayed here, which are exported by Premium international, are linked to other logistics companies in the EU, namely to Nippon Express Group, F.Ili Colò, Fratelli Bartoli, and Francesco Parisi Group.
Mastrotto Group	Italy	1,813	0.9%	Leather manufacturer	Gruppo Mastrotto has seven facilities in Italy and is the largest Italian tannery. It also has a Brazilian subsidiary and production facilities in Brazil. Mastrotto Group is one of the most important Italian leather manufacturers for the automotive industry. Mastrotto group, namely Mastrotto SPA, Mastrotto Sata Croce, and Mastrotto Brasil are certified suppliers of the Leather Working Group. The leather volumes displayed were exported entirely by Mastrotto Brasil S.A., the Brazilian subsidiary of the group, to Gruppo Mastrotto SpA or Mastrotto Express, the group's prompt-delivery leather service, in Europe.
Tocantins Leather Group	Brazil	1,687	0.9%	Trader Wholesaler	Tocantins Leather Group Comercial – Importadora e Exportadora de Couros is a wholesaler of, primarily, leather, wool, and fur located in the Brazilian municipality of Franca (SP). Its ultimate owner, according to Orbis, is Henrique Pedrosa Andrian. The leather volumes displayed here are linked to large importing companies in the EU, such as Maco Leather, Benetti Leather, and Faeda Group.
Curtume Centro-Oeste (CCO)	Brazil	1,534	0.8%	Leather manufacturer	Curtume Centro Oeste (CCO) is located in Senador Canedo (GO – Brazil) and it currently has suppliers from several Brazilian states. It produces leather products both for the domestic and international markets, namely Europe and Asia. CCO states that it has systematic traceability of its leather products making it possible to know the slaughterhouse and farms of origin of the cattle. CCO is a certified supplier of the Leather Working Group. According to Orbis, CCO is ultimately owned by Frederico Augusto de Azevedo Lima (majority shareholder) who also owns Gaia Serviços e Transportes, MAFR administração de bens e MAFR participações. CCO is, in itself, a majority shareholder of Trevo agroindustrial, also known as Rações Trevo. This company, located in Inhumas (GO – Brazil), is dedicated to the production of animal feed from slaughter by-products. The leather volumes displayed here are linked to large importing companies in the EU, such as the Faeda Group, S.A.M.A.C., and the Crest Leather Group.
Naturafrig	Brazil	1,040	0.5%	Meatpacker Slaughter	Naturafrig is a Brazilian meatpacker which claims to be one of the five largest in the country. It operates under the name of Naturafrig Alimentos and has production plants in Pirapozinho (SP), Nova Andradina and Rochedo (both in MS), and Barra do Bugres (MT). According to Orbis, its majority shareholder is Ascap Patrimonial, which is a non-financial holding owned by Alberto Sergio Capuci, Francisco Claudinei Capuci, Victor Hugo Pereira Capuci, and Fabio Jose Pereira Filho. Naturafrig Alimentos is itself a majority shareholder of Naturafrig Agropecuária, which is dedicated to cattle breeding in several locations/properties (Taquarussu and Rochedo in MS, Barra do Bugres in MT, and Pirapozinho in SP). The leather volumes displayed here are linked to large importing companies in the EU, such as the Faeda Group, Italpelli, and Jaco Pellami.

Bon-Mart Frigorífico	Brazil	978	0.5%	Meatpacker Slaughter	Bon-Mart is a meatpacker located in Presidente Prudente (SP), which began its slaughtering operations in 2001. The company claims to export its meat products to several foreign markets, including the European Union. It is not made clear how the meatpacking operations of this company are linked to leather exports. The leather volumes displayed here are linked to large importing companies in the EU, such as Italpelli, Jaco Pellami, and Ital Leather Source.
MJ Novaes de Lima & Cia (Curtume Ideal)	Brazil	865	0.4%	Leather manufacturer	Curtume Ideal is the trade name of the company M.J. Novaes de Lima & Cia, which operates since 2001 in Icoaraci (Belém – PA). They started by producing mostly salted leather and have since grown into the industrial production and processing of several other types of industrial leather, such as wet blue, which they supply mostly to companies in the South of Brazil. Curtume deal is a certified supplier of the LWG. The leather volumes displayed here are linked to large importing companies in the EU, such as S.A.M.A.C., Faeda Group, and Sánchez Agulló.
Other	-	7,044	3.6%		
TOTAL	-	197,500	100%		

Figure 6: Top-20 exporting companies by volume of Brazilian wet blue leather (HS 4104) to the EU market from Jan 2021 to Aug 2023. Source: AidEnvironment based on Brazilian shipment data (Seair) covering the period 1 January 2021 – 31 August 2023, from Brazil to EU27+UK+EFTA countries and filtered for HS code 4104; Orbis, companies’ own websites; and other publicly available sources/databases, such as Leather Working Group (LWG) and COTANCE.

MAIN EU27+UK+EFTA IMPORTING OPERATORS OF BRAZILIAN WET BLUE (HS 4104 – TANNED HIDES AND SKINS OF CATTLE)

Top-20 importers	Country of headquarter	Volume (MT)	Relative share of the total (%)	Company type	Downstream sector(s)	Notes
Mar.Vi Sped - Spedizioni Internazionali	Italy	20,010	10.1%	Logistics company	Undisclosed	Marvisped is a company dedicated to international freight and transport which undertakes maritime and air shipments to Europe, Asia, USA, and South America. They also do consultancy and brokerage, having their own agents on all ports and on the main Italian customs. From Arzignano, they have several direct truck lines to multiple destinations in Europe and Asia. According to Orbis, Marvisped is a subsidiary of Italtransport s.r.l. (which ultimate owner is GMM Società Semplice). Most of the leather volumes displayed here are linked to other logistics companies in Brazil, mainly Euro-América and Wave logística.
Fratelli Bartoli - International Shipping Firm	Italy	17,817	9.0%	Logistics company	Undisclosed	Fratelli Bartoli is a shipping firm from Livorno, which is also present at the port of La Spezia through the G.I.E.M.ME Society. They offer all services linked to the international movement of non-ferrous metals, as well other commodities, namely forest-related and leather. Most of the leather volumes displayed here are linked to logistics companies, such as BF logistics and Euro-América.
Bartoli SpA	Italy	9,225	4.7%	Paper and paperboard manufacturing Footwear manufacturing	Footwear Leather goods	Bartoli SpA started as a paper mill and until today they are focused on the production of products for the paper sector. Since the 1980s, they expanded their activities to shank boards for footwear and later to special fibres used in the footwear industry. Bartoli SpA is linked to BIMM SpA and Azienda Agricola Sorantonio, all of which are ultimately owned by Giorgio Giovanni Bartoli. The leather volumes displayed here are linked to large importing companies in the EU, such as S.A.M.A.C., Faeda Group, and Sánchez Agulló.

Faeda Group	Italy	9,092	4.6%	Leather manufacturer	Automotive Footwear Furniture Leather goods	Faeda has a world leading position in the production of patent, smooth, and embossed leather. It has several production sites in the province of Vicenza (IT). The group's ultimate owner is Alberto Caneva, who is a majority shareholder of several companies, including Nola s.r.l., the company under which ownership the Faeda group is. Bialpel, and Qleather are part of Faeda. Faeda is a certified supplier of the Leather Working Group. The leather volumes displayed here are linked to several companies exporting from Brazil to the EU, such as COMING - Indústria e Comércio de Couros, Induspan, and Minerva.
Industrias MCB Foot	Spain	8,747	4.4%	Footwear manufacturing	Footwear Leather goods	Industrias MCB Foot operates in the footwear and clothing & accessories sectors (mostly linked to sports gear and gloves). The company refers that minimizing environmental pollution is an important value uphold within the company's activities. MCB Foot is a beneficiary of the European Regional Development Fund in 2022, through which it received a grant for the design and development of insoles for footwear with low carbon footprint systems. According to Orbis, MCB Foot is a subsidiary of Gespro Development S.L., which ultimate owner is Manuel Francisco Culianez. The leather volumes displayed here are linked to large exporting companies from Brazil, such as JBS, Curtume Bagé, CBC Couros, and Marfrig.
Weltra International Transports	Italy	8,718	4.4%	Logistics company	Undisclosed	Weltra has its head office in Genoa and branches in several other Italian ports, as well as in the main inland industrial centres of the country, one of which in the Veneto region (the Italian leather district). Through its international network of agents, Weltra is present in Novo Hamburgo (RS), Rio de Janeiro (RJ), and Santos (SP) in Brazil. Most of the leather volumes displayed here are linked to logistics companies, such as BF logistics, Wave logística, and Euro-América.
F.lli Colò - Sea-Air Freight and International Transport (D.B. Group)	Italy	8,705	4.4%	Logistics company	Undisclosed	Fratelli Colò is part of the D.B. Group, which expanded from the North-East of Italy into a widespread global network, allowing the company to cross-trade forwarding services. Besides the multimodal transport services, F.lli Colò also assists with customs procedures and storage, having several warehouses close to the port of Livorno in Italy. All the leather volumes displayed here, which are imported by F.lli Colò itself, are linked to other logistics companies in Brazil, namely Euro-América, Wave logística, and Premium International.
Francesco Parisi Group	Italy	8,705	4.2%	Logistics company	Undisclosed	Francesco Parisi is a group of shipping companies and maritime agents dedicated to freight forwarding and logistics since its inception which is managed and controlled by the Parisi family. Some of the companies reported to be part of the group are Parisi Grand Smooth Logistics Ltd., Riumar Ltd., Riunite S.r.l., PSM Logistica S.r.l., HHLA PLT Italy S.r.l., and Alberti S.r.l. The Group has equipped warehouses for storage and distribution of raw materials and finished products in several countries where it operates. All the leather volumes displayed here, which are imported by F.lli Colò itself, are linked to other logistics companies in Brazil, namely Euro-América, Wave logística, and Premium International.
Peretti Group	Italy	8,031	4.1%	Leather manufacturer	Automotive Footwear Furniture Leather goods	Gruppo Peretti originates from Arzignano in Italy. It counts with three tanneries, all located in Italy - Conceria Cristina (Montebello Vicentino), Conceria Muria (Santa croce sull'Arno), and Conceria Gasby (Arzignano). Only Conceria Cristina is a certified supplier of the Leather Working Group. The leather volumes displayed here, all exclusively imported by Conceria

Crest Leather Group	United Kingdom	7,280	3.7%	Leather Manufacturer	Automotive Furniture	<p>Cristina, are linked to large exporting companies from Brazil, such as Durlicouros, COMING, Minerva, and Marfrig.</p> <p>Crest Leather is a producer of finished leather, mainly for upholstery (residential, contract, hospitality, and design sectors). The headquarters of the company is in London while the group also operates tanneries in Italy and Brazil and distribution warehouses/offices in the UK, USA, and South Africa. According to Orbis, the ultimate owner of the group is Crest International Korlatolt Felelossegu Tarsasag (based in Hungary) and the corporate group counts with 11 companies, among which Crest Leather Italia S.r.l. (which has Lapelle S.r.l., LG Leather S.r.l. and I.C. S.r.l. as subsidiaries) and Crest Leather Limited (with 4 other companies as subsidiaries). The leather volumes displayed here, imported by Lapelle, Crest Leather Limited, and Crest Leather Italia, are linked to large exporting companies from Brazil, such as Minerva, Durlicouros, COMING, and the Fuga group.</p>
Globo srl	Italy	7,119	3.6%	Logistics company	Undisclosed	<p>Globo S.r.l. appears to be linked to Navigando Turismo e Cultural S.r.l., one of the companies under which some of the leather volumes included here were registered according to the information on this company's website. Although none of this companies appear to be directly involved in the leather manufacturing or leather trading sectors, the publicly available information on the Globo's website shows it is a company operative in several different sectors, one of which is logistics and international shipments, including imports and exports from Brazil. The leather volumes displayed here, registered both under Navigando Turismo e Cultura and Globo, are mostly linked to logistic companies from Brazil, such as Wave logística and BF logistics.</p>
JBS	Brazil	7,054	3.6%	Meatpacker Slaughter Leather manufacturer Trader	Automotive Footwear Furniture Leather goods	<p>JBS is the largest animal protein company and the second-largest food company in the world. JBS Couros is its leather dedicated branch (and a major leather processing company), which produces wet blue, wet white, crust and finished leather for the automotive, furniture, footwear, and leather goods industries. 20 JBS leather manufacturing facilities are certified suppliers by the Leather working group. All the leather volumes displayed here were imported by Conceria Priante, a tannery in Italy that has been part of the JBS group since 2015. These leather volumes were exported from Brazil by both JBS S.A. and BrazService Wet Leather (a JBS subsidiary located in Pedra Preta - Mato Grosso).</p>
Peymapiel	Spain	5,413	2.7%	Leather manufacturer	Footwear	<p>Peymapiel is a tannery specialized in the production and finishing of leather goods, being the footwear industry one of their main focuses. Peymapiel is a certified supplier of the Leather Working Group. The leather volumes displayed here were all exported to Peymapiel by JBS group companies in Brazil, be it JBS SA itself or BrazService Wet Leather.</p>
Hellman Worldwide Logistics	Germany	5,398	2.7%	Logistics company	Undisclosed	<p>Hellmann is one of the largest international logistics companies worldwide which has an offer of airfreight, seafreight, road & rail transport solutions, as well as contract logistics. Hellman has 241 offices globally and has established a network that counts with 489 offices in 173 countries. They offer industry-specific solutions in multiple sectors, such as automotive, consumer goods, and fashion. The leather volumes displayed here are exclusively linked to another logistics company exporting from Brazil, Wave logística internacional.</p>

MarterNeri	Italy	4,396	2.2%	Logistics company	Undisclosed	MarterNeri is a logistics company operating from Livorno (IT) acquired in March 2021 by the FHP group, dedicated to logistics and port facilities, namely general cargo, solid bulk cargo and project cargo. According to Orbis, the FHP group is ultimately owned by F2I S.G.R. SpA (Fondi Italiani per le Infrastrutture Società di Gestione del Risparmio). The leather volumes displayed here are linked to other logistics company exporting from Brazil, namely Euro-América and BF logistics.
Mario Levi Group	Italy	3,049	1.5%	Leather manufacturer	Automotive	Mario Levi group has six subsidiaries in Italy (in addition to its headquarters - Mario Levi S.p.A.), integrating several steps and processes in leather manufacturing, namely tanning, cutting, finishing, sewing, and preforming and prototyping. The tannery - Mario Levi Italia S.r.l. - is a certified supplier of the Leather Working Group. Mario Levi is one of the most important Italian leather manufacturers for the automotive industry. The leather volumes displayed here are linked to large exporting companies from Brazil, namely Minerva, Vancouros, and Durlicouros.
Mastrotto Group	Italy	3,031	1.5%	Leather manufacturer	Automotive	Gruppo Mastrotto, with 15 plants worldwide, has eleven facilities in Italy and is the largest Italian tannery. Besides this, the group has production plants in Brazil (1), Indonesia (1), Tunisia (1), and Mexico (1). Mastrotto Group is one of the most important Italian leather manufacturer for the automotive industry. Mastrotto group, namely Mastrotto SPA, Mastrotto Sata Croce, and Mastrotto Brasil are certified suppliers of the Leather Working Group. The leather volumes displayed here, registered both under Gruppo Mastrotto SpA and Mastrotto Express, are linked to large exporting companies from Brazil, namely the Mastrotto group itself (through Mastrotto Brazil SA), Marfrig, and Minerva.
Fuga Group	Brazil	3,019	1.5%	Leather manufacturer Meatpacker Slaughter Trader	Automotive Furniture Footwear Garment	Fuga Group, primary established in Brazil, has a subsidiary in Italy (Fuga Italia S.r.l.) mainly dedicated to leather trade. The group owns seven tanneries (three of which in the Legal Amazon area) and is also the owner of Frigosul (commercially known as SULBEEF), which has slaughterhouses in the Brazilian states of Mato Grosso, Mato Grosso do Sul, Rio Grande do Sul, and São Paulo. The company states that it sources leather from its own slaughterhouses. The leather volumes displayed here, all imported by Fuga Italia S.r.l., are linked to large exporting companies from Brazil, such as Euro-América (logistics), Fuga group itself (specifically Fuga Couros SA), and Marfrig.
Italpelli	Italy	2,829	1.4%	Leather manufacturer Trader	Automotive Footwear Furniture Leather goods	Italpelli is an Italian company that manufacture and trades wet blue leather. It is a certified supplier of the Leather Working Group, which certification has been obtained, according to the statements on the company's website "for its ability to trace the hides from the origin, guaranteeing its health and quality and for the close attention to the environment. Italpelli has a solid traceability method that guarantees the tracing of leathers and splits from origin to sale." Italpelli has established itself as a leather supplier for the upholstery industry, although, according to Orbis, it is also produces for the footwear and leather goods sectors. Still according to Orbis, the ultimate owner of Italpelli is Fulvio Lazzari and the company is linked to Starcouros Lda, a Brazilian leather trader certified by the LWG that is established in Cambé (Paraná). The leather volumes displayed here are linked to large exporting companies from Brazil, such as COMING, Durlicouros, and Bon-Mart Frigorífico.

G.M. Leather	Italy	2,726	1.4%	Trader	Automotive Garment Furniture Leather goods	G.M. Leather S.p.A. is the parent company of the G.M. Group, which operates in the processing and marketing of leathers. The group counts with the subsidiary SNAM S.r.l., responsible for the procurement of raw materials (raw bovine hides and wet blue leather) and of marketing both the raw materials and the finished product, while the production chain of the tanning industry is controlled both through another subsidiary - Genesi S.r.l. - and long-term partner companies active in processing activities (preliminary leather processing and tanning/finishing). The leather volumes displayed here are linked to large exporting companies from Brazil, such as Minerva, Durlicouros, and COMING.
Other	-	49,834	25.2%			
TOTAL	-	197,500	100%			

Figure 7: Top-20 importing companies by volume of Brazilian wet blue leather (HS 4104) to EU27+UK+EFTA from Jan 2021 to Aug 2023. Source: AidEnvironment based on Brazilian shipment data (Seair) covering the period 1 January 2021 – 31 August 2023, from Brazil to EU27+UK+EFTA countries and filtered for HS code 4104; Orbis; companies' own websites; and other publicly available sources/databases, such as Leather Working Group (LWG) and COTANCE.

MAIN BRAZILIAN EXPORTERS OF BRAZILIAN PREPARED LEATHER (HS 4107)

Top-20 exporters	Country of headquarter	Volume (MT)	Relative share of the total (%)	Company type	Notes
JBS	Brazil	7,269	25.1%	Meatpacker Slaughter Leather manufacturer Trader	JBS is the largest animal protein company and the second-largest food company in the world. JBS Couros is its leather dedicated branch (and a major leather processing company), which produces wet blue, wet white, crust and finished leather for the automotive, furniture, footwear, and leather goods industries. 20 JBS leather manufacturing facilities are certified suppliers by the Leather working group. All the leather volumes displayed here were exported either by JBS SA or BrazService Wet Leather (a JBS subsidiary located in Pedra Preta – Mato Grosso) and they are linked to large importing companies in the EU, such as the Himolla group (Himolla Polstermobel and KW Polstermobel), Lear group (Eagle Ottawa Hungary), and Ad Hulst.
Euro-América - International Freight rwarders	Brazil	6,632	22.9%	Logistics company	Euro-América is a Brazilian logistics and transport company closely linked to the leather exports from Brazil. The company is owned by the Merlin family and its main locations (headquarters and branches) are located in important Brazilian port areas – Novo Hamburgo, Paranaguá, and Santos. The majority of the leather volumes displayed here are linked to other logistics companies in the EU, such as UNICON logistics, Mar.Vi.Sped, and Francesco Parisi Group.
BF Logistics	Brazil	3,339	11.5%	Logistics company	BorderFree Logistics – Agenciamento de transportes internacionais is a company active in the transport, freight, and storage sector, which is dedicated to customs brokerage, shipping agency and commissary, and cargoes transport logistics. According to Orbis, the ultimate owners of the company are, in equal parts, Raquel Leticia Thomazi Bernardes and Rafael Pereira. Together, they also own another logistics company – Innovare Global Forwarding - which is not, however, linked to BF logistics as a branch or subsidiary. The majority of the leather volumes displayed here are linked to other logistics companies in the EU, such as MarVi Sped, Weltra International Transports, and Globo srl.
Easy Way		1,932	6.7%	Logistics company	Easy Way Agenciamento de Cargas Internacionais Ltda has its head office in Salvador, Brazil. Easy Way offers logistic services to the global market, including cargo transport through various

Mastrotto Group	Italy	1,638	5.7%	Leather manufacturer	<p>transportation modes. All the leather volumes displayed here are linked to other logistics companies in the EU, such as UNICON logistics, AXE group, and Greencarrier group.</p> <p>Gruppo Mastrotto has seven facilities in Italy and is the largest Italian tannery. It also has a Brazilian subsidiary and production facilities in Brazil. Mastrotto Group is one of the most important Italian leather manufacturers for the automotive industry. The prepared leather volume displayed was exported entirely by Mastrotto Brasil S.A., the Brazilian subsidiary of the group. Mastrotto group, namely Mastrotto SPA, Mastrotto Sata Croce, and Mastrotto Brasil are certified suppliers of the Leather Working Group. All the leather volumes displayed here were exported by Mastrotto Brasil SA and they are exclusively linked to other Mastrotto group companies/services, namely Mastrotto SpA in Italy and Mastrotto Express.</p>
UTC Overseas		1,489	5.1%	Logistics company	<p>UTC Overseas is an international logistics service provider and freight forwarding company. It has 41 offices in 20 countries (one of which is Brazil) and its transports are done by ocean, air, rail, or inland (with the possibility of being multi-modal) while customs brokerage services are also offered. All the leather volumes displayed here are linked to UTC overseas itself, being registered both under UTC international logistics and UTC overseas.</p>
Vancouros	Brazil	1,484	5.1%	Leather manufacturer	<p>Vancouros produces wet blue and finished leather (prepared) and is a certified supplier of the Leather Working Group. Vancouros has been linked to a joint operation with Viposa and Durlicouros – Blubrasil Indústria e Comércio de Couros – in Bataguassu (Mato Grosso do Sul, BR), which has potential links to slaughterhouses operated by Marfrig. The leather volumes displayed here are linked to two companies in the EU, namely Lear (registered under Lear itself and Eagle Ottawa Hungary) and BoxMark leather Holding.</p>
Durlicouros	Brazil	1,228	4.2%	Leather manufacturer Trader	<p>Durlicouros produces wet blue, crust, and finished leather, offering as well as transport services for its products. It has facilities in seven Brazilian states and opened a new subsidiary in Paraguay in 2018. Five out of the seven facilities in Brazil are certified suppliers of the Leather Working Group. Durlicouros has been linked to a joint operation with Viposa and Vancouros – Blubrasil Indústria e Comércio de Couros – in Bataguassu (Mato Grosso do Sul, BR), which has potential links to slaughterhouses operated by Marfrig. The leather volumes displayed here are linked to large companies in the EU, such as BJS srl, Ital leather Source, and Manifattura Pellami.</p>
DB Schenker (DB Group)	Germany	658	2.3%	Logistics company	<p>DB Schenker is one of the world's top-4 logistics company, operating globally and offering air and ocean freight, as well as land transportation. It is subsidiary of Deutsche Bahn AG - DB Group – which launched a sale process for DB Schenker in December 2023. The leather volumes displayed here were entirely exported by DB Schenker itself from Brazil to its own sister companies in Europe (no specification as to which ones).</p>
Agro Latina Group	Brazil	456	1.6%	Leather manufacturer	<p>Agro Latina is a Brazilian group which specialized in working together with Brazilian slaughterhouses in order to develop by-products of slaughter, namely leather and oils of animal origin. Currently, Agro Latina exports and sells to several international markets. Its main industrial plant (tannery) is located in Igrejinha (RS – Brazil) and the group counts with other production facilities, namely Upa Couros Indústria e Comércio in Chopinzinho (PR – Brazil), Industrial Itu Couros in Ituporanga (SC), and Cereais Damy in Santa Maria (RS). Agro Latina Ltda is registered as a Leather Working Group certified supplier, although its profile in the platform does not include any information on the audits performed. The leather volumes displayed here, registered both under Agro Latina Ltda and Upa Couros, are linked to large companies in the EU, such as Marleather, Smart leather, and Innova D&P.</p>
Viposa	Brazil	358	1.2%	Leather manufacturer	<p>Viposa is a producer of wet blue leather, crust leather, finished leather (prepared), and leather for the automotive, upholstery, leather goods, and footwear industry sectors. Viposa is a certified</p>

Fuga Group	Brazil	342	1.2%	Trader Footwear producer Wholesaler	supplier of the Leather Working Group. It has been linked to Marfrig, as well as Vancouros and Durlicouros through joint ventures/operations in Brazil. The leather volumes displayed here are linked to large companies in the EU, such as Lear (importing as Lear itself and Eagle Ottawa Hungary), Koinor Polstermobil, and Ekornes.
Induspan	Brazil	259	0.9%	Meatpacker Slaughter Leather manufacturer Trader	Fuga Group, which has a leather dedicated branch (Fuga Couros), specializes in leather, meat, biodiesel, pet food and by-products. The group has a subsidiary in Italy (Fuga Italia Srl), owns seven tanneries (three of which in the Legal Amazon area), and is also the owner of Frigosul (commercially known as SULBEEF), which has slaughterhouses in the Brazilian states of Mato Grosso, Mato Grosso do Sul, Rio Grande do Sul, and São Paulo. Three facilities in Brazil (Hidrolândia, Jales, and Marau) and the Italian subsidiary are certified suppliers by the Leather Working Group. The leather volumes displayed here, all registered under Fuga Couros SA, are linked to large companies in the EU, such as the Fuga group subsidiary in Italy (Fuga Italia), Manifattura Pellami, and Leatherline International.
Imald International	Uruguay	241	0.8%	Leather manufacturer	Induspan – Indústria e Comércio de Couros Pantanal is a producer of wet blue leather and crust leather, which is mostly oriented for international export. Induspan is a certified supplier by the Leather Working Group. The leather volumes displayed here are linked to three companies in the EU, namely the Faeda group (registered under Faeda SA), the Crest Leather group (all registered under Lapelle), and Mira Leathers.
Classic Couros	Brazil	195	0.7%	Trader Wholesaler	According to Orbis, Imald International S.A. is a company dedicated to the wholesale of agricultural raw materials and live animals from Uruguay. No other relevant information is publicly available on this company (shareholders, corporate group and structure). The leather volumes displayed here are linked to three companies in the EU, namely Ad Hulst, Ital Leather Source, and Leder Reinhardt.
DACHSER - Transport and Logistics	Germany	186	0.6%	Trader Wholesaler	Classic couros is headquartered in Jardim Alegre (PR – Brazil) and focuses on the wholesale trade of leather, wool, and fur for export and import. Its majority shareholder is Jean Ricardo Anacleto Pinto, and the company counts with other branches in Triunfo (RS) and Álvares Machado (SP). The leather volumes displayed here are all linked to Design Leather.
Curtume Bannach	Brazil	135	0.5%	Logistics company	Dachser is a global company dedicated to system logistics. Dachser is present in more than 350 locations in about 40 countries, among which Brazil, most EU countries, and Switzerland, Norway, and the UK. The leather volumes displayed here are all linked to Dachser itself, which therefore has been left in charge of the export and import logistics of these leather volumes.
AMCM Leather Company	Brazil	131	0.5%	Leather manufacturer	Curtume Bannach is specialized in vegetable tanning and its main products are used in the manufacture of soles, belts, saddlery, and other crafts. It is a certified supplier of the Leather Working Group. The leather volumes displayed here are all linked to two companies in the EU, namely MACAP II and Abreu – Cargas e Trânsitos (logistics company).
Carrasco Participações	Brazil	124	0.4%	Leather manufacturer Trader	AMCM Leather Company is dedicated to leather production and tanning in Novo Hamburgo (RS). It is owned by Alexandre and Cicero Marchini (brothers) and its production is mostly oriented for the footwear, leather goods, upholstery, and specialized equipment sectors. AMCM is a certified member of the leather working group. The leather volumes displayed here are linked to companies in the EU, such as Bolhar DOO, Dafarra CO, and Cofra SRL.

Craft	Brazil	117	0.4%	Logistics company	<p>Working Group. The leather volumes displayed here, most of which were registered under Curtume Nimo, are linked to three companies in the EU, namely Karo Leather, Maple Leaves Ltd, and Smart Leather.</p> <p>Craft is present in 10 countries and it offers LLC services (ocean consolidation) to freight forwarders and brokers. It states that it is currently the largest operating wholesaler of ocean and air freight in South America. Its Brazilian operating locations are concentrated in the South and Southeast of the country, with the exception of Fortaleza (CE). The leather volumes displayed here are mostly linked to other logistics companies in the EU, such as CWT Globelink Group, Fair trade Schiffahrt, and Euro Italian.</p>
Other	-	722	2.5%		
TOTAL	-	28,933	100%		

Figure 8: Top-20 exporting companies by volume of Brazilian prepared leather (HS 4107) to EU27+UK+EFTA from Jan 2021 to Aug 2023. Source: AidEnvironment based on Brazilian shipment data (Seair) covering the period 1 January 2021 – 31 August 2023, from Brazil to EU27+UK+EFTA countries and filtered for HS code 4107; Orbis; companies’ own websites; and other publicly available sources/databases, such as Leather Working Group (LWG) and COTANCE.

MAIN EU27+UK+EFTA IMPORTING OPERATORS OF BRAZILIAN PREPARED LEATHER (HS 4107)

Top-20 importers	Country of headquarter	Volume (MT)	Relative Share of the total (%)	Company type	Downstream sector(s)	Notes
MarVi. Sped - Spedizioni Internazionali	Italy	5,290	18.3%	Logistics company	Undisclosed	Marvisped is a company dedicated to international freight and transport which undertakes maritime and air shipments to Europe, Asia, USA, and South America. They also do consultancy and brokerage, having their own agents on all ports and on the main Italian customs. From Arzignano, they have several direct truck lines to multiple destinations in Europe and Asia. According to Orbis, Marvisped is a subsidiary of Italtransport s.r.l. (which ultimate owner is GMM Società Semplice). The leather volumes displayed here are linked to four Brazilian companies, namely BF Logistics, Euro-América, Bedroom Móveis Eireli, and CouroQuímica.
Lear	USA	4,501	15.6%	Leather manufacturer	Automotive	Lear produces automotive seats and electrical distribution systems. Eagle Ottawa, a subsidiary of the Lear group, specializes in producing the leather used in Lear’s car seats and is a certified supplier of the Leather Working Group. Lear supplies car seats to General Motors, Ford, Volkswagen, BMW, among others. The leather volumes displayed here, most of which were registered under Eagle Ottawa Hungary, are linked to Brazilian tanneries, such as JBS SA, Vancouros, Viposa, and Lear itself (through Eagle Ottawa Brasil).
UNICON Logistics	Germany	3,765	13.0%	Logistics company	Automotive Footwear Furniture	UNICON offers services of freight forwarding and logistics, covering exports and imports, transport by land (road and rail), sea, and air, as well as warehousing, customs, service, and advice. UNICON states that they offer import services for all types of leather, mostly for the furniture, automotive, and footwear industries. South America is mentioned as a key producing area from which they offer such services and where they are in close contact with tanneries to ensure the best shipment process possible. The leather volumes displayed here are all linked to two exporting logistics company, namely Euro-América and EasyWay.

Himolla Group (Welle Holding)	Germany	2,907	10.0%	Leather manufacturer	Upholstery Furniture	The Himolla group is dedicated to upholstered furniture production and claims to be one of the largest upholstered furniture manufacturers in Europe. The group has several brands under its umbrella, among which K+W Polstermobel. According to Orbis, the ultimate owner of the group is Welle Holding AG + CO, also based in Germany. The leather volumes displayed here, which were registered both under Himolla Polstermobel and K+W Polstermobel, are all linked to JBS SA.
Mastrotto Group	Italy	1,638	5.7%	Leather manufacturer Trader		Gruppo Mastrotto has seven facilities in Italy and is the largest Italian tannery. It also has a Brazilian subsidiary and production facilities in Brazil. Mastrotto Group is one of the most important Italian leather manufacturers for the automotive industry. The prepared leather volume displayed was exported entirely by Mastrotto Brasil S.A., the Brazilian subsidiary of the group. Mastrotto group, namely Mastrotto SPA, Mastrotto Sata Croce, and Mastrotto Brasil are certified suppliers of the Leather Working Group. All the leather volumes displayed here were exported by Mastrotto Brasil SA and they are exclusively linked to other Mastrotto group companies/services in the EU, namely Mastrotto SpA in Italy and Mastrotto Express.
UTC Overseas	USA	1,489	5.1%	Logistics company	Undisclosed	UTC Overseas is an international logistics service provider and freight forwarding company. It has 41 offices in 20 countries (one of which is Brazil) and its transports are done by ocean, air, rail, or inland (with the possibility of being multi-modal) while customs brokerage services are also offered. All the leather volumes displayed here are linked to UTC overseas itself, being registered both under UTC international logistics and UTC overseas.
Ad Hulst (Leather Group B.V.)	Netherlands	947	3.3%	Leather manufacturer	Furniture	Ad Hulst is specialized in the production of leather for the furniture industry. Ad Hulst states that it sources directly from high-quality leather producers in Asia, South America, and Europe. In its website, Ad Hulst showcases the Leather Working Group logo, although the company cannot be found in the catalogue of certified suppliers or members. According to the information available in Orbis, the ultimate owner of Ad Hulst is Leather-Group B.V. (Drunen, NL). The leather volumes displayed here are all linked to two companies, namely JBS (both JBS SA itself and BrazService Wet Leather) and Imald International.
DB Schenker	Germany	674	2.3%	Logistics company	Undisclosed	DB Schenker is one of the world's top-4 logistics company, operating globally and offering air and ocean freight, as well as land transportation. It is subsidiary of Deutsche Bahn AG - DB Group – which launched a sale process for DB Schenker in December 2023. The leather volumes displayed here were entirely imported by DB Schenker itself from both its own sister company in the country and the Ekornes group (through its Brazilian branch – Ekornes Latin America Comércio de Móveis).
Ital Leather Source	Italy	637	2.2%	Leather manufacturer	Upholstery Furniture	Ital leather produces high quality upholstery leather for furniture. The company states that it acquires most of its raw material (leather) from Brazil. Ital leather source is a certified supplier of the Leather Working Group. The leather volumes displayed here are all linked to three companies, namely Durlicouros, JBS (BrazService Wet Leather) and Imald International.
Francesco Parisi Group	Italy	612	2.1%	Logistics company	Undisclosed	Francesco Parisi is a group of shipping companies and maritime agents dedicated to freight forwarding and logistics since its inception which is managed and controlled by the Parisi family. Some of the companies reported to be part of the

BJS	Italy	516	1.8%	Trader Distributor	Undisclosed	group are Parisi Grand Smooth Logistics Ltd., Riumar Ltd., Riunite S.r.l., PSM Logistica S.r.l., HHLA PLT Italy S.r.l., and Alberti S.r.l. The Group has equipped warehouses for storage and distribution of raw materials and finished products in several countries where it operates. All the leather volumes displayed here are linked to Euro-América (another logistics company)
Tyrholm & Farstad	Norway	493	1.7%	Logistics company	Undisclosed	BJS srl is a leather trading company located in Arzignano (Italy). According to Orbis, its ultimate owner is Fabio Bracciolini. There is very few data available on this company on-line and no official website seems to exist. The leather volumes displayed here are linked to two companies from Brazil, namely Durlicouros and Agro Latina Ltda.
Weltra International Transports	Italy	375	1.3%	Logistics company	Undisclosed	Tyrholm & Farstad's headquarters is in the maritime cluster of Sunmore and they compound sea and air freight services, goods terminal services, and customs clearance. They have their own airport terminals (at Skutvika and Alesund) while offering warehousing services in multiple locations in Europe. The company group includes 4 subsidiaries – GrimmerGata 5 (NO), Holger Fischer (DE), Holger Fischer Spedisjon (NO), and Holger Fischer Spedition (DE). All the leather volumes displayed here are linked to Euro-América (another logistics company).
DACHSER - Transport and Logistics	Germany	241	0.8%	Logistics company	Undisclosed	Weltra has its head office in Genoa and branches in several other Italian ports, as well as in the main inland industrial centres of the country, one of which in the Veneto region (the Italian leather district). Through its international network of agents, Weltra is present in Novo Hamburgo (RS), Rio de Janeiro (RJ), and Santos (SP) in Brazil. Most of the leather volumes displayed here are linked to other logistics companies, namely BF logistics, Euro-América and Wave logística.
Ahlers (AXE Group)	Belgium	230	0.8%	Logistics company	Undisclosed	Dachser is a global company dedicated to system logistics. Dachser is present in more than 350 locations in about 40 countries, among which Brazil, most EU countries, and Switzerland, Norway, and the UK. The leather volumes displayed here are linked to three companies from different sectors in Brazil, namely Dachser itself (BR branch), Longchamp do Brasil, and Indústria de Calçados Wirth.
Greencarrier Group	Sweden	208	0.7%	Logistics company	Undisclosed	Ahlers logistics is headquartered in Antwerp (BE) and operates in three regions (Europe, Asia, and CIS). Ahlers is part of the AXE Group, which also counts with Xylos (ICT Services provider), AXE Investments, and Agidens (Automation projects). Ahlers offers a wide range of services including warehousing, secured transport, trade logistics, after-sales services, and data analytics. All the leather volumes displayed here are linked to another logistics company, EasyWay.
Design Leather	Italy	195	0.7%	Leather manufacturer	Undisclosed	The greencarrier group, headquartered in Gothenburg (SE) is primarily invested in logistics and transportation, although it is also active in other business sectors. The four largest companies that are part of the group are Hecksher, Greencarrier Consolidators, Greencarrier Liner Agency, and Swedish East India Company. Most of the leather volumes displayed here are linked to another logistics company, EasyWay.

Faeda Group	Italy	191	0.7%	Leather manufacturer	Automotive Footwear Furniture Leather goods	Faeda has a world leading position in the production of patent, smooth, and embossed leather. It has several production sites in the province of Vicenza (IT). The group's ultimate owner is Alberto Caneva, who is a majority shareholder of several companies, including Nola s.r.l., the company under which ownership the Faeda group is. Bialpel, and Qleather are part of Faeda. Faeda is a certified supplier of the Leather Working Group. The leather volumes displayed here are all linked to four companies exporting from Brazil, namely Induspan, Fuga group (specifically Fuga Couros SA), Leatherline – Indústria de Couros, and Durlicouros.
Marleather	Italy	186	0.6%	Leather Manufacturer Trader	Automotive Furniture Leather goods	Marleather produces and trades leather predominantly for the furniture and leather goods industries but has expanded its range of products to meet demands, namely from the automotive sector. The company is based in Zermeghedo (IT) and claims it was one of the first companies to develop an efficient warehouse service with prompt delivery, for which they have on-demand and in stock products. According to Orbis, the ultimate owner of Marleather is Francesca Margherita. The leather volumes displayed here are all linked to the Agro Latina group.
Crest Leather Group	United Kingdom	182	0.6%	Leather Manufacturer	Automotive Furniture	Crest Leather is a producer of finished leather, mainly for upholstery (residential, contract, hospitality, and design sectors). The headquarters of the company is in London while the group also operates tanneries in Italy and Brazil and distribution warehouses/offices in the UK, USA, and South Africa. According to Orbis, the ultimate owner of the group is Crest International Korlatolt Felelossegu Tarsasag (based in Hungary) and the corporate group counts with 11 companies, among which Crest Leather Italia S.r.l. (which has Lapelle S.r.l., LG Leather S.r.l. and I.C. S.r.l. as subsidiaries) and Crest Leather Limited (with 4 other companies as subsidiaries). The leather volumes displayed here, entirely imported by Lapelle, are all linked to large exporting companies from Brazil, namely Induspan and Durlicouros.
Other	-	3,640	12.6%			
TOTAL	-	28,933	100%			

Figure 9: Top-20 importing companies by volume of Brazilian prepared leather (HS 4107) to EU27+UK+EFTA from Jan 2021 to Aug 2023. Source: AidEnvironment based on Brazilian shipment data (Seair) covering the period 1 January 2021 – 31 August 2023, from Brazil to EU27+UK+EFTA countries and filtered for HS code 4107; Orbis, companies' own websites; and other publicly available sources/databases, such as Leather Working Group (LWG) and COTANCE.

4. CASE STUDIES LINKING POTENTIALLY NONCOMPLIANT BRAZILIAN LEATHER PRODUCTS TO DOWNSTREAM MARKETS

CASE STUDY 1: HIGH-RISK JBS COLÍDER LINKED TO FOOTWEAR AND FURNITURE SECTORS

TANNERY:

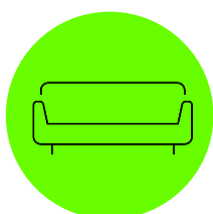
Name: JBS Colíder, Mato Grosso

High connection to slaughterhouse: JBS Colíder, Mato Grosso (distance 12 km); JBS Alta Floresta, Mato Grosso (distance 135 km).

POTENTIALLY LINKED DOWNSTREAM SECTORS, BRANDS, AND COMPANIES:



GEOX **minelli**
DRESCO® PARIS



DUTCH BONE

zuiver^o
TOMORROW'S ACCENTS FOR TODAY'S INTERIORS

SUPPLY CHAIN LINKAGES

Italy is linked to the highest deforestation risk from JBS tannery in Colíder

According to Brazilian export statistics¹⁸, Italy sourced a total of 2,432 metric tonnes (MT) of semi-processed, wet blue leather (HS 4104) from the Brazilian municipality Colíder in Mato Grosso between 1 January 2021 and 30 October 2023 (Figure 1 below). Also very recently, in October 2023, the municipality exported 247,676 kilograms of wet blue leather to Italy.

Month	Exports 2021 (KG)	Exports 2022 (KG)	Exports 2023 (excl. Nov and Dec) (KG)
January	348,694	178,050	0
February	454,964	303,642	0
March	0	575,310	0
April	0	24,323	48,769
June	24,862	0	0
July	99,108	0	0
August	0	0	25,208
October	0	0	247,676
November	25,040	0	0
December	76,082	0	0
Total	1,028,750	1,081,325	321,653

Figure 1: Wet blue leather exports to Italy from high-deforestation risk municipality Colíder in Mato Grosso. Source: Brazilian Comext 2021-2023. Apparently for the months May and September no records exist.

¹⁸ <http://comexstat.mdic.gov.br/en/municipio>

The only tannery in the Colíder municipality, that of JBS Couros, was highlighted in an earlier RFN-AidEnvironment study¹⁹ as being linked to the JBS slaughter facility in Colíder, which has the “highest exposure to deforestation within the Amazon biome, with a total of 251,558 hectares (ha) of deforestation found in its buying zone between August 2018 and July 2020”. Considering JBS’s vertically integrated supply chain, the JBS slaughterhouse in Colíder has a high level of certainty of being connected to the tannery that is nearby (12 KM). The JBS tannery in Colíder, besides receiving hides from JBS’s slaughterhouse in Colíder, likely also receives them from JBS’s slaughterhouse in Alta Floresta.

Linked Italian importing operators: Conceria Priante, Conceria Montebello and Mipel

Shipping data focusing on JBS and covering a nearly similar period (1 January 2021-30 August 2023), reveals that in this period, the key operating importers of JBS wet blue leather in Italy – with more than 100 MT of wet blue leather imported in the indicated period - were Conceria Priante (5,915 MT), Mipel (625 MT), Conceria Montebello (316 MT), Luna Rossa Leathers (247 MT), Italpelli (154 MT), and Conceria Pasubio (140 MT). The wet blue leather was mainly shipped from the Brazilian Santos port and, to lesser extent, from Navegantes port. The same companies also appear when aligning closely with the export months indicated in Figure 1 above. For instance, in the first four months of 2022, the following Italian operators imported 838 MT of Brazilian wet blue leather from JBS: Conceria Montebello, Conceria Priante, and Mipel.

While this does not prove nor confirm that the wet blue leather shipped from Santos port originates from Colíder (MT) -- there is a lack of supply chain transparency from leather export routes of Brazilian municipalities to Brazilian ports and JBS operates numerous tanneries in Brazil – there is evidence²⁰ that the Mato Grosso-Santos port route is a commonly used logistical route (Figure 2 below).

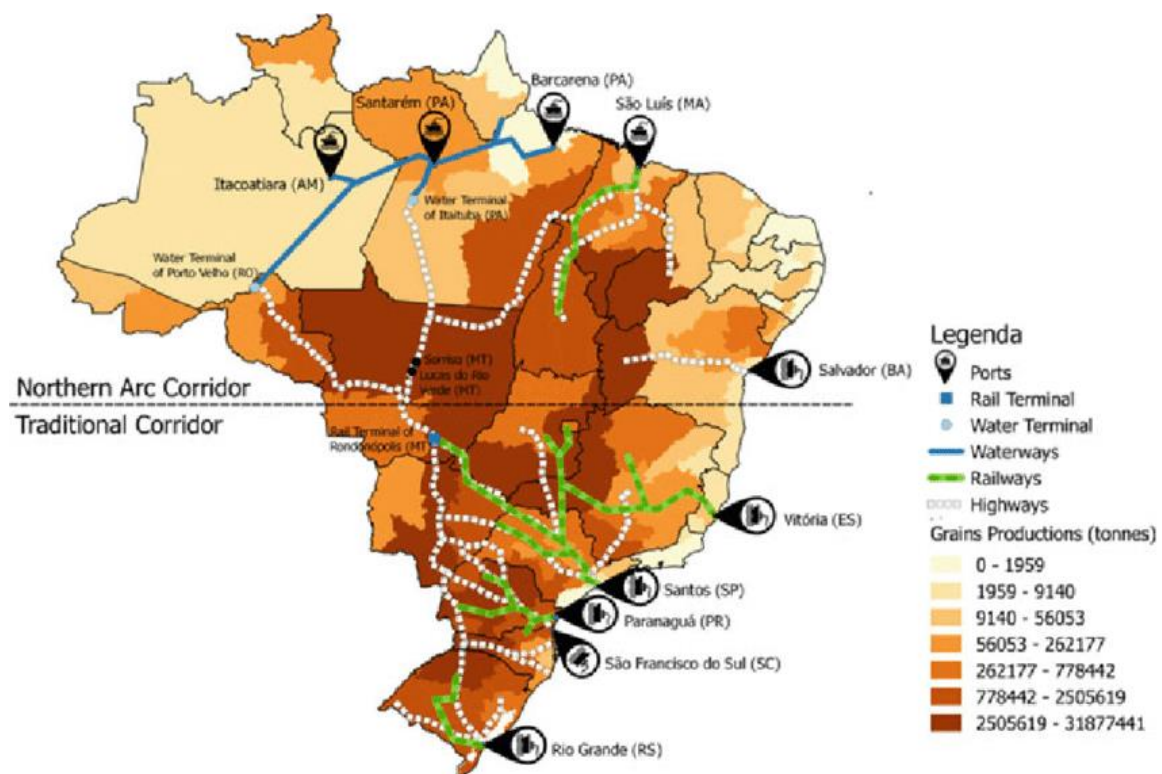


Figure 2: Export logistic corridors of Brazil with emphasis on Mato Grosso. Source: Pera, T.G. et al, 2020. Note: While this figure is based on grains productions, it is likely that similar logistical routes are followed for leather.

¹⁹ https://d5i6is0eze552.cloudfront.net/documents/Publikasjoner/Andre-rapporter/Driving_Deforestation_16_June-compressed.pdf?mtime=20210617202546

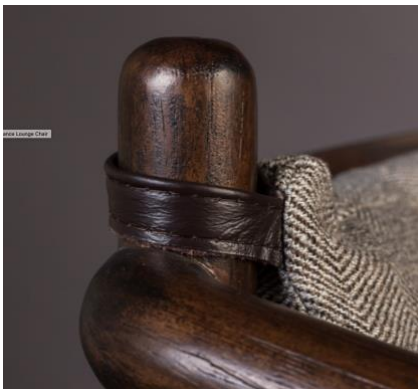
²⁰ https://www.researchgate.net/figure/Export-logistic-corridors-of-Brazil-with-emphasis-on-Mato-Grosso-Source-Prepared-by-the_fig1_335611641

→ Conceria Priante: JBS subsidiary linked to U.S. and Dutch home furniture sector

Conceria Priante is part of JBS²¹. According to the company's website²², JBS Couros Brasil is the main supplier of raw materials to the Conceria Priante tannery unit in Vicenza, Italy. The company mainly produces leather for the textile and furniture industries, as well as fashion accessories (handbags, jewellery, belts). Conceria Priante is, among others, associated with U.S.-based Omnia Italian Design, a key player in the American leather furniture market. Based on the company's participation in exhibitions and fairs for leather products linked to footwear and textile in Vietnam, China, and India, the company also likely targets these markets.

Considering Indian imports of Conceria Priante leather materials, probably originating from JBS in Brazil, the sole importer of bovine tanned finished leather (HS 41079900) in India was Baron Leather (based in Mumbai), in the period between 1 January 2021 and 10 November 2023. Baron Leather, headquartered in Georgia, USA, specializes in manufacturing and designing high-quality natural leathers. Established in the 1980s, it began as a domestic trader of leather goods, eventually evolving into an exporter to countries like Germany, the UAE, and England. The company's primary activities are manufacturing and interior design for the aviation, marine, and automotive sectors. Despite this connection to the automotive industry, there is no reliable data, due to lack of supply chain transparency, on who are the linked buyers.

AidEnvironment has also checked imports of Conceria Priante in Vietnam. Companies that have bought prepared leather products from Conceria Priante after the EUDR cut-off date include, among others, Koda Saigon, Mifaco, and Greenmoss. All three seem to be producing furniture. AidEnvironment has further investigated supply chain links of Koda Saigon, since that company also seems to supply the European market. We found for instance that Koda Saigon furniture with leather components is shipped from Vietnam to the Netherlands-based Zuiver Interior Group²³. A concrete product is the "Torrance armchair leather" of the company's brand Dutch Bone²⁴ (see picture below). While this case only shows a small leather item on an end-product (here: chair) produced outside of the EU, the linked EU importing operator of the leather (in this case Conceria Priante) still needs to prove that it is not connected to deforestation in its supply chain in Brazil since the leather that was exported to Vietnam to be transformed and added to this consumer product was first imported in the EU market by Conceria Priante.



Picture: Torrance armchair leather of Dutch Zuiver Group, Dutch Bone brand. The leather elements in this chair, may link to JBS Conceria Priante leather exports from Italy to Vietnam, and from Vietnam to the Netherlands, with Brazil as origin country.

→ Conceria Montebello: JBS leather products linked to footwear sector in Italy and France

Conceria Montebello (Italy) has received 316 MT of JBS wet blue leather products between 1 January 2021-30 August 2023, which may originate from the high-risk JBS Colíder tannery in Mato Grosso. Besides producing bovine leathers, full grain and suede, the company, in collaboration with brands,

²¹ <https://www.conceriapriante.com/en/chi-siamo/>

²² <https://www.conceriapriante.com/wp-content/uploads/2023/07/PRESS-RELEASE-1.pdf>

²³ <https://www.zuiver.com>

²⁴ <https://www.dutchbone.com/en/torrance-lounge-chair>

produces clothing items, leather goods, footwear products, and interior design artefacts. For instance, the company has supplied among others Hancock & Moore, a U.S.-based company known for its custom-made furniture.

Conceria Montebello also supplies prepared leather products (HS 4107) to numerous shoe factories in India. Among them are Itares shoes, Lamba footwear industries, and Leiner Shoes. For the last company, AidEnvironment was able to trace that Leiner Shoes received 1,269 square meters of prepared leather products (mainly HS 41079200, grain splits) from Conceria Montebello between March 2021 and October 2023. Leiner shoes has factories in Noida (New Delhi) and Agra (Uttar Pradesh) in India. According to the company's website²⁵, Leiner footwear exports its products to premium brands and retailers in Australia, Austria, Canada, Czech Republic, China, France, Germany, Hong Kong, Italy, Japan, Korea, South Africa, Spain, Sweden, United Kingdom and the U.S. Concretely, based on Indian shipping records of Leiner shoes containing leather, between 2021-2023, AidEnvironment found among others the following European buyers linked to the footwear industry: Geox²⁶ (Italy), Minelli²⁷ (France), and Dresco²⁸ (France). Focusing on Geox, Leiner shoes India mainly supplied "ladies leather sandals", "ladies (ankle) boots", and "children's leather shoes" to Geox in Montebelluna in Italy. The picture below shows an ankle boot on the website of Geox. Geox is a member of the LWG²⁹, which, contrary to certified suppliers by LWG, are not audited under LWG defined standards.



Picture: Lady ("Felicity woman coffee") ankle boot, made of "plain-leather", potentially with leather originating from JBS in Brazil. Website Geox³⁰. Assessed 20 November 2023.

Therefore, this case may present an example of how Brazilian leather, exported by JBS from Brazil and imported in Italy, is being processed in the Montebello tannery in Italy from wet blue leather (4104) to further prepared leather products (4107), that are then shipped to Indian shoe factories, where the leather is used to produce leather shoes, that are subsequently shipped back to Italy where a leading Italian footwear company, Geox, is selling the shoes as consumer products.

Mipel finally, is the most important international leather and fashion accessories event³¹ held in Milan twice a year, therefore, the leather imported from JBS by Mipel is likely being exposed on this event. Moreover, Mipel SRL seems to link through board members to the Italian Rino Mastrotto group, and therefore potentially to the automotive industry, however, AidEnvironment could not further clarify supply chain linkages in this case due to non-disclosure and lack of traceability in leather supply chains.

LINKED FARMS WITH SOCIOENVIRONMENTAL ISSUES

1. Farm name (size): Fazenda Rio da Paz (11,110 ha)

Owner: Brusqui Agropecuária LTDA

Location: (Municipality, State): São Félix Do Xingu - Pará (coordinates: -9.38159,-51.66215)

²⁵ <https://www.leinershoes.com/about.php>

²⁶ <https://www.geox.com/int/>

²⁷ <https://www.minelliparis.com/en/men/shoes/>

²⁸ <https://dresco.fr/en/>

²⁹ <https://www.leatherworkinggroup.com/>

³⁰ https://www.geox.com/en-NL/ankle_boots-coffee-felicity_woman-D36G1F043NHC6009.html

³¹ <https://mipel.com/en/>

Type of vegetation: Open-canopy rainforest, submontane (also known as Open Submontane Humid Forest) (classified as “forest” under the EUDR)

Direct/indirect: Indirect supplier to JBS Colíder in 2018

Deforestation: 670 ha between April and September 2022 (after EUDR cut-off date)

Embargo(es) on the farm: No

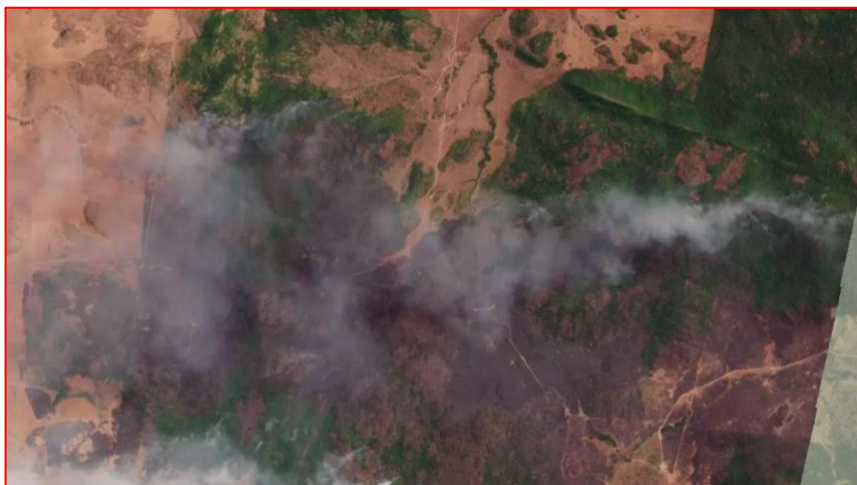
Environmental fines: Yes, 9 environmental fines, totalling BRL 21,053,200: 3 for activities (cattle trading) in an embargoed area in 2017, 6 for not presenting environmental reports in 2019

On the slave labour list: In 2018 fined with BRL 6 million for having workers in labour conditions analogous to slavery.

April 2022



September 2022



Source: AidEnvironment, based on deforestation data (Prodes and Mapbiomas) and rural cadastre data (SIGEF, SNCI). Imagery © 2022 Planet Labs PBC. Note: Fires (see below picture) occurred in September 2022.

Description

Fazenda Rio da Paz (São Félix Do Xingu – PA) cleared 670 ha of forest vegetation after the EUDR cut-off date, through fires, of which 111 hectares in legal reserves (and therefore potentially illegal under Brazilian law). Fazenda Rio da Paz supplied 151 bovine animals for fattening to Fazenda Pedra Prata in Alta Floresta (Mato Grosso), owned by Agropecuária Pedra Preta, which in turn supplied JBS Colíder and JBS Alta Floresta, located in Mato Grosso. Both slaughterhouses are likely suppliers to JBS’s tannery in

Colíder, considering the short distance to the tannery and JBS's vertically integrated supply chain. The owners of Brusqui Agropecuária and linked companies were prosecuted by the public prosecutor office in 2018 for having workers in labour conditions analogous to slavery in their properties, leading to a fine of BRL 6 million. In five rescuing operations from the Ministry of Labour, a total of 324 workers³² were rescued from the family's properties.

While there are no recent GTA records for Mato Grosso (last year covers 2019), it would be up to JBS to prove it is no longer connected to this farm. At least in other states, such as Pará, JBS was recently still connected to the farm. For instance, Fazenda Rio da Paz has directly supplied cattle to JBS's slaughterhouse in Santana do Araguaia - PA between 2018 and 2022. In 2017, JBS (Santana do Araguaia - PA) was fined by Ibama, as part of the Federal Police operation "Carne Fria, for acquiring 5,160 cattle from an embargoed area in Fazenda Rio da Paz. The company had to pay BRL 2.5 million³³ for buying cattle from an illegal production area. A 2022 technical analysis by the environmental state agency of Pará (Semas), to monitor the TAC signed to restore degraded land in that farm, concluded that no signs of meaningful restoration of the degraded protected area could be detected.

2. Farm name (size): Fazenda LN (1,602 ha)

Location: (Municipality, State): Nova Canaã do Norte – Mato Grosso (-10.4570, -56.1630)

Type of vegetation: Submontane Open Ombrophylous Forest (classified as "forest" under the EUDR)

Direct/indirect: Indirect supplier to JBS Colíder in 2019

Deforestation: 52 ha between February and May 2023 (after EUDR cut-off date)

Embargo(es) on the farm: Yes. Since 2011, various parts of the farm are embargoed, totalling 1,273 ha, for destroying native vegetation, and for "building, renovating, expanding, installing or operating establishments, works or services that potentially pollute or use natural resources, without a license or authorization from the competent environmental bodies".

Environmental fines: Yes, 3 environmental fines, totalling BRL 667,296, linked to the above reasons for embargoes.

On the **slave labour list:** No

³² <https://www.prt23.mpt.mp.br/procuradorias/ptm-alta-floresta/1023-grupo-economico-familiar-de-mt-e-condenado-a-pagar-r-6-milhoes-por-trabalho-escravo>

³³ <https://dadosabertos.ibama.gov.br/dataset/?q=auto+de+infra%C3%A7%C3%A3o%20/>

February 2021



May 2023



Source: AidEnvironment, based on deforestation data (Prodes and Mapbiomas) and rural cadastre data (SIGEF, SNCI). Imagery © 2023 Planet Labs PBC.

Description

Fazenda LN (Nova Canaã do Norte– MT) cleared 52 ha of Amazon vegetation since the EUDR cut-off date. The farm is largely embargoed (1,273 ha out of 1,602 ha) and has received multiple environmental fines. Fazenda LN indirectly supplied JBS Colíder through Fazenda Tamandua II, located in the same municipality. In March 2018, Fazenda LN has supplied bovine animals for fattening to Fazenda Tamandua II, which in turn supplied 1,051 bovine animals for slaughter to JBS Colíder between July 2018 and June 2019. While there are no recent GTA records for Mato Grosso (last year covers 2019), it would be up to JBS to prove it is no longer connected to this farm. Moreover, EU operators and recipients of JBS leather, such as Conceria Priante and Conceria Montebello, will need to prove under the EUDR that they are not connected to any deforestation in their supplier base.

3. Farm name (size): Fazenda Duique (1,090 ha)

Location: (Municipality, State): União Do Sul – Mato Grosso (coordinates: -11.3504, -54.0006)

Type of vegetation: Intersection between ombrophile forest and seasonal forest (classified as “forest” under the EUDR)

Direct/indirect: Indirect supplier to JBS Colíder in 2018

Deforestation: 200 ha between Feb to Mar 2021 (after EUDR cut-off date)

Embargo(es) on the farm: Yes, since 2015 several embargoed parts of the farm: 1 embargo of 115 ha (in 2015), 1 of 72 ha (also in 2015), 1 of 164 ha (in 2017) and 1 of 314 ha (also in 2017)

Environmental fines: Yes, 5 environmental fines, totalling BRL 1,407,000, for destroying native vegetation and for failure to comply with one of the embargoes.

On the slave labour list: No

February 2021



March 2021



Source: AidEnvironment, based on deforestation data (Prodes and Mapbiomas) and rural cadastre data (SIGEF, SNCI). Imagery © 2021 Planet Labs PBC.

Description

Fazenda Duique in União Do Sul municipality in Mato Grosso is an indirect supplier of JBS Colíder, through Fazenda Sossego das Meninas (Marcelândia – MT). In July 2018, Fazenda Duique has supplied 57 bovine animals for fattening to Fazenda Sossego das Meninas, which in turn supplied 1,000 animals for slaughter to JBS Colíder between August and October 2018. Despite the outdated animal transit data, there has been an indirect supplier-buyer relationship between this farm, that collected numerous environmental fines and embargoed areas, and the JBS slaughterhouse in Colíder, and therefore also with a high likelihood, with the nearby JBS Couros tannery in Colíder. Since many cattle farms have a relatively stable supplier-buyer relationships and supply the same meatpackers for multiple years, the burden of proof on supply chain linkages, and on whether they are still valid in 2023, is on the meatpacker companies, in this case JBS.

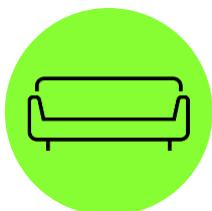
CASE STUDY 2: HIGH-RISK JBS PEDRA PRETA LINKED TO FURNITURE AND FOOTWEAR SECTORS

TANNERY:

Name: JBS Pedra Preta, Mato Grosso

High connection to slaughterhouse: JBS Pedra Preta, Mato Grosso (distance <5 km)

POTENTIALLY LINKED DOWNSTREAM SECTORS. BRANDS. AND COMPANIES:



AD HULST
Upholstery Leather since 1977

PIET KLERKX
GROOTS IN WONEN

LEDERLAND
zitmeubelen



GOOSSENS
eindelijk thuis



MCB
FOOTBEDS & LEATHERS

PEYMAPIEL, S.L.
FABRICA DE CURTIDOS

SUPPLY CHAIN LINKAGES

Spain, the Netherlands, and Italy are linked to the high deforestation-risk JBS tannery in Pedra Preta

Like case study 1 before, also Brazilian municipality Pedra Preta in Mato Grosso was found to be one of the highest deforestation-risk tanneries of JBS in the 2021 RFN-AidEnvironment study. The JBS Pedra Preta tannery is the only tannery in the municipality. According to Brazilian export statistics³⁴, Spain sourced a total of 1,274 MT of semi-processed, wet blue leather (HS 4104) from this municipality since the EUDR's cut-off date, between 1 January 2021 and 30 October 2023; the Netherlands received 919 MT of prepared leather (HS 4107) from the municipality in the same period; while Italy received 372 MT (324 MT prepared leather and 49 MT wet blue).

For the Netherlands, Ad Hulst Leather group B.V. is the largest recipient (and EUDR operator) of prepared leather products in a nearly similar time period: the furniture company imported 721 MT from Brazservice Wet Leather SA (based in Pedra Preta in Mato Grosso) and JBS SA in mainly 2021 and 2023 (via Brazilian port Rio Grande in the Brazilian state of Rio Grande do Sul, hence confirmation that leather from high deforestation-risk states is also exported from Southern Brazilian ports and states without substantial deforestation). There is strong evidence³⁵ that Brazservice Wet Leather is directly linked to JBS's tannery in Pedra Preta, and therefore that Ad Hulst is indeed a major Dutch sourcing company of the JBS tannery in Pedra Preta. Initially, Ad Hulst supplied leather to the footwear industry (circa 1977), later transitioning to the leather furniture market (the company refers to "upholstery leather"). The company sources hides directly from slaughterhouses in South America (cow hides from Brazil) and Asia (buffalo hides from India), and processes (part of) these hides in its own Italian tanneries (names and locations could not be identified). Their products are then distributed to furniture manufacturers across Europe from their logistics centre in Nieuwkuijk (The Netherlands).

Further investigation on the supply chain revealed that Ad Hulst leather products are found in the largest furniture stores in the Netherlands. In a telephone conversation with Ad Hulst company on 21

³⁴ <http://comexstat.mdic.gov.br/en/municipio>

³⁵ <https://www.leatherworkinggroup.com/get-involved/our-community/certified-suppliers/jbs-sa-pedra-preta-brazservice-wet-leather-sa-bra017/>; <https://alemdofato.uai.com.br/economia/jbs-incorpora-brazservice-avaliada-em-r-45-mi/>

November 2023, an employee confirmed that Ad Hulst leather can be used for upholstery of furniture (e.g. couches, chairs), which can be found in the furniture stores of Piet Klerkx³⁶, Goossens³⁷, Lederland³⁸, and Montèl³⁹. A telephone call (on 21 November 2023) with Piet Klerkx's staff confirmed this information. The availability of Ad Hulst leather products in their store was also confirmed.



Picture: Enzo Luca fauteuil Briga. Piet Klerkx staff confirmed that the majority of their couches and chairs, especially linked to brand Enzo Luca, can be upholstered with leather from Ad Hulst (with the full collection⁴⁰ including among others Rancho, Montana, and Vintage), and therefore these products have a high risk of being linked to the Brazilian JBS tannery in Pedro Preta (MT). *Website Piet Klerkx*⁴¹. Assessed 21 November 2023.

Despite an initial pledge on sharing data (14 November 2023), Ad Hulst did not respond further to requests for information on their sourcing of Brazilian leather. AidEnvironment also found that the company does not have a suitable zero-deforestation policy in place.

Focusing on Spain, two major importing operators of JBS wet blue in a similar time span (1 January 2021 – 31 August 2023) are MCB Foot and Paymapiel, with respectively 7,344 MT and 5,251 MT of wet blue leather imported from JBS, both from Brazservice Wet Leather as well, the JBS tannery in Pedra Preta. Both companies are active in the footwear industry. For MCB Foot, AidEnvironment could not uncover buyers of the leather footwear, including after requesting such information directly from the company. We could only trace supplier-buyer relationships between MCB Foot and the Nuha Leather Complex in Bangladesh. Peymapiel, founded in 2009, specialises in splits for insoles and linings. Ninety-five percent of the leather Peymapiel transforms is destined to produce footwear. Also in the case of Peymapiel, AidEnvironment was not able to identify buyers of the leather footwear, including after direct requests to the company.

LINKED FARMS WITH SOCIOENVIRONMENTAL ISSUES

1. Farm name (size): Fazenda Fortuna (2,260 ha)

Location: (Municipality, State): Juína – Mato Grosso (coordinates: -11.89811; - 59.06195)

Type of vegetation: A mixture of 1) Intersection between wooded savanna and seasonal forest, 2) Seasonal forested savanna and 3) Seasonal semideciduous submontane forest (all classified as “forest” under the EUDR)

Direct/indirect: Indirect supplier to JBS Pedra Preta in 2018/2019

Deforestation: 330 ha between October 2021 and January 2022 (after EUDR cut-off date)

Embargo(es) on the farm: No

Environmental fines: Yes, 1 fine in 2018 of BRL 36,000 for “destroying six hectares of native vegetation in an area not subject to authorization for suppression (Enawene-Nawe Indigenous Land)”.

On the slave labour list: No

³⁶ <https://www.pietklerkx.nl/>

³⁷ <https://www.goossenswonen.nl>

³⁸ <https://www.lederland.nl>

³⁹ <https://www.montel.nl>

⁴⁰ <https://adhulst.nl/en/collection/>

⁴¹ <https://www.pietklerkx.nl/0068460141i1999/enzo-luca-relaxfauteuil-briga-bruin/>

October 2021



January 2022



Source: AidEnvironment, based on deforestation data (Prodes and Mapbiomas) and rural cadastre data (SIGEF, SNI). Imagery © 2022 Planet Labs PBC.

Description

Fazenda Fortuna (Juína - MT) cleared 330 ha of forest vegetation (of which 54 ha inside legal reserves) between October 2021 and January 2022, therefore after the EUDR cut-off date. The farm supplied more than 400 bovine animals for fattening to Fazenda Jaragua (Poxoréo – MT) in 2018, a farm sharing the same owner. Between 2018 - 2019, Fazenda Jaragua in turn supplied 483 animals for slaughter to JBS's slaughterhouse in Pedra Preta. Fazenda Jaragua also supplied Minerva slaughterhouses in Várzea Grande (MT) and Paranatinga (MT). While there are no recent GTA records for Mato Grosso (last year covers 2019), it would be up to JBS to prove it is no longer connected to this farm, or the linked farm under the same ownership that has cleared 330 ha between 2021 and 2022. Moreover, the owner also received an environmental fine for clearing vegetation inside indigenous territories. EU operators Ad Hulst leather, MCB Foot, and Paymapiel risk to be noncompliant with the EUDR for sourcing from the JBS tannery in Pedra Preta, that is directly linked to the JBS slaughterhouse in the same municipality.

2. Farm name (size): Fazenda Estivado (1,482 ha)

Location: (Municipality, State): Paranatinga, Mato Grosso (coordinates: -14.3869, -53.7733)

Type of vegetation: Savanna Park without gallery forest (likely not classified as "forest" under the EUDR)

Direct/indirect: Direct supplier to JBS Pedra Preta in 2019

Deforestation: 68 ha between January and February 2022 (after EUDR cut-off date)

Embargo(es) on the farm: No

Environmental fines: No

On the slave labour list: No

January 2022



February 2022



Source: AidEnvironment, based on deforestation data (Prodes and Mapbiomas) and rural cadastre data (SIGEF, SNCI). Imagery © 2022 Planet Labs PBC.

Description

The farm in municipality Paranatinga in Mato Grosso is located in the Legal Amazon area. Nonetheless, the farm is covered with Cerrado-type vegetation. The term "Savanna Park without gallery forest" refers to a specific type of savanna ecosystem, typically characterized by a mix of open grasslands and scattered trees, but not dense enough to form a continuous canopy. This type of vegetation is common in parts of Brazil and is distinct from what is traditionally understood as a forest, particularly in the FAO's definition that is used in the EUDR. Therefore, this case is reflecting the need for assessing and including other ecosystems in the scope of the EUDR.

On May 15, 2019, Fazenda Estivado directly supplied 22 bovine animals for slaughter to JBS Pedra Preta. It is likely that JBS has an ongoing buyer-supplier relationship with this farmer, maintaining it after 2019, the last year when GTA data is available. JBS strives for and establishes long-term contracts with suppliers to "strengthen and enhance the relationship with its suppliers"⁴². Therefore, it is possible that Fazenda Estivado has continued to supply bovine animals to JBS's slaughterhouse in Pedra Preta after the deforestation event in the farm, for which the bovine hides and skins will likely end up in JBS's tannery in the same municipality which is located less than 5 km away. Other than JBS, Fazenda Estivado also supplied Marfrig's slaughterhouse in Paranatinga (MT).

⁴² <https://jbs.com.br/en/about/our-business/beef/>

CASE STUDY 3: CAR SEAT MANUFACTURER LEAR LINKED TO AUTOMOTIVE SECTOR AND JBS



TANNERY:

No specific tanneries can be indicated, although for instance Pedra Preta in Mato Grosso (see also case study 2 above) is one of the Brazilian municipalities that has supplied the Netherlands in a similar period as the period wherein car seat manufacturer Lear / Eagle Ottawa (a subsidiary of Lear) imported Brazilian leather from JBS in the Netherlands. While this does not prove nor confirm that the prepared leather originates from JBS Pedra Preta in Mato Grosso -- JBS operates numerous tanneries in Brazil -- the burden of proof on the origin of the leather under the EUDR is on Lear / Eagle Ottawa.

POTENTIALLY LINKED DOWNSTREAM SECTORS, BRANDS, AND COMPANIES:



Mercedes-Benz

STELLANTIS



Top-5 customers of Lear Corporation (the company supplies many more car manufacturers).

SUPPLY CHAIN LINKAGES

Lear Corporation, with Eagle Ottawa as its leather arm, is one of the four companies that share 90 percent⁴³ of the global automotive seat market. Recent shipment data reveals that Lear/Eagle Ottawa is a major importer of JBS-supplied leather after the EUDR cut-off date. Between 1 January 2021 and 30 September 2023, Lear / Eagle Ottawa sourced 12,631 MT of Brazilian leather from JBS, of which only 22 percent (2,665 MT) is imported in EU27+UK+EFTA countries, while the majority is imported by Lear / Eagle Ottawa in the U.S. (53 percent), followed by China (+ Hong Kong) and Singapore (25 percent). Of the total imports in the EU27 and UK, 83 percent (2,212 MT) is firstly placed in the German market, followed by 12 percent (318 MT) in the Netherlands, and smaller volumes in France and the UK. Although the leather volumes are initially shipped to those countries (linked to port locations), Eagle Ottawa's tannery in Europe is located in Hungary, where the leather is likely transported to from the ports.

Other than JBS, the company also receives leather from the Vancouros (1,366 MT imported in EU+UK between 1Jan21 and 30Sept23) and Viposa (167 MT) tanneries. Therefore, under the EUDR, Eagle Ottawa will be an important operator that is exposed to high deforestation-risk through its connections with these tanneries, and with JBS in particular. The 2021 RFN-AidEnvironment study revealed⁴⁴ that JBS Couros had the highest exposure to deforestation, totalling 896,033 hectares in the Amazon biome and 257,266 hectares in Cerrado biome, while Vancouros was linked to 640,266 hectares of deforestation risk in Amazon biome and 161,403 hectares in Cerrado biome.

⁴³ https://d5i6is0eze552.cloudfront.net/documents/Publikasjoner/Andre-rapporter/Driving_Deforestation_16_June-compressed.pdf?mtime=20210617202546

⁴⁴ Ibid.

While the leather imported by Lear / Eagle Ottawa in Europe is all further prepared leather (HS 4107), it has a high deforestation connection linked to semi-processed leather products (wet blue, HS 4104). Although, according to Brazilian statistical data after the EUDR cut-off date, the majority of Brazilian leather exported to Germany (the main transport route of Lear) is shipped from South Brazil (e.g. Rio Grande do Sul, Paraná, and São Paulo), the initial stages of leather treatment from raw hides to wet-blue typically occur in the tanneries in the Brazilian deforestation frontier (i.e. the Legal Amazon states), often in the close vicinity of slaughterhouses. These first treatments of the leather are needed to allow for the transportation of larger distances of semi-finished leather products. If wet-blue leather originating from Legal Amazon states is not directly exported to Europe, the wet-blue is transported⁴⁵ to southern and south-eastern states of Brazil, from where most prepared leather volumes are exported.

Other than Amazon deforestation risk, Brazilian prepared leather exports to Germany also originate from mainly two municipalities in the Cerrado: Cachoeira (Bahia) and Itumbiara (Goias). This information is derived from Brazilian export statistics ComexStat. AidEnvironment did uncover some deforestation linked to these municipalities and that can be linked to tanneries of JBS in Itumbiara (Goias), as well as Mastrotto in Cachoeira (Bahia). However, we did not include these cases in the report since, currently, the natural vegetation affected does not classify as forest under the EUDR (but as grasslands/Cerrado vegetation). More relevant is the deforestation found in the Legal Amazon, in farms connected to slaughterhouses that can, in turn, be linked to JBS tanneries specialised in wet blue production, as we did in the next section on “linked farms with socio-environmental issues”.

Lear has six car seat manufacturing facilities in Germany and three in the Czech Republic, where the leather car seats are produced for the nearby car manufacturing factories. Lear states⁴⁶ to “serve all of the world’s major automotive manufacturers”, but concretely it refers to the following top-5 customers in the seating segment: General Motors, Mercedes-Benz, Stellantis, Volkswagen and Ford. Moreover, the company also states⁴⁷: “We are the world leader in luxury and performance automotive seating, providing craftsmanship, elegance in design, use of innovative materials and industry-leading technology required by premium brands and vehicles, including those produced by Alfa Romeo, Aston Martin, Audi, BMW, Cadillac, Chevrolet, Ferrari, Genesis, Infiniti, Jaguar, Lamborghini, Land Rover, Lincoln, Maserati, Mercedes-Benz, Polestar, Porsche and Volvo.”

Lear’s “No Deforestation Policy”⁴⁸ requires from its suppliers:

- Compliance with all governmental laws, regulations and guidelines related to deforestation.
- Not to clear forested areas for production or development illegally through the setting of fires or by mechanical means.
- That materials purchased for production, and products supplied, are from legally compliant sources and free of content acquired from illegally deforested areas or areas of indigenous or other protected lands.
- Encourage the protection of High Conservation Value (HCV) forests/lands and avert the conversion of other valuable and vulnerable ecosystems, within the framework of local legal requirements.

The company’s focus on illegal deforestation, being applied to Brazil, would imply that significant forest areas can still be legally deforested (under the Brazilian Forest Code, depending on location, still 65-80 percent of the farm area can be legally cleared with the right environmental licenses in the Cerrado, and 20 percent in the Amazon biome). However, under the EUDR, Lear Corporation will also need to eliminate legal deforestation linked to leather imports from its supply chain.

POTENTIALLY LINKED FARMS WITH SOCIOENVIRONMENTAL ISSUES

1. Farm name: See farms in case study 2 above that supplied JBS Pedra Preta.

⁴⁵ https://www.researchgate.net/publication/340876754_Embedded_Deforestation_The_Case_Study_of_the_Brazilian-Italian_Bovine_Leather_Trade

⁴⁶ <https://ir.lear.com/static-files/0161088a-704c-4771-b76f-a09af87e0ca9>

⁴⁷ <https://ir.lear.com/static-files/0161088a-704c-4771-b76f-a09af87e0ca9>

⁴⁸ https://assets.website-files.com/6019e43dcfad3c059841794a/624345ee0c3fd2e63b1eba07_No%20Deforestation%20Policy%20-%202022%20March%20Revision.pdf

For other potentially linked farms to Eagle Ottawa imports of JBS leather products, AidEnvironment has considered noncompliant EUDR cases (cattle ranches that have cleared native forests after 31 December 2020) in the Legal Amazon that supplied JBS slaughterhouses in the vicinity of JBS tanneries. We have focused on JBS tanneries that were found to have highest deforestation risk in the earlier RFN-AidEnvironment study on the automotive sector, in this case JBS Barra do Garças.

2. Farm name (size): Fazenda São Cristovão (3,828 ha)

Location: (Municipality, State): Campinápolis – Mato Grosso (coordinates: -14.5723, -52.7216)

Type of vegetation: Forested Savanna

Direct/indirect: Direct and indirect supplier to JBS Barra do Garças

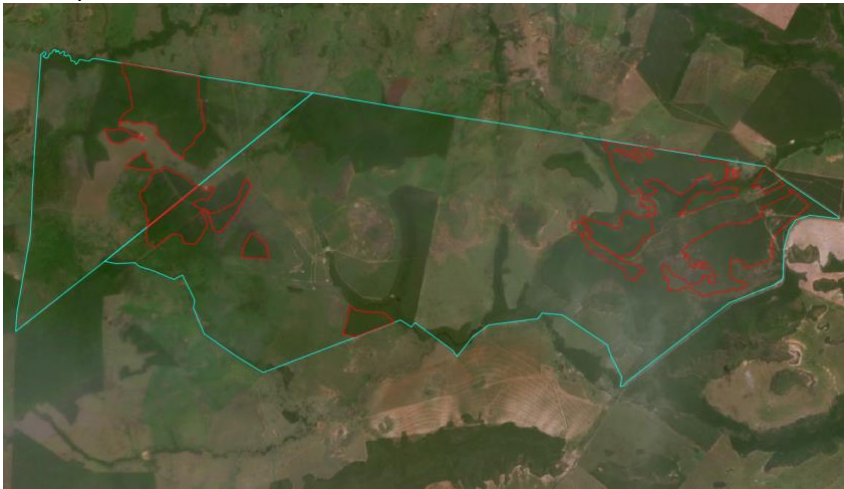
Deforestation: 617 ha between Jan 2022 and Feb 2023 (after EUDR cut-off date)

Embargo(es) on the farm: No

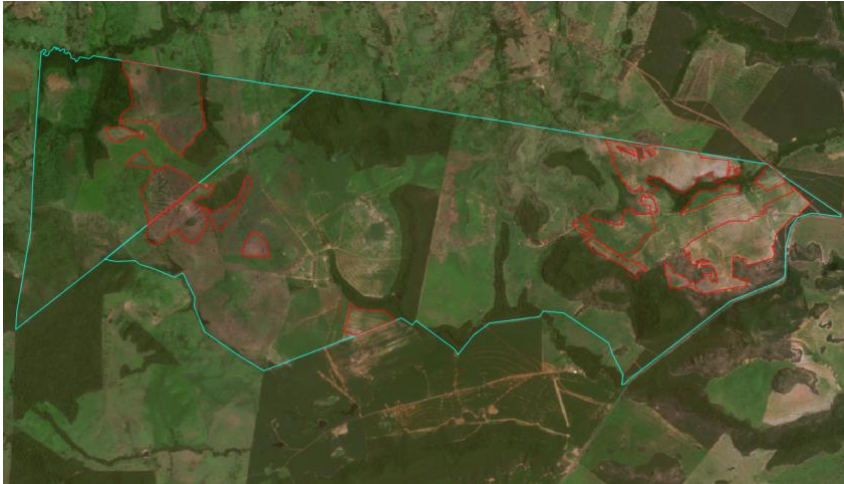
Environmental fines: In a different municipality (Caiapônia in Goiás), Ayres Furquim Cabral received three environmental fines in 2002, totalling BRL 11,500, for unauthorised burning, access in permanent preservation areas, and deforestation of 50 ha of Cerrado vegetation without authorization.

On the **slave labour list:** No

January 2022



February 2023



Source: AidEnvironment, based on deforestation data (Prodes and Mapbiomas) and rural cadastre data (SIGEF, SNCI). Imagery © 2023 Planet Labs PBC.

Description

Fazenda São Cristovão has cleared 617 ha of wooded savanna between January 2022 and February 2023. The farm is also partially located in adjacent municipality Nova Xavantina in Mato Grosso. While native vegetation from wooded savanna biomes does not always classify as “forest” under the EUDR,

MapBiomas classifies the area with deforestation as forest formation⁴⁹, therefore, the clearing would be considered noncompliant with the EU legislation.

The farm, registered under different family members, directly and indirectly supplied animals for slaughter to JBS Barra do Garças. Moreover, the family is moving cattle between the fragmented farm with different parcels, potentially to mask deforestation in certain parts of the farm. For instance, Fazenda São Cristovão supplied 4,981 bovine animals for fattening to Fazenda São Cristovão in the same municipality - Campinápolis in Mato Grosso - on January 14, 2019. In turn, between 23 January 2019 and 13 May 2019, Fazenda São Cristovão in Campinápolis directly supplied 328 bovine animals for slaughter to JBS Barra do Garças. Moreover, located in Nova Xavantina- MT, a parcel of the farm Fazenda São Cristovão also directly supplied cattle for slaughter to JBS Barra do Garças in 2018. Finally, the farm also supplied cattle to the JBS slaughterhouse through Fazenda São Cristovão III. While GTA data in Mato Grosso only covers till 2019, it is likely that in 2023 JBS was still a buyer of animals from these family-owned farms.

The JBS slaughterhouse is only 13 km away from the JBS Barra do Garças tannery in the same city, therefore, also considering vertical integration in JBS's supply chain, it is highly likely that the raw bovine hides from the animals in the deforested farm are being treated first in nearby JBS tanneries to allow for longer-distance travel to southern or south-eastern states in Brazil, where they are then further processed. From there, prepared leather products are being exported to Europe, and with Lear –Eagle Ottawa being the largest importer of Brazilian leather from JBS, chances are that Lear received bovine leather from this noncompliant farm after the EUDR cut-off date. Also, after the deforestation in Fazenda São Cristovão until February 2023, Lear continued to import leather from JBS Couros, and may therefore be connected to deforestation in this specific farm.

⁴⁹ MapBiomas defines forest formations as “areas of vegetation with a predominance of tree species and a continuous canopy, such as the forests that typically predominate in the Amazon and the Atlantic Rainforest”. Mapbiomas indicates that “forest formation” would classify as “forest” under the FAO definition. See: https://mapbiomas-br-site.s3.amazonaws.com/Nota%20Técnica/Nota_Técnica_UE_02.05.2022.pdf.

CASE STUDY 4: PREMIUM SUPPLIER OF AUTOMOTIVE LEATHER, HOWE LEATHER, LINKED TO JBS



TANNERY:

No specific tanneries can be indicated, although the same reasoning applies as described in case study 3: the initial stages of leather treatment from raw hides to wet-blue typically occur in the tanneries in the Brazilian deforestation frontier (i.e. the Legal Amazon states) often in the close vicinity of slaughterhouses. If wet-blue leather originating from Legal Amazon states is not directly exported to Europe, it is transported⁵⁰ to southern and south-eastern states of Brazil, from where most prepared leather volumes are being exported.

POTENTIALLY LINKED DOWNSTREAM SECTORS, BRANDS, AND COMPANIES:



Source: website Howe Leather, accessed 1 December 2023

SUPPLY CHAIN LINKAGES

Howe leather, headquartered in Australia, has significant imports of Brazilian leather products since the EUDR cut-off date, supplied entirely by JBS. Between 1 January 2021 and 30 September 2023, the company received 581 MT of crust bovine leather from JBS. It imported the majority (76 percent) in the form of wet-blue leather (HS 4104), and the remainder 24 percent in the form of prepared leather (HS 4107). Shipment data reveals that the company has started importing JBS-produced leather since April 2022.

⁵⁰ https://www.researchgate.net/publication/340876754_Embedded_Deforestation_The_Case_Study_of_the_Brazilian-Italian_Bovine_Leather_Trade



Source: website⁵¹ Howe Leather, accessed 1 December 2023

After initial arrival in Germany (Hamburg port), the imported wet blue leather by Howe Leather is being transformed into automotive leather in Howe’s cutting and finishing factory in Košice in Slovakia (see image above).

Howe Leather produces exclusively for the automotive leather industry (company website: “in the year 1997 Howe Leather strategically positioned itself as a 100% Automotive leather manufacturing operation”), serving⁵² at least the following brands: Porsche, Land Rover, Audi, Volkswagen, Ford, Chery, Jaguar, and Nissan. Since Howe Leather exclusively buys from JBS, its automotive leather supplied to these car brands have a high likelihood of being linked to JBS tanneries in Brazil.

Howe Slovensko is a LWG certified supplier since June 2019, however, the company’s website does not provide any deforestation commitment.

POTENTIALLY LINKED FARMS WITH SOCIOENVIRONMENTAL ISSUES

For potentially linked farms to Howe Leather imports of JBS leather products, AidEnvironment has considered noncompliant EUDR cases, wherein native forests have been cleared after 31 December 2020, in cattle ranches located in the Legal Amazon that have supplied JBS slaughterhouses close to JBS tanneries. We have focused on JBS tanneries that were found to have highest deforestation risk in the earlier RFN-AidEnvironment study on the automotive sector, in this case, JBS Marabá in Pará. Yet, the farms of case study 3, linked to JBS Barra do Garças, are equally relevant.

- 1. Farm name (size):** Fazenda Lua Nova (1,494 ha)
- Location:** (Municipality, State): Anapu– Pará (coordinates: -5.0554, -50.9034)
- Type of vegetation:** Ombrophile Dense Sub-mountainous Forest (classified as forest under EUDR)
- Direct/indirect:** Direct supplier to JBS Marabá in 2020
- Deforestation:** 540 ha between Jan 2021 and August 2022 (after EUDR cut-off date)
- Embargo(es) on the farm:** No
- Environmental fines:** No
- On the slave labour list:** No

⁵¹ <https://www.howe.com.au/>

⁵² <https://www.howe.com.au/>

January 2021



August 2022



Source: AidEnvironment, based on deforestation data (Prodes and Mapbiomas) and rural cadastre data (SIGEF, SNCI). Imagery © 2022 Planet Labs PBC.

Description

Fazenda Lua Nova has cleared 540 ha of forest vegetation since the EUDR cut-off date. The farm has a direct supplier-buyer connection with JBS. Between 2018-2020, the farm supplied more than 400 bovine animals for slaughter to JBS's slaughterhouse in Marabá (Pará). It is possible that the supplier-buyer relationship continues to exist, also after the deforestation that occurred after the EUDR cut-off date until August 2022. The burden of proof will be on JBS and potentially linked operators under the EUDR, such as Howe Leather, which started to import JBS leather products since 2022. The hides and skins of bovine animals slaughtered at the JBS Marabá facility will highly likely end up in the JBS tannery in Marabá, since both the tannery and slaughterhouse are in the same street and less than 1 km apart (see picture below).



Photo: JBS Marabá tannery on the left side with the blue packages, the JBS Marabá slaughterhouse on the right side.

2. Farm name (size): Fazenda Realeza (419 ha)

Location: (Municipality, State): Dom Eliseu – Pará (coordinates: - -4.3388, -47.9624)

Type of vegetation: Ombrophile Dense Sub-mountainous Forest (classified as forest under EUDR)

Direct/indirect: Indirect supplier to JBS Marabá in 2021

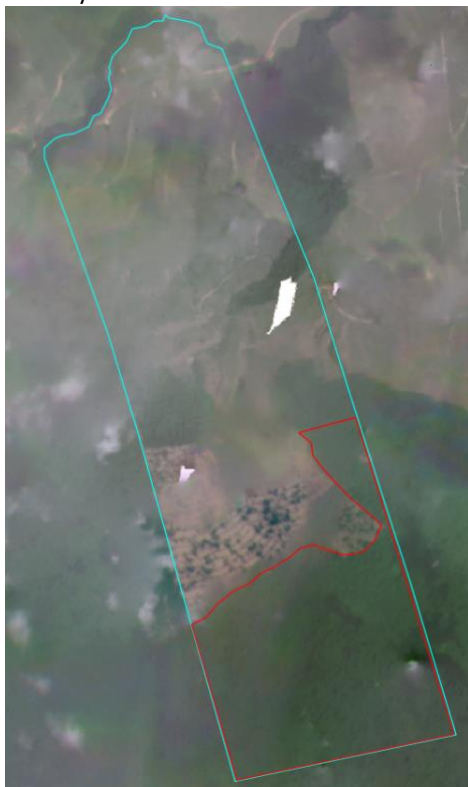
Deforestation: 127 ha between Jan 2021 and May 2021 (after EUDR cut-off date)

Embargo(es) on the farm: No

Environmental fines: No

On the **slave labour list:** No

January 2021



May 2021



Source: AidEnvironment, based on deforestation data (Prodes and Mapbiomas) and rural cadastre data (SIGEF, SNCI). Imagery © 2021 Planet Labs PBC.

Description

Fazenda Realeza has cleared 127 ha of forest vegetation between January 2021 and May 2021, therefore since the EUDR cut-off date. In that same period, between 10 March 2021 and 4 June 2021, the farm supplied 112 bovine animals for fattening to Fazenda Baneira in Marabá (Pará). Fazenda Baneira supplies numerous other farms and slaughterhouses, including that of JBS Marabá. It has a longstanding supplier-buyer relationship with JBS Marabá. For instance, between 2018 and 2021, it supplied 5,511 bovine animals for slaughter to the abattoir. Moreover, another GTA record indicates that between May 2020 and July 2022, Fazenda Baneira supplied another 3,056 bovine animals for slaughter to JBS's slaughterhouse in Marabá. Under the EUDR, meatpackers such as JBS must be able to identify and monitor deforestation under all its direct and indirect suppliers. This indirect supplier may easily be out of the radar of JBS, and therefore, linked EU operators such as Howe Leather, may be at risk of being linked to this farm with deforestation after the EUDR cut-off date.

3. Farm name (size): Fazenda Aroeira (1,672 ha)

Location: (Municipality, State): Marabá– Pará (coordinates: -5.5149, -49.4094)

Type of vegetation: Ombrophile Dense Sub-mountainous Forest (classified as forest under EUDR)

Direct/indirect: Indirect supplier to JBS Marabá in 2021

Deforestation: 166 ha between Jan 2021 and Oct 2023 (after EUDR cut-off date)

Embargo(es) on the farm: No

Environmental fines: No

On the slave labour list: No

January 2021



October 2023



Source: AidEnvironment, based on deforestation data (Prodes and Mapbiomas) and rural cadastre data (SIGEF, SNCI). Imagery © 2023 Planet Labs PBC.

Description

JJ Agropecuaria, a wholesale trader of live animals, based in Itupiranga in the state of Pará, operates 11 farms, most of which in Pará and Tocantins. The company does not have any embargoed farms or environmental fines. However, one of its farms, Fazenda Aroeira, located in Marabá (Pará), cleared 166 ha of native forest vegetation after the EUDR cut-off date. The deforestation occurred in bits and lasted till October 2023. The deforested farm has supplied 99 bovine animals for fattening to Fazenda Baneira in July 2021. This is the same farm in Marabá (Pará) as described in farm 2 above. In total, between 2018-2022, Fazenda Baneira supplied 8,567 bovine animals for slaughter to JBS's slaughterhouse in Marabá. The JBS slaughterhouse is within a 1 KM distance of the JBS tannery in Marabá. Under the EUDR, JBS Couros will need to be able to identify and monitor deforestation in its entire supplier base, including its indirect segment. This indirect supplier may easily be out of the radar of JBS, and therefore, linked EU operators such as Howe Leather, may be at risk of being linked to this farm with deforestation after the EUDR cut-off date.

CASE STUDY 5: PREMIUM SUPPLIER OF AUTOMOTIVE LEATHER, MARIO LEVI, LINKED TO MINERVA

TANNERY:

Name: Minerva Barretos, São Paulo

Connection to slaughterhouse: Minerva Araguaína (Tocantins) (distance > 250 km)

POTENTIALLY LINKED DOWNSTREAM SECTORS, BRANDS, AND COMPANIES:



SUPPLY CHAIN LINKAGES

Minerva Couros operates only one tannery in Brazil, in Barretos, a municipality in São Paulo state, that sells salted hides, wet blue and crust leather to worldwide companies from various segments such as automotive, furniture, footwear, and leather goods. While the tannery is more than 250 km away from the slaughterhouse in Tocantins, it is likely Minerva transports treated (e.g. salted) hides and skins to its tannery in São Paulo, considering its vertically integrated supply chain.

The earlier RFN-AidEnvironment study concluded that the Minerva tannery in Barretos (SP) is exposed to 483,031 ha of deforestation risk, and that particularly Minerva's slaughterhouse in Araguaína (Tocantins) is the major deforestation-risk municipality in Minerva's buying zone. From Brazilian export data (ComexStat), we can deduct that after the EUDR cut-off date, 296,100 KG of wet blue leather was exported from this Brazilian municipality to Italy, the majority (85 percent) in 2023.

The top-5 Italian importers of leather products from Minerva (all wet blue leather) after the EUDR cut-off date (1 Jan 2021 – 31 August 2023) are Mario Levi Group, Natuzzi Group, Faeda, G.M. Leather, and Soft Line (part of Mimosa Holding). The focus for the remainder of this case study is on Mario Levi Group, since they are an important leather supplier of the automotive industry.

Shipping data reveals that Mario Levi Group in Italy sourced 1,664 MT of wet blue from Minerva between 1 January 2021 and 30 September 2023, complemented with 1,129 MT from Vancouros, and 214 MT from Durlicouros in the same period. Considering the connections between the Minerva tannery in Barretos and the Minerva slaughterhouse in Araguaína (Tocantins), farms with deforestation after the EUDR cut-off date linked to the Minerva slaughterhouse in Tocantins (see next section), may supply the EU with noncompliant leather products, in this case car brands with leather interiors provided by Italian company Mario Levi.

Mario Levi has supplied leather interiors to⁵³ Fiat-Chrysler (Alfa Romeo and Maserati) and Volkswagen Group (Seat)⁵⁴. Moreover, there are indications from various (news) items on the company's website, that Mario Levi has supplied leather interiors to Ford⁵⁵, as well as the interior of a new Italian car brand -

⁵³ https://d5i6is0eze552.cloudfront.net/documents/Publikasjoner/Andre-rapporter/Driving_Deforestation_16_June-compressed.pdf?mtime=20210617202546

⁵⁴ https://mariolevi.com/wp-content/uploads/2018/01/AD-229_Levi.pdf

⁵⁵ <https://mariolevi.com/en/come-cambia-eccellenza/>

Frangivento Sorpasso.⁵⁶ Mario Levi does not seem to have a deforestation policy, however, a company's promotion video⁵⁷ claims that the company has "traceability to every hide".

POTENTIALLY LINKED FARMS WITH SOCIOENVIRONMENTAL ISSUES

For potentially linked farms to Mario Levi Group imports of Minerva leather products, AidEnvironment has considered noncompliant EUDR cases (cattle ranches that have cleared native forests after 31 December 2020) in the Legal Amazon that supplied Minerva slaughterhouses. We have focused on the only Minerva tannery in Brazil, in Barretos (São Paulo), which was found to have highest deforestation risk linked to several Minerva slaughterhouses in the earlier RFN-AidEnvironment study on the automotive sector. In this case, we have focused on Minerva's slaughterhouse in Araguaína (Tocantins).

1. Farm name (size): Fazenda Santa Maria (1,035 ha)

Location: (Municipality, State): Araguaína – Tocantins (coordinates; -7.0263, -48.1996)

Type of vegetation: Ombrophile Open Sub-mountainous Forest (forest under EUDR)

Direct/indirect: Direct supplier to Minerva Araguaína between 2018-2020

Deforestation: 114 ha between Feb 2021 to Nov 2022 (after EUDR cut-off date)

Embargo(es) on the farm: No

Environmental fines: No

On the slave labour list: No

February 2021



November 2022



Source: AidEnvironment, based on deforestation data (Prodes and Mapbiomas) and rural cadastre data (SIGEF, SNCI). Imagery © 2022 Planet Labs PBC.

Description

Fazenda Santa Maria cleared 114 ha of forest on its farm since the EUDR cut-off date till November 2022. The farm directly supplied cattle for slaughter to Minerva's slaughterhouse in Araguaína between 2018-2020. For instance, between 16 June 2019 and 24 January 2020, Fazenda Santa Maria supplied 56 animals for slaughter to Minerva Araguaína. While this period is several years ago, this does not mean that there is no current and continuous relationship between the farm and Minerva, also after the deforestation that occurred after the EUDR cut-off date. The burden of proof is on Minerva, and on potentially linked EU operators, such as Mario Levi in this case.

2. Farm name (size): Fazenda Tucura (1,696 ha)

Location: (Municipality, State): Cristalândia – Tocantins (coordinates; -10.4894, -49.4566)

⁵⁶ <https://www.quattromania.it/2021/07/27/supercar-21-secolo-italiana-ferrari-lamborghini-prime-consegne-fine-estate/amp/>.

⁵⁷ <https://youtu.be/trISfk9OFJs>. Accessed December 2023.

Type of vegetation: Forested savanna. Part of the deforestation occurs in areas classified by Mapbiomas as forest formation, therefore forests under the EUDR.

Direct/indirect: Indirect supplier to Minerva Araguaína in 2020

Deforestation: 218 ha between March and September 2023 (after EUDR cut-off date)

Embargo(es) on the farm: No

Environmental fines: No

On the **slave labour list:** No

March 2023



September 2023



Source: AidEnvironment, based on deforestation data (Prodes and Mapbiomas) and rural cadastre data (SIGEF, SNCI). Imagery © 2023 Planet Labs PBC.

Description

Fazenda Tucura in Cristalândia (Tocantins) supplied 570 bovine animals for fattening to Fazenda Maria Santa in Araguaína (Tocantins) between 2019-2020. Fazenda Maria Santa, that has the same ownership as Fazenda Tucura, has a supplier-buyer relationship with several slaughterhouses, including the ones of Minerva and JBS in Araguaína (Tocantins). There are indications that cattle are moved between the farms of the same owner, potentially to mask deforestation in some locations of the farm.

AidEnvironment identified 218 ha of clearing of native vegetation between March and September 2023. Part of this clearing is removal of forest formation according to Mapbiomas classification of native vegetation types, and this would therefore be under scope of the EUDR.

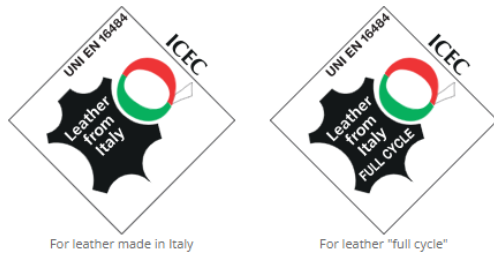
CASE STUDY 6: 'MADE IN ITALY', BUT WITH LEATHER ORIGINATING FROM BRAZIL. THE CASE OF GRUPPO PERETTI AND ZILIA LEATHER

POTENTIALLY LINKED DOWNSTREAM SECTORS, BRANDS, AND COMPANIES:



BACKGROUND

If leather products, with Brazilian origin, are sufficiently worked or processed in European countries, for instance in Italian tanneries, they can be branded as “Leather from Italy”. This is particularly the case when the transformation of the raw material/semi-processed product leads to a change of the four-digit tariff trading code (the HS code). The place of origin of the raw material is then no longer relevant. This was confirmed to AidEnvironment by two international experts consulted on potential rebranding of Brazilian leather to Italian leather⁵⁸. The information is also confirmed in various documents.⁵⁹



Picture: Italian tanneries that have changed raw or semi-processed leather products originating from Brazil in the processing stage, for instance from wet blue leather (HS 4104) to prepared/finished leather products (HS 4107), may use the “Leather from Italy” certification label as showed on the left. Tanneries that carry out the whole cycle in Italy (from rawhide to finished leather) can add the “full cycle” notion as indicated in the image on the right.⁶⁰

EXAMPLE CASES

Case 1: Conceria Montebello and Geox, see case study 1

Case study 1 in this document already presented an example of how Brazilian leather, exported by JBS from Brazil and imported in Italy, is being processed in the Montebello tannery in Italy from wet blue leather (HS 4104) to further prepared leather products (HS 4107), which is then shipped to Indian shoe factories, where the leather is used to produce leather shoes, that are subsequently shipped back to Italy where a leading Italian footwear company, Geox, is selling the shoes as consumer products. While AidEnvironment could not confirm that the package or label of the indicated ankle boots in a Geox store will carry the “Leather from Italy” label from ACCREDIA, we believe this will likely be the case, or at least

⁵⁸ Pers. comm. Christina MacFarquhar, research analyst at Global Canopy and Aynur Mammadova, academic at TESAF, University of Padova. Experts consulted in November 2023.

⁵⁹ https://trade.ec.europa.eu/access-to-markets/en/country-assets/tradoc_151176.pdf; <http://www.icec.it/en/certifications/product-economic-sustainability/made-in-italy-of-leather-production>

⁶⁰ <http://www.icec.it/en/certifications/product-economic-sustainability/made-in-italy-of-leather-production>

is allowed considering its conformity with the UNI EN 16484 standard. This case also raises an interesting (unconfirmed) issue under the EUDR. Under the Regulation, Conceria Montebella will be the importing operator of semi-processed leather (HS 4104) that needs to comply with the requirements under the EUDR. But since the company is exporting a leather product to India that would still fall under the scope of the EUDR (HS 4107), the Italian company will also need to comply under the EUDR as an exporter of finished leather products.

Case 2: Gruppo Peretti – Zilia Leather case

Another example is showcased by the **Gruppo Peretti – Zilia Leather case**. Gruppo Peretti has three tanneries in Italy – Conceria Cristina, Conceria Muria, and Conceria Gasby – and only Conceria Cristina is a certified supplier of the Leather Working Group. Conceria Cristina is one of the leading European operators for imports of semi-processed, wet-blue leather (see Table page 18). Between 1 January 2021 and 31 August 2023, the company imported 8,031 MT of tanned or crust hides (HS 4104) from Brazil. Of the three tanneries of Gruppo Peretti, Conceria Cristina imported the entire leather volumes of 8,031 MT. The company ranks #4th place of largest EU operators, when disregarding logistical companies.

The company website of Zilia Leather⁶¹, a Jakarta-based seller of leather items (e.g. bags, accessories, wallets, etc.), clearly publicizes selling certified leather imported from Italy, Denmark, and Poland. The company's crafted products are made from leather materials that, in the case of Italy, are supplied by Conceria Cristina. The company's website shows an accreditation document of Conceria Cristina (see picture below) to confirm that the leather is "Made in Italy". In email correspondence with the company in November 2023, Zilia Leather stated that *"the leather that came to Indonesia is imported directly from Italy, with all written "made in Italy"*.

⁶¹ <https://www.zilialeather.com/>



Picture: Accreditation document of Conceria Cristina, demonstrated on the website of Zilia Leather. Source: Zilia Leather website⁶², accessed November 2023.

As described in the background section above, to acquire the “Leather from Italy” label shown in the right part of the accreditation document above, the place of origin of the raw material is not relevant. Therefore the “Italian leather” used by Zilia Leather will likely originate from Brazil, considering Conceria Cristina’s prominent role as an importer of Brazilian leather. AidEnvironment approached both companies to ask for further information on the origin of raw materials, but Zilia leather referred to Conceria Cristina and the latter did not respond after repeated requests.

Zilia Leather produces leather accessories as depicted below, for instance card holders or tags for Visa or Singapore Airlines, respectively, which are indicated corporate clients of Zilia Leather.⁶³ The leather in these products may eventually be connected to Italian leather goods produced from Brazilian raw materials. The top-3 Brazilian suppliers of wet-blue leather to Conceria Cristina after the EUDR cut-off date till August 2023 are Durlicouros (6,941 MT), Coming Couros (491 MT), and Minerva (390 MT). Case study 5 in this document, as well as the earlier AidEnvironment-RFN study on the automotive industry, has demonstrated how Minerva’s tannery in Brazil is linked to deforestation in its direct and indirect supplier base. With a documented traceability of Conceria Cristina of 60.99 percent for its leather, and physical traceability of 0 percent⁶⁴, companies such as Visa and Singapore Airlines are ultimately exposed to Brazilian deforestation risk through the products bought from Zilia Leather, although they might be under the impression that they buy leather from European origin (Italy in this case). Under the EUDR, it will be Conceria Cristina that will be responsible as an operator for showing compliance with the zero deforestation under the EUDR in its leather supply chain.

⁶² <https://www.zilialeather.com/leather/>

⁶³ <https://www.zilialeather.com/corporate-clients/>

⁶⁴ <https://www.leatherworkinggroup.com/get-involved/our-community/certified-suppliers/conceria-cristina-spa-unipersonale-montebello-con115/>



Picture: Leather articles produced by Zilia Leather for corporate clients including Visa and Singapore Airlines. The leather in these products may eventually be connected to Italian leather goods produced from Brazilian raw materials. Source: Website Zilia Leather⁶⁵, accessed November 2023.

⁶⁵ <https://www.zilialeather.com/corporate-clients/>

5. CONCLUSIONS AND FOCUS AREAS

- Generally, **cases in this report with forest loss after 1 January 2021** could be potentially non-compliant with the EUDR if the cleared area after the cut-off date includes “forest vegetation” (based on FAO definition of forests) and if the production of goods (in this case leather) on the cleared area can be connected to European downstream markets and consumption. This can also involve parts of for instance the Brazilian Cerrado that consist of wooded savanna or wooded wetlands vegetation.
- **All EU operators and downstream actors that sell Brazilian leather products should face scrutiny**, and especially those being produced by JBS, considering that JBS has faced significant accusations regarding its supply chain practices in Brazil. This includes a track record of being linked to (illegal) deforestation, also in the Amazon; animal welfare issues; the very late commitment to achieve zero-deforestation in all its sourcing biomes (2030); the lack of oversight of deforestation events occurring among indirect supplier farms; purchasing from suppliers implicated in illegal Amazon clearance; corruption scandals; and labour rights issues. Downstream actors and end-users in the EU linked to JBS would be wise in suspending sourcing from JBS, until it can be transparently shown that the company is complying fully with the EUDR. This is valid for all companies indicated in the case studies of this report, but particularly for companies such as Howe Leather and Lear Corporation that source respectively all or significant amounts of Brazilian raw products from only JBS.
- Leather supply chains are **not transparent and difficult to trace**, which may impede compliance with the EUDR. Numerous examples appear in this report:
 - Non-disclosure of direct and indirect suppliers by leather companies. Companies also refrain from revealing their linked buyers (e.g. MCB Foot, Paymapiel)
 - Lack of physical traceability of leather goods supply chains, e.g., lack of supply chain transparency from leather export routes of Brazilian municipalities to Brazilian ports
 - Unknown or obscured corporate ownership structures. Example: that Conceria Priante is part of JBS
 - Presence of numerous logistical companies. Relevant exporters and importers might be part of traded volumes under logistical companies due to which they cannot be identified, nor can traded volumes under these circumstances be unequivocally linked to them
 - Lack of recent GTA data in some states (e.g. in Mato Grosso only till 2019)
 - Operators/downstream companies/leather manufacturers do not reveal the names of the tanneries in which they manufacture (e.g. Ad Hulst has three tanneries in Italy but does not reveal the names or locations) or the names and locations of tanneries from where they source
 - Deliberate obscuring in the cattle supply chain, for instance through cattle laundering. See case study 3 where a family is moving cattle between the fragmented farm with different parcels, potentially to mask deforestation in certain parts of the farm
 - Very problematic is that part of the indirect supplier base is also unknown to meatpackers such as JBS (the company only aims to achieve full traceability in all sourcing biomes in Brazil by 2030), therefore, how can they guarantee no-deforestation under the EUDR with the cut-off date of 31 December 2020?
- **Deficient or incomplete sustainability commitments** of the main suppliers, manufacturers, wholesalers/traders and downstream actors mentioned in the case studies in this report. For instance, JBS (can still not guarantee no-deforestation in its complete direct and indirect supplier base); Ad Hulst (company does not have a suitable zero-deforestation policy in place); Lear (only focus on illegal deforestation, while also legal deforestation will be noncompliant with EUDR); Mario Levi; Howe Leather (both have no public deforestation policy). Companies cannot hide behind stating that their supply is only sourced from the south of Brazil (e.g. Rio Grande do Sul, Paraná, and São Paulo), since the initial stages of leather treatment from raw hides to wet-blue typically occur in the tanneries in the Brazilian deforestation frontier (i.e. the Legal Amazon states).
- **Difficulty for end-consumers and even downstream producers to know the origin of leather products**, while information is nearly impossible to explore. For instance, consumers may find in the label of their leather shoes (sold as Italian leather) that the shoes have been produced in India, however, they cannot comprehend, without access to paid platforms for shipment data, that the origin of the leather may still be Brazilian (see for instance case 1 on Geox). This is further problematised by the branding of Brazilian leather into Italian leather (see case study 6).

I. TRADE STATISTICS

<i>Country</i>	<i>Quantity (MT)</i>	<i>Relative share (%)</i>
United Kingdom	42,323	33%
Switzerland	14,858	12%
Norway	13,410	11%
Bosnia and Herzegovina	10,727	8%
United States	9,628	8%
Serbia	7,553	6%
Canada	5,285	4%
Argentina	4,941	4%
Israel	3,085	2%
New Zealand	2,365	2%
TOTAL non-EU countries	126,962	100%

Table 1 - Top-10 non-EU suppliers of raw leather (HS 4101) to the EU in 2022. Data retrieved from [Access2Markets](#) (Last update: 18 Dec 2023)

<i>Country</i>	<i>Quantity (MT)</i>	<i>Relative share (%)</i>
Brazil	92,024	31%
United States	43,695	15%
Paraguay	25,682	9%
New Zealand	24,159	8%
Australia	12,715	4%
Argentina	9,242	3%
United Kingdom	8,958	3%
South Africa	7,509	3%
Ukraine	6,538	2%
Kenya	6,202	2%
TOTAL non-EU countries	293,990	100%

Table 2 - Top-10 non-EU suppliers of wet blue leather (HS 4104) to the EU in 2022. Data retrieved from [Access2Markets](#) (Last update: 18 Dec 2023)

<i>Country</i>	<i>Quantity (MT)</i>	<i>Relative share (%)</i>
Brazil	10,862	27%
India	9,135	23%
Pakistan	3,044	8%
Russia	2,936	7%
Turkey	2,581	6%
United Kingdom	1,652	4%
South Africa	1,545	4%
Serbia	1,314	3%
Mexico	1,216	3%
Egypt	752	2%
TOTAL non-EU countries	40,285	100%

Table 3 - Top-10 non-EU suppliers of prepared leather (HS 4107) to the EU in 2022. Data retrieved from [Access2Markets](#) (Last update: 18 Dec 2023)

II. MAIN EU WHOLESALERS, TRADERS, AND DOWNSTREAM COMPANIES IMPORTING BRAZILIAN LEATHER PRODUCTS

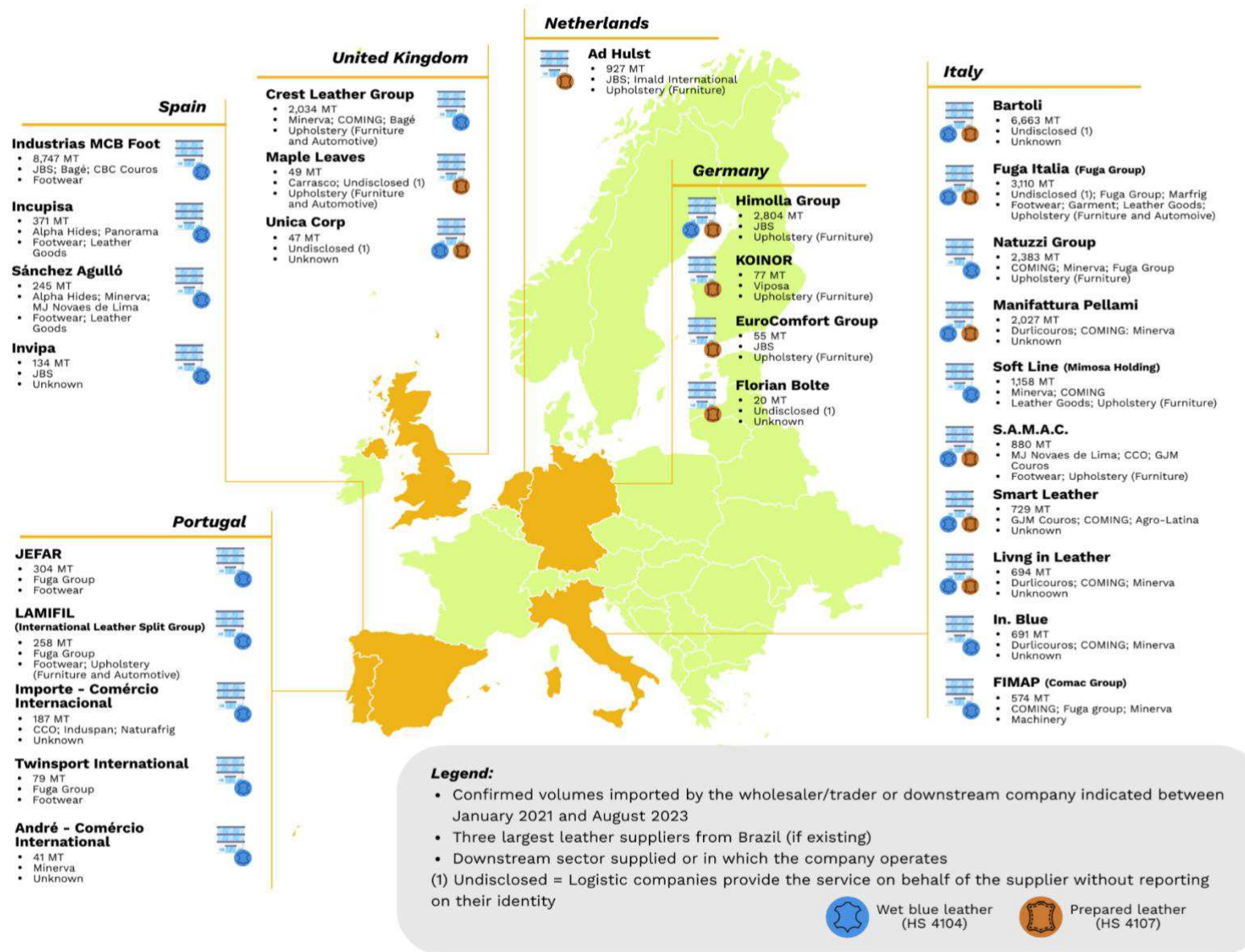


Figure 1 - Main wholesalers/traders/downstream companies importing leather products (wet blue and prepared leather) from Brazil to their country of location, between 1 January 2021 and 31 August 2023. **Note 1:** We included the top-10 companies per country (when available) or all those that imported leather volumes of more than 20 MT. **Note 2:** In some cases, the exporting companies are not disclosed as the exporting service is provided by a logistics company on their behalf, being the logistics company the only one mentioned in shipping data. Such cases have been flagged according to the indications in the legend. **Source:** AidEnvironment, based on shipping data for HS 4104 and 4107 during the period indicated. Volumes traded should be regarded as a sample and not providing a full picture.



Rainforest Foundation
Norway