



Puma Suede, a long-time favourite among footwear fans. ALL IMAGES: PUMA

Perplexed by Puma

The ongoing focus in the industry on carbon footprint and sustainability makes it imperative for us to consider comments in the later part of 2012 from one of the world's most prominent athletic footwear brands, Puma, on the environmental impact of shoes with leather uppers.

On the back of in-house research that highlights the environmental benefits of a new range of products, the former executive chairman of Puma has called for governments to reduce the “antiquated” import duties on synthetic materials to help make these more competitive compared to leather.

Jochen Zeitz said the results of new analysis that compares a new biodegradable shoe (made from materials including organic cotton and linen) and a traditional Puma Suede athletic shoe, “dramatically demonstrate that we have to steadily increase the share of sustainable materials in our collections so that we mitigate not only Puma’s but also our consumers’ environmental footprint”. The cotton and linen shoes are part of a new collection, InCycle, which Puma will launch in February 2013.

Off target

The implication of this is that Puma does not regard leather as a sustainable material, which flies in the face of millennia of human experience, scientific research and also of the sustainability strategy of Puma’s parent group, PPR. The group has issued a set of core sustainability targets for its luxury and sports-lifestyle brands to achieve by 2016, with two of the targets referring directly to leather. It said

100% of leather from domestic livestock (that is, non-exotic leather) in PPR products will be from “responsible and verified sources that do not result in converting sensitive ecosystems into grazing lands or agricultural lands for food production for livestock”.

At the same time, it said all exotic skins would come from verified captive breeding operations or from wild, sustainably managed populations. Suppliers of leather to PPR brands will employ “accepted animal welfare practices and humane treatment in sourcing”, it added. The group said it would monitor performance, making monitoring of its suppliers of leather and other raw materials a priority. Clearly, PPR’s support of leather remains strong, even if Puma’s action-plan appears to include eliminating leather as much as possible.

In June 2012, Jochen Zeitz told the Financial Times: “We should eat less meat, all of us, and we should use less leather. We all know that cattle and beef are among the biggest contributors to carbon emissions. We have to find alternative ways of producing our raw materials without asking nature to do it for us.”

Some may see a disconnect between these comments and the stated strategy of PPR. On October 15, Jochen Zeitz announced his resignation as chairman of

the administrative board of Puma. He stepped down on November 30. Chief executive, Franz Koch, announced his departure on December 12. He will leave in March 2013.

With the help of London-based consultancy Trucost, Puma has calculated that the “environmental cost” of a pair of Suede shoes is €4.29, whereas the environmental cost of the new shoe, the InCycle Basket, is €2.95. The only breakdown Puma offered initially was to outline the contribution it calculated for greenhouse gas emissions, air pollution, water use, land use and waste. The figures for the Puma Suede are, respectively (and in euro), 2.16, 0.74, 0.61, 0.48 and 0.30. The corresponding figures for the InCycle Basket are 1.41, 0.84, 0.49, 0.09 and 0.12. The figures are for the whole shoe, not just the uppers. After months of asking, Puma and Trucost gave *World Leather* a figure for the upper’s contribution to the total for each shoe on December 11 [see below].

In conversation

We have been in dialogue with Puma and Trucost since they released their information because we were surprised the figure for the Suede shoe is so high. Our first suggestion as to why the number is so high was that, maybe, the Trucost formula failed to take into account that suede is



only a part of the material a hide will yield and that the contribution of the suede that goes into a pair of the Suede shoes needs to be shared with a corresponding area of grain leather. It was an opinion, not a statement of fact. Trucost and Puma insisted immediately that it was incorrect, and said that the figures they have run take into account all stages of the leather supply chain and that their lifecycle analysis uses “robust and comprehensive” factors.

Against the grain

We remained perplexed. If the high figure of €4.29 really does correspond to the environmental cost of the material for one pair of Puma Suede containing, at most, 2.5 square-feet of suede, what would be the environmental cost of the hide from which those 2.5 square-feet of suede came? A hide from an average-sized North American cow will yield about 48 square-feet of leather. All things being equal, this would give you enough to make 19.2 pairs of shoes (we have calculated on a European size 42). But that would be for the grain side alone. We accept that on the split side, when it comes to making suede, there would probably be more waste and that 19.2 pairs of suede shoes would be ambitious. If we halve it, that would give us 9.6 pairs. The total for the hide would be 28.8 pairs of shoes. To calculate the environmental cost of the hide using the Puma-Trucost methodology, we needed to know what proportion of the €4.29 they ascribe to the suede upper.

Timeline

Puma made its big InCycle Basket announcement on October 8. We first asked how much of the €4.29 was attributable to the upper material on October 11. We received brief answers by email and a follow-up phone call in subsequent days but because the information was still unclear we sent seven follow-up questions on October 15. The seven questions were as follows:

1. What proportion of the €4.29 is attributable to the suede in the upper?
2. Typically how many pairs is Puma able to make from the suede that one hide yields?
3. How did Trucost work out the relation between the weight or mass of a hide and the area of finished material that Puma's supplier tanneries can make available to it (to Puma) from one hide?
4. Does the exercise include any

The new InCycle Basket shoe, to be launched in February.



mitigation for cows' ability to offset their own carbon emissions?

5. Does it include any mitigation for leather's contribution to recycling and eliminating waste? If the answer to 4 and 5 is no, it would be good to know why these pro-environmental aspects of the leather raw material supply chain do not feature in your analysis.
6. In the feedback you have received so far, has anyone put forward any other possible explanation as to why the environmental cost of the Puma Suede is so high, and if so, what suggestions have come forward?
7. What proportion of the €2.95 environmental cost of the InCycle Basket is attributable to the cotton and linen in the upper?

We have also commented on this story in World Leather's sister publications, *World Footwear* and *World Sports Activewear* (WSA) and before the last issue for 2012 of each of these magazines went to press in the later part of October, we followed up with Trucost to ask if they could answer the questions for us.

With the November-December issue of *World Footwear* going to press, we called Trucost on the phone, at the end of the working day on October 18 to follow up on the seven questions. The consultancy apologised for the delay in answering the questions and explained that its lead consultant for this project was travelling in Asia on business. We asked if we could have an answer just to the first of the

seven questions on the list to allow us to make the calculation for hides. Trucost said it would try to give us an answer in time for the *World Footwear* deadline and said it would call by midday the following day to let us know either way. On October 19, no call came and *World Footwear* went to press.

Having heard nothing by the end of Wednesday, October 24, we called again. With the November-December issue of WSA going to press, we wanted to ask if Trucost had been able to piece together this information to help us move the story forward. The company apologised and said it was not in a position to tell us. Next day, ten days after submitting the list of seven follow-up questions, Trucost had not been able to answer any of them. WSA went to print.

Search for the answers

Our last publication of the year is this issue of *World Leather*. On December 4, we wrote to Trucost again to ask if the extra information had become available. On December 10, we were surprised to receive the following answer: “Trucost won't be providing an update on the additional follow-up questions. We feel that we have already invested a substantial amount of time in responding to the concerns of *World Leather*.”

Rather than leave it there, we asked if the consultancy would give us answers just to focus on questions 1, 2 and 7 and it kindly reconsidered. On December 11, Trucost explained that, for the traditional Suede shoe, the suede in the upper accounts for €2.39 or 56% of the total environmental



cost the consultancy and Puma came up with. The corresponding number for the InCycle Basket is €1.61 or 54%. This leaves €1.90 for the rest of the Suede shoe (everything apart from the upper), and €1.34 for the non-upper parts of the new product, which shows that there is a substantial difference (almost 30%) in the environmental cost of these parts of the two shoes that has absolutely nothing to do with leather.

Back to the heart of the matter

On the question of how many pairs Puma is able to make from the suede that

one hide yields, Trucost said that it assumed 40 square-feet for one hide, meaning Puma would be able to make around 15 to 16 pairs per hide. This brings us back to the heart of the matter: if the environmental cost of the upper in one pair of Puma Suede is €2.39, the environmental cost of the suede from one hide is €35.85. Once again, though, the suede from the split is only a proportion of the leather that hide will yield. Even if we ignore the split side incurring more waste than the grain side and assume that a hide produces the same amount of grain leather as split (in reality it will be more), the

environmental cost of a hide will be €71.70. The last Market Intelligence report for this year in World Leather Business Week said the price of regular-weight steer hides in the US was moving “precariously close to \$100 delivered”. On its date of publication, \$100 equated to €76.87. This means the environmental cost of a hide, according to Trucost’s and Puma’s calculation, is, to borrow the phrase, “precariously close” to the price of the hide.

The bottom line is that Puma is presenting an environmental cost for a hide that is equal to or close to its economic value. Anyone who cares about presenting the leather industry as a sustainable activity has to raise questions about this. If the environmental cost is too high, it could make governments think twice about allowing companies to produce leather in their towns and cities. We maintain this would be unfair because the Puma and Trucost numbers still appear too high, and it looks as though we may never receive a full explanation as to how the two organisations drew their conclusions. Our feeling still is that Trucost and Puma may have failed to take into account some of the aspects of the leather supply chain that make it unusual. We agree that companies must take responsibility for the environmental impact of the products and services they bring to market, but they have put an environmental cost on leather that seems too high. In asking the questions we have asked, our only aim was to help Puma and Trucost make a more accurate calculation and present a more accurate story to the public. ©



Jochen Zeitz, standing down as executive chairman of Puma.