

THE FRONTIERS OF AMAZON DESTRUCTION:

MAPPING THE CRIME SCENE



Slaughterhouses ● Bertin ● Marfrig ● JBS

■ Pasture on deforestation to 2006 ■ Other deforestation to 2006 ■ Deforestation since 2006

■ Protected areas* ■ Mato Grosso state boundary ■ Amazon biome ■ Forest

*Indigenous lands and Conservation areas



THE CATTLE FRONTIER AND CRITICAL DEFORESTATION

In 2007, just 36 municipalities³⁵⁴ representing 18%³⁵⁵ of the area of the Amazon rainforest biome accounted for 42% of annual deforested area.³⁵⁶ Of the 36 municipalities, 19 are located in Mato Grosso and 12 in Pará.³⁵⁷

Given this high level of deforestation and the general disarray of land titling in the Amazon region, in January 2008 the Ministry of Environment banned authorities from granting permits for deforestation to unregistered ranches within these ‘embargoed’ municipalities.³⁵⁸ Despite this intervention, embargoed municipalities have seen little if any fall in the rate of deforestation.³⁵⁹

Government trade data³⁶⁰ indicate that those municipalities embargoed in 2008 are significant supply areas to the slaughterhouses of the three major beef exporters:

- Bertin’s slaughterhouse in Água Boa (MT) is supplied with cattle from ranches in the embargoed municipalities of Confresa, Gaúcha do Norte, Querência, São Félix do Araguaia and Vila Rica.
- Bertin’s slaughterhouse in Marabá (PA) is supplied with cattle from ranches in the embargoed municipalities of Altamira and Novo Repartimento.
- Bertin’s slaughterhouse in Tucumã (PA) is supplied with cattle from ranches in the embargoed municipality of São Félix do Xingu.
- JBS’ slaughterhouse in Barra do Garças (MT) is supplied with cattle from ranches in the embargoed municipalities of Confresa, Querência, São Félix do Araguaia and Vila Rica.
- JBS’ slaughterhouse in Cáceres (MT) is supplied with cattle from ranches in the embargoed municipalities of Brasnorte and Juína.
- Marfrig’s slaughterhouse in Paránatinga (MT) is supplied with cattle from Gaúcha do Norte, Querência, Nova Ubiratã, São Félix do Araguaia and Vila Rica.
- Marfrig’s slaughterhouse in Tangará da Serra (MT) is supplied with cattle from ranches in the embargoed municipalities of Aripuanã, Brasnorte, Cotriguaçu, Juína, Juara, Marcelândia, Nova Maringá, Nova Ubiratã and Porto dos Gaúchos.

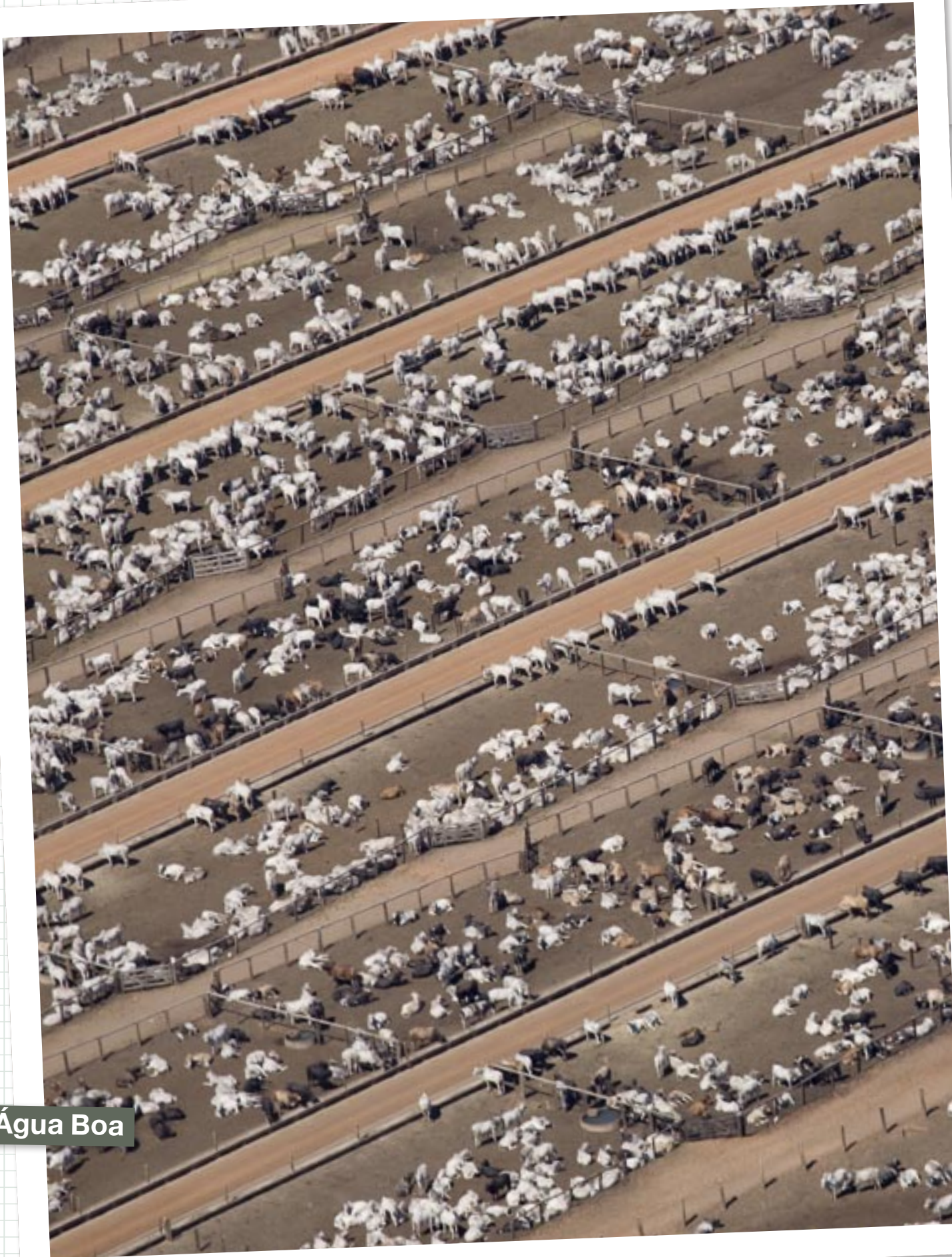
In February 2009, the Minister of Environment Carlos Minc revealed that, despite the ‘embargo’, 14 of these municipalities had seen no decrease in rates of deforestation in 2008.³⁶¹ Greenpeace analysis of satellite data and figures provided by the National Institute of Space Research (INPE) shows that twelve of these areas are in Mato Grosso and two in Pará.³⁶²

Despite a small reduction in its deforestation rate, São Félix do Xingu (PA), the main supply municipality to Bertin’s Tucumã facility, remained the municipality with the largest area of deforestation in 2008: some 76,300 hectares.³⁶³

According to a March 2009 Ministry of Environment decree,³⁶⁴ seven additional municipalities will be added to the embargo because of their deforestation rates.³⁶⁵ Of these, five are in Pará and one in Mato Grosso. This new list includes municipalities with ranches that are major suppliers to Bertin’s Marabá slaughterhouse.

Government trade data indicate that those municipalities embargoed in 2009 are significant supply areas to a major beef exporter:³⁶⁶

- Bertin’s slaughterhouse in Marabá (PA) is supplied with cattle from ranches in the embargoed municipalities of Itupiranga, Marabá and Pacajá.



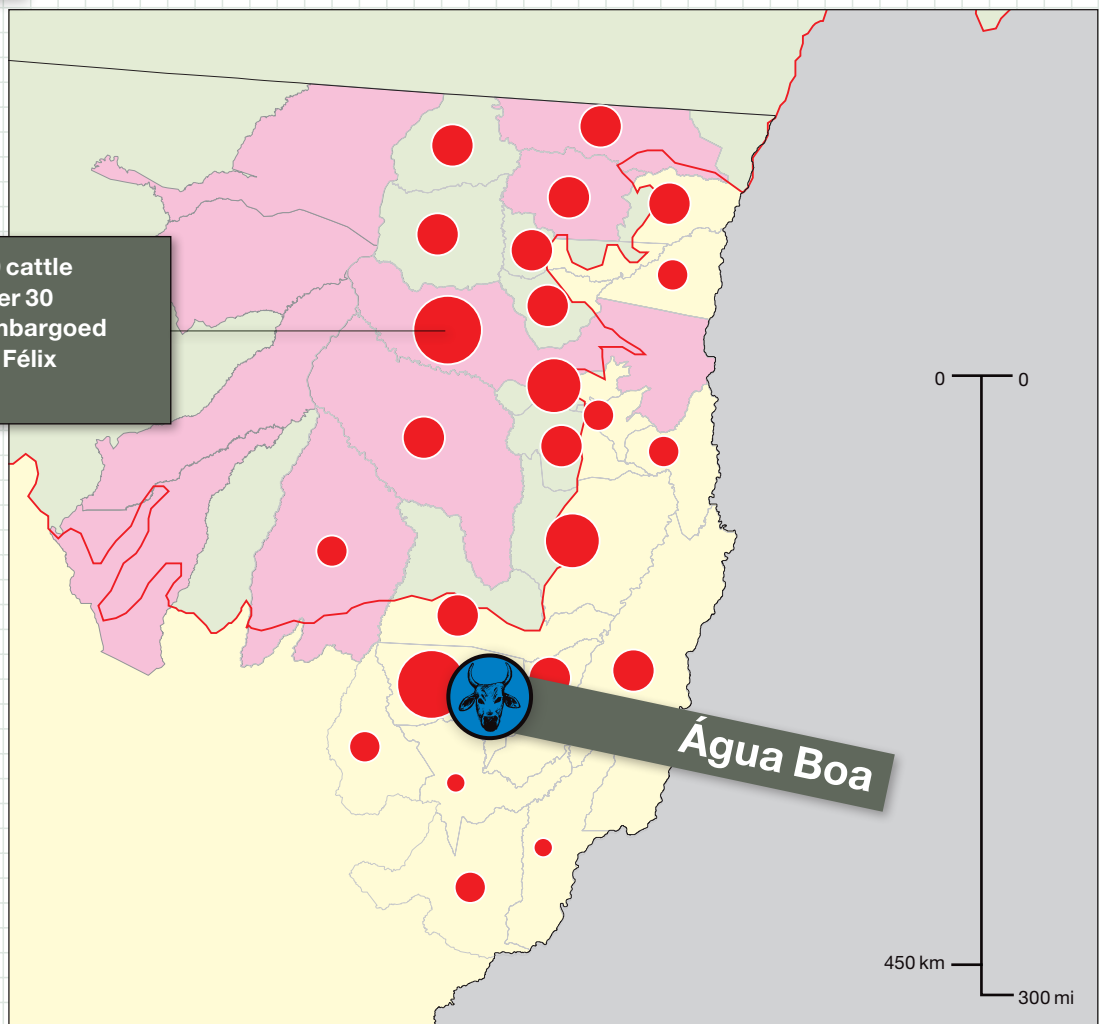
Água Boa



CATTLE SUPPLY AREA IN MATO GROSSO



More than 11,000 cattle supplied from over 30 ranches in the embargoed municipality São Félix do Araguaia



Number of cattle supplied by municipality: ● 0-100 ● 100-1,000 ● 1-5,000 ● 5-10,000 ● 10,000 +

● Slaughterhouse

▨ Mato Grosso state boundary

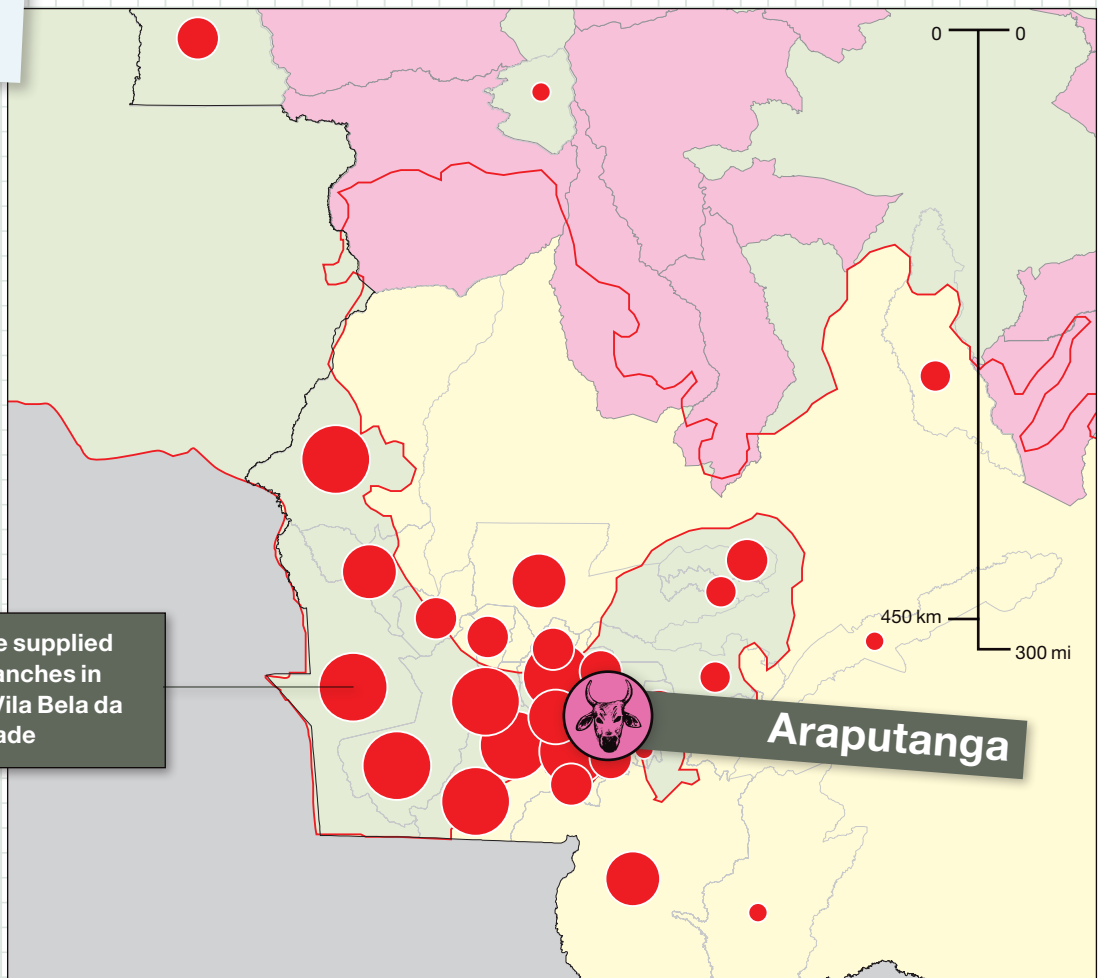
▨ Municipality boundary

▨ Embargoed municipality

▨ Amazon biome



CATTLE SUPPLY AREAS IN MATO GROSSO



Over 43,000 cattle supplied from nearly 100 ranches in the municipality Vila Bela da Santíssima Trindade

Araputanga

Number of cattle supplied by municipality: ● 0–100 ● 100–1,000 ● 1–5,000 ● 5–10,000 ● 10,000 +

🐮 Slaughterhouse

▬ Mato Grosso state boundary

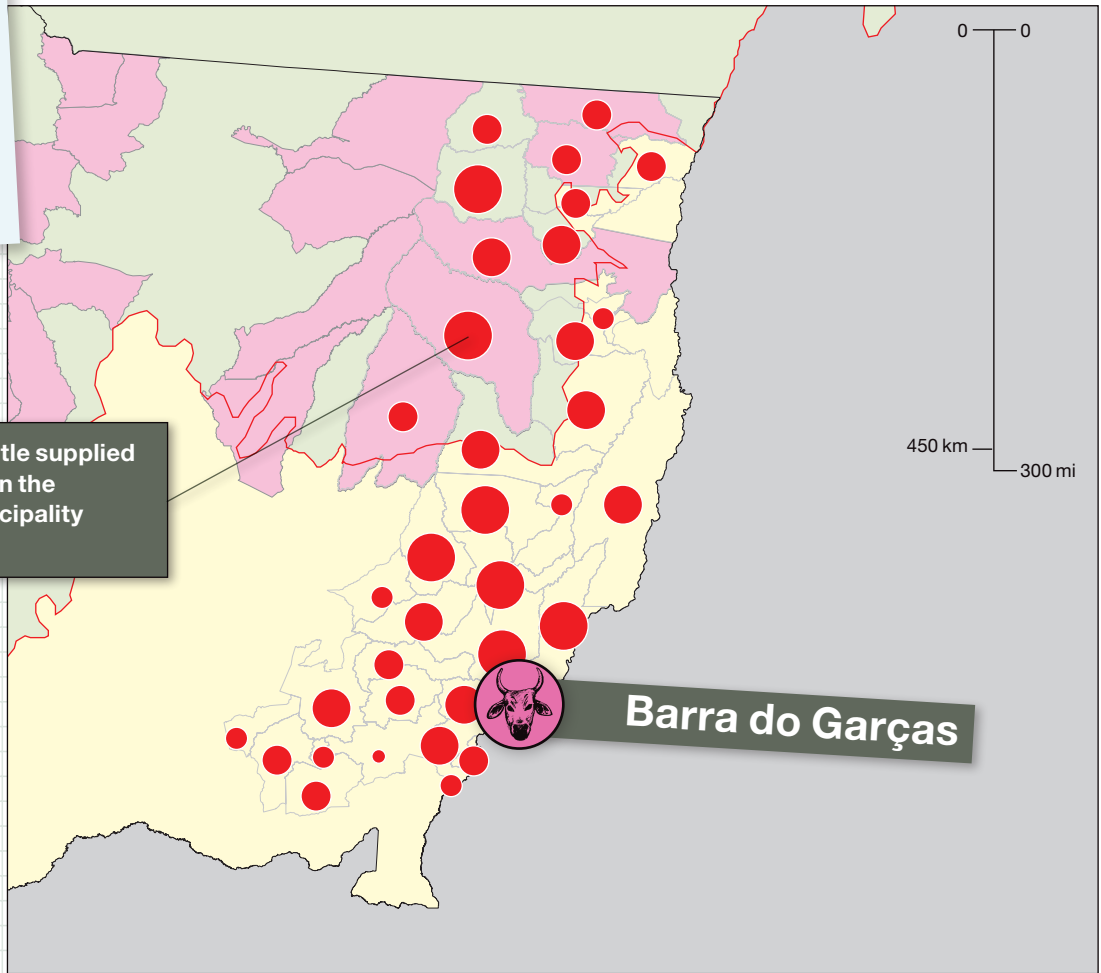
▬ Municipality boundary

▬ Embargoed municipality

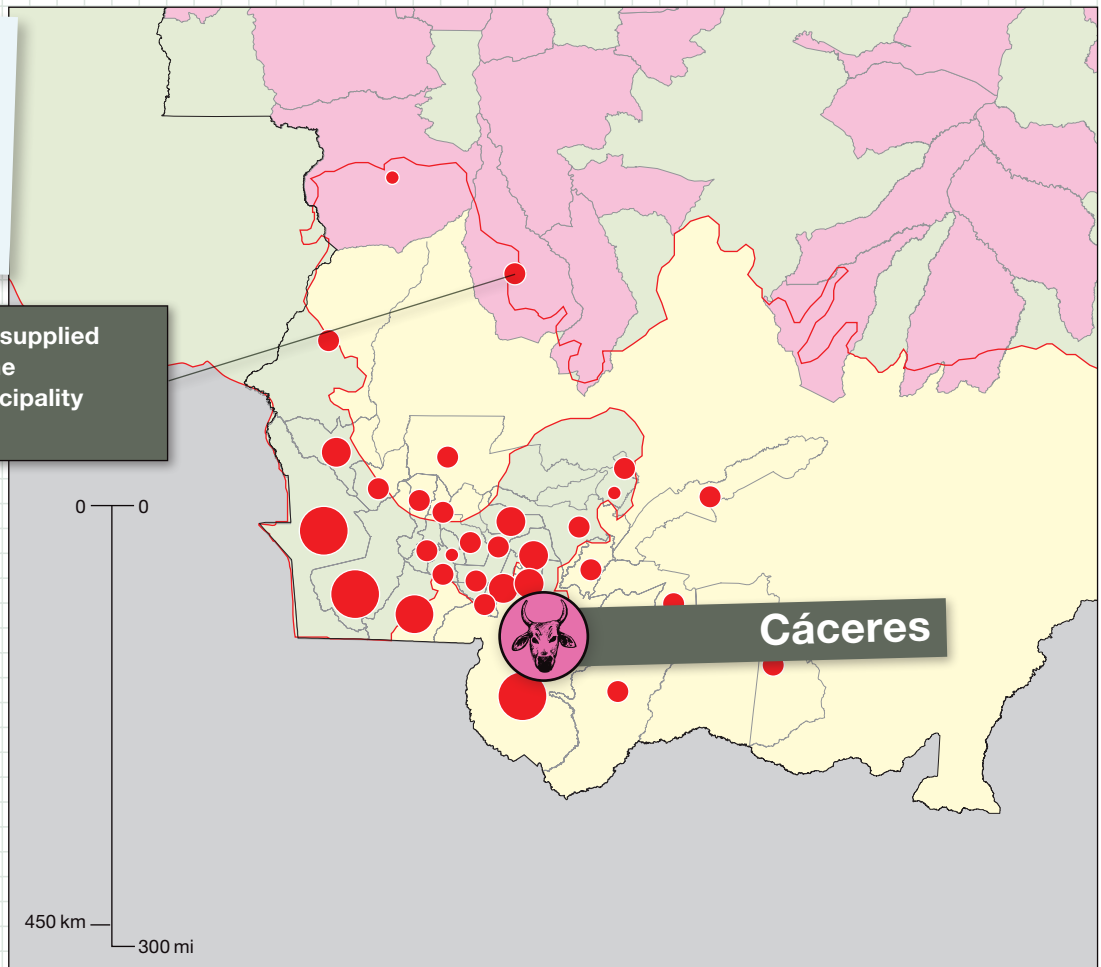
▬ Amazon biome



Nearly 20,000 cattle supplied from 15 ranches in the embargoed municipality Querência



Nearly 100 cattle supplied from 1 ranch in the embargoed municipality Brasnorte





CATTLE SUPPLY AREAS IN MATO GROSSO



Number of cattle supplied by municipality: ● 0–100 ● 100–1,000 ● 1–5,000 ● 5–10,000 ● 10,000 +

🏠 Slaughterhouse

▬ Mato Grosso state boundary

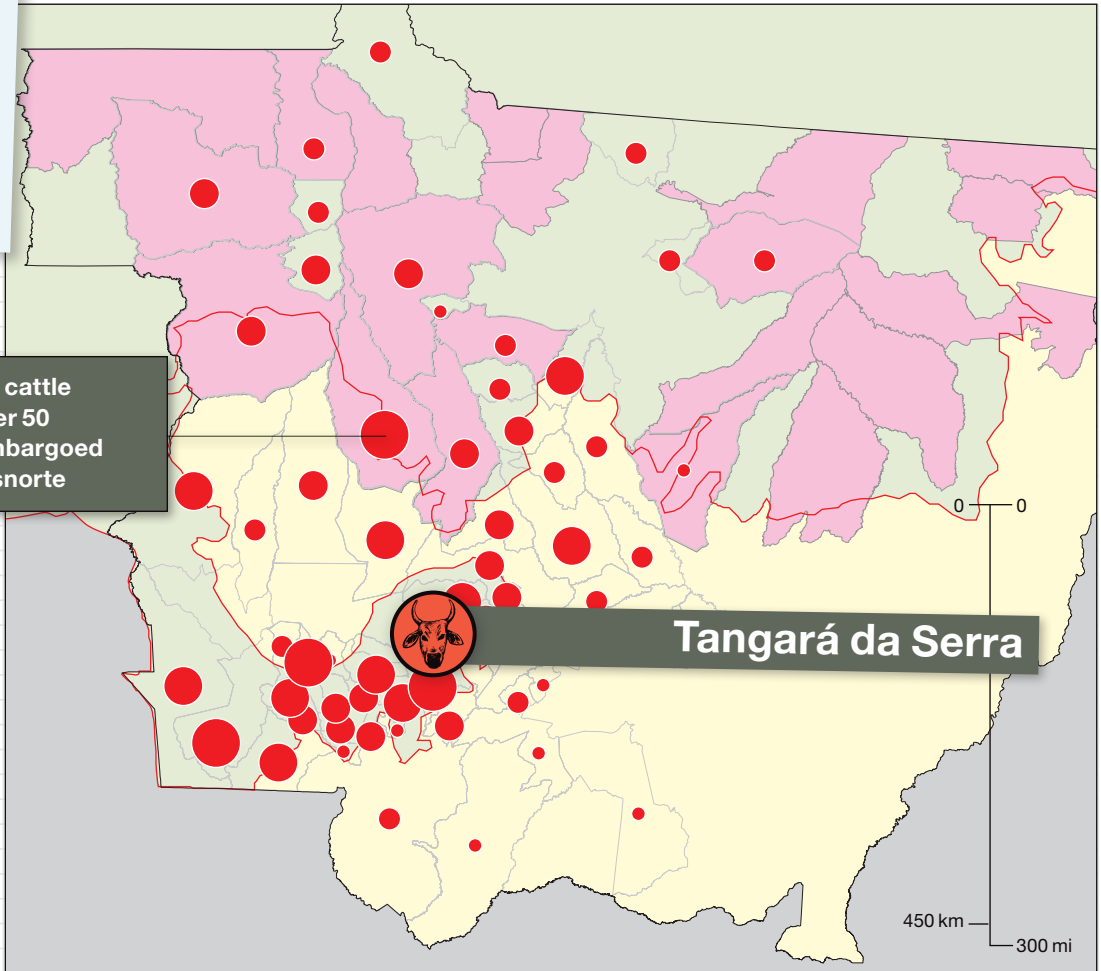
▬ Municipality boundary

■ Embargoed municipality

▨ Amazon biome



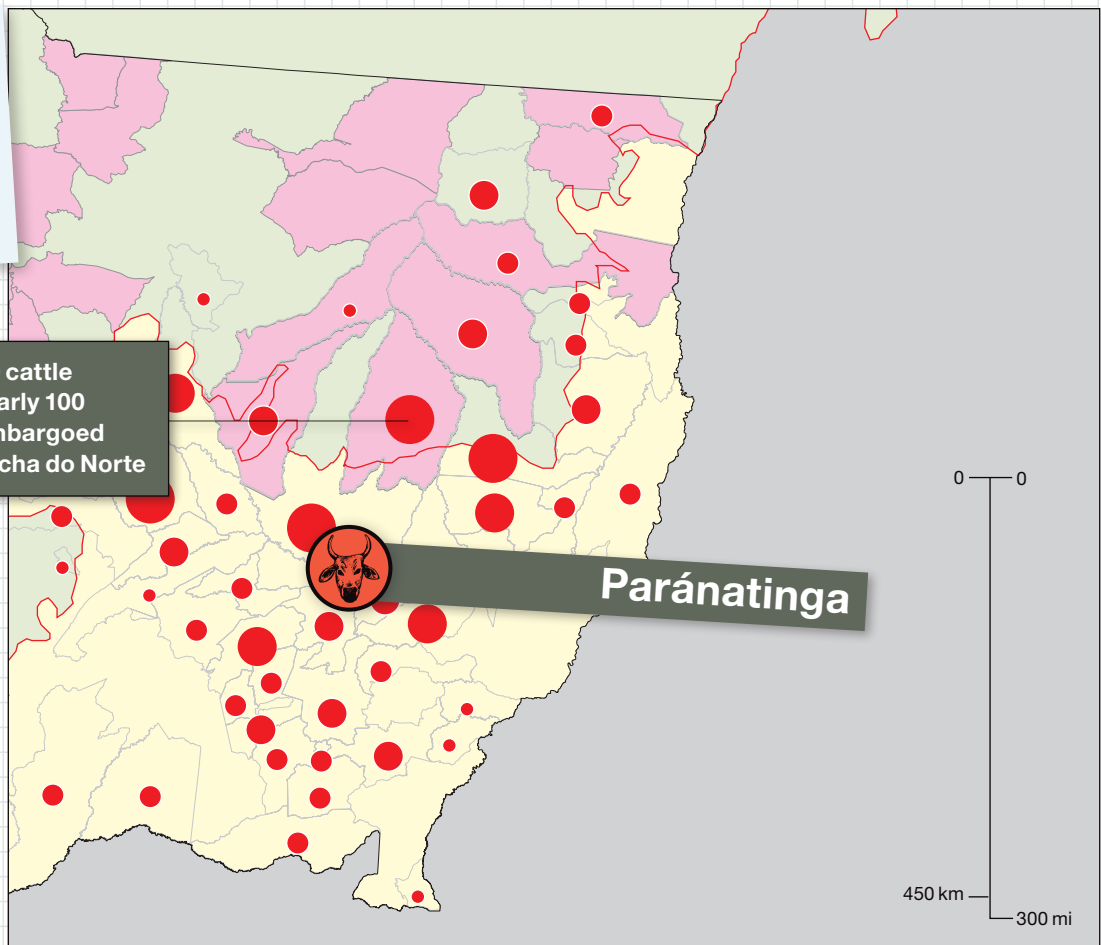
More than 15,000 cattle
supplied from over 50
ranches in the embargoed
municipality Brasnorte



Tangará da Serra

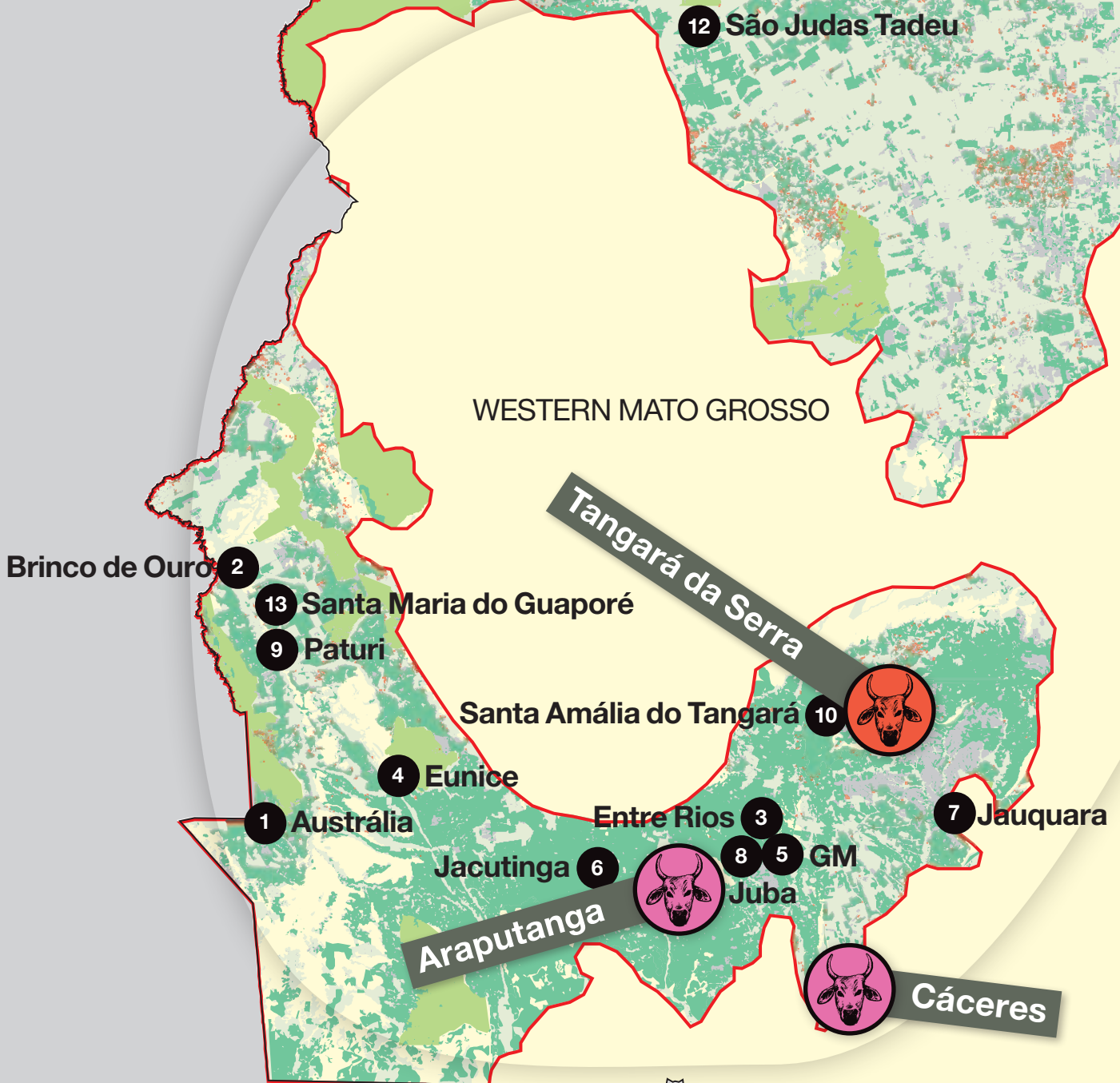


More than 19,000 cattle
supplied from nearly 100
ranches in the embargoed
municipality Gaúcha do Norte



Paránatinga

IDENTIFIED RANCHES SUPPLYING BERTIN, JBS OR MARFRIG SLAUGHTERHOUSES IN MATO GROSSO

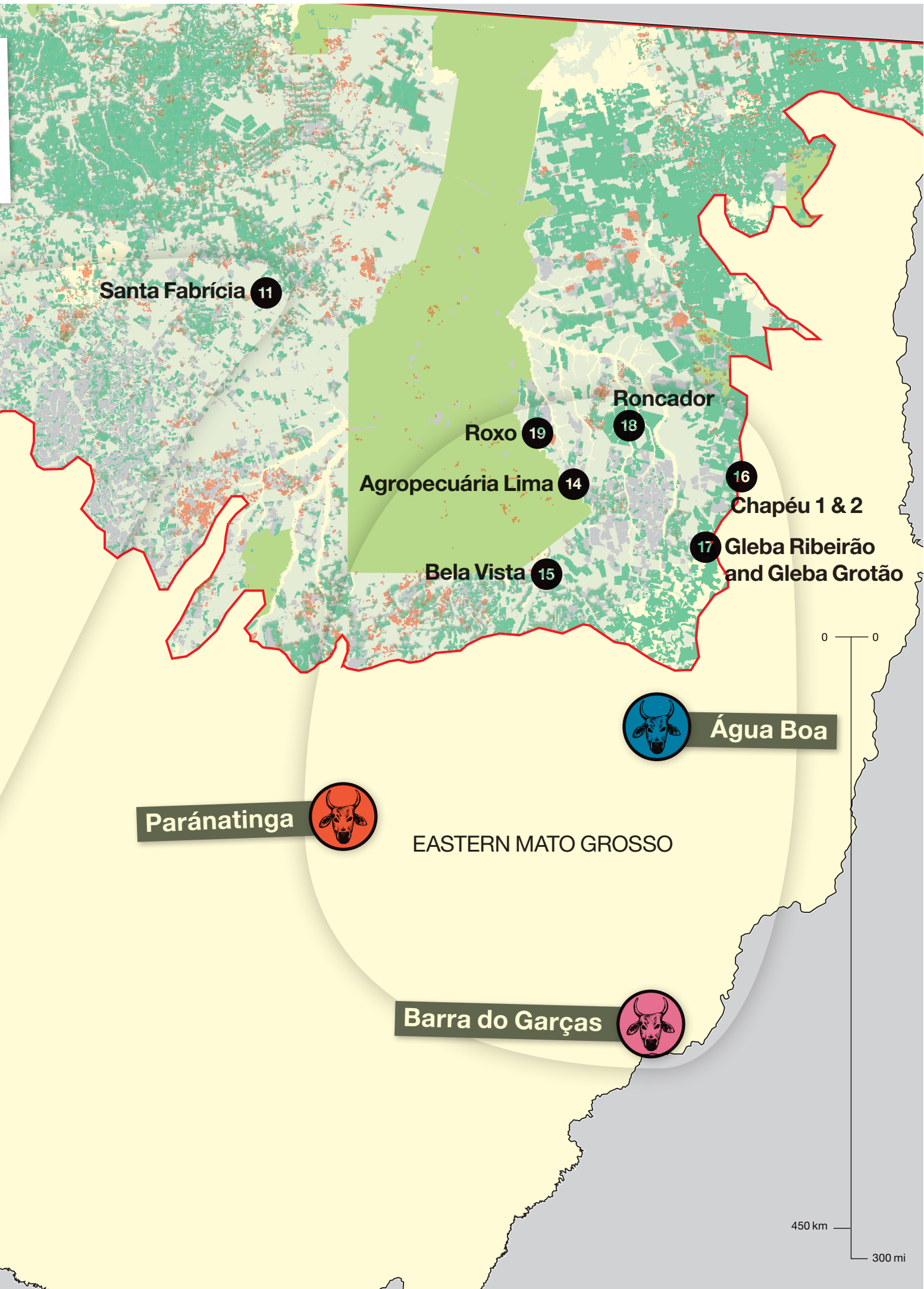


● Ranches ● Bertin ● Marfrig ● JBS

■ Pasture on deforestation to 2006 ■ Other deforestation to 2006 ■ Deforestation since 2006

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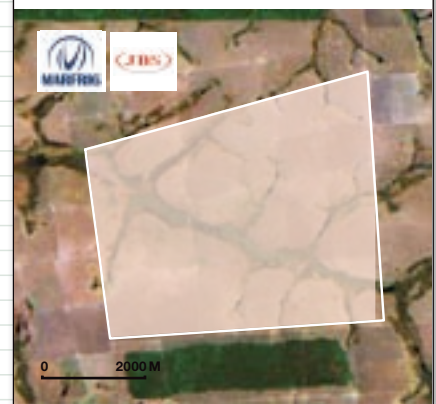


THE SATELLITE VIEW: IDENTIFIED RANCHES SUPPLYING JBS OR MARFRIG SLAUGHTERHOUSES IN WESTERN MATO GROSSO

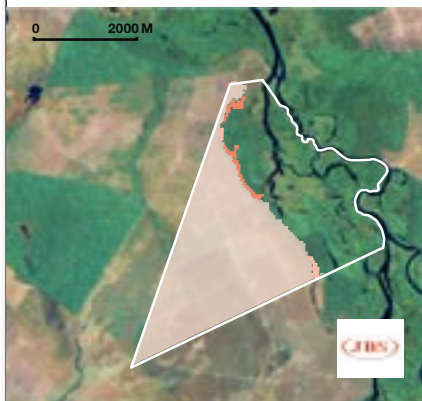
Deforestation

- to 2000
- 2001
- 2002
- 2003
- 2004
- 2005
- 2006
- 2007
- 2008
- Lake
- Ranch boundary
- Forest

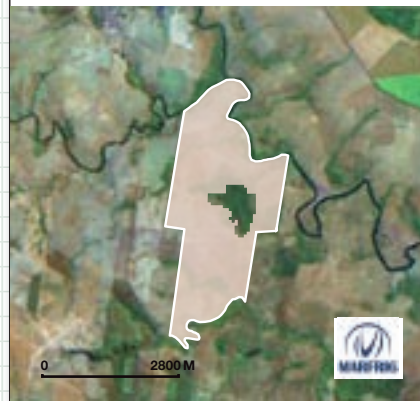
1 Austrália



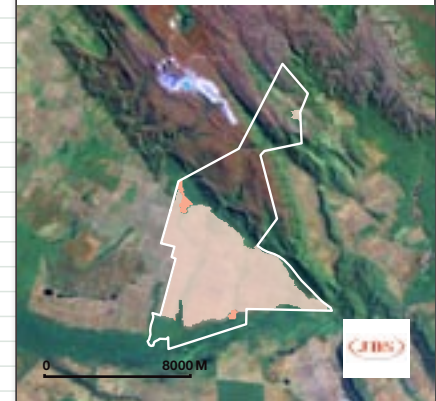
2 Brinco de Ouro



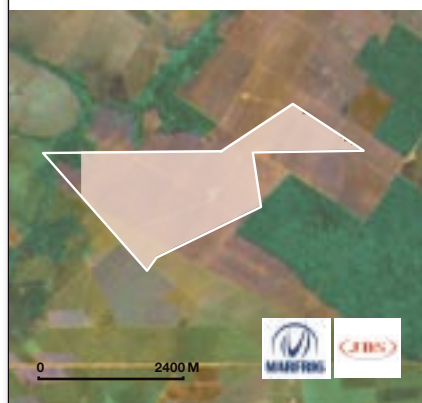
3 Entre Rios



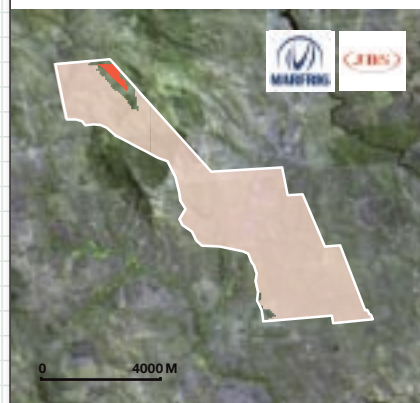
4 Eunice



5 GM



6 Jacutinga



7 Jauquara

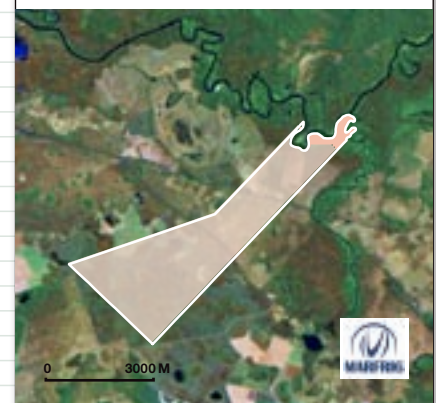
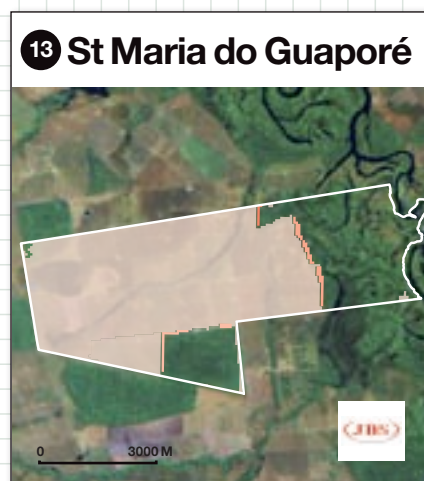
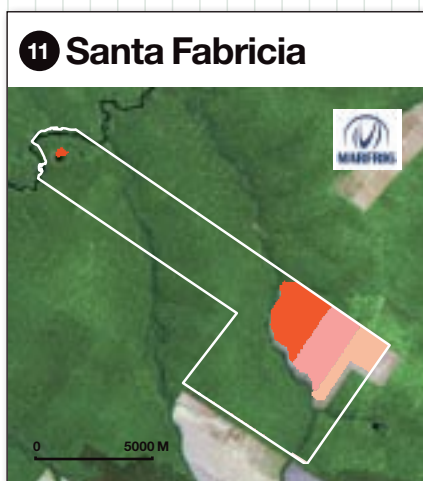
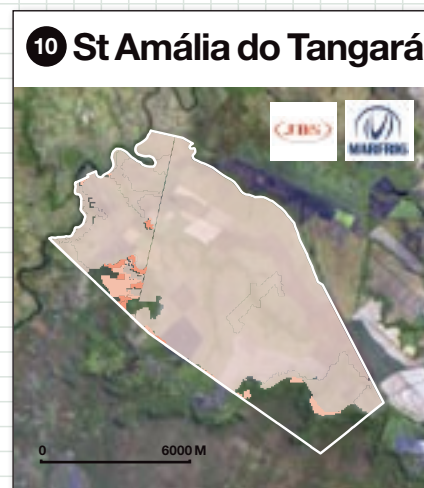
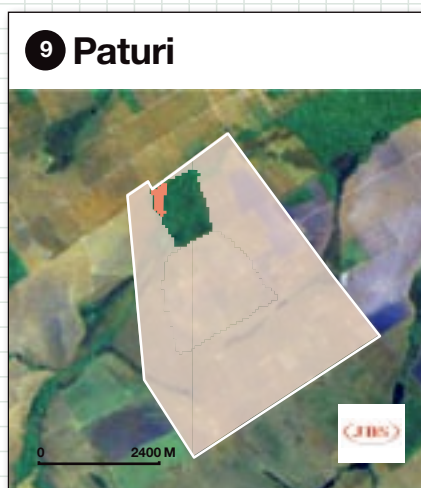
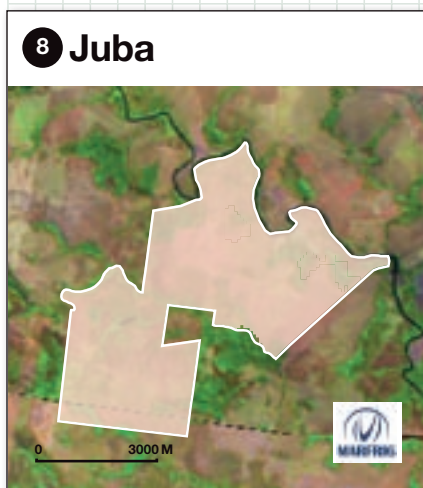
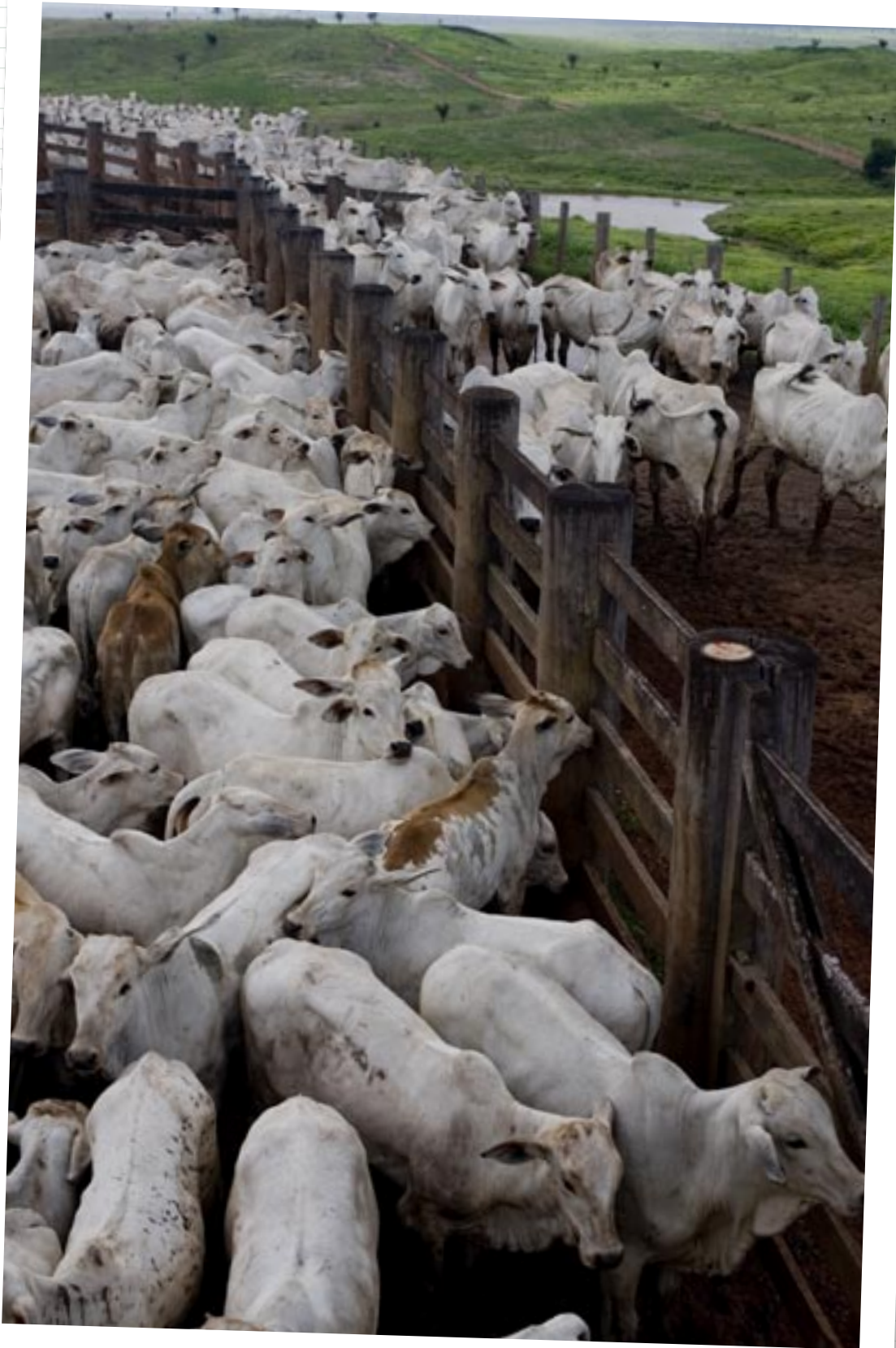


TABLE 4: ANALYSIS OF DEFORESTATION ON IDENTIFIED RANCHES IN WESTERN MATO GROSSO

| | Farm name | Farm owner | Location in Mato Grosso | Size of farm (hectares) | Deforestation class (% of farm) | Supplying slaughterhouse (Group / location) | Identified trade Jan-Aug 2008 (Head of cattle) |
|----|-------------------------|-----------------------------|----------------------------------|-------------------------|---------------------------------|---|--|
| 1 | Australia | Braulino Basílio Maia Filho | Vila Bela da Santíssima Trindade | 2,448 | 90-100 | JBS, Araputanga | 1,620 |
| | | | | | | Marfrig, Tangará da Serra | 255 |
| 2 | Brinco de Ouro | Sidney Gasques Bordoni | Vila Bela da Santíssima Trindade | 2,741 | 50-60 | JBS, Araputanga | 2,056 |
| 3 | Entre Rios | Manoel Jorge Ribeiro | Rio Branco | 757 | 90-100 | Marfrig, Tangará da Serra | 832 |
| 4 | Eunice | Donato Lemos Beraldo | Vila Bela da Santíssima Trindade | 7,570 | 50-60 | JBS, Araputanga | 3,605 |
| 5 | GM | Manoel Jorge Ribeiro | Lambari d'Oeste | 757 | 90-100 | JBS, Araputanga | 72 |
| | | | | | | Marfrig, Tangará da Serra | 339 |
| 6 | Jacutinga | Fernanda Aufiero | Figueirópolis d'Oeste | 2,532 | 90-100 | JBS, Araputanga | 1,377 |
| | | | | | | Marfrig, Tangará da Serra | 442 |
| 7 | Jauquara | Rene Barbour | Barra do Bugres | 1,236 | 90-100 | Marfrig, Tangará da Serra | 2,240 |
| 8 | Juba | Manoel Jorge Ribeiro | Rio Branco | 1,560 | 90-100 | Marfrig, Tangará da Serra | 357 |
| 9 | Paturi | José Reis Pereira Filho | Vila Bela da Santíssima Trindade | 1,731 | 90-100 | JBS, Araputanga | 3,410 |
| 10 | Santa Amália do Tangará | Renato Junqueira Meirelles | Tangará da Serra | 8,466 | 90-100 | JBS, Araputanga | 180 |
| | | | | | | Marfrig, Tangará da Serra | 1,572 |
| 11 | Santa Fabricia | Waldir Martinez Rossi | Marcelândia | 6,316 | 10-20 | Marfrig, Tangará da Serra | 648 |
| 12 | São Judas Tadeu | Naur Celestino Tedeschi | Brasnorte | 10,000 | 20-30 | Marfrig, Tangará da Serra | 119 |
| 13 | Santa Maria do Guaporé | Sidney Gasques Bordoni | Vila Bela da Santíssima Trindade | 3,204 | 60-70 | JBS, Araputanga | 636 |







IDENTIFIED RANCHES SUPPLYING JBS OR MARFRIG SLAUGHTERHOUSES IN EASTERN MATO GROSSO

Deforestation to 2000 2001 2002 2003 2004 2005 2006 2007 2008

□ Lake ■ Ranch boundary ■ Forest

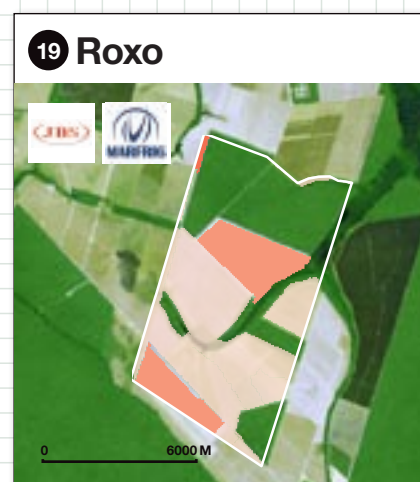
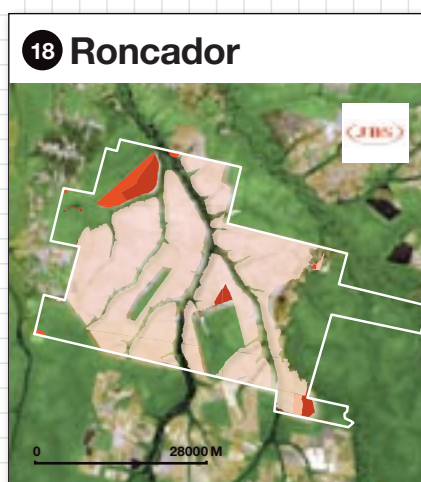
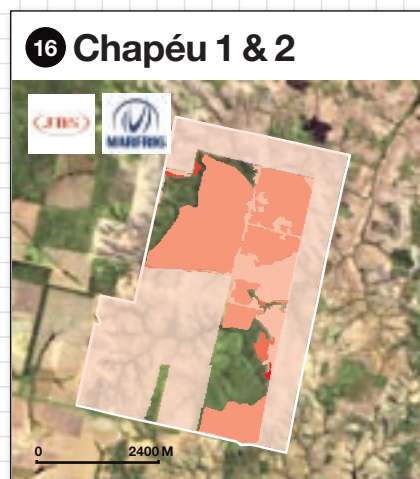
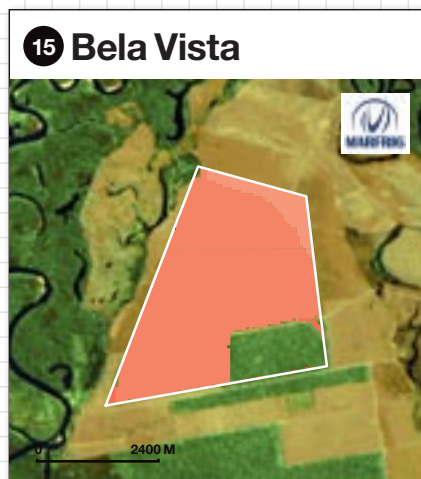
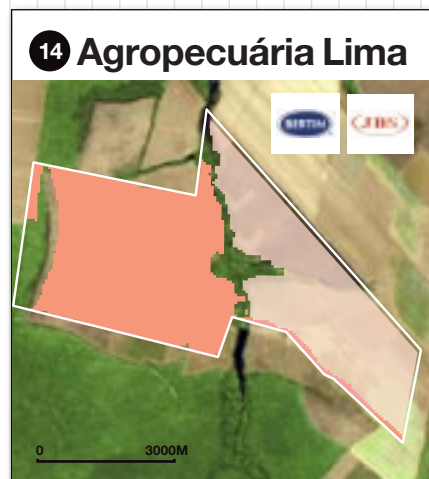


TABLE: TITLE TABLE 5: ANALYSIS OF DEFORESTATION ON IDENTIFIED RANCHES IN EASTERN MATO GROSSO

| | Farm name | Farm owner | Location in Mato Grosso | Size of farm (hectares) | Deforestation class (% of farm) | Supplying slaughterhouse (Group / location) | Identified trade Jan-Aug 2008 (Head of cattle) |
|----|-------------------|---------------------------|--|-------------------------|---------------------------------|---|--|
| 14 | Agropecuária Lima | Antônio Roberto de Lima | Querência | 2,982 | 80-90 | JBS, Barra do Garcas | 195 |
| | | | | | | Bertin, Agua Boa | 71 |
| 15 | Bela Vista | Aldo Pedreschi | Canarana | 1,278 | 80-90 | Marfrig, Paránatinga | 136 |
| 16 | Chapéu I & II | Milton Vilela de Carvalho | Bom Jesus do Araguaia / Ribeirão Cascalheira | 17,091 | 80-90 | JBS, Barra do Garcas | 2,174 |
| | | | | | | Independencia, Nova Xavantina | 2,338 |
| | | | | | | Marfrig, Paránatinga | 17 |
| 17 | Gleba Ribeirão | Luciana Selmi | Ribeirão Cascalheira | 1,694 | 40-50 | JBS, Barra do Garcas | 442 |
| | | | | | | Marfrig, Paránatinga | 255 |
| 18 | Roncador | Agropecuária Roncador | Querência | 149,095 | 50-60 | JBS, Barra do Garcas | 15,708 |
| | | | | | | Independencia, Nova Xavantina | 54 |
| 19 | Roxo | Adecrésio Pedro de Aguiar | Querência | 6,140 | 60-70 | JBS, Barra do Garcas | 168 |
| | | | | | | Marfrig, Paránatinga | 1,801 |



GREENPEACE INVESTIGATES

**PART TWO: HOW BRAZIL
IS 'LAUNDERING' AMAZON
LEATHER TO GLOBAL BRANDS**



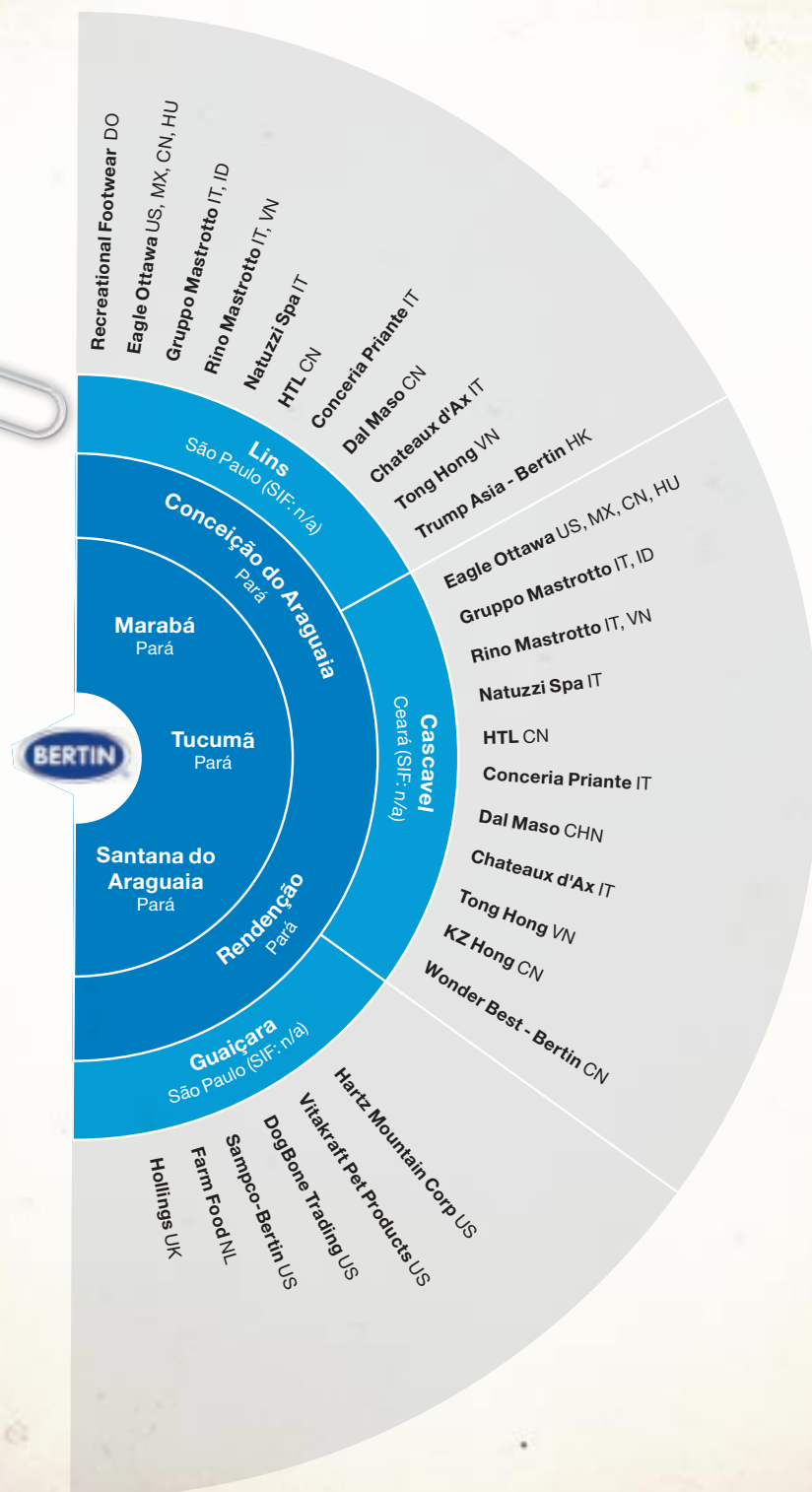


BERTIN LINKS CATTLE RANCHES IN THE AMAZON TO LEATHER USERS AROUND THE WORLD

Bertin's major export-orientated facilities for leather are in Lins (SP) and the Bracol tannery in Cascavel (CE).

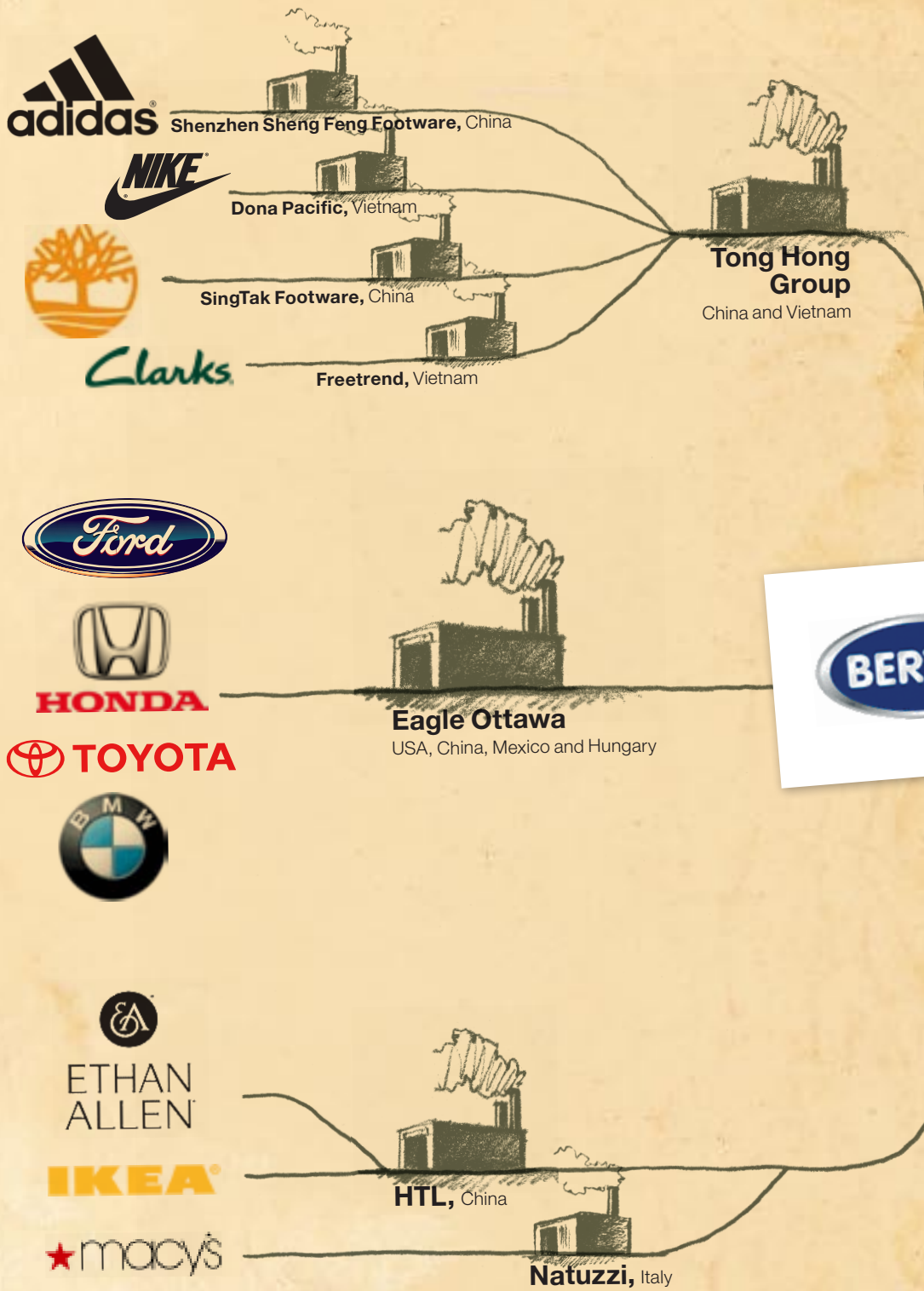
In 2008, suppliers of leather to these facilities included Bertin's Rendeção (PA) and Conceição do Araguaia (PA) tanneries. Hides for these facilities include supplies from Bertin's Pará slaughterhouses at Marabá (PA), Santana do Araguaia (PA), and Tucumã (PA).

Bertin's Água Boa (MT) unit also supplies Bertin's dog chew facility in Guaíçara (SP).





THE 'DIRTY' LEATHER SUPPLY CHAIN FROM BERTIN TO SUPPLIERS TO GLOBAL BRANDS



LEATHER IS A HIGH VALUE COMMODITY

Leather is one of the most widely traded and universally used commodities in the world.

According to the UN Food and Agriculture Organisation (FAO), the average annual value of international trade in leather during 2004-2006 was \$23.7 billion.³⁶⁷

This makes the total formal value of the leather trade on a par with the value of the trade in red meat (\$24 billion) and approaching double the value of the sugar trade (\$12.3 billion).³⁶⁸

The sector has seen dramatic growth. Between the late 1980s and 2006, trade in tanned leather expanded by nearly four times (7.5% year-on-year).³⁶⁹

TABLE 6: 2008 EXPORTS OF BOVINE LEATHER FROM BRAZIL, TOP DESTINATIONS BY VALUE

| | tonnes | % | Value in million \$ | % |
|-----------|---------|-----|---------------------|-----|
| Italy | 85,088 | 30 | 507 | 27 |
| China | 102,066 | 35 | 370 | 20 |
| Hong Kong | 31,941 | 11 | 208 | 11 |
| USA | 8,292 | 3 | 170 | 9 |
| Vietnam | 13,661 | 5 | 89 | 5 |
| Others | 46,847 | 16 | 502 | 27 |
| Total | 287,895 | 100 | 1,846 | 100 |

Source: SECEX (2009) 'ALICE-Web' <http://aliceweb.desenvolvimento.gov.br/>

BRAZIL DOMINATES GLOBAL LEATHER PRODUCTION

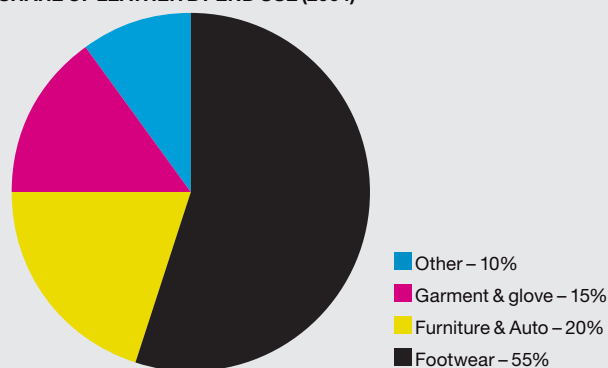
According to FAO estimates, in 2007 Brazil was the biggest producer of hides from cattle in the world.³⁷⁰ With China, Brazil is the largest exporter of tanned hides in the world, each accounting for 15% of global exports by volume in 2006.³⁷¹ Unlike China (which imports significant quantities of raw or semi-tanned hides from Brazil for further treatment and re-export) Brazilian exports originate from cattle raised in Brazil itself.³⁷²

Over 80% of leather exported from Brazil in 2008 went to China/Hong Kong, Vietnam or Italy.³⁷³

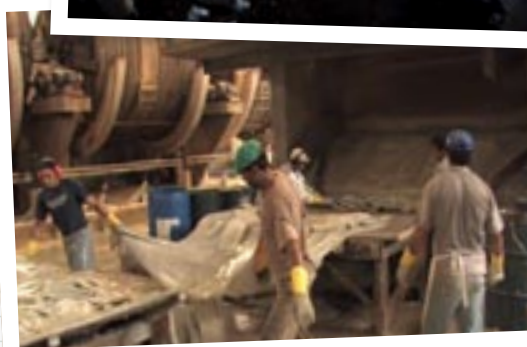
The Brazilian leather industry's total export revenue in 2008 was \$1.9 billion³⁷⁴ from some 24,800,000 hides,³⁷⁵ compared to total beef export revenue of \$5.1 billion.³⁷⁶

Accounting for 17% of the Brazilian export share,³⁷⁷ Bertin is a top player in the Brazilian and global leather sector. Processing its own and third-party hides, Bertin has been rapidly expanding its domination of the leather sector through joint ventures, alliances and acquisitions. Strategic markets and key companies include the car industry, the pet toy sector, the Italian fashion and upholstery sector and the Far East shoe production hub.

SHARE OF LEATHER BY END USE (2004)



Source: International Council of Tanners (ICT) website: www.tannerscouncilict.org



SHOE PRODUCTION IS THE SINGLE LARGEST USE OF LEATHER:

CHINA PRODUCES 60% OF THE WORLD'S SHOES



Most of the output from tanneries is light leather. About half of this is estimated to go to shoe production. The remainder goes to diverse uses, including clothing, furniture and vehicle upholstery, and travel goods including handbags.³⁷⁸

According to the FAO, the average annual value of international trade in footwear with leather uppers during 2004-2006, was \$34.5 billion.³⁷⁹

According to market reports, in 2006, a total of 14.8 billion pairs of shoes were manufactured globally.³⁸⁰ FAO data suggest that about one-third of production is shoes with leather uppers.³⁸¹

Adidas claims to use 14 million m² of leather annually³⁸² – which translates roughly to 10,000-15,000 tonnes³⁸³ or 0.2 to 0.3% of all leather traded internationally in 2006.³⁸⁴ Some 95% of Adidas leather comes from ten tanneries, 85% from South America.³⁸⁵

CHINA – A HUB FOR SHOE PRODUCTION

The Far East has become the world's most important exporting region thanks to its processing and manufacturing base.³⁸⁶ The region produced 13.5 billion pairs of shoes in 2006, over 90% of the world's total and its market share continues to grow.³⁸⁷

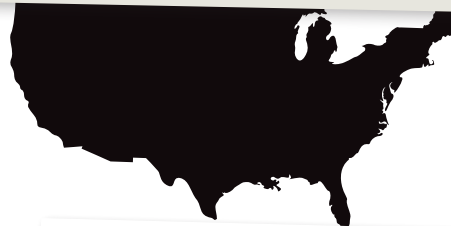
China is the world's largest producer and exporter of shoes, producing nearly 60% of the world's total output in 2006;³⁸⁸ 80% of what it produces is exported.³⁸⁹

Brazil is the single largest exporter (by value) of wet-blue leather to China (including Hong Kong), accounting for nearly a quarter of all imports.³⁹⁰ Further processing of wet-blue leather – a cheap feedstock – takes place in tanneries in mainland China.



FURNITURE AND VEHICLE UPHOLSTERY IS THE SECOND LARGEST USE OF LEATHER:

USA – SITTING IN LUXURY



The global automobile industry consumes considerable amounts of leather.

Production of leather interiors is outsourced to leather processors such as US-based Eagle Ottawa, which claims to be the world's largest supplier of premium leather for the automobile industry and to supply 'more than 100 current vehicle models'.³⁹¹

Eagle Ottawa accounts for 20% of all leather used globally for vehicle upholstery.³⁹² In 2007, Eagle Ottawa supplied leather for more than 600,000 production vehicles. In 2008, Eagle Ottawa supplied leather for more than 800,000 vehicles, despite the economic downturn in the car sector.³⁹³

According to Nathan Mullinix, Vice President, Global Research and Development, Eagle Ottawa, just 2% of all hides are suitable for vehicle leather upholstery; of that, less than a third are suitable for producing premium leather products.³⁹⁴

Eagle Ottawa has important production facilities around the world.³⁹⁵

In the USA, Eagle Ottawa supplied leather for the Chevrolet Malibu, Car of the Year 2008, as well as for the runners up, the Cadillac CTS and the Honda Accord.³⁹⁶ Eagle Ottawa also supplied leather to the Truck of the Year, Toyota Tundra (sport utility vehicle), the Chevrolet Tahoe Hybrid (2008 Green Car of the Year at the LA Auto Show), the BMW 3-series (2008 10 Best Cars) and the Lexus IS-F (Forbes Autos.com, Top 10 Hottest Sedans of 2008).³⁹⁷

In Germany, Eagle Ottawa supplied leather for the Audi A6, BMW 3 & 5 series, Mercedes E- and M-class and the VW Beetle.³⁹⁸

Bertin is an exclusive supplier to Eagle Ottawa,³⁹⁹ which absorbs 30% of Bertin's leather exports.⁴⁰⁰





'MADE IN ITALY' HANDBAGS ARE THE STAR OF THE ITALIAN LEATHER INDUSTRY

The fashion industry 'is addicted to leather'.⁴⁰¹ Italy is the centre of high-quality leather production for the fashion market. The country mostly imports wet-blue and crust (unfinished) leather, a quarter of which comes from Brazil.⁴⁰²

Footwear and upholstered furniture consumes over 70% of Italian production of finished leather.⁴⁰³

The biggest export markets for 'Made in Italy' leather goods are the EU, the USA and Japan.⁴⁰⁴

The two leading Italian leather processors, Rino Mastrotto Group (RMG) and Gruppo Mastrotto (GM) (RMG and GM are separate entities controlled by different siblings in the Mastrotto family), receive regular supplies of leather from Bertin's Lins (SP) and Cascavel (CE) facilities in Brazil.⁴⁰⁵

Gruppo Mastrotto controls 1% of leather worldwide.⁴⁰⁶ It provides leather mainly for the furnishing sector (about 75%) and shoemaking (about 20%), the rest is accounted for by the vehicle and leather goods sectors. It exports 80% of production. The majority of production is in Italy as shown by its 2008 turnover: of €510 million (\$699 million), €267 million (\$366 million) was invoiced in Italy.⁴⁰⁷



FASHION FOOTWEAR

Italy is the world's second-largest leather shoe exporter in terms of value.⁴⁰⁸ This stems from the fact that the Italian industry is undisputed leader for the manufacture of luxury and high-fashion shoes with leather uppers.⁴⁰⁹

The UK alone imports around £4 billion (\$6 billion) of leather fashion products (mainly shoes) every year.⁴¹⁰

FURNITURE

The Italian industry is world-renowned for its upholstered furniture. In 2007, Italy was the second largest exporter of furniture in the world, after China, exporting \$12.8 billion worth of furniture⁴¹¹ mainly to other European countries, Russia and the USA.⁴¹²

HANDBAGS

Handbag lines are the star of Italy's leather export industry, both in terms of quantity (44% of units exported) and value (63% of leather trade).⁴¹³ The value of real hide purse and handbag exports in 2007 was in the region of €1.44 billion (\$1.97 billion).⁴¹⁴

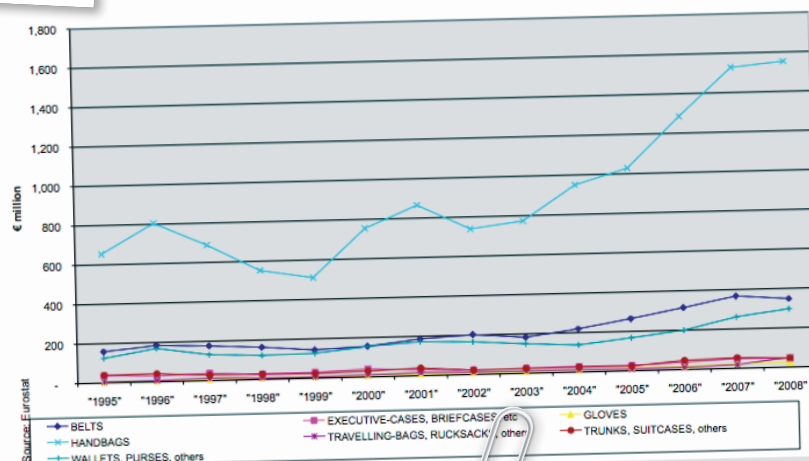
OUTSOURCING THE 'MADE IN ITALY' BRAND

Italy's output of leather goods in 2008, excluding shoes but including production 'outsourced' abroad, is estimated at €3.9 billion (\$5.3 billion)⁴¹⁵ – output manufactured in Italy itself is estimated at €2.6 billion (\$3.56 billion).⁴¹⁶

Italian firms outsource a great deal of manufacturing to China, which import materials into Hong Kong for subsequent re-export as finished products.⁴¹⁷

Italy imports a significant amount of leather goods from China – 24% in 2008.

Italy's export of leather goods



Source: Eurostat

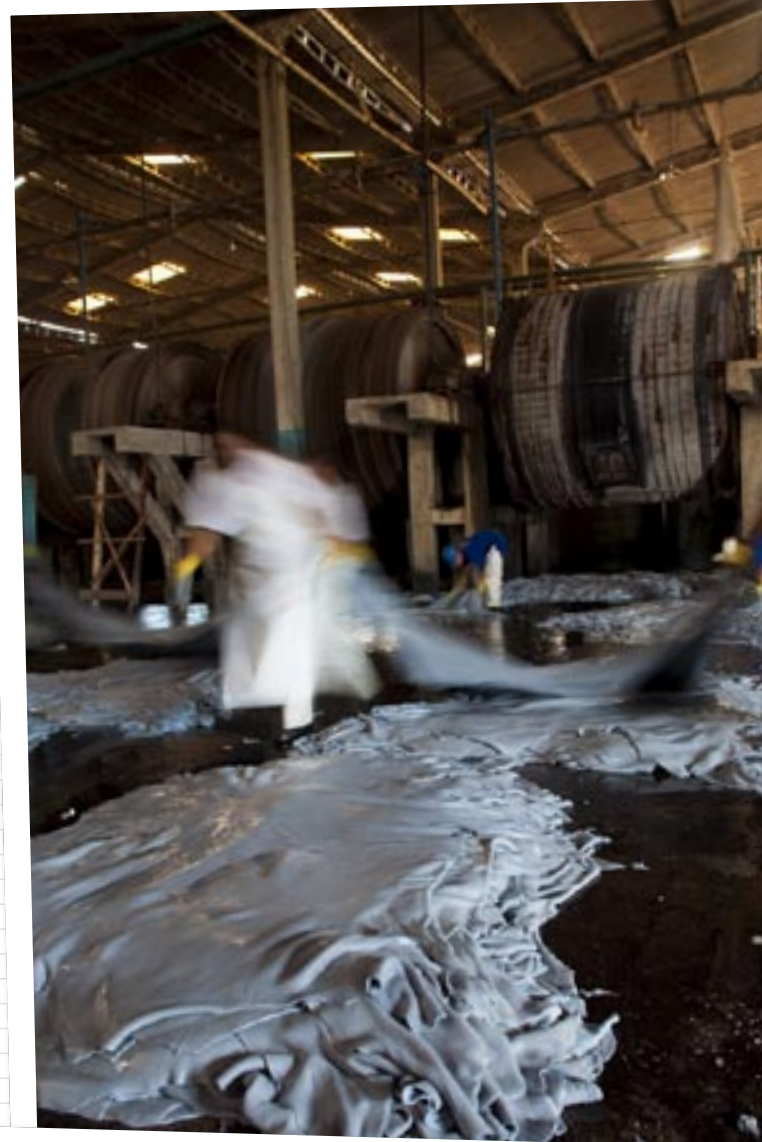


THE AMAZON GOING TO THE DOGS: THE US MARKET FOR DOG CHEWS

According to the 2007-2008 National Pet Owners Survey, two out of three US households own a pet.⁴¹⁸ Worth \$43 billion in 2008, the US market for pet products is the largest in the world.⁴¹⁹

The market for dog toys in the USA and Europe is estimated to be worth \$1 billion.⁴²⁰

Bertin exports over R\$18 million (\$37m) of dog chews.⁴²¹ The USA is the principal market. Bertin is exclusive supplier to Sumito Corporation,⁴²² which owns Hartz Mountain, one of the leading brands of dog chew in the USA.



'The Italian leather and footwear industry is regarded as the best in the world in terms of technology, craftsmanship, fashion, design and quality. Italy is the second largest exporter of leather and leather products in the world, next to China, with total exports of about \$17 billion (2006).'

K. Abdul Sattar Khan, Assistant Director, Council for Leather Exports
'Fair Report' MICAM Shoe Event, Milan (Italy), 4-7 March 2009

'We never forget though that our core business consists of big groups: from IKEA for furnishings to Peugeot and Audi for cars.'

Gruppo Mastrotto (2008)



THE 'LAUNDRY LIST':

GLOBAL BRANDS ARE SILENT PARTNERS TO CRIME

While the Blue Chip companies behind reputable global brands appear to believe that Amazon sources are excluded from their products,⁴²³ Greenpeace investigations expose for the first time how their blind consumption of raw materials fuels deforestation and climate change.

Greenpeace undercover investigations have unpicked the complex global trade in leather products from the IFC-funded, part-Brazilian-government-owned corporation Bertin. Greenpeace has identified hundreds of ranches within the Amazon rainforest supplying cattle to Bertin's slaughterhouses in the Amazon state of Pará. Where Greenpeace was able to obtain mapped boundaries for ranches, satellite

analysis reveals that significant supplies of cattle come from ranches active in recent and illegal deforestation. Trade data also reveal trade with ranches using modern-day slavery. Additionally, one Bertin slaughterhouse receives supplies of cattle from an illegal ranch occupying Indian Lands.

These slaughterhouses then ship beef or hides to company facilities thousands of kilometres away in the south for further processing before export. In a number of cases, additional processing takes place in import countries before the final product reaches the market. In effect, criminal or 'dirty' supplies of leather are 'laundered' through the supply chain to an unwitting global market.

BRANDS



SHOES: NIKE, ADIDAS/REEBOK, TIMBERLAND AND CLARKS (BERTIN)

Globally, shoes consume the lion's share of leather production.⁴²⁴

Much manufacture of shoes and trainers and production of shoe leather is concentrated in China.⁴²⁵

Greenpeace investigations have found that Tong Hong Group is a key customer of Bertin, via the tanneries KZ Hong in China and Tong Hong in Vietnam. Both KZ Hong in China and Tong Hong in Vietnam bought significant amounts of leather from Bertin (via Bracol, CE) in 2008 (Tong Hong: 682 tonnes; KZ Hong: 680 tonnes).⁴²⁶ This accounts for approximately 5% of KZ Hong's total leather consumption – Tong Hong's supply is similar, according to company information.⁴²⁷

Tong Hong Group tanneries supply several manufacturers working for well-known shoe brands, including Nike, Adidas/Reebok and Clarks.

According to company information:

In Vietnam, Nike shoe manufacturers Chang Sin, Dona Pacific and Tae Kwang source leather from Tong Hong.⁴²⁸ Tong Hong also supplies Adidas manufacturers Chi Hung JVC Ltd and Hwa Seung Vina.⁴²⁹ Clarks manufacturer Freetrend also uses leather supplied by Tong Hong.⁴³⁰

KZ Hong claims to supply Clarks, Adidas/Reebok and Timberland manufacturer ShingTak Footwear and Reebok safety shoe supplier Shenzhen Sheng Feng Footwear.⁴³¹

Bertin lists Clarks as one of its major leather customers.⁴³²

FURNITURE

IKEA[®]

NATUZZI
It's how you live

FURNITURE – IKEA, NATUZZI (BERTIN)

HTL International Holdings (China) claims to be one of the world's leading manufacturers of leather sofas.⁴³³ HTL is a considerable importer of Brazilian leather, and a significant customer of Bertin SA in Lins (SP) and other facilities.

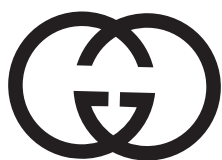
IKEA is HTL's third largest customer in the USA, importing over 340 tonnes of furniture in 2008. Ethan Allen (USA) and Leon's (Canada) are the two main HTL customers in North America.⁴³⁴

The Italian-based Natuzzi Group claims to be the world's leading producer of leather sofas and Italy's largest furniture manufacturer.⁴³⁵ Natuzzi exports its furniture to 123 markets on five continents.⁴³⁶

Natuzzi has four manufacturing plants in Italy, three in China, one in Brazil and one in Romania.⁴³⁷

While trading under its own brands such as Natuzzi, Divani&Divani and Italsofa,⁴³⁸ Natuzzi also supplies IKEA and Macy's.⁴³⁹

GUCCI



FASHION

GEOX

FASHION VICTIMS – GUCCI, PRADA, GEOX (BERTIN)

Italy is the centre of high-quality leather production for the fashion market. It mostly imports wet-blue (unfinished) leather, with a large proportion of it coming from Brazil.⁴⁴⁰

The two leading Italian leather processors, Rino Mastrotto Group (RMG) and Gruppo Mastrotto (GM), receive regular supplies of leather from Bertin's Lins (SP) and Cascavel (CE) facilities in Brazil.⁴⁴¹

In 2008, company sources confirmed Boss, Geox, Gucci, Hilfiger, Louis Vuitton and Prada as some of Rino Mastrotto's customers;⁴⁴² Geox was also a customer of Gruppo Mastrotto in 2008.⁴⁴³

Several models of Prada shoes (men's loafers, ankle boots, slip ons) are made with Gruppo Mastrotto's Rilux calf leather.

Shoeintelligence ranks Geox as the number one footwear brand in Italy and second worldwide in the lifestyle and casual footwear segment in 2007.⁴⁴⁴

Geox is one of the most important clients of Gruppo Mastrotto in the shoe sector.⁴⁴⁵ Rino Mastrotto also figures as a supplier. In 2004, the Mastrotto groups supplied 10% of Geox leather.⁴⁴⁶

CAR INTERIORS



CAR INTERIORS – HONDA, TOYOTA, BMW (BERTIN)

The global automobile industry consumes considerable amounts of leather. Production of leather interiors is outsourced to leather processors such as Eagle Ottawa or the Italian Mastrotto groups.

US-based Eagle Ottawa claims to be the world's largest supplier of premium leather for the automobile industry and to supply 'more than 100 current vehicle models'.⁴⁴⁷ Eagle Ottawa has important production facilities including three in the USA, and one each in Mexico, China, Hungary and Brazil.⁴⁴⁸

GM has a production facility in Indonesia as well as subsidiary Duma Automotive in Italy producing leather automobile interiors.⁴⁴⁹ Duma apparently supplies companies including Audi, Lancia, Mercedes, General Motors, Ferrari and Ford.⁴⁵⁰

RM has production facilities in Italy and Vietnam. RM supplies leather for manufacturers including General Motors/Opel and Volvo, according to 2005 company information.⁴⁵¹

Brazilian export data and US customs import data confirm the link between all of these production facilities and Bertin's principal export leather divisions in Lins (SP) and Cascavel (CE).⁴⁵² Bertin is an 'exclusive supplier' to Eagle Ottawa,⁴⁵³ which buys 30% of Bertin's leather exports.⁴⁵⁴

DOG CHEWS



HARTZ (BERTIN)

Bertin is Brazil's leading producer of dog chews from its facility in Lins (SP).

Bertin's Água Boa (MT) unit also supplies Bertin's dog chew facility in Guaçara (SP).

Bertin is exclusive supplier to Hartz Mountain, one of the leading brands of dog chew in the USA.⁴⁵⁵

