



Hidden deforestation in the fashion industry: Forest 500 Methodology

Introduction

The following methodology is an abridged version of the Forest 500 2019 company assessment methodology which was developed and used specifically for 'Behind the looking glass: the hidden deforestation in the fashion industry'.

It features key indicators, looking at whether or not the clothing companies have deforestation policies on leather and/or cellulose (indicator 2.1), how companies report on progress towards their deforestation commitments, (indicator 2.2), and whether or not the company has committed to trace its leather or cellulose back through the supply chains (indicator 2.3).

The majority of the data used was collected during the latest Forest 500 assessment period, between mid-July and October 2019. All of the data on leather commitments was collected during this period.

Within the Forest 500 methodology, companies are assessed for 'pulp and paper' simultaneously, meaning that commitments referring to either paper packaging, paper products, or pulp products are counted. To ensure that all companies in the Forest 500 which are exposed to cellulose were accurately assessed on their cellulose commitments, each company was re-assessed specifically for cellulose (wood pulp). These assessments were carried out in August and September 2020, but only commitments which had been made before the end of the 2019 assessment period (October 2019) were counted in order to ensure consistency across the commodities analysed.

All commitments and data recorded within this long-read were published by the companies before the end of October 2019. Any commitments made after this date were excluded from this assessment.

The companies assessed by this abridged methodology were identified by Forest 500 as being one of the 350 companies with the greatest influence on tropical deforestation, due to their exposure to commodities including leather and cellulose (wood pulp). Clothing, apparel, and accessories companies which are exposed to leather and cellulose were identified from this 350 to be assessed. 38 clothing companies were assessed for leather, and 22 were assessed for cellulose.

The companies were assessed against the information which has been made publicly available on their websites.

Changes from the full Forest 500 2019 company assessment methodology

There are some key differences between this abridged methodology and the full Forest 500 2019 methodology which you can find [here](#).

This abridged methodology is significantly shorter than the full methodology, and does not consider company commitments on social issues including human rights and gender equality, or commitments on how the companies monitor the implementation of their commitments within their supply chain.

A second key difference within this abridged methodology is how traceability commitments are counted. In the full Forest 500 methodology only traceability commitments of a certain strength are accepted. However, in this abridged methodology any commitment to trace leather or cellulose through the supply chain – no matter how far back through the supply chain the commitment goes – is counted as a traceability commitment.

The indicators

NUMBER	INDICATOR
2.1	Company has a commitment to exclude production or procurement of products originating from natural forests, other natural ecosystems, and/or high conservation value areas, OR a commitment to produce and/or procure sustainably produced commodities
Guidance	<p>The commitment states that the company will not source from one or more of the above landscape definitions. Commitments that state the company will or plans to only source commodities whose production is certified by a credible certification scheme that protects one or more of these landscape types are accepted. Companies relying on several certification schemes must state a preference for one that is credible.</p> <p>Commitments are categorised into:</p> <ul style="list-style-type: none"> - Conversion-free commitment: commitment to commodity production or sourcing that prevents clearing or conversion of any native vegetation, beyond just forests. - Forest-related commitment, subcategorised into: <ul style="list-style-type: none"> o Zero deforestation commitment o Zero net deforestation commitment o Commitment to the protection of priority forest types (Primary/natural/intact forests or high conservation value forests) <p>Commitments under this indicator are classified under these categories to enable differentiation among companies on the level of ambition of commitments falling under this indicator. If a company has multiple commitments under this indicator, only the strongest commitment is scored, the list above indicates the order of strength considered for this methodology.</p>
Answer options	Conversion-free commitment
	Forest-related commitment
	No forest-related commitment to sustainable sourcing of the commodity

4.1	Progress on commitment implementation is reported
Guidance	Reporting can be available on the company's own site or via external portals such as CDP ¹ . To be awarded points, companies must have reported on their own website within the last two years (2017-2019). Qualitative reporting on implementation is accepted as well as quantitative reporting on progress.
Answer options	Yes No
2.3	Commitment to develop and implement supply chain traceability systems
Guidance	Traceability is an important tool for companies to ensure compliance of their supply chains with their commitments. Companies must be committing to implement their own traceability system; they cannot score for use of a certification schemes chain of custody system or for asking their suppliers to implement a system.
Answer options	Traceability commitment No traceability commitment

¹ CDP. 2017. CDP Forests. Search and view forest responses. [Online] Available from: <https://www.cdp.net/en/forests#a8888e63070314c2285625253a462815>

Company commitments

Company Name	Leather	Cellulose
Gap Inc.	X	✓
Bestseller A/S	X	X
Wolverine World Wide Inc.	X	-
Prada SpA	X	-
Bhartiya International Ltd	X	X
Marks & Spencer Group PLC	✓	✓
Chief Movement Ltd	X	-
Adidas Group	✓	X
H & M Hennes & Mauritz AB	✓	✓
Fast Retailing	X	✓
Bata Ltd.	X	-
Nike Inc.	✓	✓
Li Ning Company Ltd.	X	X
Asics Corp.	X	-

Legend

- Not assessed
- X No forest-related commitment

Leather

- ✓ Conversion free
- ✓ Deforestation free
- ✓ Protects priority forests

Cellulose

- ✓ Deforestation free + CanopyStyle member
- ✓ Deforestation free
- ✓ Protects priority forests + CanopyStyle member
- ✓ Protects priority forests

Inditex S.A.	X	✓
Deichmann Group	X	-
Aokang Group Co. Ltd.	X	-
Tapestry	✓	-
Foshan Saturday Shoes Co. Ltd.	X	-
Alpargatas SA	X	X
Deckers Outdoor Corp	X	-
Belle International Holdings Ltd.	X	-
Samsonite International S.A.	X	-
Associated British Foods Plc	X	X
C & J Clark International Ltd.	✓	-
Skechers USA Inc.	X	-
LVMH Moet Hennessy Louis Vuitton S.A.	X	-
Grupo Bom Retiro	X	-
Amazon	X	✓

Capri Holdings	X	-
New Balance Athletic Shoe Inc.	✓	-
VF Corp.	✓	-
Kering S.A.	✓	-
Pou chen	X	X
Cofra	X	✓
Fuga Couros S/A	X	-
Donto	X	-
Steve Madden Ltd	X	-
Sainsbury's	-	✓
Morrisons	-	✓
Tesco	-	✓
Walmart	-	✓
Aldi	-	✓
Lidl (Schwartz)	-	✓
Aditya Birla Group	-	✓