

## Veja: an ethical passion for fashion

by Lynn Beavis for the Guardian Professional Network guardian.co.uk

Is another world possible? That was the question Sébastien Kopp and François-Ghislain Morillion asked themselves when they first established fashion brand <u>Veja</u> in 2004.

Veja was set up to work directly with small producer co-operatives in Brazil, using materials such as organic cotton, wild Amazonian rubber and acacia-tanned leather to create sneakers and

accessories for the European market.

From the fields of northeastern Brazil to the shop floors of Europe, the company aims to achieve high social and environmental standards actively promoting ecofarming, campaigning against deforestation, supporting workers' rights and creating employment for poor families.

Moreover, it follows up the philosophy with social projects

back in France. This holistic approach reaches every part of the supply chain - including transportation, packaging and head office carbon emissions. And it is recognised by the judges as positively disruptive of the traditional status quo.

"We were particularly impressed by the fully integrated approach to supply chain and sustainability," they said.

"It is unique to the fashion industry. They are genuinely pushing the boundaries in their sector and demonstrate the potential to lead."

Veja's business model goes against the traditional grain in several ways. Despite paying their co-operative cotton growers and rubber tappers (Seringueiros) between 30% and 100% above the world market price, the company has secured a workable economic model by discounting the use of advertising and operating a "zero stoc" rule to ensure the viability of the brand.

Veja calls its stance "commercial disobedience", because it turns existing economic systems upside down. Unlike competitors, the company refuses to pursue low prices at the expense of workers' rights and fair pay, for example.

The social consequences of the model are clear. As production has increased from 5,000 to 125,000 pairs of trainers in just six years and the brand has found its way into high-end stores such as Selfridges, Fenwicks and Printemps, so the number of cotton-growing families involved has expanded from 200 to 350.

The cotton is harvested by an association of small farmers located in one of Brazil's poorest areas, Ceará, which suffers widespread socioeconomic inequality, fragile soils and a vulnerability to drought.

Veja workers grow their food as well as cotton for the project – 24,000 kg in 2011 – under agro-ecology principles, which ban the use of chemicals and pesticides. Consequently, the

method has led to better health for the local farming community.

The rubber used comes from the Amazon, the only place on earth where rubber trees grow wild. Veja works with 36 Seringueiro families who harvest the rubber from the heart of the rainforest. A further 10 families will join the project in 2012.

Veja then buys the rubber at a premium, providing producer returns that remove the temptation for tappers to supplement their incomes through land clearing, cattle breeding or wood extraction. This, in turn, helps protect large areas of forest and conserve local biodiversity.

Another recent initiative has seen Veja work with communities to introduce to the region a non-industrial new technology: Folha Desfumada Liquida (FDL). FDL allows rubbers tappers to process freshly harvested rubber into a semi-finished product.

This effectively doubles their incomes and creates a sense of pride in producing an added-value product.

Shoe assembly takes place at a factory in Vale dos Sinos, South Brazil, where workers enjoy dignified conditions, employment rights and fair pay for overtime. But the approach is not confined to Veja's Brazilian operations.

When the goods arrive in France – having been transported by ship – they are stored and dispatched by Ateliers Sans Frontières, a French social charity that helps the disadvantaged reintegrate into society through work.

The footwear is shipped from Porto Alegre in Brazil to Le Havre, and then travels by barge to Paris. Shoe boxes are made of recycled and recyclable cardboard, while the company powers its headquarters with renewable energy supplied by Enercoop.

Leather used for the shoe collections is tanned with acacia extracts, a natural, non-polluting alternative to metals, such as chrome. Unlike modern tanning processes, this avoids serious water pollution.

Although certification is not a core goal, Veja's ethics have earned third party endorsement from the IBD accreditation scheme. IBD works across South America to encourage humanistic principles and the preservation of the environment. In all, 97% of the 320 cotton producers contracted by Veja are now accredited operators.

In 2010, Veja added a "cultural pillar" to its sourcing programme. It runs a Paris-based concept store – Centre Commercial – to showcase its goods and host talks and art exhibitions highlighting the social and environmental issues dogging the supply chain.

It all adds up to proof, says the company, that another world is indeed possible when

businesses root sustainability principles into every fibre of their operations.

## Preguntas:

- 1. ¿Cuál es su misión, visión y valores?
- 2. Describe los elementos más importantes sobre su modelo de negocio.
- 3. ¿Cuál es el perfil del líder de una empresa de éstas características? ¿Cuáles son sus valores prioritarios?
- 4. ¿Otro mundo es posible?
- 5. Aterriza este modelo de negocio al diagrama de la cadena de valor.

NOTA: Se sugiere entrar al siguiente enlace: <a href="http://www.veja.fr/#/projets">http://www.veja.fr/#/projets</a>