

Treetap® and Hermès

The *Hermès Kelly 50* travel bag from the Amazonia line of canvas products coated with Hevea treetap.



Photo by Tony Cenicola from "Fashionistas, Ecofriendly and All-Natural" by Ruth La Ferla, *New York Times*, July 15, 2001, Section 9 ("Sunday Styles"), pp. 1-2.



The Company

- Couro Vegetal da Amazônia S.A.
- Founded 1994
- Current Employees: 15

Mission

- Create alternatives for the sustainable economic development of traditional populations from the Amazon, while respecting their cultures and the biodiversity of their territories, offering to the world an opportunity to understand and contribute to the preservation of the planet's largest rainforest. Generate social, environmental and financial profits through this activity.

Capital Investment

- USD\$ 2,000,000.00 – 1991 through 1994 – Start up Investment
- USD\$ 794,000.00 - Current Social Capital



Treetap® - Vegetal Leather

The Product:

- Wild crafted product, based from natural latex from native Rubber Trees located within Indigenous Lands and Extractive Reserves of the Amazon Rainforest.
- Adapted from traditional bags used by Indigenous peoples and rubber tappers to carry gunpowder or tobacco.
- Rubberized and vulcanized sheets made with an exclusive and patented process and formula, while still maintaining traditional technology.



Treetap® - Vegetal Leather

The Project:

- Development of a new technology that adapts a traditional product into a market reality.
- Adaptation of the industrial vulcanization process to the conditions and reality inside the Rainforest.
- A joint effort between private initiatives and Rubber Tapper Associations.
- Shared patents with traditional producers.
- Value added to the processed rubber (Treetap) is twelve times that of raw rubber. (US\$2.40 Treetap v. \$US0.20 raw)
- Each Rubber Tapper family is the custodian of approximately 300 hectares.
- To accommodate increased sales, Treetap trains additional families to supply rubber, which expands the protected areas under the families' custodial care and does not overstress both family lifestyles and areas already in production.





Treetap® - Vegetal Leather

Institutional Partnerships:

- International NGOs
 - World Wildlife Fund
 - Ford Foundation
 - Friends of the Earth
- Governments
 - Brazilian Environmental Ministry
 - BNDES (Brazilian Social Development Bank)
 - Acre State Government
 - Brazilian Exterior Relations Ministry (ITAMARATI)



Supply for luxury market

Treetap	Clients
<ul style="list-style-type: none"> • Know How • Supplying an exclusive natural product for luxury market • Appeal of the Amazon • Marketing Support 	<ul style="list-style-type: none"> • Know How • Marketing Support • Product Research and Development • Financial Support for Research



Hermès Publicity







Market Overview



Commercial Strategies

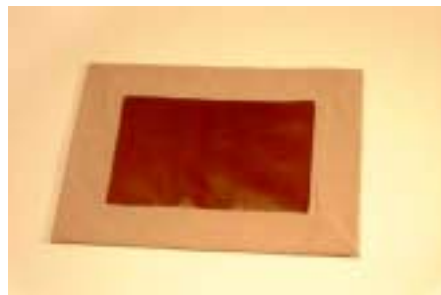
Product Positioning

- Eco-Friendly Product – Alternative to animal leather.
- Socially and Environmentally Responsible Product – Preserves traditional cultures and their lands through fair trade.
- Appealing Origins – Made in the Amazon Rainforest.
- Entrance Strategy - Sophisticated product and search for new distribution channels.
- AmazonLife.com offers Treetap products as well as other Rainforest items, including jewelry, clothing, art and decoration, books and CDs, and cosmetics.



AmazonLife Fashion Show – July 2001







Indigenous Basketry



Commercial Results

- More than 150,000 items sold.
- Sales 2001: US\$550,000 (Break-even: US\$650,000).
- Adaptation of a wild crafted handcraft in order to attend the international marketplace.
- Consumer satisfaction for products with quality, utility and style.
- Renowned product throughout the marketplace.
- The product became an "Object of Desire".
- Know-how, increasing the value of the product and the company.
- Treetap and AmazonLife trademarks registered in many countries.
- Brazilian Registered Patent.
- International Claimed Patent.



Social Environmental Results

- 200 families and over 100,000 hectares protected by the production of TreeTap® vegetal leather.
- Quality of life improvements for traditional populations.
- Construction of citizenship.
- Creation of an economic alternative for the Rubber Tappers, contributing to the valorization of their traditional cultures and the preservation of their lands.
- Chosen in 1998 by the FGV (Getulio Vargas Foundation) and by the World Bank's project for Alliance, Poverty and Citizenship, as an indispensable project to fight poverty in the Amazon.
- Environmental education for producers, companies and consumers.
- Creation of a model example for rainforest sustainability.



Current Challenges

- Increase distribution channels.
- Successful internet performance:
<http://www.amazonlife.com>.
- Perfection of production process.
- Product diversification.
- Attain break-even point.



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