# WORLD LEATHER

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THE WORLD'S NO.1 MAGAZINE FOR THE LEATHER INDUSTRY

April / May 2024 | [Published 3rd May 2024]

Volume 37, Number 2

US study shows huge Higg errors

Leather's women leaders

Deforestation demands: the worst EU idea ever

APLF 2024 in review

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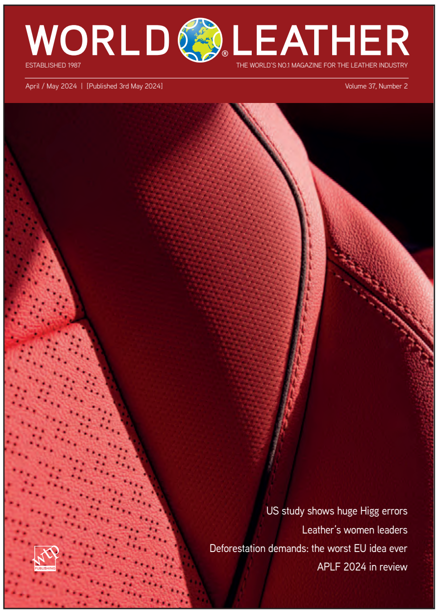


***Cover image:*** *A celebration of US leather, it shows a close-up of perforated seats in Adrenaline Red in a 2024 Chevrolet Blazer EV SS preproduction model. Brands that have been put off leather by the "obscenely overestimated" environmental impact data in the Higg Materials Sustainability Index need to have a rethink, a new Leather and Hide Council of America study shows.*

*CREDIT: GENERAL MOTORS*


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- World Leather is published 6 times per year by World Trades Publishing, The Old Stone House, Teeton, Northampton NN6 8LH UK. Price UK £90, ROW: £150 per year (six issues).

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# The World of News

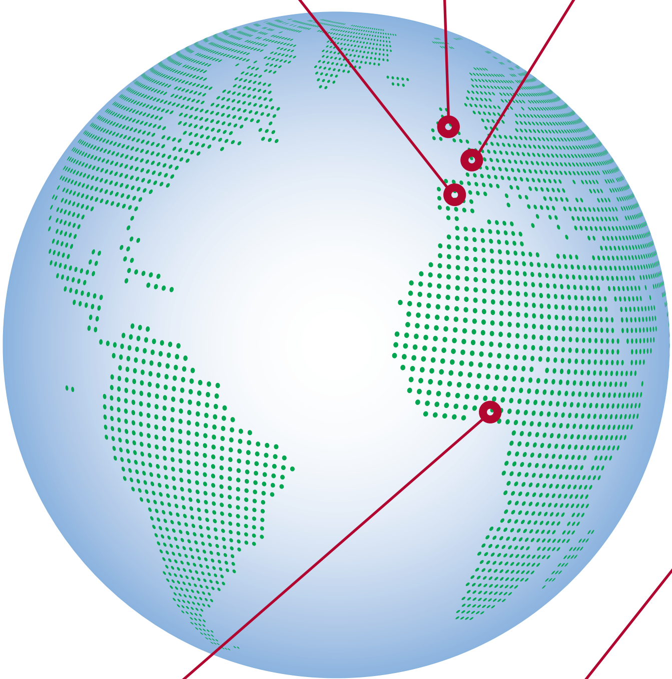
**UK** The second British Footwear Association (BFA) sustainability summit convened in Birmingham on April 17, with Vanessa Podmore, a BFA Board member and sustainability expert, and Andrew Hudson, Managing Director of Eurofins BLC, as hosts. Drawing 200 attendees from various sectors, the day-long conference delved into critical topics like supply chain mapping, traceability, environmental impacts, life cycle analysis, and innovative material approaches.

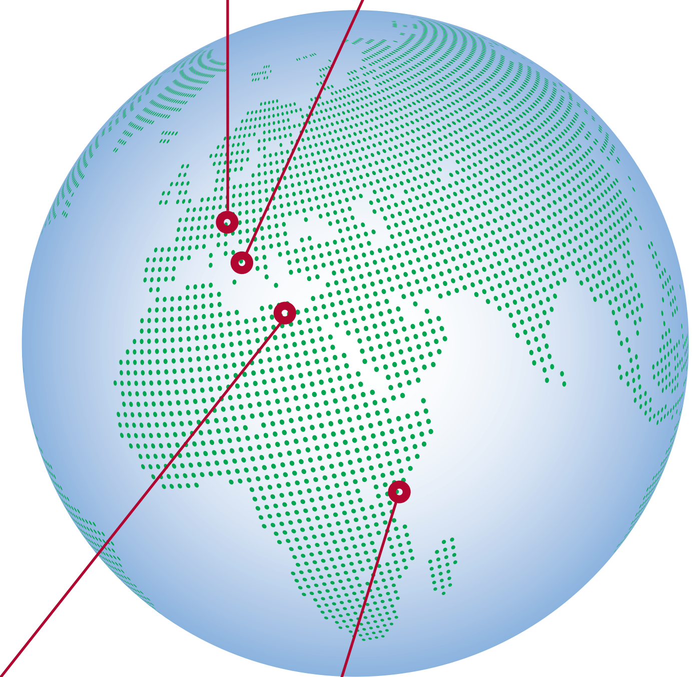
**AUSTRIA** Organisers of the twelfth Freiberg Leatherdays, to be held on June 12 and 13, have said the programme is almost finalised. It reflects a shift towards sustainable practices, technological innovation, and a focus on quality assurance within the leather industry. The event will be held in Salzburg, Austria.

**SPAIN** One of the most prominent leather manufacturers in the Barcelona leather cluster in Catalonia, Curtidos Badia, has signed a co-operation agreement with a local employment and training organisation, Fundació UEA. Based in Igualada, Fundació UEA works to build links between local people, especially young people and those not in paid work, and the business community. Curtidos Badia said its aim was "to keep creating opportunities for young people".

**FRANCE** Luxury brand Hermès has 'broken ground' on its 24th leather workshop in France, which will open next year and employ 260. The L'Isle-d'Espagnac workshop will join the South-West hub, which includes the Maroquinerie de Montbron as well the Maroquinerie de Nontron leathergoods workshops and the Ganterie Maroquinerie de Saint-Junien glove and leathergoods workshop, which have been operating in the region for over 25 years.

**ITALY** Luxury group Kering has confirmed its acquisition of a building on Milan's main high-end shopping street, Via Monte Napoleone. The group is the new owner of an eighteenth-century building at Monte Napoleone, 8. The building has five floors and a combined area of 11,800 square-metres, of which 5,000 square-metres will be retail space. This will give Kering one of the largest shopping spaces in Milan's famous Quadrilatero luxury shopping district. It confirmed it had paid approximately €1.3 billion. According to *The Financial Times,* this is the biggest property deal in Europe since 2022.





**NIGERIA** The 2024 Made in Nigeria Shoe Exhibition will take place in Abuja from June 26-28. This year's event will be the sixth edition. As well as footwear, visitors to the exhibition will be able to see samples of leather, other finished leather products, machinery, chemicals and components. The organisers are also arranging a series of conference sessions and curated master-classes for people in the industry.

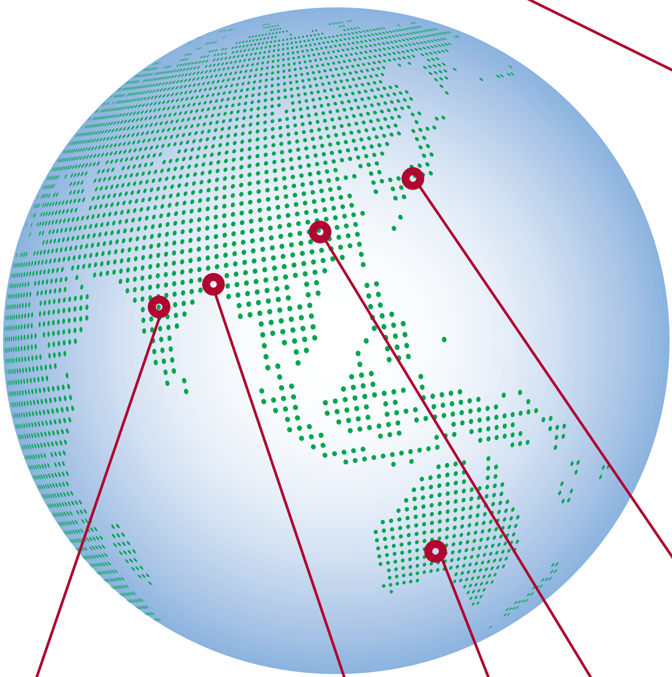
**EGYPT** A delegation of Egyptian tanning institutions and entrepreneurs recently carried out a fact-finding visit to tanneries and institutions in Santa Croce sull'Arno. The group from Roubiki was hosted by Italian leather industry leaders and by the United Nations Industrial Development Organisation, which has said it wants to develop "an eco-industrial area in Egypt".

**KENYA** A delegation from Italy, led by Fulvia Bacchi, the managing director of national tanning industry association UNIC, travelled to Kenya recently to discuss collaboration between operators in the leather value chain in the two countries. They agreed to explore market access, leather infrastructure, market information, and technology.

**MEXICO** Official figures from Mexico showed an increase in export revenues for February, with growth of 13% to reach $50.7 billion for the month. The government said the automotive industry had been the biggest driver of growth, with an increase of 26.9% in the value of its exports compared to the figure for February 2023. It also listed the leather industry, grouped together with textiles and apparel, among the biggest sources of growth, with an increase of 16.6% year on year.

**US** The trade authorities in the US have blocked Tapestry's proposed takeover of Capri Holdings. Tapestry, whose brands are Coach, Stuart Weitzman and Kate Spade, announced in August 2023 that it wanted to acquire Capri Holdings, whose brands are are Versace, Michael Kors and Jimmy Choo. The groups agreed a price of $8.5 billion for the deal. However, in April, the US Federal Trade Commission (FTC) moved to block the deal, saying it could be against the interests of consumers and employees. Tapestry responded by saying it had strong legal arguments to support its bid for Capri and would present these to the courts.

**BRAZIL** Official figures from Brazil show that packers and tanners there exported hides and finished leather worth $312.3 million in the first quarter of this year. This is an increase of 12.3% compared to the same period in 2023. They shipped material with a total area of 46.1 million square-metres to customers in the course of the first three months of this year, up by 17.6% year on year.



**INDIA** Investment firm L Catterton has announced a new joint venture in India. The investment company, which is backed by luxury group LVMH, is to launch a new investment vehicle in India with locally based executive Sanjiv Mehta. Mr Mehta stepped down from a senior role at consumer goods group Unilever in June last year. He will now become L Catterton's executive chairman for India and will also be involved in the firm's other global fund platforms.

**JAPAN** Sakamoto-owned Japanese leather manufacturer Himeji Kurozan will continue to supply luxury watchmaker Grand Seiko with its "Himeji black leather" for the latter's Kodo Constant-force Tourbillion, according to a report by Japan Leather and Leather Goods Industries Association (JLIA). The strap is tanned naturally and coated with a white lacquer to produce a gradual 'whitening' effect over time. An alternative, charcoal grey crocodile skin strap is also available.

**CHINA** Few positives emerged from the annual meeting of the International Council of Tanners (ICT) in Hong Kong in March. Perhaps the most positive news came from China, although its figures were still mixed. Vice-president of the China Leather Industry Association, Chen Zhanguang, told colleagues that, overall, finished leather output in China was down by 6.8% year on year. Mr Chen said the volume of finished leather that Chinese tanners produced last year was around 600 million square-metres. He added that upholstery leather was up by 16% year on year, and automotive leather by 6%. He noted that China's imports of raw materials increased by 16.8% last year, but that imports of finished leather were down by 15%.

**BANGLADESH** BSK Fashion is to establish a new leathergoods factory in Cumilla, in the south-east of Bangladesh. An investment of $6 million will go into the new manufacturing facility, which will have the capacity to produce 3 million bags, pieces of luggage and small leathergoods per year, creating more than 1,000 new jobs. BSK Fashion launched in 2008 as a Dutch-Chinese joint venture. The company set up its first factory in 2011 and has bag and backpack manufacturing operations in China and Myanmar.

**AUSTRALIA** The Australian Beef Sustainability Framework (ABSF) is set to unveil its eighth Annual Update at Beef Australia 2024, showcasing the industry's advancements towards carbon neutrality and environmental stewardship. The report evaluates the industry's performance across 54 sustainability indicators, encompassing aspects including animal care, economic resilience, environmental stewardship, and community engagement.

### ECHA correction should go further

Industry body COTANCE has stated that ECHA, the European Chemical Agency, has accepted that it miscommunicated when it linked leather to chrome VI and cancer does not go far enough. It has called on ECHA to publish a formal correction.

COTANCE and the European Footwear Industries Association (CEC), along with French leather research organisation CTC, said an infographic on the ECHA web page of its 'Preventing Cancer' campaign was inaccurate and misleading.

ECHA removed the infographic and issued a statement saying: "We apologise for this error and have corrected the infographic, as soon as our attention was drawn to it, to reflect the actual situation."

COTANCE and CEC said they appreciate ECHA's "swift action" to erase the information, but believe it should run "a formal corrigendum for repairing the unintended consequences of its actions". Gustavo González-Quijano, secretary general of COTANCE, said: "This would evidence much more ECHA's claimed commitment to accuracy, transparency and accountability."

### ISA Nextgen joins climate initiative

Tannery group ISA has become a member of the international '4 per 1000' Initiative, which seeks to promote the idea that agriculture can play a critical role in food security and climate change.

The initiative aims to demonstrate that agriculture can offer practical solutions to the challenges posed by climate change, while ensuring food security through the implementation of agricultural practices adapted to local conditions, such as agroecology, agroforestry, conservation agriculture, and landscape management.

### Puma moves forward with Re:Suede 2.0

Sportswear brand Puma has announced the release of a commercial version of its experimental Re:Suede sneaker, the Re:Suede 2.0, which was successfully tested during a two-year pilot project.

The pilot project involved the production of 500 special pairs of the shoes using materials chosen for their ability to decompose, such as Zeology-tanned suede. The sneakers were worn by volunteers for six months before being returned to Puma. They were then composted in a specially equipped industrial composting set-up.

The commercial version has been developed to incorporate the lessons learned during the experiment and feedback from the volunteers. The sneakers became available for purchase in April.

### New bio-based tanning technologies

Leather manufacturer Bridge of Weir, part of Scottish Leather Group, has announced two new tanning technologies.

The company has said the new technologies, BioTAN and FreeTAN, will help it make bio-based and biodegradable leathers a central part of its offering to customers in the automotive industry, including Aston Martin, McLaren, Jaguar Land Rover and Polestar.

It explained it had spent four years developing the two new technologies, which it says will increase the bio-content and biodegradability of its leathers, removing fossil-fuel and heavy metal content from its processes and products.

BioTAN involves "progressively replacing" traditional components in tanning processes with bio-based materials. Bridge of Weir has said the bio-content in its BioTAN processes will be above 50%.

In leather produced with FreeTAN, the company will offer customers "a full replacement of existing tanning chemistry" with compostable technology. This will provide leather that is chrome-free, heavy metal-free, and aldehyde-free, with what Bridge of Weir has called "promising biodegradability properties".

Group technical director, Simon Cook, said: "These technologies [are] a vital next step on our journey to increase the bio-based renewable-carbon content of our leather, further cementing our key role in supporting car makers' environmental targets. We are further raising the bar for environmentally sustainable leather standards."

He went on to say that "the leather of the future", as far as Bridge of Weir is concerned, will have 100% bio-based content, will be completely chrome-free, heavy metal-free, aldehyde-free, and entirely biodegradable.

The raw hides used to make Bridge of Weir leather are always sourced from responsible local suppliers with 100% traceability, as certified by the UK Cattle Tracing Scheme, with the highest standards of animal welfare and without risk of deforestation. Bridge of Weir also publishes an independent lifecycle analysis (LCA) of the product and consistently claims to make the lowest-carbon leather for the sector, helping its customers reduce their carbon impact on the planet without offsetting.

### Upper cut

Cutting technology provider Lectra has launched Versalis Automotive Digital Marking. It said the new technology would improve the accuracy of marking leather defects for customers in the fashion, automotive, and furniture industries.

The digital marking station uses data to optimise marking accuracy, which the company claims leads to lower production costs and material savings. The system also facilitates the repositioning of hides to optimise the quantity and minimise space between parts at the cutting stage.

The new system meets the requirements of automotive OEMs and, according to Lectra, will offer material savings of up to 1.5%, enabling manufacturers of vehicle seats and interiors to better control their costs and inventories while reducing their carbon footprint.

## Quimser improves energy and fuel efficiency

Leather chemicals manufacturer Quimser has unveiled the outcomes of an initiative aimed at enhancing energy and fuel efficiency.

The company has transitioned away from using diesel for heating raw materials in manufacturing processes within reactors. It is instead employing alternative raw materials that remain liquid at ambient temperatures, thereby eliminating the need for heating.

It installed photovoltaic panels at one of the company's industrial warehouses in 2022. This has helped it achieve a 15% reduction in electricity consumption.

## ZDHC certifications

Three Turkish producers of leather chemicals have recently secured version 3.1 certification from ZDHC.

The companies concerned are dye specialist Setas Boya, wet-end chemcials specialist Debag Kimya and vegetable tannin producer Ar-Tu Kimya. Ar-Tu's specialism is tanning agents from the Valonia oak.

All three have expressed the hope that ZDHC certification will help them expand their export business in the European Union.

## Design ties

Leather manufacturer Bridge of Weir has announced a new partnership with design consultancy Callum.

Callum is a UK-based design and engineering firm specialising in bespoke products and consultancy services for automotive, lifestyle, and travel. It was founded in 2019 by renowned designer Ian Callum. It has worked with Bridge of Weir on a number of product design projects in the past.

## Emissions reduction

Leather chemicals group Stahl has reduced its carbon emissions intensity by 22%. It published the information on April 18 in its 2023 environmental, social and corporate governance (ESG) report. It gave this figure as the saving it achieved in its scope-one and scope-two emissions in 2023 compared to the previous year.

Highlights in the report also included a note saying Stahl has now carried out lifecycle assessment (LCA) studies on more than 350 of its products. It also said that 70% of its revenues in 2023 came from sales of products that meet level-three (the highest possible) certification from ZDHC.

## Feed additive could slash methane emissions

The Danish government will help farmers finance a feed additive to reduce methane emissions from cattle.

By stopping the fermentation process inside their stomachs, the additive could cut methane emissions from cows by 30%. The country has pledged to reduce emissions by 70% by 2030 compared to 1990 levels.

## AI in machinery

Tanning machinery manufacturer Bauce has joined forces with Hidexe, a technology provider for the leather industry based in Luxembourg.

A key aspect of the partnership will involve integrating Hidexe's advanced AI inspection module, NHQ, into Bauce's sammying machine set-ups. The companies have said this will enhance operational efficiency and performance.

## Australian subsidiary

Cutting technology provider Zünd has formally established a wholly owned subsidiary in Australia. It will be based in Melbourne and will serve existing and new customers.

An existing partnership between Zünd and image-capturing specialist Canon Australia will continue and the two organisations have said they will aim to strengthen the ties between them.

The managing director of Zünd Australia will be Dale Hawkins, who has been involved in introducing Australian customers across various applications to the company's technology for 15 years.

## Job creation

French leathergoods and watch-strap manufacturer Groupe SIS has announced that it will set up a new factory in Épinal in eastern France. The group has said it will, eventually, create 300 new jobs at the site, which will cover 9,000 square-metres.

SIS launched in 1998 with the merger of three separate companies, Supercuir, IWD and Softline Box. Based at Avoudrey, 30 kilometres from France's border with Switzerland, it supplies leather straps to many Swiss watch brands. It now also makes handbags and other leather accessories.

It employs 250 people at four different sites in Avoudrey, and 350 more in the neighbouring town of Valdahon. Although it also runs production operations in Madagascar and in China, demand for products made in France is strong enough for Groupe SIS to have committed to establishing its new factory in Épinal and to begin recruiting and training new leathergoods artisans immediately.

## Reed lead

UK leather manufacturer Billy Tannery has taken the first steps towards establishing a reed-bed system for cleaning effluent.

Founder, Jack Millington, filled a drum with pea gravel and planted various reed species. "Once these are established, the mat of roots will be in the gravel and we'll gradually start feeding our effluent in there. This will be eaten by the microbes in the reeds and clean the water," he said.

He has also taken delivery of new tanning machinery and has talked of moving to a larger site.

In May, the company will announce details of a collaboration with British Pasture Leather, combining Billy's wild deer leather with regenerative cowhide (from cows on regenerative farms).

## School project

High-school students in Millau in southern France will soon be able to study glove-making as part of their education.

Millau has a rich heritage in small-skin tanning and glove manufacturing, which members of the industry recently presented for consideration for inclusion in the Lists of Intangible Cultural Heritage of the United Nations Educational, Scientific and Cultural Organization (UNESCO), under the leadership of Olivier Fabre. Mr Fabre is a master glove-maker and fourth-generation managing director of high-end glove brand Maison Fabre.

It is still not clear when Millau's leather and glove sector will know the outcome of its UNESCO bid, but it is making progress in an important part of the campaign, education programmes.

Immediately after Easter, Olivier Fabre met educational professionals at one of Millau's secondary schools, the Groupe Scolaire Jeanne d'Arc. This group includes a 'lycée professionnel', a high school devoted to pupils who want to pursue an education in technical subjects, leading to qualifications such as the Certificate d'Aptitude Professionelle (CAP) or the Baccalauréat Professionnel (Bac Pro).

He said the meeting was constructive and expressed confidence that teenagers in Millau would soon be able to include glove-making as one of their CAP or Bac Pro options.

## Bags for billionaires

Business media group Forbes published its thirty-eighth annual ranking of the world's richest people on April 2.

It was no surprise to learn that Wall Street's tech tribe dominates the top ten, but for the second year running, a maker of leather handbags, **Bernard Arnault** *(pictured)*, has kept **Elon Musk**, **Jeff Bezos**, **Mark Zuckerberg**, et al, away from the top spot.

Forbes puts the chief executive of Paris-based luxury group LVMH, and his family, clear at number one with personal wealth of $233 billion. Mr Musk is in second place with $195 billion.

Other business leaders from the wider fashion industry to secure a high-ranking in the 2024 list include the founder of Inditex, **Amancio Ortega**, at number 13 with personal wealth that Forbes calculates at $103 billion, founder of Japanese brand Uniqlo, **Tadashi Yanai**, at 29 with $42.8 billion, and co-founder of Nike **Phil Knight** in thirtieth place with $40.9 billion.

Sharing fortieth spot are the co-owners of luxury brand Chanel, brothers **Alain** and **Gérard Wertheimer**, with personal wealth that Forbes states as $36.8 billion each.

After that, we have the chief executive of Kering, **François-Henri Pinault**, at number 54 with wealth listed (for him and his family) as $31.6 billion.

## LWG appoints its first executive director

Multi-stakeholder body the Leather Working Group (LWG) has appointed **Vanessa Podmore** as its executive director, a newly created role.

An industry supply chain and sustainability specialist, Ms Podmore started her career with Clarks, and went on to work for Burberry, Coach and Jimmy Choo. She is a non-executive board member of the British Footwear Association and was instrumental in setting up the UK Footwear Sustainability Summit, which launched in 2023 and ran again this year.

On taking up her new role, she said: "Supporting businesses as they tackle the challenge of meeting their sustainability goals has been the thread that runs through my career. This is an important moment for me personally to take on the responsibility of leading LWG. I am honoured and delighted to be joining the team."

## Cinematic celebration

Luxury brand Chanel has revisited an iconic 1960s French film as part of a new promotional campaign for its bags.

It has recreated famous scenes from **Claude Lelouch's** 1966 film 'A Man And A Woman', depicting a Parisian couple, originally played by and **Jean-Louis Trintignant** and **Anouk Aimée**, who meet and fall in love in Deauville in Normandy.

In the 2024 version, the lead characters are played by **Brad Pitt** and established Chanel brand ambassador **Penélope Cruz**. At one point, re-enacting one of the most famous scenes from the original film, Ms Cruz places a Chanel 2.55 bag on the table when the two sit down to dinner in a restaurant called La Belle Époque in the Hotel Barrière Le Normandy in Deauville.

Chanel commented that the Claude Lelouch film was "as timeless as the bag".

## Hermès flies high

Luxury leathergoods group Hermès has reported first-quarter revenues of €3.8 billion, growth 12.6% year on year.

Growth figures were 10.8% in Japan, 8.9% in the rest of Asia, 10.3% in the Americas, 14.3% in France, and 13.5% in the rest of Europe.

Leathergoods and saddlery brought in €1.6 billion, an increase of 15.5%, while the figures for ready-to-wear and accessories (which also includes shoes, belts and gloves) showed revenues of just over €1 billion and growth of 11.7%.

Executive chairman, **Axel Dumas**, said: "Hermès pursues its strategy based on exceptional know-how, the finest materials and uncompromising quality. The solid sales growth reflects the loyalty of our customers, the strength of the group's artisanal model and the desirability of our creations."

## Change of CEO at Dr Martens

Footwear brand Dr Martens has said its current financial year (April 2024-March 2025) "looks challenging", adding that it expects revenues from its wholesale business in the US, its largest market, to fall by at least 10%.

The company has also announced that its chief executive, **Kenny Wilson**, will leave the role before the end of this financial year. He will be replaced by **Ije Nwokorie**, a former senior director at Apple, who took up the newly created position of chief brand officer of Dr Martens in February.

Dr Martens said it had recently finalised its order book for the next autumn-winter season, which includes the majority of its wholesale business in the US in the second half of the current financial year. It said orders were "down significantly year on year".

The company said it did not intend to put its prices up as a result, therefore, would be unable to offset the increases in cost it is facing in its supply chain.

## Committee chair

China's national technical committee for the standardisation of footwear has met for its fourth session in Beijing. Over two days, March 26-27, industry leaders including China Leather Industry Association (CLIA) president, **Li Yuzhong**, plus dean of China Leather and Footwear Industry Research Institute, **Duan Limin**, joined more than 200 other attendees in reviewing progress made since the third session.

Before things got underway, the names of those re-elected to the 74-person committee were shared, with Mr Li again to take the helm as chair of the committee, followed by Mr Duan and four others as deputies.

## Assocalzaturifici re-election

Italian national footwear manufacturers' association Assocalzaturifici has re-elected **Giovanna Ceolini** as its president. She will stay in the role until June 2027. It made the announcement on March 8, International Women's Day.

Ms Ceolini is the second woman, after **Annarita Pilotti**, to be the organisation's president. She took over in 2022 when her immediate predecessor, **Siro Badon**, stood down because of pressure of work at his own footwear company. Giovanna Ceolini was one of his vice-presidents, a role she had also held during Ms Pilotti's tenure as president.

Away from Assocalzaturifici, Ms Ceolini started her career in footwear at Cele Ferrario in Parabiago, west of Milan. Here, at the start of the 1980s, she met French footwear designer **Thierry Rabotin**.

She has said that meeting Mr Rabotin, who died suddenly in 2017, and listening to him explain his vision of making elegant shoes that were so comfortable women would feel they were walking barefoot, changed her life.

By the mid-1990s, she was sales manager at Cele Ferrario and at company-owned tannery Conceria Buscatese. She left in 1995 to set up, with her husband Karl Schlecht and with Thierry Rabotin, a new company. In 1999, they opened their own factory, Parabiago Collezioni, which still produces shoes under the Thierry Rabotin brand.

## New president for CTC Groupe

Leather and footwear research and testing organisation CTC Groupe has appointed **Arnaud Haefelin** as its new president. He took over from **Patrice Mignon** at the end of March.

Before this, for more than 20 years, Mr Haefelin, led a specialist producer of presentation materials for high-end brands.

This brought him into frequent contact with leathergoods producers and other companies in the luxury sector and he has had spells on the board of organisations such as leathergoods industry body the Fédération Française de la Maroquinerie.

## Geox rejig

Footwear group Geox has appointed a new chief executive. Former Luxottica Group executive **Enrico Mistron** is to take up the role, replacing **Livio Libralesso**.

Mr Libralesso became chief executive of Geox in early 2020. Geox said he was standing down as a director with immediate effect but would stay at the company until the end of March to help with the transition.

This news coincided with Geox reporting sales of just under €720 million for 2023, down by 2.2% compared to the previous year.

## Changes at Paris event

The organisers of the Sustainable Leather Forum event have announced important changes for the 2024 event.

This year's event will take place in Paris on September 9. Confirmed speakers so far include ICHSLTA vice-president, **Nick Winters**, World Wildlife Fund's senior director for the beef and leather supply chain, **Fernando Bellese**, small skins tanner **François Roques** and materials and recycling expert **Mansuy Rocquin**.

Organiser, Alliance France Cuir, has said it expects more than 400 participants. It will have a new venue, the Maison de la Chimie conference centre near Invalides.

Another change for 2024 is that the event will continue into a second day. On September 10, participants will be able to follow up on the discussions of the previous day and continue the dialogue in a new series of online business meetings.

## Internal talent for new Balmain CEO

LVMH-owned Parisian fashion and leathergoods house Balmain has named **Matteo Sgarbossa** as chief executive in place of **Jean-Jacques Guéval**, who left "to pursue other interests" earlier this spring.

Mr Sgarbossa has most recently served as international director and executive committee member at fellow French luxury brand Givenchy, which also forms part of the group's portfolio.

Chaiman of the board at Balmain, **Rachid Mohamed Rachid**, praised the appointee's knowledge of global luxury markets, describing him as the ideal candidate for partnering with creative director **Olivier Rousteing**.

## Minister encourages overseas investors in Italy

A government minister whose portfolio includes promoting Made In Italy, **Adolfo Urso**, has said companies from other countries should consider setting up production in Italy.

"In the face of competition at a global level," the minister said in a recent statement, "we have to make ourselves more and more attractive to overseas investors. This will boost our nationally strategic sectors, create employment and help us compete internationally."

To this end, he announced a new support platform called Invest In Italy to help overseas investors set up operations in the country.

The support will be two-tier. Investments of up to €25 million will entitle overseas companies to have easier access to authorisation of the steps they need to take. Companies that invest more than €1 billion in Italy will be able to avail themselves of a special commissioner who will be able to fast-track all the necessary administrative procedures to set up their operations in Italy.

## Knowledge transfer

French leather manufacturer Tannerie Sovos has paid tribute to one of its key workers, **Dominique Galmiche**, who retired at the end of March.

Mr Galmiche began working at the tannery, located in Le Thillot in the Vosges region of France, at the age of 16 and stayed there for 44 years, devoting his entire career to one company.

Tannerie Sovos said Dominique Galmiche had become a reference point for preserving tanning savoir-faire for colleagues in other parts of the region and other areas of France, as well as inside the company. It noted that he had also devoted seven years to passing on all of his knowledge of leather manufacturing to colleagues inside the company.

## Parma festival

The leather industry featured at the 2024 edition of the Parma Festival of the Green Economy, which took place in the northern Italian city from April 5-7.

Managing director of Italy's national tanning industry association UNIC, **Fulvia Bacchi**, took part in a discussion on the challenges that businesses face in trying to become sustainable. The marketing director of leather manufacturer Conceria Montebello, **Viola Dalle Mese**, was one of the speakers in a discussion on sustainable fashion.

## New managing director for MLA

Industry promotional body Meat and Livestock Australia (MLA) has announced that **Michael Crowley** will become its new managing director at the end of May.

MLA said Mr Crowley would come to the role with extensive experience of the industry domestically and internationally, including several previous senior roles in the organisation itself.

His most recent role in the industry has been as chief executive of Herefords Australia, an organisation for livestock producers specialising in Hereford cattle.

On announcing the appointment, MLA said it was about to embark on a new, five-year strategic plan and that Michael Crowley would lead the process.

# Backtrack

*World Leather's* publishing cycle and limitations on space make it impossible for us to run more than a carefully selected sample of news from across the industry. However, we publish hundreds more stories on *leatherbiz.com*. The site is updated every day with news from every continent and every part of the industry, making *leatherbiz.com* one of the most comprehensive archives of news anywhere on the web for the global leather industry.

***We list below just a few of the headlines that have appeared on the site in recent weeks and can still be accessed.***

**01 May 2024**
Dates announced for 52nd Futurmoda

**30 April 2024**
Cattle population shows the EU still needs tanners
Zeology showcase - 'Trash or Treasure'

**29 April 2024**
New Hermès stores in India and the US

**26 April 2024**
Ecco group debut at Milan Design Week
World Leather Day - Repair, Reuse, Repurpose

**25 April 2024**
Veja opens first London store
Official figures confirm Q1 decline for Kering

**24 April 2024**
Finalists named in LVMH Prize for Young Fashion Designers

**23 April 2024**
Natuzzi celebrates 65th anniversary

**22 April 2024**
Revenues and production volumes up for Stella International in Q1

**19 April 2024**
Leather Naturally publishes its annual report
SLG safety excellence recognised again

**18 April 2024**
Expansion for Kenyan tannery

**16 April 2024**
Q1 revenues down by 2% for LVMH
Altagamma celebrates first Made in Italy day

**15 April 2024**
Speakers confirmed for Green Deal Leather final conference
Product scarcity strategy suits Hermès
Africa leather design entries open
OTB celebrates Italian leather through docuseries

**12 April 2024**
Amazon deforestation decline registered in Q1

**11 April 2024**
New York speaker slot for Spin 360 CEO
Innovation awards at LVMH fail to reflect leather's importance
Luxury market faces Chinese slump

**10 April 2024**
UNIDO - A decade of knowledge sharing
Wet blue revival continues in the US as prices drop
Tax clash threatens Ethiopia's leather industry

**09 April 2024**
Double-digit sales growth for Jaguar Land Rover

**08 April 2024**
Fall in footwear exports hurts Bangladesh leather industry
US beef exports are down in volume but up in value
Rocky Brands publishes first ESG report
Armani company in judicial administration amid labour probe

**05 April 2024**
Vietnam: Second-largest footwear exporter in February
TFL publishes 2023 sustainability report

**04 April 2024**
Tärnsjö Garveri collaboration in Stockholm design week
LVMH reaffirms leather's circularity

**03 April 2024**
ISA Nextgen launches new hide sourcing policy
Parent group describes Stahl's 2023 sales revenues as stable
SkillBridge: COTANCE mentors TCLF sustainability

**02 April 2024**
Puma to open LA 'studio' to target US market
Igualada tannery embraces autonomous grading

**28 March 2024**
Chinese leather company inks Bangladesh deal
Bird flu found in US cattle

**27 March 2024**
Dr Martens doubles down on sustainability
Context for Gucci comments in Market Intelligence
Zeology maintains Cradle to Cradle certificate

**26 March 2024**
COTANCE adds its voice to calls to secure industry in the EU
Leather part of Kenya's growth plan
APLF exceeded expectations of Brazilian companies

**25 March 2024**
Caleres remains confident amid gloomy forecasts
Growth for Europe's largest shoe retailer in 2023
Lobatse leather park targets December production

**22 March 2024**
Formal-shoe focus for Stella International
Arzignano hosts job talks event for high school students
SLTC 2024 conference programme announced

**21 March 2024**
APLF 2024 comes to an end
Consumers want shoes to last at least four years
Focus on 'value over volume' pays off for Bentley

**20 March 2024**
Loewe sets stage for first major Shanghai showcase
Leather Naturally meeting seeks further engagement
EUDR in the spotlight

# A new deal for Assomac

*The body that represents leather and footwear manufacturing technology developers in Italy says it will work to help tanners and shoe producers maintain effective and fruitful dialogue with finished product brands.*

CREDIT: ASSOMAC

**What is your assessment of the leather industry in Italy at the moment?**

The situation is not positive, but this is not a structural problem. The industrial set-up is good, but consumption is slow. The market is slow. This has been a good time for us to reflect and to wait for the market to pick up again. And I think things will pick up again in the final part of 2024.

**What has come from the reflecting you have been able to do?**

A new start for Assomac and for the Simac-Tanning Tech fair, which next takes place in Milan from September 17-19. It is still important for us to promote new technology at the fair, of course, but we also want to make it clear that we are promoting sustainability and digitalisation. We look on this as something of a new deal for Assomac and it is a new deal because the organisation is going to have a new position in the supply chain. We want to have direct contact with customers and help them create a clear vision in their minds of how the technology our member companies are developing can help them.

**By customers do you mean the manufacturers of leather, footwear and other finished products, or do you mean end consumers?**

I mean the manufacturers, the companies that produce leather, leathergoods and shoes. Italy is number one for production of luxury leathergoods and shoes. This is important. Around 80% of the products companies make in Italy are for big-name brands. The position in the market of small and medium enterprises is to support those brands by producing for them. We want to be in a position to help strengthen the relationships between these brands and the producers of technology that are Assomac's member companies. We believe Assomac and the exhibition can help make those relationships stronger by encouraging dialogue between technology providers and their customers. It is possible to solve many problems this way. We have a new agreement with an important consultancy firm, The European House Ambrosetti. Ambrosetti will help Assomac and Simac-Tanning Tech to create better networking and this will support the adoption of new technology. New technology will be the driving force for greater flexibility in production, making it easier for manufacturers to bring to market very good products that combine the artisan and the industrial.

**Assomac member companies sell and service tanning machinery all over the world. What difference will this new deal for Assomac make to its activity in the global leather industry?**

Italian technology is number-one in the world and what our member companies are offering now, with artificial intelligence, remote control, better data management, better information about environmental performance and other features, is an upgrade. It's important that our customers understand that and it's important for us to explain it because producers have to be in a positive frame of mind if they are to invest in the upgrade. They have to be convinced that it is necessary. There is cheaper machinery available in many parts of the world, and if what customers want is machinery that is very cheap, Italian technology is not competitive on price. Higher-end is where we can play. Simac-Tanning Tech is the number one fair, but in the early part of 2024, there were also many Italian companies presenting this upgrade to customers visiting the India International Leather Fair in Chennai and APLF in Hong Kong. This is the answer for the global market.

**International trade, in the past, has given Italian machinery manufacturers some difficult challenges over intellectual property. Does this still cause problems for your member companies today? What is the best way to address these challenges now?**

Assomac has a collective trademark, registered with the European Union Intellectual Property Office and with the trademark authorities in China as well, and this gives more protection against counterfeiting. It also gives a guarantee of quality, of authenticity and of support to customers.

**The geopolitical situation is making international trade complex in 2024. What advice do you give to your member companies about managing this?**

The geographical situation is very difficult and there is great instability in the market. The cost of shipping is very high, partly because of the conflict in the Middle East. Some important export markets are affected by the conflicts. Other markets, including India, China, Bangladesh and Pakistan, which are also important for Italian technology providers, are not directly affected. All of this is making supply complicated, but some positive changes are taking place. Europe is becoming stronger in the production of key components, including microchips. There are new policies in Italy and other parts of Europe that aim to encourage local production of basic technologies like these. This is in response to the supply chain chaos.

**All brands are pushing tanners to make leather in the most environmentally efficient way possible. What are the areas in which technology providers, your member companies, can make the biggest contribution to this?**

There are three lines of support. The first focuses on traceability, which is very important. A first step is for technology to help manufacturers organise data for sustainability. Now, with imaging technology, artificial intelligence and other functionality technology is also available to help them organise a new model of traceability. The second is data management for controlling carbon footprint. The third aspect is the training of people so that those people can help create and support environmentally efficient enterprises. The technology can help make sure employees understand the importance of sustainability and help make sure the enterprises are able to present their results and their positive stories in their marketing and communication output. I make this point because the market is ready to work on sustainability programmes but not so much on communicating about sustainability, and this is important too. These are the areas in which Assomac can support customers in their sustainability efforts.

*A new high-end leather collection from Tuscany-based Conceria Sciarada. Brands want tanners to produce leather in the most environmentally efficient way possible. Machinery manufacturers are certain they can help.*

*CREDIT: LINEAPELLE*

**Large-scale technology solutions that improve processes and products can be expensive and can, perhaps, seem slow to provide a return on investment. In your opinion, what is the best way to achieve a balance between the need for patience and the desire for a quick return? What is the best way to convince tanners that investment in innovative technology is worth it?**

What is happening is that there is a new programme for digital transition and the government in Italy supports this. New, digital technology, with more automation and more data capture, the upgrade we talked about, will help manufacturers standardise their production. This needs investment. The new digital technology is going to help brands do this. Digitalisation is important in general. It is important for the government to fund research into how incremental, non-disruptive digital innovation can help small and medium enterprises, too. Our new digitalisation programme is going to be a good tool to help companies make this transition. Brands want this and are asking for it.

ISP

INDUSTRY SUSTAINABILITY PROGRAM

# L&HCA LEADS DRIVE TO BOLSTER LEATHER'S SUSTAINABILITY CREDENTIALS

**The L&HCA will publish a full, independent Life Cycle Assessment (LCA) for leather in a move to reinforce its sustainability credentials, set out its environmental footprint and move the industry to a unified approach to environmental impact assessment*. The release of the first phase of the landmark LCA will take place the summer of 2024.**

The publication of the LCA will help the industry communicate the sustainability credentials of leather to both manufacturers and consumers. The assessment's preliminary results were shared in presentations at the Leather Working Group meeting in Milan, the Hong Kong APLF conference and the recent London Economist Sustainability Summit.

The research will help the industry address sustainability hotspots and also highlight sustainability and marketing success. It will drive improved practices and show the benefits of using leather compared with synthetic alternatives. And by providing transparent data and a methodological framework the report provides an industry starting point for common LCA approach.

L&HCA continues to engage and educate brands and consumers with its Real Leather. Stay Different. student design competitions and, in its inaugural year, the Only Natural design competition celebrating wool, sheepskin, leather, hardwood, hemp and other natural materials.

**To request your digital information pack or membership information contact info@USLeather.org**

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**Real Leather. Stay Different.** rlsd.internationaldesigncomp.com
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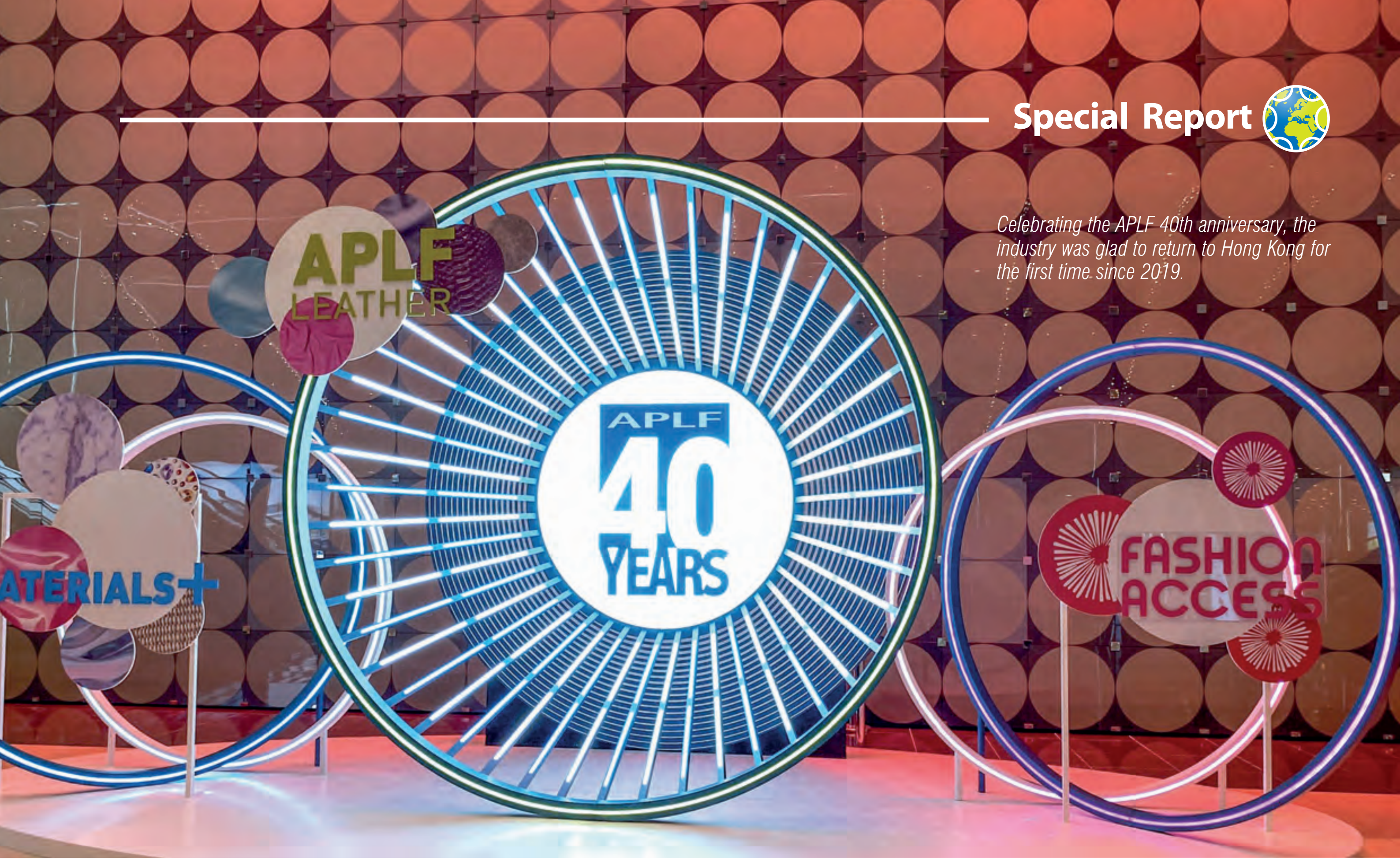
LEATHER AND HIDE COUNCIL OF AMERICA

* The LCA has been developed by Greg Thoma, Ph.D., Director of Agricultural Modeling and Life Cycle Assessment for the AgNext program at Colorado State University and SPIN360.




*Celebrating the APLF 40th anniversary, the industry was glad to return to Hong Kong for the first time since 2019.*

# APLF Hong Kong, where serious issues were also on show

*For 40 years, barring a few, the leather industry has descended upon Hong Kong for what is viewed as one of the most crucial and influential leather fairs in the industry calendar. Over those years Hong Kong has navigated an ownership handover, political change and pandemics. APLF itself has evolved with name changes, additional sectors and a temporary home. Against a backdrop of a somewhat deflated industry, could the first Hong Kong show in five years be a turning point?*

At the time of writing, here in the UK, we have just "celebrated" the fourth anniversary of the first national lockdowns due to "the pandemic". More than 100 countries worldwide had instituted either a full or partial lockdown by the end of March 2020, affecting billions of people, with many others recommending restricted movement for some or all of their citizens. It seems fitting that after all that time, the APLF finally returned to host an event in its home ground of Hong Kong but that it also represented the 40th anniversary of the iconic show, a much-altered affair from its inaugural event held in a car park in central Hong Kong in 1984.

### Welcome Back!

At the opening press conference, APLF director David Bondi was quick to point out that this was an anniversary event and not the 40th edition of the show. Having just gone through a major pandemic that cancelled two recent shows, before being temporarily housed in Dubai for two consecutive years, the show was also cancelled in 2003 due to the Severe Acute Respiratory Syndrome (SARS) pandemic.

Mr Bondi stated that since 2019, the leather industry has encountered challenges, including low footwear demand and oversupply of raw hides, particularly in China. Despite this, luxury brands have thrived, with the Chinese market seeing sales of over 30 million units in 2023, including 9.7 million electric or electric hybrid cars. Geopolitical tensions have complicated international trade, with the Euro area's GDP growth almost stagnant at 0.1%, while India and China are forecast to grow at 7.6% and 5.2% respectively. The US economy is expected to grow at 3.1%, aided by subsidies. Quoting consumer confidence figures, Mr Bondi suggested confidence was high in India (92.3) and China (87.6) but lower in the US (79.6) and Euro area (-15.5). Relevant Purchasing Managers Index (PMI) figures reflected similar patterns including India at 56.7, China at 50.8, the US at 51.1, and the Euro area at 46.1.

As in previous years, several onsite events were organised ranging from seminars to workshops and short leather courses.

## Isolating non-leather exhibitors

After the press conference, *World Leather* had an opportunity to ask the organisers some more questions during the Q&A session. One of the questions raised was about the APLF's stance on allowing "alternatives to leather" to display alongside genuine leather products, and how they regulate this. The organisers provided a two-part response. First, Mr Bondi stated that exhibitions typically reflect the market and the APLF does not influence the market in any specific direction. He believes that it would be wrong to prevent non-leather exhibitors from displaying their products, so instead, they try to separate them and keep them isolated from the tanneries. They do this by clearly defining the different materials on the floor plan and placing them on different floor levels in the exhibition centre. He also noted that there were only a small number of non-leather exhibitors present and that visitors appreciate having the choice. In the second part of the answer, Event Director Grace Lee explained that they had corrected some fascia labelling and made sure that no leather-related terms appeared on "non-leather" stands.

## Around the halls

Following rumour and conjecture, which started after the last Hong Kong show way back in 2019, it was a reality that the leather halls were moved to level three of the Hong Kong Convention and Exhibition Centre, with Materials+ and Fashion Access occupying the halls on level 1. Whilst this may not seem like a major issue—after all—one international exhibition hall looks very much like another—the move was eyed with suspicion. Where the move seemed to have a tangible detrimental effect was on those exhibiting in the smaller hall.

Level three has two very distinctly separate halls. In a herd-like manner, visitors would exit the escalators and head to the hall closest to them, perhaps not realising that there was another hall at the end of the building. Whilst it was accessible from the side door of the main hall, and by following a bright yellow carpet that ran between the two, I personall--y only found this by happenstance. This issue was somewhat rectified later in the day and on subsequent days of the show by placard-holding exhibition staff standing at the top of the 3rd-floor escalators advertising the location of


*The EUDR legislation, coming into force at the end of 2024 was a well discussed topic during the time spent in Hong Kong.* ALL CREDITS: WTP

the "other" hall. Despite Ms Lee's comments, surely it would make sense to have everything leather-related in Hall 1, logically where attendees to APLF, or the Asia Pacific Leather Fair, would start their visit.

On a more positive note, the exhibition was well attended with visitor numbers for the first two days in line with those seen back in 2019, according to Ms Lee talking to *World Leather* at the end of show.

In the official release after the show, the organisers stated that the 2024 instalment drew approximately 12,000 attendees from 73 countries and regions. Notably, the top ten visiting nations and regions (excluding Hong Kong) were China, India, Italy, Japan, Korea, Taiwan, Thailand, Türkiye, USA, and Vietnam. Organisers said that of particular interest was the inclusion of China and India in the list, as both major Asian economies were projected to experience the highest GDP growth rates for 2024, along with possessing notable levels of consumer confidence, according to data sourced from Trading Economics, an online platform offering diverse global economic data sourced from official agencies.

Whilst visitor numbers were encouraging, alongside a somewhat healthy exhibitor offering, it is still a far cry from the 1000+ exhibitor numbers seen less than a decade ago and visitor numbers closing in on 20,000. That said, however, the latter figure would no doubt have included more "tyre-kickers" than typically seen in these more austere times.

On the stands, the vast majority of comments were positive. There has been much-publicised commentary already about the global split in the industry, with Europe feeling the squeeze more than the Asian markets, so it is understandable that conversations in that region would be more positive and certainly gave a better impression of business than recent European shows. Upholstery and automotive seem to have picked up pace and footwear did seem to be being talked about with a certain level of optimism. During the various discussions, both positive and negative aspects of the leather industry were covered. The tanneries are using the vast amount of data generated by the leather supply chain to their advantage and are also adding to it themselves with LCAs, audit certification and overall transparency.

The emergence of new tanning and post-tanning chemistries in larger quantities is making the industry more advanced than it was in the past, especially in light of the 40th anniversary of the show. The industry has seen more developments in the last five years than in the previous 35, and this momentum should put the industry in a good position to confront the naysayers and their agendas. The European legislation on scientifically backing up claims to uncover greenwashing was also an area that many felt was of great importance and, again, a shot in the arm for the industry. The negative side of the conversations came with regard to the EUDR legislation, the EU Deforestation Regulation, that now hangs over the industry like a cloud and is scheduled to come into force by the end of this year.


*Event organisers Frank Boehly, David Bondi and Grace Lee at the 2024 APLF International press conference.*

**Leather Naturally breakfast**

In a departure from the usual format, the breakfast meeting was structured as a panel discussion, featuring LWG board members Debbie Burton, Yusuf Osman, Federico Roth, and Kim Sena. It sought active engagement from the audience, emphasising their input rather than a mere recap of LN activities from the past year. The discussion covered various pertinent topics, such as understanding brands' needs, anti-greenwashing legislation, and Life Cycle Assessments (LCAs). Notably, the increasing availability of LCA data within the industry was hailed as a significant advancement, particularly considering EU legislation on greenwashing. This data was seen as crucial for the leather industry to fend off synthetic alternatives.

During the discussion, Mike Costello from Stahl highlighted the current focus on gathering data, particularly concerning carbon footprint. He suggested that future efforts might entail establishing certification schemes similar to those for restricted substances, emphasising the importance of standardising data to facilitate informed decision-making towards reducing overall environmental impact.

Adding to this, Kerry Senior from the UK Leather Federation said that it was crucial for stakeholders to comprehend the nuances of different analytical methodologies. He noted that, while two distinct analyses might yield differing outcomes, both could be technically correct, underscoring the need for clarity and understanding in interpreting LCA data.

Concluding the meeting, Debbie Burton, chair of Leather Naturally, underlined the collective responsibility to educate and showcase the industry's practices. She expressed optimism for the leather industry, noting a positive shift in its reception, stating, "The tide is turning on the acceptance of leather".

**EUDR in the spotlight**

During the short week in Hong Kong, the topic of traceability of leather under the EU Deforestation Regulation was present both on- and off-site. Ahead of the start of the exhibition, the International Council of Tanners held presentations in its open session. COTANCE Secretary General, Gustavo González-Quijano, and Head of Leather Working Group, Christina Trautmann, both gave overviews of the situation from their organisation's perspective.

Mr González-Quijano explained that the original EU Timber Regulations (EUTR) were extended to include several commodities, including leather to form the "recent" EUDR. However, the regulation requires traceability to the exact plot of land where the animal was born and raised. This is an issue because little is known about the origins of the animals on arrival at the slaughterhouse, where they are processed. As it stands, the regulation isolates the EU market from the rest of the world, as untraceable leather cannot be sold into or exported out of the EU.

He expressed concern that it is estimated that 50% of the raw materials for the European leather industry, in the form of hides, skins, wet blue and crust, etc. come from outside the EU, and the traceability metrics required are not a common feature. This will undoubtedly cause problems with the import of hides, skins and leather into and out of the EU. It is still unclear whether the requirements from tanneries will be on batch traceability or single and individual hide traceability.

COTANCE is seeking guidance from the European Commission, but they assured the meeting that the uncertainties are being investigated. The recently formed Leather Traceability Cluster, with participation from EU members, Brazil and the US, including experts on standardisation, is investigating the uncertainties in monthly meetings.

During her speech, Ms Trautmann provided an overview of the LWG Deforestation-Free Call to Action for Leather, which is a collaborative partnership established in 2023 with Textile Exchange and later joined by WWF by the end of that year. The partnership now has 20 signatory brands, with more on the sidelines, and is currently in its second phase. The initial phase involved supply chain readiness and mapping, while the second phase is focused on Deforestation and Conversion Free (DCF) sourcing and investing in initiatives to drive change. Time-bound commitments have been set, with the first six months seeking key milestones such as a public statement and supply chain mapping. Within 12 months of joining, signatories are required to identify and make the investment they wish to make, and the system is a multi-year investment, so this is only the first year of doing this. Ms Trautmann also emphasised that there is no fee for brands to join the call to action, and the investment "asks" are purely to lead initiatives that will help the industry drive transformation, such as supply chain traceability and investing in initiatives at farm level to prevent deforestation or assist in deforestation due diligence. The level of investment is not set by any of the founding members, but it is required to be meaningful and credible in relation to the company's operation and size.

As partners of the call to action, the LWG is compiling a portfolio of projects and initiatives that require investment and are applicable to assist in the transition through the new EUDR regulations. Although none of the projects are specifically endorsed, Ms Trautmann said that the information would be provided to the brands, so they are aware of what is going on. While the call to action is a voluntary initiative and less prescriptive than the legal framework of the EUDR, the ultimate goal of ending deforestation is the same.

During the show, a seminar was held jointly by APLF and Sustainable Leather Foundation to discuss the drivers, impact, regulation, and mitigation of deforestation. The panel was moderated by Deborah Taylor from the Sustainable Leather Foundation, while Fernando Bellese from WWF, Gustavo Gonzalez-Quijano from COTANCE, and Stuart Cranfield from the Leather Working Group were the speakers. They discussed the implications for the industry regarding the legislation that is scheduled to take effect on December 30. EU based supply chains do have a somewhat easier task at hand due to the regulations already in place for meat traceability, but even these do not include geolocation information, and the traceability system that exists for the food industry is not accessible by the operators in the by-products sector. “Nowhere in the world today is there a traceability system that complies with EUDR requirements 100%” said Mr Gonzalez-Quijano.

In his discussion on the ramifications of deforestation, Mr Bellese underscored South America's pivotal role as a primary supplier of raw materials for the leather industry. However, he emphasised that the main drivers of deforestation in the region are beef and soy production, accounting for over 60% of habitat loss across the Amazon, Cerrado, and Chaco biomes. He stressed the complexity of the issue, particularly against the backdrop of a burgeoning global population, with projections suggesting it could reach 10 billion by 2050. The Food and Agriculture Organisation (FAO) anticipates a 20% surge in cattle farming to meet this growing demand, shifting the focus from the mere existence of cattle to the imperative of maximising efficiency while minimising adverse impacts on both meat and crop production.

Highlighting recent findings from the World Economic Forum, Mr Bellese pointed out that over half of the global GDP, exceeding $44 trillion, is under moderate to severe threat due to nature loss and environmental degradation. Six of the top ten global risks, such as water scarcity, biodiversity loss, natural disasters, and extreme weather events, stem from environmental factors, underlining the urgent need for concerted action.

Addressing the financial implications for the leather industry, Mr Bellese provided examples of the negative perception surrounding the sector, which has led to a significant 63% decline in the value of wet blue leather exports from Brazil over the last decade, attributed to reputational risks. He advocated for demonstrating responsible leather production practices to counter this trend. Concluding, Mr Bellese referenced a WWF research project revealing that leather products sourced from deforested areas are 11 times more environmentally impactful than those sourced sustainably. This underscores the necessity for consumers and industries alike to prioritise sustainability in their supply chains to meet global environmental goals effectively.

Stuart Cranfield commenced his presentation with a thought-provoking assertion: "Fashion is becoming a regulated industry". He emphasised the pivotal role of leather within this sector, highlighting its significance in the broader context of fashion. Traceability, he explained, embodies the capability to meticulously trace the lineage and whereabouts of an item within a supply chain. It transcends being merely a mitigating measure; rather, it emerges as an indispensable prerequisite for due diligence. Understanding the origins of products is paramount. Historically, the leather industry has often cited challenges, ranging from the multitude of slaughterhouses and farms to the intricacies of supply chains, compounded by layers of commercial confidentiality. However, contemporary regulations highlight the imperative nature of traceability within these supply chains.

Navigating through diverse farming systems, characterised by varying levels of complexity, and globally dispersed slaughterhouses further complicates the industry landscape. Moreover, the involvement of subcontractors across different process stages highlights the pressing need for comprehensive traceability, spanning from the birth farm to the end consumer. Central to this endeavour is the availability of data. While data may exist at certain stages, its capture and transfer pose challenges, while in other instances, access to pertinent data remains elusive. Implementing traceability systems also incurs costs, further accentuating the complexity of the situation.

Commercial priorities often diverge between the leather and meat industries, presenting additional hurdles. Despite the imperative to maintain commercial confidentiality, transparency is essential to fulfil regulatory requirements. Overcoming these challenges within a fixed timescale poses perhaps the greatest obstacle. While progress is evident through various case studies, achieving scalability necessitates collaborative efforts. Organisations such as LWG are actively revisiting audit standards to better align with traceability imperatives.

Cranfield concluded by emphasising the paramount importance of chain of custody. Establishing a seamless connection throughout the value chain is imperative, requiring platforms capable of capturing and demonstrating traceability effectively. Furthermore, evolving due diligence and transparency requirements demand ongoing vigilance and adaptation within the industry.

The paradox lies in the legislation's focus on addressing deforestation drivers, while inadvertently targeting hides and skins from the meat industry, which are proven to be mere by-products and often considered waste. Additionally, confusion might arise due to the use of specific HS (Harmonised System) codes to identify materials, potentially ensnaring hides and leather from other animals, like buffalo and horses. The industry-related HS codes specified are HS 4101, 4104, and 4107. It has been noted that there may be exclusions that become evident, and there is certainly more political pressure being sought. UNIC in Italy is currently conducting an impact analysis, which is hoped to be useful when revisions to the EUDR come up in 2025, aiming to remove leather from the legislation. Despite some optimism stemming from increased global elections, it is evident in discussions that smaller political factions have influenced these regulatory concessions.

With these issues being aired so successfully, it could be said that Hong Kong had more on offer than just another leather sample.

**Derek Dickins**

While APLF celebrated its 40th year of bringing the industry together, it would be remiss of *World Leather* if we did not acknowledge the contribution of the late Derek Dickins, who died late last year in Greece at the age of 92. He was the driving force behind the development and success of APLF. *World Leather's* founder Ray Wilson was among the first exhibitors in the ‘car park’ before its move into the convention centre.

Mr Dickins began his career the UK, but also worked in Greece and Hong Kong, where he was managing director of the Hong Kong Trade Fair Group, later taken over by United Newspapers. Originally focusing on the shipping industry, he realised that there was a strong appetite for trade fairs in Asia aimed at other sectors, especially leather. Even in retirement, he maintained his connection to the leather industry for many years.

CREDIT: MEGUMI NACHEV / UNSPLASH

# Rethinking leather as carbon storage

**Dr Dietrich Tegtmeyer** (Global Head of Business Development & Industry Relations, TFL) and **Tom Schneider** (Executive Chairman, ISA TanTec)

*Leather, often celebrated for its durability and timeless appeal, holds a lesser-known yet significant environmental role: carbon capture. Beyond its aesthetic and functional qualities, leather production involves a process that inherently captures carbon dioxide from the atmosphere. From the raising of livestock to the emerging bio-based tanning and post-tanning processes, leather can serve as a carbon sink, locking away carbon emissions that would otherwise contribute to climate change. This article explores the intricate relationship between leather production and carbon capture, shedding light on how this traditional material holds promise as a sustainable solution in the fight against global warming.*

One significant advantage of leather over synthetic fibres is its biodegradability. Depending on the article and leather formulation, leather fibres decompose under appropriate conditions in nature within a matter of months, resulting in $CO_2$ and organic nitrogen, which further stimulates plant growth. This process completes a natural cycle, starting with $CO_2$ absorption by plants through photosynthesis, moving through the food chain to cattle, then through their hide to leather, and finally, after use, returning to the atmosphere as $CO_2$.

While cattle emit methane, which has a climate-warming effect only for a very limited number of years before breaking down into $CO_2$, grazing cattle also promote humus formation in the soil, leading to longer-term $CO_2$ storage. This helps offset the negative impact of methane emissions to a significant extent. These aspects are typically considered in Life Cycle Assessments (LCAs).

However, this article shifts focus away from this circular view to emphasise an additional aspect: leather as a form of biogenic carbon storage, essentially breaking the cycle.

Biodegradability is advantageous if leather ends up in the environment post-use, unlike synthetic materials that break down physically into microplastics, posing harm to animals. Leather fibres decompose harmlessly into plant fertiliser. Furthermore, while biodegradability is beneficial, it may not be the most sustainable solution for leather. To achieve a positive climate impact, processes should aim to separate carbon from the biogenic cycle and store it long-term. Leather production exemplifies this concept.

The equivalent amount of $CO_2$ stored in leather is easy to calculate. Around 40% of collagen, the basic material of leather, is pure carbon. Based on the mass balance of the molecular weights of C (=12 Daltons) to $CO_2$ (=44 Daltons), it can therefore be calculated that approximately 1.5kg $CO_2$eq is stored in 1kg of leather (formula: 1 x 0.4 x 44/12).

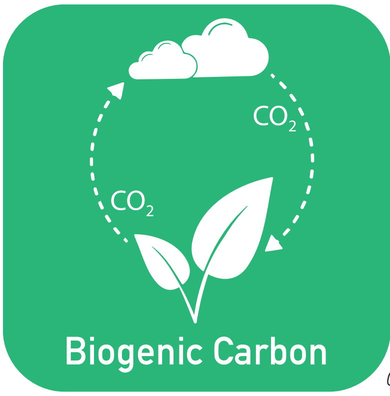
How much this storage effect makes up for a typical leather article depends, of course, primarily on the thickness of the leather. Two examples are given below:

| Shoe Upper | Automotive Leather | Units |
|---|---|---|
| 1.8 - 2.0 | 1.2 - 2.4 | mm |
| 0.14 | 0.1 | kg/ft |
| 45 | 50 | ft/hide |
| 6.3 | 5.0 | kg/hide |
| 1.5 | 1.5 | kg $CO_2$eq/kg |
| 9.45 | 7.5 | kg $CO_2$eq/hide |
| 4.18 | 4.65 | $m^2$/hide |
| 2.26 | 1.61 | kg $CO_2$eq/$m^2$ |

Based on this, approximately 9.45kg $CO_2$eq is stored in a hide for shoe leather applications, whereas for a typical upholstery application, such as in the automotive sector, it is approximately - or at least - 7.5kg $CO_2$eq If we extrapolate this storage effect to the current global production of approximately 190 million hides per year, of which about 50% is used for shoe upper leather (averaging approximately 8.5kg $CO_2$eq per hide), it results in carbon storage from global leather production amounting to some 1.6 million tons of $CO_2$eq Consequently, the leather industry annually stores a biogenic carbon quantity of 1.6 million tons in its products, equivalent to the emissions of 1 million fuel-powered cars with an annual mileage of approximately 10,000 km.

These stored $CO_2$ equivalents should be acknowledged in a Life Cycle Assessment (LCA). However, this essential fact has not yet been considered or estimated in any way within the leather industry. This contrasts with the situation in other industries, such as construction, where a corresponding credit (biogenic carbon allocation) is included in the LCA of wooden houses for carbon storage.

Further consideration leads to the question of what to do with leather after its initial use. There are numerous ways to store leather fibres for longer than their use as a fashion material. For instance, leather fibres can be utilised to produce insulating materials, which are highly suitable for house construction and possess excellent functional




CREDIT: LIFE CYCLE INITIATIVE

properties such as breathability, heat and sound insulation, and non-combustibility. Although applications and processes are already mature, the economic advantages of fossil materials often present obstacles to widespread adoption.

Change, however, is imminent. To incentivise $CO_2$ storage, the European Union has developed the EU Emissions Trading System (EU ETS), intended to serve as the cornerstone of a comprehensive plan for the cost-effective reduction of greenhouse gas emissions. This system aims to tax $CO_2$ emissions, with the expected value of the $CO_2$ tax ranging from €120-150 per ton $CO_2$eq. Consequently, the carbon sequestered in 1 ton of leather would have an equivalent value of €240-300. Such a shift would significantly alter the business case for the use of leather fibres, making the utilisation of leather residues as a raw material in the construction industry economically attractive.

However, it is essential to proceed step by step: the primary task is for brands and OEMs to recognise the impact of biogenic carbon storage and, above all, to incorporate it as a credit in their LCA benchmarks alongside synthetic materials. This is crucial for quantifying the significant sustainability benefits of leather.

In the final analysis, currently, only about 190 million out of the 350 million cattle hides produced annually in meat production (according to FAO statistics) are processed into leather accounting for approximately 60%, with a small fraction of this total being made available to gelatine production. The remaining 40% of hides are left to decompose, releasing their original $CO_2$. To prioritise climate-friendly solutions, the leather processing industry should focus on utilising the maximum number of hides and thus retaining the maximum amount of carbon in the long term. Processing every additional available hide into leather would substantially contribute to climate protection. In numerical terms, recycling the other 40% would save an additional 1.2 million tons of $CO_2$eq per year. Each square metre of synthetic material replaced by leather would significantly contribute to improving the global climate. The more leather is utilised and integrated as a material over the long term, particularly in sectors such as construction, the more substantial and sustainable the impact of $CO_2$ elimination will become. This approach could potentially offer a climate-friendly solution for the fast fashion industry, where leather usage is typically short-term in the initial phase. Whether leather is employed for a few years or longer as a fashion item becomes less significant; the critical aspect is the sustainable removal of CO2 equivalents from the natural cycle and their long-term storage, which follows afterwards.

*As the leather industry grapples with the imperative to lower bisphenol levels without compromising on quality, TFL's head of wet-end product management, Chris Tysoe, outlines the company's progress in tackling this pressing concern.*

# Advances in bisphenol-free tanning methods

Recent shifts, including the temporary halt of European Chemicals Agency (ECHA) measures to restrict the use of Bisphenol A and other bisphenols of similar concern (BoSC), have generated comment within the tanning sector. But a senior industry expert at leather chemicals group TFL, Chris Tysoe, has issued comments of his own to underscore the ongoing urgency of the issue. Some leading brands have already taken pre-emptive measures by restricting bisphenols in their product formulations. Furthermore, the classification of Bisphenol S (BPS) as a reproductive hazard under California Proposition 65 highlights the imperative for compliance within the US market.

Looking ahead to December 2024, when mandatory warnings for significant exposure to BPS will be enforced, Mr Tysoe acknowledges that there are divergent responses among brands, but he expects to see some lead the way, as has been seen with some already including BPS/F on restricted substance lists (RSLs). In the meantime, he says the company remains steadfast in its commitment to equipping tanners with the necessary knowledge and support to achieve bisphenol levels below 10 parts per million (ppm), well ahead of regulatory mandates.

### Syntans in the crosshairs

The use of syntans is integral to leather production and is pivotal in wet-end processing. Authentic replacement syntans, engineered to supplant vegetable tannins, offer distinct advantages, Chris Tysoe states. These syntans possess indispensable "tanning power", which is fundamental in converting wet blue and wet white intermediates into finished leather. They provide leather with crucial attributes such as tightness, fullness and softness, as well as resistance to fading and heat, rendering them indispensable in contemporary leather manufacturing.

Expanding further on the main advantages that syntans offer compared to the vegetable tannins they were brought in to replace, he tells *World Leather* that syntans and vegetable tannins have their own performance and characteristics profiles. The advantage of syntans is that they were designed with specific properties and for certain purposes, whereas with vegetable tannins, their properties are largely inherent and need to be "steered", including through the use of syntans. For this reason, syntans and vegetable tannins are complementary, and it is common to see both types of product exploited to the full in most recipes.

CREDIT: TFL

> *"Syntans possess indispensable 'tanning power' and provide leather with crucial attributes such as tightness, fullness and softness, as well as resistance to fading and heat."*

"Syntans tend to have a broader application profile and can be used in pretanning, tanning, retanning and even as dyeing auxiliaries," he explains, "whereas currently no heavy leather is made with syntans alone."

In response to the industry-wide imperative of reducing bisphenol content in leather production, there are various ways in which syntans can help tanners navigate the restrictions without compromising on quality.

### Adherence to the guidelines

Foremost among TFL's solutions is a spectrum of replacement syntans boasting ultra-low to zero bisphenol content. This range is said to enable tanners to produce diverse leather types, encompassing footwear, leathergoods, furniture upholstery, and automotive leather. By adhering to strict guidelines, the resulting articles can attain bisphenol levels below 10 parts per million or even reach non-detectable levels, ensuring compliance with stringent regulations while upholding product quality. Moreover, they ensure that all auxiliary chemicals employed in leather manufacturing processes are entirely free of bisphenols. This encompasses resins, retanning and softening polymers, dyestuffs, and fatliquors.

In addition to this, TFL has developed a tool for assessing bisphenol content in leather. This tool helps customers select suitable products in the appropriate quantities to achieve desired properties while complying with the regulations. Customers can also submit leather samples to the chemicals producer or to third-party laboratories for validation.

### Carbon footprint advantages

A commitment to sustainability is evidenced by the introduction of an "ultra-low to zero" bisphenol syntan range in liquid form. This initiative aims to reduce energy consumption during production, consequently mitigating overall carbon footprint. Liquid products offer ecological benefits, health advantages, and automation efficiencies, TFL has pointed out. Nevertheless, the company remains adaptable to market demands, ensuring that powdered replacement syntans are available if required by certain customers in specific markets. TFL accommodates these preferences by providing both liquid and powdered variants of syntans. Mr Tysoe says the decision to opt for powdered products may be influenced by factors such as customers' conservatism, storage constraints, or handling considerations. Nonetheless, he stresses the carbon footprint advantages of liquid syntans, taking into account the entire product lifecycle from raw materials to transportation.

Comprehensive support for bisphenol-free leather development encompasses innovative products, tools, and sustainability initiatives. By delivering effective solutions and accommodating customer preferences, TFL believes it is empowering tanners to navigate the regulatory challenges while still producing high-quality leather.


CREDIT: GEMATA

# Gemata's Greenfinish

*The leather industry is constantly in search of new technologies that can improve product quality, reduce production costs, and minimise environmental impact. With its many benefits, release paper has emerged as a desirable component for companies that want to remain competitive in today's global market.*

After nearly thirty years of research and development, Gemata announced the original launch of Greenfinish, heralded as the pinnacle of release paper finishing line technology. This pioneering system stands as a testament to its commitment to innovation, offering "unparalleled performance in a compact and cost-effective package".

Explaining the genesis of release paper systems, Gianni Maitan, the company's CEO, outlines its origins. "Release paper systems were originally developed many years ago for the production of artificial leather and finishing leather crusts," adding "Gemata was the first company to offer finishing systems with release paper where the adhesive is applied directly to the leather."

At the core of the finishing system lies the innovative Greenstar roller coater, which transforms the application of thermo-adhesive onto leather. This advancement replaces traditional spray booths, thereby eliminating water consumption and air emissions associated with overspray, in line with sustainable manufacturing practices.

Key to the success of the line is the exclusive utilisation of the KissPress.

| Greenfinish variant | Speed m/min | Length (m) | Working Width (mm) |
|---|---|---|---|
| No Stop | 7-9 | 36-46 | 1800/2200 |
| Short | 5-7 | 24 | 1800/2200 |
| Sample | 1-2 | 11.5 | 1800/2200 |
| Lab | 1-2 | 8 | 1800/2200 |
| Hybrid | 7-9 | 34 | 1800/2200 |

Specifically designed to achieve optimal adhesion between release paper and leather while exerting minimal pressure to preserve the material's natural softness, this rotary press departs from traditional high-pressure machines that can compromise the leather fibres and their texture. Integrating leather transport and lamination, the KissPress ensures precise and consistent results.

Following the lamination process, the leather exhibits the finish film from the release paper, accompanied by a distinct relief pattern reflecting the paper's grain, enhancing the aesthetic appeal of the finished product, lending it a natural appearance.

Capable of reconstructing grain patterns in a single coat on buffed or full-grain leather, the innovative system maximises the usable surface area and can be used to achieve improved yield from lower-grade material. The Italian company claims that a 2.5% increase in yield alone can be attributed to the reduced shrinkage in drying due to the strong adhesion to the release paper. The inclusion of the Stardrier IR infrared drying tunnel also ensures uniform drying while mitigating dust contamination; additionally intelligent software controls optimise energy consumption by regulating lamp usage.

These technological advancements can yield semi-finished leather characterised by flawless grain quality, enhanced durability, and a softer, more elastic consistency. The option to apply a topcoat can further enhance the leather's aesthetic appeal.

Now offered in five distinct configurations – Greenfinish No Stop, Short, Sample, Lab, and Hybrid – each is tailored to deliver high-quality finishes customisable to diverse applications to meet evolving client needs.

Moreover, the manufacturers say it boasts significant economic, technical, and environmental advantages. Through streamlined production processes, the system significantly lowers production costs, minimises labour expenses, and optimises workforce utilisation. The elimination of a boiler for diathermic oil further contributes to cost savings, while reduced power consumption of drying ovens enhances operational efficiency.

On the technical front, the arrangement offers flexibility in design dimensions, compatibility with various space requirements, and the capability to upgrade any type of leather. Precise temperature control, facilitated directly on both release paper and leather surfaces, ensures optimal processing conditions. Additionally, innovative features such as automatic cleaning systems, and compatibility with different release paper types further augment the system's technical capability.

In terms of environmental sustainability, Greenfinish reduces the consumption of water and electricity. It also minimises waste from adhesive chemical products, and promotes resource efficiency through the reusability of release paper. Most notably, the system achieves zero emissions into the atmosphere, making it a standout solution for environmentally conscious operations.

Level 3 PROGRESSIVE Conformance to the ZDHC MRSL v.3.1

Leather


CREDIT: STAHL

# A journey of rebranding and innovation

*In the context of recent corporate rebranding efforts, the expansion initiatives undertaken by Stahl's Centre of Excellence in China, and an increasing emphasis on data integrity, transparency, and sustainable practices, World Leather took the opportunity to explore these pivotal themes and extend discussions with key company representatives including Karin Lee, Communications Manager for Stahl China, Michael Costello, Group Director ESG, and Hagen Chen, Managing Director of Stahl China & EAP.*

Stahl is a company that specialises in producing coatings and treatments for flexible substrates and is recognised globally for its expertise in the leather industry. The company has a rich history in Waalwijk, Netherlands, where it has played a significant role in both the local and global economy. The company was founded in 1930 by Harry Stahl. Initially, it focused on producing leather chemicals and quickly gained recognition for its innovative solutions and commitment to quality. Over the years, it has expanded its product range and geographical reach, becoming a trusted partner for many industries, including automotive, fashion, furniture, and aviation.

The company has recently undergone a rebranding process, recognising that adaptation is a necessity in the ever-evolving landscape of business. As markets shift, consumer preferences evolve, and competitors innovate, companies often find themselves at a crossroads where the status quo is no longer sufficient. A rebranding process can breathe new life into a brand, revitalise its image, and position it for further sustained success.

Rebranding presents a formidable challenge, demanding meticulous planning, transparent communication, and a profound grasp of internal aspirations and external perceptions. It involves a nuanced balance between preserving the legacy of the past and embracing the opportunities of the future. Yet, its essence transcends mere visual changes; it embodies a deeper transformation rooted in purpose and identity.

For Stahl, this transformation began with the unveiling of a new company direction in 2023: "Touching lives, for a better world." More than a mere tagline, this purpose embodies a profound commitment to fostering a collaborative community


*Mr Hagen Chen (middle) Michael Costello to his left and Karin Lee on the far right visited Qilu University of Technology and Zhejiang University of Technology following the APLF show".*

*CREDIT: STAHL*

within the organisation – a place where employees recognise the value of collective effort not only in internal projects but also in external initiatives championed by the company.

One such initiative is the annual volunteer day, where employees are granted a day to engage in community service activities. This emphasis on community engagement and collaboration became a cornerstone of discussions leading to the new branding, reflecting its dedication to creating a meaningful impact beyond its core business operations.

The unveiling of the new 'visual identity' in January 2024 was taken across the globe, initially within the company's internal circles and subsequently shared with external stakeholders. While several production sites have already begun incorporating the new identity, the company aims to complete the transition for all sites and materials by the year's end.

Michael Costello stressed the scale of this endeavour, highlighting its comprehensive nature, which includes updating everything from posters and walls to every document and office item, down to the smallest detail including pens and coffee cups. Karin Lee further clarified the timeline, noting that the repositioning of the rebranding process was anticipated to span approximately 18-24 months. This meticulous approach underlines the company's commitment to ensuring a seamless and impactful transition across all aspects of its operations.

In its ongoing commitment to inclusivity, the company prioritised gathering feedback from employees regarding the rebranding process. A recent internal survey revealed that employees expressed pride in the new changes, particularly because they were actively engaged in the rebranding efforts early on during the repositioning phase. This active involvement ultimately contributed to crystallising the visual identity of the brand.

### Old gives way to new

The company has undergone numerous transformations and adaptations to meet the changing needs of its customers and the global market. Recently, the company has made significant investments and growth in China, resulting in the opening of the China Technical Centre in Foshan City, Guangdong province.

The inauguration of the new Foshan CTC marks a significant milestone for them, albeit prompted by the necessity of relocating due to the prioritisation of the new airport runway over the old technical centre. However, this relocation presented an opportunity to reimagine compliant leather manufacturing from scratch. Rather than merely erecting a new facility in a conventional industrial zone, Ms. Lee, who oversaw the previous site, assumed the role of project manager for the relocation and construction of the new facility.

The initial focus was on identifying the ideal location, which is crucial for effective wastewater treatment both onsite and within the industrial park. Consideration was also given to mitigating other emissions such as VOCs. The resulting 3,000 square metre, single-story mini-tannery serves as a platform for tannery customers, brands, and OEMs to experiment with processes, ideas, and concepts. With restrictions on beamhouse effluent discharge, projects typically commence from wet blue or wet white, allowing for a comprehensive range of post-tanning and finishing operations, alongside physical testing.

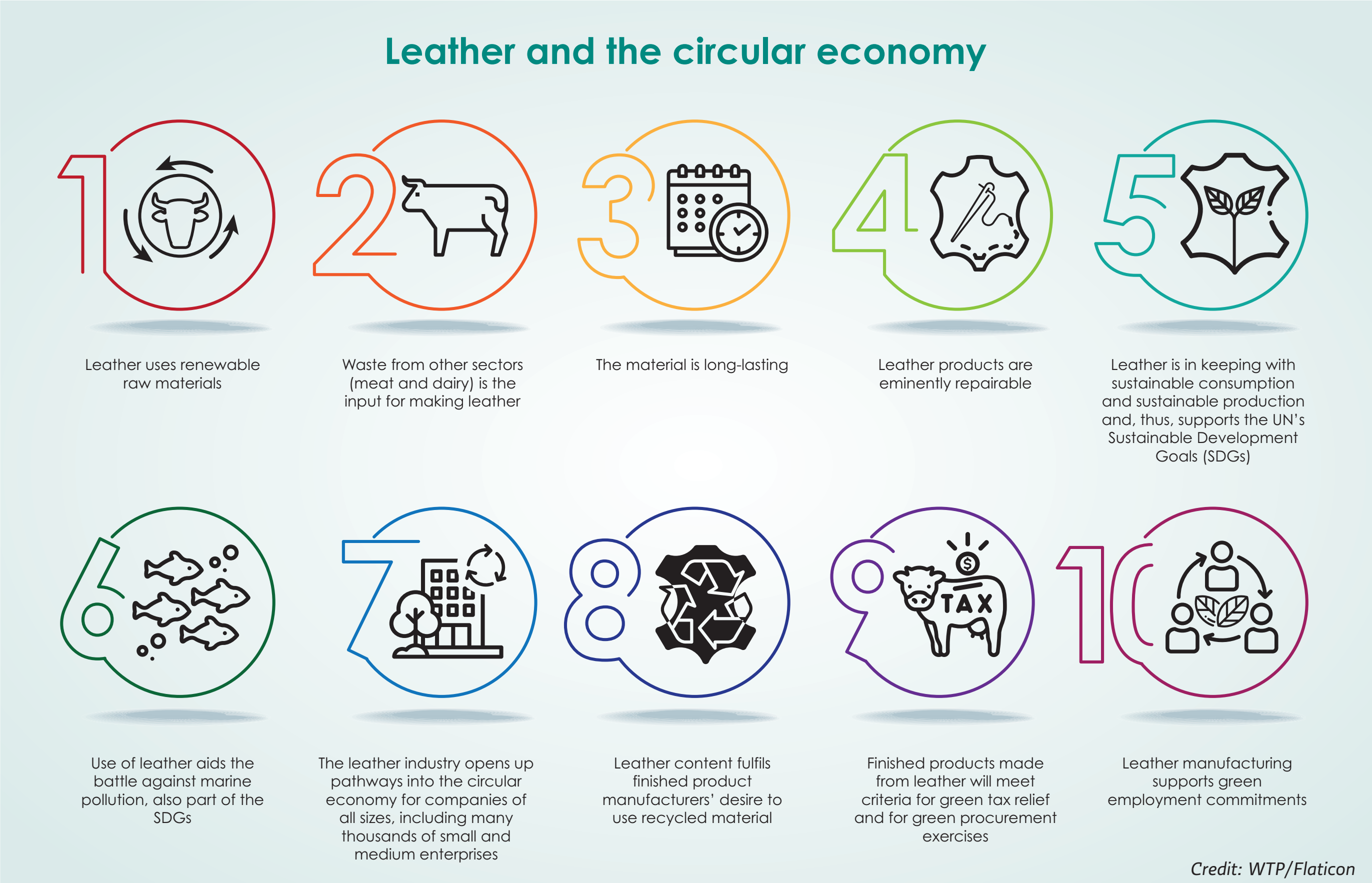
According to Hagen Chen this facility not only holds significance for them but also for the broader Chinese leather industry, as no other facility of its kind exists to support customers and brands in this manner.

Furthermore, the centre's opening has facilitated the expansion of the Stahl Campus educational programme. Mr. Costello noted that while this internal education initiative, also operational in Mexico, India, and Holland, falls under the purview of the sustainability team rather than the business side, it serves to distinguish it from revenue-generating activities. Each site boasts a dedicated employee responsible for training, with a focus on educating university students, brands, customers and other stakeholders in the supply chain about leather and responsible chemical usage. Globally, the Campus system hosts approximately 1,000 people annually, with China witnessing heightened activity because of its unique circumstances.

## Looking to the future

Stahl's primary focus for the future lies in further reducing its environmental impact. With approximately 90% of emissions stemming from upstream (scope 3) activities, largely due to the raw materials it procures, the company acknowledges the need for collaboration with suppliers to decrease these footprints and achieve their sustainability objectives. Michael Costello underscores this necessity, citing their commitment to the Science Based Targets Initiative (SBTI), an organisation ensuring alignment with the Paris climate agreement. After an extensive 12-month process involving consultations and rigorous assessment, emission reduction targets for scopes 1, 2, and 3 were validated in May 2023, earning them a coveted spot on SBTI's verified companies list, a rarity in the chemical and leather sectors. Consequently, the company aims to reduce its scope 3 emissions by 25% compared to 2021 levels by 2030, partly through product redesign and exploration of lower carbon alternatives. However, achieving these goals necessitates top-level endorsement and commitment from CEOs, signalling a significant strategic shift and potential transformation of the product portfolio. Collaboration with suppliers, both large and small, is crucial, although some may require education about SBTI and Stahl's targets. One major challenge is the availability of environmentally friendly raw materials, with Stahl claiming to being ahead of most industry peers, highlighting the dependence on larger chemical companies to adopt similar carbon-reducing technologies.

A commitment to collaborating with NGOs to uplift sustainability practices within lagging industry sectors is fundamental to the company's vision. By partnering with organisations such as Solidaridad and ZDHC, they actively contribute to advancing environmental standards, chemical safety protocols, and waste management techniques. Furthermore, the company's active involvement in leather-focused associations, such as COTANCE, TEGEWA, LWG and Leather Naturally, reinforces the dedication to addressing industry-specific challenges and promoting sustainable methodologies. This commitment is especially evident in the current emphasis on Life Cycle Assessment (LCA) data, where Stahl offers expertise from the chemical industry perspective. With LCA data available for over 350 products, each tailored to specific products rather than generalised assessments, two full-time professionals are employed solely to manage this data – a significant investment. This investment is particularly noteworthy as the demand for such data primarily stems from automotive companies rather than the fashion, footwear, and garment sectors. Nevertheless, with carbon footprint now listed alongside other factors, like price and delivery in automotive Request for Quotations (RFQs), attention is increasingly directed toward chemical suppliers such as Stahl and, ultimately, to showcasing the forward momentum of the leather industry as a whole.



*Credit: WTP/Flaticon*

# Rethink required on leather

The Leather and Hide Council of America (L&HCA) has said at an influential event in London that many finished product brands need to change their thinking about leather. Brands that have decreased their use of leather or stopped using the material entirely after seeing false claims about carbon footprint need to think again, the organisation has said.

At the Sustainability Week Summit run by business publication The Economist in London in March, L&HCA revealed that calculations that brands might have seen for the climate impact of leather have been "obscenely over-estimated". It said that a new study on the environmental impact of cow hide production in the US will show that figures included in the Higg Materials Sustainability Index (MSI) over-estimate leather's climate impact many times over.

MSI is a tool that the Sustainable Apparel Coalition (now called Cascale) launched in 2012. It has been used extensively by fashion companies to make and to justify decisions on which materials to use to make their products. The International Council of Tanners said in 2020 that manufacturers were "deselecting leather in favour of fossil fuel-derived, unsustainable synthetic products" on the basis of the unfair score the MSI gives leather.

*"Obscenely overestimated": L&HCA says brands that have reduced their use of leather because of false perceptions about its climate impact need to rethink their positions.*

**Independent study**

At the London event, L&HCA said it had funded a new, independent study into the carbon footprint of making leather from US cow hides, focusing on wet blue produced in the US from US hides and shipped to Latin America or Asia to be made into finished leather. It was conducted, using lifecycle assessment (LCA) methodology, by Dr Greg Thoma, director of agricultural modelling and lifecycle assessment at Colorado State University. It took into account water use, eutrophication, greenhouse gas emissions, toxicity to humans, ozone depletion and the impact of chemicals on land and water.

The study's first phase concluded that there has been a lack of data transparency and a serious overstatement of the relative environmental impact of cattle hides and leather. The final report will be available later this year and will be subject to peer review. Incoming acting president of L&HCA, Kerry Brozyna, says: "When the study is complete, we will publish our modelling and share inputs and results. Our desire is to

*"We plan on sharing this everywhere we can; we believe we have a great story to tell,"* KEVIN LATNER

provide scientifically tested information to our stakeholders so they can make the best decisions for their consumers, their businesses and the planet."

At The Economist's Sustainability Week summit, L&HCA vice-president Kevin Latner told business leaders in the audience: "We were pleased to see that processing hides, a natural waste material, delivers a low carbon footprint. The new data shows that leather can be a renewable, sustainable material and suggests that it is better for the environment than oil-derived synthetics."

**Credible and transparent**

He says the wider fashion industry needs to follow best practice in environmental impact assessments and publish "credible and transparent data to inform discussions". He insists that this will make it easier for businesses and consumers to make informed purchasing decisions.

Mr Latner explains that choosing The Economist event as a good forum for presenting L&HCA's new information came from a desire to put a strong message about the value of leather in front of a broader business audience. He argues that the senior decision makers at many brands and retail companies are, in some ways, "outside the echo chambers of sustainability and corporate social responsibility". They take sustainability seriously, but it is one consideration alongside many other important factors, including financing, in a wider examination of the future of their production strategies.

Travelling to London and attaching the launch to the prestige of one of the best known names in global business media also reflects the confidence L&HCA has in this new data. "We know that there might be a need to change some of the numbers here and there when the finished report comes out," he says, "but we know the magnitude is going to be of the same order."

**Time well spent**

The Leather and Hide Council of America took its time in deciding to put together this new LCA report. In fact, it is part of an exercise into finding the best way to communicate about sustainability that began in 2017. L&HCA's initial view was that it made no sense for it to carry out its own LCA exercise. "They are expensive," Mr Latner accepts, "and they are not super-accurate; they just happen to be the best tool available. But later we came round to the idea and we started seeking funding in late 2021 or 2022 to carry out an LCA. It has taken around two years, first to get the funding and then to build the industry support for this. Because there are already LCAs for corn, soybeans, animal production, tanning and so on, we decided that we could base our work, as much as possible, on the studies that already exist."

Working in this way gave the council advantages in terms of time and money in putting its study together compared to gathering all-new data from scratch. Enough detail was there already for it to present data from field to finished

*L&HCA vice-president Kevin Latner.*
*Credit: L&HCA*

product. Following this, it carried out wardrobe studies and other ways of gaining insight into how consumers use leather and why. "When we talk about durability, it's not just about physical durability," Mr Latner continues, "but also psychological durability and the use of leather over time." He travelled to London with leather shoes that he bought in 1997 in his luggage. "Synthetic doesn't hold up as well as this," he points out.

**Model of expertise**

Lead author of the study, Dr Thoma, has been lending his expertise to the US Department of Agriculture and to international bodies for more than a decade. In addition to his role at Colorado State, he has been teaching modelling and LCA methodology at the University of Arkansas since the 1990s. He has worked as a scientist in the agricultural research service, carrying out data modelling of animal production, focusing specifically on beef and dairy cattle in the US. In building up these data models, he has interviewed livestock farmers at hundreds of farms throughout the US, focusing on three distinct phases of these farmers' operations. There is the cow-calf phase and then, once the animals are weaned, they'll go into a dairy herd or, for beef cattle, onto a range. Beef cattle will spend in the region of eight months or a year in the fields to graze and build themselves up to a certain size, after which they will, typically, go to a feedlot to finish growing. When they reach the size the packers are looking for, the animals go for slaughter.

Challenges from an LCA perspective include how best to account for transportation and animals moving between different regions of the US. For beef cattle, Dr Thoma's study considers the separate regions of the US. It takes into account the production practices prevalent in each one, and then integrates that data into a single model. Dr Thoma was also the International Dairy Association's principal author for studies that have calculated the allocation factors across beef and dairy, resulting in an international standard for the allocation of impact categories between the two types of cattle. "He was


*The study's lead author, Dr Greg Thoma, addressing a meeting of the United Nations Food and Agriculture Organisation.*

*Credit: US Department of Agriculture*

one of the primary scientists involved in developing that," Kevin Latner says. "We have used that as the source data on the dairy side of the L&HCA study."

**A range of views**

He adds that the study also shines a light on a common claim that range-fed cattle has a lower impact than feedlot-finished cattle. Feedlot-finished cattle also spend most of their lives on the range, of course. The L&HCA study involved visits to two farms in Maryland to examine up close the environmental impact of the operations there and compare them to the regional and national averages that the data has produced. Kevin Latner says it was no surprise to him that the new study shows the environmental impact of feedlot-finished animals to be lower.

He believes the clarity the new study offers on this matter will be of benefit to the industry. "One of the advantages, from a sustainability perspective, is that when you feed-finish an animal, you are able to shorten its lifecycle," he explains. "You increase the weight-gain over a shorter period of time. Time or lifespan is one of the key factors in terms of the environmental impact of the animal. For range-fed, you increase the overall lifespan of the animal by between 12 and 18 months."

**Far too high**

Without question, though, the most revealing statistic to come from the new LCA is the indication that the Higg MSI's figures for the environmental impact of leather are far too high. Mr Latner explains how L&HCA came to this conclusion, pointing out that it comes from a detailed analysis of the numbers the Higg Index lists for four impact categories for leather: global warming potential, eutrophication, fossil fuel use and water scarcity.

He says: "We looked at these four impact categories and then we looked at the numbers that are in the Higg Index for output. It gives a number of kilogrammes of CO2-equivalent for each of them. We were able to look at their LCA methodology and then apply the same methodology to our data. We were able to get output based on our data and to compare the numbers. That is what we have been able to do. But they are not transparent with their data and there is a variety of factors that could be different. We would only know the reasons for the difference if we were able to look at their data."

The figures that emerge from this suggest that the Higg MSI overstates the global warming potential of leather by 640%, eutrophication by 350%, fossil fuel use by 660%, and water scarcity by 9800%.

**The way forward for the Higg**

Asked where he believes this leaves the Higg MSI with regard to leather, he says he sees three possible ways forward. Cascale could share its data and attempt to clarify why the disparity between its figures and L&HCA's is so huge. It could use the data that Dr Thoma and L&HCA have put together now and recalculate its score for leather. Or it could stop offering brands and retailers a score for leather. Any brand or retailer that wants to can use the L&HCA figures for leather instead, Kevin Latner adds. "The Higg Index has a credibility gap," he concludes. "The Norwegian and Dutch consumer protection authorities have already said that brands cannot make sustainability claims based on the Higg Index. This demonstrates that there is a problem with their underlying data."

L&HCA is committed to continuing this research, saying it wants this exercise to provide accurate, shareable data for hides from other sources too. It wants to expand the study to bring in more detail of manufacturing practices to set out incentives for using leather and for using off-cuts from the finished leather production process. "We plan on sharing this everywhere we can," Mr Latner says. "We believe we have a great story to tell, one that can help those in decision-making positions to see that renewable resources are better options."

*The interior of the Cadillac Escalade. L&HCA is making the findings of its new study available for brands to use to communicate about the sustainability of leather.*

*Credit: Cadillac/General Motors*

*Italian tanners import raw material from more than 100 countries. Because of EUDR, the country's industry there faces having to produce 200 million due diligence statements per year.*
*Credit: Lineapelle*

# EUDR's unfair demands

*The leather industry is having to contend with a number of unanswered questions as it prepares to face up to new deforestation regulations.*

Life in the 2020s was tough enough for most in the European leather sector, even before the impact of the new EU Deforestation Regulation (EUDR) added to the pain. A parting gift from the outgoing Von der Leyen Commission (pending new elections to the European Parliament in June), EUDR will saddle tanners and traders in finished leather products with a complex, new, bureaucratic burden. In some instances, it will try to force them to answer questions that are unfair and unanswerable.

It would be disingenuous to suggest that the European Commission harbours an overtly anti-leather animus. It is clear from the formal photograph of the most recent iteration of the Von der Leyen Commission, taken at the end of 2023, that these senior representatives of the 27 member states of the European Union (EU) all wore their best shoes for the occasion and that their best shoes are leather shoes. It seems much more likely that, in good faith, the Commission wanted to go out on a series of high 'green' notes. This has led to EUDR; the alarming pressure EUDR is putting on the leather industry is an unintended consequence.

**The task in hand**

EUDR's official name is regulation 2023/1115. It is part of a wider commitment to making EU supply chains more environmentally responsible, the programme commonly known as the Green Deal. The good intention behind EUDR is to show that products from seven commodities coming into the EU marketplace have played no part in driving deforestation. The commodities it affects are cocoa, coffee, palm oil, rubber, soya, wood and cattle.

From December 2024, larger companies will have to comply with EUDR. Small and medium enterprises will have to follow suit from June 2025. The work they will have to carry out will include collecting data on the materials they use and, based on what that data shows, conducting risk assessments and risk mitigation measures. Operators will then feed this information into a dedicated information system that will act as a due diligence repository, with the operator responsible clearly identified by its Economic Operators Registration and Identification (EORI) number, VAT number, national company number or taxpayer identification number.

Article nine of EUDR outlines the type of information companies need to gather. In the case of cattle hides and bovine leather, operators will need to collect the geographic coordinates of the plots of land where cattle were raised, starting from the birth farm. Of course, in the cattle supply chain it is common for cattle to move several times before slaughter. EUDR demands the geographic coordinates of each location. Farmers can supply the relevant information, but operators in the EU, including tanners, have the responsibility of verifying and proving that the geolocation information is accurate. It makes no difference to the Commission if the raw material for leather and leather products comes from a place where there is little or no incidence of deforestation, or from inside the EU. "There is no exception for the traceability requirement," it says.

**Competitive disadvantage**

After they compile this detailed information, operators will then have to carry out their own risk assessment "to establish whether there is a risk that the relevant products are non-compliant". If there has been deforestation on any of the plots of land listed (after 2020), all the commodities involved will be "automatically disqualified" from coming into the EU or being exported from it.

European manufacturers of leather and products containing leather may not bring leather or raw or semi-finished hides into the EU unless they jump through all of these EUDR hoops. One concession the regulation seems to

*The Von der Leyen Commission in November 2023.*
*Credit: European Commission/Claudio Centonze*

make is that finished products containing leather may be imported into the EU without being subject to the requirements of EUDR. The Commission gives as a specific example a car containing leather seats. But this is bad news for manufacturers in Europe. It means their competitors in other parts of the world will have the advantage of being able to ignore the Commission's deforestation questions.

The secretary general of Europe's main leather industry body, COTANCE, Gustavo González-Quijano, says people in the industry are still reacting with surprise on hearing or reading about EUDR. "But it's not a dream," he says. "It is real. A full traceability system will need to be in place in the cattle value chain by the end of this year. Yes, there are cattle 'passports' in place as traceability tools for food safety reasons, but not one of the systems that are in place today complies fully with EUDR. There is a gap to bridge. It is a big challenge."

**Unnecessarily stringent**

National tanning industry organisation UNIC has called on the authorities in Italy and, more widely, in the European Union, to take urgent steps to mitigate the possible effects on the leather sector of EUDR. At the start of April, UNIC issued a statement calling these requirements "unnecessarily severe and stringent". It echoed COTANCE's contention that traceability tools that would be capable of capturing in the time available the information EUDR demands are unavailable, repeating that the tools that are available would be inadequate for the task in hand.

UNIC fears that the impact of EUDR on the leather industry's ability to maintain current levels of employment and to ride out a challenging economic environment will be devastating if there is no "urgent intervention" from the authorities.

It insists Italian leather and leather products manufacturers are fully committed to sustainability and to traceability, but are in no doubt that the demands EUDR makes of them and their colleagues across the EU are unfair.

Vice-director of UNIC, Luca Boltri, explains that Italian tanners, at the moment, import raw material from more than 100 countries. Aside from the complexity this entails, he makes the point that there are developing economies with no links to deforestation that benefit greatly from being able to export hides to Europe. "They could face exclusion now without any valid reason," he says.

Returning to the question of complexity, he illustrates it by saying that, as things stand, the Italian tanning industry will have to produce 200 million due diligence statements per year.

Another doubt that UNIC has centres on existing inventory that tanners and their customers have in stock already and for which the required traceability data does not exist and cannot now be sourced. Mr Boltri says: "There is stock worth millions of euros. We cannot let it go to waste and we have been asking how we will be able to sell it after the application of EUDR begins." This has led to an understanding that hides and leather from animals born before EUDR came into force in June 2023 will be excluded from the due diligence obligations when

*European Commissioner for the evironment, Virginijus Sinkevičius on an EUDR fact-finding visit to Ivory Coast in April 2024.*
*Credit: European Commission/Diomande Ble Blonde*

application begins at the end of 2024. But what about animals born between the two dates? The systems for collecting the necessary data were not in place in July 2023 and are still not in place today.

### Work in progress

Gustavo González-Quijano says there is currently no choice but for the industry to try to become compliant. He says it looks to COTANCE as though, in the immediate term, European hides and skins will be "the easiest to make compliant". But he also makes the point that the European leather industry is going to try "to escape the EUDR mechanism in future".

COTANCE is a participant in discussions at an official EU platform on deforestation. This platform is holding regular meetings to try to help the Commission and member states implement EUDR. "It's a work in progress," the secretary general says. "A big element of this is the development of a leather traceability standard and since September 2023 a leather traceability cluster, involving Italy's ICEC, the Sustainable Leather Forum, the World Wildlife Fund and others has been working on this."

Another initiative that began in 2019, launched in partnership with the meat industry, aims to establish traceability of hides to the abattoir by 2025 and to the farm by 2030. "We still want to do this, but we need more time," he says.

He points out that there are still important questions to answer. For example, operators can manage some of the seven commodities that are subject to EUDR in batches. Industry leaders have told World Leather that the Commission has "confirmed verbally" that it will be possible to manage the traceability of hides and leather in batches. But it is still far from clear how this will work in practice and what details operators will need to put into the information system.

### Escape route

As things stand, there seems little the leather industry can do to avoid facing up to EUDR when it starts to apply. However, impact assessment studies are scheduled to start as soon as 2025. Some want to extend the regulations' scope and apply them to more products. "That could happen," the COTANCE secretary general accepts, "but it could go the other way too. COTANCE is going to work with UNIC and with Lineapelle on our own impact assessment and we aim to show that our leather is not a driver of deforestation. It seems clear to me that applying EUDR to leather is not going to save a single tree. It is the worst piece of legislation to come from the Von der Leyen Commission, the worst for us at least."

He argues that impact assessments could and should have taken place before the European Commission adopted the proposals for anti-deforestation regulations. However, the Commission did not ask companies operating in the affected supply chains about the idea and did not hold a public consultation.

The impact assessment the industry is working on now should be ready to present to the newly elected European Parliament soon after the June elections.

One source of optimism is an important comment in the EUDR guidelines that the Commission has published so far. It is the suggestion that the new regulations should not apply to goods that are produced "entirely from material that has completed its lifecycle and would otherwise have been discarded as waste".

### EUDR timeline

**2019** — **July 2019**
European Commission adopts a 2019 communication on stepping up EU action to protect and restore the world's forests.

**2021** — **November 2021**
European Commission adopts a proposal for a regulation on deforestation-free products.

**2022** — **December 2022**
European Union agrees Regulation on deforestation-free products. This Regulation aims to guarantee that the products EU citizens consume do not contribute to deforestation or forest degradation worldwide.

**2023** — **June 2023**
Regulation (EU) 2023/1115 published in the Official Journal of the European Union.

**June 2023**
Regulation on deforestation-free products enters into force.

**2024** — **December 2024**
Regulation on deforestation-free products will enter into application.

**2025** — **June 2025**
Regulation on deforestation-free products will enter into application for micro and small undertakings.

### Distance learning

A previous attempt to secure an EUDR exemption for leather failed when the European Parliament in Strasbourg voted it down in September 2022. While 277 members of the parliament voted in favour of an exemption for leather, 338 voted against it. Now, Luca Boltri looks at this set-back in the wider context of the Green Deal. This programme has created considerable concern, he says, across a number of sectors. He is certain the Commission does not want Europe to become deindustrialised, but he fears that deindustrialisation in some sectors in some regions of Europe could come about as a consequence of the Green Deal as it stands.

"The Green Deal has to be feasible if it is to be a success," he explains. "We would like the Commission to re-model some parts of it to make it possible to put them into effect. If there is a distance between some of the politicians and us, we have to try to shorten it to be able to put our message across."

If he is animated about this, he explains that it is because UNIC has been working hard for years to make it clear to the Commission, to the Italian government, to the public and to mainstream media that leather has an exceptionally sustainable supply chain. "It can improve further and it is improving further," he concludes. "But ours is already one of the most sustainable supply chains you could imagine."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Ph. Gianni Maitan

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# ‘Be fearless in challenging stereotypes’


To coincide with Women’s History Month this March – which is increasingly being noted in the US, Europe and Australia, encompassing International Women’s Day on March 8 – European tanning body COTANCE has celebrated women working in the leather industry, in a bid to both highlight their successes and to inspire more women to join. While traditionally a male-oriented industry, the percentage of women is slowly increasing – particularly as the heavy manual jobs give way to more automated processes as well as sustainability-focused, marketing or management roles. In tanneries and leather processing, the gender divide stands at around 25% females to 75% males, according to COTANCE, but this jumps to around a half when it comes to leathergoods manufacturing roles.

Within these figures are some remarkable women driving the industry forward in various ways. The three that COTANCE chose to celebrate are Chiara Mastrotto, president of Italy’s Gruppo Mastrotto; Marie Hiriart Carriat, president of French leather association Fédération Française de la Tannerie Mégisserie; and Ulla Schiffers, sales manager at Pulcra Chemicals of Germany.

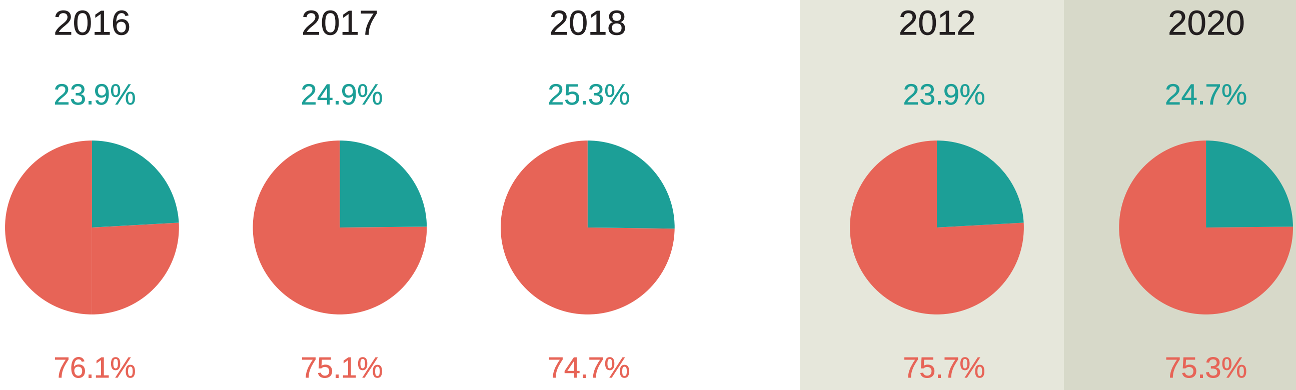
*Tanning body COTANCE has celebrated the ‘dedication, ambition and success’ of three female leaders in the leather industry.*

**Embracing opportunities**

Gruppo Mastrotto was founded by Arciso Mastrotto in 1958; Chiara Mastrotto is the third generation of the family to run the tannery. She presides over more than 2,000 employees and oversees operations in Italy, Brazil, Mexico,

**Gender breakdown**

Breakdown of tannery employees in the sample according to origin, 2016-2018; comparison of average values for SER (Social Environmental Report) 2012 vs 2020.




Indonesia and Tunisia. Ms Mastrotto describes her “mission” as the “sustainability journey” of the group. She introduced sustainability reporting in 2021 and its fourth report, published last October and covering 2022, showed the group's energy consumption decreased by 9% from the previous year and it is almost sourcing all electricity from renewable sources. In 2022, it announced all leathers passing through its logistics hub, Gruppo Mastrotto Express, were carbon neutral, following a series of investments. “By fostering innovation and adopting more sustainable tanning processes, we demonstrated our commitment to environmental responsibility. Women can play a pivotal role in driving this transformation, advocating for responsible production, and engaging with stakeholders to promote sustainability,” Ms Mastrotto tells COTANCE.

In terms of female representation in the group, women make up 26% of factory workers and 51% of office employees. Females make up 57% of executive posts, as well as half of the board. "Each sector, including the leather industry, has its specificities,” she adds. “However, I believe that in terms of opportunities, the most important aspect to focus on is merit. When merit becomes the driving factor behind hiring and promotions, the gender issue is also resolved.”

Last autumn, Ms Mastrotto spoke at the first Italian edition of Forces of Fashion, an event organised by Vogue Italia. Her seminar, ‘Changing skin: the rediscovery of a circular material’, focused on sustainability issues in the tanning sector, particularly the importance of leather in the fashion industry.

Questioned on her advice to women entering the industry, she says, “Embrace opportunities for learning and innovation, be fearless in challenging stereotypes and actively seek mentorship and networking. Our industry offers a dynamic environment where sustainability, craftsmanship and technology converge, providing a rich ground for professional growth and contribution. By advocating for inclusivity, sustainability and innovation, women can play a transformative role in shaping the future of the leather industry.”

*“By advocating for inclusivity, sustainability and innovation, women can play a transformative role in shaping the future of the leather industry” – Chiara Mastrotto, Gruppo Mastrotto.*

*Credit: Gruppo Mastrotto*

*"This industry impresses with its extremely informal character, its togetherness and the diverse career opportunities."*

*ULLA SCHIFFERS, PULCRA*

**Technical prowess**

On the technical and chemicals side of the industry, COTANCE highlighted Ulla Schiffers. She is from a long line of tanners, with leather industry occupations in her family for the previous five generations. After training as a leather technician at Westdeutsche Gerberschule Reutlingen, she has worked in the German leather industry for more than 40 years, including positions at DyStar and Dr Th Böhme, providing technical support to tanneries. She is currently a sales manager at Pulcra Chemicals and would recommend the career to others. "I have never regretted my career choice and am still enthusiastic about working in the leather industry today," she says. "This industry impresses with its extremely informal character, its togetherness and the diverse career opportunities."

She has strived to "prove to male employees that women could bring the same competence and stamina". However, it has been a lonely path: "There are hardly any other female leather technicians in these areas," she admits. "The proportion of women in this job is perhaps a maximum of 5%. In our company, I am the only woman in technical support with several male colleagues."

**Significant changes**

Marie Hiriart Carriat runs the Remy Carriat tannery, founded by her grandparents in 1927, near Bayone in the French Basque Country. Carriat started off making saddle leather before moving into furniture upholstery and later into high-end leathergoods, counting Hermès among customers. Ms Carriat began working with her father in the tannery in 1992, initially as a sales assistant, before taking over as the head of the company in 1999. "The Remy Carriat tannery has always been a place where women have played a pivotal role," she says of the gender mix. "My grandmother co-founded the tannery with my grandfather, Rémy Carriat. While he focused on production, she managed the administration. Subsequently, my mother worked alongside my father for many years, contributing significantly to the management and operation of the tannery."

There are currently eight women working in production at the tannery, three in quality control and five in administration, totalling 16 out of 75 employees, or 20%. Ms Carriat has not been short of accolades over the years. These include awards for women in business, being named 'outstanding business personality' in the Aquitaine region of France, as well as receiving a National Order of Merit. In June 2023, she was appointed president of the Fédération Française de la Tannerie Mégisserie.

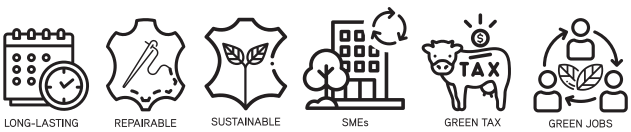
"I would tell young women to come and discover this world," she says. "Tanning is a profession that deserves exploration. Historically, it was primarily a male-dominated field, especially in bovine tanneries like ours, due to the physical demands of working with large, heavy leathers. However, the industry has undergone significant changes over the years, becoming much more welcoming to women, particularly due to the mechanisation of some tasks. The tannery offers a wealth of career opportunities, whether in production, colour work, product design, research and development, quality control, customer service, environmental management, or corporate social responsibility... the list goes on! There are so many ways in which you can apply your skills and introduce your feminine touch to the exciting world of tanning."

*"There are so many ways in which you can apply your skills and introduce your feminine touch to the exciting world of tanning." – Marie Hiriart Carriat, Remy Carriat.*

*Credit: TannerieRemyCarriat*

*The sustainability director of Chanel, Guy Morgan, views the work that brands are having to do to meet eco-design and other legislative requirements as an opportunity to tell a much more meaningful sustainability story.*

# Passport to real-life stories




In 2022, fashion and textile organisations from across Europe joined forces to set up the European Fashion Alliance (EFA). Its aim is to provide "a strong common voice" for the industry and to work to accelerate the transition of European fashion towards a more sustainable future. Last year, the alliance started work on a first 'Status of European Fashion' survey and it revealed preliminary results from the study at a recent conference in Brussels.

It conducted the survey by disseminating questions on sustainability, education and digitalisation across the European industry through the national and regional fashion councils that make up its membership. On presenting the preliminary results, EFA confirmed something we talk about frequently: around 99% of the companies in the fashion industry in Europe are tiny; almost half of them (47%) have fewer than ten employees. Small and medium enterprises submitted the bulk of the responses to the survey but, as we shall see, the messages they have submitted are also on the agenda of major brands as well.

**Education push**

Among the stand-out messages that the preliminary results of the study deliver, EFA has shared that 66% of respondents believe the public has a largely negative view of fashion. Respondents think that the main reason for this is a perception among consumers that the rise of fast fashion has come at the expense of sustainability. The alliance says education is the best way to counter this and it advocates funding for awareness campaigns to help drive home a more positive message.

At the same time, it has picked up on the contribution that existing initiatives can make to this educational effort. It insists that implementing new regulations, including the new eco-design requirements that the European Parliament approved at the end of 2023, can help too. The eco-design proposals include so-called digital product passports to enable consumers to make informed purchasing choices.

*Chanel wants to include the real-life experiences of artisan shoemakers in Italy and of weavers in France in its storytelling strategy.*

*Credit: Chanel*

**Keep it simple, but not too simple**

The sustainability director of luxury brand Chanel, Guy Morgan, one of the speakers at the EFA conference in Brussels, says there is a key question at the centre of his company's thinking about all of this. It is working hard to calculate the environmental footprint of its products and of the materials it uses to make them, and it wants to incorporate its findings into the way it communicates with its customers. Its efforts extend to contributions it has made to broader work on the product environmental footprint (PEF) for apparel and footwear in Europe and to the category rules (PEFCR) that will underpin it. "We've been heavily involved," the sustainability director says, "through France's Fédération de la Haute Couture et de la Mode (one of the member organisations of the EFA). We've been part of the technical groups that have been feeding into the technical secretariat for the PEF, discussing the category rules associated with different materials."

But, he says: "The question that drives us is how we can ensure that sustainability is simple, but not simplistic." These two adjectives look similar and in current English usage people often write or use them as though they were synonyms. But simplistic does not mean exactly the same as simple. The true meaning of simplistic is to oversimplify something, or explain it in a falsely simple way, frequently by missing out the more complicated aspects. "If you think about the holistic sustainability of different product categories," Mr Morgan continues, "it is really complicated and you cannot just boil it down to one measure, just to the environmental side, for example."

The company wants to examine the extent to which the rules are truly reflective of the reality of its business and of the wider luxury leathergoods sector. Guy Morgan explains that Chanel recognises the need to find a way to explain effectively what the answer to the question is, but he wants to take into account "all the nuances". The needs and perspectives of luxury brands will be different from those of premium brands, he suggests. And the needs of premium brands will be different from those of High Street brands.

**Durability confusion**

He believes that durability represents a good example. As we reported in *World Leather* December 2023-January 2024, industry commentators have expressed concern about some of the early discussions regarding durability that have taken place around the eco-design requirements. Under the proposals, products across all categories will need to have digital product passports in place by 2030, but policymakers have included footwear among the priority categories for the new regulations. This means footwear will be one of the first market segments to have to put this measure in place.

There are reports of 100 wears possibly being enough for a pair of shoes, made from any material, to be presented as long-lasting. According to the same reports, manufacturers of leather shoes will be allowed to claim that their products can last for 145 wears. This has caused alarm because leather shoes can often last for thousands of wears and their longevity is an important factor in convincing consumers that it is worth paying extra for leather. Paying more would seem less worthwhile if the message to consumers was that more expensive shoes may only be wearable for an extra 45 times.

For clarity, a spokesperson for the European Commission has said these details "are definitely not contained in the framework legislation that has been agreed on", but it is still interesting to note that this sentiment, that 100 wears can constitute durability, was prevalent during the discussions. It is almost as though some of the policymakers fail to understand that consumers can love, cherish and keep a product in use for years if it is made from a long-lasting material such as leather.

The confusion around this serves to confirm another point Guy Morgan makes. He says there is physical durability and emotional durability and he thinks it would be good to be able to reflect this "in a quantitative way" in the stories brands tell about their products. "This would help consumers make the right choices," he concludes.

*Chanel sustainability director, Guy Morgan (centre), says savoir-faire is the heartbeat of the European fashion sector.*
*Credit: European Fashion Alliance*

**Heartbeat of the sector**

In the survey, only 27% of the creative companies that took part said they were measuring social sustainability as part of their impact. This, too, needs to be integrated into the way companies measure the performance of their products, Mr Morgan argues, and it is here that the importance of the small and medium companies that make up almost the entire industry comes to forefront again. "Think of all the savoir-faire and all the artisanship," he says. "This is the heartbeat of our sector."

The need for brands and manufacturers to collect detailed information for the PEF, the eco-design requirements and digital product passports is intensifying. To comply, companies are going to have to compile and make available on a web portal everything consumers need to know to be able to choose one product over another, or one material over another.

This is hard work, but he is certain that it also represents a huge opportunity. "We can talk about social issues, durability, traceability, transparency and all the other elements of sustainability that I have touched on," he says, "but we can also give the context, the sustainability narrative of our artisan shoemakers in Italy and of our weavers in Lille or in Lyon. These stories need to be integrated into the way we talk about our products and the way we put the digital product passports together."

For him, the PEF reflects "relative sustainability" and he wants to take this further and have conversations about "sustainability in absolutely terms", about value as well as volume. He wants what he calls real-life stories to be at the heart of this.

*Selfridges was the first big major retailer to use Hurr's platform, offering its products for lease and promoting the service in store.*

*Credit: Selfridges*

# 'Girl maths' adds up

RENEWABLE LONG-LASTING REPAIRABLE SMEs

> *Renting out high-end handbags, shoes and clothing can be a lucrative income stream for the fashion-forward – with leather perfectly placed to provide a long-lasting contribution to circular fashion.*

Renting out luxury clothing and bags isn't a new idea, with the Vestiaire Collective and Rent The Runway forging successful paths in recent years. They demonstrate the appetite for high-end items on a short-term basis. The second-hand footwear, clothing and accessories market tripled worldwide between 2020 and 2022, according to research firm Boston Consulting, and at that point had an estimated value of $120 billion per year. This market was worth up to 5% of fashion sales at that time, but the analysts said this could grow to 40% in future.

Driving this, according to the co-founder and CEO of UK-based platform Hurr, is a shift in consumer attitudes. Victoria Prew launched the business, with Matthew Geleta, in 2018 as a peer-to-peer lending platform – the name derives from the Dutch word huur, meaning hire, and is also a play on 'her'. Quickly, the pair realised they could capitalise on an underserved niche: using the same technology for larger-scale rental through high-end retailers, which at the time was fairly new in the UK.

One of the first signatories was Selfridges, signing a partnership in 2020. As well as using its platform, the retailer brought Hurr's technology into the London Oxford Street store, which served as great publicity. Sebastian Manes, executive buying and merchandising director at Selfridges, said at the time: "This service opens a new way for our customers to trial luxury fashion, while also encouraging complete flexibility – maximising opportunity and minimising waste."

As this infers, it provided a double win for the retailers: monetising pieces that perhaps the average person could not afford, while promoting their own 'circular' ambitions. This was one of the draws for luxury online retailer Net-a-Porter, which partnered Hurr at the end of last year. Vikki Kavanagh, managing director of Net-a-Porter and menswear equivalent Mr Porter, said its rental edit is "key to enriching the global ambitions of our circular fashion offer, inspired by our customers' voices and their growing interest to keep exploring how we can extend the life of luxury products together".

More than 100 brands, including Mulberry, plus retail platforms Matches Fashion and Depop have followed suit. This first-mover advantage on the big retailers has led to Hurr being named one of the fastest growing UK start-ups. Victoria Prew was named one of Forbes' '30 under 30' most influential people in Europe, in the retail and commerce category, in 2021. "The future of fashion is a rent-buy model," she says. "We can now say that for the same price as a high street dress, you can have the real thing, by renting it."

## Power of influence

At Hurr's core is mobilising the Gen Z consumers (teens up to mid-20s), an image-conscious group who have grown up with social media but who also have a perceived demand for sustainability credentials. Being photographed in high-quality or unique pieces, and displaying them on their social media feeds, is an attractive proposition. These consumers see greater value in wearing something for a short period of time than in investing long term – which would also often be out of their reach financially.

Hurr offers various levels of perks to subscribers, buyers and sellers. These include earning commission for referrals and being selected for brand-ambassador roles at events. In the Affiliate programme, "rental revolutionaries use their influence to show the world how to rent and lend pieces in style", according to Hurr. They can earn commission on rentals they drive and receive a discount code to share with their followers. Another draw is being featured across Hurr's online platforms. It also offers loyalty benefits: every time a rental is completed, the consumer receives 5% in credit to go towards the next one. "Generation Hurr is a collective of taste and changemakers who are revolutionising the fashion industry," claims the company. "We're not satisfied with the status quo: we're here to disrupt it, whether you're big on sustainability, love creating content, want to start your lending side-hustle or love switching up your wardrobe."

A "side hustle" has the potential to grow into a lucrative career, and another strand of Hurr's business is encouraging users to build stock within the site. Three of its 'top lenders', Kelly, Jess and Paula, have created the Lender Collective to pass on their tips and advice. Between them, they have more than 1,000 items on the site, making a profit of at least £50 per rental. The women have created a series of 'lender toolkits' and spreadsheets, costing between £50 and £200 to download. "Whether you lend five items per month or 50-plus per week, you'll have the solid foundations to elevate your side-hustle and achieve top lender status," they say. "Clothes that pay us back? Now that's girl maths."

Ms Prew says the systems get 'smarter' every time a rental goes through, enabling them to predict demand, and the peer-to-peer community gives them the ability to capture trends ahead of time. They also have an "in-house garment science team" that predicts how many rentals each item should yield. "We feed back to brands on that, size and fit so they can create subsequent collections that are built to last," says Ms Prew. Asked about recent career highlights, she comments that it is great to see someone rent for the first time and realising it's a "no brainer". "The shift in consumer behaviour over the past two years has been incredible to watch," she says.

*Victoria Prew: Hurr's CEO aims to create a circular model that can be applied globally. She is supportive of female-led start-ups and mentors new tech founders.* Credit: Hurr

## Fundraising prowess

Investors and venture capitalists have agreed Hurr is onto something unique. The most recent fundraising round, which closed in December 2023 with £4 million, took the total to around £12 million raised. A spokesperson for lead investor Praetura Ventures said: "Taking advantage of the demand among consumers to rent high fashion pieces, Hurr is continuing to establish itself in fashion, with major partnerships with luxury brands."

Leather fits directly into this model, with its durability and longevity, and therefore value for money. Leather items on the site include a Prada bag, costing £141 for four days; Hermes riding boots, £84 for four days; Balenciaga heels, £74 for four days, or an Alexandre Vauthier red leather dress, £193 for four days.

Growth continues with Hurr increasing its headcount from 13 to 35 between 2022 and 2023, and registering as a B Corp to cement its sustainability credentials. Ms Prew has said her ambition is to create the world's leading fashion rental platform. "In the fight for our future the fashion sector has to be circular," she adds, "but, first and foremost, it has to slow its growth, forecast what shoppers actually want and cut overproduction."

It took a year, but footwear group Wolverine Worldwide wrapped up the sale of its in-house leather business at the end of 2023. We go into the story behind the story here.

*Wolverine Worldwide ran its own tannery in Michigan for 100 years before closing it in 2009.*

*CREDIT: WOLVERINE WORLDWIDE*

# Growth opportunities

Footwear group Wolverine Worldwide has completed the sale of its leather business, with Thailand-based leather manufacturer Interhides Limited (IHL) acquiring the Asian side of the business at the end of 2023. This news came three months after Wolverine announced that it was selling the US part of its in-house leather sourcing business to athletic footwear brand New Balance, and exactly a year after it first made public its intention to sell this part of its operation. It said it had raised $6 million from the sale of the US part of Wolverine Leathers and $9 million from the Asian part of the sale.

For 100 years, the footwear group ran its own tannery in Rockford, Michigan, specialising from the 1950s onwards in making nubuck leathers from pigskin for brands in its portfolio, including, most famously, Hush Puppies. This tannery ceased production in 2009, but Wolverine Leathers has, until now, remained an active part of the group, contracting leather production and colouring to suppliers in five locations in the US, Vietnam, Thailand and China. Interhides, now the owner of the Asian part of the business was one of its suppliers for many years.

**More than one way**

The incoming president of the Leather and Hide Council of America, Kerry Brozyna, was the general manager of Wolverine Leathers for many years and went on to become head of material sourcing at the group and one of its vice-presidents. The Rockford tannery had closed before he joined Wolverine, but he says this integrated set-up was typical of companies that were still running their own footwear factories. To own a tannery too was what he refers to as “old school”, but it made sense for many corporations, and still does for some.

If leather is a material that is integral to a shoe company’s product line and it uses large volumes of the material, having first-hand expertise of making leather and “subject-matter expertise” can be a great help. “It gives companies a better understanding of what they are using,” Mr Brozyna says. “But running your own tannery isn’t the only way to do this.”

Under the new set-up that was in place when he first took up his role at Wolverine in 2013, the group was buying in all of its leather, rather than making any itself. Other major brands had been successfully operating their leather sourcing in this way for many years. “Like many other brands, what Wolverine now does,” Mr Brozyna explains, “is hire people that have the expertise and place them in its sourcing programmes. You can have a team located in all of the facilities that are responsible for producing your leather, keeping a close eye on the process from beginning to end.”

### Worn in the USA

New Balance is committed to making some of its shoes in the US. It has a premium collection called Made US for which at least 70% of what goes into each pair, by value, must be from the US. It runs five footwear factories of its own in the US, three in Maine and two in Massachusetts. It broke ground on a sixth facility, this time in New Hampshire, at the end of 2023 and expects to be producing shoes there in 2025. Chief executive, Joe Preston, said the new factory would “drive future business opportunities that showcase our longstanding pride in American craftsmanship and innovation”.

All of this makes it possible for the company to offer what it calls Berry-compliant athletic footwear. For decades, the Berry Amendment has made it a requirement for the US Department of Defense to give preference in lucrative procurement exercises to domestically produced, manufactured, or home-grown products. The Department of Defense has to source footwear for millions of active service personnel, including running shoes and other athletic footwear.

The shift to overseas production of a large proportion of the athletic shoes that US brands bring to market has led to intense discussions in Washington DC about making this type of product exempt from Berry Amendment compliance. New Balance has worked hard with government officials and its supply chain partners to secure unchanged implementation of the legislation for athletic footwear.

This is the reason why investing in the US segment of the Wolverine Leathers business makes good sense for New Balance. Speaking at the science-based talks at Lineapelle in Milan in February, a senior executive specialising in sustainability at New Balance, Katy O’Brien, said the company currently makes around 100 million pairs of shoes and boots per year. Not all of these products are made from leather, but Ms O’Brien says New Balance’s consumption currently stands at 60 million square-feet of finished leather per year.

*Reintroduced in 2024, the New Balance T500 uses premium pigskin suede and nubuck in the upper.*
CREDIT: NEW BALANCE

*Sustainability specialist Katy O'Brien says New Balance consumes 60 million square-feet of finished leather per year.*
CREDIT: MICAM

## Sustainable growth

Investing in part of Wolverine Leathers is a different proposition for IHL. It sees the acquisition of the Asian component of the business as an opportunity for growth as a supplier of leather to the wider footwear market. Traditionally, the Thailand-based tannery had automotive leather and contract wet blue production as its main specialisms, but it has long-term relationships with a number of footwear companies, too, including Wolverine. General manager, Wasin Thumrongsakunvong, mentions Keen and Vivobarefoot as other good examples. It has worked extensively with these brands on sustainability. One project with Vivobarefoot has involved sourcing material locally from small-scale farmers, making sure they receive "a fair price" for their hides. He adds that, in the course of the last three years, it has begun to expand its business in the footwear sector.

IHL is ambitious, but wants its growth to be sustainable. Mr Thumrongsakunvong describes this as the thinking behind the way it sources and uses raw materials and chemicals, and the way it uses energy. The tannery it runs in Bangpoomai, about 30 kilometres south of Bangkok, is 30% powered by solar energy, and solar's share of total energy use is going up.

People management is part of this, too. IHL employs 1,300 people and has made sure that most workers are able to work on more than one aspect of the production process. "This is about efficiency," the general manager says. "It means no overtime is needed; our people receive pay-rises without that and are still able to go home on time and have a good work-life balance."

## Shortcut to shoe market stature

Its relationship with Wolverine dates back to the time when the footwear group closed its tannery and put Wolverine Leathers on a new specialist outsourcing footing. IHL was one of the tanneries with which it established key-supplier relationships, specifically because the Thai company embraced willingly the challenge of developing expertise in producing leather from pigskins. "We hadn't done that before," Wasin Thumrongsakunvong says, "but we gave it a go and it worked very well. We have had some hiccups here and there, but we have built a strong partnership with Wolverine." This part of the business currently processes 400,000 pigskins per month with most of the raw material coming from the US.

Under the new deal, IHL has acquired all of the inventory Wolverine Leathers held in Asia, and all the members of Wolverine Leathers' teams in China and Vietnam are now employees of IHL. The leather manufacturer also employs a sales person in the US. "This purchase is a great idea," Mr Thumrongsakunvong insists. "It's hard to become a big player in shoe leather if you don't have a strong team in terms of sales. Our feeling is that this will be a good shortcut for us."

It is making bovine leather for footwear as well and says it wants to expand this part of the business, not least by connecting with brands that are not part of the Wolverine Worldwide group. "Some new customers are already coming to us," the general manager says, "because they previously had a policy of not supporting a competitor. We are not a competitor; we can service all kinds of brands."

*The IHL tannery in Thailand. The leather manufacturer wants to grow, but in a sustainable way.* CREDIT: IHL

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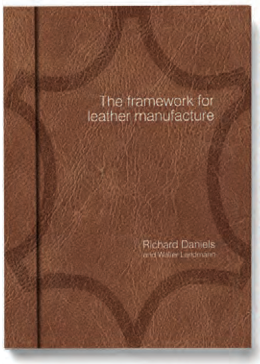


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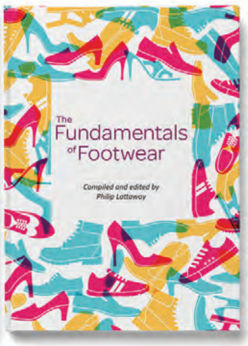


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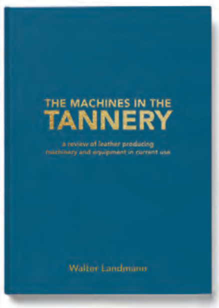


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