

Svenska Garveriidkareföreningen

VS/2011/0145 - Transparency of the origin of hides & skins

National Report from Sweden

We ran the consultation from 1st August – 30th September 2011

We received 4 replies corresponding to 100 % of the sector's companies, 100.% of the sector's turnover, 100 % of the sector's employment in our country.

1. IDENTIFICATION OF THE RESPONDENTS (IN PERCENTAGE)

The tanneries that replied to the consultation supply the following downstream sectors:

Footwear	2	Furniture	35
Leathergoods	1	Automotive,aero,other transport/	55
Clothing,Gloves	2	Wet Blue	
Other	5		

2. PERCEPTION OF THE ISSUE

1.1. What type of news regarding the conditions of sourcing of hides and skins has what level of shocking potential for consumers?

Social	Total	Average
-Child labour in connection with hides and skins	20	5.0
-Unhealthy working conditions in slaughterhouses	16	4.0
-Forced or Compulsory work in Farms	17	4.25
-Other:.....		
Environmental	Total	
-Rainforest deforestation for getting grazing land for herds in connection to hides and skins	17	4.25
-Chemical Risks, including preservation Salt use	13	3.25
-Other:.....		
Animal Welfare	Total	
-Animal mistreatment at the farm	19	4.75
-Animal mistreatment during transport to slaughter	20	5.0
-Non "humane" slaughter methods	16	4.0
-Other:.....		

Comment

The area of highest concern for the tanneries in our country concerns social and animal welfare aspects. The lowest sector concern regards environmental aspects.

Within the above areas, specific concerns relate to child labour and animal mistreatment during transport to slaughter.

1.2-4. Perception of how consumers care when the Media bring shocking stories about irresponsible behaviour of economic operators in terms of Social or Environmental aspects in supply chains

According to the tanneries consulted, consumers in our country care (100 %) when shocking stories on Social or Environmental aspects of their supply chain are portrayed in the media.

Our tanners believe that the negative impression left in the mind of consumers tends to remain (75 %).

The consultation reveals that tanners in our country understand that concerned consumers tend to react by trying to get assurances from the supply chain (75 %) regarding the conditions of environmental performance and social accountability under which the purchased products have been sourced. A minor part of the Swedish tanning industry doesn't believe the consumers will boycott leather (25 %). 25 % of the tanners think that the consumers care, but will forget.

1.5-6. Interpretation of customers of such societal concerns and consequent reactions

Percentage of customers who "are concerned"	Total	%
Customers don't translate such concerns into action	225	56.25
Customers contact suppliers and try to sensitise them on their values	55	13.75
Customers translate Societal concerns sooner rather than later into specific requests to suppliers	120	30.00
Other:.....		

According to our sector's operators, the manufacturers of leather articles, the customers of our tanners, perceive the negative publicity brought by the media as concerning (75 %).

The majority believe, however, that customers don't translate these concerns into action (56.25 %).

Action is expected by the majority to be in the form of specific requirements (30 %) and non-compulsory dialogue (13.75%).

1.7. When the media unveils a scandal in the leather sector who gets hurt?

	TOTAL	Average
the image of the leather industry in general?	13	3.25
the image of the entire leather sector in the concerned country?	18	4.50
the image of the leather sub-sector concerned independent of location, eg footwear leather/clothing leather?	10	2.50
the image of the leather sub-sector in the country concerned?	14	3.50
the image of the company/ies concerned?	19	4.75

The perception of the tanners in our country regarding the damage caused by media scandals involving leather is that the image of the company/ies concerned is hurt, but also the entire leather sector in the concerned country will be hurt.

1.8. Consequences mostly feared for business and personnel

	TOTAL	Average
less orders	10	2.50
cancellation of orders	8	2.00
reduction of volume in orders	12	3.00
less candidates for taking a job in the company	8	2.00
not getting top people for the company	11	2.75
staff getting stressed or depressed from the pressure of public opinion	11	2.75
losing staff for ethical considerations	5	1.25
loss in the value of the company brand name	11	2.75
loss of consideration in society as a tanner	8	2.00
official controls	6	1.50
pressure/attacks from NGOs	14	3.50
other:.....		

Economic consequences of scandals have been ranked in order of fears of the tanners in our country. Consequences regarding human resources are perceived as more or less important, while those affecting image are loss in value of the companies' brand names and pressure/attacks from NGOs.

More specifically, the potential adverse effect of "sensationalistic" news in the media most feared by tanners is pressure/attacks from NGOs (3.5 %), followed by reduction of volume in orders (3 %).

Possible problems regarding losing staff for ethical considerations or official controls are not perceived as crucial.

3. IDENTIFICATION OF THE ORIGIN OF HIDES & SKINS

2.1. The respondents to our consultation use the following raw materials (%):

Cattle 50 % Calf Sheep 25 % Goat Other: 25 %

2.2. **Origin** (give percentage on an annual basis):

Domestic	55	EU	30	Other European	14	Extra-EU	6
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These data do not reflect the supply situation very well in our country as there is a big difference in company size; and the total raw material demand varies considerably from this.

2.3. **State** (give % on an annual basis):

Fresh	7.5	Salted	80	Wet-Blue	
Dried		Limed/Pickled		Crust	12.5

These data do not reflect the supply situation very well in our country as there is a big difference in company size; and the total raw material demand is varies considerably from this..

2.4. **Nº of suppliers reported on average by our national tanners:**

1-5 suppliers.

These data reflect well the supply situation in our country regarding tanners using cattle. Tanneries using skins have more than 20 suppliers.

2.5. **Nº of orders (per year) reported on average by our national tanners:**

more than 50 orders.

These data do not reflect the supply situation in our country very well as there is a big difference in company size as well as in type of raw material. The type of raw material is crucial regarding the number of orders reported.

2.6. **Relationship with suppliers as reported by our national tanners:** (% per category)

Stable	96	Occasional	4
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2.7. **Suppliers are reported to be in general** (% per category)

Bigger than tanners	48	Smaller than tanners	52
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- *capacity of European tanners to identify the precise provenance of the hides or skins*

2.8. **Our country's tanners can identify the source of the following percentage of raw materials supplies:**

80-100%

One tannery (25 %) can identify the source to 60 – 80 %.

2.9. Our national tanners claim to be able to identify:

- the precise country of the hides and skins bought 100 % Yes
- the precise slaughterhouse of the hides and skins bought 75 % Yes
- the precise farm/herd of the hides and skins bought 25 % Yes
- the precise cohort of the hides and skins bought 100 % No

One company, working with sheepskins can identify the precise farm.

- *capacity of European tanners to communicate with the originators of hides and skins e.g. husbandry, abattoir, type of communication personal/paper-based/electronic*

2.10. Tanners claim to be able to set up communication channels with:

- slaughterhouses 75 %Yes
- animal transport companies 75 %Yes
- farmers 25 %Yes

2.11. The preferred route for communications upstream of the tanning sector is:

- Electronic communication (e-mail, blogs, chats...) 100 %Yes
- Paper based communications (letters, circulars, Newsletters) 50 %Yes
- Personal contacts (meetings, telephone calls, fairs, auctions) 100 %Yes
- Other:..... 25 %Yes

4. HOW TO ORGANISE A RELIABLE ASSURANCE MECHANISM?

Tanners were requested to rate from 1 to 5 (best option) the various options proposed. The table gives the average values obtained regarding the preferred assurance mechanism.

a standard for a self-declaration of suppliers	3.75
a contractual clause in the supply contract	3.75
a company-based public societal commitment	2.50
a Multi-Stakeholder Code of Conduct	3.25
Other:.....	

No option received highest rank.

5. HOW TO PROVIDE A CREDIBLE ASSURANCE TO THE GENERAL PUBLIC?

4.1. How to provide a credible assurance to the general public?

Tanners were requested to rate the various options proposed from 1 to 5 (best option) . The table gives the average values obtained regarding the most appropriate assurance mechanism.

an identifying tag for identifying the origin of each hide or skin	3.0
a paper-based documentation for lots	3.0
a self-declaration of herds	3.25
Slaughterhouses	3.25
Suppliers	3.50
a certification of herds	4.25
Slaughterhouses	3.75

Suppliers	3.75
a "black list" of suppliers	3.25
a list of "good" suppliers	3.75

The Swedish tanners consider a certification of herds to be the most appropriate assurance mechanism.

4.2. How should compliance be audited?

Tanners were requested to rate the various options proposed from 1 to 5 (best option). . The table gives the average values obtained regarding the most appropriate audit mechanism.

by buyers	2.0
by an independent party: Veterinary/sanitary services	4.25
NGOs	2.0
Technical centres	4.0
Others:.....	
by the Sector institutions and Stakeholders jointly	4.0

Swedish tanners consider audits carried out by an independent party, preferably veterinary/sanitary services, to be the most appropriate audit mechanism. Audits made by the sector institutions and stakeholders as well as independent technical centres are also considered appropriate.

OTHER COMMENTS

The Swedish tanning industry is small compared to other EU countries and has therefore less impact on , general tanning industry development.

The Swedish tanners have, however, for a long time paid attention to transparency in the supply chain in order to obtain reliable dialogue with end consumers. The Swedish Act of Environment and Work Environment Act are the foundations to assure end consumers that leather produced in Sweden is environmentally and socially safe.