



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

**National Report from the UK**

We ran the consultation from January 2012 until March 2012, following up with several targeted chasing emails. We received 5 replies corresponding to 25.% of the sector's companies, 65.% of the sector's turnover, 62.% of the sector's employment in our country.

**0. IDENTIFICATION OF THE RESPONDENTS (IN PERCENTAGE)**

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

Footwear	80	Furniture	20
Leathergoods	80	Automotive/aero/other transport	20
Clothing/Gloves	60	Wet Blue	20
Other	40		

**1. PERCEPTION OF THE ISSUE**

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

<b>Social</b>	<b>Average</b>
-Child labour in connection with hides and skins	3.2
-Unhealthy working conditions in slaughterhouses	3.4
-Forced or Compulsory work in Farms	3
-Other:.....	
<b>Environmental</b>	
-Rainforest deforestation for getting grazing land for herds in connection to hides and skins	2.8
-Chemical Risks, including preservation Salt use	3
-Other:.....	
<b>Animal Welfare</b>	
-Animal mistreatment at the farm	3.8
-Animal mistreatment during transport to slaughter	4
-Non "humane" slaughter methods	3.6
-Other:.....	

Comment: The areas of main concern for tanneries in the UK were stories about animal welfare in transport, on farm and at slaughter. Unhealthy conditions in the slaughterhouse, child labour, forced work and chemical risks were all significant concerns, with deforestation the least concerning for UK tanners.

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**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 (60%) when shocking stories on Social or Environmental aspects of their supply chain are portrayed in the media, although 40% said that consumers don't care

Our tanners believe that the negative impression left in the mind of consumers tends to fade (60%) – they care, but they forget.

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

Percentage of customers who "are concerned"	60%
Customers don't translate such concerns into action	77%
Customers contact suppliers and try to sensitise them on their values	4%
Customers translate Societal concerns sooner rather than later into specific requests to suppliers	17.6%
Other:.....	0%

Comments: According to the UK tanners 60% felt that their customers were concerned about negative publicity, but views varied on whether customers translated this concern into action, depending on the tanners' position in the chain, and the sector. Those selling to major brands considered that customers translated concerns into specific requests, while those selling to smaller companies, specialised niche markets and the automotive sector felt that customers did not translate concern into requests.

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

	Average
the image of the leather industry in general?	2.2
the image of the entire leather sector in the concerned country?	2.4
the image of the leather sub-sector concerned independent of location, eg footwear leather/clothing leather?	1.8
the image of the leather sub-sector in the country concerned?	2
the image of the company/ies concerned?	3

Comments: The view of the UK tanners is that it is the companies concerned that suffers most from bad publicity, followed by the whole leather sector in the country and by the leather industry in general.

**1.8. Consequences mostly feared for business and personnel**

	Average
less orders	1.8
cancellation of orders	1
reduction of volume in orders	1.8
less candidates for taking a job in the company	1.4
not getting top people for the company	1.4
staff getting stressed or depressed from the pressure of public opinion	1.4
losing staff for ethical considerations	1
loss in the value of the company brand name	1.8
loss of consideration in society as a tanner	1.8
official controls	2.8
pressure/attacks from NGOs	2.2
other:.....	

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Comments: In terms of fears of consequences from bad publicity, the main concerns of UK tanners are possible introduction of new official controls and attacks from NGOs. The least concern was expressed about the possibility of losing staff for ethical reasons and loss of orders.

## 2. IDENTIFICATION OF THE ORIGIN OF HIDES & SKINS

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

Cattle 80%      Calf 20%      Sheep 20%      Goat      Other 20%

Compared with the entire national tanning sector, this is not entirely representative. The figures for Cattle and Sheep are reasonably representative, but the figures for Calf and Other are overstated because of one company's specialised production.

### 2.2. Origin

Domestic	57%	EU	6.5%	Other European		Extra-EU	36.5%
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These data do not reflect very well the supply situation in our country. Overall supplies from domestic origins would be much higher (est 75%) and extra EU supplies lower (c 20%) because the large volume producers (of which there is one in the sample) use almost entirely UK domestic hides.

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

Fresh	18	Salted	2	Wet-Blue	57.4
Dried		Limed/Pickled	21	Crust	2

These data do not reflect the overall supply position in UK very well. In particular, the overall position would show a much higher figure for fresh (50-60%) because the high volume bovine processors work mainly from fresh; the wet blue figure would be much lower (c 20-30%) because the sample includes 1 medium sized and 2 small processors from wet blue. Salted would be higher and limed pickled lower than the figures recorded.

### 2.4. N° of suppliers reported on average by our national tanners:

1-5: 1  
5-10: 1  
10-20: 1  
20-50: 2

These data reflect reasonably well the supply situation in our country, because there is a wide range of company sizes, including some specialist producers who are likely to rely on a small number of sources.

### 2.5. N° of orders (per year) reported on average by our national tanners:

20-50: 2 companies      more than 50 orders: 3 companies

These data reflect reasonably well the supply situation in our country, because there is a wide range of company sizes, including some specialist producers.

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

Stable	92	Occasional	8
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The great majority of relationships with suppliers (92%) are stable, with only 8% being occasional. Most companies use only regular suppliers.

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## 2.7. Suppliers are reported to be in general (% per category)

Bigger than tanners	94	Smaller than tanners	6
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In nearly all cases suppliers are reported to be bigger than tanners. Most of the tanners in the sample are small or medium sized, and the largest company buys direct from large abattoirs.

### *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:

20-40%: 1  
60-80%: 1  
80-100% :3

Comment: Most tanners (buying fresh hides or small quantities of wet blue) can identify the large majority of raw material origins. Those buying large quantities of wet blue or pickled pelts find it more difficult.

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

-the precise country of the hides and skins bought	100%
-the precise slaughterhouse of the hides and skins bought	40%
-the precise farm/herd of the hides and skins bought	No
- the precise cohort of the hides and skins bought	No

All tanners can identify the country of origin of the raw material that they buy, but only the companies buying fresh or salted hides, or pickled pelts can identify the slaughterhouse of origin. The other three in the sample buy wet blue and cannot identify the slaughterhouse..

### *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	20%
-animal transport companies	No
-farmers	No

The company buying mainly fresh hides, directly from the slaughterhouse, is the only one that can set up communication channels with slaughterhouses, but not with transport companies or farmers.

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

-Electronic communication (e-mail, blogs, chats...)	40%
-Paper based communications (letters, circulars, Newsletters)	20%
-Personal contacts (meetings, telephone calls, fairs, auctions)	40%

Comment: Smaller companies find it difficult to communicate up the chain, but for the others, electronic and personal contacts are the main methods.

## 3. HOW TO ORGANISE A RELIABLE ASSURANCE MECHANISM?

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

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a standard for a self-declaration of suppliers	4
a contractual clause in the supply contract	3.4
a company-based public societal commitment	1.4
a Multi-Stakeholder Code of Conduct	1.8
Other:.....	0

Comment: The clearly preferred methods for establishing an assurance method are self declaration by suppliers and a contractual clause in the supply contract.

#### 4. 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 shows the average values obtained regarding the most appropriate assurance mechanism.

an identifying tag for identifying the origin of each hide or skin	1.6
a paper-based documentation for lots	3.2
a self-declaration of herds	0.4
Slaughterhouses	1.8
Suppliers	2
a certification of herds	0.4
Slaughterhouses	1.4
Suppliers	1.6
a "black list" of suppliers	1.6
a list of "good" suppliers	2.4

Comment: The preferred options for providing assurance for the general public are a paper based system for batches, a list of "good" suppliers and self certification by suppliers/slaughterhouses.

##### 4.2. How should compliance be audited?

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

by buyers	3.2
by an independent party: Veterinary/sanitary services	2.2
NGOs	1
Technical centres	1.6
Others:.....	0.4
by the Sector institutions and Stakeholders jointly	1.4

Comments: The preferred means of auditing any system was by buyers or by an independent party (eg veterinary services).NGOs or others were the least preferred options..

#### **GLOBAL CONCLUSIONS / OTHER COMMENTS**

Views and practicalities vary significantly depending on the tanners' position in the supply chain and the sort of material being bought.

The clearest and simplest situation is where tanners buy direct from the slaughterhouse. The next simplest is where tanners buy fresh or salted hides through a hide trader.

The process becomes much more complicated where tanners buy significant quantities of wet blue or crust from a wide range of sources.

Regarding methods, the most practical systems are documentary recording of batches and self declaration and certification.

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