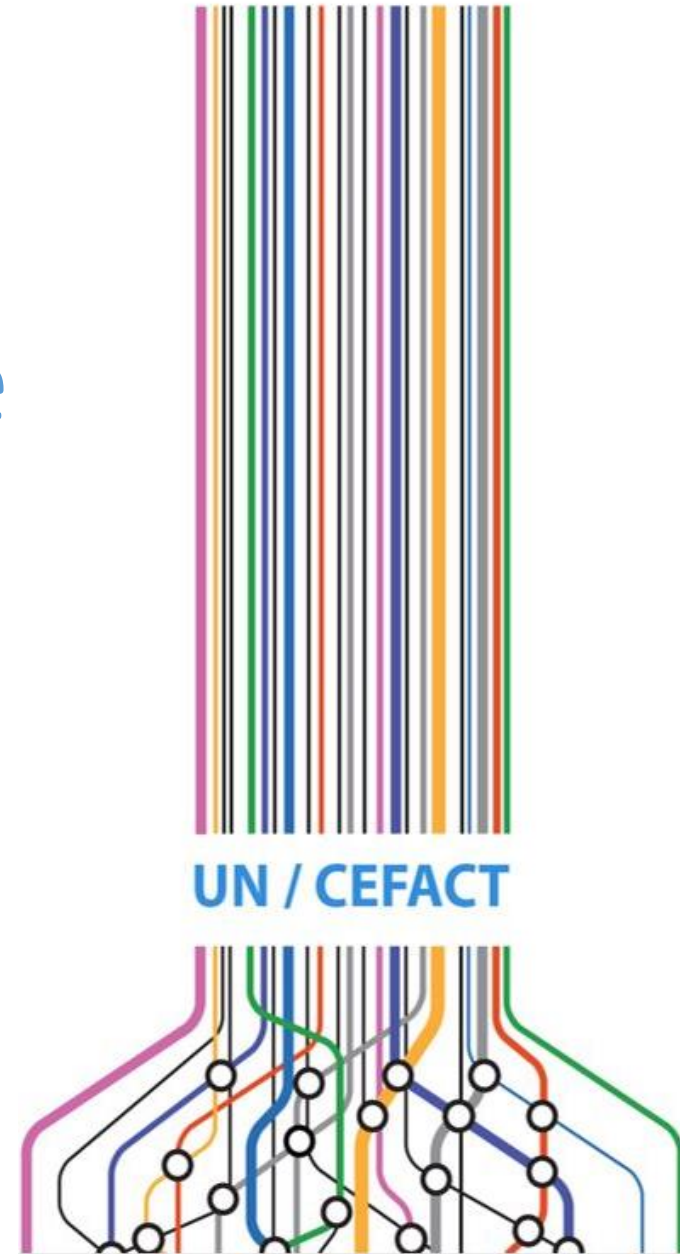


# Enhancing Transparency and Traceability for Sustainable Value Chains in the Garment and Footwear sector

Introducing the Leather Value Chain

**Deborah Taylor, Consultant, Core Project Team**  
28 | 05 | 2020, Technical Standards Conference Call

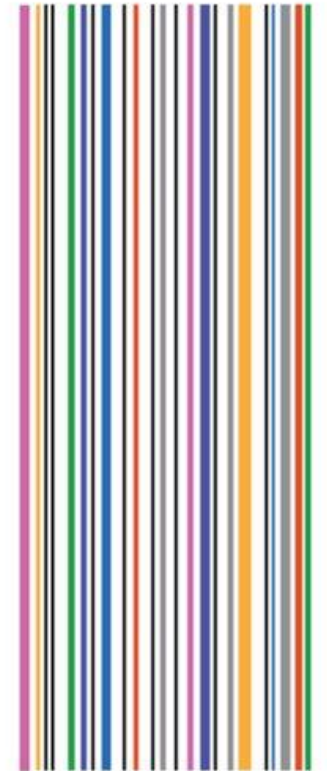


## Background



Deborah Taylor  
UNECE Consultant  
Leather Value Chain

- 5 years managing the Leather Working Group – a multi-stakeholder organisation with the objective of assessing the environmental impact of tannery operations.
- Key metrics:
  - Water Use
  - Energy Use
  - Air & Noise Pollution
  - Chemical management
  - Effluent treatment
  - Environmental Management Systems
- Close working relationships and collaboration with global brands (luxury to high street), suppliers, tanneries, NGOs, associations.
- Delivery of conferences, meetings, workshops around the world and presenting at industry events
- Achievements:
  - Growth of over 50% (with a 30% growth across all sectors in 2018-2019)
  - Delivery of 2 additional audit tools to strengthen reach and impact in the industry
  - Widened the collaborative reach of LWG



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## Leather Industry Landscape

- **Complex value chain** with geographic variances in manufacture
- **No standard transparency or traceability system** that is recognised globally
- **No legislative requirements** around traceability or sourcing of raw material
- There are examples of good transparency practice which can be adopted by others
- **Degrees of difficulty** with transparency and traceability depending upon the value chain
  - Luxury model is likely to be simpler with better control and mapping
  - High Street model is more likely to be complex with intermediaries
  - Trust and protecting commercially sensitive information are also factors
- Historically the leather industry has perceived leather to be a by-product of the meat industry, therefore no responsibility for animal welfare or environmental impact before the slaughterhouse
  - This does not apply for exotics that are farmed for their skin
  - Many leather manufacturers now recognise the value of good animal welfare and the direct link to the end product.
- The only region of the world currently that could link pre and post slaughter traceability is Brazil – due to enhanced systems to combat deforestation



## Why Transparency and Traceability is important



Trust  
Accountability  
Problem Solving  
Efficiencies

The leather industry is a global industry  
and has to act on a global scale.

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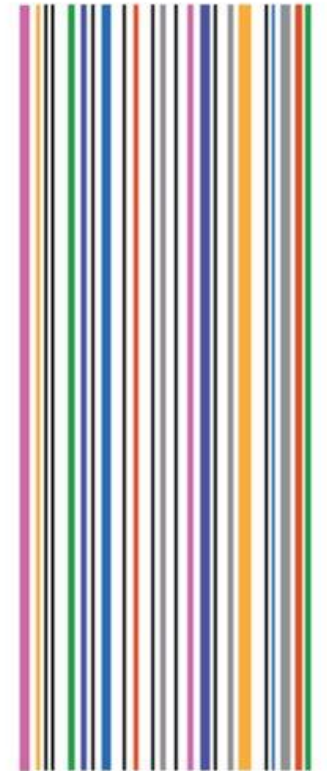


## Leather Traceability Standard

1. Identify the processes and actors within the leather value chain

2. Provide detailed descriptions of the processes identified and the sustainability risks associated with those processes using Activity Diagrams and Business Process Descriptions

3. Identify the information and data required to provide a robust traceability system and identify existing systems that provide transparency and traceability in the leather value chain



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## Report No. 1 - Leather Value Chain



Advancing Transparency and Traceability of Sustainable Value Chains in the Garment and Footwear Sector

Report on the leather value chain, focusing on livestock animal hides and exotic animal skins.

### Introduction:

This report contains a brief glossary of processes and actors in the leather value chain, together with use case diagrams to illustrate business processes for both a complex value chain (livestock) and a controlled value chain (exotics).

The purpose of this document is to provide a starting point for understanding the leather production landscape and the report is only concerned with the outline of processes necessary to convert the hides and skins from livestock and exotic animals into leather. This report does not look at the risks and sustainability issues arising from the processes but focuses on the identifying the actual process and actors. It is the first report of 3, as outlined below:

1. Report to identify the processes and actors within the leather value chain
2. Report to provide detailed descriptions of processes and the sustainability risks associated with those processes
3. Report on information/data requirements and existing traceability systems to provide transparency and traceability in the leather value chain.

The contents of this report have been compiled to encompass the broadest variability within the production process. It is recognised that not every manufacturer of leather will follow the attached in exactly the same order, however, for the purposes of remaining generally in alignment with the basic production model, this is the recommended standard to work from.

### Livestock Hides and Skins:

The leather value chain for livestock hides and skins can be complex as the manufacturers of the leather (tanneries) can provide different types of production processes. Some tanneries perform the entire transformation process from the raw hide/skin through to the finished material while others will only perform a part of the process. This results in a range of “supporting” actors participating in the value chain. These include: Agent Traders who buy and sell material at different stages; Brand Agents who act on behalf of the brands to buy material from a number of sources to fulfil product manufacturing needs; Sub-contractors who perform transformation processes on behalf of a tannery (they don't own the material but do have a part in the production). These “supporting” actors add a level of complexity to achieving full transparency and accountability from a sustainable production perspective.

### Exotic Skins:

When considering exotic skins, although some value chains may function in a manner similar to that for livestock hides/skins, generally there is a more controlled value chain. This is primarily due to



## 1. Identify the processes and actors within the leather value chain

This first report contains 3 sections:

**PART A: GLOSSARY OF LEATHER VALUE CHAIN PROCESSES**

**PART B: ACTORS IN THE LEATHER VALUE CHAIN**

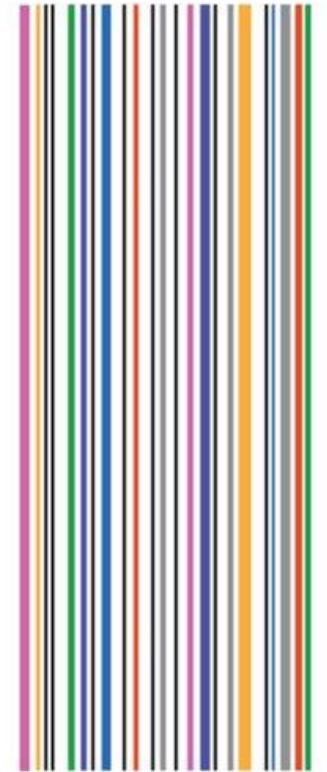
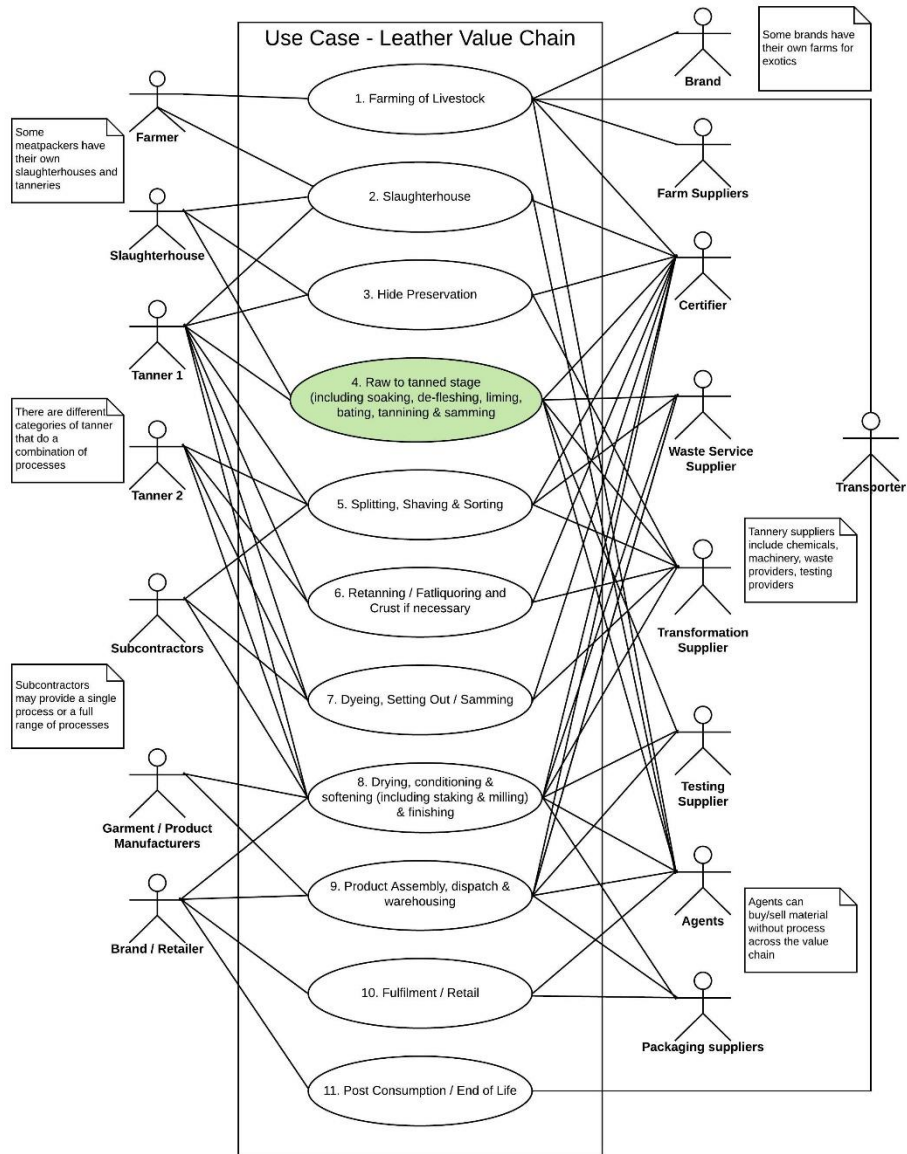
**PART C: USE CASE DIAGRAMS FOR COMPLEX AND CONTROLLED LEATHER VALUE CHAINS**



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# Report No. 1 - Leather Value Chain

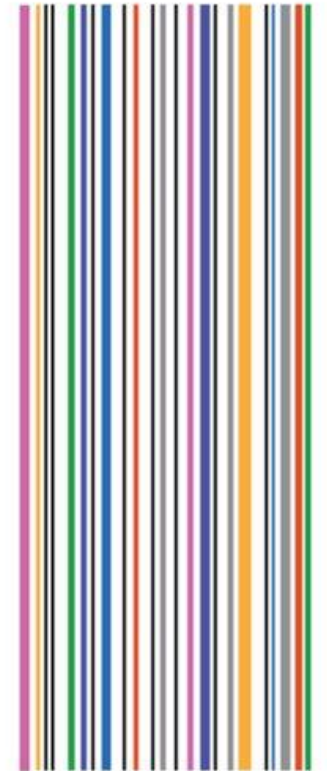


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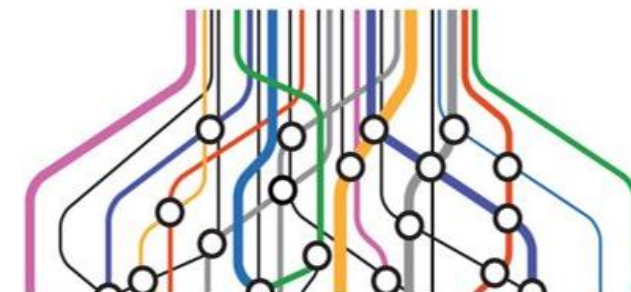


## Next Steps

- **Distribution of Report to the wider leather expert participants for review and comment.**  
↓
- **Preparation of Activity Diagrams and Business Process Descriptions which will form the basis for Report No. 2**  
↓
- **Dialogue with industry stakeholders to build examples of documents / data / systems available**



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# Thank you!

**Deborah Taylor**  
debannetaylor@gmail.com