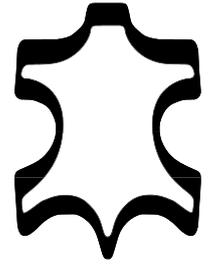


# International Council of Tanners



## Industry Position Statement on Deforestation

The International Council of Tanners (ICT) is the Global organisation for the leather producing industry, representing the leather industries of 34 countries and at least 50% of global leather production, including the three largest leather-producing nations. The global leather industry recognises the very significant issue of deforestation and is greatly concerned about the presence in its supply chain of raw materials sourced from illegally deforested regions of the world's forests.

Leather manufacturers and their customers are increasingly demanding greater visibility of their supply chains and reassurance that their products are ethically sourced. These concerns have given rise to considerable activity by the industry to improve transparency and traceability within the leather supply chain. Action has been taken to ensure, as far as possible, that the leather supply chain does not contain hides sourced from illegally deforested areas and to give confidence to downstream customers and consumers that their products are not contributing to deforestation. These include collaboration within the whole industry, brands, public sector, and NGOs, to develop traceability certification for raw materials with a view to guaranteeing that they are illegal deforestation-free.

It must be recognised that the illegal deforestation in the regions of concern is due corruption, abuses of power, 'land grabbing' and 'cattle laundering'. Even the most diligent companies could be misled on the provenance of the raw materials that they source, mainly from its indirect suppliers. As a customer of the meat industry, leather manufacturers are removed from the first stages of the supply chain and are not involved in the sourcing and tracing of livestock. Furthermore, hides are of little importance to the meat value chain, representing as little as 0.8% of the animal's value, and with up to 40% of hides simply thrown away.

As such, the leather sector has very little scope to influence the upstream supply chain. In some of the countries most exposed to deforestation, the hide is excluded from the value of the animal, with the price paid to the farmer calculated on the carcass weight only. As such, while the leather industry supports the elimination of deforestation-sourced raw materials from its supply chain, the limitations on its influence on that part of the supply chain must be recognised and expectations must be tempered with pragmatism.

Leather does not drive the rearing of livestock. By extension, it does not drive deforestation. The production of leather is all but incidental to that. Research at the University of Montana has shown that demand for hides for leather has no direct influence on the number of animals reared and slaughtered. This means that even the best efforts of leather sector will have a limited impact in the fight against illegal deforestation.

Nonetheless, the global leather industry does not deny its place in supply chains that include deforestation and will play its part in seeking to resolve the issues around transparency and traceability of raw materials sourced from regions with a risk of deforestation. The industry also recognises that rejecting raw materials that are only potentially linked but surely causally unrelated to deforestation will not help and will simply result in large numbers of hides being thrown away. By engaging with our suppliers and insisting on change, leather manufacturers and their customers can be part of the solution.

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