



BUSINESS PLAN

CEN/TC 289 LEATHER

EXECUTIVE SUMMARY

Business Environment

With an annual turnover of some 8 billion Euro, extra-EU exports worth around 2.5 billion Euro, Europe represents roughly 30% of global finished leather sales. Europe is also by far the largest market for leather and leather products with an estimated value of about 60 billion Euro.

Main market destinations of European leather are: Footwear (39%), Leathergoods (21%), Furniture (15%), Automotive (16%), Garments (7%) and other miscellaneous applications (2%).

The interested parties involved in the development of standards in the leather sector are:

- tanneries and their suppliers and customers,
- control and certification bodies,
- laboratories
- workers' organizations and final consumers.

Benefits

Benefits of CEN/TC 289 activity on leather are addressed to operators conducting business in the leather value chain. Standards facilitate the transactions between business partners and provide essential intelligence on the product to public authorities, consumers and the general public.

- test methods defining the characteristics of the material (chemical, physical and fastness standards are adopted in cooperation with IULTCS - International Union of Leather Technologists and Chemists Societies - and ISO) and
- technical requirements and terminology to be applied to raw hides and skins, tanned hides and skins and finished leather.

Within the Scope of CEN TC 289, since 1991 (date of TC 289 creation) until the Plenary of 2018, 75 standards have been published, taking into account confidence of customers and consumers in respect of security, quality and communications on and use of leather by the value chain stakeholders.

Priorities

Priorities of CEN TC 289 develops European and - in cooperation with IULTCS and ISO - international standards related to:

- chemical (including allergens), fastness and physical test methods for the evaluation of leather and chemicals used in tanneries;
- methods for the standardized sampling, conditioning and possible ageing of leather prior to testing, as well as of the solutions and instruments used in leather test laboratories;
- definition of accuracy of area measurement methods in replacement to the "pinwheel";
- standardization of relevant methodologies for the sector's LCA calculations and PCR ("environmental footprinting")
- requirements of leather - including its identification - for leather products and standards for the description and labelling of leather and finished products;
- terminology standards and the use of symbols (labelling).

Moreover, CEN/TC 289 is also verifying the possibility to develop standards relevant to new requirements such as thermal comfort, washability and cleaning.

1 BUSINESS ENVIRONMENT OF CEN/TC 289

1.1 Description of the Business Environment

The following political, economic, technical, regulatory, legal, societal and/or international dynamics describe the business environment of the industry sector, products, materials, disciplines or practices related to the scope of this CEN/TC, and they may significantly influence how the relevant standards development processes are conducted and the content of the resulting standards:

The European leather value chain has experienced significant structural changes over the last decades. These changes have affected both the internal organization of businesses and the way they conduct business in the leather sector.

- Sustainability of products and processes has become key to the success of businesses in the leather industry.
- The progress toward a circular economy sets certain technical challenges and many business opportunities for leather.
- REACH, the European Chemicals legislation, has set clear rules on the placing on the market of chemicals for the intended use in tanneries, as well as restrictions on chemicals present in leather and leather products.
- Globalisation has intensified with the international positioning of tanneries and manufacturers of leather products closer to raw materials' supplies or closer to markets.
- Product specialisation and the development of new markets for leather has influenced production processes and products.
- Electronic commerce has affected the way products from the leather sector are promoted and marketed.
- The "digital revolution" is affecting the way leather is produced and traded between operators, as well as communicated to the market and the general public.
- Regulations and private protocols promoted by Brands and Distribution Chains in main markets are impacting technical requirements for leather.
- The rise in alternatives to leather in many traditional leather market applications and the media progress of anti-meat/anti-leather movements call for an appropriate positioning of leather.
- Marking & labelling and testing and certification requirements of public or private nature are setting new challenges for the leather trade and industry.

For this reason, standards can help tanners and their suppliers, manufacturers of leather articles, brands and distribution channels etc. to improve quality of their products and communicate it along the leather value chain down to the final consumer.

1.2 Quantitative Indicators of the Business Environment

The following list of quantitative indicators describes the business environment in order to provide adequate information to support actions of the CEN /TC 289:

Trends in the European Market

The development of European standards in the field of leather should take into consideration the following facts:

- **Europe is still a major player on the Global Leather market**

Tanneries in Europe have experienced a significant decline in numbers, from some 3000 industrial enterprises in the late 1990ies to some 2000 in the new Millennium. Employment has also seen a fall in numbers from some 50.000 to about 35.000. But still with a turnover of some 8 billion Euro and about 2 billion Euro of extra-EU exports, Europe represents some 15-17% of global leather sales.

- **Higher use of wet-blue and semi-finished products**

Export restrictions and export taxes on raw hides and skins applied by major producing extra-EU Nations are forcing the leather industry to resort to supplies with a higher value added.

- **Environmental performance and social accountability**

Sustainability has become a key element for successful business. However, the higher social and environmental costs for the European tanneries are often several times as much as compared to such countries as Argentina, Brazil, China, India or Pakistan. The excellent environmental

performance reached by European companies must be given prominence on the market. This may be done, for instance, through standards governing environmental product declarations, or type III environmental labelling, or standards defining the essential information to be included in environmental reports (specific for a single tanning business).

With reference to social aspects, the sector would certainly welcome CEN work on European standards, considering that there already exists a European social code of conduct and an On-line risk assessment tool for tannery workplaces (Cotance & industriAll-Europe) agreed between employers and trade unions of the European Leather Industry.

- **Research**

The topics are several and cover a wide range of innovative aspects, which are for the time being still far from the possibility of being governed by standards or similar documents. The most interesting aspects from the industrial point of view is automation, robotisation, digitalization and artificial intelligence. There, standards on communication between different machinery and between machinery and management or output control/setting systems may be suggested.

- **Added value on products**

Exports in the tanning sector to extra-European countries have grown and become a service component linked to the materials. Therefore, standards on the testing and checking service or on the quality of a laboratory may be fixed.

Technical Activity

Considering the trends illustrated above, it is possible to identify a set of precise needs of the leading stakeholders in the standardization activity of CEN/TC 289.

- ❖ **Users of standards, specifically applicable to control bodies, certification bodies and laboratories**

The work of CEN/TC 289 is to be addressed to the study of

1. chemical (including allergens), fastness and physical test methods for the evaluation of leather properties and chemicals used in tanneries
2. legal metrology, leather laboratory supplies equipment and methods to determine ageing
3. Specifications, terminology, LCA calculation methodologies specific to leather (PCR), as well as their inventories and datasets

- ❖ **Market and economic operators (buyers, tanneries and their customers)**

1. Technical specifications for products to be included in international trade contracts, both for raw hides and skins, semi-finished products and finished leather.
2. Grading of intermediate or finished products and raw hides and skins
3. Requirements of leather for leather goods, floor covering, gloves, and new market needs
4. Computer codes for automation and communication between machines or between workers and machines

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5. Accuracy of measurement of leather with optical-electronic or other methods
6. New requirements to be defined:
 - a. Thermal comfort
 - b. Washability and cleaning
 - c. Electrical conductivity
 - d. Antibacterial or anti-mould

❖ **Public authorities**

Development of standards required by regulatory measures.

❖ End users

1. Standards dealing with the correct use of the terms and symbols “real/genuine leather” and related terminology (e.g. full grain, vegetable tannage) applicable to all the domestic market and to all sectors.
2. Standards for labelling leather in finished products.
3. Standards for communicating social and environmental credentials.

The following list of quantitative indicators describes the business environment in order to provide adequate information to support actions of the CEN /TC 289:

- Data about the sector

Worldwide

❖ Demand for leather:

- in value (total): +/- 50 billion Euros

Europe (EU-27)

- ❖ Tanning companies: 3,008 (2003) – 2,862 (2002)-----1,750 (2011)
- ❖ Number of staff: 50,105 (2003) – 52,225 (2002)----35.000 (2011)
- ❖ Turnover: 8.4 billion Euros (2003) – 9.7 billion Euros (2002)----8 billion Euro (2011)
- ❖ Export to extra EU: 3.7 billion Euros (2002) → 38.2% of turnover -----2.7 billion Euro (2011) 35% of turnover)

Source: Eurostat - UNIC – Cotance (Confederation of European tanners)

❖ Output by market destination:

- in value:	footwear:	44%
	leather goods:	20%
	garments:	7%
	upholstery:	27% (Furniture, cars and
miscellaneous)	other	2%

2 BENEFITS EXPECTED FROM THE WORK OF CEN/TC 289

The main factors influencing the standardization activities of CEN/TC 289 are legal, economical and technical.

- satisfying the demand of technical references to verify the characteristics of finished leather;
- technical references in commercial transactions and commercial dispute and settlement;
- agreed documents which may help the market giving specific indication on social and environmental credentials;

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- leather performance requirements on footwear leather, apparel leather, furniture leather, automotive leather, etc.
- address relevant social, societal, safety, health, environmental or ethical concerns;
- support European legislation, in particular customs control and market surveillance, restricted substances, labeling or New Approach Directives
- support market developments in terms of traceability and transparency respectful of relevant business confidential information;
- terminology issues, descriptions and labelling.

Moreover, the activity of CEN/TC 289 needs to harmonize national and international (ISO) standards on leather in order to facilitate the European and the international trade.

3 PARTICIPATION IN THE CEN/TC

All the CEN national members are entitled to nominate delegates to CEN Technical Committees and experts to Working Groups, ensuring a balance of all interested parties. Participation as observers of recognized European or international organizations is also possible under certain conditions. To participate in the activities of this CEN/TC, please contact the national standards organization in your country.

4 OBJECTIVES OF THE CEN/TC AND STRATEGIES FOR THEIR ACHIEVEMENT

4.1 Defined objectives of the CEN/TC

CEN/TC 289 is prepared to elaborate, maintain and develop a set of European standards for the leather value chain regarding:

- sampling, conditioning, etc.
- chemical, physical and fastness test methods,
- assessment and certification of origin,
- methodologies, inventories and datasets for sector specific calculation of LCA, PCR and eco-footprinting of leather
- marking and labeling
- legal metrology,
- requirements and characteristics to any intended end use in the field of raw hides and skins, tanned hides and skins and finished leather.

Moreover, CEN/TC 289 is competent to develop standards on chemicals used in tanneries, and on raw hides and skins, which should technically improve the market by defining defects, traceability and level of performance and commercially clarify the level of quality of raw hides.

European Standards concerning environmental footprinting, social credentials, traceability of hides and skins will be developed at the pace required by the market.

4.2 Identified strategies to achieve the CEN/TC 289 defined objectives.

Standardization work is carried out taking into account the activity at international level in the leather sector, in particular developing standards and technical specifications both with ISO/TC 120 *Leather* and IULTCS under the Vienna Agreement. The development of common European and International standards is intended to enlarge the market also at international level with potential future customers such as India, China and Russia.

A close liaison with COTANCE (Confederation of National Associations of Tanners and Dressers of the European Community) and ICT (International Council of Tanners) is advisable.

According to the market needs, the use of CEN/TS could be advisable in particular for what concerns the development of documents relevant to the information for the final customer and of

documents including requirements or giving guidance on leather performance. Moreover, relation with other stakeholder is to be improved:

- CEN TC 309 Footwear
- ISO/TC 120
- COTANCE & ICT
- IULTCS, ICHSLTA

4.3 Environmental aspects

CEN TC 289 covers environmental issues and environmental costs as an integral part of its scope.

CEN TC 289 is also prepared to encourage the discussion between the stakeholders keeping their attention focused to check if further environmental aspects can be directed towards standardization, notably with regard to legally restricted substances in leather and leather chemicals.

5 FACTORS AFFECTING COMPLETION AND IMPLEMENTATION OF THE CEN/TC WORK PROGRAMME

At present there are no known difficulties for the implementation of the Work Program of CEN/TC 289. The co-ordination with ISO and the alignment with the activity carried out by IULTCS need to be supported, and the cooperation with ISO TC 120 carefully checked and improved.