



SUSTAINABLE DEVELOPMENT GOALS

**ACTION
CAMPAIGN**

LEATHER 2035 QUALITY THROUGH APPRECIATION AND AWARENESS



In 2035, process innovations led to the fact that high-quality leather can be produced everywhere in a way that conserves natural resources. The consumer markets for leather produced in this way are stable. The risks of chemicals in processes and products are largely eliminated or under control.

WHAT MADE SUCH A POSITIVE DEVELOPMENT POSSIBLE?

In the period prior to 2035, pollution of **natural resources**, i.e. soil, air and water, at production sites in third countries had increased to such an extent due to the use of problematic chemicals in leather production that the availability of resources had become noticeably scarcer. As a result, **production costs** rose, for example due to the need for modern, more resource-efficient **processes**. In such a constellation, industries usually relocate their production chains to locations where they can produce cheaply under the usual conditions. In fact, however, these migration processes did not take place.

The prerequisite for this was that **consumer behaviour**, especially among Western consumers, had changed decisively. These no longer focused primarily on price, trends and design, but developed an increased awareness of sustainable and fair supply chains - including the topic of chemicals in products and processes. They wanted to contribute to a positive change in the supplier countries and therefore covered parts of the increased production costs. A **critical public**, i.e. NGOs, the press, the media, certain consumer groups, which, measured against 2019, dealt with the issue even more vigorously, both in the supplier and in the customer countries („production yes, but not at any price“), provided important impulses for the changed consumer motivation.



The increased **transparency and knowledge** in the various steps of the supply chain regarding the use and effects of chemicals in the processes as well as the end product also had a decisive influence on the changed consumer behaviour as well as on the possibilities of the critical public. This development made it possible for the consumer to perceive the critical aspects sufficiently. Brands and retailers responded to these societal developments and developed measures that enabled consumers to track supply chains and ingredients objectively.

At the same time, citizens living and working displeasure at the production sites stopped accepting the pressures on **natural resources**. This led to changes in political, social and also cultural **location factors** which favour the production of „more sustainable leather“, i.e. in particular a more conscious and safe use of high-quality and above all less problematic chemicals („use chemistry differently, use chemistry more innovatively“) as well as the use of further modern process technologies (e.g. sewage treatment plants).

The **legal framework** in the producing countries also reacted to the changed social and political local factors. Compared with the legal requirements of the purchasing countries (e.g. EU), the differences in regulation decreased and overall the level rose noticeably.

HOW ARE SUPPLY CHAINS ORGANISED IN 2035?

In addition to increased **transparency**, regulation was also an important impetus for the **traceability** of chemicals in products and processes along the global supply chains. Digital instruments made traceability possible at an acceptable bureaucratic burden. It increased the incentives for producers worldwide to invest in cleaner products and technologies through regulation and customer demands, but also to ensure a high **quality of raw hides** through appropriate measures already in the rearing of animals.

Traceability was also made possible by the increasing role of **organisational innovation**. Encouraged by the legal frameworks, companies cooperated along the supply chains, both horizontally and vertically, as well as across continental borders, and increasingly exchanged information.

This was accompanied by optimised transport routes which, together with **process innovations** in the direction of efficiency, made it possible to reduce **CO2 emissions** in leather production.



The aforementioned conditions, i.e. in particular the harmonised level of the legal framework and the location factors, the increased transparency and traceability as well as the critical public and customer requirements regarding chemicals in products and processes also had a positive pull effect on **working conditions**. In the tanneries, for example, globally harmonized standards for occupational health and safety and respect for human rights (renunciation of child labour, production of fair wages and equal rights) were established.

WHAT DO LEATHER PRODUCTS LOOK LIKE IN 2035?

With a view to **product innovation**, two parallel paths have evolved by 2035, depending on customer requirements and application context (e.g. automotive or apparel, including shoe fashion). A path stands for a return to natural leather, i.e. using less chemistry in finishing. This development is closely linked to the availability of **high-quality raw hides**. The other path focuses on leather as an innovative, highly functional material, whereby raw material is less decisive for this than the chemical functionalisation that takes place in the further process.