



INTERNATIONAL UNION OF LEATHER TECHNOLOGISTS AND CHEMISTS SOCIETIES

Founded in London in 1897, the International Union of Leather Technologists and Chemists Societies (IULTCS) is the world's largest scientific organization dedicated to leather. It includes 17 Member Societies, 4 Associate Members, and 2 Supporting Members, collectively representing over 3,000 individuals.

This document represents the IULTCS opinion regarding the public consultation on the Draft Delegated Act regarding bovine hides and skins (customs codes 4101, 4104, 4107) to be excluded from the Annex I of the EU Deforestation Regulation (EUDR) based on the following scientific criteria:

- 1) Current scientific literature does not support the claim that hides, skins, or leather are direct drivers of deforestation, in contrast to other commodities for which this link has been extensively documented and substantiated.
- 2) It is important to assess the relative value of hides and skins when compared to the products originated from the animal. On average, the hides and skins represent between 0.5% - 2.0% of the value of the animal for the slaughterhouse in most countries. Historic data points out that this value has been decreasing year over year (1). Currently, there is no viable economic model that justifies raising the animals for their hides or skins. The research of Brester and Swanser (1) indicates that hides and skins are a by-product of the meat industry and that hide prices do not directly affect cattle production in the United States. The same trend is observed across the globe.
- 3) Publications on peer review journals indicate that Bovine leather cannot be attributed as a direct driver of deforestation in Brazil (2); leather alone wouldn't drive deforestation in Brazil, and it mitigates waste from beef production (3)(4); the displacement of the demand to countries with advanced traceability systems can have negative effects in the development of traceability mechanisms in supply chains that need it the most (5).
- 4) The reduction on leather usage and its replacement by synthetic and oil-based materials is not an efficient strategy to address the adamant environmental pressures the World currently faces. Circular economy and resource efficiency goals might be impacted negatively by the lower durability and biodegradability of synthetic materials when compared to natural fibers, increasing reliance on synthetic alternatives, which may have higher carbon footprints and pose sustainability challenges. In parallel, the replacement of natural fibers for synthetic materials can be antagonistic to some of the EU's current environmental goals:
 - a. European Green Deal (2019);
 - b. EU Circular Economy Action Plan (2020);
 - c. Zero Pollution Action Plan (2021);
 - d. EU Climate Target Plan 2030.
- 5) In addition to the lack of evidence that leather demand significantly drives cattle ranching (1), the inclusion of HS codes 4101, 4104, and 4107 is likely to undermine Europe's leadership in leather production without meaningfully contributing to global deforestation reduction efforts. If the proposed restrictions are implemented, hides and skins may be redirected to other countries or absorbed by domestic markets in producing countries, without reducing overall production. These materials could still enter EU supply chains in forms with lower visibility, transparency, and environmental or social standards.

While economic and scientific evidence robustly supports that hides are not a driver of animal production, the IULTCS acknowledges that leather industries can be a partner and an ally in developing better traceability mechanisms in the supply chain and that multi-sectoral collaborative solutions must be prioritized and sought after. We respectfully urge EU regulators to consider this review in light of scientific evidence, considering the environmental and socio-economic impacts on the leather industry.

References:

- 1) Brester, G. W. and Swanser, K., Quantifying the Relationship Between U.S. Cattle Hide Prices/Value and U.S. Cattle Production, LHCA Report, Washington, D.C., USA, February 4, 2021
- 2) Mamadova, A., Masiero, M. and Pettenella, D., *Forests* 2020, 11(4), 472; <https://doi.org/10.3390/f11040472>
- 3) França, C.S.S., Is leather a forest-risky commodity? Exploring embodied deforestation in the Brazilian leather supply chain, M.Sc. Thesis, Università Di Padova, 2017, <https://doi.org/10.13140/RG.2.2.34439.34727>
- 4) Iraldo, F. et alii, Socio-economic and environmental analysis of the effects of Regulation 2023/1115/EU on the European leather sector, Institute of Management of Sant'Anna School of Advanced Studies, Pisa, Italy, 2024
- 5) Larocche, P.C.S.J. et alii, Accounting for trade in derived products when estimating European Union's role in driving deforestation, *Ecol. Econ.*, 224,(2024) 108288, <https://doi.org/10.1016/j.ecolecon.2024.108288>

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