The European market potential for leather bags

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The European leather bags market is worth around €4.75 billion. The market grew at an average rate of 4.9% each year between 2017–2022. The markets that offer the best opportunities for leather bags are France, Italy, Germany, the Netherlands, Spain and Austria. Poland stands out with significant growth in recent years (including imports from developing countries) and is an important market in Eastern Europe.

Contents of this page

1. Product description
2. What makes Europe an interesting market for leather bags
3. Which European countries offer the most opportunities for leather bags?
4. Which trends offer opportunities or pose threats in the European leather bag market?

1. Product description

Leather is a strong and durable material produced from the tanning, or chemical treatment, of cleaned and dehaired animal skins and hides. The tanning process changes the protein structure of the skin/hide, so it does not decompose. The most common leathers come from cattle, sheep, goats, buffalo and pigs. After tanning, the leather is dyed and finished. In recent years, several types of 'faux leathers' or 'vegan leather alternatives' have entered the market, but these materials are not of animal origin.

Figure 1: Europe is a large and growing market for leather bags

Source: Charlotte Fosdike on Unsplash

Leather bags are carrying items made of leather, which are worn or carried to hold and transport personal items. They are functional but also have aesthetic value. Leather bags typically have a longer lifecycle than garments and non-leather bags.

The statistics in this document are based on the following categories of leather bags:

42021110	Executive cases, briefcases, portfolios, school satchels and similar
42022100	Handbags, with and without shoulder straps, incl. those without handles, with outer surface of leather, composition leather or patent leather
42029110	Travelling bags, toilet bags, rucksacks and sports bags

Leather and sustainability

The leather industry causes several environmental problems, such as harm to animals, loss of forests and biodiversity, damage to land, releasing carbon into the air and pollution to water and air. The Sustainable Apparel Coalition, says cowskin leather is the third-most environmentally impactful material to produce. As a result, the leather industry focusses on 3 key areas: transparent supply chains, plant-based alternatives to leather, and reducing or eliminating hazardous chemicals from the production process.

2. What makes Europe an interesting market for leather bags

Europe is a big importer of leather bags. In 2022, the value of leather bag imports to Europe was €4.75 billion, up from €3.74 billion in 2017. This was equal to roughly 55 million units of leather bags in 2022 (down from 58 million in 2017). The average import price grew during the same period from €64 to €86. Between 2017 and 2022, the value of the European Union's (EU) leather bag imports grew by an average of 4.9% annually.

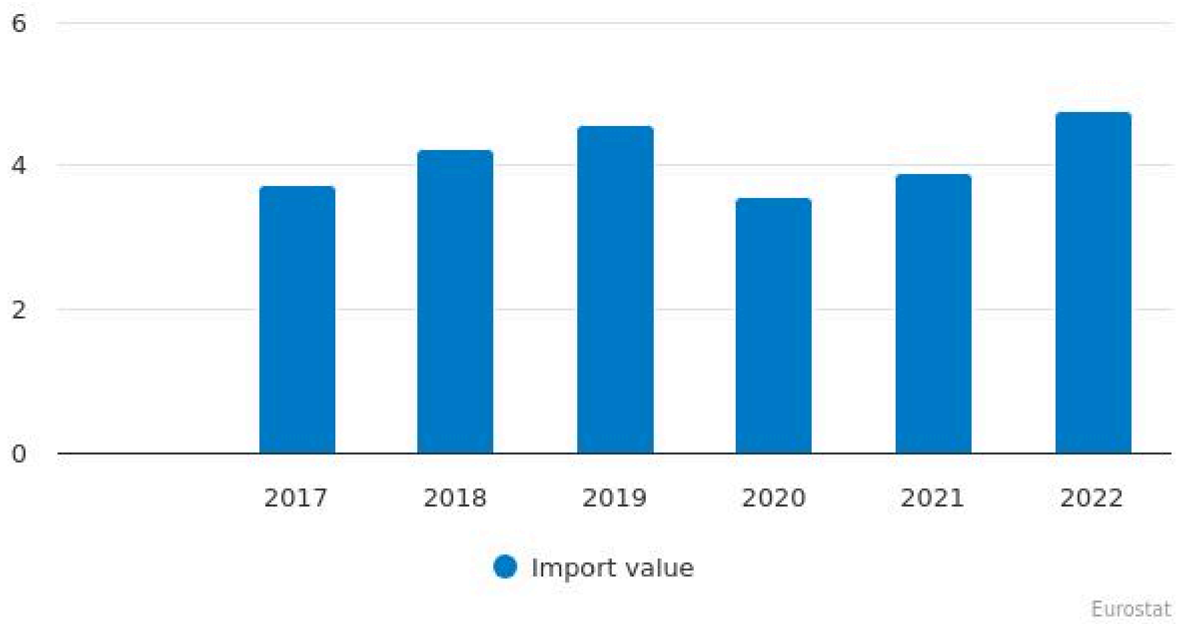
Figure 2: Handbags are by far the largest category of bags imported into Europe

Source: Photo by Tamara Bellis on Unsplash

The largest of the 3 categories of bags is handbags, which have a 92.2% share of the market, followed by travelling bags, toilet bags, rucksacks and sports bags (4.5%) and executive-cases, briefcases, portfolios and school satchels (3.3%). The handbag category is also the largest growth category, with an average annual growth rate of 5.6%.

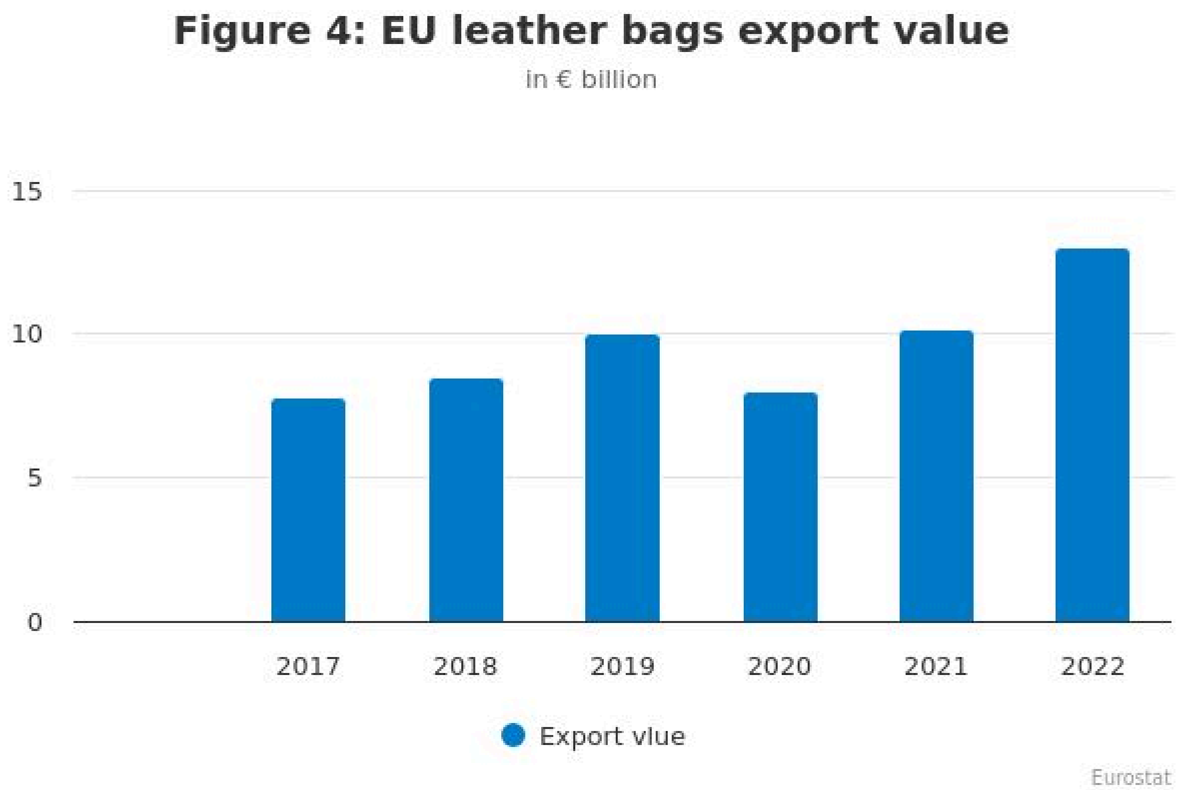
Figure 3: EU leather bags import value

in € billion



Source: Eurostat 2022

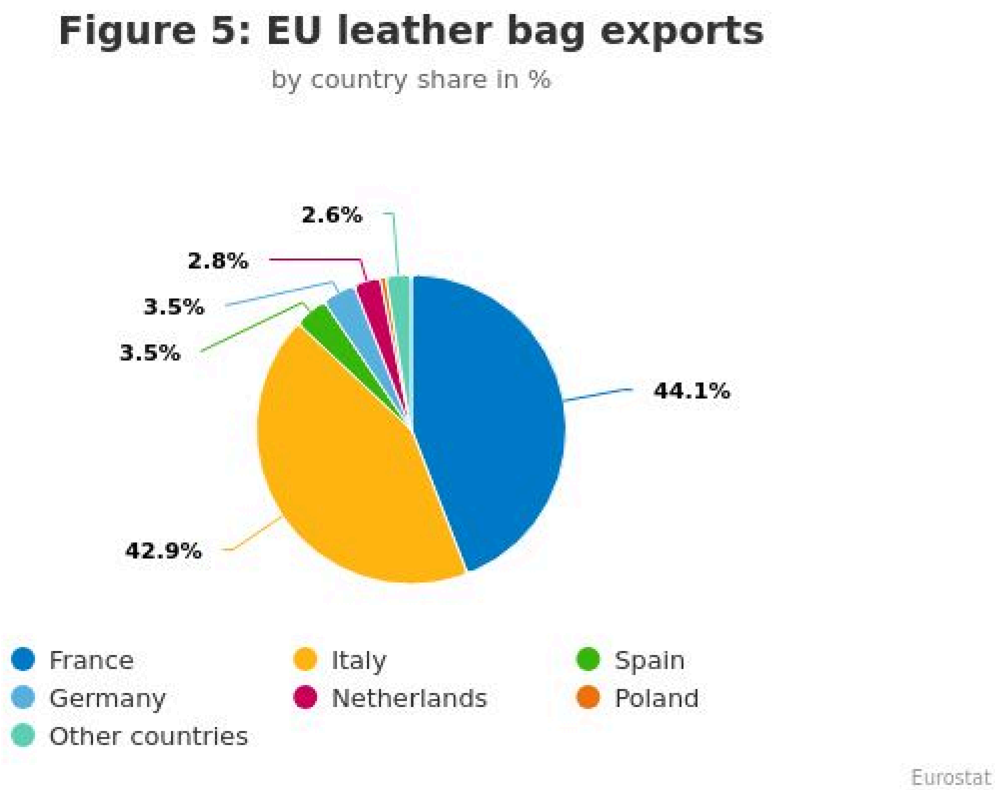
The European Union is also a large exporter and re-exporter of leather bags. In 2022, it exported €13 billion of leather bags (up from €7.8 billion in 2017). This corresponds to roughly 50.9 million units of leather bags in 2022 (up from 48.4 million in 2017). EU leather bag exports grew at an average yearly rate of 10.8% between 2017 and 2022.



Source: Eurostat 2022

The largest by far of the 3 categories of bags is handbags, which have a 95.5% share of the market. EU exports of handbags are also growing at more than double the rate of imports, while exports of travelling bags, toilet bags, rucksacks and sports bags are growing at more than 3 times the rate of imports. On the other hand, exports of executive cases, briefcases, portfolios and school satchels have gone down.

The biggest EU exporters in 2022 were France (5.7 billion EUR), Italy (5.5 billion EUR), Spain (461 million EUR), Germany (457 million EUR), the Netherlands (365 million EUR), and Poland (77 million EUR). Together, these 6 countries represent over 97% of the EU's leather bag exports. France and Italy alone account for as much as 87%. Within this group, France, Germany, Spain and Poland have seen the strongest export growth.

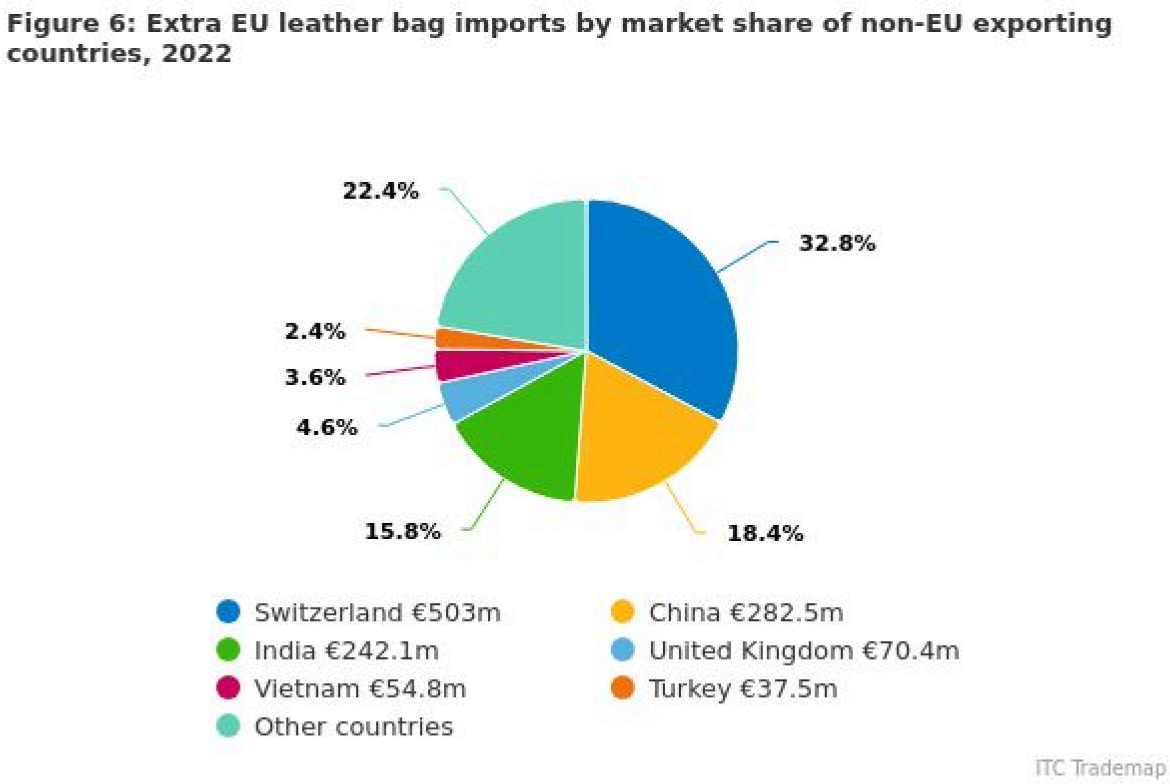


Source: Eurostat 2022

Most leather bags imported in the EU come from other EU countries (67.7% measured in value in 2022). Suppliers from developing economies accounted for just 9.8% in 2022 (463.5 million EUR) of all leather bag imports into the EU in terms of value. Although the value of imports has grown at an average yearly rate of 4.4% since 2017, the total market share of leather bags from developing countries has not changed since 2017. By contrast, developing country imports within the general apparel category account for up to 49.5%.

Between 2017 and 2022, leather bag imports from within the EU grew at a rate of 7.6%. This points to a growing interest in intra-EU trade and premium, value-added products.

These trade statistics, however, hide the fact that a portion of intra-EU trade is in products that were originally manufactured by developing-country suppliers and re-exported as branded products. These products are not in competition with imports from developing countries. The top 5 intra-EU exporters are also the top 5 importers of leather bags. This means that these EU countries have become regional distribution hubs. Direct and indirect trade with developing countries will likely keep growing.

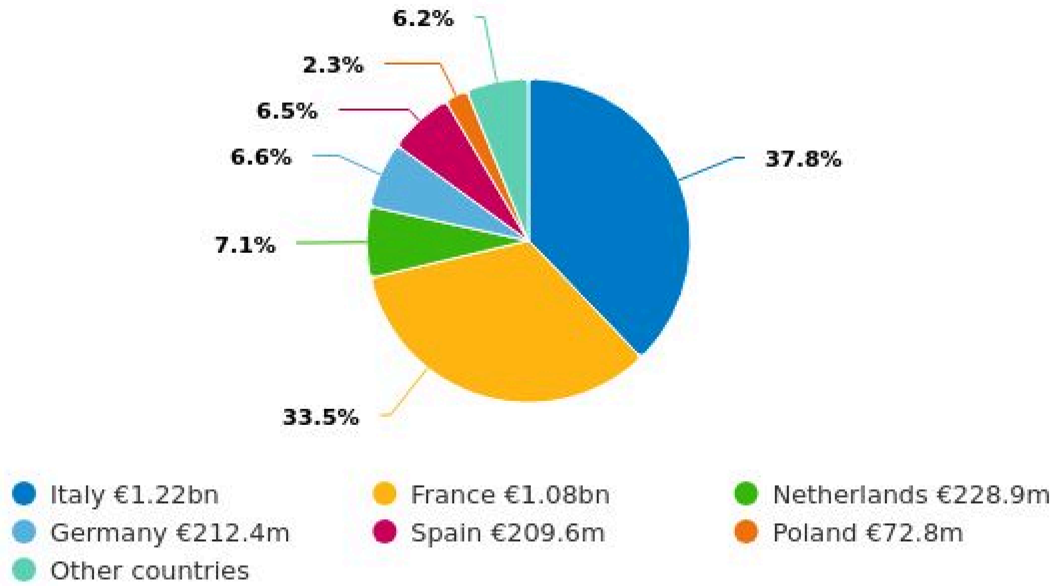


Source: Eurostat 2022

Switzerland, China and India dominate Europe’s non-EU leather bag imports. Together, these 3 countries account for 67% of imports from outside the EU into the EU. Switzerland is the single largest non-EU leather bag exporter to the EU, making up 33% of import value in 2022. It is followed by China with 18%, and India with 16%.

While the average non-EU country experienced an average growth rate of just 0.4% between 2017 and 2022, China’s exports declined, and exports from Cambodia and Indonesia grew significantly (97.5% and 13.8%, respectively). As China shifts its focus towards higher value manufacturing, the market is starting to respond by diversifying its production. This presents opportunities for developing country suppliers in coming years.

Figure 7: EU leather bag imports by market share of EU, 2022



Source: Eurostat 2022

Italy, France and the Netherlands dominate the intra-EU trade in leather bags. Together, these 3 countries account for 78% of all leather bag exports from EU countries to other EU countries. While, on average, intra-EU imports grew on average 7.6% between 2017 and 2022, imports from Italy, France, Germany, Spain and Poland all grew at a higher rate, with Poland achieving 20.1% growth.

Europe is a driving force behind sustainable innovation in leather

The fashion industry is one of the focus areas of the Circular Economy Action Plan. With this plan, under the umbrella of the Green Deal, the EU wants to move towards a sustainable and circular economy.

The European Union also has some of the most influential leather brands and designers. It is also home to the 2 most influential programmes supporting sustainable innovation in the fashion industry: Fashion for Good (FFG) and H&M Foundation’s Global Change Award (GCA).

In recent years, many innovations that are directly relevant to the leather bag segment have emerged from the FFG and H&M GCA programmes. They have made progress possible in the following areas: plant-based leather alternative materials, leather processing and eco-friendly dyeing.

If you work with European brands and retailers, you will have access to the latest knowledge, technical innovation and design insights that are driving fashion and sustainability trends in the leather bags category.

Tips:

- Visit trade fairs (online and in person) to keep up to date with the latest trends, techniques and innovations. Italy hosts MIPEL and LINEAPELLE twice a year, the most important international bags and leather goods fairs.
- Follow the Fashion for Good and H&M Global Change Award programmes on social media to learn about new innovations relating to sustainable leather.

Monitor leather innovations and trends on sites like Fashionunited.com.

3. Which European countries offer the most opportunities for leather bags?

Western European markets are larger and better developed than Central and Eastern European markets. Brands and retailers have more sophisticated sourcing and compliance management processes, and innovation capabilities tend to be stronger.

The largest leather bag import markets in the EU are France, Italy, Germany, the Netherlands, Spain and Austria. These top 6 countries together accounted for 84.6% of all EU leather bag imports in 2022.

Table 1: Top ten EU importers of leather bag products by several values (2022)

	Value 2022 (EUR)	5-year growth	Dev country share 2022 (value)	Dev country imports 5-year growth	Dev country imports change in share 2017-2022	Dev country imports avg. price 2022 (EUR)
France	1.56 bn	5.4%	7.4%	7.6%	0.7%	40
Italy	972 m	4.8%	7.7%	10.1%	1.7%	48
Germany	629 m	1.9%	9.7%	-0.9%	-1.5%	30
Netherlands	376 m	4.4%	29.5%	3.6%	-1%	30
Spain	332 m	6.6%	10.5%	-5.3%	-8.4%	20
Austria	143 m	4.3%	1.4%	6.6%	0.1%	31
Poland	126 m	12.6%	6%	24.6%	2.4%	25
Belgium	105 m	-0.5%	7.1%	8%	2.4%	29
Denmark	67 m	4%	38.2%	6.2%	3.7%	24
Sweden	59 m	3.8%	14.4%	-2.8%	-5.6%	26

EU Total	4.75 bn	4.9%	9.8%	4.4%	-0.3%	32

Source: Eurostat 2022

Of the top ten importers, Denmark and the Netherlands stand out in terms of developing-country sourcing of leather bags with 38.2% and 29.5% shares of imports from developing countries, respectively. Poland has increased its imports from developing countries by an average of almost 25% in the 2017–2022 period. Other countries whose average annual growth in imports from developing countries is higher than the overall import growth are France, Italy, Austria, Belgium and Denmark.

The average price of European imports of leather bags from developing countries grew by €6 per bag between 2017 and 2022, from €26 to €32.

Source: Eurostat 2022

France: A huge market with increasing sustainability requirements

France is the largest import market for leather bags in Europe. In 2022, the value of its leather bag imports was €1.56 billion (up from €1.2 billion in 2017). This represents 12.3 million units. Between 2017 and 2022, the value of France's leather bag imports grew at an average rate of 5.4% per year, while the import volume grew by 2.4% per year.

If measured in the value of imports, France sources just 7.4% of its leather bag imports from developing countries. This is lower than the European average. Italy is France's top supplier of leather bags both in terms of value (22.7% share) and volume (32.4% share). The value of exports continues to grow at an average of 12% per year. This means there is a big luxury market for leather bags in France. China is France's second largest supplier in terms of volume (17.9% share).

The value of developing country imports is also growing at 7.6% per year, which is higher than the EU average. This means there is a good-sized market for non-luxury leather bags. Other top ten developing-country exporters include India, Morocco and Tunisia. The average unit price of an imported leather bag in 2022 was €127, which is €17 higher than in 2017 and €41 higher than the European average. The average price of a leather bag imported by France from developing countries increased by around €14 between 2017 and 2022.

Sustainability

France is making its laws stricter regarding sustainability, in particular in terms of chemicals. It is now a legal requirement in France to inform people about products that contain one or more substances on the REACH Substances of Very High Concern (SVHC) list at the point of sale. It is also the first EU country to introduce specific regulation for MOSH/MOAH. These are mineral oils that are often used in the printing inks of packaging materials and recycled paper.

It will become harder to comply with French buyer requirements, and manufacturers should also expect an increased demand for more sustainable products. Price pressure in the budget/volume segment will remain. This could present a challenge for suppliers.

Well-known French leather bag brands include Louis Vuitton, Longchamp, Chanel, Celine, Hermes and Goyard.

Italy: The birthplace of luxury leather goods

The ‘Made in Italy’ brand has a reputation for high-quality craftsmanship and design. In fact, many of Italy’s luxury fashion brands started out as leather goods makers. The country has its own ‘Made in Italy’ standard and certification (UNI 11239/EN 16484). It also introduced leather authenticity legislation which forbids the use of the term ‘leather’ for leather alternatives. The Italian market demands high quality materials and finishing.

Italy is also the second largest import market for leather bags in Europe. In 2022, the value of its leather bag imports was €972 million (up from €769 million in 2017). This was 7.2 million units of bags. Between 2017 and 2022, the value of Italy’s leather bag imports grew at an average rate of 4.8% per year, while import volumes went down by 3.4% per year.

Italy sources just 7.7% of its leather bag imports from developing countries in terms of value, which is lower than the European average. France is Italy’s top supplier of leather bags in terms of value (20.4% share). The value of exports continues to grow at an average of 8% per year. This means there is a big luxury market for leather bags in Italy.

China is Italy’s largest supplier in terms of volume (31.9% share), and the value of developing-country imports is growing at 10.1% per year. This is only lower than that of Poland from amongst the top ten countries. This means there is a good-sized market for non-luxury leather bags. India is another important developing-country exporter to Italy.

The average unit price of imported leather bags in 2022 was €134, which is €44.70 higher than in 2017 and €48 higher than the European average. The average price of Italian imports of leather bags from developing countries grew by more than €9.50 between 2017 and 2022, the second largest increase among the top 6 countries. Italy also pays the most among the top 6 countries for developing country imports and the highest premium for intra-EU imports compared to those from developing countries (176 EUR).

Well-known leather bag brands in Italy include Gucci, Prada, Armani, Furla, Fendi and Bottega Veneta.

Germany: A country with strict sustainability requirements

Germany is the third largest importer of leather bags in Europe. In 2022, the value of its leather bag imports was €629 million (up from €572 million in 2017). This corresponds to 7.7 million units of bags. Between 2017 and 2022, the value of Germany's leather bag imports grew at an average rate of just 1.9% per year, while the import volume decreased by 3.7% per year.

Germany sources 9.7% of its leather bag imports from developing countries in terms of value, in line with the EU average. Developing countries' imports are stagnating, however, experiencing negative growth of 0.9% per year during the 2017–2022 period. By volume, India is Germany's largest exporter of leather bags (22.8% share), followed by Italy (21.7%) and China (12.8%). The average unit price of imported leather bags in 2022 was €82, which was €20 higher than in 2017 and €4 lower than the European average.

Germany is a country with strict sustainability requirements. Some German legislation regarding harmful chemicals goes beyond EU REACH legislation. It also has its own social and environmental standard: the Grüner Knopf label, which is displayed on garments at the point of sale. Germany's strict requirements will provide opportunities for higher quality and sustainable products in the coming years, in line with the overall segment trends.

Well-known leather bag brands in Germany include Aigner, Picard, Liebeskind and Braun Büffel.

The Netherlands: A distribution hub and centre for sustainability initiatives

The Netherlands is the fourth largest import market for leather bags in Europe. In 2022, the value of its leather bag imports was €376 million (up from €304 million in 2017). This represents 7.3 million units. Between 2017 and 2022, the value of Dutch leather bag imports grew at an average rate of 4.4% per year, while the import volume went down by 0.3% per year.

The Netherlands sources 29.5% of its leather bag imports from developing countries in terms of value. This is significantly higher than the EU average. While developing country imports are growing (3.6% over the 2017–2022 period), it is slightly lower than the EU average.

The average unit price of imported leather bags in 2022 was just €51 (the lowest among the top importing countries), which was €10 higher than in 2017 and €35 lower than the European average. The Netherlands is the only top 6 country that paid less in 2022 for leather bag imports from developing countries than in 2017 (almost €1.50 difference). This means the country has a strong non-luxury market.

The Netherlands profits from a favourable business climate, which facilitates importing and exporting. This, combined with its proximity to the sea and availability of ports, means it is an ideal avenue for importing products into Europe. For this reason, many foreign apparel brands have their headquarters in the Dutch capital, including Nike, Karl Lagerfeld and Tommy Hilfiger.

The Netherlands is home to a strong community of industry support organisations that focus on sustainability issues, including Fashion for Good(an innovation platform and accelerator for fashion start-ups), MODINT (trade association) and the non-profit Sustainable Apparel Coalition.

While France and Italy remain the Netherlands' strongest exporters of leather bags in terms of value, China is the country's top exporter in terms of volume (20.9% share). Of the top ten exporters to the Netherlands by value, 5 are developing countries (China, Indonesia, India, Cambodia and Vietnam).

Well-known leather bag brands in the Netherlands include Ellen Truijen, O My Bag and Bear Design.

Spain: Home to some of the largest international fashion retailers in Europe

Spain is the fifth largest import market for leather bags in Europe. In 2022, the value of its leather bag imports was €332 million (up from €241 million in 2017). This corresponded to 4.7 million units. Between 2017 and 2022, the value of Spain's leather bag imports grew by an average rate of 6.6% per year, while import volumes went down by 0.3% per year.

Spain sources 10.5% of its leather bag imports from developing countries in terms of value, which is slightly higher than the EU average. Developing country imports went down by an average of 5.3% per year during the 2017–2022 period.

The average unit price of imported leather bags in 2022 was €70 , which is €20 higher than in 2017 and €16 lower than the European average. The average price paid in 2022 for imports from developing countries was the lowest among the top importing countries (20 EUR), which represents an increase from 2017 of just over €1.50, much lower than the European average of €6. In terms of volume, India is the top exporter of leather bags to Spain (27.6% share) followed by Italy (25.4%) and China (14%).

A few large fast-fashion retailers are responsible for most of Spain's imports of leather bags. Import statistics may therefore not reflect the country's relatively low GDP, average wages and underperforming local market.

Well-known leather bag brands in Spain include Loewe, Iriarte Iriarte and La Portegna.

Austria: A market with under-developed sourcing from developing countries

Austria is the sixth largest import market for leather bags in Europe. In 2022, the value of its leather bag imports was €143 million, up from €116 million in 2017. This represented 1.2 million units. Between 2017 and 2022, the value of Austria's leather bag imports grew at an average rate of 4.3% per year, while the import volume went down by 1.5% per year.

Austria sources just 1.4% of its leather bag imports from developing countries in terms of value, which is well below the European average. Austria imports most of its leather bags from nearby Germany (38.3% share of volume) and Italy (21.6% share of volume). Developing-country imports did grow at a rate of 6.6% per year during the 2017–2022 period, but from a small base.

The average unit price of imported leather bags in 2022 was €117, which is €30 higher than in 2017 and €31 higher than the European average. The average price paid in 2022 for a leather bag imported from developing countries was €31, which represents an increase of around €3.90 compared to 2017.

Well-known leather bag brands in Austria include R Horn, Sagan and Taschendieb Wien.

Other notable countries

Despite Poland's high import growth and growth in sourcing from developing countries, prices paid for leather bag imports from developing countries are only higher than those paid by Spanish importers, from among the top ten countries. The price of developing country imports grew by around €0.50 in the 2017–2022 period. The premium paid for intra-EU imports of leather bags is the lowest amongst the top importing countries, at just €23. This means that the Polish market is still budget focussed.

A re-exporting hub for luxury goods, Switzerland ranks as a top ten exporter (in terms of value) of leather bags to France (second), Italy (second) and Germany (ninth).

Since there is no Eurostat data for the United Kingdom post-Brexit, we cannot directly compare with EU-countries. However, it should be noted that the United Kingdom is an important market for the import of leather bags and has a number of well-established premium and luxury leather brands. The country is home to the

Leather Working Group, the leather industry's most important and influential multi-stakeholder community, which drives best practices and positive change for responsible leather production.

Tips:

- Develop a prospect database and study the websites of brands and sustainability leaders in your target markets and segments. How do they market themselves and how do they describe the innovations they adopt? Fine-tune your product development and messaging accordingly.
- Attend free webinars on developments in the leather industry as well as best practice, hosted by companies like Eurofins BLC and the Leather Working Group.

4. Which trends offer opportunities or pose threats in the European leather bag market?

The European leather bag market follows general apparel industry trends and developments related to sustainability, circularity and corporate social responsibility, driven largely by legislation and policy initiatives under the EU Green Deal. For more information, read the CBI study on Trends in the Fashion Market.

The leather sector has its own set of sustainability challenges, which has led to the creation of sector-specific initiatives and legislation.

Strict EU chemicals legislation presents opportunities for compliant suppliers

Various chemical substances are used (and/or released) at different stages in the process of transforming animal hides into finished leather products. Many of these substances are toxic and can impact negatively on worker safety, human health and the environment. Many of these substances have strict limits for finished products and/or reporting requirements under EU legislation:

- EU POP Regulation 2019/1021: restricts the use of Persistent Organic Pollutants (POPs).
- EU REACH: a strict law that relates to chemical substances in consumer goods, including textiles.
- Hazardous substances that are not yet restricted under legislation are included in the AFIRM list and the ZDHC manufacturing restricted substances list (MRSL). These 2 are the leading guidance documents for brands, retailers and suppliers.

Some key substances and groups of substances restricted either by law or best practice include Biocides, Formaldehyde, Chlorinated Paraffins (POPs), PFAS, VOC-emitting substances and heavy metals, such as Chromium (III), Arsenic and Barium, and Chromium VI.

From 2014 to 2020, the proportion of chrome-tanned leather fell from 85% to 75%, and this trend is expected to continue as the industry works towards overcoming the current limitations of vegetable tanning, such as longer lead times, limited water resistance, initial inflexibility of the leather and limited colour options.

Example

ASG Leather in India is a factory group that produces leathers and leather accessories, including bags. The company works with chrome-free leathers based on Zeology technology from a company called Nera tanning. ASG Leather exports to various international markets and is known for its innovation and new technologies.

Plant-based vegan leather alternatives will become more popular

The global market for 'vegan' (animal-free) leather alternatives was worth $39.5 billion in 2022 and is expected to reach as much as $74.5 billion by 2030, with applications across the fashion, automotive and home textile industries. In the budget and middle segments, price consciousness is a key driver of this trend and cheaper, oil-based synthetic materials like polyurethane (PU) and polyvinylchloride (PVC) make up the biggest portion of the current 'vegan leather' market.

Figure 9: Several leather alternatives are plant-based, such as Piñatex, which is made from pineapple fibres

Source: Corinne Kutz on Unsplash

However, as animal welfare concerns and awareness of the environmental impact of leather production increase amongst consumers, the concept of 'vegan' alternatives is starting to gain ground in the premium and luxury segments too. Here, the focus is on the development of new, more sustainable, plant-based materials, some of which are derived from agricultural by-products and waste.

Up to 85% of the total carbon dioxide emissions generated by the production of cow leather material occurs at the cattle farming stage. According to carbon footprint consulting company Sustamize, the carbon footprint of cow skin leather is 110 kg per square metre of leather, compared to 7–15.8 kg for PU leather and just 0.8–8 kg for plant-based leather.

Examples of plant-based materials that have reached the pre-commercial or early commercial stage include:

- Piñatex – *Uses fibres derived from pineapple leaves*
- Mylo – Made from lab-grown mycelium, the root-like system of mushrooms
- Vegea – Made from grape leftovers from winemaking, vegetal oils and natural fibres from agriculture
- Desserto – Cactus leather made from organically grown prickly pear cactus plants, which require very little water to grow
- Mirum – A recyclable, circular and 100% plastic-free leather alternative made from natural fibres
- Uppeal – Made from apple waste

Luxury applications

Leather has always been synonymous with luxury, timelessness and quality. European luxury fashion houses have experimented with plant-based leather alternatives, but there are limitations regarding the durability and quality of these materials. Brands that have been successful in decoupling luxury from leather are those that have built their entire brand image around the concept of sustainability, such as UK fashion house Stella McCartney.

At the same time, some argue that high-quality leather bags are still the most viable sustainable option. A 2022 UK consumer survey found that up to 67% of people who buy or use leather do so because leather can last a lifetime. As durable, high-value fashion items, leather bags also lend themselves to circular business models such as rental and resale.

The McKinsey & Company State of Fashion 2024 report identifies leather goods as a key growth category, arguing that, as the circular economy concept takes hold, more consumers are seeking to invest in pieces that will maintain or increase in value over time.

Mainstream fashion applications

Swedish international fashion giant H&M is unique within the budget and middle market segment for its adoption of early-stage sustainable material innovations. The group's approach is to provide grants, investments and technical support to start-ups through various instruments:

- The H&M foundation's Global Change Award funds early-stage sustainable and circular innovations
- H&M CO:LAB, the group's venture capital arm, invests in new and developing technologies
- The H&M Circular innovation lab supports innovators and start-ups in joint venture projects

To date, H&M has showcased Vegea, *Piñatex, Desserto cactus leather and Mirum in its conscious collections*. However, none have become a permanent part of its offer as they have not achieved the scale required for mainstream fashion price points yet.

Mylo, one of the most promising plant-based leather alternatives to date (backed by Stella McCartney), ceased production in July 2023. It is currently looking for an investor to take it to wider commercialisation.

Transparency and traceability determine success

In March 2023, the European Commission adopted a proposal for a Green Claims Directive (GCD). This new law aims to prevent brands and retailers from making false sustainability claims. It requires companies to back up their environmental claims with data. For the leather sector this is particularly relevant when it comes to claims about deforestation-free leather and 'vegan' leather.

Vegan leather

The term 'vegan leather' suggests that it is a sustainable alternative to animal leather. This is true when it comes to animal welfare, but when synthetic materials are used, it is not eco-friendly per se. Most plant-based leather alternatives use bio-plastics and/or PU coating to make them more durable and to closely imitate leather's characteristics. This means that they are not truly environmentally sustainable and not biodegradable.

During a 2022 UK consumer survey, 74% of respondents found the term 'vegan leather' confusing and were unaware of the presence of plastics in it. The term is also often used to describe leather alternatives that avoid the processing of animal skins but still use animal products like bone glue.

Deforestation-free leather

The EU is the world's largest importer of wet-blue (chrome tanned) leather from Brazil where land clearing to raise cattle is responsible for 80% of the Amazon's deforestation. Since leather production is mostly considered a by-product of the beef industry, leather goods supply chains have not been regulated in the same way. This is changing.

The EU Deforestation Regulation (EUDR) will come into effect in 2025 to fight deforestation caused by the import of certain products, including leather. Importers of raw hides and leather into the EU will have to complete a 'statement of due diligence'. This confirms that no forests have been cut down for the production of leather. It also guarantees full traceability for the individual hide, back to the farm where the animal lived. The regulation does not apply to finished leather products yet, but this may change soon.

The Deforestation-Free Call to Action for Leather is an initiative led by Textile Exchange, the Leather Working Group and the World Wildlife Fund. Signatory brands are committed to only sourcing their bovine leather from supply chains that are not associated with deforestation or land that has been converted from natural habitat by 2030. Brands are required to set and meet targets for mapping their supply chains to slaughterhouse level and to use a traceability system to verify the sourcing of deforestation and conversion-free leather.

Suppliers that can support their customers' needs for transparency and reliable impact-related data through supply chain mapping, product lifecycle assessments and/or carbon footprint calculation will have a competitive advantage.

Tips:

- Map your supply chain by gathering information about your suppliers as well as suppliers further upstream in your supply chain. Relevant information incudes activities, processes, social and environmental audit results and valid certificates.
- If you are targeting the luxury or premium market, focus on real leather accessories that are durable and timeless, and use neutral colours suitable for vegetable tanning.
- Create a collection using plant-based leather alternatives if you want to target sustainable brands.
- Consider having some or all of your products audited by a carbon accounting tool like ISO 14067.

Frans Tilstra and Giovanni Beatrice carried out this study for FT Journalistiek on behalf of CBI.