DUE DILIGENCE FOR HEALTHY WORKPLACES IN THE EUROPEAN TANNING INDUSTRY

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Corporate Social Responsibility is vital to pursue the systemic changes needed within business and value chains to achieve the Sustainable Development Goals (<https://www.un.org/sustainabledevelopment/sustainable-developmentgoals/>). The fashion industry is no exception. Much needs to be done in Global Value Chains of the fashion industry to redress reputation, regain its appeal and respect its ambitions. COTANCE and industriAll-Europe, the leather sector's European Social Partners, want to spearhead this process in their Industry. The health & safety in tannery workplaces represents a key priority for leather value chains and the Social Dialogue at sector level is the right instrument for setting Due Diligence standards which are technically feasible, appropriate and effective, and can lead businesses to exploit new opportunities and gain enhanced competitiveness. In the frame of an EU sponsored Social Dialogue project, with the support of the University of Northampton (UK), was launched a survey to find out more about the levels of maturity and integration of health and safety practices in tannery workplaces and its communication along the leather value chain. This paper presents the main outcomes from this survey (<http://www.euroleather.com/index.php/documents/245-due-diligence-survey-report>).

Keywords: tanning industry, safety & healthy workplaces.

INTRODUCTION

Leather is a fabulous product. It is the result of the recycling of hides and skins of animals slaughtered for the production of meat for human consumption. Without tanneries, these organic residues, if not properly disposed of, would constitute a major health hazard. Thanks to its beauty and usefulness, leather has become a globally traded commodity generating a global value of trade of over 82 billion US dollars (FAO stat) annually. Nearly every country in the World has a tanning sector, but not all work to meet correct social or environmental standards.

A survey was set up to explore current practices in reporting and communicating health and safety risks along the leather supply chain and how they are managed in tanneries. The aim was to provide a snapshot of the current situation within the value chain in relation to the perceived importance, reporting models, motivations and certification/auditing practices on health and safety in company-owned or outsourced tannery operations.

The COTANCE and industriAll-Europe survey ran from October 2017 to February 2018 in the context of their EU-funded Social Dialogue project. They were assisted by the University of Northampton (UoN) for collating the survey results.

The survey's target audience consisted of all the leather value chain stakeholders, from those directly involved in the production of leather, to those producing and selling leather articles to the final consumers and including suppliers of machinery and

chemicals as well as miscellaneous organisations following the leather sector such as NGO's, associations, hide traders, consumers, consultants and designers, etc.

This paper presents the main conclusions of the Social Partners of the European Leather Industry. With leather being a 'Global Value Chain', the research reflects practices that span beyond European borders and the implications from the findings have global resonance for the leather value chain.

Due Diligence Leather project was carried out within the framework of the European Social Dialogue and was funded by the European Commission. The project was led by COTANCE (Confederation of National Associations of Tanners and Dressers of the European Community) & industriAll Europe (European Trade Union), and the partners were the following leather national owners' associations: UNIC (Italy), VDL (Germany), ACEXPIEL (Spain), FFTM (France), UKLF (UK), APPBR (Romania), SG (Sweden).

METHODOLOGY

The research adopted a quantitative methodological approach to the data collection process, which involved the design and build of an online survey. The online survey was launched between October 2017 and February 2018 and responses were sought via email sent to pre-identified stakeholders. The survey's target audience consisted of:

- Tanneries and Trade Unions
- Brands and Leather Buyers
- Tannery Suppliers
- Other Stakeholders
- (NGOs, research centres, regulators, consultants and federations).

The survey sought to provide quantitative data that would answer the overall research aim and three specific research questions:

- *How European tanneries are regulated and controlled with regard to key health and safety requirements, and whether or how their own leather supply chain can be monitored?*
- *How leather products manufacturers and importers set tannery workplace standards and monitor tannery workplace conditions in their supply chain?*
- *How observers and other stakeholders observe and interact with the leather value chain?*

The survey was designed specifically for each of the four stakeholder groups so as to ensure that the questions were context specific. However, there were a high number of questions that were the same across the surveys, so as to ensure that the research could also engage in comparative analysis between groups. The survey was designed in English, before being translated by the project partners into six other language versions (German, Spanish, French, Italian, Portuguese and Romanian). Each of the survey language versions contained all four of the stakeholder group sub-surveys.

In total, 238 participants responded to the survey, giving an estimated response rate (based upon the primary database engaged) of 34.1%. The respondents were engaged from 27 different countries globally, although 92.9% (n=221) of the respondents were from Europe. However, participants did engage from across the globe including: North America (n=5); South America (n=1); Asia (n=6); Middle East (n=1); Oceania (n=2); and Africa (n=2). The data can therefore be viewed as global in scope, albeit with a strong focus towards the European leather market. This European bias to the sample

should not be viewed negatively, but rather as a representative factor of the global leather value chain and the role that Europe can play in improving H&S standards in other regions. All data was analysed in SPSS version 22.0 or Stata. Both are statistical analysis software packages that allow detailed examinations of datasets, over and above mere comparisons of averages. The analysis included descriptive tests (means and median average values), and comparative analysis using cross-tabulation Pearson Chi-squared tests.

The latter Chi-squared tests allows for a comparison of two or more categorical datasets to see if the observed differences between them arose by chance or not (e.g. differences in yes/no responses amongst the different stakeholder groups). This allows the research to state whether there are indeed significant differences between different stakeholder responses or not.

QUESTIONS WERE ASKED TO:

- T TANNERIES AND TRADE UNIONS** (Country owner, tannery worker, trade unionist)
- S TANNERY SUPPLIERS** (Chemicals, machine tools)
- B BRANDS AND LEATHER BUYERS**
- O OTHER STAKEHOLDERS** (Government, police, community, NGOs, other)

1. Do you have a specific safety protocol in your company? (Yes/No)

2. Do you have a specific safety protocol in your company? (Yes/No)

3. Do you have a specific safety protocol in your company? (Yes/No)

4. Do you have a specific safety protocol in your company? (Yes/No)

5. Do you have a specific safety protocol in your company? (Yes/No)

6. Do you have a specific safety protocol in your company? (Yes/No)

7. Do you have a specific safety protocol in your company? (Yes/No)

8. Do you have a specific safety protocol in your company? (Yes/No)

9. Do you have a specific safety protocol in your company? (Yes/No)

10. Do you have a specific safety protocol in your company? (Yes/No)

11. Do you have a specific safety protocol in your company? (Yes/No)

12. Do you have a specific safety protocol in your company? (Yes/No)

13. Do you have a specific safety protocol in your company? (Yes/No)

14. Do you have a specific safety protocol in your company? (Yes/No)

15. Do you have a specific safety protocol in your company? (Yes/No)

16. Do you have a specific safety protocol in your company? (Yes/No)

17. Do you have a specific safety protocol in your company? (Yes/No)

18. Do you have a specific safety protocol in your company? (Yes/No)

19. Do you have a specific safety protocol in your company? (Yes/No)

20. Do you have a specific safety protocol in your company? (Yes/No)

Figure 1. Due diligence survey questionnaire structure
(<http://www.euroleather.com/index.php/documents/245-due-diligence-survey-report>)

RESULTS AND DISCUSSIONS

There is no hesitation among European leather value chain partners in clearly ranking workplace health and safety as a key priority (Figure 2).

Figure 2. Ranking of Health & Safety as a priority

Internal transparency, however, seems to be a common feature in the majority of businesses in the leather supply chain. Leather buyers and sellers make their Health & Safety Risk Assessment Reports (H&S RAR) available to personnel, with 70% of tanneries and trade unions and 77% of brands and leather buyers doing so (Figure 3). The EU-OSHA Directive 89/391/EEC “Framework Directive” indicating that it is the responsibility of employers to inform employees regarding the risks associated with the work they conduct, seems to be widely acknowledged in the sector.

Figure 3. Availability of the H&S RAR for all the personnel (%)

All stakeholder groups concur in general that a H&S RAR is a useful tool for testifying how workplace safety is managed in a tannery (Figure 4). However, there are some differences between groups, that are most likely related to their position in the leather value chain. Interestingly, the number of respondents in the ‘other stakeholder’ group, without an opinion, is relatively large (39%). The ‘other stakeholder’ group is composed of NGOs, research centres, and consultants, of which a certain number may not necessarily be acquainted with H&S RARs. However, 56% agree about the usefulness of the instrument. All other groups show a much higher trust rate, with four-fifths of tanners and trade unions and tannery suppliers, and nearly 97% of brands and leather buyers, answering in the affirmative.

Figure 4. Usefulness of the H&S RAR, for each stakeholder group (%)

The survey investigated which tannery specific references for workplace safety the stakeholders were aware of, proposing a number of answers, including both tannery specific (OiRA Tannery Tool) and non-tannery specific (SA 8000, ISO, CEN), as well as an environmental auditing protocol with a certain reputation in the leather sector, but that does not have a H&S section (LWG).

The results demonstrate that, to a large extent, all four stakeholder groups ignore the only tannery-specific tool for tannery workplace risk assessment (Figure 5). ISO, a system of standards that provides only a framework that needs to be adapted to the specific needs of the sector, is the leading reference point, followed by the LWG which does not address H&S in its auditing protocol. SA 8000, a generic tool, occupies the third rank.

The least recognized reference is OiRA, only known/used by 6% of respondents overall, albeit nearly 10% of tanneries and trade unions were aware of it. OiRA was developed in 2012 and after 5 years of existence has already reached a certain sector audience. There is, however, a high potential for the OiRA tannery tool.

Figure 5. References for workplace safety acknowledged by the stakeholder groups (%)

The majority of stakeholders have not considered the free OiRA tool for the identification of tannery workplace risks, and tanners and their customers do not use this instrument for setting up their company RAR (for the former) or the H&S requirements to suppliers (for the latter) (Figure 6).

This result evidences the low awareness of the OiRA tool in the leather value chain. However, with respect to the dimension of the organization, the results show that 'large' and 'medium' enterprises are less likely to use the OiRA tool. Therefore, OiRA use and awareness is more prevalent in smaller organisations.

Figure 6. The use of the Online Interactive Risk-Assessment for Tanneries (%)

All the results and main conclusions of the Social Partners of the European Leather Industry are presented in *Due Diligence for Healthy Workplaces in the Tanning Industry – Final Report* (<http://www.euroleather.com/index.php/documents/245-due-diligence-survey-report>).

With leather being a ‘Global Value Chain’, the research reflects practices that span beyond European borders and the implications from the findings have global resonance for the leather value chain.

CONCLUSIONS

- Tannery workplace safety is a key priority across leather value chain partners, but maturity levels vary in understanding how to implement due diligence;
- There is a wide confusion across stakeholders about sector specific instruments used to assess tannery workplace safety, while the OiRA tannery tool deserves to be more widely known;
- The customers of leather down the value chain (brands and retail groups) have a key role to play in furthering health & safety in tannery workplaces;
- Implementing due diligence for health and safety at tannery workplaces bears great business opportunities, while failure to enforce good practice involves high risks and loss of competitiveness.

Acknowledgments

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REFERENCES

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