Ethical Trading Initiative

Getting Started on Leather Due Diligence: A good practice guide for brands and retailers: Foundational actions

SMEP

UK International Development

Introduction

Leather is a widely used in fashion, furniture, and automotive industries, valued for its durability, repairability, longevity, and natural aesthetic. As a by-product of the meat industry, hides that might otherwise become waste are transformed into a long-lasting material. The industry provides employment for thousands of workers worldwide and generates significant economic value for producing countries.

At the same time, leather can be linked to human rights and environmental risks. These vary by country and context but can be severe if not effectively managed. At the tannery level, risks may include inconsistent health and safety practices and inadequate wastewater treatment. Further upstream, brands may be indirectly linked to risks in meat processing and livestock production, such as inhumane animal welfare, deforestation, and the displacement of Indigenous communities. While many of these risks can be reduced through effective due diligence and responsible management, influence becomes increasingly limited the further upstream risks occur.

These challenges are compounded by the structural complexity of the leather supply chain. Hides and skins are separated from the carcass at slaughter, yet birth farm-to-slaughterhouse traceability exists in only a few regions. With limited commercial value, hides are often treated as by-products, giving meat processors little incentive to invest in identity preservation systems or meet downstream due diligence demands. Meanwhile, chain of custody systems connecting tanneries to slaughterhouses remain in the early stages of development. Together, these factors erode visibility and limit the ability of tanneries, manufacturers, and brands to act effectively on their own.

Despite these challenges, brands are expected to conduct risk-based human rights and environmental due diligence (HREDD) across their supply chains, in line with OECD guidance. HREDD is not a one-off exercise but a continuous, proactive process. It requires supply chain mapping, in-depth risk analysis, meaningful stakeholder engagement, and collective action. **It requires forging genuine partnerships with a range of leather industry stakeholders and rightsholders, along with critical actors in the meat processing and livestock industry.** Addressing risks deeper in the supply chain depends on building trust, taking shared ownership, and incentivising continuous improvement through responsible purchasing practices.

Progress on environmental risks — such as water pollution, deforestation, and greenhouse gas emissions — has been spurred by regulations, public commitments and environmental management systems. However, our research indicates that **human rights risks, including occupational health and safety, freedom of association, fair wages, and child labour, remain significant in some countries and comparatively under-addressed**. We encourage brands to bring human rights due diligence up to the same level of rigour as environmental management. A consistent and integrated approach to HREDD is increasingly essential for meeting net zero commitments, achieving a just transition, upholding international human rights standards, and complying with emerging regulations such as the EU Corporate Sustainability Due Diligence Directive (CSDDD).

Encouragingly, we also identified examples of innovation and leadership across the industry. Companies taking a pragmatic step-by-step approach have shown that meaningful progress is possible for brands of all sizes. For those just getting started, practical first actions include:

- **Updating** corporate human rights and environmental policies to address leather-related risks.
- **Mapping** leather supply chains, with an initial focus on tanneries.
- **Building** relationships with tanneries, worker representatives and affected communities and starting preliminary HREDD assessments.
- **Partnering** to mitigate adverse impacts, including through technical and financial support, and committing to responsible purchasing practices.

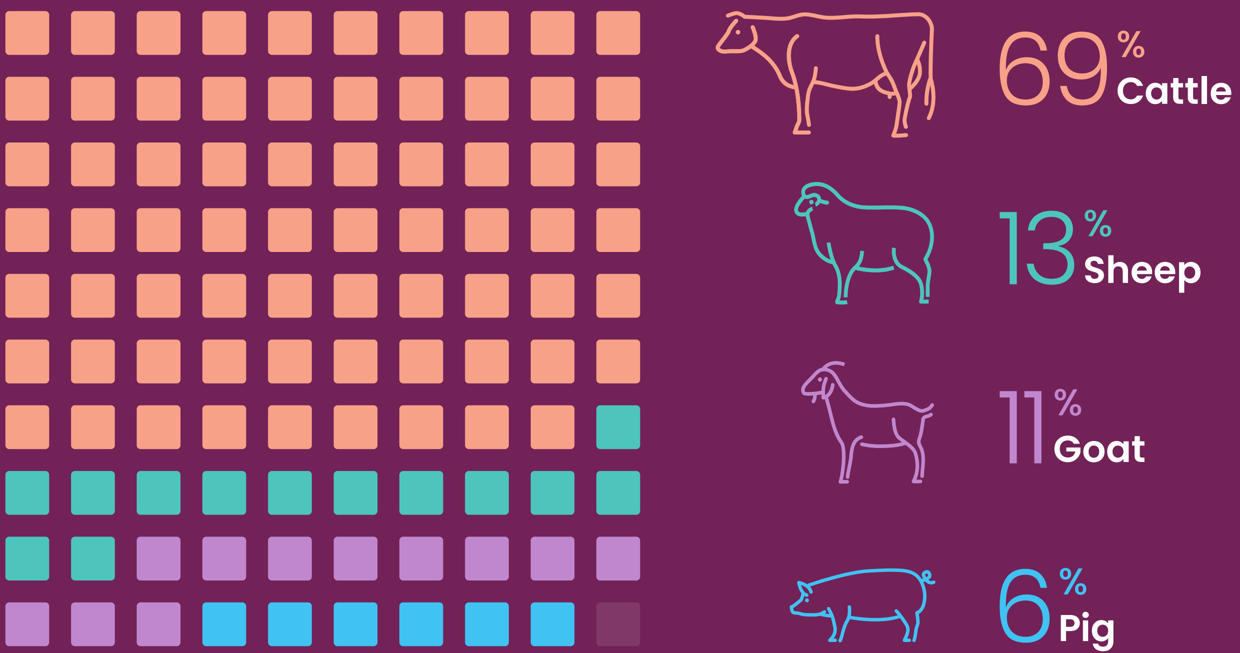
Whether you are a brand just getting started or a brand looking to deepen existing efforts, this introduction to foundational actions is designed as a starting point for ongoing exploration and engagement with the leather industry and the people and communities it affects. For a full overview of recommended good and better due diligence practices, please refer to ETI's complete guidance Getting Started on Leather Due Diligence: A good practice guide for brands and retailers.

Scale and structure of the leather industry

The leather industry is global in scale and economically significant, processing more than 7.3 million tonnes of cattle hides each year.[1] Almost 100% of all leather originates from hides and skins often considered a by-product that would otherwise be discarded by meat and dairy industries.[2]

Production is concentrated in a handful of major countries, including China, Russia, Italy, Brazil, and India.[3] Cattle hides account for the majority of global output (around 69%), followed by sheep (13%), goats (11%), and pigs (6%). Exotic leathers such as crocodile and snake skins represent less than 1% of production.[4]

The tanning industry — where raw hides are transformed into finished leather — forms the core manufacturing segment. The industry was valued at approximately US$28.4 billion in 2025 and is projected to reach US$34.8 billion by 2034.[5]



1 UNIDO (2025), Welcome to leatherpanel.org.
2 Leather Naturally (2025), Leather Is A By-Product.
3 UNIDO (2025), Welcome to leatherpanel.org.
4 Leather Naturally (2025), Leather Is A By-Product.
5 Business Research Insights (2025), Leather Tanning Market Size, Share, Growth, and Industry Analysis, 2025–2034.

Salient risks in the leather supply chain

Leather offers many benefits but can also be associated with human rights and environmental risks. Some of these risks arise directly from the leather manufacturing process, while others are linked to the meat processing and livestock industry. The diagram below provides a snapshot of some of the most salient risks across leather manufacturing, animal slaughter, and livestock production. Many of these risks can be mitigated through effective due diligence and responsible management practices. However, limited visibility and leverage make it harder for brands to address risks further upstream.

Brands have their most direct responsibility and leverage at the leather manufacturing level. Here, long-term partnerships, shared risk assessments, responsible purchasing practices, and technical support can help drive continuous improvements. Further upstream in animal slaughter and livestock production, brands may not directly cause or contribute to adverse impacts. However, under OECD guidance and the UNGPs, they are still expected to identify, prioritise, and take proportionate action — using their influence, building leverage, and, where necessary, engage in collective action.

The following sections of this report outline key global risks, including country-specific examples. The severity and likelihood of these risks vary according to regulatory frameworks, organisational capacity, and the maturity of social dialogue and industrial relations. Consistent with OECD guidance, brands are encouraged to go beyond desktop assessments and actively engage with leather industry stakeholders — including workers, communities, suppliers, and multi-stakeholder initiatives — to develop a more nuanced understanding of country, region, and site-specific conditions.

Livestock industry Livestock production	**Meat processing industry** Animal slaughter	**Leather industry** Leather manufacturing
Human rights		
• Occupational health and safety • Low wages and informal employment • Child labour • Forced labour • Freedom of association and collective bargaining • Gender inequality • Indigenous rights and land tenure	• Occupational health and safety • Low wages and precarious employment • Child labour • Forced labour • Freedom of association and collective bargaining • Gender inequality • Community health and environmental impacts	• Occupational health and safety • Low wages and precarious employment • Child labour • Forced labour • Freedom of association and collective bargaining • Gender inequality • Community health and environmental impacts
Animal welfare		
• Health, shelter and nutrition • Handling, restraint and transport • Painful procedures and health management	• Improper handling and restraint • Stunning and slaughter methods	
Environment		
• Deforestation and land-use conversion • GHG emissions • Water use and contamination	• Energy use and GHG emissions • Water use and pollution • Solid waste • Air emissions and odour	• Water consumption and pollution • Hazardous chemicals • Air emissions and toxic exposures • Energy use and GHG emissions • Solid waste

Getting started with due diligence: Foundational actions

Although leather supply chains are complex, brands of all sizes and levels of experience can make meaningful progress. This section highlights key foundational actions for brands beginning their leather due diligence journey. Subsequent sections build on these foundations, exploring supply chain mapping and salient risks in greater depth, and illustrating what 'good' and 'better' practice looks like. These approaches are grounded in OECD guidance and established industry experience to support continuous improvement.

Due diligence in leather manufacturing

The following preliminary actions are recommended for brands engaging in due diligence in leather manufacturing.

Set policies

A clear, principles-based policy signals your priorities, aligns with recognised standards and sets expectations across the leather supply chain.

Foundational actions:

- Develop high-level policies and commitments to address key leather manufacturing risks, informed by meaningful engagement with industry stakeholders and affected rightsholders.
- Share policies with direct suppliers, and other relevant stakeholders to support alignment and accountability.

Map tanneries

Mapping tanneries used in leather production is the first step in conducting effective human rights and environmental risk assessments.

Foundational actions:

- Request tannery names, locations, and production details from direct suppliers.
- Where possible, verify data accuracy with third-party sources and stakeholder engagement.

Identify and assess risks

Identifying, assessing and prioritising salient risks in partnership with tanneries and rightsholders is critical to focusing resources on the most adverse impacts.

Foundational actions:

- Conduct desktop research, assessments, and audits to understand salient risks at country and facility level, incorporating worker and community perspectives where possible.
- Prioritise risks based on severity and likelihood and engage more deeply with tanneries and rightsholders to understand systemic issues, including the role of brand purchasing practices.

Address impacts

Supporting tanneries and rightsholders to prevent and mitigate adverse impacts is key to continuous improvement and safeguarding human rights and the environment.

Foundational actions:

- Help suppliers and tanneries to address identified human rights and environmental issues, providing training, technical assistance and other practical support where needed.
- Collaborate with industry stakeholders and rightsholders to tackle systemic challenges, while committing to responsible purchasing to encourage continuous improvement.

Due diligence in animal slaughter and livestock production

The following preliminary actions are recommended for brands engaging in due diligence in animal slaughter and livestock production.

Set policies

A clear, high-level policy signals commitment to addressing slaughter and livestock production risks, while acknowledging constraints on visibility and leverage, and the critical role of partnerships.

Foundational actions:

- Develop policies and commitments to address specific slaughter and livestock-related risks, including meaningful engagement with industry stakeholders and impacted rightsholders.
- Share policies with direct suppliers, tanneries, and other stakeholders.

Map slaughterhouses

Mapping slaughterhouses supports the identification of upstream human rights, environmental, and animal welfare risks.

Foundational actions:

- Use standardised tools, such as questionnaires developed by LWG and work in partnership with direct suppliers and tanneries to capture slaughterhouse names and locations.
- Where possible, verify data accuracy with third-party providers and other trusted stakeholders.

Identify and assess risks

Identifying, assessing and prioritising salient risks helps focus resources on the most adverse upstream impacts and reveals opportunities to strengthen leverage.

Foundational actions:

- Conduct desktop research to form an initial understanding of country and regional risks, incorporating worker and community perspectives where possible. Consider geospatial analysis, supplier surveys and other tools to support deforestation risk assessments.
- Prioritise risks based on severity and likelihood and engage more deeply with rightsholders to understand systemic issues and opportunities to enhance leverage and support collective action.

Address impacts

Preventing and mitigating adverse impacts at the slaughterhouse and livestock level requires collaboration with suppliers, industry partnerships, and the broader meat and livestock industry.

Foundational actions:

- Collaborate on pilot projects with suppliers, multi-stakeholder initiatives, or NGOs to address identified human rights, environmental, and animal welfare concerns.

Certification and audit

Certification and audit standards have brought some benefits to workers around the world through setting human rights and environmental standards in global supply chains. Demonstrating compliance with these standards has improved access to international markets for factories and producers. However, certification and audits as a tool to assess, manage and respond to human rights risks does have significant limitations.

Certification and associated audit processes can work well on tangible risks that can be inspected and easily verified, for example health and safety risks. For workers experiencing significant abuse however, such as forced labour and gender-based violence and harassment (GBVH), they are unlikely to feel comfortable identifying these problems to external auditors and certifiers.

Therefore, certification and audit processes are generally ineffective in identifying these problems and leading to lasting resolution. Whilst certification can be seen as one tool within a broader toolbox of risk management, it cannot replace the human rights and environmental due diligence process.

Improving Environmental and Social Conditions in the Savar Tannery Estate is implemented by the Ethical Trading Initiative (ETI), ETI Bangladesh, the Bangladesh Labour Foundation (BLF), and Mondiaal FNV. The project has been awarded a grant by the UK Government through UK International Development. The grant has been provided through the Sustainable Manufacturing and Environmental Pollution (SMEP) Programme. SMEP is funded by the UK Government and is implemented in partnership with the UN Trade and Development (UNCTAD). Mondiaal FNV's contribution is made through the Trade Union Co-financing Programme, supported by the Dutch Government.

The project has been awarded from August 2024 to June 2026.