

Meeting global challenges

Micaela Topper, President, ICHSLTA; Executive Manager, AI Topper; Member, AHSLEA.



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The global leather industry is facing increasing demands for transparency, regulatory compliance and sustainability credentials. These pressures present both challenges and opportunities for our sector. As the newly elected President of the International Council of Hides, Skins and Leather Traders Associations (ICHSLTA), I work with stakeholders from around the world who are focused on advancing the industry while addressing evolving challenges.

The industry's current situation is not just about meeting regulations or maintaining trade volumes. It's about providing clear information about leather – why it matters, what makes it sustainable and how it fits into a more responsible global materials economy.

Australia's role in a global industry

Australia holds a strong position in the global leather trade. We are a major supplier of hides, providing consistent, quality material to markets worldwide. Our location near Asia, combined with political and economic stability, makes us a dependable partner in international supply chains. All eligible processors undergo Leather Working Group audits, with many achieving Gold-rated status. Currently, Australia ranks as the fifth-largest global supplier of hides to Italy, with over 50% of our wet-blue exports going there, worth AU\$35 million (US\$22.8 million) in 2023-24.

Traceability from farm to finish

One of the most pressing discussions right now centres on comprehensive traceability. Australia has an advantage here with existing systems like the Livestock Production Assurance (LPA) program and the National Livestock Identification System (NLIS). These allow us to track cattle from farm to processor, giving the leather industry a solid foundation to build on.

However, fully complying with new regulations – such as the European Union's Deforestation Regulation (EUDR) – requires coordinated action (see page 70). The regulation's complexity, especially regarding data requirements and privacy concerns, presents significant challenges. Hide, skin and leather producers often have limited direct access to farm-level data, but we are not starting from zero. The Australian, Hide, Skin and Leather Exporters Association (AHSLEA) has taken a proactive approach, working closely with the Australian government and EU counterparts to ensure our industry's concerns are addressed. We have also partnered with other producers to develop solutions that work for everyone in the supply chain.

AHSLEA's Sustainability Framework

AHSLEA has developed a sustainability framework in response to increasing demands from regulators, consumers, and brands for greater transparency. The framework sets out clear environmental, economic and social priorities. It includes measurable targets for

emissions reduction and water use, plus initiatives supporting social responsibility and workforce development, creating a foundation for continuous improvement. The framework also helps the industry communicate clearly and credibly about its ESG (environmental, social and governance) performance – increasingly crucial for global competitiveness.

Global collaboration

Australia's efforts are part of a wider international movement. At ICHSLTA, we are seeing increased cooperation among national associations and commercial representatives as we tackle shared challenges. Transparency and compliance are key priorities, but we also need to ensure global regulations are practical and proportionate. For instance, when the EUDR was developed, there was initially no formal impact assessment for leather.

This oversight has since been challenged, with new data – including the University of Pisa's study presented on June 3 at the Cotance and UNIC – Italian Tanneries workshop in European Parliament showing that leather is not a deforestation driver. In situations like these, regulators need the complete picture. Open communication between industry and policymakers is essential, which is why organisations like ICHSLTA, Cotance and ICT are so important – they provide a unified industry voice.

Public perception and the truth about leather

At the same time, we need to address the elephant in the room: leather's public image. For too long, our industry has remained silent in the face of misinformation and aggressive anti-leather campaigns. This silence has been costly. Things are changing though. Across the industry, there's growing recognition that we need to tell our story better. Leather is not a synthetic material; it's a natural by-product of the meat industry.

Consumers need to move past the myths and understand leather's role in a circular economy. Brands, regulators and NGOs need to see the data and hear the real stories. We need to be the ones providing that information.

Looking ahead: leather's opportunity

Over the next five to ten years, I see leather being recognised as the most ethical and responsible material choice across various sectors – from fashion and footwear to automotive and upholstery. This will require continued investment in lifecycle analysis and ESG verification. We'll also need to challenge greenwashing and false sustainability claims that favour short-term alternatives over long-term value. When our industry works together – globally, across supply chains and stakeholder groups – we can drive real change. A recent example is the industry-led review of the Higg Index following a joint life cycle assessment, which resulted in more balanced and evidence-based measurements of leather's environmental impact. That demonstrates what unity and collaboration can achieve. |