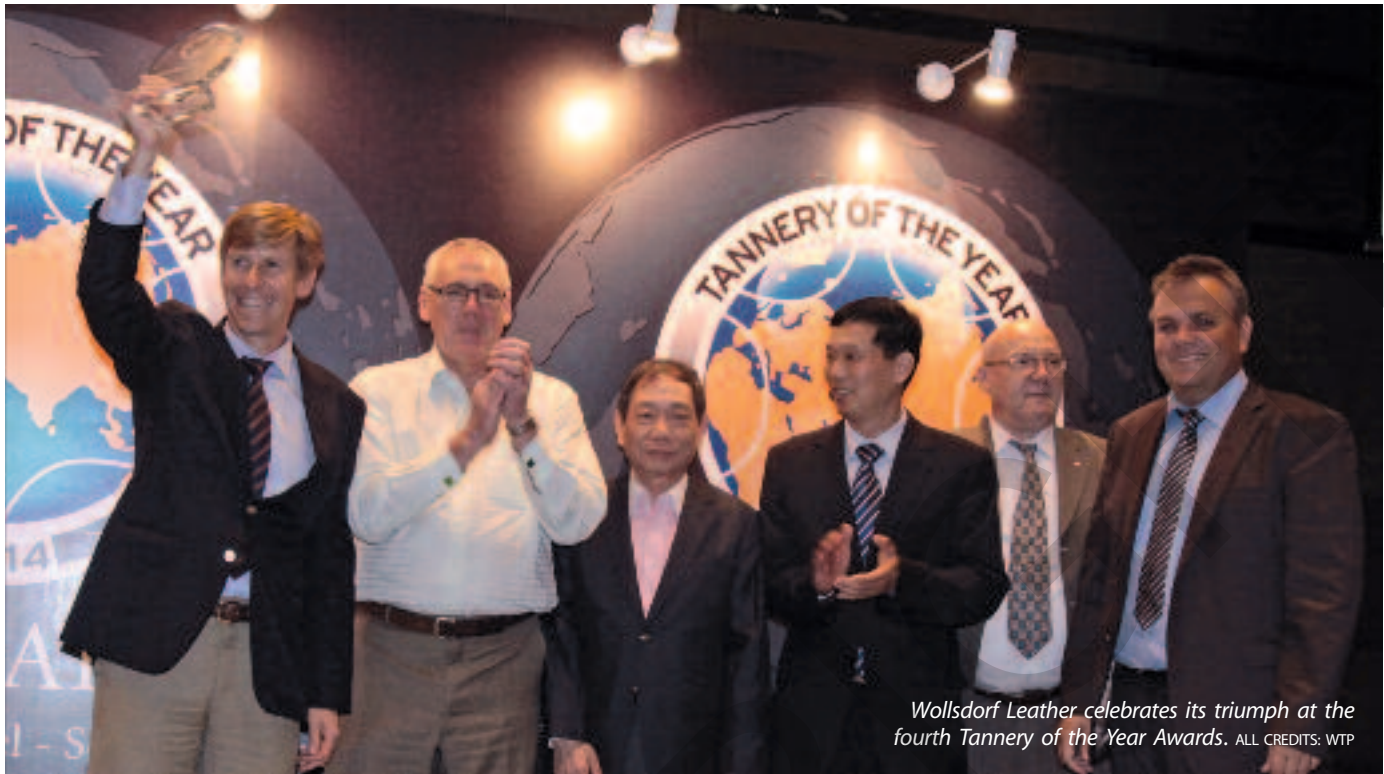




Wollsdorf Leather celebrates its triumph at the fourth Tannery of the Year Awards. ALL CREDITS: WTP

A question of trust

Customers of Wollsdorf Leather in Austria know that the material they source from the fourth global Tannery of the Year winner will not be the lowest price in the market, but they believe they can trust the company to keep innovating, keep building strong partnerships and keep offering high quality products that meet their requirements.

Wollsdorf Leather, from Austria, became the fourth winner of the most prestigious award in the global tanning industry, Tannery of the Year, at the end of an exciting evening in Shanghai in early September.

On accepting the award, Wollsdorf chief executive, Andreas Kindermann, said: "We always say that we are not a cheap producer of leather, but we always try to make the best product we can. This means we focus on innovation, technology and the environment. Our customers understand that and that's why they source from us."

Wollsdorf Leather is a full service tannery based in a small town near the Austrian city of Graz, founded in the 1920s to supply leather to local manufacturers of footwear and belts. Times change, and now the companies that want the leather the tannery produces using high-end raw material such as bull hides from Alpine cattle breeds are mostly in the automotive sector and around 70% of production these days goes into the steering wheels of expensive car brands. "The technical requirements are very high," Andreas Kindermann told the judges. "They have to be; the steering wheel is always visible and is always in the driver's hand. In this sector the key factor is quality. Every hide that leaves our company must meet the specifications of the customer. Our customers trust us; they know what they will receive from us. That's the key factor for them."

Its commitment to innovation, technology and also to partnership helped the Austrian tannery win a new order from Japan Airlines (JAL) in July 2014. It will supply a lightweight leather it has developed as part of an upgrade programme for the interiors of 50 aircraft JAL uses on domestic routes. Amba Eco, the name of the product JAL has chosen from the Wollsdorf Leather range, will offer a weight saving of more than 33% compared to standard leather, the tanning company has said. JAL is fitting Amba Eco to seats in all cabins of the Boeing 737, 767 and 777 aircraft that make up its domestic fleet.

Andreas Kindermann said his company had worked on the project with Germany-based aircraft interiors specialist Rohi, a long-time partner of the tannery's. He pointed out that the weight saving in the leather will generate "not insignificant" savings for JAL over the lifetime of the new interiors: less weight in the aircraft cabin means lower fuel consumption.

Commitment to making better leather, to the environment and to building better relationships with suppliers, partners, customers and the wider community was a message that came through strongly to the Tannery of the Year competition's panel of independent judges on the day of the final. Each of the nine finalists had 20 minutes in which to make the most positive impression possible on the judges



Chief executive, Andreas Kindermann, told the Award judges that customers' trust was the key to his company's success.



The Tannery of the Year judges recognised Wollsdorf Leather's commitment to innovation, quality, the environment and to partnerships.

in a presentation and question-and-answer session. This, along with the information already published on each tannery in the form of extensive reports in *World Leather* between December-January 2013-2014 and August-September 2014, was what the judges used to reach their decision.

On the environment, the Tannery of the Year programme learned that, in a recent audit carried out by well known German consultant Jutta Knoedler, Wollsdorf Leather's carbon emissions were shown to be 50% below an average she has worked out for tanneries in Europe. Also, soon after Andreas Kindermann took over as chief executive, Wollsdorf Leather found itself implicated in a cross-border environmental dispute, which he soon managed to turn around.

The tannery's location is near the local river, the Raab, which runs across the border between Austria and Hungary. The authorities in the neighbouring country launched a complaint over pollution in the river, known there as the Raba. Campaign groups were quick to become involved and quick, too, to blame the leather industry for the poor quality of the water. Mr Kindermann asked for time to choose the best way to reduce the effects on the river of his company's leather production—he received it and got on with the task of identifying and implementing improvement projects. By 2012, Wollsdorf Leather was winning awards from the local authorities for water management.

In his presentation in Shanghai, Andreas Kindermann also mentioned that around 10% of fleshings from the tannery (the total at the moment is around 10,000 tonnes per year) is clean enough to go into biodiesel. This is generating an amount of energy equivalent to the volume the company uses in its own production; and while it is not able to use the biodiesel itself, Wollsdorf Leather pays a premium to its energy supplier to make sure all the electricity it uses comes from hydro-powered sources. He repeated that innovation is "the backbone of the company", and that the in-house research and development team is always working on new recipes.

"Innovation is only possible with good people," Mr Kindermann went on to say. Another 'people' aspect of Wollsdorf Leather that he highlighted is its diversity. More than 800 people work at the tannery and at a cutting plant the company runs 15 kilometres away; they represent more than 40 different nationalities and the company has had to work hard and creatively on employee communications, training and development and workplace safety.

At the Tannery of the Year Awards presentation, he said: "I am pretty sure this news means I am going to hear 'congratulations' in about 40 different languages. Our people will be very happy and this award belongs to all of them." 🌐



Forty nationalities are represented among the 800 people who work for Wollsdorf Leather.



Excellence across the globe

The Tannery of the Year competition first recognises regional winners in Africa, the Americas, Asia excluding China, China and Europe and chooses the global winner from this group of exponents of excellence.

At the fourth Tannery of the Year Awards ceremony, which took place in Shanghai on September 3, this year, Wollsdorf Leather was named as the global winner (see separate article at the start of this section). The judges chose the Austrian tannery from five regional winners; earlier in the day, it had picked up the regional award for Europe. Other regional winners on the night were Dire Tannery for Africa, Bojos Tanning for the Americas, Saigon Tan Tec for Asia excluding China, and Mingxin Leather for China. BASF, Buckman and Lanxess sponsored the competition.

Africa's champion

Dire Tannery, set up in the outskirts of Ethiopia's capital city, Addis Ababa, by Bedada Chali in 1972, was the worthy winner of Tannery of the Year for Africa this time. Specialising in the processing of local sheepskins and bovine hides, Dire produces weekly totals of around 80,000 square-feet of bovine leather and 150,00 square-feet of sheepskin. All of the bovine and most of the sheepskin goes into shoes, with gloves and garments the other important applications.

A highly respected figure in Ethiopia, across Africa and in the global industry, Mr Bedada is now semi-retired and has put Dire Tannery into the care of his youngest son, Biniyam Bedada, who is continuing his father's commitment to "pushing the tannery to its maximum capacity, working in a way that shows we care for the environment, for our workers and for our neighbourhood".

Tannery of the Year judges were impressed by examples that emerged in the report on Dire Tannery and in discussion with the company in Shanghai of ways in which its leadership team has gone out of its way to help sick workers, to look after all its employees, to offer opportunities specific to women in the local community while putting in place a culture of respect and equality.

In an acceptance statement, Mr Bedada said he was proud that Dire Tannery had become an international business and said leather had always played a leading role in helping Ethiopia become a more industrialised and more prosperous country. He said leather was Ethiopia's first industry, with production starting more than 100 years ago, and that the government today still lists leather among its industrial development priorities.

Americas winner comes back from the brink

At the end of 2007, Luis José Bonilla, managing director of Bojos Tanning in the Dominican Republic, would have refused to believe it was possible for his company to feature in a programme like Tannery of the Year, let alone win the regional award for the Americas in 2014. One night in December that year, Tropical Storm Olga caused huge amounts of damage in the entire region, leaving Bojos Tanning five metres under water.

Mr Bonilla, whose great-grandfather, Juan Bojos, set the business up in 1918, said he chose to fight to get the tannery operational again



Manager of the Dire Tannery in Addis Ababa, Biniyam Bedada, accepts the Tannery of the Year Award for Africa from Elton Hurlow of Buckman, on behalf of the company's founder, Bedada Chali.



Luis José Bonilla of Bojos Tanning celebrates the Tannery of the Year Award for the Americas from Frank Paus from Lanxess less than seven years after the facility was badly damaged by flooding.

because he had a great team in place and because he did not want to let almost 90 years of history be washed away. A core team of around 30 kept going to work every day for two years before production could begin again. Now the company is making around 1.5 million square-feet of finished leather, mostly for footwear, per month. Mr Bonilla feels strongly that the Dominican Republic is in a good position to increase its provision of shoes to near-neighbour the US as brands and retailers look for providers who are closer to home.



Tannery of the Year 2014: Results

Judges were impressed by the company's commitment to workplace training, which has resulted in important increases in productivity, and also by Bojos Tanning's commitment to the local community, in and around the city of Santiago. Mr Bonilla's daughter, Ana, who represents the fifth generation of her family to play a role in running the company, explained to the Tannery of the Year panel that community projects range from early-years education provision and reforestation initiatives to the sponsorship of the Dominican Republic's highest-ranking tennis player, Victor Estrella, a local man whose father worked at the tannery.

"I feel proud and privileged to be part of a company that recovered from devastation and has become successful again," Ana Bonilla told the judges, "and I am willing to take it forward into the future."

Advances in Asia

Vietnamese tannery Saigon Tan Tec is the winner of Tannery of the Year for Asia excluding China in the fourth awards programme. Located just to the north of Ho Chi Minh City, the facility, part of the influential ISA Tan Tec group, took its production capacity in the course of 2014 to around 4 million square-feet of finished leather per month by virtue of increasing its workforce by 20% and by investing in new technology.

The group's chief operating officer, Carl Flach, emphasised in his presentation to the judges in Shanghai that ISA set up Saigon Tan Tec, where production began in 2010, with advances in environmental efficiency at the forefront of its mind. Founder Thomas Schneider is justly proud of his record as a pioneer in areas such as reducing the amounts of energy and water required to make a square-metre of leather. For example, Mr Flach explained that 65% of the hot water Saigon Tan Tech uses is heated by solar panels that were designed into the main building from the outset. The roof and walls are also designed to provide high levels of natural light and maximum air circulation to make fans and air conditioning unnecessary.

Examples Carl Flach pointed to of the company's care for its people included the provision of health insurance from day one, which is not the norm in Vietnam, and the provision of transport for workers to return to their home regions at the time of the Lunar New Year holiday. "Workers love that," he said, "and we have been able to achieve a 100% return rate at the end of the holiday as a result."

Something else he said that Thomas Schneider has insisted on is building up contacts "at every level" in customer organisations. This takes time and hard work, Mr Flach said, but has allowed the tanning company to develop strong relationships with its most important customers.

Mingxin on a mission

It's 20 years since Johnny Zhuang and his family set up the company that is now the Mingxin Automotive Leather Company in China's Zhejiang Province, but now the quietly spoken Mr Zhuang believes his company is ready to make a bigger mark on the wider world and on the global automotive industry. The most recent winner of the regional Tannery of the Year Award for China is in the process of expanding, nationally and internationally.

In addition to its current facility near the city of Jiaying, Mingxin is planning to open a second Chinese tannery in the northern province of Liaoning, where automotive production is also expanding quickly. And to add to sales offices already in place in



Carl Flach takes the award for Asia excluding China on behalf of Vietnamese tannery Saigon Tan Tec.



Deputy general manager, Christina Yu, receives the Tannery of the Year Award for China on behalf of Mingxin Leather from Zane Yu from BASF.

Germany and the US, it is preparing to open a new finishing and cutting plant in Mexico and a development centre in Munich.

Mingxin Leather has ideas and technology that it wants to develop a wider customer base. At the moment, around 70% of the 60 million square-feet of finished leather it produces is chrome-free, but Mr Zhuang insists that by 2016 the company's entire production will be chrome-free. He says his company has developed not one but two methods of making leather chrome-free, developed in partnership with Professor Bi Shi of the University of Sichuan, a recent president of the International Union of Leather Technologists and Chemists Societies. One method is based on phosphates and the other on glutaraldehyde.

The Tannery of the Year judging panel liked very much Mingxin's commitment to staff development. It runs its own management school and, to help candidates develop to the full, has built links with the University of Sichuan. It encourages new ideas from everyone in the workforce of 350 and has generated savings it estimates at \$500,000 by putting into practice improvement ideas that came from the factory floor. ☺



Highly commended awards for four excellent tanneries

The remaining four finalists in Tannery of the Year 2014 received Highly Commended awards at the gala dinner in Shanghai on September 3. As well as trophy that each company will keep permanently, their achievements as leaders and pioneers in the global leather industry earn them the right to promote themselves as Tannery of the Year finalists and to take their place in the Award's Hall of Fame.

The industry owes sincere congratulations to the other four finalists in the Tannery of the Year competition for 2014. Far from leaving empty handed, they each took home from Shanghai an award for being Highly Commended in the 2014 programme. This is an excellent achievement in its own right, and something to tell partners, suppliers, workers and investors about with great pride. This is important recognition for their commitment to innovation, to fairness, to the environment and to the future.

Leadership and responsibility in the Americas

The facility that Brazilian packer and tanning group JBS runs at Itumbiara in the state of Goiás was the winner of the Highly Commended award for the Americas in the 2014 programme of the competition. Remarkable for a range of reasons, not least that the site had been mothballed when JBS took it over in 2009 and now processes 10,000 hides per day, Itumbiara is one of only five in the company's leather division, JBS Couros (now the biggest producer of leather in the world), to produce crust and finished leather.

JBS Couros marketing and sustainability manager, Fernando Bellese, told the judging panel, quoting Voltaire, that his organisation views itself as an industry leader and knows that responsibility comes with leadership. He said the plant at Itumbiara represents a good example of this. It has taken part with four other big tanneries around the world in a pioneering project to assess the carbon footprint of leather and has become a leading investor in tanning machinery, especially with regard to automation. Mr Bellese said JBS Couros is a supporter of automation not just because of productivity gains, but also because it can help relieve fatigue in workers, making the industry an easier one to work in



JBS Couros won Highly Commended for the Americas for its tannery at Itumbiara in Goiás. Commercial director, Cezar Gernhardt, accepted the award on the company's behalf.

and making it possible for tanners to employ more women as a result. "This is traditionally a male-driven industry," he said, "but I can tell you that 53% of the people who work at Itumbiara today are women."

The Goiás tannery has helped the group formulate a detailed hide traceability strategy that follows strict the guidelines on deforestation and indigenous peoples' rights that Brazil's ministry for the environment has put in place. Livestock farmers who fail to follow the guidelines are blocked to make sure no hides from their cattle end up in the company's tanning drums.

Itumbiara has an extensive community programme in place, with company representatives regularly visiting local schools and homes for the elderly and, within the company, special support for families with new babies.



Packer Leather joint-managing director David Packer picks up the Highly Commended Award for Asia excluding China.

Australian survivors

Packer Leather was far from the biggest tanner in the area around Australia's third-largest city, Brisbane, when joint-managing director, Lindsay Packer, took over the running of the business at the end of the 1960s; now it's the only one left and in 2014, it won the Highly Commended award for Asia excluding China in the fourth Tannery of the Year programme.

Technical director, Andrew Luke, said in his comments to the judging panel that he believes the company's flexibility and ability to work with very different kinds of raw material have helped it survive and thrive. At the moment, it produces around 20,000 square-metres of kangaroo leather per month, but also makes finished leather from bovine hides and sheepskin. "We have been known as a producer of kangaroo leather,"



Mr Luke said, "but we simply have to buy the material available and find a home for every skin. As a result, we are diverse and we now have the expertise in-house to make any technical leather." This is helping the company build good relationships with customer organisations, including very prominent sports brands, who have involved Packer Leather at the very early stages of important recent projects.

It is still a family-run firm; Lindsay Packer's brother Graham is sales and marketing director, while he shares the managing director role with his son David, and his daughter Susan is also part of the company's leadership team. The long-term wellbeing of the company is important to all of them and the tannery's sustainability strategy includes working only within the macropod management programmes run by four Australian states to keep the kangaroo population under control. This supplies in-demand meat for human consumption and skins for Packer Leather to turn into special leather that offers high levels of tensile strength even at substances of 0.3 or 0.25 millimetres. David Packer says the company has "a strong, long-term relationship" in place with its raw material suppliers.

He also told the judges about the strong commitment Packer Leather has towards its employees. A recent example he flagged up concerned the daughter of one of the tannery workers, Anthony Felschow. She needed a kidney transplant and her father volunteered to be the donor. The company supported his decision by giving him paid leave and raising extra money for his family during the treatment, which looks to have been a complete success.

Chinese tannery aiming high

China's winner of the Highly Commended Award in the 2014 Tannery of the Year programme was Henan Prosper, a tannery specialising in sheepskin. Chief executive, Michael Lyu, explained to the judges that because the leathers his tannery produces are different in size and in characteristics from bovine hides, Henan Prosper has had to carry out much of its own research and development, pointing out that even in machinery, most of the technology is developed with cattle hides in mind. And he said that one of the big beneficiaries of the work Henan Prosper has done and the knowledge it has gained has been the biggest customer for one of its main



Michael Lyu of Henan Prosper, Highly Commended winner for China.

products, double-face sheepskin leather, fashion footwear brand UGG, now a \$1.4 billion company, whereas its turnover was closer to \$20 million when the two companies first worked together in 2003.

One of Mr Lyu's passions is to make his business as efficient as possible by investing intensively in automation and other technology, mostly from European suppliers. "Europe is ahead of us," he said. "But more automation is coming to China. It will pay for itself because it will mean we can use 100 people instead of 750. Anything western countries have done, we need to follow." Not every company has the resources or the will to do this, Mr Lyu acknowledged, but one of the consequences of this is that the consolidation the Chinese leather industry has seen in recent years will continue and intensify. "In three years," the Henan Prosper chief executive predicted, "around 50% of Chinese tanneries will be gone."

He went on to say that this will create opportunities for the tanneries that remain, one of which, he is certain, will be Henan Prosper, not least because his company has already spent heavily on setting up an up-to-date wastewater treatment plant. To take advantage of that facility, Henan Prosper is preparing to expand its business by producing bovine leather too and using it to make finished footwear on site.

Portuguese passion

Quality and innovation are so much a part of life at Couro Azul, Europe's Highly Commended tannery in the fourth Tannery of the Year Awards, that chief executive,



Couro Azul's chief executive, Pedro Carvalho, picks up the prize for Europe.

Pedro Carvalho, says they are part of the company's DNA. Recent examples he presented to the panel of judges for Tannery of the Year included a new recycling system for lime waters in an expansion project in the Couro Azul beamhouse, finished leathers that are 100% biodegradable and, winner of the Tannery of the Year Innovation Award (see separate article), a special table, lit from below on which flesh splits are trimmed after lime splitting, with the light helping expose any faults and gouges in the croupions.

Couro Azul is part of the 75-year-old Carvalhos Group, based in Alcanena in Portugal. All present and many past employees were invited to a major celebration of the anniversary in May 2014, and the company had published a special book to commemorate the occasion.

This division's focus is on automotive leather and has experienced growth of 50% in the last three years. "It's not easy to grow as quickly as this," the chief executive told the panel, "but tanning has gone on in Alcanena for the last five centuries so we have a strong culture of leather production and have been able to find people who know something about leather."

A number of footwear-focused tanneries have closed in the region in recent years and Couro Azul has been able to offer employment to some leather technicians who otherwise might have struggled to find another job in the industry. There have also been at least ten examples in the last five years, Mr Carvalho said, of people joining the company from high school but going on to further study with Couro Azul's support. 🌐