



Left to right: World Leather chief executive, Simon Yarwood, and vice-president for leather chemicals at main sponsor Buckman, Mike Alpert, present the trophy for the 2018 Global Tannery of the Year to IHL managing director, Ongart Thumrongsakunvong, as Wasin Thumrongsakunvong, Chutima Busayapoka, Wanvisa Thumrongsakunvong and Warit Thumrongsakunvong join in the celebrations.

CREDIT: WTP



GLOBAL WINNER

IHL's commitment to partnership helps secure the big prize

As ever, the panel of judges at the 2018 Tannery of the Year gala final heard a panoply of positive stories from finalist tanneries about their work to develop innovation, partnership, good labour relations and to help the communities with whom they share resources. Interhides Public Company Limited (IHL) from Thailand emerged as the global award winner, impressing the panel with its track record in building partnerships and driving innovation. More than that, IHL's willingness to share its ideas and to demonstrate leadership among the tanners of Thailand and, now, globally, impressed the judges too.

IHL is a family firm and is one of the 130 leather manufacturing companies occupying two clusters in Bangpoomai, around 35 kilometres south of Bangkok. Managing director, Ongart Thumrongsakunvong, has spent his whole life working in the company that his grandfather founded 70 years ago and that his father ran before him. During their time in charge, Mr Ongart and

Thai tanning group Interhides Public Company Limited (IHL) is the global winner of Tannery of the Year for 2018. This article explains what it is about the company that helped it stand out for the judging panel and gives IHL's reaction to the result.

his wife, Chutima Busayapoka, have steered the company through the major changes brought on by what they refer to as industrialisation "properly hitting" the Thai leather industry. They are now in the process of gradually passing on responsibility for the day-to-day running of the business to their children. Their son,



Wasin (Chris) Thumrongsakunvong, and daughter Wanvisa Thumrongsakunvong are joint general managers, he focusing more on production, she on purchasing and human resources. Their younger brother, Warit, is also part of the business now.

In addressing the four Tannery of the Year judges in a presentation on the day of the gala final, Wasin Thumrongsakunvong flagged up a number of innovations that IHL regards as highlights in its recent history. These include a customised spray-coating operation, which has reduced chemical waste by 30% since coming into full operation in 2016. The customised element centres on combining a colour coat and top coat together on a third roll, which means only one round of spraying is required afterwards.

Perhaps the idea that has garnered greatest attention for the new global Tannery of the Year is an initiative that takes shaving dust from tanneries all over the Bangpoomai district and processes it, using a patented technique, for use as a filler in tanning, retanning and sometimes even finishing. The process involves dissolving the shaving dust in a special hydrolysate at high temperature and then passing it through a filter press, leaving only around five parts per million of chrome in the solution (the judges picked up on the fact that this figure has come down substantially, from between 20 and 30 parts per million at the time of the main Tannery of the Year report on IHL, published in *World Leather*, February-March 2017).

Tanners in the neighbourhood can send their shaving dust for free (they used to have to send it to landfill, which costs), and then they can buy the filler product to use in their own production at a discount price. IHL launched this service in August 2016 and says demand is slowly picking up, but it is using a substantial proportion of the filler product in its own tannery. It has also begun shipping it to tanners in Japan, Taiwan and South Korea and is also investigating other uses for the product in medical and food applications. "It makes the hides more uniform," Mr Wasin explains. "We buy hides from everywhere and we use this product to upgrade the texture of the hides. We are using waste material to add value." He told the judging panel that the key driver for IHL is to reduce waste. He said the company is also recycling 80% of the water it uses in production now and wants to push that to 100%.



Wasin Thumrongsakunvong (right), pays tribute to his parents' hard work during a conversation with World Leather editor, Stephen Tierney.

Wasin Thumrongsakunvong and his siblings know that they are following in important footsteps as they begin to take responsibility for this family business. They say they have already learned a great deal from working beside their mother and father and that the responsibility for running Interhides is being slowly and carefully eased onto their shoulders, rather than thrust onto them abruptly. "I'm very proud of my parents," he says, "and of how they got where they are now. It has been through hard work. And we, my sister, brother and I, knew from the first day we entered the tannery that we also are going to have to work hard, that we are not just going to be spoon-fed. And that's what we've been doing, since I was about eight years old, and my sister and my brother, too, working hard every day in school and preparing to keep on working hard in the world of the tannery."

He says the three representatives of the new generation have been carefully mentored by their parents, taught, he insists, "to do everything right" and that it is in working in this honourable way that a person or a company can achieve the best results.

While IHL's commitment to advancement

and to working always in the correct way demonstrates admirable independence of spirit, it has always worked closely with partners as well. Leather chemicals manufacturer Stahl, for example, played an important role in helping the tannery develop the two examples mentioned here, the customised spray-coating operation and the innovative use of shaving dust. In terms of Thailand's leather industry, Mr Wasin says, IHL is a big company. He adds that it's a source of pride to be a leader locally and accepts that this means having to hit high standards consistently. He explains that this is part of the reason why the company embraced relatively quickly international challenges such as achieving a rating from the Leather Working Group, meeting ISO standards and subjecting its leather to analysis in the laboratories of global testing companies. "That's our independent side," he continues, "the things we can do by ourselves. But it's also important to us to collaborate with companies such as Stahl in developing our new technology." He pays tribute, too, to footwear group Wolverine Worldwide for the help it has given IHL in driving production efficiencies. 🌐



In addition to the Global Winner of Tannery of the Year Award, the 2018 programme gave special recognition to two other companies who came close to clinching the top prize. These two took home Highly Commended trophies.



Highly commended awards for two top-class tanneries

In a change to the programme of the Tannery of the Year final, *World Leather* introduced a 'Final Three' in 2018. After all finalists had received an award for taking part in the event, representatives of three companies came back onto the stage, knowing that one of the three was going to walk away with the global award. On this occasion, IHL emerged as the global winner.

Each of IHL's 'Final Three' rivals received Highly Commended awards to mark how far

they had come in the competition and to how close they came to winning. These Highly Commended Awards went to Mississippi TanTec Leather Inc from the US and to Xingye Leather Technology from China.

Part of the ISA TanTec group, Mississippi TanTec Leather (MTL) is the first new tannery to be set up in the US in at least 25 years. It opened its doors in 2015 in Vicksburg, Mississippi. ISA TanTec chose this location because there were high levels of support

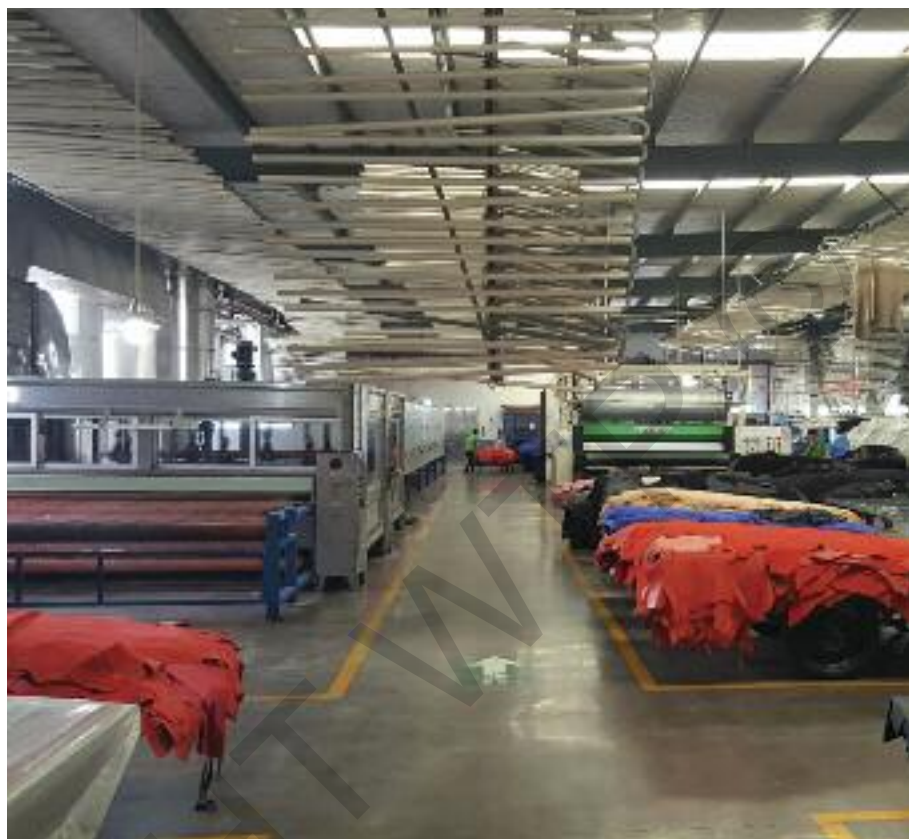
from the local authority and an empty, finished factory ready for it to move into. The major footwear brands ISA TanTec counts among its customers had been pushing for a greater supply of material that entitles them to put 'US made' labels on their products. When the Asia-based tanning group looked carefully at the challenge, it realised it could produce finished leather in the US at a competitive price, and the result is MTL.



(Left:) Vice-chancellor of the university of Northampton, Nick Petford, presents MTL's Highly Commended award to Carl Flach, senior director of operational strategies at the ISA TanTec group. (Right:) Mississippi TanTec has quickly developed an excellent reputation as an employer in the region. ALL CREDITS: WTP



Left to right: Nick Petford with Xingye founder Huachun Wu, and general manager of the company's global group, Edmund Chan.



Dyed hides in the finishing department at Xingye Leather Technology's Andong facility, constructed on a grand scale as part of a now thriving tanning industry cluster overlooking the sea. It's only a few kilometres from Xingye's original plant at Anhui.

Its experience of running high-quality leather manufacturing operations in China and Vietnam helped ISA TanTec establish a smooth-running operation in Mississippi too. It is producing around 650,000 square-feet of finished leather per month for, mostly, outdoor, casual and lifestyle footwear. One of MTL's greatest achievements is to have established itself in relatively quick time as an excellent employer, one of the best in the area.

Labour relations have long been a headache for the authorities in this part of the US. A local meat company has had staff turnover rates of 25%, with workers complaining of poor treatment. MTL's rate has been a fraction of that, around 2.7%. The mayor of Vicksburg, George Flaggs, who is from a production background himself says MTL has helped grow the region's reputation for being able to attract manufacturing companies, creating jobs. He says that when he has held meetings with companies weighing up a possible move to this part of Mississippi, he has held MTL up as an example, pointing out that it's part of

an international company with its roots in Asia and Germany whose arrival in Vicksburg has helped "open the area up" to new employers.

For its part, Xingye represents leadership, even among the leading companies in the Chinese leather industry. Its base, Anhui in Fujian Province, is an important tanning cluster and the company believes that the imposition by the local authorities there of strict environmental standards has, in the longer term, given it an advantage over competitors in other parts of China, who are now having to invest heavily and work quickly in an attempt to catch up. Xingye believes it offers a good example of the benefits of being an early adopter of good environmental practice. It hasn't just toed the line on sustainability, it talks of embracing enthusiastically the ideas behind the standards and says this has helped it thrive.

After more than 20 years in the leather industry, Xingye continues to evolve and two of the most important changes that were in evidence during conversations with

the company for the 2018 Tannery of the Year programme included the involvement in the running of the business of a new generation of company leaders, and a strategy for taking its finished leather to markets outside China. Vice-general manager, Maggie Wu, is the elder daughter of company founder Huachun Wu. She grew up with the business, but has only been involved full time in running it since the start of 2017.

Around 80% of Xingye's finished leather stays in China at the moment and goes into shoes and handbags that Chinese brands sell to Chinese consumers. But its growth ambitions are strong and it intends to grow its business in export markets in the years ahead, taking its international business, in time, to 30% or even 40% of overall revenues.

The vision and leadership of MTL and Xingye helped them secure their Highly Commended awards at the 2018 Tannery of the Year gala final, an achievement of which both companies can feel exceptionally proud. 🌟



All tanneries participating in the 2018 Tannery of the Year Gala Final received a Finalist's trophy. CREDIT: WTP



Hall of fame

At the sixth Tannery of the Year Awards ceremony, which took place in Hong Kong on March 14, Interhides was named as the global winner (see separate article in this section). The judges chose the Thai tannery from a final three, with Highly Commended awards going to Xingye from China and to Mississippi TanTec from the US.

There were Finalist's awards for other participants on the night, deserved recognition for the openness, generosity, forward-thinking, commitment to innovation and partnership, sustainability and social responsibility that all Tannery of the Year leather manufacturers have in common.

Among the recipients of the Finalist's awards were Andrew Muirhead & Son, from Glasgow in Scotland, Sepiciler, from Torbali, near Izmir in Turkey, and Tongtianxing Group, from Quzhou, in China's Zhejiang province.

Low carbon

Andrew Muirhead is part of the wider Scottish Leather Group, but is located in the east end of Glasgow, while the group's other facilities are on the other side of the River Clyde in Renfrewshire. It

The Tannery of the Year Awards recognise the achievements of all finalists in the 2018 programme. Each participant in the gala final event in Hong Kong this March received a commemorative trophy to take home and earned its place in the programme's ever-expanding Hall of Fame.

uses high-quality local raw material to make finished leather, with commercial aircraft, automotive interiors and mass transit projects as its specialist markets.

All the material bears the Scottish Leather Group's 'Low Carbon Leather' branding. The group classifies its leather as "low carbon" because of award-winning initiatives such as the on-site thermal energy plant it has been running since 2010 at its Bridge of Weir wet-end tannery, taking what was previously waste sent to landfill and converting it into energy for heating recycled water for the



manufacturing process.

Muirhead has excellent community relations with local schools, service providers and charities in the area around the east end of Glasgow, traditionally one of the city's most deprived areas.

Sample menu

What helps Chinese tanner Tongtianxing Group (TTX) stand out is the work it is doing to help major furniture brands around the world respond effectively to the changing demands of consumers while keeping quality high. To meet the technical challenges of offering new finishes and expanding colour ranges, TTX has built up strong partnerships with machinery and chemical suppliers, including European companies such as Italian leather chemicals manufacturer Samia. This is helping it keep up with the market. Five years ago it was having to prepare between 40 and 50 new samples every month. Today, it finds itself having to prepare 200 new leather samples for its furniture customers every month.

TTX has also worked extremely hard to meet and exceed the demanding environmental requirements of the authorities in Zhejiang. It has devoted almost 50,000 square-metres to its onsite effluent treatment plant, turning it into an attractive and peaceful recreation space for its 1,700 workers to enjoy during breaks.

Naturally, helping to keep water quality high is still the main purpose of the effluent treatment plant, though. Quzhou sits on a plain between ranges of mountains and has various smaller rivers that flow into the Qiantang river system, one of China's most important because it flows through the city of Hangzhou. Local authorities carry out remote monitoring of BOD, COD and ammonia levels 24 hours a day. These same local authorities regard TTX as a model operator.

Beamhouse breakthrough

For its part, Sepiciler welcomed the opportunity to participate in the Tannery of the Year programme for a second time (it won the regional award for Europe in 2013) because the company's recent history has been characterised by a startling series of developments.

In partnership with a chemicals group, Herkim, Sepiciler has set up a completely new beamhouse operation near Bursa. It uses high levels of automation, with simplicity and efficiency as the ideas underpinning the



Scottish Leather Group chief executive, Iain McFadyen (centre), with Simon Yarwood (left) and secretary of the International Council of Tanners, Paul Pearson (right).



TTX general manager, Chen Fei, (centre) receiving the Finalist's trophy from Paul Pearson (right) and Simon Yarwood.



Sepiciler environmental engineer, Yigit Kaman (right), accepts the Finalist's award from Paul Pearson.

operation. The company has described the new wet-end operation as innovative, low-cost, low-energy, high-quality, high-yield and environmentally friendly.

In parallel, Sepiciler has installed a new solar energy plant on land the Sepici family owns near the main tannery in Torbali. Olive-

trees grow on part of this plot, but a large area proved unfruitful for years. Now it's home to more than 50,000 solar panels and, when it's operating at full capacity, will give back to Turkey's national energy supply six times the amount that Sepiciler consumes in making leather, from raw to finished. ☀



Ongart and Wasin Thumrongsakunvong of Interhides receive the Innovation Award from Thomas Yu (second from left), president of IULTCS, and Simon Yarwood of World Leather. CREDIT: WTP



Innovation of the Year

Tannery of the Year finalists all demonstrate a range of qualities. They care about the environment, look after their workforces, they hold their heads up in society and take seriously their responsibilities for sharing resources with the communities on their doorsteps. They meet their obligations and pay their way. They are open and honest, happy to let the *World Leather* team and, by extension, the whole industry see behind the scenes in their operations and share their stories with a global audience, all while continuing to make beautiful leather.

However, tanners could not produce leather today without a strong commitment to research and development, investment in new technology and meaningful partnerships with supplier organisations. Underpinning all of this is a wider spirit of innovation. Tanners are creative, imaginative people who like to try new things and come up with new ideas when facing up to the challenges that their work presents them with all the time.

As our team has moved round the world, it has seen at first hand examples of this commitment to innovation from each of the finalist tanneries; these are not simply the use of off-the-shelf products or equipment, but reflect carefully considered solutions to problems and, in many cases, courageous investment. They are not limited to any single part of production. There are applications in areas of product development, machine adaptation, environmental

For the fourth time, a component of the Tannery of the Year programme for 2018 was the Innovation Award. All of the finalists have displayed serious commitment to innovation; this is one of the most important criteria underpinning the competition. We chose one example of inventiveness for each of the finalists and invited a special panel to choose the most outstanding example of all.

applications and management systems.

These examples cover many aspects of leather manufacture, including making the best use of resources, handling materials correctly, health and safety and environmental matters. None of these methods have simply been purchased off the shelf, and all can be attributed to the ingenuity of the tanners.



INNOVATION AWARD WINNER

Interhides Public Company Limited, Bangpoomai, Thailand

Recycling of shaving dust to create a filler for use in leather production

Following a \$1.2 million investment in a pilot plant, IHL is able to take shaving dust from its own production and from other tanneries in the Bangpoomai cluster and process it for use as a protein-based filler in tanning, retanning and finishing. IHL says this product makes hides of varying quality more uniform. The process involves dissolving the shaving dust in a special hydrolysate at high temperature and then passing it through a filter press, leaving only small levels of chrome in the solution. Tanners in the neighbourhood can send their shaving dust for free (they used to have to send it to landfill, which costs), and then they can buy the filler product to use in their own production at a discount price. IHL launched this service in August 2016 and says demand is slowly picking up, but it is using a substantial proportion of the filler product in its own tannery.



Technology that IHL has set up converts chrome shavings into recycled chrome and also generates a new filler product that Interhides is using in tanning, retanning and finishing.

Other contenders for the Innovation Award are listed here.

Andrew Muirhead & Son, Glasgow, Scotland

Digital printing onto leather

Andrew Muirhead has developed techniques for printing directly onto leather to provide a customisation service to its clients. At the moment, it is mostly printing clients' logos, in colour, onto smaller cut parts such as headrest covers for seats. The company believes it could take this idea further and, one day, perhaps even cover a whole hide in this way, using specially pigmented inks. It believes manufacturers of leather finishing chemicals should work on this, partnering with printing technology companies to make a print head that is fast enough to apply the ink to hides effectively.

Mississippi TanTec Leather Inc., Vicksburg, Mississippi, US

Moisture Matic, a proprietary system for measuring the moisture content of hides

Mississippi TanTec adopted Moisture Matic to record accurate information about the moisture content of hides as they come out of the vacuum dryer. It's a system based on a mobile moisture meter, adapted from a system developed in Germany for use in industries such as tyre manufacturing by ISA TanTec founder Tom Schneider's brother. It can gauge, more or less in real time, what effect the vacuum dryer is having on the moisture levels in hides. This allows leather technicians to make more informed judgements about how best to configure and run the drying unit to save energy, gain in yield and achieve greater consistency in quality because hides are always dried to the same level of moisture.

Sepiciler, Torbali, Izmir, Turkey

Automation and optimum set-up in new beamhouse

Sepiciler has designed and launched a new beamhouse operation with all steps under one roof and high levels of

automation in hide distribution, drum control and after-flesh operations. After trimming, hides are transferred automatically to the appropriate drum by conveyors using pre-programmed software. A special crane system transfers hides to a platform, with back-to-back fleshing machines to make processing quicker and simpler. Hides are then automatically transferred to trimming and lime splitting by specially designed belt conveyors. The company is now achieving high levels of savings in time and energy.

Tongtianxing Group, Quzhou, Zhejiang province, China

Increased flexibility and creativity allowing it to make 200 new samples every month

Furniture upholstery leather manufacturer TTX says it has to prepare 200 new samples every month, compared to perhaps 40 or 50 per month five years ago, to satisfy the demands of the furniture market. This has meant increasing and speeding up its in-house technical ability and creativity. Recent examples it is particularly proud of include using a new type of enzyme to loosen fibres, development of a better filler for greater homogeneity and the development of a new metallic finish to give an attractive lustre effect to the leather.

Xingye Leather Technology, Anhai, Fujian Province, China

A laboratory that has achieved accreditation to carry out third-party testing

The China Leather Industry Association and external government bodies have inspected the extensive laboratory that Xingye has set up and equipped at its retanning and finishing plant. They have qualified the laboratory as suitable for acting as a third-party testing facility for other companies in the leather sector. ☉



Yigit Kaman receives the congratulations of the senior manager for supply chain sustainability at VF Corporation, Joyce Tsoi, on Sepiciler's success in the Special Project Award. CREDIT: WTP



SPECIAL PROJECT AWARD

Special Project Award

Tannery of the Year finalists are companies that are happy to open their doors and share all aspects of their business lives. Some of the most memorable stories to have come out of the six programmes of the Awards that we have run so far have little to do with leather; the emphasis in these cases is usually on people or on the environment.

To show the gentle side, the human side of the industry has always been a major motivation for this initiative. All too often, campaign groups present leather manufacturers as companies that care little for their workforces and even less for the environment. It suits their agenda of falsely linking leather to cruelty and negligence. Time and again, we have been able to report stories that completely contradict this and have now built up a whole catalogue of examples of the kindness and environmental attentiveness with which many tanners around the globe go about their business.

For 2018, we decided it was time to single out just one example from each finalist of initiatives that help workers and communities and asked the judges to pick their favourite. The winner of the inaugural Tannery of the Year Special Project Award was Turkish tanning group Sepiciler.

New for the 2018 programme, the Tannery of the Year awards this time included a special prize. Just as the now familiar Innovation Award recognises concrete examples of tanners' technical ability and commitment to innovation, this new Special Project Award seeks to recognise their commitment to their people, their neighbours, their communities and the environment.

One of Turkey's most famous television presenters, Aziz Üstel, runs an education foundation, UKEB, with his wife, Filiz Üstel, setting up for Turkish children schools that put plenty of emphasis on science, technology, music, art and even good manners. UKEB



wants the schools to foment education along the lines envisaged by the founder of modern Turkey, Mustafa Kemal Atatürk.

During 2017, UKEB set up its first primary school in Izmir and the building that now houses that school is a townhouse owned by the Sepici family. It's an early-twentieth century townhouse with surrounding gardens in the centre of this bustling port city. It's some time since any members of the family lived there; most have moved to flats in an attractive apartment block nearby. However, for the Sepicis to have handed the building over to an education foundation is a mark of their generosity.

Sepiciler environmental engineer, Yigit Kaman accepted the Special Project Award on behalf of the company at the Tannery of the Year Gala Final. He says he often thinks of the Sepiciler tannery as being like a school itself. "It's just that sometimes we're the student and at other times we are the teacher," he explains. "We learn new things every day from the global leather industry, but then we do our best to pass them on, to teach them to the rest of the industry in Turkey."



*The new UKEB primary school in downtown Izmir.
CREDIT: SEPICILER*

Other finalists' projects that the judging panel considered included Andrew Muirhead's in-house apprenticeship programme, Interhides' project to establish a park area at its newly built water treatment plant, Mississippi TanTec's work to keep an

unusually low rate of staff turnover, Tongtianxing Group's water treatment plant, which is attractive enough to serve as a recreation area for workers and Xingye's special company fund for giving extra help to employees in times of crisis. ©

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LANXESS and its initiative **Sustainable Leather Management** encompasses and extends the entire life cycle of leather by improving its properties in terms of sustainability during and after use. We are bringing economic interests, ecological soundness, and consumer safety requirements into line! With **LANXESS** you save:

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- Energy, water & raw materials



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Judging panel

Judges for the Tannery of the Year Awards 2018 were kind enough to give up their time in the build-up to the final in Hong Kong in March to read the detailed reports on the finalist tanneries that we published over the previous 12 months or so in *World Leather*, and, on the day of the final, to hear presentations from each tannery.

The judges for the 2018 final were IULTCS president, Thomas Yu, ITC general secretary, Paul Pearson, vice-chancellor of the University of Northampton, Nick Petford, and the senior manager for supply chain sustainability at VF Corporation, Joyce Tsoi. They brought a wide range of knowledge and experience, as well as hard work, to the task, asking each of the finalists probing questions at the end of the presentations. In addition, they demonstrated excellent teamwork, which was especially impressive because they had never joined forces as a group before now.

Thomas Yu has spent more than 20 years in the leather industry, working as a technician and chemist in research and development at Jollity Enterprise. He joined the Taiwanese International Leather Association (TILA) in 2008 when the association was founded and has been actively involved in all leather-related activities. He was TILA's associate secretary general from 2008 to 2012, its secretary general from 2013 to 2015 and has been its senior consultant since 2016. At the start of 2018 he began a two-year period as president of IULTCS and is a member of its executive committee. He is also a member of the Global Leather Co-ordinating Committee and a member of and contributor to ZDHC.

Paul Pearson has been secretary of the International Council of Tanners (ICT) since January 1998. He originally joined the British Leather Confederation in 1988, where he held a number of positions, including company secretary and corporate services director, which encompassed his ICT role. Following the restructuring of BLC in 2005, Mr Pearson became director of the UK Leather Federation where he remained until he retired from full-time work in 2013. Prior to joining BLC, he worked for the Milk Marketing Board of England and Wales, and for the Food and Drink Federation.



IULTCS president, Thomas Yu.



International Council of Tanners secretary, Paul Pearson.

He has prepared a number of reports on the leather industry and participated in a series of projects covering raw materials, environmental issues and social responsibility. Other activities include acting as a member of the UNIDO Leather Panel.

Professor Nick Petford is vice-chancellor and chief executive of the University of Northampton, home to the Institute of Creative Leather Technologies. He is a former university research fellow of the Royal Society and a former fellow of Churchill College, Cambridge. A geologist by training, with a DSc from the University of Liverpool, Nick Petford has worked in industry and on academic and commercial research projects throughout the world. He has held visiting research appointments at the Universities of Michigan, Vermont and NASA, and is currently visiting professor at Macquarie University, Australia. He is a graduate of Harvard Business School.



VF Corporation's Dr Joyce Tsoi.



Professor Nick Petford, vice-chancellor of the University of Northampton.

Joyce Tsoi is the senior manager for supply chain sustainability in VF Corporation's global responsible sourcing team. She has more than 15 years' industry experience and currently leads the group's efforts on energy efficiency, wastewater treatment, sustainable cotton, and environmental impact measurement through the Higg Index. She has conducted a strategic review of VF's supply chain sustainability strategy and developed a new plan with key internal and external stakeholders. She graduated from University College London with a degree in chemical engineering and holds a Master's in environmental engineering from Imperial College London. She later earned a PhD in environmental management and sustainability from the University of Hong Kong. She is an honorary senior lecturer on environmental management at University of Hong Kong. ☉



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Glove-making at a Pittards Products Manufacturing facility in Addis Ababa. CREDIT: PITTARDS

Valuable links

It's not every day you bump into someone as influential as Pou Chen president JJ Lu, but then the twentieth anniversary of the opening of PrimeAsia China's tannery in Huangjiang, Guangdong Province, was always going to be a special occasion. Mr Lu was a guest of honour at the event in March, which was appropriate because PrimeAsia was a joint venture between the Taiwan-based footwear manufacturing group and US leather manufacturer Prime Tanning. Pou Chen is a \$9.5 billion company and describes itself as the largest branded athletic and casual footwear manufacturer in the world, producing more than 300 million pairs of shoes per year for big names including Nike, adidas, Reebok, Asics, Under Armour, New Balance, Puma, Converse, Salomon and Timberland.

Constant progress

Mr Lu told the audience in Huangjiang that he felt honoured to be part of the celebration and that Pou Chen is proud of what PrimeAsia has become. He explained that PrimeAsia came about because Pou Chen decided in the mid-1990s to pursue a policy of vertical integration. At the start of 1997 it established a joint-venture partnership with Prime Tanning, which was already a supplier. "One of the most important parts of the strategy was that we wanted to stay close to our customers," he explained. "Other suppliers we spoke to could not help us meet that need because a part of it was that the leather supplier needed to set up a production base in China." By then, of course, China was becoming

There have been important instances of the Tannery of the Year programme opening doors for tanners with new customers, leading to valuable new contracts and business relationships. We are also seeing participating tanners cement existing relationships and establish valuable ties among themselves.

globally important as a shoe manufacturing centre (and the Pou Chen group had already been producing shoes there for a decade). Some of the suppliers it had at the time were unable to meet Pou Chen's needs, Mr Lu said, but the PrimeAsia joint venture was, establishing the first of its tanneries in 1998 and making constant progress ever since.

"It has become a leader in the global leather industry," JJ Lu said of PrimeAsia, and to prove that this assessment is accurate, he highlighted PrimeAsia China's success in becoming global Tannery of the Year in 2013. It was clearly an achievement that helped confirm PrimeAsia's standing with its parent group.



Ethiopian government minister Dr Arkebe Oqubay at the 2018 Tannery of the Year Awards in Hong Kong.

CREDIT: WTP



Pittards chief executive, Reg Hankey, has been able to achieve vertical integration for his company's operations in Ethiopia with the help of important connections made through Tannery of the Year.

CREDIT: WTP

Amazing vision

PrimeAsia chief executive, Jon Clark, responded by saying the tanning group would not be "who or where we are" without the leadership and inspiration of Mr Lu. He confirmed that the decision to move towards vertical integration and locate tanneries where the footwear factories were was correct. And the need had become keen by the late 1990s, he recalled, because it seemed then that Pou Chen was "setting up a new factory every other week".

He went on to say that the new joint-venture set-up suited Prime Tanning too. "It was making great product in the US," Mr Clark told the Huangjiang gathering, "but the customers were disappearing. The value of shoemaking in Asia trumped the legacy of what we had in the US and this amazing vision [of the joint-venture] led to PrimeAsia." Prime Tanning president, Ken Purdy, who engineered the deal with Pou Chen, is Jon Clark's father-in-law.

Mr Clark has been chief executive of PrimeAsia for ten years now. The rise of the joint-venture came at a time when the leather industry, out of necessity, changed. "Leather is a crazy industry," Mr Clark joked at the anniversary event. "We could just be making three colours of paper-clips instead. Leather is a traditional industry, based on craftsmanship, but it changed at the time we were building up PrimeAsia, moving from 'one-at-a-time' to mass production. This journey continues and we want to go on creating leather that has beauty, strength and versatility. However, we want to do this faster and at less cost to help our customers serve the 'at once' global consumer. This means we are almost reversing the change we saw all those years ago and going back to the mentality of making one at a time."

Support for the next generation

Family-run businesses are usually good at passing on skills and knowledge to new generations of company leaders, and tanners are no exception. However, the best in the industry also know when to look outside for extra sources of instruction. To help his son Yannick

broaden his horizons while continuing to carve out a successful career at Heller-Leder in Germany, joint managing director, Thomas Strebost, recently engaged the support of Nakara in Namibia, run by Kevin Davidow.

Mr Strebost and Mr Davidow met each other for the first time at the Tannery of the Year final in 2011, at which Nakara won the regional award for Africa and Heller-Leder scooped the corresponding prize for Europe, followed later that evening by the global award. The dialogue continued in the years that followed and they built up such a good rapport that Yannick Strebost was able to spend a fruitful internship period in Namibia in 2017, while Mr Davidow was able to send members of his technical team to Germany to keep up the exchange of ideas. Yannick Strebost is unlikely to be able to replicate at Heller-Leder everything that Nakara does. The versatile African tannery specialises in processing small skins, especially those of Dorper sheep, but it also makes a wide range of leathers from native game animals, such as eland, oryx, kudu, hartebeest and springbok. However, he was able to take some ideas back to Germany. Some of the spraying technology Nakara had in place is now in use at Heller-Leder too because it saves chemicals, time and compressed air and results in less overspray and a better coating.

If the glove fits

Tannery of the Year's very first global winner, the Ethiopia Tannery Share Company (ETSC), continues to advance its reputation in the African country, and throughout the industry, as an innovative and caring creator of jobs and export revenues. After winning the inaugural round of the competition in 2010, Pittards-owned and-run ETSC began, as Pou Chen had done before it, to think about becoming more vertically integrated. The following year, it created Pittards Products Manufacturing (PPM), a glove-making operation in Addis Ababa with around 50 employees.

Around the same time, workwear brand Wells Lamont was



Pou Chen president JJ Lu speaking at the twentieth anniversary of the opening of PrimeAsia China. CREDIT: WTP

seeking some supply chain flexibility for its sourcing of workwear gloves (it felt it had become too dependent on suppliers in China for this, its principal product). A few years later PPM was employing almost 1,000 people and was on track to take its production levels to 10,000 pairs of safety gloves per day. It was building ties to a local orphanage, offering training and jobs to the young people at the end of their schooling. By this time, Wells Lamont was one of its most important customers.

The connection between Pittards Products Manufacturing and Wells Lamont is Tannery of the Year, specifically, a great friend and champion of the programme, Steve Jesseph. When ETSC won the first global award in 2010, Steve Jesseph, then chief executive of non-profit, factory certification group WRAP, was one of the judges. Soon after the final in Hong Kong in March 2010, Mr Jesseph was in the Chicago area and met up with a former colleague from his days at Sara Lee Corporation, Keith Swain, president of Wells Lamont.

When the topic of diversifying glove manufacturing partners came up, Steve Jesseph handed over the 2010 Tannery of the Year book and invited his friend to read about ETSC, a specialist gloving

leather manufacturer in a country entitled to trade preferences with the US under the African Growth and Opportunity Act (AGOA), that had just been chosen as the global winner of a programme that aimed to showcase and share examples of best practice in the leather industry worldwide. Mr Jesseph then set up a meeting between Keith Swain and Pittards chief executive, Reg Hankey, and the two of them took the discussion forward and developed it into a fruitful and lasting business relationship. PPM now has four factories, (not counting the tannery) and employs around 1,500 people in total. It manufactures more than 1.5 million pairs of gloves a year and in 2017 opened a hand-sewn footwear line.

Ministerial ties

There are countries in the world in which government ministers might pay scant attention to developments of this kind, or at least on this scale, but Ethiopia is not one of them. When ETSC was named as global Tannery of the Year winner, the president of the country called to offer his congratulations. And when senior representatives of ETSC and Pittards Products Manufacturing, including Reg Hankey and PPM general manager, Tsedenia Mekbib, attended the 2018 Tannery of the Year final they had government minister Dr Arkebe Oqubay as a guest.

A former mayor of Addis Ababa and author of a recently published book called *Made in Africa: Industrial Policy in Ethiopia*, Dr Oqubay is now a minister and special advisor to Prime Minister Hailemariam Desalegn. He insists that increasing labour costs in China are helping East Africa in general and Ethiopia in particular to emerge now as a manufacturing hub. The economy in Ethiopia has been growing at a rate of 11% per year for 15 years, he says, with this growth “entirely driven by manufacturing and agriculture”. In 2017, he explains, Ethiopia had the highest level of foreign direct investment (FDI) in Africa and in leather and textile production, which Dr Oqubay makes clear are top priorities as the government seeks to expand the country’s manufacturing sector; Ethiopia had the second-highest FDI level in the world, behind only Vietnam.

“We have a good workforce, low cost of energy, duty-free imports of machinery and an improving hide and skin supply,” the minister says, “because currently many meat processing plants are being set up. This is so that we can boost our meat exports, but it means hide

The Tannery of the Year trophy on display beside product samples at PrimeAsia China. CREDIT: WTP





PrimeAsia chief executive, Jon Clark, accepting the Global Award in 2013. CREDIT: WTP



The Nakara tannery Windhoek.

and skin supply will improve too. We have had a mainly traditional hide and skin supply until now."

Other developments that he believes make Ethiopia an attractive place for overseas investment are its AGOA status and a parallel status allowing it to export duty free to the European Union. Its direct link to the international port at Djibouti via the first electric-powered railway line in Africa is now operational and existing projects in hydro power, plus future ones in wind and solar power, mean energy costs will stay low, Dr Oqubay insists.

He says: "We want to create millions of jobs because we have around 2.4 million young people coming into the job market every year. With regard to leather, we would like to work along the whole supply chain, from hides to leather to finished products and build industrial parks to the highest standard. Ethiopia can keep growing." 🌐



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A decade of driving the industry forward

World Leather is proud to have brought the sixth programme of Tannery of the Year to a successful conclusion with the spectacular 2018 Gala Dinner. The magazine is grateful for the important support it received from sponsor Buckman, and to APLF, the International Union of Leather Technologists and Chemists Societies, the International Council of Tanners, the United Nations Industrial Development Organization, the China Leather Industry Association and its Brazilian counterpart, CICB, for the practical help and advice they have given and continue to give.

Tannery of the Year was launched by *World Leather* in 2009, having planned the initiative since attending the seminal World Leather Forum event in Paris in 2007. The clear message from the Paris event was that the leather industry, often very reticent in the wake of unfair criticism and inaccurate reporting in mainstream media, has a lot to be proud of and a huge number of positive stories to tell. Even today, more than ten years on from the Paris event, when campaign groups, television companies and some big consumer product brands have painted a less-than-fair picture of the leather industry, the response from the industry itself has, by and large, been silence.

As well as presenting factual, scientific-based arguments to counter misinformation in our far-reaching and free-to-share series of essays *Nothing To Hide*, *World Leather* feels strongly that, more than ever, it's important for the industry to have a platform for sharing and celebrating positive stories, not only with the industry itself, but also with the outside world.

Thanks to the enthusiastic response, the generosity and the openness of tanners around the world, we now have a series of 54

in-depth reports (of thousands of words each) that show tanners in all parts of the globe to be organisations that care about the environment, look after their workforce, take seriously their responsibilities for sharing resources with their communities, meet their obligations to local and national governments, are committed to strong, positive relationships with customers, colleagues and suppliers, and apply a spirit of entrepreneurship and innovation to making beautiful leather. Tannery of the Year has been able, naturally, to generate valuable positive publicity for individual tanning companies and, by extension, for the industry as a whole. And as well as local and national newspapers and magazines and television companies, governments have taken a keen interest in the successes we have been able to highlight. There have also been important instances of Tannery of the Year opening doors for tanners with new customers, leading to valuable new contracts and business relationships. More of these are coming to light all the time (*see separate article on page 54*).

All of our reports are in the public domain; they constitute a veritable goldmine of information on the size and scope of the leather industry today. They are also valuable as eyewitness accounts of the true state of affairs in the industry on every continent and, as such, are unique.

We intend to keep building on this. We know that new ideas and new stories of innovation, creativity and inventiveness in the face of challenges will continue to flow. We also know that example after example of kindness and solidarity from people in the global leather industry will continue to come to light; this is the material we intend to find and to publish in future reports before inviting the industry to gather again to celebrate its achievements. 🌐