



Leather and the circular economy



Leather uses renewable raw materials



Waste from other sectors (meat and dairy) is the input for making leather



The material is long-lasting



Leather products are eminently repairable



Leather is in keeping with sustainable consumption and sustainable production and, thus, supports the UN's Sustainable Development Goals (SDGs)



Use of leather aids the battle against marine pollution, also part of the SDGs



The leather industry opens up pathways into the circular economy for companies of all sizes, including many thousands of small and medium enterprises



Leather content fulfils finished product manufacturers' desire to use recycled material



Finished products made from leather will meet criteria for green tax relief and for green procurement exercises



Leather manufacturing supports green employment commitments

Long-lasting, repairable, recyclable, durable, beautiful materials lend themselves well to subscription services for clothing, shoes and bags. Leather is the leader of the pack. Credit: WTP/Flaticon

Cheap fossil fuels are the problem

Like almost every other business event for the past year or more, the 2021 World Economic Forum (WEF) took place online rather than in person. This proved no barrier to an interesting discussion on the circular economy, featuring leathergoods group Kering.

The Paris-based group's chief sustainability officer, Marie-Claire Daveu, pointed out to the virtual Davos audience that Kering committed itself to moving to a circular economy model years ago. It created a Materials Innovation Laboratory in 2013. Then there was an announcement the group made at the start of 2017, setting itself a series of milestones and targets for 2025. It tied its sourcing of raw materials into this from the outset. "We have to be sure our raw materials have the least possible impact," Ms Daveu said, "and that they are in keeping with our social criteria."

She told the WEF that, although the milestones announcement came in 2017, the group had drawn up this strategy the year before, meaning it has been working on this for almost five years now. And in 2020, it created a new Sustainability Innovation Laboratory to identify opportunities for using materials that will help it meet its commitments for 2025 and beyond. She described the shift from linear to circular as being a key challenge for the wider fashion

Efforts to shift businesses to a circular-economy model are being undermined, the 2021 Davos audience hears, by fossil-fuel subsidies the size of the GDP of Japan.

industry, responsible, she claimed, for 4% of global greenhouse gas emissions. To move forward with strategies for reducing this requires putting thought into what would be "a fair amount" for companies to produce while establishing circular practices for making that output.

However, during the same Davos discussion, another speaker, Ken Webster, said he feared fashion companies, like most businesses, are still "fully embedded in a linear system". Based in Wales, Mr Webster is director of the International Society for the Circular Economy (IS4CE), an independent international academic society set up in 2019. Before that, he was part of the team that set up the influential Ellen MacArthur Foundation.

On the cheap

He said that, to change the status quo, it will be necessary to address the “system conditions” that promote a linear economy. Explaining what he meant by this, he said: “There are lots of experiments such as subscription models, de-branding and so on, but the linear economy is driven by cheap fossil fuels and by cheap labour. There is an artificial cheapness when it comes to fossil fuels because the level of subsidy for fossil fuels is about \$5 trillion per year, which is about the same as the GDP (gross domestic product) of Japan.”

The International Monetary Fund estimated post-tax fossil fuel subsidies at \$5.2 trillion in 2017¹. Japan’s is the third-biggest economy in the world. Its GDP in 2019, according to The World Bank, was just over \$5.25 trillion².

Many synthetic textiles derive from fossil fuels, he pointed out, adding that the cheapness of these products also subsidises cotton production by making low-cost fertilisers available to farmers. These low price-points make discarded material unattractive (compared to cheap, new polyester, polyurethane and others) to businesses who might, otherwise, have been able to make something of the waste. “Prices send a message,” Mr Webster said. “All the efforts to move to circularity are being undermined by this distorted market. We have to look hard at these system conditions or it will be very hard to make the degree of shift that policy-makers and everyone in business want to see.”

Mr Webster said he would like to see prices “telling the truth” because this would make the market more realistic. “We’re going to have to look at this for climate-change reasons anyway,” he added, “so let’s get ahead of the curve.”

Design and supply chain links

Marie-Claire Daveu again said that she thought Kering was ahead of the curve, measuring “the circularity of our materials since 2019” and finding that 39% of those materials “are already circular”. Examples she quoted involved two of the group’s biggest names. Last year, Gucci launched a collection of accessories and shoes called Off The Grid, which it announced as part of a wider circular economy project, Circular Lines. Off The Grid placed emphasis on materials that were recycled, organic, bio-based and sustainably sourced. While products such as a tote bag in yellow or black did use leather, in this case in the trims and handles, other material such as recycled nylon predominated.

Balenciaga also merited a mention in Marie-Claire Daveu’s presentation at the Forum. In its summer 2021 pre-collection, 93.5% of the plain materials in use are either certified sustainable or upcycled. She said these examples show that links are possible between the desires of design teams and what today’s supply chains can deliver.

If leather has had only a token role in this so far, Ken Webster suggested that models he has seen for the production set-ups of the future could work well for leather and for all of the relatively expensive materials. He talked of the rise of extended producer responsibility for what we make and consume, and said this made locating or relocating production facilities in Europe or North America more likely. He said he had seen sketches of manufacturing set-ups of this kind, with on-demand production predominating.

Cheap fossil fuels drive the linear economy.

Credit: Kendall Anderson, Shutterstock





A busy shopping street in Osaka. The global fossil-fuel sector receives subsidies worth \$5 trillion per year, the same as the value of the entire Japanese economy.

Credit: Wildsnap, Shutterstock



Director of sustainability at Kering, Marie-Claire Daveu, points out that the group's work to prepare for a circular-economy future has been going on for a number of years.

Credit: Sustainable Leather Forum

Radical thinking

He said that, unlike the factories that use the low-priced materials he talked about earlier in the discussion, these new facilities would be able to work with more expensive raw materials. Recovering those materials for reuse at the end of the initial product's life will become the norm rather than the exception, as will designing products to be easily disassembled. He also spoke enthusiastically about subscription services for clothes and other fashion items. If we rent these rather than buy them, clothes, shoes and bags will need to be long-lasting, repairable and able to sustain their beauty in spite of passing from hand to hand and wardrobe to wardrobe. It would be difficult to think of a material that would lend itself better to this than leather.

"This needs to be design-led," Mr Webster continued, "and there needs to be radical thinking over what things are made from, making sure there is value in the material." More than that, he said that if manufacturers continue to produce fashion products using mixed materials that are difficult to deal with when it comes to end-of-life processing, it is unlikely they will be able to do this "free of penalties".

Brands, he added, will have to be careful about what they ask their outsource manufacturing partners to produce. "It's hard to see a way out unless you start at the design end," he continued, "and mandate what is able to be put into the system, rather than just try to cope with what someone has done."

No material lends itself better

Reflecting a little later on the problem of over-production and over-consumption, he made another reference to the subscription models that will work well for high-quality, circular, long-lasting fashion products. Businesses are inclined to produce high volumes of products, he said, because aiming to sell ever-greater volumes is how most of them hope to grow their revenues. But there are also opportunities in subscription models and in offering clothing as a service, he went on.

To make the most of these opportunities, brands should take the keenest possible interest in the materials they use in their products, Mr Webster argued. "You'll see them again," he said. "The products will come back to you, but you will get a lot of use out of those assets. Subscription ideas are interesting because they will provide revenue for the business from selling less. The amount of clothing that is unsold is amazing. Tailoring what you produce to what is actually demanded would be an excellent approach. Nobody now buys films now. We don't need to own a film, we just need to have access to it." 🗨️

NOTES

1. www.imf.org/en/Topics/climate-change/energy-subsidies#Who%20Benefits%20from%20Energy%20Subsidies
2. www.wdi.worldbank.org/table/WV.1