



## **GUIDELINES FOR THE PURCHASE OF RAW MATERIALS (Raw hides/skins and semi-processed leather)**

Please find below the guidelines for the purchase of raw materials, to take into consideration for revision and/or integration of the International Contract n.6 ICT/ICHSLTA proposed or received from the supplier or for any other contract used on that concern.

- It is recommended to refer, where possible, to the "real weight" (ie actual "fresh weight" or "salted weight" as appropriate) and thus avoid the use of the "green weight" (derived by estimation or calculation) in the negotiation and agreement activities for the purchase of raw hides and skins.  
(Contract n.6: to be included in clause 1)
- Indication, where possible, of the Country of origin, province/region, slaughter facility, animal type, physical characteristics of the hide/skin/leather (weight class, average weight, minimum weight/size, maximum weight/size), selection/grades.  
(Contract n.6: to be included in clause 1)
- Franchises/tolerances as follows:
  - mechanical desalting: no extra franchise to apply (Contract n.6: amend clause A1.6)
  - weight loss for wet salted hides: 3%, with -1% for intra-continental shipments (i.e. 2% for shipments between European Countries, for example) and +1% for overseas shipments (i.e. 4% for shipments from Americas to Europe, for example) (Contract n.6: to be included in clause 1)
  - weight loss for brine cured hides: 2% (Contract n.6: to be included in clause 1)
  - weight loss for fresh hides: 1% for wheels national transport superior to 500 km, 2% for wheels international transport superior to 500 km (Contract n.6: to be included in clause 1)
  - hides and wet blue piece count: no count tolerance (Contract n.6: to be included in clause 1)
- The discrepancy greater than the various franchises/tolerances agreed has to be fully paid on the basis of first two decimal numbers (e.g. extra weight loss in the amount of 2.49% with a 2% franchise, the difference to be paid is 0.49%).  
(Contract n.6: integrate clause 15.3 and amend clause A2.1)
- Weight range and average weight "Where the contract indicates a minimum/maximum for the average weight, the average weight calculated from the invoice should not be below the minimum and over the maximum. Where the contract indicates an "about" for the average weight, no claims to be made for difference in the average weight calculated from the invoice equal to or less than 3%. If the average weight calculated from the invoice does not meet the above conditions, the seller to compensate the difference to the buyer based on the different weights as respect to the contract".  
(Contract n.6: to be included as new clause 15.8)

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- Commitment for the transparency of the origin “As the whole leather industry promotes traceability and transparency in its value chain, which begins at the slaughter facility where the raw hides or skins are obtained, the seller undertakes to provide trustful information about the Country of origin.”  
(Contract n.6: to be included as a new clause)
- Commitment for chemical/environmental legal compliance “The Seller guarantees full compliance of the products with the legislation on chemicals and environment in force in the buyer’s Country (or other Country specifically indicated) and a clear commitment for an efficient use of preservative tools (e.g. salt)”.  
(Contract n.6: to be included as a new clause)
- Force majeure “A party claiming force majeure to give notice within 72 hours from the occurrence of the event and, if required, to furnish satisfactory evidence of force majeure”  
(Contract n.6: amend clause 21.1)
- Latest version of Incoterms, as promulgated by the International Chamber of Commerce, unless otherwise specified by the parties, to be used  
(Contract n.6: amend clause 1)
- The seller undertakes to comply with proper timing in draining operations of brine cured or salted hides before shipment or, in case, to use suitable absorbent material.  
(Contract n.6: to be included as a new clause)
- The seller undertakes to use public or certified weighbridge before shipment, and to include a detailed mandatory "packing list" in the shipment.  
(Contract n.6: to be included as a new clause)
- It is recommended to lower to 65% the percentage of the shipment that must remain in the original package in order to make claims  
(Contract n.6: amend clause 18.2).

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