

Responsible Leather Stakeholder Meeting

August 2nd, 2017

Agenda

1. News, Information & Updates
2. Intro to TE Leather Team!
3. Task Group Updates
 - a. Social Issues
 - b. Species Inclusion
 - c. Deforestation
 - d. Supply Chain Mapping
4. Progress
5. Introduction to ICHSLTA/USHSLA

1. News, Information & Updates

- PETA video of Red Pines Farm sheep being mistreated on claimed Responsible Wool Standard/Patagonia Plus 'certified'
 - <https://www.peta.org/media/news-releases/bloody-whipped-sheep-patagonias-wool-standard-comes-attack/>
 - Farm was never certified to RWS or Patagonia Plus
 - Used old footage
 - Patagonia did not react in a very big way
 - All brands should reference our PR Guide if they are attacked by PETA
 - Guidance on what you should do in different scenarios
- AWI chair and MLA boss come to blows over mulesing
 - <http://www.farmonline.com.au/story/4801925/awi-chair-fails-knock-out-blow-of-mla-chief/?cs=5373>
- Australia superfine wool growers asked to
 - <https://www.sheepcentral.com/australian-superfine-wool-growers-asked-to-support-cease-mulesing-policy/>
- HSBC's noble stand on palm oil
 - <https://innovation-forum.co.uk/analysis.php?s=hsbcs-noble-stand-on-palm-oil>
 - Speaks to the power of standards
- 400 tanneries units are operating in Kanpur
 - Out of these 400 tanneries, 386 were inspected in the [Kanpur](#) region during January-May, 2017 and 77 Gross Polluting Industries (GPIs) were issued closure directions under Section 5 of Environmental (Protection) Act

- **Comment:** There is a lot more to say about it, but you captured some of the important issues. Many of the issues there are related to water quality. Partly because the CETP is too small and obsolete which means that around 80% of the effluent water is discharged without any treatment. At the same time the tannery sector supports 100,000 s of families, often Dalits through work as a result closing or moving the tanneries is hardly a realistic option.

Together with STAHL, market leader in leather chemicals, SOLIDARIDAD just started a project in Kanpur with the tannery organizations and the local government to reduce pollution loads (metals, salts, organic waste) by improving practices of the tanneries in the Kanpur region.

2. Intro to TE Leather Team

3. Task Group Summaries

3.1 Social Issues Task Group (see slides #21-23)

Should we include social?

- A good level of engagement
- Addressed pros and cons of social issues
- No answer yet, just aiming to tease out the thinking behind it
 - Will bring recommendations to the working group later
- Pros:
 - No consistency in industry
 - There is a demand to have these issues addressed
 - Can't use "responsible" without addressing social issues
 - GRSB address social issues at the farm end
- Cons:
 - Increased time and cost to develop
 - Increased time and cost to implement
 - May overlap with existing supply chain actions

What issues do we address?

- Critical:
 - Tier 3 (farm) and 4 (slaughter) (1 and 2 are already being addressed)
 - Tiers vary across the supply chain
 - We will stop talking about tiers and just name the different supply chain levels (farm, slaughter, tanning, manufacturing) to avoid confusion due to different meanings across sectors
 - Forced labor/migratory labor
 - Child labor

- Land rights violations; how to verify?
- Desired:
 - ILO convention on human rights

What stages would it apply to?

	Farm	Slaughter	Tanneries	Manufacturing
Comments	Need guidelines to reference – look at other farm labour standards – ILO – Fair Labour – look at country level: industry support program – need to have a collective approach to have an impact – connect with GRBS	Conduct research into issues of highest risk and any existing solutions – map out the standards being used by the big players	Need policy - and some kind of 1 st , 2 nd or 3 rd verification? Can use existing standards	Need policy - and some kind of 1 st , 2 nd or 3 rd verification?

Action Items

- Map out existing initiatives (farm and supply chain)
- Look at 1st, 2nd and 3rd party verification options
- Research areas of highest risk by supply chain stage

3.2 Species Inclusion Task Group

Summary

- Group looked at whether or not other species (outside of bovine) should be addressed from the start
- Looked at pros and cons
- Broad agreement that ultimately the initiative/standard should address multiple species, in the initial phase it should focus on bovine as the biggest sector to start with. Whilst this would make the process easier and faster the aim to add other species should be considered from the start / in the design of the approach. The option of creating additional modules addressing slaughter and transport to enable the RWS to act as an input standard can also be explored alongside this.

Actions / Research

- Defining scope boundaries
- Traceability
- Existing standards
- Farming systems and issues research

3.3 Deforestation Task Group (conversion of natural landscapes)

Summary

- Task Group discussion resulted in identification of critical questions: Definition of conversion, adoption of a cut-off date/baseline, regional issues/differences, traceability, feed, allowing restoration where conversion happened, smallholders, conflicts with legislation. The Task Group highlighted the fact that this initiative should not attempt to define/resolve these questions, but align itself with others.
- Which initiatives will we recognize?

Actions / Research

- Research what other initiatives do on these issues
- Consider compatibility if we recognize a variety of standards (SAN, RSBs, etc.)
- Identify the common ground if it exists

3.4 NEXT Task Group – Supply Chain Mapping

- A very big and complicated supply chain
- From cattle to brands: where do things consolidate?
- Main goal is to identify the key links, players and regions
 - Discussion with the LWG has shed some light on challenges
 - We have to really understand what we are working with
- Key players will be meat packing companies
 - JBS, Marfig, Tyson, Minerva – the junction between cattle and before it goes to meat
- Will be an important part which will help define where we will go with this
- **Comments:** Traceability and mapping the supply chain for leather is really in its infancy compared with other sectors
 - Brands like Adidas, Nike, etc. can speak pretty open and honestly about how it works and the challenges
 - LWG protocol helps with this, but the tanneries under audit, etc. are confidential – so this is captured in at least one place
 - Only forward-thinking brands are focusing on this, so there is a lack of good data
- Meatpackers sit at the linchpin – slaughter AND skins
 - Big players are where to go, but it may be difficult to obtain information on many levels
- We should have flexible solutions
- Will begin in September

Task Group reminder

- Meet outside of the regularly scheduled stakeholder meetings
- Focus on a single issue at a time
- Identify issues and activities related to the topic
- Discuss options and presents them to the full International Working Group (IWG)
- Do not make decisions
- Are time-limited
- Supported by Textile Exchange
- Can be led by TE or someone else

4. Progress

- Simplified map showing all of the main players (see slide #29)
- Farming, slaughter, meat share the same supply chain – GRSB, WWF, TNC, CFA, Solidaridad addressing these areas
 - GRSB – Global Roundtable for Sustainable Beef
 - Have incredible reach, really strong stakeholder engagement
 - **Comment:** Some of the GRSB principles could improve the quality of the hides available to tanners
- Leather tanning is mostly covered by the Leather Working Group (LWG)
 - TE is having an open and healthy dialogue with the LWG
 - **Comments** (from LWG Executive Member):
 - LWG started about 10 years born out of a desire for brands to understand the impacts of their leather sourcing
 - Developed an audit protocol, which is independently audited
 - Responsible tanning
 - Made up of chemical suppliers, tanners, brands
 - Inviting more and more of the tanning community
 - Brands voiced concerns about Animal Welfare
 - AW group developing some research and reports for LWG members, so far 3-4 studies have been published
 - All research is exclusively for AW members of the LWG
 - LWG is not interested in overlapping standards and other initiative
 - Encouraging brands not to undertake additional expenses
- Manufacturing – covered by TE
- TE and WWF had a call with their beef and leather teams
 - WWF is keen on what we are doing and excited to bring leather back into visibility
 - Connected to GRSB
 - Good connections with the industry

- The Nature Conservancy (TNC) – good relationship
 - Connected to GRSB and WWF
- Solidaridad
 - Working on impacts of tanneries
 - Started a project in Kanpur with the tannery associations. Working on reducing the pollution load of the water, working closely together with STAHL (largest chemical supplier in leather)
 - Additional initiatives in Ethiopia and Bangladesh
 - Working with tanners for better practices in terms of social/labor and pollution
- **Question:** Why the high interest in leather on an animal welfare group? What would we need on leather that's not already addressed by the LWG protocol? How is leather related to animal welfare?
- **Answer:** we are talking about everything on a level playing field right now
 - LWG certification is not accessible to everyone

Outcomes from US Roundtable for Sustainable Beef (USRSB) Meeting in Denver

- Made great connections
- GRSB is developing principles and criteria for global sustainable beef
 - Natural Resources
 - Animal Health and Welfare
 - People and the Community
 - Energy and innovation
 - Food
- The result will be different in different countries
 - i.e., Canada and possibly Europe will develop a standard
- Stuart asked about hides/skins at the meeting
 - Said they haven't really addressed that yet
 - They are very pleased to hear about our work
- GRSB is conducting a pilot program with McDonald's in the US
 - Will be fully traceable
 - Are willing to allow us to work on leather side of things
 - We will put out a call to see if any brands/other would like to be a part of that pilot
- There was a pilot project with GRSB with Canadian Roundtable last year
 - Process is somewhat messy: 55,000 beef farmers in Canada
 - European pilot project with beef farms going on right now

Collaboration for Forests and Agriculture (CFA)

- Connected with WWF, NatCap

- Addressing deforestation in South America
- Important to get GRSB on the discussion about what is deforestation and what is not
- CFA is connected with meat packers, etc.
- TE does not need to have a new discussion about definitions because CFA in S. America is working with WWF and others

Responsible Leather Bell Curve

- Farmers on opposite ends, and the bulk in the middle
- Our “line” is a benchmark for minimum practices, whoever is there will be certified or recognized in some way
- Our first step will be recognizing the farmers who are already doing best practices
 - Our work will entail supporting the industry and influence change
 - Leverage the government where we can
- Where do brands sit with this?
 - Can offer financial support and offer consumer engagement
- What comes back to the brands?
 - Stories
 - Metrics
 - KPIs
 - Look at the impacts!
- **Comment:** consumer engagement is extremely important – how demands are part of the solution
- This will empower brands!

5. Introduction to USHSLA & ICHSLTA

U.S. Hide, Skin and Leather Association (USHSLA)

- The U.S. Hide, Skin and Leather Association (USHSLA) is a full-service industry organization devoted to the U.S. hides, skins and wet blue leather products industry. Founded in 1979, the association provides its members with government, public relations, and international trade assistance and support. The USHSLA is a cooperator under the U.S. Department of Agriculture’s foreign market development programs, assisting U.S. firms develop new markets for U.S. agricultural exports. USHSLA is at the forefront of the industry’s needs, providing members with service, information, and opportunities to compete in today’s global marketplace.
- Primary members include:
 - meatpackers
 - hide processors
 - traders
 - wet blue processors

- Affiliated with the North American Meat Institute (NAMI) – JBS, Tyson, etc. are members

International Council of Hides, Skins and Leather Traders Association (ICHSLTA)

- ICHSLTA is the International Council of Hides, Skins and Leather Traders Association. It represents the interests of the hide, skins and leather trades of more than 30 countries. It is the only international body of its kind. Founded in 1929 as a non-political organization, its principal objective is the promotion, development and protection of the international trade in raw hides, skins and leathers.
- Traceability and Animal Welfare are big issues and are touchy in politics, but USHSLA can help navigate

Call for Stakeholders

- Invite your colleagues and professional acquaintances to join our stakeholder group.
- Looking for design, CR and materials experts in auto, food, home furnishings, footwear and apparel as well as supply chain contacts (farms, slaughter, tannery, etc.).
- Email template/invite is available providing Responsible Leather Initiative overview.
- Questions and Inquires can be directed to responsibleleather@textileexchange.org