RESPONSIBLE LEATHER INITIATIVE

2018 Kickoff Meeting – Tuesday, February 6th, 2018
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Meeting Notes & Recording

- We will email you with meeting notes and the recording within 2-3 days.
- Recording and meeting notes will be uploaded to responsibleleather.org, also within 2-3 days.
Agenda

1. News & Updates
2. 2017 Work Plan Review
3. Introduction to the Responsible Business Alliance: Carlos Busquets, Director of Public Policy
4. Putting Together the Big Picture
   1. Global Roundtable for Sustainable Leather (concept)
   2. Stakeholders
   3. What we need to get things done
October, 2017

2017 TEXTILE SUSTAINABILITY CONFERENCE

United by Action: Catalyzing the Sustainable Development Goals in Textiles

#TextileConf | #CreateMaterialChange | #GlobalGoals
The **Certified Sustainable Beef Framework** is a voluntary program that enables producers and processors to demonstrate the sustainability of their operations while at the same time supporting the retail and food service industry in their sustainable beef sourcing efforts.


*Stuart and Anne attended the launch event for the standard, and met with the leadership of the GRSB as well.*
Building a Traceable, Low Carbon Beef Supply Chain

Export markets are an important opportunity for the Canadian beef and dairy industry. Understanding the market’s desired attributes and being able to provide full provenance and transparency, secure data management systems and standards to monitor, report and verify low carbon metrics across supply chains to end users is the way of the future. This example uses genetic improvements, lower carbon selection of animals, and block chain technology to authenticate transactions and report to end users in Europe.

Speakers:
- Alison Sunstrum, Growsafe
- Anne Gillespie, Textile Exchange
- Stuart Adams, Textile Exchange

As a partner in agriculture innovation, the SASC seeks your input through a series of community engagement sessions.

The foundational principle of the Smart Agri-Food Super Cluster is to foster collaboration amongst agriculture communities by connecting technologies through Smart Agri-Food “nodes” which will be located across the country. We invite you to attend this session to learn and contribute to the discussion about how the SASC will address the issues of digitally connecting systems-based decisions on-farm with measures and metrics to quantify greenhouse gas reduction - making carbon offsets easier and cheaper to generate and accelerate innovation adoption.

This day will focus on highlighting several case studies as examples of initiatives the Smart Agri-Food Super Cluster can accelerate and scale across landscapes and farms. Discussion will focus on identifying opportunities to refine and build upon initial concepts within the SASC moving forward, with a focus on improving supply chain coordination, accelerating on-farm digital innovation collaboration, supporting trade growth and economic development, and helping Canada achieve its climate targets.

Hosted By:  
Karen Haugen-Kozyra, President Viresco Solutions/Biological Carbon Canada Board  
Graham Gilchrist, Interim CEO, Biological Carbon Canada  
Doug Beever, Agrium/SASC Transition Board  
Rob Davies, Interim CEO, SASC Transition Board

January 11, 2018
“In our annual Global Risks Perception Survey, environmental risks have grown in prominence in recent years. This trend has continued this year, with all five risks in the environmental category being ranked higher than average for both likelihood and impact over a 10-year horizon. This follows a year characterized by high-impact hurricanes, extreme temperatures and the first rise in CO₂ emissions for four years. We have been pushing our planet to the brink and the damage is becoming increasingly clear. Biodiversity is being lost at mass-extinction rates, agricultural systems are under strain and pollution of the air and sea has become an increasingly pressing threat to human health. A trend towards nation-state unilateralism may make it more difficult to sustain the long-term, multilateral responses that are required to counter global warming and the degradation of the global environment.”
The **Due Diligence Leather** project started on 1st March 2017 and will run until September 2018. It is developed in the framework of the European Social Dialogue and subsidized by the European Commission. Both sides of the European leather industry aim to put their common dialogue again at the heart of the debate about health and safety at the workplace. They want to develop the tools that facilitate communications along the leather value chain.

**Three activities will be developed:**

- The update of their OiRA on-line Risk Assessment tool of the tanning sector;
- An EU survey on current practices for the identification and reporting of concerns regarding workplace health & safety conditions in tanneries along the leather value chain;
- The organisation of a public Final Conference in September 2018 where the results will be disseminated.

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**Survey launch:**
September 2017

**Publication of survey results:**
Spring 2018

**Final conference:**
September 2018

Stakeholder Updates: Your Turn!
WWF is working with Textile Exchange to explore how to support a potential global collaboration on hides and leather, leveraging WWF's experience and programs on beef, leather and product certification.
GRSB Proposal for GRRL Relationship

- Producers and Producer Groups
- Commerce and Processing
- Retail
- Civil Society
- Regional Roundtables
- External Initiatives Alliance

Leather (GRRL)
- Dairy
- Soy
- Finance
- etc.

Will pay a membership fee, and must commit to the mission and vision of the GRSB through an LOA.
# 2018 Events

## FEBRUARY

Premiere Vision Leather  
13 - 15 February, 2018  
Location: Paris, France

## MARCH

APLF MM&T  
14 - 16 March, 2018  
Location: Hong Kong, China

Morocco Leather and Shoes  
28 - 31 March, 2018  
Location: Casablanca, Morocco  
Dedicated to leather and shoe components.

## APRIL

SLTC Conference 2018  
21 April, 2018  
Location: Northampton, UK

Innovation Forum: Sustainable Apparel  
24-25 April, 2018  
Location: Amsterdam

## MAY

Footwear Executive Summit  
03 May, 2018  
Location: Washington DC, U.S.

Copenhagen Fashion Summit  
15-16 May, 2018  
Location: Copenhagen

SAC Full Member Meeting  
21-24 May, 2018  
Location: Vancouver, Canada

All Africa Leather Fair - AALF  
25 - 28 May, 2018  
Location: Addis Ababa, Ethiopia

Shoes & Leather Guangzhou  
30 May - 01 June, 2018  
Location: Guangzhou, China

## JUNE

Sustainable Brands  
4-7 June, 2018  
Location: Vancouver

Freiberg Leather Days  
13 - 14 June, 2018  
Location: Freiberg, Germany

Outdoor Show  
17-20 June, 2018  
Location: Friedrichshafen, Germany

## JULY

Shoes and Leather Vietnam  
11 - 13 July, 2018  
Location: Ho Chi Minh City, Vietnam

Outdoor Retailer  
23-26 July, 2018  
Location: Denver, CO USA

## AUGUST

All China Leather Fair (ACLE)  
29 - 31 August, 2018  
Location: Shanghai, China

## SEPTEMBER

Premiere Vision Leather  
19 - 21 September, 2018  
Location: Paris, France

## OCTOBER

TE Textile Sustainability Conference  
22-24 October, 2018  
Location: Milan, Italy

### November

**Anything to add??**

Let us know!
2017 Work Plan Review
2017 Work

- Seed Funding
- Initial Working Group
- Identify Existing Initiatives
- Invite Additional Stakeholders
- Review Issues
- Determine Decision-Making Strategy
- Choose Scopes
- Identify Solution Frameworks
What is our Primary Goal?

Influence change towards better practices?

NO

YES

Have a system to deliver a "better" supply of leather?

NO

YES

Will brands commit to applying the solution to their supply chains?

NO

YES

What type of claim do you want to make?

Industry Change Claim

Supply Chain Claim

Product Claim

Book and Claim System

Mass Balance System

Chain of custody Standard

What do we address/include?

What data do we need to collect?

What time frame?

How do we finance it?

Animal Welfare

Environmental

- Deforestation
- GHG’s
- Land Health
- Biodiversity
- Pollution
- Other

Social Issues

- Slavery
- Child Labour
- OHAS
- All

Manufacturing

Tanneries

Slaughter

Farm

- Feedlot
- Raising farm
- Cow/calf
Responsible Leather Initiative Survey – 34 RESPONDENTS

Q3 What type of organization do you work for?

- Brand
- Retailer
- Manufacturer
- Tannery
- Slaughterhouse
- Farm
- Non-Profit Organization...
- Industry Association
- Service Provider
- Other (please specify)
Responsible Leather Initiative Survey

Q4 What type of leather products are you working with? (Select all that apply)

- Footwear
- Apparel
- Bags and Accessories
- Home/Office Furnishings...
- Transportation (Automotive)
- Transportation (Other)
- Equestrian
- Other (please specify)
Q5 Primary Goal
Please consider the outcome(s) you are looking for through the Responsible Leather Initiative. (Select all that apply)

- Influence change towards...
- Have a system to deliver a...
Responsible Leather Initiative Survey - COMMITMENT

Q6 Commitment: If we develop a solution to source responsible leather, what type of commitment would your company consider making? (Select all that apply)

- Full adoption of the...
- Public endorsement ...
- Senior-level commitment to ...
- Financial support for ...
- None
- Other (please specify)

Answered: 34, Skipped: 0
Q7 Claims What type of claims would you want to make about responsible/better leather? Please give this lots of thought as the varying options will have different implications on the cost and scale of implementation. You can choose more than one option if you feel it is needed. To understand the chain of custody models used with type of each claim, please have a look here.

Answered: 34  Skipped: 0

- Product-specific claims (80%)
- Supply chain claims (50%)
- Industry transformation (20%)
- None (10%)
- Other (please specify) (0%)
Responsible Leather Initiative Survey – CLAIMS

Q9 Leather Supply Chain
Please assign any combination of point values between 0 and 90 to the following levels of the leather supply chain that are of importance to your company. Values must total 90 points to continue. Examples: Farm: 30 + Slaughter: 30 + Tannery: 30 = 90 total points Farm: 90 + Slaughter: 0 + Tannery: 0 = 90 total points Farm: 40 + Slaughter: 40 + Tannery: 10 = 90 total points

Answered: 34  Skipped: 0
Responsible Leather Initiative Survey – **FARM LEVEL ISSUES**

*Q10 Farm* Please assign any combination of point values between 0 and 40 to the following issues at the farm level that are of importance to your company. Values must total 40 points.

- Animal Welfare
- Deforestation
- Land Health
- Biodiversity
- Greenhouse Gases
- Slavery
- Occupational Health & Safety
- Meeting ILO Conventions...

Answered: 34  Skipped: 0
Q12 Slaughter
Please assign any combination of point values between 0 and 20 to the following issues at the slaughter level that are of importance to your company. Values must total 20 points.

Answered: 34  Skipped: 0

- Animal Welfare
- Water Usage
- Slavery
- Occupational Health & Safety
- Meeting ILO Conventions...
Responsible Leather Initiative Survey – TANNERY LEVEL ISSUES

Q14 Tannery: Please assign any combination of point values between 0 and 40 to the following issues at the tannery level that are of importance to your company. Values must total 40 points.

- Water Pollution
- Air Pollution
- Chemical Use
- Energy
- Water Use
- Slavery
- Occupational Health & Safety
- Meeting ILO Conventions...
Key Observations

• The primary desired goal is a standard, although there is still a strong interest in driving industry change
• Commitment levels look strong, and we will have to determine how to make these more definite
• Supply chain and product claims are of the greatest interest, so we will put emphasis on systems that have some degree of traceability
• The farm and tannery issues are inconclusive, and we probably need to do more work to really understand what the priorities should be.
• Animal welfare is clearly the greatest concern at the slaughter level
• We had 34 respondents and have over 350 stakeholders, so still need more input
TE Thoughts

• We will be more effective if we start as small and simple as possible: even then the project will be big and complex
• Being focused will allow us to do thorough research and develop a strong tool that will have the best chance for success: impact x adoption
• We can still work on additional elements that will ultimately be part of a standard: they can sit outside as recommendations, then be included in future revisions.
• We may still have to look at a certificate trading system if having traceability through the supply chain is too difficult or costly
• Creation of a permanent Roundtable will allow us to continue working on various fronts
• It will also give us a structure for the development of the standard and other tools. In particular we can create task forces that will focus on specific issues.

Discussion!
We need more feedback!

We will likely send out another survey to obtain more input, possibly refining the previous one to make it simpler.
Introduction to the Responsible Business Alliance

Carlos Busquets,
Director of Public Policy
Responsible Business Alliance Initiative

Responsible Business Alliance
Formerly the Electronic Industry Citizenship Coalition

Advancing Sustainability Globally
Multi-industry, multi-stakeholder initiative

End-to-end ethical recruitment due diligence

Primary focus on forced labor in supply chains

Based on leading Responsible Business Alliance standards and programs

Launched June 2017
1. Automotive membership interest in leather.

2. Sensing & prioritization research:
   1. Material risk profiles on materiality, social, environmental and governance risks and engagement opportunities;
   2. Risk profile on leather;

3. RMI identifies opportunities to support / leverage existing initiatives on raw materials.
Putting Together the Big Picture
Global Roundtable for Responsible Leather (GRRL) - Concept

- **Industry Action Program**
- **Government Engagement Program**

**BRANDS**
- "Safe" supply
- Demand

**RESPONSIBLE LEATHER**
- Engagement
- Data, recognition, reduced risk

**INDUSTRY**
- Financial support, influence, consumer engagement
- Stories, metrics and KPIs, impacts

**Global Roundtable for Responsible Leather (GRRL)**
- Concept
Global Roundtable for Responsible Leather (GRRL) - Concept

Mission

Advance continuous improvement in sustainability of the global leather (and beef) value chains through leadership, science and multi-stakeholder engagement and collaboration.

Vision

We envision a world in which all aspects of the leather value chain are environmentally sound, socially responsible and economically viable.

The Roundtable will be:

- A platform for stakeholders in the leather industry to engage with each other, share information, and identify common challenges and opportunities.
- A common voice that represents the interests of the leather stakeholders and that can work with other stakeholders, including the beef/cattle industry.
- A structure for interacting with other organizations and government bodies.
- A forum to agree on priority issues and desired solutions, with the opportunity to take actions.
Roundtable Activities:

*May include but are not restricted to:*

- Develop a plan to create a verification system that will allow leather brands to send a clear signal to their supply chains, and that will ultimately drive positive industry transformation.
- Convening virtual and in-person meetings to share information and perspectives from the beef and leather supply chains.
- Identify existing opportunities for joint action (e.g., adding leather users to pilot programs being run for beef, signing onto deforestation-free protocols).
- Combining knowledge and expertise of the stakeholders to map out existing projects and initiatives: put them into a common framework that both the beef and leather industries can use.
- Outreach and education to leather brands to understand the issues, develop alignment among their sourcing policies, and to participate in and financially support the Roundtable.
Cow-calf farm → Raising farm → Finishing farm → Slaughter → Tannery 1 → Tannery 2 → Tannery 3 → Production → Brand/retail

GRSB

Optional LWG A/W risk assessment model

LWG → WWF → Tannery of the Future

Global Roundtable for Responsible Leather (GRRL)
<table>
<thead>
<tr>
<th></th>
<th>LWG</th>
<th>Kanpur</th>
<th>Pakistan</th>
<th>Tannery of the Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>3rd party assessment</td>
<td>yes</td>
<td>no</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>Self-assessment</td>
<td>no</td>
<td>yes</td>
<td>no</td>
<td>yes</td>
</tr>
<tr>
<td>Social criteria</td>
<td>No – reference SLCP, touch on OHAS</td>
<td>No</td>
<td>no</td>
<td></td>
</tr>
<tr>
<td>Environmental criteria</td>
<td>Yes: ZDHC Leather MRSL, water treatment, energy, chemical management, emissions</td>
<td>Focus on water impacts</td>
<td>Focus on water, energy and chemicals</td>
<td></td>
</tr>
<tr>
<td>Traceability</td>
<td>From tannery to tannery, assess ability to trace back to S/H – physically mark materials – moving towards Coc to brand level</td>
<td>From tannery to brand</td>
<td>No?</td>
<td></td>
</tr>
<tr>
<td>Animal Welfare</td>
<td>Optional risk assessment profiles</td>
<td>no</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>On-ground capacity development</td>
<td>no</td>
<td>yes</td>
<td>yes</td>
<td>?</td>
</tr>
<tr>
<td>Governance/policy</td>
<td>no</td>
<td>yes</td>
<td>yes</td>
<td></td>
</tr>
<tr>
<td>Financial mechanisms</td>
<td>no</td>
<td>In progress</td>
<td>yes</td>
<td></td>
</tr>
</tbody>
</table>
Task Group Ideas
1. Structure and mandate of the Roundtable
2. Brand commitment mechanism
3. Verification models and costs
4. Benchmarking models
5. Specific issues: animal welfare, social, environmental, etc.

Roundtable

Discussion!
Membership Fees
- approximately $50,000

TE Roundtable/Working Group

- Sharing of information
- Common voice for the leather industry
- Platform for engagement with other groups

Development of verification tool

- Determine priority issues - do targeted research
  - Farm to slaughter
  - Animal welfare
  - Better Farming Practices (inputs, carbon, regeneration)
- Determine solution model
  - Cost and feasibility assessment
  - Verification requirements
  - Link from farm to brand
  - Claim language
  - Revenue model

*events will be sponsored separately

Sponsorship Funding
- approximately $180,000

Sponsorship Funding or Membership Fees
- approximately $50,000

Industry change work

- Benchmark assessment system
- Coordination with other initiatives: pilot programs
- Impact reduction and governance engagement
- Etc.

Implementation of verification tool

- Oversight and administration
- Training
- Marketing and outreach
- Benchmarking assessments
- Work towards revision
- Data collection and analysis

Sponsorship Funding
- determined by project

Sponsorship Funding
- determined by project

Fees + Sponsorship
- Approximately $250,000

Industry change work

- Benchmark assessment system
- Coordination with other initiatives: pilot programs
- Impact reduction and governance engagement
- Etc.
**TE Asks:**

- Financial Support
- Expertise: a specific time commitment on a given topic or job
- Leadership: commitment to lead a task group
- Volunteer: contribute time to take on a given job or do research
- Patience!
## Key Roles – Textile Exchange

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Key Responsibilities</th>
<th>Role/tasks</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anne Gillespie</td>
<td>Project Lead</td>
<td>Strategy, management, key relationships, standard development</td>
<td>Strategy, manage work plan, manage work of TE staff, relationship development, fundraising, budget, stakeholder management, meeting moderation, presentations</td>
<td>50%</td>
</tr>
<tr>
<td>TBD</td>
<td>Senior Coordinator</td>
<td>Traceability system, benchmarking, tanneries?</td>
<td>Strategy, research, writing, development, outreach, relationships, lead on specific projects.</td>
<td>40%</td>
</tr>
<tr>
<td>Hanna Denes</td>
<td>Special Projects</td>
<td>Benchmarking support</td>
<td>Research, writing, development, representation, alignment with RWS</td>
<td>10%</td>
</tr>
<tr>
<td>Stuart Adams</td>
<td>Farm Specialist</td>
<td>Farm to Slaughter</td>
<td>Stakeholder outreach, relationship development, research, model development</td>
<td>20%</td>
</tr>
<tr>
<td>Stefanie Pokorski</td>
<td>Admin Support</td>
<td>Support</td>
<td>Meeting coordination, stakeholder lists, website updates, information management, communications</td>
<td>10%</td>
</tr>
<tr>
<td>Additional Support</td>
<td></td>
<td>TBD – dependent on finance and specific needs</td>
<td></td>
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</tr>
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</table>
## 2018 Work – Core Activities

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establish structure and plan for Roundtable</td>
<td>(including TE-WWF relationship)</td>
</tr>
<tr>
<td>Research traceability needs and options</td>
<td></td>
</tr>
<tr>
<td>Research, map and set up benchmark/integration framework for existing initiatives</td>
<td>(standards and programs)</td>
</tr>
<tr>
<td>Establish desired criteria for farm, slaughter, tanneries – a/w, environmental, social</td>
<td>* create task groups – link the benchmarking work</td>
</tr>
<tr>
<td>Further define and cost out verification options</td>
<td></td>
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<tr>
<td>Set up the network and plan meetings to share information between stakeholders</td>
<td></td>
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<tr>
<td>Research and model funding mechanisms</td>
<td></td>
</tr>
<tr>
<td>Government engagement</td>
<td></td>
</tr>
<tr>
<td>Pilot brand engagement in GRSB or other activities</td>
<td></td>
</tr>
<tr>
<td>Research and qualify risks</td>
<td>For all players: govt, farmers, brands, investors</td>
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Upcoming Meetings

1. February 26th – 10 AM EST
2. March 20th – 10 AM EST

Save the dates!
Thank you!

Questions?

responsibleleather@textileexchange.org