Responsible Leather Round Table

RLA IWG Land Use Change Task Group

Meeting #1

June 19, 2018

Agenda

1. Review the role of the LUC Task Group
2. Reality Check: CFA on Deforestation
3. Where do we start?
4. Discussion

Reality Check – setting the context for why we are focusing on Land Use Change.

- Deforestation is one of the most critical issues facing our planet: contributions to climate change and loss of biodiversity.
- 2nd largest source of greenhouse gas emissions.
- Amazon and Cerrado biomes are most affected.
    - A lot of attention drawn to the Amazon, but Cerrado is more recent and the conversion rate is nearly 25x higher than the Amazon. If the Cerrado does not exist, the Amazon does not exist either. They are all interconnected in a very intertwined system.
    - Monitoring these biomes is very complicated; divided based on maturity of the systems.
- Because many companies have committed (Soy Moratorium) to not sourcing from the Amazon, they have moved to the Cerrado (particularly for soy).
    - Had a good impact in the beginning, but obvious side effects.
- The quickest way for someone to take over deforested land is with cattle – easier than growing soy.
- There is enough land to double or triple the production of soy without clearing new land.
- Cattle ranching and soy – CFA's theory of change is that there is a way forward.
- Soy and beef production increased in the Legal Amazon as deforestation dropped.

- Deforestation presents **reputational** and **financial** risks for brands

- Beef and soy are the primary deforestation drivers
- 800+ UN recognized definitions of "forest'
- 44 different commitments related to beef and soy production in the Amazon, Cerrado, etc.
- 4+ general concepts of deforestation-free
- Dozens of cut-off dates and deadlines

Where do we start?

Evolution of the Tool

- We are not creating standard; the goal is to create a tool that anyone along the supply chain can use to deliver a positive impact/source from better suppliers.
- 3 areas of impact: Animal Welfare, Environmental, Social + addressing traceability and data collection to show impact.
- Task Group discussions will help guide what is included and what the tool looks like.

- Environmental impacts at the farm level are what we will discuss in this particular Task Group

What do we need to do?

- Choose which issues to address in V1
- Determine which definitions and targets to use
- Determine who to work with
- Decide on the traceability model(s)
- Look at how we will verify

Which issues to address in V1?

See slide #

- Should we address anything beyond Land Use Change in V1?
    - Comment: Nothing beyond Land Use Change in the 1st version, but Enteric Emissions should go under farming practices – they go together.
    - Comment: Should also look at the origin of inputs on the farm – it is very important to include this later on.
- Comment: one important aspect – within CFA, one of the 3 main pillars is aligning cattle ranchers on responsible land use – this rewards at the farm level. Financial tools and models are being developed within CFA that can be expanded into this work.
    - This will fit in well when we talk about traceability.
- Even if some issues don't get addressed in V1 of the tool, we can take a look at them in the Round Table via task groups or writing position statements, etc.

How shall we define Land Use Change?

- The definition is enough, but the term we are using in CFA is "zero-conversion"

Who do we work (and align) with?

- There is a group that sits between GRSB and GTPS – NWF are in charge of it: Joint Working Group for Forests – can send more details about it
- IPI has partners within their network who can contribute to this – organization addressing deforestation/sustainable beef in brazil. About to publish a white paper
- Quantis has been doing work around land use and aligning/building upon frameworks
    - Already did a lot of work of aligning definitions and what that means in terms of accounting, doing this with over 40 different organizations in the public space (available end of 2018).

Traceability Models

- Brands will be driving the use of what we develop

- Traceability at farms is difficult because the GTA is by lot, not by animal – issued by veterinarians on the farm. Sometimes based on the # of animals that fit in the truck. Because there is a certain # of animals in there, sometimes are get switched from different GTAs.
    - Registration system of farms CAR – this system is also very easily cheated.

    - A system created by Brazilian gov't that is based on ear tags and identifies individual animals and prevents issues. Created at a time when a need for traceability and transparency was less important. Might be interesting to explore this system and bring it to scale.

- How will the certification scheme work?
    - We are calling it the Responsible Leather Assessment Tool
    - Trying to find a common framework to assess the criteria they are meeting
    - Will reference existing standards – simple for animal welfare, but will be more complex on the environmental side

Producers in Australia have started a block chain system to give traceability to buyers in Asia – can look into

Native Energy has been working quite a lot with Ben and Jerry's on their insetting program, there are a lot of synergies with the dairy industry as well. In the end, they may have a robust system around the cattle industry.

How does IPI define "insetting"? Would the book and claim system be a form of insetting (not offsetting).

- In general, insetting is definitely tied to the value chain of the company, but also looking into the "landscape approach" – the ecosystems that are influenced by the value chain. Essentially not only the supply chain, but the ecosystem that is affecting the supply chain.