© Copyright Notice

- This presentation is protected by U.S. and International copyright laws. TE welcomes you to use slides from this collection for your presentations on the condition that:
  - The slides are not altered from the way it is presented in its original format, this includes changing colors and style.
  - The Textile Exchange logo should not be removed.
  - Adding logos and/or content is not permitted without written permission from Textile Exchange.
  - Any presentation using this content or any form of this content should acknowledge Textile Exchange as the author.
Chatham House Rule

“When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.”

Anti-Trust Declaration

Textile Exchange is committed to adhering strictly to the letter and spirit of the antitrust laws. Any and all meetings, communications, conference calls, shared resources and collaborative workspaces are designed solely to provide a forum or means for the expression of various points of view. Under no circumstances shall Textile Exchange activities be used as a means for competing companies to reach any understanding, expressed or implied, which tends to restrict competition, or in any way, to impair the ability of members to exercise independent business judgment regarding matters affecting competition.
Please introduce yourself through the Questions field: give your name and organization.

GoToWebinar Control Panel

• You can use the Raise hand button to signal that you have a question, want to make a comment, or require assistance.

• Alternatively, if you have a question, type it in the Questions Panel and click Send. We will do our best to answer as timely as possible.

• You can find the Attendee Registration List under “Handouts” to see who else is on the call (note: not everyone registered will be present).
Meeting Notes

We will send a follow-up email with meeting materials.

Meeting notes, recording and slides will be uploaded to ResponsibleLeather.org.
Agenda

1. Shared Updates
2. Review of Ireland & Milan
3. Key stakeholder updates
   1. GRSB
   2. LWG
   3. NWF
4. 2019
   1. Events
   2. Theory of Change
   3. New approach
   4. Deforestation
5. Budget & funding review
6. Next Steps
Shared Updates
Leather Naturally

• Focus on promoting leather and inspiring consumers, designers and brands about the beauty of leather.
• The Association doubled in 2018 in number of members.
• Shared global PR campaign with the industry in Q4. 55% of the needed funds to get this multi-year campaign started is committed.
• Invitation to the industry to join and support a collaborative promotion approach.
Amsterdam Declarations

- Part of the climate change agenda.
- Goal: Towards deforestation-free, sustainable commodities.
- Signed by 7 countries.
- Support to voluntary private sector commitments and initiatives.
- Non-legally binding, political declarations.
- Process-oriented approach (influencing key processes).
- Focus first on cocoa, palm oil and soya.
S1 – Facilitate European action

- **EU action on deforestation:**
  -> Signatory countries coordinated input into several Council meetings
  -> No decision by EC yet. Call to organise an expert meeting with member states and relevant DGs
  -> Sustainability in trade negotiations

- **Responsible business conduct:**
  -> Letter to EC calling for a CSR strategy

- **Green Public Procurement:**
  -> Food & Catering criteria under revision (land use concerns).
  Public procurement discussed in AD-Group

- **Trade negotiations, sustainability paragraph**
Updates from Ireland & Milan
Global Forum on Responsible Leather: Ireland

- Coordinated event alongside the Global Roundtable for Responsible Beef (GRSB)’s bi-annual conference
- 60 participants from both the RLRT and GRSB
- Presentations from a number of different brands and organizations, discussing different topics and issues within the supply chain
- Discussed traceability options, including credit trading platform
2018 Textile Sustainability Conference: Milan

- Annual event hosted over 800 attendees from across 46 countries
- Around 100 people attended the RLRT session; introduction to the RLRT + updates from Ireland
- During the closing plenary sessions, Anne spoke about climate change, deforestation and the opportunities with beef and leather coming together to have an impact
Key Stakeholder Updates
Textile Exchange and Leather Working Group are pleased to announce that we have formally agreed and signed an MoU outlining our collaboration on aligned environmental goals within leather manufacture. We are looking forward to working together to support and encourage stakeholders to improve environmental standards in the leather industry. We plan to collaborate more closely in areas including:

• Textile Exchange's Responsible Leather Assessment Tool
• Leather Working Group's participation in the Responsible Leather Roundtable and International Working Group
• Education and information relating to environmental compliance of tanneries
• Issues surrounding Animal Welfare topics within the scope of Leather Working Group
National Wildlife Federation has agreed to co-lead our technical task group on Deforestation. We will benefit greatly from their expertise, experience and relationships. Francisco Beduschi, Mauricio Bauer and Simon Hall will be our key participants, and their colleagues will contribute on specific areas of interest.
2019

Upcoming Events
Anne is speaking at TexWorld, giving an overview on textile sustainability, and what it takes for a company to develop a strategy.

Anne is participating on behalf of Textile Exchange in the UNECE Sustainable Textile And Leather Traceability And Transparency Project

“A framework to design traceability for sustainable trade has already been developed by the UNECE Trade Facilitation Section secretariat; this project will build upon this model and provide much needed guidance and tools to the garment and footwear sector on how best to apply these principles to the specific nature of their industry. This global framework will give specific attention to tackling negative health, social and environmental impacts of garment and footwear-related operations.”
Anne is speaking at the 2019 OECD Forum on Due Diligence in the Garment and Footwear Sector.

Anne will attend Lineapelle. **Please suggest any contacts that she should meet with.

February 14
Paris

February 20-21
Milan
Theory of Change
OUR THEORY OF CHANGE

KEY APPROACHES ➤ KEY ASSUMPTIONS ➤ OUTCOMES ➤ GOAL
GOAL

A trusted and credible assessment tool that offers value to brands and leather supply chain players, that is transparent, consistent, and that will drive best practices and continuous improvement through all stages of cattle management and leather production.
OUTCOMES

• The Responsible Leather Assessment Tool to support companies to source more sustainable leather

• Options for full supply chain traceability as well as credit trading

• Trainings, educational tools, market outreach

• Clear claims language for products and organizations

• Data and information relating to impacts along the supply chain

• Operational support for ongoing use and continuous improvement of the RLA
• Leading industry organizations will collaborate with RLRT to develop a global solution.

• Stakeholders will understand and accept that the RLA will evolve and grow over time, and that it will not meet all needs in its first version.

• Certification bodies are willing to invest in learning and employing new approaches.

• Brands are willing to accept work with an assessment tool that delivers a less focused claim that standards.

• The market will recognize and support leather and companies products identified as meeting the RLA.
**KEY APPROACHES**

- Engage with stakeholders from all parts of the cattle and leather industry.
- Establish a benchmark of minimum best practices for all stages of cattle raising and leather production.
- Assess existing programs and initiatives against this benchmark.
- Develop the Responsible Leather Assessment Tool (RLA) that will allow brands to support best practices in the leather industry.
- Establish a quality management program to ensure consistency and effectiveness.
- Collect data to show progress towards goals, and to determine where improvements are needed.
- Develop effective grievance mechanisms to provide fair resolution.
- Collaborate with key industry organizations, including Global Roundtable for Responsible Beef, and the Leather Working Group.
- Provide information materials, a website, in-person and virtual trainings.
Feedback? Comments?
New Approach
Members will be selected based on expertise and willingness to commit.

Committees

Task Group  Task Group  Task Group

Voting Members  Non-voting Members

Currently not active

Task Group  Task Group
**IWG**

- The International Working Group is the group of stakeholders actively engaged in the development or revision of the Responsible Leather Assessment tool.
- Members who have signed the RLRT Charter can vote.
- Members who have not signed the RLRT Charter can participate, but cannot vote.
- IWG members will be given updates on Committee activities on bi-monthly calls.

**Committees**

- Permanent group that will drive specific areas of focus for Responsible Leather.
- Members will be selected based on expertise and willingness to commit.
- Members can be voting or non-voting members of the IWG.
- Committees will set their own work plans and call schedules.

**Task Groups**

- Task groups will be formed to focus on achieving a specific, time-limited objectives.
- Task groups will be created with committees, and will report back to committee members.
- Members will be expected to contribute their time and expertise, and to commit to the work to be done.

**Stakeholders**

- All individuals that have a connection or interest in responsible leather.
Deforestation Update

• We have a new name! **Deforestation and Conversion Free (DCF)**
• NWF has confirmed that they will co-lead this group with us
• We will address DCF in two ways:
  A. Through **traceability** for companies that know, or want to invest in knowing, to the farm level of their supply chains
  B. Through **certificate-trading** for companies that cannot connect to the farms in their supply chains
• For certificate trading, we will likely look at focusing on a specific region, so that we can test out the approach, and also concentrate our impact
• We would like feedback from the brands on this, and will be sending a brief survey.
Budget & Funding Review
Invitation to join the Responsible Leather Round Table
Sponsorship Ask

<table>
<thead>
<tr>
<th>Target</th>
<th>Work to be done</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$250,000* Tool design</td>
</tr>
<tr>
<td>2020</td>
<td>$250,000* Piloting, evaluation, revision, integration of other standards and programs</td>
</tr>
<tr>
<td>2021</td>
<td>$250,000* Implementation, training, support, outreach</td>
</tr>
</tbody>
</table>

It will be important to have a clear budget in place, and to know that we will be fully funded. This will allow us to commit to bringing people into our team, planning travel and meetings strategically, investing in systems where needed, and to secure our own time within Textile Exchange for the leather work.

Sponsorship levels continue to be voluntary, however, we hope that you will consider an amount that reflects the importance of leather to your business and/or the importance of the work we are doing in making a positive difference to this planet. And we promise it will be one of the best returns on investment you can make – just think of what it would cost to do this work on your own!

This is a multi-year project; for 2019, we ask you to commit to your amount by **February 28th, 2019**. For 2020 and 2021, we ask you to indicate your intention to support us. We understand that you will want to see results in 2019 before making further commitments.
## Sponsorship Ask

<table>
<thead>
<tr>
<th>Sponsorship Level</th>
<th>Amount (USD)</th>
<th>Benefits</th>
</tr>
</thead>
</table>
| Full Grain        | $50,000      | • Title sponsor on Responsible Leather webpage, publications and in events.  
                  |              | • Recognized in press release when the target is reached.  
                  |              | • In-person Responsible Leather information event at your office (or location of choice) to give your staff the chance to better understand and engage with us. |
| Top Grain         | $25,000      | • Recognized sponsor on Responsible Leather webpage, publications and in events.  
                  |              | • Recognized in press release when the target is reached.  
                  |              | • Customized Responsible Leather information webinar for your company, to give your staff the chance to better understand and engage with us. |
| Suede             | $10,000      | • Named sponsor on Responsible Leather webpage, publications and in events.  
                  |              | • Recognized in press release when the target is reached.  
                  |              | • Access to Suede sponsor-only Responsible Leather information webinar to give your staff the chance to better understand and engage with us. |
| Alternative Amount| Please write the amount you would like to pledge: $__________ USD |
Next Steps
Next Steps

1. Targeted outreach to join committees
2. Survey to all stakeholders on Theory of Change
3. Survey to brands on the jurisdictional approach for certificate trading
4. Collect funding commitments by February 28th (new date) in order to commit to the full work plan
Thank you!

Email us at ResponsibleLeather@TextileExchange.org

Or visit ResponsibleLeather.org for more information