

Responsible Leather 2019 Kick-Off Meeting

Tuesday, February 15, 2019

Agenda:

1. Shared Updates
2. Review of Ireland & Milan
3. Key stakeholder updates
 - a. GRSB
 - b. LWG
 - c. NWF
4. 2019
 - a. Events
 - b. Theory of Change
 - c. New approach
 - d. 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

- 7 countries in Europe have a joint agenda to ban deforestation in their supply chains
- This is ongoing, no focus on leather yet, but hopefully in the future
- Anyone who has connections to help us be a part of this dialogue, please let us know!

Comment: Tanneries will be able get OekoTex STEP certification from 2019 - this is an on-site audit covering different chemical/environmental/social criteria.

Updates from Ireland and 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
- Credit trading was more well-accepted by the brand group at this event

Key Stakeholder Updates

GRSB + RLRT

- Well aligned in our goals and expected outcomes, both have a lot of value to offer each other
- Textile Exchange has applied for membership in the GRSB

Leather Working Group and Textile Exchange sign MOU

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 (RLA)
- Leather Working Group's participation in the Responsible Leather Round Table 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 (NWF) and the RLRT

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

January 23 – New York

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

February 13 – Paris

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.”

- UNECE has already begun working on a tool, we should have some influence; we are keen to have the full traceability option

February 14 – Paris

Anne is speaking at the **2019 OECD Forum on Due Diligence in the Garment and Footwear Sector**.

February 20-21 – Milan

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

Our Theory of Change

Goal

To be 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.

The goal of the RLA ties into our vision and mission as well

- Comments: The goal doesn't mention animal welfare
 - o It doesn't mention any of the specifics – can call these out somewhere else, and also lead with the vision and mission since they are included there

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

Outcomes (comments)

- Outcomes should include resources/ funding for smallholders to transition to more responsible practices
- Should explain these stronger to end consumer the difference of authentic leather compared to plastic leather.

Key Assumptions

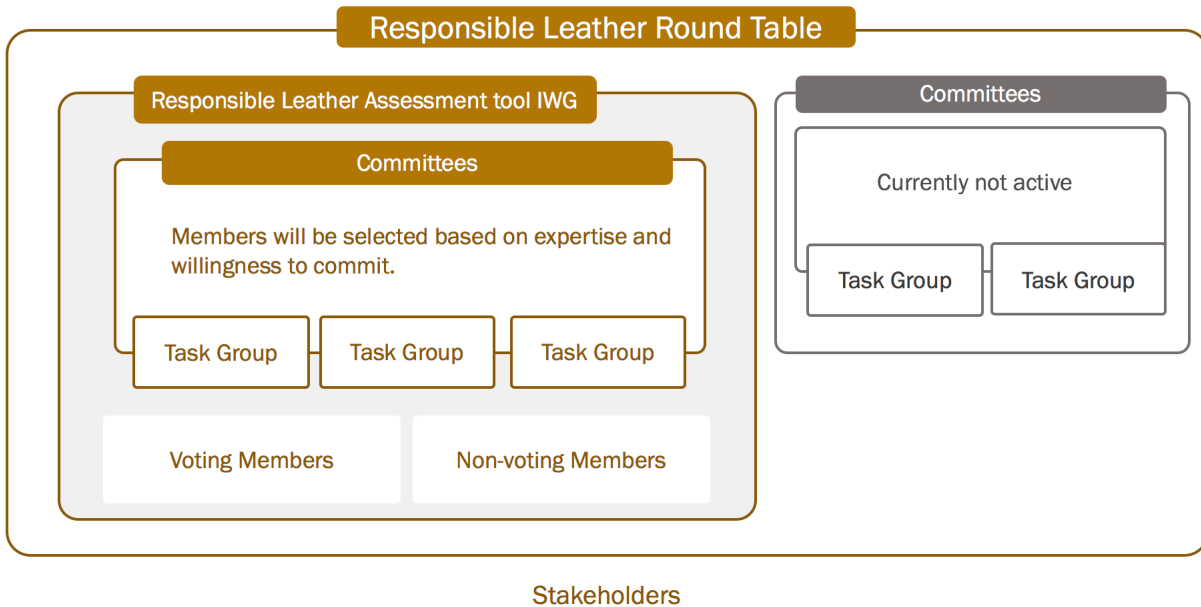
- Leading industry organizations will collaborate with RLRT to develop a global solution.
- Stakeholders will understand and accept that the RLA will evolve and grow over time, and that it will not meet all needs in its first version.
- Certification bodies are willing to invest in learning and employing new approaches.
- Brands are willing to accept work with an assessment tool that delivers a less focused claim than standards.
- The market will recognize and support leather and companies products identified as meeting the RLA.

Comment on slides: Very small point, but perhaps could we use pictures showing better tanning practices than the tan pits? Think it gives the wrong impression.

- If anybody has photos of tanneries, leather, cattle or other leather-related subjects and you are willing to share with us for use in presentations, documents, etc. please send them to Stefanie@TextileExchange.org Thank you!

Timing: The timeline is beginning work this year (2019), but we first need to get funding in place to know where we stand and if we can continue

New Approach



IWG

Voting Members

Non-voting Members

- 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

Governance

DCF

Animal Welfare

Tanneries

Social

Traceability

- 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

- 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:
 - Through **traceability** for companies that know, or want to invest in knowing, to the farm level of their supply chains
 - 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.

Deforestation and Conversion Free (DCF)

- There is a lot of new emerging thinking about natural habitats/etc. that are NOT forests, so this is where conversion free comes into place – the concept for DCF will help to address these other areas and issues
- We will address it in two ways:
 - Through full traceability
 - Certificate trading

Question: What if the deforestation happens through Soya and the Soya gets feed to the animals? Or other food grow in the Amazon. We will not even know.

- We are not addressing feed at this time
- We will work on collaborating with the RTRS, etc. to address the issues we all face

Question: What does the new Brazilian government mean for deforestation?

- A lot of work is being done on a voluntary basis
- Agribusiness has been the bright spot – oriented towards export markets, so global buyers can drive innovation
- At a legislative level it will be challenging, but a lot of opportunity outside of that

Question: Are you touching upon indirect supplier issues at this point (also through certificate-trading system)?

- We are addressing all part of the entire value chain for leather (see our usual diagram)
- The advantage of Credit Trading is that it allows us to direct credits to cow calf and raising farms that are often unacknowledged and at very high risk

Question to Lieven: Brands would not necessarily buy the hides/skins from the farm they have buy the certificate from? Is someone else benefitting from these hides/skins?

- Lieven's answer: The platforms monitors that there is not a "double" counting; in fact, the products go into the normal supply chain; however, if the whole market covers their "leather footprint" by Credits, you transform the market into 100% physical with less costs than IP; it takes time, but to my opinion the only feasible way...

For those of you who are interested in learning more about credit trading, you can view our previous webinar on the topic:

- [Traceability Task Group Meeting #1 Slides](#)
- [Traceability Task Group Meeting #1 Notes](#)
- [Traceability Task Group Meeting #1 Recording](#)

Budget & Funding Review

2019 Sponsorship Ask

	Target	Work to be done
2019	\$250,000*	Tool design
2020	\$250,000*	Piloting, evaluation, revision, integration of other standards and programs
2021	\$250,000*	Implementation, training, support, outreach

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 28, 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 Level	Amount(USD)	Benefits
	Full Grain	\$50,000	<ul style="list-style-type: none"> ·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	<ul style="list-style-type: none"> ·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	<ul style="list-style-type: none"> ·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.
	<i>Alternative Amount</i>	Please write the amount you would like to pledge: \$ _____ USD	

Find the full 2019 Funding Request Pledge Form here:

<https://responsibleleather.org/wp-content/uploads/2017/04/2019-RLRT-Funding-Request.pdf>

If you have any questions or comments, please email us at ResponsibleLeather@TextileExchange.org

Alternatively, you can email us individually at:

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Stefanie Pokorski: Stefanie@TextileExchange.org