Responsible Leather International Working Group (RL IWG)

Meeting #4

26th November, 2019

Meeting Recording: https://youtu.be/645OhHtcBXE

Attendees

Textile Exchange: Anne Gillespie, Stefanie Pokorski, Nicole Lambert, Larysa Valachko
Animal Welfare external expert: Anna Heaton

Participating Companies

ACT Commodities        KEEN           Rainforest Alliance
adidas                  Kering          Randa Accessories
Aku                     Leather Working Group
Aliança da Terra        Leit & Held     Scottish Leather Group
AQC                     Lick Sneakers LLC
ASOS                    LVMH           Smit & Zoon
Bassett Consulting      Macy’s          Solidaridad
BSR                     Makera Cattle Company,
Burberry                Mulberry
C&J Clark International Ltd
CICB - CENTRE FOR THE BRAZILIAN TANNING INDUSTRY
Clarks                  National Wildlife Federation
Convergence.Tech        Next
NSF                     NEPCon
Rainforest Alliance
European Outdoor Group
Four Paws international
H&M Group
Humane Society International

Agenda

1. RL Review
2. Shared Updates
3. Vancouver Update
4. Progress Report on Responsible Leather Toolkit development
5. Funding
6. Scope Committees Updates:
   a. Deforestation/Conversion - Free
   b. Leather Production
   c. Animal Welfare
   d. Traceability
   e. Claims
7. Next Steps
News and Updates

Next call: **February 4, 2020 | 9:00-10:30am EST / 3:00-4:30pm CEST**

Please register before the call at
https://zoom.us/meeting/register/uJwldO-opjlo8o8eDd_OzMo-Qm-wLP_l-g

Join the **RL IWG as a voting member:**
❖ Form with the Charter will be sent in a separate email

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Call Notes

RL Review

**Responsible Leather** is a Textile Exchange initiative aimed at addressing the many issues found within the
global leather value chain; it encompasses the Responsible Leather Round Table (RLRT) and the
development of the Responsible Leather Program (RLP).

**The Responsible Leather Program (RLP),** which is being developed through the Responsible Leather
International Working Group (RL IWG), will establish a benchmark of agreed-upon best practices, which
aims to identify and give recognition to existing industry standards. As a part of the RLP, a Responsible
Leather Toolkit will be created which brands utilize for their sourcing. Most importantly, it will give everyone
the ability to clearly and effectively communicate about their actions.

Shared Updates

In the News
❖ Climate Emergency: 11,000 Scientists confirm that Earth “clearly and unequivocally faces a climate
emergency” https://www.seti.org/more-than-11000-scientists-confirm-earth-climate-emergency
❖ Fires continue in the Amazon: “From January to the end of September, 85% more rainforest had
been chopped down than in the same period last year, and as a result there had been over 70,000
fires, a 30% increase from 2018.” https://www.vice.com/en_us/article/vb5n54/why-the-amazon-is-
really-on-fire-and-why-its-going-to-keep-burning
❖ Leather in decline: A new poll shows many UK consumers are no longer sold on leather clothing,
with a growing ethical backlash a worry for the industry
https://www.voguebusiness.com/sustainability/fur-leather-luxury-poll-peta

Textile Exchange Updates

*Textile Exchange announced its new 2030 Strategy: Climate+

Under the Climate+ strategic direction, Textile Exchange will be the driving force for urgent climate action
with a goal of 35-45% reduced CO2 emissions from textile fiber and material production by 2030.*
Responsible Leather Highlights:

Cross-sector/supply chain communication and networking led to insightful conversations amongst participants, as well as deeper understanding of the challenges that different parts of the supply chain encounter.

Our in-person Responsible Leather Round Table meetings proved to offer a chance to pose questions and get the conversation really started around key topics and pain points in our work.

Progress Report

Funding

We will be outreaching with a funding request through a digital pledge form to make it easy and then we can follow through with an invoice for payment. Your support is greatly appreciated!
Scope Committee Updates

Deforestation/Conversion-Free Progress

- Agreement on definitions and targets
- Draft verification requirements in alignment with the Accountability Framework
- Reference CFA guidelines
- Finalize verification requirements
- Cut off date TBD

Suggested Cut Off Dates

❖ 2008: Baseline that is already accepted in most countries affected by deforestation
❖ 2020: Matches timing of Responsible Leather and New York Declaration on Forests and Target 15.2 of SDGs

*Responsible Leather team will be sending out a survey on the preferred cut-off date. Your feedback is very valuable.*

Responsible Leather Production committee

Discussions of the leather production are divided into three sub-scopes: environmental, social and labor conditions, and traceability. The committee has been focusing on the environmental aspect mainly.

Different possibilities have been considered on how to create a benchmark threshold in a way that would allow other standards to also achieve it. The easiest solution at the moment would be to set the baseline threshold at the Leather Working Group (bronze) certification.

Traceability work has started, we are looking at traceability between slaughterhouse and finishing. There is some traceability criteria through LWG, which is currently being revised.

Our next steps are to finalize benchmarking criteria and assessment protocol, complete gap analysis, and set a traceability protocol.

Animal Welfare committee

Animal Welfare committee has set a framework on Animal Welfare and discussed challenges of choosing a single benchmark against that framework.

Having a single benchmark can cause problems: either it is quite high for delivering on animal welfare and not everybody can get into, or it is very low to ensure that the maximum number of beef supply chains can take part. In which case we are not really giving credit to the people that are doing anything over and above that.

Therefore, we have discussed different options for the benchmark (Option A, B, and C), which would have different animal welfare requirements. [Please see the slides for more detail.]
It really feels like we are getting to a position where we’ve got good agreement and alignment within the animal welfare committee on where we’re going forward and are nailing down most of those final details.

**Traceability committee**

**Impact Credits**

We continue working on the concept of Impact Credits. The need for Impact Credits has come out of the Responsible Leather inquiries from brands, and it has exploded into different areas.

Brands are faced with a reality that traceability within a supply chain is very problematic, if not impossible. There are very few examples where a brand has been able to trace all the way back through slaughter and through all stages of farming due to multiple farm and supply chain players and lack of a traceability mechanism in the supply chain. In addition, there’s 1.7 billion cows on 140 million farms and how on earth are we going to reach all of those?

The solution is the **Impact Credits**. On the one hand, the credits will allow both the beef and the leather industry to bypass the entire supply chain and be able to deliver support for best practices, all the way to the farm level. On the other hand, the credits will allow us to respond to the scale quickly. Moreover, the credit points will address the price paradigm by eliminating the mark-up on farm premiums. Whereby if a brand puts a premium on to cow for the farmer to meet the best practices, that premium gets marked up by each stage of the supply chain. It becomes very expensive at the brand side and then it will be small at the farm side. Whereas a credit trading model will ensure that whatever brands pay for the credits, goes to the farmer. Therefore, it is very efficient for the both ends of the supply chain.

**Impact Partnership Credits**

The other concept that we really are excited about is the idea of **Impact Partnership Credits**: whereby brands, rather than supporting a farmer that has met all those benchmarks, can support a farmer that wants to progress towards the benchmark.

- Impact Partnerships will be set up to help drive progress towards the benchmark thresholds.
  - Brands will give money to program partners that will then work with producers on capacity building, data collection, verification and trading support
- Producers can be part of the Impact Partnership for up to three years.
- When they exit the partnership, they can trade credits directly (which is a financial incentive)
- Brands can also make long-term commitments to buy partnership credits

**Claims committee**

Claims Committee meetings will commence at the start of 2020 and plan to go until Q3

Areas of work and topics of discussion/decision-making include:

- Defining key terms
- Building Claims Framework for the Responsible Leather Program
  - Program commitments
  - Allowed language for making claims
  - How to communicate about Impact Credits
- Logo development

With respect to the Responsible Leather and Impact Credits, we have done the background research on different similar systems and their claim strategies; and we are working internally with the Textile Exchange Integrity and Standards team to set up a cohesive clean structure across all the different materials and traceability systems.

Our next steps are to set final language for claims: what is allowed and what is not allowed, where can
claims be made.

During the Responsible Leather Round Table meetings in Vancouver, the following questions were discussed:

1. Should we allow on-product claims about Impact Credits or Impact Partnership Credits?
2. Should the allowed language be strict and prescriptive, or should we allow for more flexibility?
3. Do we need different logos for each category? (i.e., Impact Credits, Program Supporter, Tool User, etc.). Does the logo(s) need to have Textile Exchange’s name on it?

The summary of the responses can be found in the slide presentation.

**Do you have experience developing claims framework/guidance for sustainability standards or programs?** If yes, please contact Stefanie@TextileExchange.org to join the Claims Committee.

**Next Steps**

The Responsible Leather team is looking for a lot of feedback, and we will be putting out some surveys and polls and we'll ask you to respond to them.

The actual voting on decisions will be among the International Working Group members, therefore, we urge those interested in having a say to join the RL IWG as a voting member.

- Become an IWG voting member
- Attend key calls (next RL IWG call: February 4, 2020)
- Give feedback
- Set aside budget to support the continued development of the Responsible Leather Program

**2020 RL Round Table and RL IWG Meetings Calendar**

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<td>Q1</td>
<td>Tues. Feb 4</td>
<td>Responsible Leather IWG</td>
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<td>Tues. Feb 25</td>
<td>Responsible Leather Round Table (RLRT)</td>
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<td><strong>TBD March</strong></td>
<td><strong>Responsible Leather Webinar Series: Pt 1</strong></td>
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<td>Q2</td>
<td>Tues. Apr 7</td>
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<td>Tues. May 12</td>
<td>Responsible Leather Round Table (RLRT)</td>
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<td>Q3</td>
<td>Tues. July 21</td>
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<td>Tues. Aug 4</td>
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<td>Q4</td>
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**Contacts:**

[Responsibleleather.org](mailto:Responsibleleather.org)

General inquiries or comments may be sent to ResponsibleLeather@TextileExchange.org and specific questions regarding areas of work can be directed to the appropriate team member listed
below.

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Anne@TextileExchange.org

Stefanie Pokorski, RL Claims Framework and Communications Lead / Integrity & Standards Coordinator
Stefanie@TextileExchange.org

Nicole Lambert, RL Leather Production and Benchmarking Lead / Data Analyst
Nicole@TextileExchange.org

Anna Heaton, RL Animal Welfare Committee Lead / Animal Welfare Consultant
annaheaton55@btinternet.com

Larysa Valachko, RL Support Lead / Impact Coordinator
Larysa@TextileExchange.org