

## Responsible Leather Update Meeting #2

Tuesday, March 19<sup>th</sup>, 2019

10:00 AM EST

### Agenda

1. Shared News and Updates
2. Events calendar
3. Committee Updates (DCF example)
  - Structure
  - Leads
  - Theory of Change
  - Workstream Tracker
4. Credit Trading Update (Anne – Amsterdam meeting)
5. Animal Welfare Framework
6. Funding review
7. Next Steps (any RLRT non-RLA work? – now ready to start committee work, credit trading)

### Shared News & Updates

- Automotive Industry Action Group (AIAG) is now working on the "**Automotive Industry Harmonized Approach to Responsible Sourcing.**"
- **Leather Naturally** has almost raised US\$1.5 million from the industry to kick-start a new promotional campaign which will begin later in 2019 (source: ILM March 2019)
- **Sustainable Grazing** is becoming a priority issue at a global level: UN and international NGOs are putting a focus on it.
- Textile Exchange will be convening the **Responsible Cashmere Round Table (RCRT)** on March 27<sup>th</sup> at 9 am EST. We are working with the UNDP to push for alignment, and some of the models we develop for leather may apply.
- **Anne attended the OECD meetings in Paris**, and met with the UNECE group that is working on a global framework for traceability.

### JBS Couros new sustainability program

- Launched new 'concept', not a product, that will be applied in processes
- Researched for the past two years how we could deliver significant change in terms of environmental footprint
- How the by products can be used in better ways (processing)
- New way of training/cutting leathers from fresh (prior to tanning), end of the process, the leather is a lot more standardized than before, at the same time there is less chemical and energy use in the parts of the leather that would traditionally be wasted
- Focus on the automotive industry, reduction of water/chemical use of around 40%, even get a better cutting yield in the end

- Not sharing all the information publicly right now, some details will be reserved for customers

#### **Leather Naturally Update**

- Have reached campaign goal for fundraising
- Will be announced in the next couple of weeks
- Run for around 5 years
- Focus on promoting leather through social media, etc. Sustainability is not a key focus, but hopefully will get mentioned

#### **Leather Working Group Update**

- Collaboration with Tannery of the Future; will incorporate self-assessment into LWG program
- Intended to be a stepping stone
- Will absorb Tannery of the Future by the end of the year
- A great step for the industry!!

#### **GRSB membership is official**

- Textile Exchange is now a confirmed member of the GRSB.
- A lot of commitment from both ends to align towards common solutions together
- Helps us to connect with their work and the beef industry better to understand the issues

#### **Events Calendar**

<b>Event</b>	<b>Location and Dates</b>
Credit Trading Meeting	Amsterdam, April (date TBD)
GRSB Board meeting	Chicago, May 23-24
GTPS meeting	Sao Paolo, July 15-18?
RLRT Meeting	Vancouver, October 18

**Other Industry Event:** <https://slf-paris.com/>

#### **Other Textile Exchange Events:**

We are pleased to announce the date of our first **Responsible Cashmere Round Table (RCRT)** meeting. You are invited to join us for this introductory session on:

**Wednesday, March 27<sup>th</sup> | 9:00-10:30 AM EST**

**Pre-Register:** <https://register.gotowebinar.com/register/2517595052217064717>

During this meeting, we will outline the issues surrounding cashmere, and also hear from the United Nations Development Programme (UNDP) in Mongolia as they will give a brief overview of their goals and initiatives.

### **Committee Updates**

See slides 15-23

Committees will include:

- Governance
- Deforestation/Conversion Free (DCF)
- Animal Welfare
- Tanneries
- Social
- Traceability

These committees will have designated leads/co-leads, once those are fully determined, they will invite/put out a request for those who are interested and have the right experience to join the committee. Please send us an email to express your interest.

### **Credit Trading and RLA Tool Design Update**

- Textile Exchange is building out the credit trading model for responsible fibers, working with Lieven, ChainPoint and ACT Commodities
- Key players will be meeting in Amsterdam to discuss the model and how to apply it to leather and beef
- We will need the input of tanneries to determine how to apply the credits to hides
- We are looking at the ISEAL Benchmarking Good Practice Guide to design the RLA: <https://www.isealalliance.org/benchmarking>

### **Animal Welfare Framework Updates**

- A draft of the general animal welfare framework has been written and edited – it will apply to Textile Exchange standard for down, wool, and mohair, and also be used to assess standards for cattle
- It will be sent to Animal Welfare groups for their initial comments
- The Animal Welfare Committee will determine how it will be used in the RLA tool.
- See .xls example

### **Funding & Budget Update**

We are getting closer to our goal, thanks to:

- ASOS
- Deckers Brands
- Marks & Spencer
- Proudly Made in Africa
- Timberland

- *And several others!*

We are still in need of funding to see our work through this year. Please see our **Responsible Leather Funding Brochure** and the **2019 RLRT Pledge Form**, attached or by request for more details.

### Next Steps

1. Commence Committee meetings – invite members
2. Survey to stakeholders on Theory of Change
3. Survey to brands on the jurisdictional approach for certificate trading
4. Collect funding commitments in order to commit to the full work plan
5. Next meeting: **May 14<sup>th</sup>, 2019 at 10:00 AM EST**

### Q&A

**Question:** I would like to know if you are working with any Canadian programs that are already in place for producer here such as Verified Beef Production + ? Has there been any conversation on the amount that could be paid to beef producers who do the paperwork? If producers are willing to take part in the CRSB, they will receive an \$18-20 per head premium from food retailers/food service operations. The demand goes through the slaughterhouse a lot of the time.

- A lot of the work we are doing on credit trading is discussing what the premium will be; the whole idea is that brands will deliver the premium directly to the farmers. It's hard to determine what it will be, but most likely it will be a free-market of sorts, and it will be up to the brands what they want to spend/invest in Responsible Leather. This is also why we are working with the GRSB – the more we can work together and add value to what they are doing, it will become a win-win for everybody.

**Question:** Will credit trading cover slaughterhouses?

- as far as applying credits to slaughterhouses, we are unsure yet. However, we are looking into how the slaughterhouses can be involved in the program. It would be ideal to go back to the tanneries, because there are solutions already in place there (LWG, etc.). Will have to talk to the tanneries about how feasible it will be to include the slaughterhouse in the traceability; if so, credits will apply to the farms and then a benchmark would be developed for the slaughterhouses.