Introduction to Responsible Leather
Contents

- Introduction to Textile Exchange
- What is the Responsible Leather program?
  - DCF protocol
  - Animal welfare benchmark
  - Leather production benchmarks
  - Traceability guidelines
  - Impact Incentives
About Textile Exchange

Founded in 2002, Textile Exchange is a global non-profit with more than 300 members that represent leading brands, retailers and suppliers in the textile industry. The organization works to create leaders in the sustainable fiber and materials sector by providing learning opportunities, tools, insight, standards, data, measurement and benchmarking—and by building a community that can collectively accomplish what no individual or company can do alone.

Responsible Leather
Some of our members
About the Responsible Leather program

Developed through the Responsible Leather International Working Group
The primary goal of Responsible Leather program is to accelerate positive impacts in the leather industry through widescale adoption of minimum level of best practices.
Responsible Leather program outcomes

The Responsible Leather program will give brands a tool to communicate their expectations and support best practices in their supply chains, and to talk about their actions to their consumers and stakeholders.

The Responsible Leather program will identify and give recognition to existing industry standards and programs, determined through the Deforestation/Conversion-Free (DCF) protocol, Animal Welfare benchmark and Leather Production benchmarks.

The program will include the Impact Incentive trading scheme, traceability guidelines, and a framework for making claims about Responsible Leather.
There are 6 components of the Responsible Leather program:

- DCF protocol
- Animal Welfare benchmark
- Leather Production benchmarks
- Impact Incentives
- Claims framework
- Traceability guidelines

“Responsible Leather program”
DCF protocol

Animal Welfare benchmark

Birthing farms

Backgrounder farm

Direct farm

Feedlot

Slaughter

Beamhouse

Tanning

Post-Tanning

Finishing

Assembly

Brand/retail

Responsible Leather
Birthing farms
Backgrounder farm
Direct farm
Slaughter
Beamhouse
Tanning
Post-Tanning
Finishing
Assembly
Brand/retail

Feedlot

Claims framework

Responsible Leather
Birthing farms
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Assembly
Brand/retail

DCF protocol
Animal Welfare benchmark
Leather Production benchmark

Traceability guidelines
Traceability guidelines

Impact Incentives
Claims framework

Responsible Leather
The Responsible Leather program is **NOT** a standard

“A benchmark is a **reference point** against which something is evaluated “ (ISEAL)
Brand benefits of the Responsible Leather program

- A mechanism to encourage and support responsible production at the farm level.
- A framework to communicate with credibility about your company’s actions.
- Defined targets for working towards Responsible Leather in your supply chain.
- Clear understanding of the leather supply chain and its impacts.
- Guidance and resources to address the issues.
About the Deforestation/Conversion-Free (DCF) protocol

Component of the Responsible Leather program
The Deforestation/Conversion-Free (DCF) protocol is a strict pass/fail verification of zero gross deforestation or conversion at the farm level.
• Alignment with the **Accountability Framework** definitions, targets and verification requirements.
• The cut-off date is set to **January 1\textsuperscript{st} 2020**
• Each farm will be **third party verified**
About the Animal Welfare benchmark

Component of the Responsible Leather program
Animal Welfare benchmark

Areas addressed include:

- Nutrition
- Living environment
- Animal husbandry
- Transport
- Euthanasia and on-farm slaughter
- Slaughter
Animal Welfare benchmark baseline

Farms certified to standards above the benchmark will qualify as Responsible and can sell Impact Incentives.

Standards will need to make changes to qualify for “Responsible”.

- Std.A
- Std.B
- Std.C
- Std.D
- Std.E
- Std.F
- Std.G
About the Leather Production benchmark

Component of the Responsible Leather program
Leather Production Benchmark

Responsibility Leather Production Benchmark

Environmental  Social
Leather Production environmental benchmark

RL Leather Production environmental benchmark = Leather Working Group (LWG) Bronze
Leather Production social benchmark

Areas addressed include:

• Social Policy
• Forced, bonded, indentured and prison labor
• Child Labor
• Freedom of association and effective recognition of the right to collective bargaining
• Discrimination, harassment and abuse
• Wages, benefits and terms of employment
• Working Hours
• General Health and safety
• Chemical Health and Safety
About the Traceability guidelines

Component of the Responsible Leather program
The Responsible Leather program supports the development of a more traceable value chain.

Traceability guidelines are being developed specifically for the farm level and the leather production level.
Building traceability into the system at farm level

Increase supply of responsible, traceable cattle
Building traceability into the system through brands
Building traceability into the system

Increase supply of responsible, traceable cattle

Development of traceability technology and systems
About Impact Incentives

Component of the Responsible Leather program
What are Impact Incentives?

Impact Incentives refer to the certificates that are traded in support of a sustainability claim.

Farms that meet the Responsible Leather animal welfare benchmark and/or DCF protocol will be able to sell incentives for their volume of output.

Impact Incentives are essentially a mechanism for brands to deliver their expectations back to the start of the supply chain and provide financial rewards to incentivize them.
Impact Incentives Trading Platform

- Birthing farms
- Backgrounder farm
- Direct farm
- Feedlot
- Slaughter
- Beamhouse
- Tanning
- Post-Tanning
- Finishing
- Sewing
- Brand/retail

Incentive Management Platform

Possible ownership by traders
Impact Incentive advantages

<table>
<thead>
<tr>
<th>Speed</th>
<th>Efficiency</th>
<th>Flexibility</th>
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The thinking and technology to support impact incentives trading already exists; we are simply applying it to a new commodity.

We can avoid the time it would take for brands to map their supply chains and find ways to trace materials.

Rather than paying farmers a premium for best practices, then having every stage along the supply chain add their margin to that premium, the end buyers (brands or retailers) can transfer their support directly to the farmers, with just a small fee paid for the transfer of the incentives.

Incentives can be used across multiple commodities that have overlapping supply chains and/or impacts (e.g., leather and beef are linked to cattle, cattle and soy both have impacts on deforestation).
Brands will have a path towards full traceability

- **2025**: 50% of leather sourced from fully traceable Responsible Leather supply chains
- **2030**: 100% of leather sourced from fully traceable Responsible Leather supply chains
- **2040**: Amount of Responsible Leather Impact Incentives purchased = 50% of leather use

**Amount of Responsible Leather Impact Incentives purchased = 100% of leather use**
Note to data: All figures are based on full calendar year data (1 January - 31 December).
Thank you!

Email us at ResponsibleLeather@TextileExchange.org

Or visit ResponsibleLeather.org for more information
Thank you

TextileExchange.org

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