



TextileExchange
Creating Material Change

Leather Impact Accelerator (LIA)

LIA Version 0.1 Launch Webinar

Tuesday, January 12th, 2021

Agenda

1. Welcome/Introductions
2. International Working Group Activity Overview
3. LIA 0.1: Structure and Scopes
4. LIA in action:
 - Charton Locks
 - How to Participate
 - Next Steps
5. Q&A



Welcome

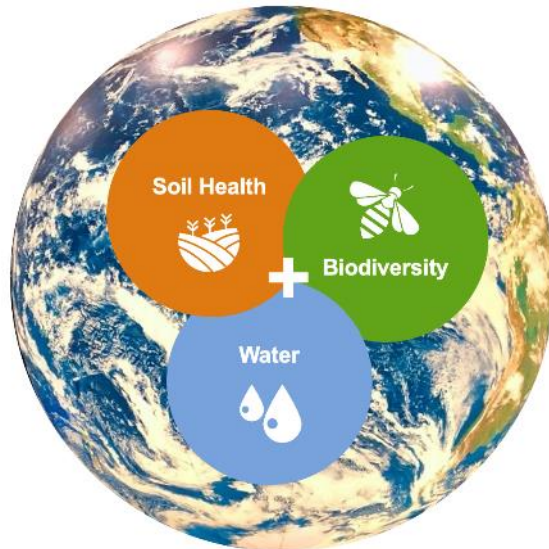
Anti-Trust Statement



Textile Exchange convenes the textile community and values diversity of views, expertise, opinions, backgrounds, and experiences. It is expected that members of this community will collaborate by sharing ideas, information, and resources of publicly available information only and avoid discussions on price, strategic plans or other private and sensitive information.

Textile Exchange Vision

We envision a global textile industry that **protects** and **restores the environment**, while enhancing lives. **By 2030** we aspire to guide the textile industry to **reduce** GHG emissions (CO2 equivalents) by **45% from a 2020 baseline**.



La Rhea Pepper, CEO

Team LIA



Anna Heaton
*Chair of Animal Welfare
Committee*



Stefanie Pokorski
*Innovations & Standards
Senior Coordinator*



Anne Gillespie
*Director of Impact
Acceleration*



Nicole Lambert
*Chair of Leather
Production Committee*



Deborah Taylor
*Co-Chair of Leather
Production Committee*



Larysa Valachko
Impact Coordinator



Josefina Eisele
*Chair of Deforestation/
Conversion-free committee*



Special Guest Speaker



Charton Jahn Locks
Chief Operation Officer



Thanks to our contributors



H&M

IKEA

Stahl

ASOS

Kering

Timberland

Burberry

Kingfisher

VFC

Clarks

LVMH

Vitelco BV

Control Union Certifications

Marks & Spencer

Volvo Cars

Deckers Outdoor Corporation

Mulberry

EOG

Next

Garnet Hill, Inc.

Proudly Made in Africa

LIA Scope Committees



Animal Welfare Standards
Benchmark

Animal Welfare Committee

Anna Heaton, Chair
Anne Gillespie, Co-chair
Sara Shields, Humane Society
International
Marlene Kirchner, Four Paws
Max Makuvise, Makera
Kaley Segboer, CRSB



Deforestation/
Conversion-Free (DCF)
Protocol

DCF Committee

Josefina Eisele, Chair
Anne Gillespie, Co-Chair
Mauricio Bauer, NWF
Simon Hall, NWF
Charton Locks, Aliança da
Terra
Gert van der Bijl, Solidaridad
Peter Burston, The
Biodiversity Consultancy
Luiza Bruscato, GTPS
Rafael Andrade, NWF
Shanel Orton, VFC
Roger Steinhardt, IKEA
Catriona Stevenson, Clarks



Leather Production
Standards Benchmark

Leather Production Committee

Nicole Lambert, Chair
Anne Gillespie, Co-Chair
Deborah Taylor, Co-Chair
Egbert Dikkers, Leather
Naturally
Twan de Bie, Pali Group
Haiko Schulz, FILK

LIA IWG

647 Responsible Leather individual stakeholders

39 voting LIA IWG members (companies)

In 2020, we had

4 LIA IWG progress report and stakeholder consultation meetings

2 webinars

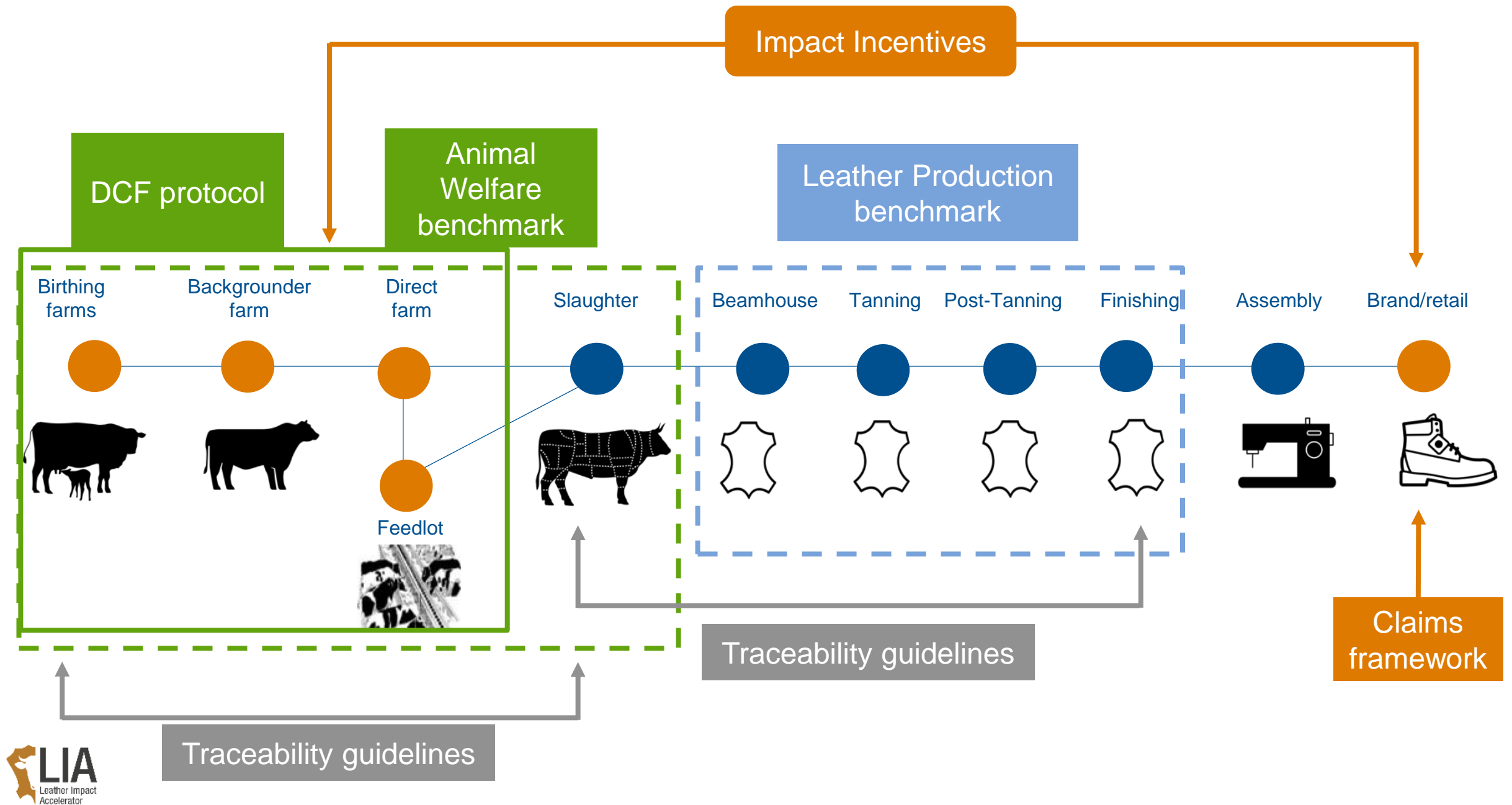


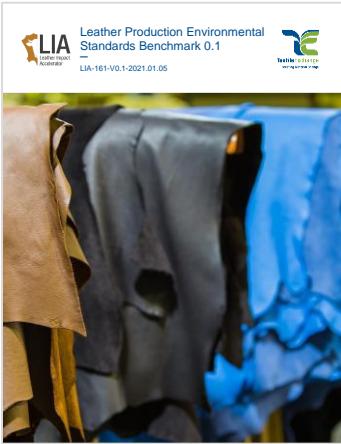
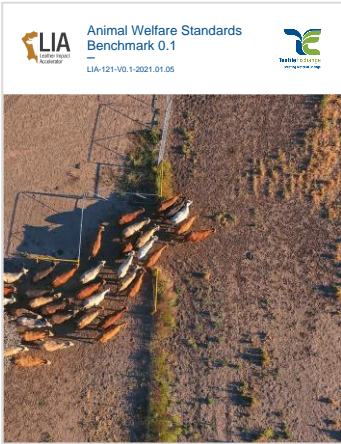
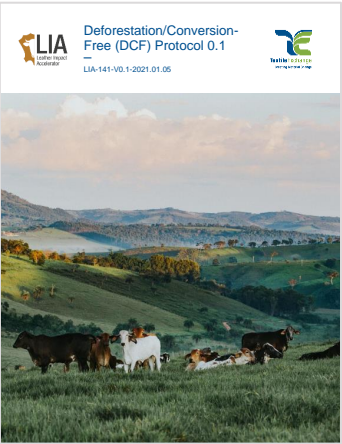
Vote Results



... YES!

LIA

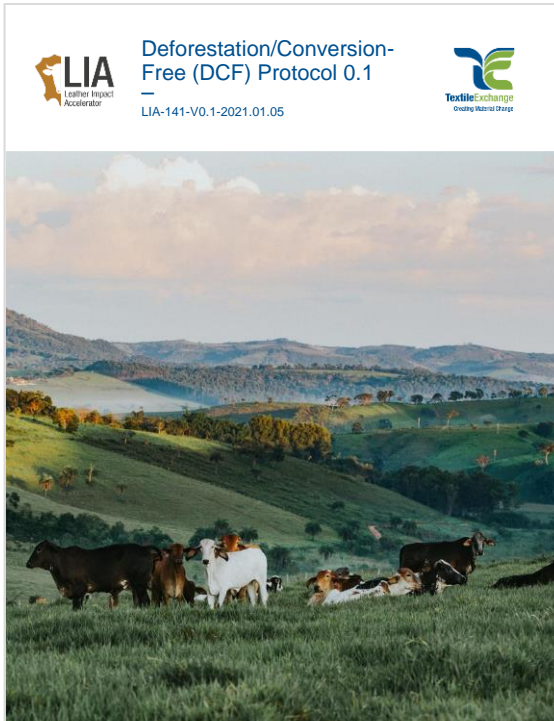




Version 0.1

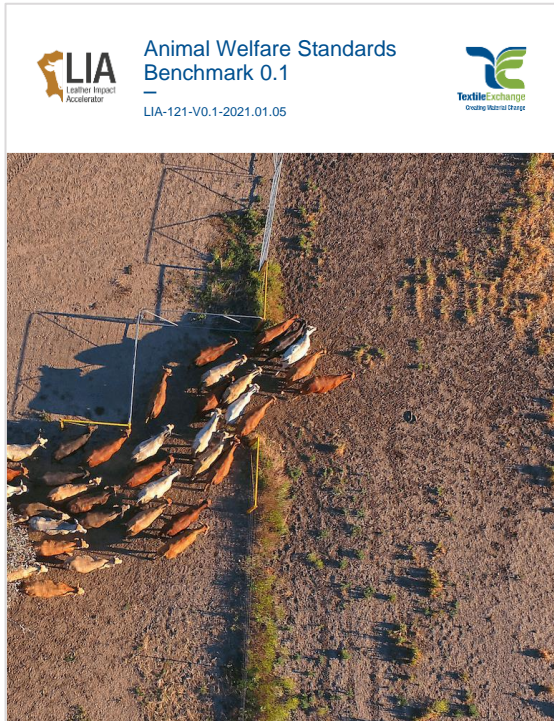
- Implementation of all LIA components will begin
- Impact Incentives can be traded and claimed during the pilot year
- We will continue to review feedback and results throughout the year
- Revisions may be made at the end of the year; if major changes are needed, we will engage with stakeholders again

Farm Scopes: DCF



- Only farms that meet the Accountability Framework definitions of **zero gross deforestation or conversion** shall be accepted.
- The area threshold for minimal deforestation or conversion is one hectare.
- The DCF default cut-off date is January 1st, 2020.
 - Where regional cut-off dates exist, they will override the default date.

Farm Scopes: Animal Welfare



Baseline

The baseline option of the LIA Animal Welfare Benchmark represents the minimum level of animal care that we expect from farmers. Ideally all farmers would be certified as meeting these basic requirements, but for those who don't it is critically important to improve their practices to meet this threshold, as their animals will be at the highest welfare risk.

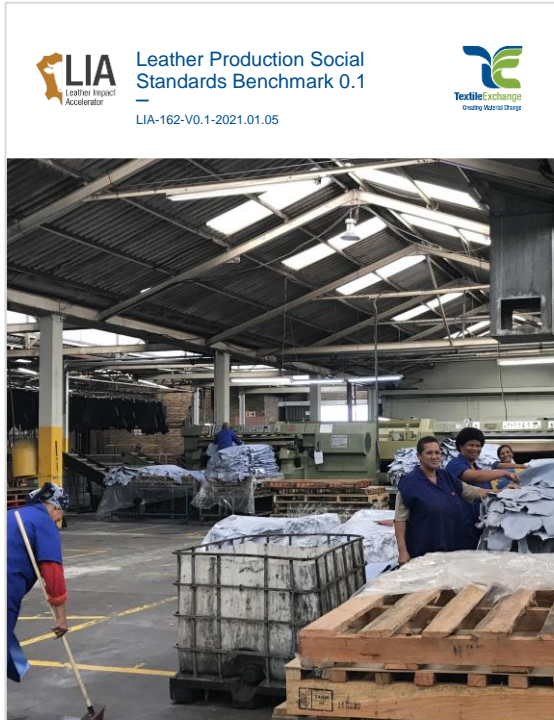
Options 1 and 2

These benchmarks build in improved animal welfare measures across all Five Domains of animal welfare, while still being applicable to the vast majority of certifications covering cattle farm systems. These options can be used for system that potentially involve confinement in feedlots or housing for a period of the animal's life.

Option 3

Option 3 of the LIA Animal Welfare Benchmark recognizes those certifications that are considered to deliver the highest level of animal welfare and applies only to fully grass-based systems for whole of life.

Leather Production Scope: Social



Social Scope

Benchmark based on the SSCI Benchmarking Requirements, developed by the Sustainable Supply Chain Initiative (SSCI) of The Consumer Goods Forum.

- *Social policy • Legal compliance • Forced labor • Child labor • Freedom of association • Discrimination/Fair treatment of workers • Operational health and safety • Building safety and emergency preparedness • Wages • Working hours • Grievance mechanisms • Business ethics*

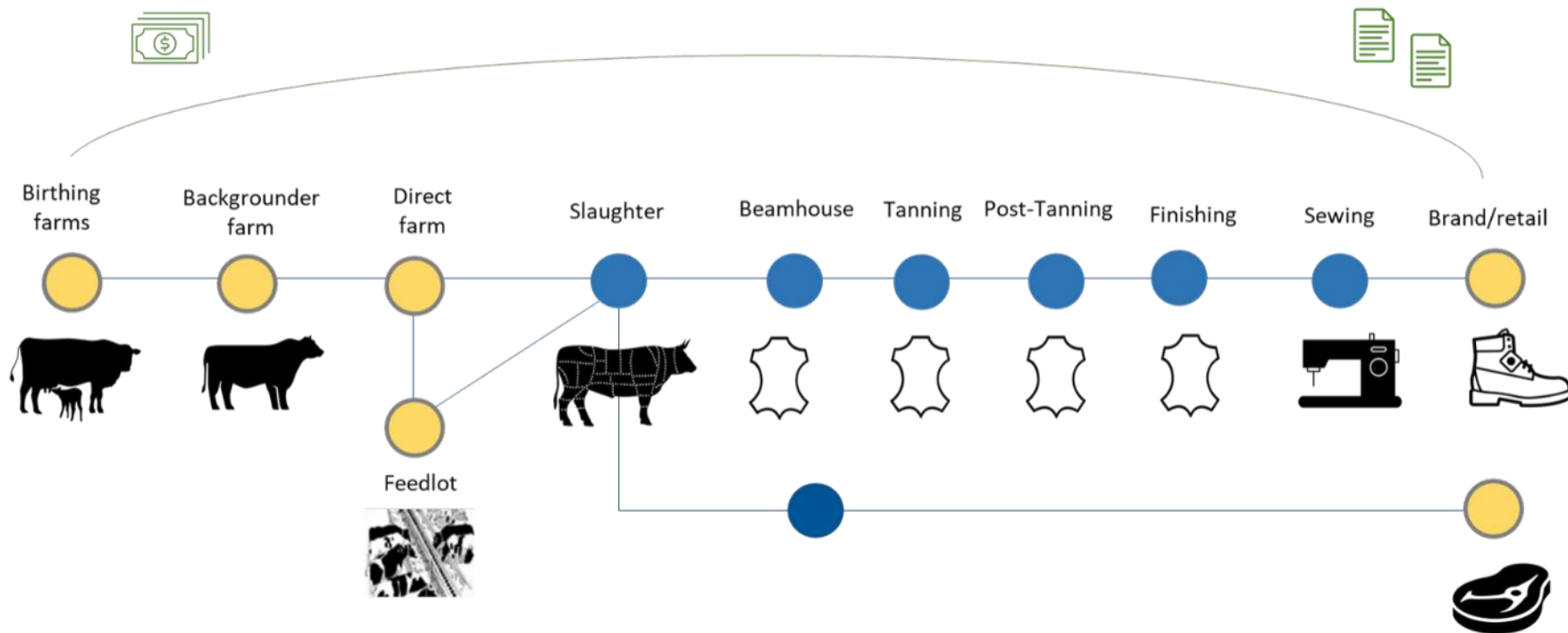
Leather Production Scope: Environmental



Environmental Scope

Benchmark based on the LWG Environmental Audit Protocol

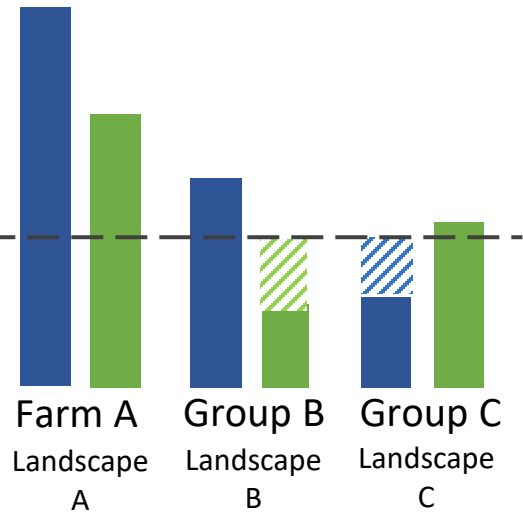
- *Operating permits • Tannery data • Environmental management systems • Restricted substances • Energy consumption • Water usage • Air and noise emissions • Waste management • Effluent treatment • Emergency plans • Housekeeping*



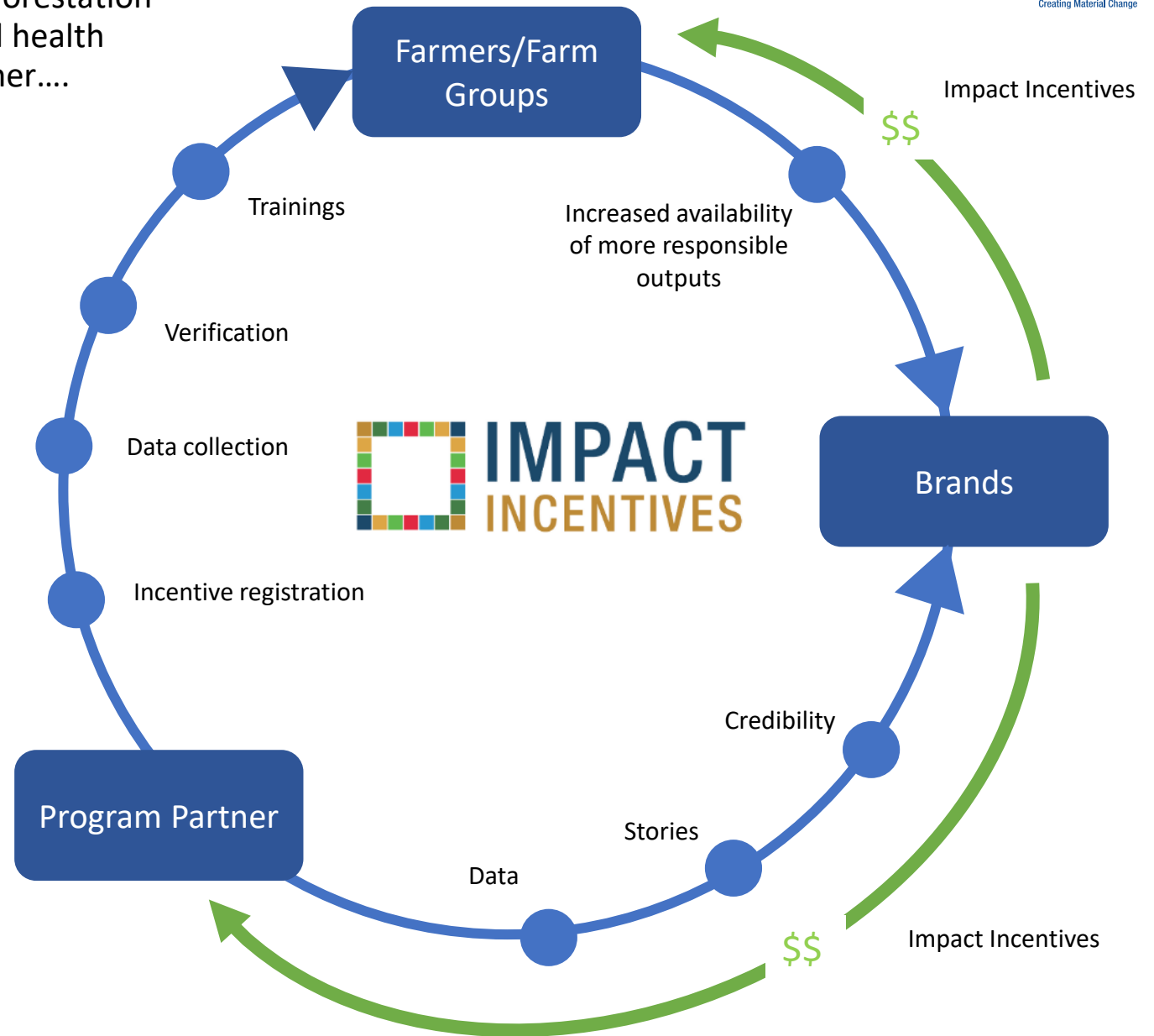
Impact Incentives

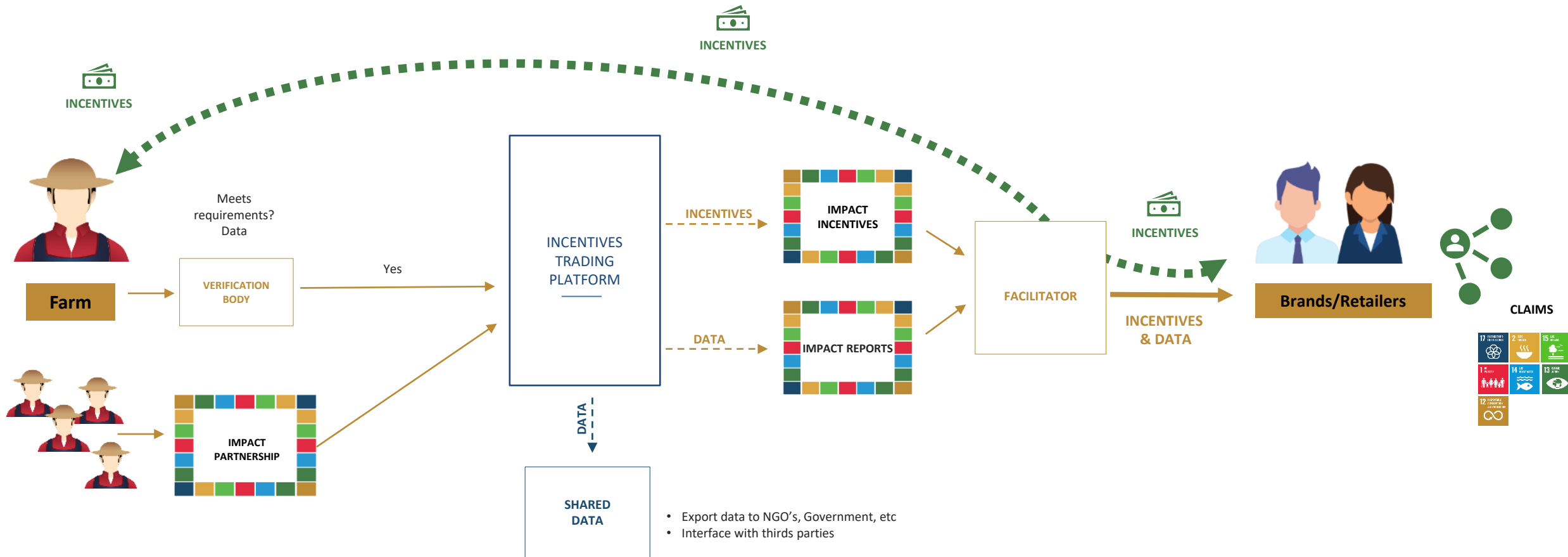
Min. level of best practices

Impact Partnership Incentives



Impact Partnerships **support** change in critical landscapes through **programs**, and Impact Incentives sustain change with farms.





IMPACT
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GLOBAL
FOODPARTNERS



IMPACT
ALLIANCE

LIA Claims Guide



- Aligns with the Textile Exchange Standards Claims Policy and includes logo use specifications
- Three categories for making claims about LIA and Impact Incentives:
 - **General Marketing Claims** – claims about the LIA corporate commitment
 - **Assured Claims** – claims that can be verified through a standards benchmark approval, certification, purchase of Impact Incentives, or other data
 - **Informational Statements** – statements that provide details about LIA and/or Impact Incentives

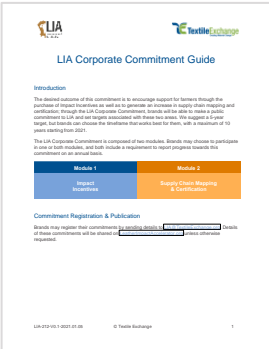
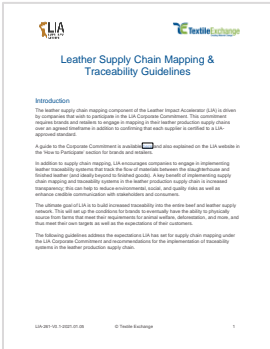
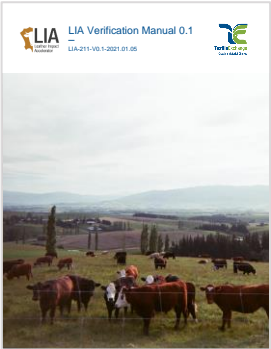
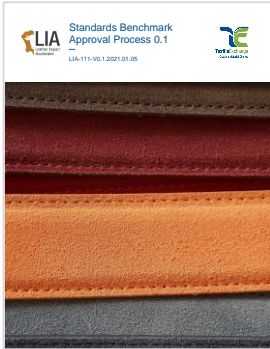
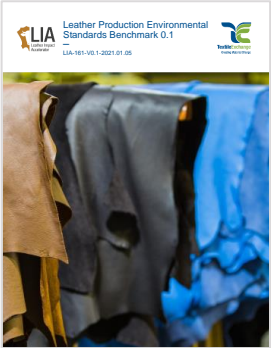
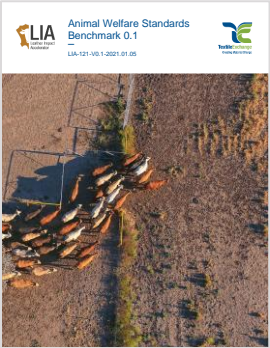
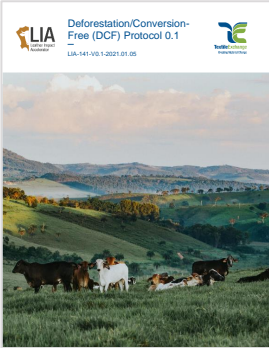
LIA Corporate Commitments



- The LIA corporate commitment is composed of two modules:
 - Commitments to purchasing Impact Incentives
 - Commitments to mapping your leather production supply chain and making sure they are certified to LIA-approved standards
- Progress in both modules is reported through the annual Textile Exchange Corporate Fiber and Materials Benchmark (CFMB)

Module 1	Module 2
Impact Incentives	Supply Chain Mapping & Certification

Full LIA



Leather Impact Accelerator (LIA) Document Guide

LIA is a framework that sets existing industry tools into a coherent package and enables leather supply chain members – from farmers to retailers – to contribute to a more responsible leather supply chain. This guide is intended to provide an understanding of the breadth of documents available for use and to assist those wishing to participate in LIA with details and links to applicable documents.

Core LIA Documents

The core LIA documents are those which provide criteria and procedures for becoming LIA-approved at the farm or leather production levels, as well as which third-party verifiers will assess conformity with, and standards owners will be benchmarked against.

Farm Level LIA Documents	Leather Production Supply Chain LIA Level Documents
<div><div>Animal Welfare Standards</div><div>Standards Management</div><div>Deforestation/Conversion-Free (DCF) Protocol</div></div>	<div><div>Leather Production Environmental Standards</div><div>Benchmark</div><div>Leather Production Social Standards Benchmark</div></div>

LIA User Groups & Accompanying Documents

<div>Standards & Retailers</div>	<div>Farmers</div>	<div>Leather Programs</div>	<div>Third-Party Verifiers</div>	<div>Leather Production Supply Chain</div>	<div>Standards Owners</div>
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LIA in Action



How to make Impact Happen?

LIA in action

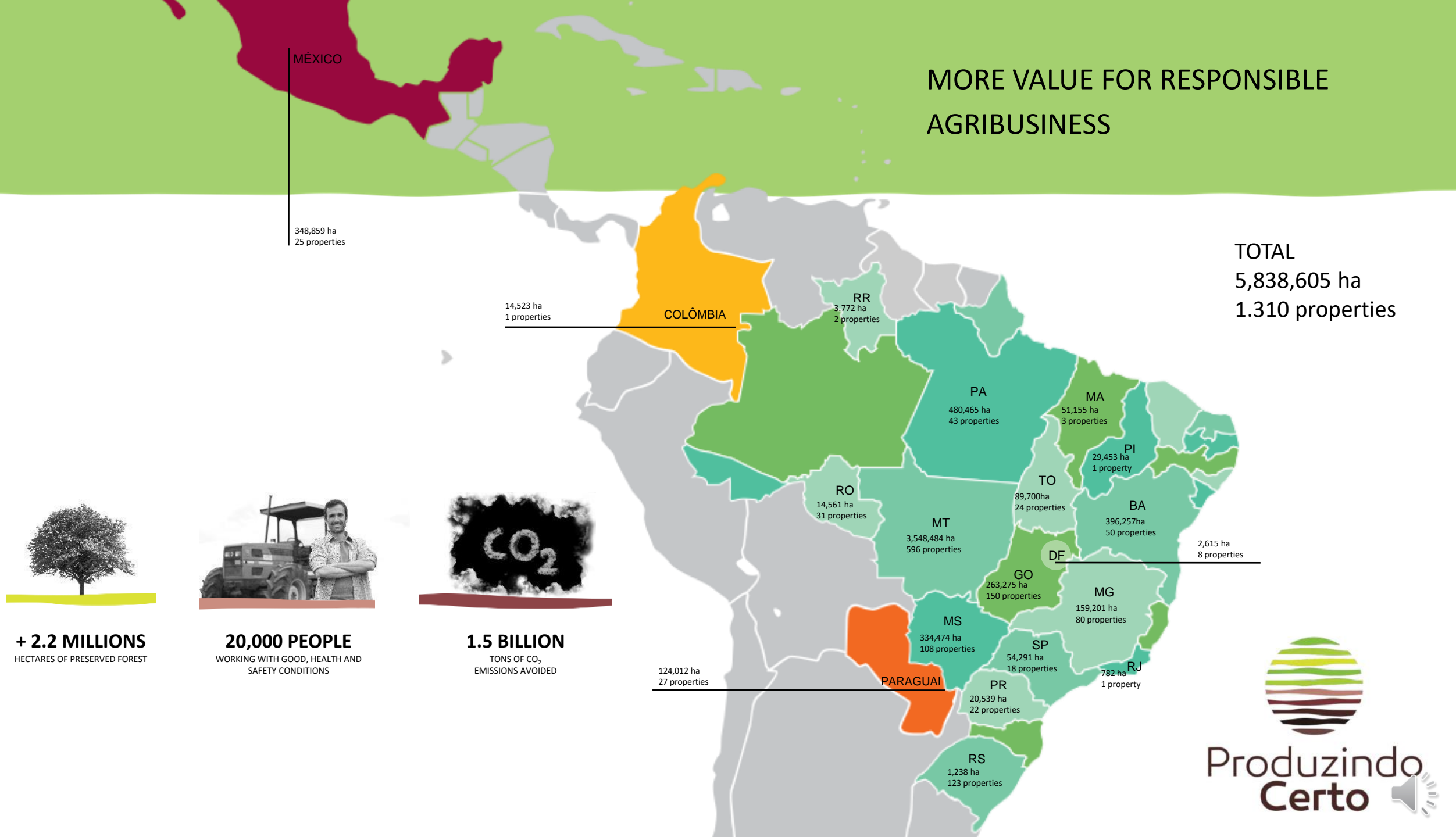
- 1) Produzindo Certo
- 2) Selected ranches
- 3) Results on the ground

NICE TO MEET YOU ALL

Charton Jahn Locks

- Chief Operation Officer at Produzindo Certo;
- Environmental engineer;
- +15 years working with sustainable agriculture;
- Rural producer (small);
- Father (02 amazing boys)
- Brazilian.

MORE VALUE FOR RESPONSIBLE AGRIBUSINESS





The standards and benchmarks that define best practices are powerful tools, but if the burden of meeting them is put solely onto the producers, then we will never see the desired rate of adoption.

Impact Partnerships allow producers to receive on-the-ground support to meet the sustainability requirements to qualify for Impact Incentives.



Produzindo Certo, the Partner Program for this pilot, seeks to form Impact Partnerships with brands who share their goals to protect valuable ecosystems from deforestation and to improve the welfare of cattle.





Farms that will be part of the pilot

Amazon region:

- Bang Bang - São José do Xingu/MT
- Telle Pires – Nova Canaã do Norte/MT
- Militância – Vera/MT
- Jatobá – Paranatinga/MT







Cerrado region

- Mosqueira Grandal – Buri/SP

With your support, even more can be done!

DCF - KPIs overview





Traceability & data analysis

PILLAR	ICON	DESCRIPTION	UNIT	CURRENT STATUS					MINIMUM REQUIREMENT	DESIRABLE
				Farm 1 – Bang Bang	Farm 2 – Mosquera Grandal	Farm 3 – Telles Pires	Farm 4 - Militância	Farm 5 - Jatobá		
DCF		Native vegetation preserved	Hectares (ha)	4,051	32	11,110	404	13,477	Zero deforestation	Increase preserved area
DCF		Carbon stored in preserved areas	Tons of CO ₂ eq	119,200	1,370	236,325	23,950	160,000	Maintain current status	Increase carbon stock
DCF		Well managed pasture land	Hectares (ha)	7,100	168	7,739	340	2,910	Maintain current status	Increase
DCF		Preserved spring	Number	28	8	59	2	18	Maintain current status	Increase
DCF		Fire prevention and firefighting training	Trained people	9	3	5	0	0	5	10
DCF		Area affected by fires	Hectares (ha)	0	0	0	0	0	N/A	0



AW - KPIs overview




Traceability & data analysis

PILLAR	ICON	DESCRIPTION	UNIT	CURRENT STATUS					MINIMUM REQUIREMENT	DESIRABLE
				Farm 1 – Bang Bang	Farm 2 – Mosquera Grandal	Farm 3 – Telles Pires	Farm 4 - Militância	Farm 5 - Jatobá		
AW		Raised animals (number of cattle affected)	Heads	13,000	282	17,602	1,580	4,370	N/A	
AW		Investment to achieve animal welfare certification (investments in equipment needed)	USD	TBD	TBD	TBD	TBD	TBD	N/A	
AW		Animal welfare certification	Certificate	0	0	0	0	0	05	
AW		Mortality rates	Number	TBD	TBD	TBD	TBD	TBD	N/A	Less than baseline



AI - KPIs overview

Traceability & data analysis

PILLAR	ICON	DESCRIPTION	UNIT	CURRENT STATUS					MINIMUM REQUIREMENT	DESIRABLE
				Farm 1 – Bang Bang	Farm 2 – Mosquera Grandal	Farm 3 – Telles Pires	Farm 4 - Militância	Farm 5 - Jatobá		
AI		Score “Produzindo Certo”	Points	89,5	93,7	87,3	76,7	89,9	Maintain current score	Increase
AI		Soil organic matter	g/dm3	19,4	20,3	13,5	33,0	TBD	Maintain current status	Increase
AI		River water quality	pH Turbidity Oxygen	5.3 15.1 8.0	6.5 1.7 5.5	7.0 17.8 7.0	5.8 7.3 6.0	5.0 8.8 8.0	Do not pollute	Improve water quality



How to Participate



Brands

- Complete the CFMB to understand your leather usage
- Make a corporate commitment
- Contact us about a pilot!
 - Source from LIA-approved farms or suppliers
 - Purchase Impact Incentives

Supply Chain

- Use LIA approved standards
- Encourage other standards to get benchmarked
- Work with brands to map supply chains
- Work with brands to implement traceability systems
- Contact us to be listed in the LIA webpage

Farmers and Partner Programs

- Determine which standards you will work with
- Encourage them to get benchmarked with LIA
- Work with your verification bodies to register Impact Incentives
- Contact us about a pilot!

Standards

- Contact us to be benchmarked

Next Steps

Quarter	Month	Categories	Subject
Q1	January	LIA	LIA 0.1 Launch Webinar
	February	RLRT	RLRT Meeting
		recording	Forest in South America
		recording	Collective Action on Pain Relief
Q2	May	RLRT	RLRT Meeting
	June	LIA	LIA IWG updates
Q3	September	RLRT	RLRT meeting
Q4	November	RLRT	RLRT Summit



<https://hub.textileexchange.org>

Q&A

Thank you !

LIA@TextileExchange.org

TextileExchange.org/LeatherImpactAccelerator/



Thank you



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