



# Deforestation/Conversion-Free (DCF) Protocol 0.2

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*LIA-141-V0.2 Deforestation/Conversion-Free (DCF) Protocol* is effective as of May 26, 2021.

English is the official language of *LIA-141 Deforestation/Conversion-Free (DCF) Protocol*. In any case of inconsistency between versions, reference shall be made to the English version.

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Please note that all LIA documents and processes will be piloted during 2021, which will help better understand how they will work in practice. The learnings of the pilot year may lead to adjustments in these documents or processes.

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*LIA-141 Deforestation/Conversion-Free (DCF) Protocol* will be updated at the end of the 2021 pilot year and will undergo a revision process at least every five years.

## Contents

<b>Introduction</b> .....	<b>4</b>
About the Deforestation/Conversion Free (DCF) Protocol .....	4
About Textile Exchange .....	4
Impact Incentives .....	5
Verification .....	5
How to Use this Document .....	5
<b>Section A - Deforestation/Conversion-Free (DCF) Protocol Criteria</b> .....	<b>6</b>
<b>Section B - Live Animal Traceability Criteria</b> .....	<b>8</b>
<b>Appendix A – Definitions</b> .....	<b>9</b>
<b>Appendix B – References</b> .....	<b>10</b>
<b>Appendix C – DCF Scope Committee Members</b> .....	<b>11</b>

## Introduction

### About the Deforestation/Conversion Free (DCF) Protocol

The goal of *LIA-141 Deforestation/Conversion-Free (DCF) Protocol* is to require third-party verification of zero-gross deforestation or conversion at the farm level. It aligns with the [Accountability Framework](#) definitions, targets, and verification requirements.

Farms verified as “DCF” through a *third-party verifier* qualify to sell *Impact Incentives*.

### About the Leather Impact Accelerator (LIA)

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. To this end, LIA uses benchmarks and protocols to set a minimum threshold for practices at the farm and leather production levels and gives recognition to those who meet or exceed them. Brands can use Impact Incentives to provide direct financial support to farmers that meet LIA benchmarks, and *LIA-311 LIA Claims Guide* provides support for all LIA participants to make credible claims.

### About Textile Exchange



LIA is owned and managed by **Textile Exchange**. Textile Exchange is a global non-profit that works closely with our members to drive industry transformation in preferred fibers, integrity and standards, and responsible supply networks. We identify and share best practices regarding farming, materials, processing, traceability, and product end-of-life in order to reduce the textile industry’s impact on the world’s water, soil and air, and the human population.

## Impact Incentives

Impact Incentives (also known as credit trading or Book & Claim) are the certificates that are traded in support of a sustainability claim. In the case of LIA, the incentives are issued to a farmer when a set of criteria have been confirmed to have been met. Physical goods and the Impact Incentives are traded separately from one another; the Impact Incentives certificates represent a specified quantity of verified material that has been produced but has not been physically traded as verified goods.

The way that LIA Impact Incentives work is quite simple: farms that are certified to a standard or program that meets *LIA-121 Animal Welfare Standards Benchmark* or are verified as DCF through this document will be able to sell Impact Incentives for their volume of output; brands can then purchase these Impact Incentives to balance out their use of these output materials, or to meet their CSR goals.

## Verification

LIA requires an authorized third-party verifier to confirm the expectations behind the Impact Incentives are being met and that the information submitted to the *Incentives Trading Platform (ITP)* is accurate and complete. The third-party verifier will register Impact Incentives for LIA on the Incentives Trading Platform.

## How to Use this Document

This document sets forth the overall criteria of *LIA-141 Deforestation/Conversion-Free (DCF) Protocol* at the farm level.

Throughout this document, the following terms are used to indicate requirements, recommendations, permissions, and possibilities or capabilities:

- “shall” indicates a requirement
- “should” indicates a recommendation
- “may” indicates a permission
- “can” indicates a possibility or a capability
- “may not” indicates a prohibited action

The abbreviation “e.g.” is used to indicate an example, while the abbreviation “i.e.” is used to provide clarification of meaning.

## Section A - Deforestation/Conversion-Free (DCF) Protocol Criteria

This section sets protocols to ensure that expectations are clearly understood and met by all LIA participants.

We recognize that different sectors of the industry in the regions of the world use a selection of terms that vary (e.g. farmer/producer/rancher). We have chosen to use terms that help to make LIA as easy to understand as possible for all users. DCF terms can be found in [Appendix A](#).

- A1.1** Only farms that meet the definitions of zero gross deforestation or conversion shall be accepted.

Guidance:

- “Zero net” approach is not allowed: e.g. a farmer may not cut down 50 hectares of forest in one area, then plant 50 hectares in another
- “Legal” deforestation is not allowed if it exceeds the limits of LIA

- A1.2** The area threshold for minimal deforestation or conversion is one hectare.

- A1.2.1** Encroachment of woody plants into grasslands (secondary growth or woody weed invasion) can be removed with justification.

- A1.2.2** Exceptions to verification may apply if the only reliable and established monitoring tools for the region have an identification limit greater than one hectare.

An example of this is the Amazon biome, which uses PRODES to monitor for areas of deforestation greater than 6.25 hectares.

Guidance:

- Minimal levels of deforestation or conversion at the site scale do not necessarily violate deforestation/conversion-free commitments. However, this provision does not sanction substantial conversion of forests or natural ecosystems to enlarge commodity production areas.
- To be considered consistent with no-deforestation or no-conversion commitments, minimal levels must generally meet the following conditions:
  - Not exceed cumulative thresholds that are small both in absolute terms (e.g. no more than a few hectares) and relative to the area in

- question (e.g. no more than a small proportion of the site). Levels of conversion or deforestation should be assessed cumulatively over space and time; multiple small instances of conversion may lead to a producer being considered non-compliant with commitments.
- Not result in the loss of important biological, social, or cultural values.
  - Even when minimal levels of deforestation or conversion may not be cause for exclusion from LIA, they may still require remediation (including restoration and/or compensation) to the extent that they result in negative impacts to conservation values or human rights.

**A1.3** The DCF default cut-off date is January 1st, 2020.

**A1.3.1** Where earlier regional cut-off dates exist, they will override the default date.

Verifiers will be responsible for checking for any applicable regional cut-off dates.

Guidance:

The following is an initial list of known regional cut-off dates. Participants in LIA will be responsible for knowing and applying regional dates.

- **Brazilian Amazon Biome: October 4, 2009\*** for direct suppliers in the based on Zero Deforestation Cattle Agreement. **August 1<sup>st</sup>, 2019** for indirect suppliers only.
- **Eastern Paraguay: December 14th, 2004:** Zero Deforestation Law in Eastern Paraguay
- **Columbia: January 1, 2011:** Based on Colombian public-private agreement for Zero Deforestation.
- **Indonesia: 2011:** A ban on clearing primary forests and peatlands for plantations or logging has been made permanent by Indonesia's president.
- Please contact [LIA@TextileExchange.org](mailto:LIA@TextileExchange.org) with additional regional dates.

## Section B - Live Animal Traceability Criteria

One of the roles of LIA is to build up the overall supply of traceable leather so that brands can eventually physically source hides from farms that meet their expectations.

- B1.1** To participate in LIA, farms must be working with a traceability system to track where their cattle are coming from and where they are sold to. Any system that reliably ensures the identity of the individual cattle and keeps a record of their purchase and sale will be accepted, including:

### Identification

- Ear tags
- RFID ear tags
- Branding (not encouraged due to animal welfare and hide quality)
- Other\*:

### Tracking

- Paper documentation of purchases and sales, with individual cow identities
- Technological tracking systems
- Other\*:

\*Please submit any identification or tracking systems that are not on the list of options to [LIA@TextileExchange.org](mailto:LIA@TextileExchange.org) for consideration.

### Guidance:

The following is an initial list of known regional cut-off dates. Participants in LIA will be responsible for knowing and applying regional dates.



## Appendix A – Definitions

LIA has adopted the definitions of the [Accountability Framework](https://accountability-framework.org/the-framework/contents/definitions/). Key definitions are listed below, and further interpretations can be found at <https://accountability-framework.org/the-framework/contents/definitions/>.

**Conversion:** Change of a natural ecosystem to another land use or profound change in a natural ecosystem’s species composition, structure, or function.

- Conversion includes severe degradation or the introduction of management practices that result in substantial and sustained change in the ecosystem’s former species composition, structure, or function.
- Change to natural ecosystems that meets this definition is considered to be conversion regardless of whether or not it is legal.

**Conversion-free:** (synonym: no-conversion); Commodity production that does not cause or contribute to the conversion of natural ecosystems.

**Cut-off date:** A cut-off date is the date after which forest conversion is prohibited.

**Deforestation:** Loss of natural forest as a result of i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation.

**Deforestation-free:** (synonym: no-deforestation, zero gross deforestation); Commodity production that does not cause or contribute to deforestation of natural forests.

**Minimal level:** (of deforestation or conversion) A small amount of deforestation or conversion that is negligible in the context of a given site because of its small area and because it does not significantly affect the conservation values of natural ecosystems or the services and value they provide to people.

**Degradation:** Changes within a natural ecosystem that significantly and negatively affect its species composition, structure, and/or function and reduce the ecosystem’s capacity to supply products, support biodiversity, and/or deliver ecosystem services.

*Degradation may be considered conversion if it:*

- is large-scale and progressive or enduring;
- alters ecosystem composition, structure, and function to the extent that regeneration to a previous state is unlikely; or leads to a change in land use (e.g. to agriculture or other use that is not a natural forest or other natural ecosystem)

Some sites are difficult to classify because they exhibit both characteristics of natural ecosystems and characteristics of production systems or degraded land. The following guidance can help in determining how such “boundary cases” should be treated for the purpose of fulfilling (or assessing fulfilment of) no-deforestation and no-conversion commitments.

- [https://accountability-framework.org/wp-content/uploads/2019/06/OG\\_on\\_Applying\\_Definitions-table2\\_v2.pdf](https://accountability-framework.org/wp-content/uploads/2019/06/OG_on_Applying_Definitions-table2_v2.pdf)
- [https://accountability-framework.org/wp-content/uploads/2019/06/OG\\_on\\_Applying\\_Definitions-table1\\_v2.pdf](https://accountability-framework.org/wp-content/uploads/2019/06/OG_on_Applying_Definitions-table1_v2.pdf)

## Appendix B – References

The following references were used in the development of *LIA-141 Deforestation/Conversion-Free (DCF) Protocol*:

- [ISEAL Code of Good Practices](#)
- [Accountability Framework Initiative](#)

## Appendix C – DCF Scope Committee Members

The *DCF Protocol* would not be possible without the time and expertise of the below members of the DCF scope committee.

### **Deforestation Conversion-Free (DCF) Committee:**

Josefina Eisele (Chair)

Anne Gillespie (Co-Chair)

Mauricio Bauer

Simon Hall

Charton Locks

Gert van der Bijl

Peter Burston

Luiza Bruscato

Rafael Andrade

Shanel Orton

Roger Steinhardt

Catriona Stevenson