

# Introduction to the Leather Impact Accelerator (LIA) 1.0

## Q&A Session of the Webinar

Speakers:

- Anne Gillespie, *Director of Impact Acceleration*
  - Anna Heaton, *Animal Welfare Consultant, Lead of the Animal Welfare committee*
  - Josefina Eisele, *Lead of the Deforestation/Conversion-free committee*
  - Nicole Lambert, *Lead of the Leather Production committee*
  - Stefanie Pokorski, *Lead of the Claims Framework committee*
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**Q: Is this a global initiative, or limited to certain countries?**

Good question! LIA is global in scope.

**Q: Is the LIA comparable with other initiatives like LWG?**

LIA is not a certification scheme like LWG. LIA addresses a broad landscape of scopes relative to sustainability in the leather supply chain. LWG focuses mainly on the tanning phase, whereas LIA aims to work throughout the supply chain, and works with LWG as well.

**Q: Is LIA working on any marketing collateral for brands to use as consumer-facing info detailing these connections?**

This is a great thought. The Claims Framework will include a lot of language around communicating about the different components, but it would be worthwhile to add a few pieces on the connections across the supply chain. We will look into other collateral that will be useful for marketing. Thanks!

**Q: Will the hides be traceable all the way back to the farm level?**

In the first version of LIA, this may not be possible. However, it is something we are looking to address in future versions and once there are more programs available for this level of traceability. Our goal is really to build traceability in the global supply network so that those who want to trace their supply chains can do so in time.



**Q: What is the process to put forward a proposal for a pilot? Are there opportunities to develop partnerships with brands around a pilot?**

Please send us an email at [LIA@TextileExchange.org](mailto:LIA@TextileExchange.org) and we will get in touch to set up a call to discuss further. We are keen to partner with brands on pilots.

**Q: Are there any financial incentives for adopting LIA? any financial institutions supportive to provide say a cheaper cost of funding for LIA compliant companies?**

As of now, the financial incentives within LIA are framed around brands and retailers, providing direct support to farmers through the purchase of Impact Incentives. However, we would be very interested in exploring how to link LIA to better financing options.

**Q: How are the incentives managed, will there be pricing set by TE or would this be open market and determined by each producer?**

The Incentives will be open market. The price will basically be set by supply and demand. ACT Commodities will be able to help sellers and buyers find a price that represents value for both sides

**Q: Should the brand pay a fee by using the LIA programs? What is about the incentives?**

We have not yet finalized our fee structure but will aim to keep any fees minimal as our goal is to maximize adoption. At this point, the fees will be built into the Impact Incentives.

**Q: Have any brands signed on to adoption of LIA and paying for impact accelerators to farmers and other leather manufacturers along the leather supply chain if the benchmarks are met, in addition to the material already being bought? This is an added expense for brands, right?**

We do not have any brands signed on yet, as we are just launching. However, we already have interest in the pilots.

The Impact Incentives will be an added cost for brands, but we see them as a much more efficient way to deliver support to farmers that meet their expectations.

**Q: How much have farmers and tanners been asked about implementation of these benchmarks?**

We have been talking with farmers and tanners about this work all along, but we will only be able to understand how well everything can be implemented once we begin the pilots.

**Q: Would incentives be available for Leather Production supply chain companies, or are they reserved only for farm level participants? I.e. can a hide processor or tanner receive a financial incentive from a Brand to implement the benchmark protocols like LWG Bronze?**

The Impact Incentives will only be sold to farms. Leather Production supply chain companies can participate through the social and environmental benchmarks.

**Q: I don't agree on the fact that for the environmental scope and benchmark, in an international work as LIA wants to be, you don't consider as a benchmark what happens according to INTERNATIONAL STANDARDS as ISO 14001 is, and you consider only private initiatives as LWG is.**

Environmental management is a topic clearly addressed in the LIA Environmental Leather Production Benchmark but does not go into the level of details of ISO 14001. The decision to base the benchmark on the LWG protocol was made by the participants of the Leather Production Committee, based on the fact that the LWG is so widely in use and its implementation is associated with a reduction in environmental impacts related to leather production. We invited all stakeholders involved in leather production to participate and give input into this group.

To be very clear the environmental benchmark is not the LWG, it is based on LWG, which means that other standards have the possibility to be benchmarked and approved if the benchmark is met. If a standard does meet the benchmark it is not considered an equivalent to the LWG, it is considered to meet LIA's environmental leather production benchmark.

**Q: Is the financial incentive from meeting LIA benchmarks only applicable to farmers? A tannery that does meet the LWG benchmark, do they get any financial incentive from the brands for meeting the production benchmark?**

The incentive for tanneries meeting the benchmark will be through increased business from brands who are aiming to meet the requirements of the brand commitment/wanting to source from LIA recognized suppliers. This would in theory equate to financial support.

**Q: For brands potentially being a part of the pilot, what is the expected season/year this could be publicly talked about?**

This can be discussed if you are interested in taking part in a pilot. There will be a lot variables depending on what you would like to take part in. Please email us at [LIA@TextileExchange.org](mailto:LIA@TextileExchange.org) and we can discuss further!

**Q: If I understand LIA right, this Scheme is not aligned with the UNECE CEFACT initiative that Mrs Pisani is leading?**



Textile Exchange is part of the UNECE initiative, but this is a separate piece of work, as the goal is to create a specific tool for leather buyers to use.

**Q: Can you indicate minimum criteria for traceability?**

Yes, minimum criteria will be included for traceability, as well as recommended programs.

**Q: Do brands need to purchase hides from production facilities that participate in the LIA benchmark? Or is just tracing the facilities through the supply chain enough? What if those production facilities do not wish to participate in LIA?**

To officially take part in the brand commitment, brands will be encouraged to purchase from LIA recognized suppliers in addition to mapping/participating in a traceability scheme. This is what we are hoping but participating in any way you can will be great!

**Q: Thank you all for the presentation. The idea of tracking has been highlighted throughout the hour. How is the leather supply chain being tracked as we speak and what does the near future look like? I am glad you are focusing your attention now in hopes to draw more clarity in the future.**

We actually have [a presentation specifically on the different traceability systems](#) that are currently being used by the industry. Over time (5 years or less, assuming we get good adoption of LIA) we hope to build up a supply network where traceability is much more achievable, but right now it is very difficult, particularly at the first part of the supply chain.

**Q: Have you experience with sheep farming?**

Textile Exchange manages the Responsible Wool Standard. You can learn more at <http://responsiblewool.org/>

**Q: Does LIA have a list of vendors already or is it still in process?**

We are very much at the start of the process! But please, if you'd like any of your vendors to work LIA, send them to us.

**Q: What if I use sheep leather. Wool standards are not suitable**

At this point we are only focusing on bovine leather. We had to limit the initial scope of LIA to be able get to this point! However, if you are interested in applying LIA for sheep leather we may be able to explore that at some point.