

LIA Benchmark for Leather Production Social Standards DRAFT 1.0



LIA Benchmark for Leather Production Social Standards, DRAFT V#1.0



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The LIA Benchmark for Leather Production Social Standards 1.0 replaces the LIA Leather Production Social Standards Benchmark 0.1 and is effective as of MMMM DD, YYYY.

English is the official language of the *LIA Benchmark for Leather Production Social Standards 1.0*. In any case of inconsistency between versions, reference shall be made to the English version.

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Document Revision

The LIA Benchmark for Leather Production Social Standards 1.0 will undergo a revision process at least every five years. The next revision is tentatively scheduled to begin in 2027, for completion in 2028. Please note that Textile Exchange may decide to revise earlier at our discretion. You may submit feedback to Textile Exchange at any time; send to LIA@TextileExchange.org. Points of clarification may be incorporated into supplementary and guidance documents prior to 2025. More substantive feedback or suggested changes will be collected and reviewed as part of the next revision of the document.

Revision History

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Introduction

About the Benchmark for Leather Production Social Standards

The goal of this document is to set forth a global standard benchmark upon which to evaluate standards that address social challenges in order to drive continuous improvement at scale throughout the leather industry.

The intent of this standard benchmark is to help brands and retailers navigate the landscape of social standards used at slaughter and in the leather production supply chain, by identifying and recognizing standards that meet the levels set. Hence a brand/retailer will know what challenges and practices at a minimum, will be covered by LIA-approved standards and thereby what can be expected from a facility certified to one of these standards.

The scope of this standard benchmark is slaughterhouse and the leather production supply chain considered to be all hide transformation stages from beamhouse to finished leather.

This standard benchmark is limited to standards that apply to a production site, defined as a site for a given production site (legal entity), in one geographical location, where slaughter or leather production operations are undertaken.

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. 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 producers that meet LIA requirements or are working towards meeting them through an Impact Partnership.

About Textile Exchange

LIA is owned and managed by Textile Exchange. Textile Exchange is a global non-profit driving positive impact on climate change across the fashion and textile industry. It guides a growing community of brands, manufacturers, and farmers towards more purposeful production from the very start of the supply chain.

Its goal is to help the industry to achieve a 45% reduction in the emissions that come from producing fibers and raw materials by 2030. To get there, it is keeping its focus holistic and interconnected, accelerating the adoption of practices that improve the state of our water, soil health, and biodiversity too.

For real change to happen, everyone needs a clear path to positive impact. That's why Textile Exchange believes that approachable, step-by-step instruction paired with collective action can change the system to make preferred materials and fibers an accessible default, mobilizing leaders through attainable strategies, proven solutions and a driven community.

At Textile Exchange, materials matter. To learn more, visit <u>TextileExchange.org</u>.





About Climate +

At Textile Exchange, our goal is to help the fashion and textile industry achieve a 45% reduction in the greenhouse gas (GHG) emissions that come from producing fibers and raw materials by 2030. This is known as Tier 4 of the supply chain, and it accounts for 24% of the industry's GHG impacts related to it.

This goal underpins our Climate+ strategy. We call it Climate+, because it goes beyond accounting for GHG emissions. Instead, it is an interconnected approach that swaps siloed solutions for interdependent impact areas like soil health, water, and biodiversity.

The + is also an acknowledgment that Textile Exchange cannot achieve this goal alone.

The Leather Impact Accelerator contributes directly to the Climate + goal by addressing:

- Deforestation and conversion at the farming tiers of the bovine leather supply chain, which contribute to GHG emissions, impact soil health, water, biodiversity and people.
- Animal welfare at the farming and slaughter tiers of the bovine leather supply chain

The Standard Benchmark Approach

A standard benchmark approach has been adopted to leverage and add value to the standards and programs that are already in use by the industry.

Benchmarks set a minimum threshold for practices and give recognition to those who meet or exceed them.

The intent of this process is to help brands and retaillers naviagate the landscape of standards used in the bovine leather supply chain, by identifying and recognizing standards that meet the threshold set in the LIA standard benchmarks. Hence a brand/retailer will know what challenges and practices at a minimum, will be covered by LIA-approved standards and thereby what can be expected from a facility certified to one of these standards.

The standard benchmark approach is also expected to generate the following outcomes:

- an efficient way for brands/retaillers to clearly and consistently communicate their expectations to their supply networks, which may reduce the need for brand-specific requirements and audits;
- the alignment of expectations among standards;
- improved transparency relative to the operations and performance of standards;
- greater visibility and uptake of the recognized standards.

The Leather Impact Accelerator (LIA) uses a standard benchmark approach to assess:

- animal welfare standards used throughout cattle production and slaughter;
- social standards used from slaughter and throughout the leather production supply chain;
- environmental standards used throughout the leather production supply chain .





A standard owner can apply for a benchmark assessment through the LIA Standard Benchmark Approval Process. Under this process, the standard will be assessed against the relevant scope specific requirements. In practice this means that the standard owner will need to provide evidence that the challenges and practices addressed in the LIA standard benchmark are covered in its standard.

Additionally, all standards will be required to comply with the Standards Management Criteria, which ensures the standard is developed, audited, and maintained in a robust and credible fashion.

Any standard that meets one of the LIA standard benchmarks and the Standards Management Criteria shall be listed on the LIA website as a LIA-approved standard.

Acknowledgements

The LIA Benchmark for Leather Production Social Standards would not be possible without the help of the Leather Impact Accelerator Revision International Working Group that worked to review, research, discuss, and approve the revision of the LIA Benchmark for Leather Production Social Standards 1.0.

How to Use this Document

This document sets forth the overall criteria for assessment against the LIA standard benchmark.

The following terms are used to indicate requirements, recommendations, permissions, and possibilities or capabilities:

- "shall" indicates a requirement
- "should" indicates a recommendation (non-binding),
- "may" indicates a permission (non-binding), and
- "can" indicates a possibility or a capability.

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





Section A – Standard Benchmark Requirements

The below requirements assess social standards for processing/manufacturing facilities from all sectors and are not exclusive to leather production.

A1. Social Policy

- A1.1 The standard shall require that a written human rights policy statement is in place, approved at the most senior level.
- A1.2 The standard shall require that the human rights policy statement is communicated to all personnel.
- A1.3 The standard shall require that clear responsibility is assigned for the implementation of the human rights policy statement.
- A1.4 The standard shall require that personnel in relevant business functions receives adequate training on human rights. Training attendance shall be documented.
- A1.5 The standard shall require that the requirements on human rights are communicated to relevant business partners and other relevant parties.
- **A1.6** The standard shall require that records and documentation are maintained to demonstrate compliance with the standards' requirements.

A2. Legislations

- **A2.1** The standard shall require that all applicable legal requirements are complied with (national, regional, and local).
- **A2.2** The standard shall require that if all applicable legal requirements set a different level of adherence than set by the scheme, the scheme shall require that whichever affords the highest level of adherence for workers is audited against.

A3. Forced Labor

- A3.1 The standard shall require that the facility does not engage in, support or tolerate forced labour. All workers shall enter into employment voluntarily and may terminate employment with reasonable notice.
- A3.2 The standard shall require that the facility does not force any person to work under the menace of any penalty or sanction.
- **A3.3** The standard shall require that no involuntary prison labour is used.





- A3.4 The standard shall require that no fees or related costs are charged (directly or indirectly, in whole or in part) to applicants and workers for services directly related to recruitment that may lead to situations of forced or compulsory labour.
- A3.5 The standard shall require that no monetary deposits, financial or collateral guarantees or personal possessions are demanded as a condition of employment.
- A3.6 The standard shall require that workers are not held in debt bondage or forced to work for an employer, or any other entity to pay off debt.
- A3.7 The standard shall require that if the possibility of advances and loans to workers is provided, a written policy about the terms and conditions is in place that is communicated to workers in an understandable manner. These terms (and related interest rates) shall not be used to bind workers to employment.
- A3.8 The standard shall require that no personal documents or any valuable possessions, such as identity or immigration papers, work permits or travel documents are confiscated, retained, nor shall workers be required to lodge them with the employer and/or recruiter.
- A3.9 The standard shall require that if a secure storage option for personal documents and valuable possessions is provided, it shall be ensured that:
 - **A3.9.1** it is the choice of the worker to utilise the storage;
 - A3.9.2 storage is documented; and
 - **A3.9.3** workers have free access to their possessions
- A3.10 The standard shall require that the facility demonstrates that, when employment agencies are used, they are required to:a) be compliant with applicable national legal requirements;b) be licensed or certified by the competent national authority, if applicable;c) be compliant with the standards' requirements on forced labour and recruitment fees; d) not engage in fraudulent or corrupt recruiting practices.
- A3.11 The standard shall require that the facility does not restrict worker's freedom of movement. The facility shall not require workers to remain at the workplace at the conclusion of their working hours or confine them in any worker accommodation.
- A3.12 The standard shall require that if cases of forced or compulsory labour have been found, the organisation shall implement effective remediation, such as compensation for personal and material damages. The remediation actions taken shall be verified and recorded.

A4. Child Labor





- A4.1 The standard shall require compliance with the minimum age for work as defined by all applicable legal requirements or the age of completion of compulsory education, whichever is higher. The minimum age for work shall not be less than 15 years.
 - A4.1.1 If, however, local minimum age law is set at 14 years of age in accordance with ILO Convention 138, this lower age may apply.
 - A4.1.2 The standard may allow for the exceptions of performing light work when in accordance with ILO Convention 138 and in line with all applicable legal requirements.
 - A4.1.3 The standard shall require that details on any children under the age of 15 years that are found to be working at the facility are recorded in the audit or assessment report to ensure remediation plans can be followed, whilst taking steps to protect the individual's confidentiality.
- A4.2 The standard may allow for training/apprenticeship schemes and shall verify that these are not exploitative and are in line with all applicable legal requirements
- **A4.3** The standard shall:
 - A4.3.1 Require that young workers under 18 are not employed at night or in hazardous conditions. A young worker is defined as a worker who is above the local legal minimum working age, but under the age of 18.
 - A4.3.2 Require that young workers are not to be engaged in the worst forms of child labor or hazardous child labor, as defined in ILO Convention No. 182 and Recommendation No. 190
 - **A4.3.3** Set limits on the working hours for young workers
- A4.4 The standard shall require that age verification mechanisms are established for all workers, and valid age verification records are maintained.
- A4.5 The standard shall require that if child labor was found, effective remediation procedures are in place that put the best interest of the child first.
- **A4.6** The remediation plan shall be documented and verified, and actions put in place to avoid recurrence.

A5. Freedom of Association

A5.1 The standard shall require that workers have the right to join or form trade unions or other worker organizations of their own choosing - or refrain from doing so - and to bargain collectively in accordance with all applicable legal requirements





- **A5.2** The standard shall require that worker representatives or members of trade unions are not discriminated against or otherwise penalized because of their membership in or affiliation with a trade union or worker organization in accordance with all applicable legal requirements.
- A5.3 The standard shall require that duly elected worker representatives of trade unions and other worker organizations have access to the workplace to carry out their representative functions in accordance with all applicable legal requirements.
- A5.4 The standard shall require that where there are no legal protections for the right to collective bargaining or freedom of association, the facility strives to engage workers through alternative lawful mechanisms of engagement to allow worker representatives to enter into a dialogue about workplace issues.

A6. Fair Treatment of Workers

- A6.1 The standard shall require that equal opportunities and treatment in employment and occupation are respected. Workers shall not be discriminated against in recruitment or employment practices based on any legally protected characteristics and any personal characteristics that do not interfere with a worker's ability to do a specific job.
- **A6.2** The standard shall require that the facility does not engage in, support, or tolerate the use or threat of corporal punishment, mental or physical coercion, bullying, harassment, including sexual harassment, or abuse of any kind.
- **A6.3** The standard shall require that written disciplinary procedures are in place, and they are effectively communicated to workers.
- **A6.4** The standard shall require that records of all disciplinary action are kept.

A7. Operational Health and Safety (OHS)

- **A7.1** The standard shall require that safe, healthy, and clean conditions are provided in all workplaces, worker accommodation, and other facilities as provided or mandated.
- A7.2 The standard shall require that clear responsibility for the development, implementation, and performance of the occupational health and safety management system and the achievement of the relevant occupational health and safety objectives is allocated.
- A7.3 The standard shall require that all workers of the facility receive effective health and safety training as required to carry out the duties and responsibilities of the job.





- A7.3.1 Health and safety training is provided timely and repeated on a regular basis. It shall also be repeated for new or reassigned workers of the facility and when changes in the process or machinery present new risks.
- A7.3.2 All training shall be documented.
- A7.4 The standard shall require that all workers are provided with health and safety training at the cost of the employer and during remunerated working hours.
- A7.5 The standard shall require that risk assessments are performed as appropriate to detect and assess potential threats to the health and safety of workers, and effective measures are taken to address the findings from the risk assessment.
- A7.6 The standard shall require that the facility maintains written records of all health and safety incidents in the workplace and all other facilities, as provided or mandated.
- A7.7 The standard shall require that the cause of health and safety incidents is determined when they occur. Appropriate corrective actions are taken to prevent the recurrence of similar incidents.
- A7.8 The standard shall require that appropriate and effective personal protective equipment (PPE) is provided as needed. PPEs shall be provided free of charge to the workers. PPEs shall be maintained and replaced as necessary. Workers shall be instructed and monitored on the proper use of PPE.
- A7.9 The standard shall require that clear arrangements for providing first aid and medical assistance are in place for any workplace accidents or incidents.
- **A7.10** The standard shall require that all workers are provided with free potable water and clean toilet facilities.

A8. Building Safety and Emergency Preparedness

- **A8.1** The standard shall require that adequate documented emergency and fire safety procedures are in place, including in worker accommodation and other facilities as provided or mandated.
- **A8.2** The standard shall require that all workers are trained on emergency and fire safety procedures.
- A8.3 The standard shall require that fire exits, escape routes, firefighting equipment, and fire alarms are properly marked according to national and industry standards. Fire exits and escape routes are open, accessible, and clear of obstacles so as to permit safe evacuation in case of an emergency. A designated safety assembly point is recommended.
- A8.4 The standard shall require that workers have the right to remove themselves from imminent serious danger without seeking permission.





- A8.5 The standard shall require that appropriate measures (such as licenses and/or risk assessments) are taken to evaluate and monitor the strength, stability, and safety of buildings and equipment, including worker accommodation where provided or mandated. Corrective action is taken where required.
- **A8.6** The standard shall require that if accommodation facilities are provided or mandated, these are located separately from production or storage facilities.

A9. Wages

- **A9.1** The standard shall require that workers are informed about their employment terms and conditions in writing and in an understandable manner to the worker before they enter into employment.
- A9.2 The standard shall require that work be performed by individuals with a formal verifiable working relationship in accordance with all applicable legal requirements. e.g. an employment contract.
- **A9.3** The standard shall require that no employment arrangements are used in order to avoid obligations to workers under applicable labor and social security laws.
- A9.4 The standard shall require that compensation for standard working hours meets or exceeds applicable legal minimum wages, industry standards, or collective bargaining agreements (where applicable), as well as other benefits mandated by law.
- A9.5 The standard shall require that wages are paid in full in a timely manner, directly to the worker, using legal tender.
- A9.6 The standard shall require that where a facility establishes a pay rate for production, quota, or piece work, it allows workers to earn at least a wage which respectively meets or exceeds applicable legal minimum wages, industry standards, or collective bargaining agreements (where applicable) within standard working hours.
- A9.7 The standard shall require that all workers are compensated for all overtime as required by applicable legal requirements or a collective bargaining agreement.
- **A9.8** The standard shall require that all workers are provided with clear and written details of their wages for the pay period concerned each time that they are paid.
- A9.9 The standard shall require that no deductions from wages are made unless permitted by all applicable legal requirements or a collective agreement. Workers are informed about any deductions in writing and in an understandable manner to the worker.
- **A9.10** The standard shall require that no deductions from wages are made as a disciplinary measure.

A10. Working Hours





A10.1 Standards shall:

- A10.1.1 Require that standard working hours conform to applicable national legal requirements, collective agreements, or industry standards, but shall not exceed 48h, excluding overtime.
- A10.1.2 Set limits on overtime and/or address transparency around working hours, with the goal to drive improvement when needed.
- A10.1.3 Ensure that any overtime does not have negative impacts on the health and safety of the workers

NOTE: We recognize that working hours are one of the most challenging issues, but it is understood that setting limits can drive issues underground where it is not addressed. Ideally, standards will work in partnership with facilities to improve overtime situations.

- A10.2 The standard shall ensure that any overtime being worked is properly compensated, is voluntary, is in conditions that protect workers' safety and health, and there is no risk of forced labor.
- **A10.3** The standard shall require that overtime is not requested on a regular basis.
- **A10.4** The standard shall require that all workers have the right to breaks during work shifts.
- A10.5 The standard shall require that workers have the right to at least one rest day of 24 consecutive hours in a 7-day period.
- A10.6 If the standard grants exceptions to the number of rest days, these shall be clearly defined, in line with applicable legal requirements, and it is demonstrated that appropriate safeguards are taken to protect the worker's health and safety. At a minimum, workers shall be granted two rest days, each of consecutive 24 hours, in a 14-day period.
- A10.7 The standard shall require that workers are granted paid leave (public and annual holidays, maternity/paternity leave, sick leave, etc.) in accordance with all applicable legal requirements.

A11. Grievance Mechanisms

- **A11.1** The standard shall ensure there is a written procedure to address complaints or concerns and is accessible to all.
- **A11.2** The standard shall require that the confidentiality of any complaint raised is provided, and information is revealed only as necessary to investigate and handle the complaint.
- **A11.3** The standard shall require that any person that lodged a complaint in good faith is not retaliated against.





A12. Business Ethics

- **A12.1** The standard shall require that the facility prohibits any involvement in any act of corruption, extortion, embezzlement, nor in any form of bribery either directly or indirectly.
- **A12.2** The standard shall require that the facility does not falsify any information regarding their activities, structure, and performance and is not involved in any act of misrepresentation in the supply chain.





Appendix A – Definitions

Workers: "worker" is understood to cover all categories of workers, employed or not.

Employee: Worker holding an explicit or implicit employment contract which gives him or her a basic remuneration that is not directly dependent upon the revenue of the unit for which he or she works. (ILO)

Forced labor: All work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself [or herself] voluntarily. (ILO)

Child labor: Children's work which is of such a nature or intensity that it is detrimental to their schooling or harmful to their health and development. (ILO)

Debt bondage: A system whereby people are required to repay a debt by working for their creditors. (ILO)

Freedom of association: Applies particularly to the freedom of workers and employers to establish and join organizations of their own choosing without previous authorization. (ILO)

Personal protective equipment (PPE): Device or appliance designed to be worn or held by an individual for protection against one or more health and safety hazards (ISO 15384:2018, 3.12)

ILO Conventions and Recommendations referred to:

<u>ILO Convention No.29</u>: C029 - Forced Labour Convention, 1930 (No. 29). Its object and purpose is to suppress the use of forced labor in all its forms irrespective of the nature of the work or the sector of activity in which it may be performed.

<u>ILO Convention No. 182</u>: C182 - Worst Forms of Child Labour Convention, 1999 (No. 182). By ratifying this Convention No. 182, a country commits itself to taking immediate action to prohibit and eliminate the worst forms of child labour.

Recommendation No. 190: R190 - Worst Forms of Child Labour Recommendation, 1999 (No. 190). This recommendation contains, among others, recommendations on the types of hazards that should be considered for inclusion within a country-based definition of Worst Forms of Hazards faced by Children at Work.





Appendix B - References

The requirements of the *LIA Benchmark for Leather Production Social Standards* are based on <u>SSCI</u>, <u>Version</u> <u>1.0</u>, <u>PART III - AI: Processing and Manufacturing scope (social)</u>, developed by the Sustainable Supply Chain Initiative (SSCI) of The Consumer Goods Forum and launched in 2019.

The SSCI Social Criteria are informed by international reference frameworks such as principles from relevant ILO Conventions, the 1998 Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, and the CGF Priority Industry Principles on Forced Labour.