Leather Impact Accelerator (LIA)
DCF Protocol Criteria 1.0 DRAFT #1

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Introduction

About the Leather Impact Accelerator

The Leather Impact Accelerator (LIA) is a program that enables members of the leather value chain to work towards shared expectations in a coordinated way. It provides tools to align their actions towards meaningful global impacts.

The goal of LIA is to leverage and add value to the work that is already being done in the beef and leather industries. To that end, LIA uses benchmarks to set a minimum threshold for practices and give recognition to those who meet or exceed them. Brands can use Impact Incentives to provide direct financial support to farmers that meet LIA benchmarks. The Claims Framework provides guidance for all LIA participants to make credible claims.

LIA is global in scope and addresses:
- Cattle production, including cow-calf, raising and direct operations
  - Animal husbandry
  - Deforestation/conversion
  - Traceability
- All stages of leather production
  - Environmental impacts
  - Social impacts
  - Traceability
- All market sectors, including accessories, automotive, equine, fashion, footwear, furnishings and more

About Textile Exchange

The Leather Impact Accelerator (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.

Benchmark Approach

The industry already has many standards in these areas, so a benchmark approach has been adopted to leverage and add value to the standards and programs that are already in use. In addition to benchmarking, LIA includes requirements for traceability systems and verification protocols.

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

The Leather Impact Accelerator (LIA) uses benchmarks to address:
- Animal Management
- Deforestation/Conversion-Free (DCF)
- Leather Production

To learn more about LIA's benchmarking system and process, read the LIA Benchmarking Guide.

Impact Incentives

Impact Incentives work similarly to a credit-trading system: Incentives refer to the certificates that are traded in support of a sustainability claim. With LIA, the incentives are issued to a producer when a set of criteria have been confirmed to have been met, and the physical goods and the incentives are traded separately from each other. Each incentive represents one cow raised on a farm that is meeting the animal welfare and/or the deforestation/conversion-free requirements for LIA for one year. Brand and retail incentive buyers can purchase an equivalent number of incentives to the hides they buy in from their existing physical supply chain, or simply buy incentives to meet their CSR goals.

The main form of financial reward producers will receive by participating in LIA will be through qualifying to sell Impact Incentives. Currently, few brands are able to trace their source of hides all the way back to the beginning of the supply chain and pay premiums for best practices. However, with Impact Incentives they will have the opportunity to deliver support directly to participating producers.

To learn more about how Impact Incentives work, read the Impact Incentive Guide.

Verification

LIA requires an authorized third-party verifier to ensure that the expectations behind the Incentives/benchmarks are being met, and that the information submitted to the Incentive Trading Platform is accurate and complete. The third-party verifier will be the one that registers the Impact Incentives on the Trading Platform.

Acknowledgements

The Leather Impact Accelerator would not be possible without the help of the International Working Group (IWG) and the individual Scope Committees that worked to review, research, discuss, and approve the revision of LIA. See Appendix C for a list of International Working Group and Scope Committee Members.

How to Use this Document

This document sets forth the overall criteria for assessment against the Leather Impact Accelerator benchmarks at the farm level.

Guidance and support documents are available at LeatherImpactAccelerator.org.

In the LIA DCF Protocol Criteria, 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, and
- "can" indicates a possibility or a capability.

Section A –
Deforestation / Conversion-Free (DCF)
Benchmark

Section A – Deforestation/Conversion-Free (DCF) Benchmark

The DCF benchmark sets protocols to ensure that expectations are clearly understood and met by all LIA participants.

A1. Terms

We recognize that different sectors of the industry in the regions of the world, use a selection of terms that vary (eg: farmer/producer/rancher). We have chosen to use terms that help to make LIA as easy to understand as possible for all users. Further guidance on DCF terms can be found in Appendix B.

LIA has adopted the definitions of the Accountability Framework. Key definitions are listed below, and further interpretations can be found at https://accountability-framework.org/definitions-redirected/.

Conversion: Change of a natural ecosystem to another land use or profound change in a natural ecosystem's species composition, structure, or functio
- 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 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

A2. DCF Benchmark Criteria

A2.1 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 exceed the limits of LIA

A2.2 The area threshold for minimal deforestation or conversion is one hectare.

A2.2.1 Encroachment of woody plants into grasslands (secondary growth or woody weed invasion) can be removed with justification.

A2.2.2 Conversion of an area greater than one hectare is possible only with verification that the area is not High Conservation Value or High Carbon Stock. (See https://hcvnetwork.org/how-it-works/ for more information on how to do an HCV-HCSA Assessment.)

A2.2.3 Exceptions may apply for specific regions that make use of well-established monitoring systems with different area thresholds.

An example of this is the Amazon biome, which uses to 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 no-deforestation or no-conversion 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.

A2.3 The DCF default cut-off date is January 1st, 2020.

A2.3.1 Where regional cut-off dates exist, they will override the default date. Verifiers will be responsible to check 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 1st, 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 with additional regional dates.

Section B – Live Animal Traceability

B1. Live Animal Traceability Requirements

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.

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 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 (provide link to the list)

☐ Other*:

*Please submit any identification or tracking systems that are not on the list of options to ResponsibleLeather@TextileExchange.org for approval.

Appendix A – References

The following references were used in the development of the LIA DCF Protocol Criteria:

- ISEAL Code of Good Practices
- ISEAL Sustainability Benchmarking Good Practice Guide

Deforestation/Conversion-Free (DCF):
- Accountability Framework Initiative

Appendix B - Further Guidance on DCF Definitions

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-table1_v2.pdf

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)

Appendix C – International Working Group & Scope Committee Members

LIA International Working Group (LIA IWG) members: *this section will be added at a later time.*

LIA 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 BruscatoRafael Andrade
Shanel Orton
Roger Steinhardt
Catriona Stevenson