Q: How does Textile Exchange/LIA define “sustainable” leather?

When it comes to fibers and materials (tier 4), Textile Exchange is very often asked by brands and the textile industry at large to define what should be considered as “sustainable” or not. Textile Exchange is currently developing the Preferred Fibers and Materials Matrix which aims to help apparel, footwear and home goods companies make informed sourcing decisions by providing transparent data and consolidated, validated guidance on the industry’s most commonly used materials.

Materials and fibers will be assessed through the PFM Matrix assessment methodology and “preferred” materials will be identified and classified in one of the following levels:

- Level 1: Improved -> improvement from minimizing harmful impacts
- Level 2: Progressive -> maximizing positive effects
- Level 3: Advanced -> regenerative and circular production systems

Thus, our approach is not to define what is “sustainable”, but rather identify what is preferred from business as usual/conventional, which is more inclusive and from there take a tiered approach.
Q: Can LIA be used for other types of leather (e.g. sheep, goats, etc.)?

The first version of LIA only applies to bovine (cow and calf) leather. Future versions may expand to address other animals, however, as of now, the focus is on the cattle supply chain only.

Q: How does LIA address traceability?

The Animal Welfare Standards Benchmark requires that in order 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.

Within the leather production supply chain, LIA encourages companies to engage in implementing leather traceability systems that track the flow of materials between the slaughterhouse and finished leather (and ideally beyond to finished goods). Learn more here.

The ultimate goal of LIA is to build increased traceability into the entire beef and leather supply network. This will set up the conditions for brands to eventually have the ability to physically source from farms that meet their requirements for animal welfare, deforestation, and more, and thus meet their own targets as well as the expectations of their customers.

Q: Will LIA address other issues in addition to deforestation and animal welfare? / Does LIA address regenerative agriculture or biodiversity?

LIA has been designed as an ever-evolving tool, so we are hoping to extend the impact and the issues addressed overtime. We have started discussions and consultations with the LIA...
International Working Group (IWG) and the Responsible Leather Round Table (RLRT) on the need to add a biodiversity component to the program.

Q: How much does it cost to have a standard benchmarked to LIA?

Standards owners may use the free self-assessment form to evaluate if it makes sense to move forward with the full benchmark approval process, which will incur a cost. For more information, please contact us.
Section B - Farm / Animal Welfare / Deforestation

Q: Does the Animal Welfare Standards Benchmark address the Five Freedoms and the Five Domains?

The Baseline and Option 1 levels in the benchmark are aimed at meeting the Five Freedoms, with Option 1 having additional prescriptions over the Baseline. The Five Freedoms of Animal Welfare are:

1. Freedom from Hunger and Thirst
2. Freedom from Discomfort
3. Freedom from Pain, Injury or Disease
4. Freedom to Express Normal Behavior
5. Freedom from Fear and Distress

The higher welfare options (2 and 3) move towards promotion of positive welfare, and alignment with the Five Domains approach.

<table>
<thead>
<tr>
<th>Five Freedoms</th>
<th>Five Domains</th>
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<tbody>
<tr>
<td>1. From hunger and thirst</td>
<td>1. Nutrition</td>
</tr>
<tr>
<td>2. From discomfort</td>
<td>2. Environment</td>
</tr>
<tr>
<td>3. From pain, injury and disease</td>
<td>3. Health</td>
</tr>
<tr>
<td>4. To express normal behaviour</td>
<td>4. Behaviour</td>
</tr>
<tr>
<td>5. From fear and distress</td>
<td>5. Mental state</td>
</tr>
</tbody>
</table>
Q: Does LIA apply to slaughterhouses?

Section F of the Animal Welfare Standards Benchmark describes requirements and recommendations for standards that have slaughter within their scope to be benchmarked against. Furthermore, module two of the LIA Corporate Commitment encourages brands to map their leather production supply chains through to slaughterhouse and ensure they are certified to a LIA-approve animal welfare standard.

Q: If a beef farmer harvested a planted forest on part of their farm, would it be deemed deforestation when they harvest, and therefore and they would lose their certification?

Harvesting a mature tree plantation is not considered “deforestation”. That’s because the tree plantation is planted and therefore not considered “natural forest”. It’s more like a long-term crop. So, the actual act of harvesting that plantation (or long-term crop) is not classified as deforestation.

However, it does matter what existed on the land prior to establishing the plantation in the first place. For example, if a natural forest was removed and replaced by the plantation, that act would indeed be considered deforestation. Or if a natural ecosystem (like a native prairie) was removed and replaced by the plantation, that could be considered conversion. Those acts could disqualify someone from a sustainability certification, depending on the exact rules/criteria. But if the land was previously non-forest and not considered a natural ecosystem, then there shouldn’t be an issue.
Section C - Leather Production

Q: Does the Leather Production Environmental Standards Benchmark refer to the ZDHC MRSL?

The Leather Production Environmental Standards Benchmark addresses the use of MRSLs (Manufacturing Restricted Substance Lists) through both the facility’s MRSLs and customer specific MRSL requirements, but does not require that they meet ZDHC’s MRSL.

LIA-recognized suppliers, however, will be able to specify in their online listing if they comply to the ZDHC MRSL.

Q: How does LIA recognize and reward the leather production supply chain?

The list of LIA-recognized suppliers will be a tool to help brands identify leather production suppliers that are certified to LIA-approved environmental and social standards. This will be particularly resourceful for brands participating in module two of the LIA Corporate Commitment, which requires brands to set a public target for mapping its leather production supply chain down to slaughterhouse and ensuring all suppliers are certified to a LIA-approved environmental and social standard.

The list will provide visibility to suppliers and offer an opportunity for them to showcase additional sustainability attributes, such as the use of traceability systems, supply chain visibility down to slaughterhouse and beyond, etc.
Section D - Participating in LIA

Q: How can brands and retailers work with LIA to meet their goals?

By participating in the LIA, brands and retailers have the opportunity to accelerate impact directly at the farm level through purchases of Impact Incentives; this can be done either by joining module one of the LIA Corporate Commitment or by just purchasing Impact Incentives on their own.

Furthermore, by participating in module two of the LIA Corporate Commitment, brands will work towards creating increased transparency in their sourcing by mapping their leather production supply chains. During this commitment, brands will also ensure their supply chain is certified to LIA-approved standards that address both environmental and social issues, and as a result, potentially have a path towards traceability in the future.

Brands may also make claims about their work with LIA and when purchasing Impact Incentives – see the LIA Claims Guide for more details. Ultimately, LIA helps brands connect with all parts of their supply chains, set consistent expectations that are aligned with industry goals. By working with an industry tool, they can avoid the cost of doing it themselves, and can contribute to progress towards global goals.

Q: What are the benefits of participating in LIA for leather production suppliers?

If a leather production supplier participates in LIA by being or becoming certified to a LIA-approved leather production standard(s) that meets both the social and environmental requirements, then they may apply to become a LIA-recognized supplier. This means they will be included in an online list of suppliers that will be visible to the industry, including brands and retailers who may be looking for supply chain partners to source their leather from. Supply chain members with this status benefit from the industry recognition and business potential of contributing to a more responsible leather supply chain.

Q: What are the benefits of participating in LIA for standards owners?

- Brings added value the farms or facilities being certified to their standard
- Potential to increase number of certifications by working with LIA farms, programs or facilities that are not yet certified to a standard
- Added credibility by being recognized by LIA
– Listing on LIA website – additional potential exposure through other LIA materials, webinars etc.

Q: What are the benefits of working with LIA Impact Incentives?

Transparency

The **brands and retailers** that are investing through Impact Incentives will receive information about the producers and the impacts that they are supporting. This differs from typical “blind trading” schemes. They will be able to tell the story behind the products.

**Producers** can also know who is buying their Impact Incentives and get better understanding the market needs in terms of sustainability and precise data.

Recognition

Impact Incentives ultimately give **producers** recognition for their work and the role it plays in a healthy and fair world.

Through the collective efforts of the Impact Alliance, and the recognition it is quickly gaining on the world stage, there will be many opportunities to profile the ways that **producers** and **partner programs** are delivering on sustainability.

Market Development

All of this creates strong opportunities for **producers** to increase their markets or develop new ones.

Through the Impact Incentives, **brands and retailers** will get to know the producers that they are supporting, and there will be great potential to develop long-term relationships.

**Brands and retailers** may even choose to build their physical sourcing to match up to the producers that they are buying the Impact Incentives from.

Financial

**Producers** and **partner programs** receive payment as directly as possible from the other end of the supply chain: the players in the middle are not involved, and therefore do not take any margins on these payments.

In the case of leather, **producers** receive value for the hides of their animals.
Unlike other credit-trading schemes, Impact Incentives only allow for back-to-back trading. This eliminates speculation, where intermediate traders buy credits at a lower price and hold on to them until the demand increases and the price goes up.