Learning Series:


October 6th, 2021
Textile Exchange convenes the textile community and values diversity of views, expertise, opinions, backgrounds, and experiences. It is expected that members of this community will collaborate by sharing ideas, information, and resources of publicly available information only and avoid discussions on price, strategic plans or other private and sensitive information.
Disclaimer

The goal of the Responsible Leather Round Table is to be a platform for stakeholders in the leather industry to engage with each other, share information, and identify common challenges and opportunities. To this end, we offer opportunities for diverse stakeholders to share their knowledge and perspectives.

The views, thoughts, and opinions expressed in this webinar belong solely to the speakers. As the leader of the RLRT, Textile Exchange strives to maintain a neutral role.
Speakers

Nicole Lambert
Textile Exchange
Manager, Leather

Carolyn Swenson
Reformation
Senior Materials Manager, Footwear

Nancy Tong
VF Corporation
Senior Analyst, Responsible Materials & Traceability

Yoann Regent
Kering
Head of Sustainable Sourcing

Anne Gillespie
Textile Exchange
Director, Impact Acceleration
Agenda

1. Introductions
2. Brand presentations:
   - Reformation
   - KERING
3. Panel discussion
4. Q&A
5 webinars on Traceability in the Leather Supply Chain

- Understanding Traceability and the UNECE Guidelines  
  May 4th

- Traceability Expectations of Sustainability Standards in the Leather Supply Chain  
  May 20th

- Supply Chain Mapping and Traceability Solution Providers in the Leather Supply Chain  
  May 25th

- Joint webinar with NWF and GRSB  
  Traceability at the farm level: focus on Brazil  
  June 1st

- Implementation of Supply Chain Mapping and Traceability in Leather Supply Chains: Brand Experience  
  Oct 6th
Textile Exchange is a global nonprofit that creates leaders in the preferred fiber and materials industry. With a robust membership representing leading brands, retailers, and suppliers, Textile Exchange promotes a suite of leading industry standards, as well as collect and publish critical industry data and insights. We develop and implement tools to help members and retailers to measure, manage and track their use of preferred fiber and materials.
Reformation

Carolyn Swenson
Senior Materials Manager, Footwear
Agenda

1/ Introduction to Reformation
2/ Our Philosophy
3/ Our Framework
4/ Our Foundational Work
5/ Our Roadmap
Reformation began by selling vintage clothing out of a small Los Angeles storefront in 2009. We quickly expanded into making our own stuff, with a focus on sustainability.

Today, we make effortless silhouettes that celebrate the feminine figure and pioneer sustainable practices, focusing on people and progress each step of the way.

Our mission is to bring sustainable fashion to everyone. It is an ever-evolving undertaking, and we don’t have all the answers.

We focus on sustainability initiatives that have the biggest impact, while also sweating the ‘small’ stuff.
Our Philosophy: Be Realistic - Recognize & Own Impact

We use leather in our footwear product, and a limited range of apparel pieces, because it's a durable, versatile material and a product of the meat industry.

But we are realists: using leather has a big impact.

Cattle ranching has been linked to deforestation, the capture of indigenous lands, biodiversity loss, and climate change.
Our Framework: Set Comprehensive Policies to Address Impacts

1 - We require traceability to the slaughterhouse
   We require knowledge of our slaughterhouses as a first step towards knowing our full chain-of-custody.

2 - We know our farms
   We aim to know our farms in order to take responsibility for land-use and animal welfare practices.

3 - We have a zero-tolerance policy on sourcing from the Amazon
   We do not accept hides that are sourced from the Amazon, Cerrado or Pantanal biomes. We prefer to work with hides from the South of Brazil from the Rio Grande del Sul area, from the Pampas biome.
Our Foundational Work: Identify a Compliant, Traceable Supply Base

First, we identified and nominated partners far up the supply chain who are willing & eager to comply with sourcing and traceability policies.

Then, we established a feasible, repeatable standard traceability audit process.
Our Foundational Work: Establish a Standard Audit Process

Traceability - Documentation. Facilitated by trader verified by Ref representative.

**Farms**
- Invoice + Animal Transit Guide (GTA)
  - Sale of Farm to Slaughterhouse
  - Trader documents marking on hides and ear tags and documented with associated GTA

**Slaughterhouse**
- Invoice
  - Slaughterhouses issue the invoice for hides sold to Trader
  - A physical mark is made on each skin, trader documents these codes

**Trader**
- Invoice
  - Trader issues the invoice to PreTanner
  - Physical markings are documented

**Pre-tanning & Tanning**
- Invoice
  - Pre-tannery/Tannery issues the invoice to Trader
  - Physical markings are documented

**Trader**
- Invoice
  - Trader issues the invoice to Finished Tannery
  - Physical markings are documented

**Finished Tannery**
- Invoice
  - Finishing tannery issues invoice to Factory
  - Physical markings are documented
Our Foundational Work: Complete 3rd Party Risk Audit of Supply Base

NWF Risk Assessment

- **Deforestation Assessment**
  - Mapbiomas (both deforestation alerts and annual deforestation)

- **Social-environmental Criteria Evaluation**
  - IBAMA (Brazilian Institute of the Environment and Renewable Natural Resources) Embargoed Properties
  - Conservation & Indigenous Areas (Protected Areas from MMA, the Brazilian Ministry of Environment, and Indigenous Areas from FUNAI, the National Indian Foundation)
  - Slave Labor List

Evaluation of Frigorifico Supply Sheds, using Rural Environmental Registry (CAR)
**Our Roadmap: With the Foundation Established, We Shift Focus to Animal Welfare and Land Use**

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<th>Focus Area</th>
<th>Medium Term (2-3 Years)</th>
<th>Long Term (4+ Years)</th>
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| Auditing Process   | ● Refine audit process focusing on key areas of risk, and further transparency into supply chain  
● Support key supply chain partners in exploration of traceability software or forensic tools | ● Further refinement of audit process and efficient data management                                                                                                   |
| Animal Welfare     | ● Engage in-country organization to run gap analysis and move to adopt animal welfare best practices at abattoirs                                                                                                | ● All abattoirs and farms follow defined animal welfare policy with clear monitoring systems in place                                                                  |
| Land Use           | ● Invest in 3rd party services/partners that offer assistance/management in key areas  
   ○ land use best practices  
   ○ baseline impact measurements  
   ○ parameter setting and monitoring | ● Once baseline measurements are established ongoing improvements in key metrics related to land use are gathered and shared                                           |
Thank you!

carolyn.swenson@thereformation.us
Nancy Tong
Senior Analyst, Responsible Materials & Traceability
Leather Traceability

Nancy Tong, Responsible Materials & Traceability

OCTOBER 2021
Brands

ACTIVE

OUTDOOR

WORK
Leather Usage & Sustainability Targets

**Footwear**

**Accessories & Equipment**

**Sustainability Targets**

**VF Corporation:** 100% of all footwear leather will be finished in Leather Working Group audited tanneries by 2021.

**Timberland:** Source leather from Gold or Silver Leather Working Group (LWG) rated tanneries.
Leather Survey 2021

Goals

• 100% footwear leather from LWG-audited tanneries by 2021

• Confirm compliance to VF Corporation’s Animal Derived Material (ADM) policy

• Assess and minimize social/labor risks to workers
Annual Leather Survey

1. Define survey scope & develop questions
2. Add suppliers to management software
3. VF Traceability distribute emails with survey URL to suppliers via management software
4. Suppliers submit survey through URL link
5. VF Traceability & software AI review supplier feedback & flag any potential risks
Cascading Survey Method

Tier 1
Product manufacturing

Tier 2
Finishing Tannery

Tier 3
Wet Blue Tannery

Tier 4
Slaughterhouse

Tier 5
Farm/Cattle Aggregator

Upstream
Thank you!

Nancy Tong
Senior Analyst, Responsible Materials & Traceability
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Yoann Regent
Head of Sustainable Sourcing
TRANSPARENCY & TRACEABILITY IN THE LEATHER SUPPLY CHAIN

"Our ambition: to be the world’s most influential Luxury group in terms of creativity, sustainability and long-term financial performance"
OUR AMBITION

Watch the video at https://youtu.be/mXacRca9rNU
OUR APPROACH

Engagement

Transparency

Traceability

Innovation

KERING STANDARDS FOR RAW MATERIALS AND MANUFACTURING PROCESSES
THANK YOU

Contact: yoann.regent@kering.com
Empower Imagination
Panel Discussion
Responsible Leather Round Table
2021 Summit

November 19th, 10:00 am – 03:00 pm. IST

Conference dates: November 15 - November 19
Virtual and in-person

Register for the conference: https://textileexchange.org/event/2021-textile-sustainability-conference/
Thank you

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