

Supplier Recognition Process 0.1

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Introduction

About the Supplier Recognition Process

The objective of this document is to provide guidance on the conditions required for a leather production supplier to be recognized through the <u>Leather Impact Accelerator (LIA)</u>, as well as an overview of the application process and outcomes.

All recognized suppliers will be added to an online listing on the LIA website. The list of LIArecognized leather production suppliers is intended to 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 <u>LIA-212 LIA Corporate</u> <u>Commitment</u>, which sets a public target for the brand to map its leather production supply chain down to slaughterhouse and ensure all suppliers are certified to a LIA-approved environmental and social standard.

The list will provide visibility to the leather production suppliers listed and an opportunity for these suppliers to showcase additional sustainability attributes, such as the use of traceability systems, supply chain visibility down to slaughterhouse and beyond.

A LIA-recognized supplier will be allowed to make claims about its participation in LIA. See <u>LIA-</u> <u>311 LIA Claims Guide</u>.

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. To this end, 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 farmers that meet LIA benchmarks, and *LIA-311 LIA Claims Guide* provides support for all LIA participants to make credible claims.

About Textile Exchange



LIA is owned and managed by <u>Textile Exchange</u>. 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 global leather industry already has many standards, 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 give recognition to those who meet or exceed them. LIA uses benchmarks to assess animal welfare standards at the farm level and environmental and social standards during leather production.

How to Use This Document

In this document, 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
- "can" indicates a possibility or a capability
- "may not" indicates a prohibited action

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





Section A - How to Become a LIA-Recognized Supplier

A1. Scope

- A1.1 LIA-recognition may be granted to suppliers of the leather production supply chain, which is defined as all the transformation stages of hide to finished leather from beamhouse to leather finishing.
 - **A1.1.1** The recognition is specific to a production facility.
 - **A1.1.2** A company that owns more than one production facility shall apply for recognition for each individual facility.
- **A1.2** The LIA-recognition scope does not include traders.

A2. LIA-Recognition Criteria

- A2.1 An applicant shall provide evidence that it is certified to a LIA-approved standard(s) (<u>LIA-161 Leather Production Environmental Standards Benchmark</u> and <u>LIA-162 Leather</u> <u>Production Social Standards Benchmark</u>). This may be either:
 - a. Both a LIA-approved environmental standard and a LIA-approved social standard, or
 - b. One LIA-approved standard that meets both the environmental and social leather production standard benchmarks.
 - A2.1.2 The certifications shall be valid and specify the facility(ies) the company is seeking recognition for.
- A2.2 The implementation of a traceability system for hides is recommended and may be added to the facility's information listed on the LIA website.
- A2.3 LIA-recognition shall be valid for the duration of the certification's validity.
 - A2.3.1 Companies shall inform the LIA team of certification renewals and send renewed scope certificates by emailing LIA@TextileExchange.org.
 - A2.3.2 Facilities shall be removed from the LIA-recognized supplier list if renewals are not notified and a certification is expired.





- a. A one-month grace period post-certification-validity shall be granted and may be extended if the company provides evidence that it is in the process of renewing its certification.
- A2.4 Facilities shall be removed from the LIA-recognized supplier list if their certification is suspended or withdrawn.

A3. Before Applying

- A3.1 Choose which facilities the application is being made for LIA-recognition.
- A3.2 The facility(ies) shall be certified to LIA-approved leather production standard(s).
 - A3.2.1 If the facility is not certified to a social and/or environmental standard, it should refer to the list of LIA-approved leather production standards and get certified accordingly.
 - A3.2.2 If the facility is certified to social and environmental standards that are not LIA-approved, it shall work with the standard owner(s) to get the standard(s) LIA benchmarked and approved.
 - **A3.2.3** If the facility is certified to a LIA-approved social and environmental standard, it may proceed with the application.
 - **A3.2.4** All LIA-approved standards are listed on the LIA webpage.

A4. Application Process

- A4.1 The applicant shall contact <u>LIA@TextileExchange.org</u> to obtain an application form.
 - A4.1.1 The application form shall be filled in and returned to LIA@TextileExchange.org.
- A4.2 The application shall be reviewed and verified by the LIA team.
 - **A4.2.1** The application shall be reviewed for completeness.
 - A4.2.2 The validity of the facility's environmental and social certifications shall be verified.





A5. Recognition Approval

- **A5.1** If the application is complete, and the verification of the certifications are confirmed, the supplier shall be approved as a LIA-recognized leather production supplier.
- A5.2 Approval of recognition shall be communicated to the company and a second information form shall be sent to the supplier to collect further information for the website listing.
 - **A5.2.1** The supplier shall be informed of the terms relative to the listing and provided with guidance on claims language.
 - **A5.2.2** The supplier shall pay the listing fee rated at \$250 USD for up to 5 facilities and \$500 USD for more than 5 facilities.

NOTE: This fee will be waved during the pilot year (2021).

- **A5.3** The approved recognized facilities shall be listed on the LIA website.
 - **A5.3.1** The publication may also be followed by a mention in the Textile Exchange newsletter and potentially other Textile Exchange communication channels.
 - **NOTE:** <u>Appendix A</u> illustrates the supplier information that shall be displayed on the LIA website.

A6. Monitoring

- A6.1 The supplier shall be informed one month prior to the certification expiry date to notify LIA team of the renewal of its certification and provide an expected deadline for renewal.
 - A6.1.1 Any supplier that does not proceed to the renewal of its certifications shall be removed from the online list.
 - A6.1.2 If LIA-team is informed of the suspension or withdrawal of a supplier's certification, the supplier shall be immediately removed from the online list.





Appendix A: Information to be Displayed on the LIA Website

- 1. Company name
- 2. Website (optional)
- 3. Contact information for brands/retailers (optional)
- 4. Logo
- 5. Country location of the facility
- 6. Processing stages
- 7. Processing outputs
- 8. Environmental standard
 - 1. Name and details if necessary (e.g. for LWG, the medal level)
 - 2. Date of last certification
 - 3. Validity date
- 9. Social standard
 - 1. Name and details if necessary
 - 2. Last certification date
 - 3. Validity date
- 10. Other optional information:
 - 1. Supply chain visibility down to slaughterhouse
 - 2. Traceability system(s)
 - 3. Complies to ZDHC MRSLs
 - 4. Participation in the Higg facility module
 - 5. Other sustainability attributes, such as water/energy/chemical savings, innovational/alternative process