

# Deforestation-Free Call to Action for Leather Policy Guide



March 2023

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### Introduction

This document provides guidance for brands and retailers developing or reviewing their deforestation/conversion-free sourcing policy for the Deforestation-Free Call to Action for Leather.

The guidance presented here is based on the Accountability Framework's "How to write a strong ethical supply chain policy" guide. It identifies the elements of the Accountability Framework that are critical for the Deforestation-Free Call to Action for Leather roadmap and interprets them for brands and retailers sourcing bovine leather.

While we encourage brands to consider all key risk commodities in their policy, no specific guidance is provided for other commodities in this document. The Accountability Framework provides further information and direction.

### Scope

The Deforestation-Free Call to Action for Leather applies to bovine leather only.

### How to use this document

This document outlines expected and encouraged actions for brands in the context of the Call to Action. Here is a guide to some of the key terms:

- Expected refers to actions that are required for signatory brands.
- Encouraged refers to actions that are recommended for signatory brands.
- Signatory brands, or in short, brands, refers to brands and retailers that have joined the Deforestation-Free Call to Action for Leather.
- Suggested language is provided throughout the guide. Brands are not required to adopt this wording in their policy.
- The use of the term policy in this document refers to the brand's own deforestation/ conversionfree bovine leather sourcing policy, unless specified otherwise.

The Deforestation-Free Call to Action for Leather expects the policy commitment document to be completed within six months of signing on and encourages brands to make their policies publicly available.



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### Section A - Framing your policy in its context

### A.1. Identify key risks to be addressed in your policy

At the start of your policy, it is helpful to share an introduction and some background which contextualizes the issues you are addressing. This includes concerns and opportunities faced by your brand when sourcing bovine leather, and the drive behind making this commitment.

### Expected

• Outline key concerns and opportunities faced by your brand when sourcing bovine leather.

### Suggested language

The following are known challenges found within the bovine leather production system which may be used as part of the introduction to your policy:

- Cattle production continues to be one of the biggest drivers of deforestation and conversion.
- There is evidence of violations of human rights, including the rights of Indigenous peoples and local communities across certain cattle-producing countries.
- There is a lack of visibility to all levels of farming, as well as the post-slaughterhouse supply chain (where leather is transformed).
- There is a lack of robust verification and monitoring systems in place to determine whether leather is coming from deforestation/conversion-free farms, making it challenging for brands to make credible claims.
- There is an urgency to address deforestation and conversion at all levels of bovine cattle production.
- Animal welfare is also an important risk to address across all levels of farming and slaughter.

### A.2. Identify core values and goals relevant to your policy

The next step is to think about the values and goals most important to your brand and be sure that your deforestation policy aligns with them.

### Expected

- List your brand's core values and goals.
- Identify those which will be addressed through your deforestation/conversion-free policy.

### Suggested language

As part of our overall sustainability goals, [brand] is committed to addressing deforestation and ecosystem conversion from our (bovine) leather supply chains and to safeguarding human rights across all our operations and suppliers. This policy outlines our commitment to achieve deforestation/conversion-free supply chains across all our (bovine) leather production and sourcing.



### A.3. Identify external norms to reference in the policy.

There are existing norms that can help to inform your deforestation/conversion-free leather policy, including international conventions, laws, standards, and frameworks. We suggest including the following:

- The Deforestation-Free Call to Action for Leather
- The Accountability Framework initiative and its terms and definitions
- The UN Sustainable Development Goals
- The principles and guidelines laid out in the UN Global Compact
- The UN Guiding Principles for Business and Human Rights
- · The International Bill on Human Rights
- · The International Labour Organization's fundamental conventions
- Other relevant legislation

When presenting the relationship between your brand's policy and each external reference, use this language for clarity:

- In compliance or in conformance means that the brand adheres fully to the requirements or specifications of the referenced initiative.
- Follows or aligns means that the policy is consistent with the intent of the referenced initiative.
- Builds off or uses as a foundation means that the policy was informed by the referenced initiative.

### Expected

Identify or incorporate the external norms that your policy aligns with.

### Suggested language

This policy aligns with the principles and guidelines laid out in the UN Global Compact, the UN Guiding Principles for Business and Human Rights, the International Bill on Human Rights, and the ILO fundamental conventions. The policy also follows the Accountability Framework initiative and incorporates many of its terms and definitions to help clarify the intentions of these commitments and promote alignment in sustainability practices across the sectors where we operate.



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### Section B - Policy scope

### B.1. Identify the scope of the policy

To create a credible policy, it is important to be specific about exactly what it covers. For your deforestation/conversion-free leather policy, this means clearly outlining which materials it applies to, what stages of farming it covers, and if other related commodities are included. For the Deforestation-Free Call to Action for Leather, our requirements as to what this scope should cover are outlined below.

### Expected

- Your policy applies to all bovine leather sourcing.
  - Trims and recycled leather are excluded from scope.
- Your policy applies to all stages of farming, including cow/calf, raising farms, and direct farms.

### Encouraged

- The scope of your policy includes leather trims.
- Your policy applies to other or all key deforestation/conversion risk commodities which your brand sources.
- Your policy includes deforestation/conversion related to embedded feed crops.

### Suggested language

The provisions in this policy apply to all bovine leather that [brand] uses and include time-bound milestones and action plans for achieving the commitments stated in this policy. These will be covered in our implementation plan.

### Other resources

Accountability Framework (2020), How to write a strong ethical supply chain policy (page 10)



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### Section C - Commitments

For the Deforestation-Free Call to Action for Leather, your policy needs to include specific commitments that are made public. For each commitment, and as part of their implementation plan development, you will need to specify time-bound, quantitative targets and milestones that can evaluate progress.

The realities are that the leather supply chain is very long, and brands have limited direct leverage at the farm level. Therefore, you will need to work with your supply chain to cascade down the policy requirements and expectations. Implementing these requirements may be managed and monitored at key control points along the supply chain, such as the slaughterhouse, or through the support of other expert organizations.

## C. 1. [Brand] has a public commitment to deforestation/conversion-free leather sourcing

#### (Aligns with Accountability Framework Core Principle 1.1)

We recognize that the pressures on deforestation and conversion from cattle production are highest in South America. While your brand is expected to conduct risk assessments to prioritize initial areas of actions, the tools and solutions put forward by the Deforestation-free Call to Action for Leather will prioritize efforts on the sourcing needs from South America. Learnings from this region will inform efforts made in other regions at a later stage. Details of key actions will be provided in the Implementation Guide.

### Expected

- Your brand supports the long-term protection of natural forest and ecosystems across its supply base and publicly commits to deforestation/conversion-free leather sourcing.
- Your brand policy includes definitions of deforestation and conversion that align with the Accountability Framework definitions (Appendix A).
- The commitment specifies the target date by when deforestation/conversion-free leather sourcing must be met, which is no later than 2030.
- The commitment specifies a deforestation and conversion cut-off date of December 31, 2020, or earlier.
- The commitment requires third-party verification that the leather being sourced is deforestation/conversion free.
- Your brand website states their commitment to deforestation/conversion-free leather sourcing.





### Encouraged

For deforestation-free:

- The deforestation-free commitment is extended to other/all key risk commodities.
- The deforestation-free policy is published through media releases, webinars, and links to the Deforestation-Free Call to Action for Leather web page.

For conversion-free:

The conversion-free commitment applies globally to the conversion of natural ecosystems from your leather sourcing.

#### Suggested language

[Brand] is committed to addressing deforestation and conversion in our (bovine) leather supply chains. We will work within our own operations and through our suppliers to achieve the protection of forests and natural ecosystems through deforestation-free sourcing [of leather]. We commit to no deforestation of natural forests and ecosystems by 2030 or earlier. The cut-off date after which deforestation and conversion is considered non-compliant with this policy is December 31, 2020. We are prioritizing our focus in South America where risks to deforestation and conversion from cattle production are highest.

These commitments are aligned with the Accountability Framework definitions of deforestation, natural forest, conversion, and natural ecosystem.

#### **Other resources**

- Accountability Framework, Topical summary on Deforestation and Conversion
- Accountability Framework (2019), Operational guidance on Cutoff Dates
- Accountability Framework (2019), <u>Operational guidance on applying the definitions related to</u> <u>Deforestation, Conversion, and Protection of Ecosystems</u>

### C.2. [Brand] has a public commitment to respect human rights

• Your policy must also include a commitment that ensures that human rights requirements are implemented at the farm level.

#### Expected

- Your brand publicly commits to respect internationally recognized human rights. This can be done by referencing an existing brand human rights policy or by including it specifically in your deforestation/conversion-free sourcing policy.
- Your policy commitment shall specify that the rights of Indigenous peoples and local communities are respected and is in alignment with UN Declaration on the Rights of Indigenous Peoples and ILO Convention No. 169, including upholding the principles of Free, Prior and Informed Consent (FPIC).
- Your policy commitment shall apply to all stages of your leather supply chain.

#### Encouraged



- Your policy commitment is extended to other/all sourcing activities (covering direct and indirect activities).
- Your policy commitment is communicated internally and externally, published through media releases, webinars, and links to the <u>Deforestation-Free Call to Action for Leather web page</u>.
- A human rights due diligence process is in place to identify, prevent, mitigate, and account for how to address impacts on human rights from sourcing activities.
- Your brand collaborates with the relevant slaughterhouses, together with external expert organizations, including civil society organizations, if needed, to remediate any human rights infringements.

### Suggested language

[Brand] commits to operate our business consistent with internationally recognized human rights. This commitment applies equally for all persons, regardless of gender and without discrimination. We commit to respect the rights of Indigenous peoples and local communities in all sourcing, consistent with the UN Declaration on the Rights of Indigenous Peoples. We commit to conduct a process of free, prior, and informed consent (FPIC) prior to any activities that might affect the rights of IP/LC and adhere to the outcomes of this process.

We commit to respect workers' rights in all our sourcing (including employees, contractors, temporary, seasonal, part-time, and other workers) consistent with the Conventions of the International Labour Organization (ILO) and applicable law on workers' rights.

We commit to protecting the rights of environmental and human rights defenders, whistle-blowers, complainants, and community spokespersons.

#### **Other resources**

United Nations (2011), United Nations Guiding Principles on Business and Human Rights (UNGPs)

OECD/ FAO (2016), OECD - FAO Guidance for Responsible Agricultural Supply Chains

United Nations (2007), United Nations Declaration on the Rights of Indigenous Peoples

International Labour Organization, Conventions and Recommendations





# C.3. [Brand] has a public commitment to have and implement a grievance mechanism

The UN Guiding Principles on Business and Human Rights outline the need for business enterprises to establish or participate in effective grievance mechanisms for individuals and communities who may be adversely impacted by their operations, directly or indirectly. Such a mechanism also helps your brand to identify issues/grievances related to deforestation and conversion of natural ecosystems. This provides another way to manage and monitor risks related to your policy commitments as part of the Deforestation-Free Call to Action for Leather.

### Expected

- Your brand commits to developing an effective grievance mechanism that addresses complaints and concerns regarding deforestation, conversion, and human rights violations within its supply chains.
  - The grievance mechanism shall align with the Effectiveness Criteria (*criterion 31*) on the UN Guiding Principles on Business and Human Rights.
- Your brand commits to effectively resolving and remediating grievances expeditiously and effectively. For grievances raised at the farm level, the brand works with its supply chain to resolve such grievances.
- Your brand requires your suppliers to put in place effective grievance mechanisms.

### Encouraged

- Your brand collaborates with the relevant slaughterhouses, together with external expert organizations, including civil society organizations, if needed, to manage and remediate grievances.
- Your brand actively supports or participates in restoration and/or conservation efforts to remedy deforestation or conversion that its direct or indirect suppliers caused or contributed to, even when the brand itself did not directly cause or contribute to the environmental harm.

### **Suggested language**

[Brand] commits to establish an effective grievance mechanism to support the implementation of our policy commitment. The grievance mechanism will be developed and assessed in line with the UNGP effectiveness criteria. We will work together with our leather supply chain to put in place grievance mechanisms and to resolve grievances expeditiously and effectively.

### **Other resources**

Accountability Framework (2019), Operational Guidance on Remediation and Access to Remedy

Accountability Framework (2019), Operational Guidance on Supply Chain Management

United Nations (2011). <u>UN Guiding Principles on Business and Human Rights</u>: Effectiveness Criteria For Non-Judicial Grievance Mechanisms (*page 33*)

OECD/ FAO (2016), OECD - FAO Guidance for Responsible Agricultural Supply Chains



### Definitions

Bovine: From cattle and/or buffalo.

Cut-off date: The date after which deforestation and conversion is prohibited.

**Conversion**: Change of a natural ecosystem to another land use or profound change in a natural ecosystem's species composition, structure, or function. 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. (Accountability Framework).

**Conversion-free** or **no-conversion**: Commodity production that does not cause or contribute to the conversion of natural ecosystems.

**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. This definition pertains to no-deforestation supply chain commitments, which generally focus on preventing the conversion of natural forests.

Severe degradation (scenario iii in the definition) constitutes deforestation even if the land is not subsequently used for a non-forest land use. Loss of natural forest that meets this definition is considered to be deforestation regardless of whether or not it is legal (Accountability Framework).

**Forest:** Land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 percent, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or other land use. Forest includes natural forests and tree plantations. For the purpose of implementing no-deforestation supply chain commitments, the focus is on preventing the conversion of natural forests (Accountability Framework).

**Grievance mechanism**: Any routinized process through which grievances concerning businessrelated negative impacts to human rights or the environment can be raised and remedy can be sought. Grievance mechanisms may be state-based or non-state-based and they may be judicial or nonjudicial. (Adapted from the UN Guiding Principles on Business and Human Rights).

**Leather:** A hide or skin with its original fibrous structure more or less intact and tanned so it does not rot either with or without hair or wool attached, inclusive of hides or skin split into layers or segmented either before or after tanning, with any surface coating or surface layer no thicker than 0.15 mm.

**Natural ecosystems:** An ecosystem that substantially resembles – in terms of species composition, structure, and ecological function – one that is or would be found in a given area in the absence of major human impacts. This includes human-managed ecosystems where much of the natural species composition, structure, and ecological function are present (Accountability Framework).

- Natural ecosystems include:
- Largely "pristine" natural ecosystems that have not been subject to major human impacts in recent history.
- Regenerated natural ecosystems that were subject to major impacts in the past (for instance by agriculture, livestock raising, tree plantations, or intensive logging) but where the main causes of impact have ceased or greatly diminished and the ecosystem has attained species



composition, structure and ecological function similar to prior or other contemporary natural ecosystems.

- Managed natural ecosystems (including many ecosystems that could be referred to as "seminatural") where much of the ecosystem's composition, structure, and ecological function are present; this includes managed natural forests as well as native grasslands or rangelands that are, or have historically been, grazed by livestock.
- Natural ecosystems that have been partially degraded by anthropogenic or natural causes (e.g., harvesting, fire, climate change, invasive species, or others) but where the land has not been converted to another use and where much of the ecosystem's composition, structure, and ecological function remain present or are expected to regenerate naturally or by management for ecological restoration.

#### Natural forest: A forest that is a natural ecosystem.

- Natural forests possess many or most of the characteristics of a forest native to the given site, including species composition, structure, and ecological function. Natural forests include (Accountability Framework):
  - Primary forests that have not been subject to major human impacts in recent history
  - Regenerated (second-growth) forests that were subject to major impacts in the past (for instance by agriculture, livestock raising, tree plantations, or intensive logging) but where the main causes of impact have ceased or greatly diminished and the ecosystem has attained much of the species composition, structure, and ecological function of prior or other contemporary natural ecosystems
    - **Managed natural forests** where much of the ecosystem's composition, structure, and ecological function exist in the presence of activities such as:
      - Harvesting of timber or other forest products, including management to promote high-value species.
      - Low intensity, small-scale cultivation within the forest, such as less-intensive forms of swidden agriculture in a forest mosaic.
    - **Forests that have been partially degraded** by anthropogenic or natural causes (e.g., harvesting, fire, climate change, invasive species, or others) but where the land has not been converted to another use and where degradation does not result in the sustained reduction of tree cover below the thresholds that define a forest or sustained loss of other main elements of ecosystem composition, structure, and ecological function.
- The categories "natural forest" and "tree plantation" are mutually exclusive, though in some cases the distinction may be nuanced. Please see the Operational Guidance on Applying the Definitions Related to Deforestation, Conversion, and Protection of Ecosystems for further discussion of boundary cases.
- For the purpose of corporate no-deforestation commitments, the focus is on preventing the conversion of natural forests.

**Remediation and remedy:** Terms used interchangeably or in combination with one another to refer to both the process of providing redress for a negative impact and the substantive outcomes that can counteract, or make good, the negative impact. These outcomes may take a range of forms such as apologies, restitution, rehabilitation, restoration, financial or non-financial compensation, and punitive sanctions (whether criminal or administrative, such as fines), as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition (Accountability Framework).



**Restoration** (In relation to environmental harms): The process of assisting the recovery of an ecosystem, and its associated conservation values, that has been degraded, damaged, or destroyed. (Accountability Framework).

• The term "restoration" is also used in the context of remediation of human rights harms, for which restoration may come in many forms (e.g., restoration of benefits, employment, or access to lands). See the Operational Guidance on Remediation and Access to Remedy.

**Retailer:** A business that sources different products or services from different suppliers and sells them directly to consumers. This includes supermarkets, convenience stores, lumber and home improvement stores, home furnishings stores, online retailers, restaurant chains, and the like. The Deforestation-Free Call to Action for Leather is directed towards retailers and brands.

**Signatory brands:** Refers to brands and retailers that have joined the <u>Deforestation-Free Call to</u> <u>Action for Leather</u>. Referred to in short as brands.

**Trims (or trimmings)**: Raw materials used in minor amounts on a garment or leather product, and which are directly attached to add a styling element. Materials like threads, buttons, lining, Interlining, zippers, labels, care labels, interlining, elastic are a few examples of trims.



