



Textile
Exchange

Deforestation-Free Call to Action for Leather

Overview



March 2023

Background

Cattle rearing is considered one of the largest drivers of tropical deforestation globally, as well as a major driver of conversion of natural ecosystems, such as grasslands and savannahs. The private sector has an important role to play, both individually and collectively, to transform their supply chains by addressing the deforestation and conversion of natural ecosystems.

Leather brands and retailers are facing increasing pressure from special interest groups, non-profit organizations, investors, media, and now from legislation, to ensure that the leather products and materials they are sourcing are deforestation and conversion-free. In parallel, brands are finding it challenging to engage with their suppliers and map their supply chains far enough to identify their raw material sources, let alone to take action.

Given the need for industry support, Textile Exchange and Leather Working Group (LWG) are co-leading the Deforestation-Free Call to Action for Leather, which asks brands to **commit to sourcing their bovine leather from deforestation-free supply chains by 2030 or earlier**.

The Deforestation-Free Call to Action for Leather takes an ambitious and practical approach to driving action towards ending deforestation and conversion. This is underpinned by valuable stakeholder engagement and inputs from an NGO advisory group including the National Wildlife Federation, the WWF, and the Accountability Framework initiative, as well as a brand advisory group (a group of leather brands and retailers that represent the interests of companies sourcing and retailing leather products).

Our goal

The Deforestation-Free Call to Action for Leather sets meaningful expectations for brands and develops tools and guidance to support them to reach the 2030 target. Ultimately, its goal is to galvanize action towards ending the deforestation and conversion of natural ecosystems from leather supply chains, protecting wildlife habitats and biodiversity as well as preserving carbon stocks to mitigate climate change. We understand that cattle farming practices cannot be transformed overnight, so **working together in partnership with suppliers will be critical** to drive change on the ground and deliver the outcomes of the Deforestation-Free Call to Action for Leather.

The impacts we want to have

- Leverage the size and power of consumer-facing leather brands and align their action to catalyze change in leather value chains.
- Ensure that the responsibility to invest in the protection of forests and ecosystems is shared more equitably across both ends of the supply chain, and between majority and minority world countries.
- Provide better visibility in long and complex supply chains, in turn improving communication between brands and their supply chain partners and allowing deforestation/conversion-free practices to be rewarded.
- Increase the availability of verified deforestation and conversion-free cattle farms.
- Improve transparency through reporting on the collective progress being made by participating brands.

How your brand can help us get there

- Working collaboratively to send unified messages to producers about the demand for deforestation/conversion-free leather.
- Investing in solutions for producers to support the preservation of forests and other natural ecosystems.
- Undertaking risk assessments and prioritizing action where effort is needed most.
- Engaging and supporting suppliers effectively along the journey for sourcing deforestation and conversion-free leather.

What commitment is expected?

- Commit to sourcing all bovine leather from deforestation and conversion-free supply chains by 2030 or earlier.
- Commit to zero gross deforestation and conversion for all levels of farming including cow/calf, raising farms, and direct farms.
- Commit to respecting human rights across the entire bovine leather supply chain, which includes recognizing and protecting the rights of Indigenous peoples and local communities.
- Commit to working together with your supply chain to identify and respond to grievances that arise, including those related to deforestation, conversion and violations to human rights related to cattle production.

All commitments are explained in more detail in the Deforestation-Free Call to Action for Leather Policy Guide.

To deliver on these commitments, it is expected that brands will also commit to the following:

- Set and cascade requirements for deforestation/conversion-free sourcing to all levels of farming.
- Set and meet targets for mapping supply chains to the slaughterhouse level and identify the associated risk levels.
- Set and meet investment targets and timelines to drive industry transformation, by creating conditions that increase the supply of deforestation/conversion-free cattle production and that enable traceability to cattle farms.
- Implement identity preservation system to allow for credible sourcing of verified deforestation/conversion-free leather.
- Report progress along the Deforestation-Free Call to Action for Leather roadmap through Textile Exchange's Materials Benchmark (and the LWG Sourcing Declaration, if applicable) on an annual basis.

Milestones for signatory brands to meet

	Policy	Investment	Supply Chain Mapping
Within 6 months from signing up:	<ul style="list-style-type: none"> ✓ Developed ✓ Public commitment to deforestation/conversion-free 	<ul style="list-style-type: none"> ✓ Plan developed ✓ Initial investment target identified 	<ul style="list-style-type: none"> ✓ Plan & develop milestones to slaughterhouse ✓ Initial actions started
Within 1 year from signing up:		<ul style="list-style-type: none"> ✓ First investment made 	

Geographical priorities

While the risks of deforestation and conversion associated with leather sourcing are global, it is acknowledged that the priority areas for a brand’s action will depend heavily on the characteristics of their suppliers and their geographic sourcing areas. Your brand's deforestation/conversion-free sourcing strategy will be informed by the outputs of a risk assessment which identifies risk of environmental and social noncompliance within your supply chains. This allows your brand to prioritize its actions accordingly. Further guidance for undertaking risk assessment and prioritization will be provided.

We also recognize that the pressures on deforestation and conversion from cattle production are highest in South America. While your brand will set its own priorities based on their supply chain characteristics, the tools and solutions put forward by the Deforestation-Free Call to Action for Leather prioritize efforts on the sourcing needs from South America. Learnings from this region will inform efforts made in other regions at a later stage.

The 2030 target date

The European Union Deforestation Regulation (EUDR) requires that hides imported into the European Union must be from deforestation-free supply chains (including direct and indirect farms) and the implementation target is expected to be 2025. Likewise, a number of NGOs have set targets that reference 2025.

We are encouraged to see this focus on preventing commodity-driven deforestation, and acknowledge that target dates that are nearer to the present can send strong signals to cattle producers and support brands to bring deforestation risk higher up their internal agendas and strategies. However, in some cases – including that of notoriously complex supply chains such as leather – they may not be achievable.

The Deforestation-Free Call to Action for Leather takes a longer-term approach to achieving its no deforestation target of 2030 for the following reasons:

- **Leather supply chains are long and complex:** Leather sourcing has an important role to play in stopping deforestation and conversion. However, when compared to the beef industry, brands face more complicated supply chains and are further away from source, recognizing that both

share supply chains from the slaughterhouse down to farms. This means that brands will require more time to gain visibility and cascade down requirements within their supply chains.

- **The leather industry is at an early stage of addressing deforestation and conversion:** While the pressures facing the leather industry have come on more recently when compared to other industries, the risks are equally high. There are already learnings from the beef sector and it will be critical for the leather sector to work cross-industry from the slaughterhouse down to farms. Leather brands will realistically require more time to tackle the challenges faced in their sector, including the industry transformation needed to enable deforestation/ conversion-free leather sourcing.

Developing interim targets and milestones will be key for brands to keep momentum and ensure that resources are used as part of their implementation. Further guidance on this will be provided within the Implementation Guide.