



Textile  
Exchange

# LIA Deforestation/ Conversion-Free (DCF) Protocol 1.0



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The LIA Deforestation/Conversion-Free (DCF) Protocol 1.0 replaces the LIA Deforestation/Conversion-Free (DCF) Protocol 0.2 and is effective as of July 07, 2023.

English is the official language of the *LIA Deforestation/Conversion-Free (DCF) Protocol 1.0*. In any case of inconsistency between versions, reference shall be made to the English version.

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## Document Revision

The *LIA Deforestation/Conversion-Free (DCF) Protocol 1.0* will undergo a revision process at least every five years. The next revision is tentatively scheduled to begin in 2027, for completion in 2028. Please note that Textile Exchange may decide to revise earlier at our discretion. You may submit feedback to Textile Exchange at any time; send to [LIA@TextileExchange.org](mailto:LIA@TextileExchange.org). Points of clarification may be incorporated into supplementary and guidance documents prior to 2025. More substantive feedback or suggested changes will be collected and reviewed as part of the next revision of the document.

## Revision History

LIA Deforestation/Conversion-Free (DCF) Protocol 0.2, released 2021.05.26



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# Introduction

## About the Deforestation/Conversion-Free (DCF) Protocol

The goal of LIA Deforestation/Conversion-Free (DCF) Protocol is to require third-party verification of farms as deforestation/conversion-free. It sets forth the overall criteria of LIA Deforestation/Conversion-Free (DCF) Protocol at the farm level.

Farms verified as DCF qualify to sell Impact Incentives or participate in a LIA Impact Partnership. Impact Partnerships support them in achieving certification to a LIA-approved Animal Welfare standard.

The LIA Deforestation/Conversion-Free (DCF) Protocol aligns with the [Accountability Framework initiative](#) definitions and verification requirements. [The AFi Operational Guidance on Applying the Definitions Related to Deforestation, Conversion, and Protection of Ecosystems](#) is an excellent resource for the interpretation of the definitions.

## About the Leather Impact Accelerator (LIA)

The Leather Impact Accelerator (LIA) is a set of tools that help the industry address the core challenges it faces around leather production. LIA establishes minimum social, environmental, and animal welfare requirements in the leather supply chain, incentivizes farmers and leather producers to meet them, gives brands a way to reward those that do, and encourages transparency along the way. Learn more at [www.textileexchange.org/leather-impact-accelerator](http://www.textileexchange.org/leather-impact-accelerator)

## About Textile Exchange

LIA is owned and managed by Textile Exchange. Textile Exchange is a global non-profit driving positive impact on climate change across the fashion and textile industry. It guides a growing community of brands, manufacturers, and farmers towards more purposeful production from the very start of the supply chain.

Its goal is to help the industry to achieve a 45% reduction in the emissions that come from producing fibers and raw materials by 2030. To get there, it is keeping its focus holistic and interconnected, accelerating the adoption of practices that improve the state of our water, soil health, and biodiversity.

For real change to happen, everyone needs a clear path to positive impact. That's why Textile Exchange believes that approachable, step-by-step instruction paired with collective action can change the system to make preferred materials and fibers an accessible default, mobilizing leaders through attainable strategies, proven solutions, and a driven community.

**At Textile Exchange, materials matter.** To learn more, visit [TextileExchange.org](http://TextileExchange.org)

## About Climate+

At Textile Exchange, our goal is to help the fashion and textile industry achieve a 45% reduction in the greenhouse gas (GHG) emissions that come from producing fibers and raw materials by 2030. This is known as Tier 4 of the supply chain, and it accounts for 24% of the industry's GHG impacts.

This goal underpins our Climate+ strategy. We call it Climate+, because it goes beyond accounting for GHG emissions. Instead, it is an interconnected approach that swaps siloed solutions for interdependent impact areas like soil health, water, and biodiversity.

The + is also an acknowledgment that Textile Exchange cannot achieve this goal alone.

The Leather Impact Accelerator contributes directly to the Climate+ goal by addressing:

- Deforestation and conversion at the farming tiers of the bovine leather supply chain, which contribute to GHG emissions, impact soil health, water, biodiversity, and people.
- Animal welfare at the farming and slaughter tiers of the bovine leather supply chain.

## Impact Incentives and Impact Partnerships

Impact Incentives are certificates that are traded in support of a sustainability claim. The Impact Incentives are issued to a producer when a set of criteria has been verifiably met. Physical goods and the Impact Incentives are traded separately from one another; the Impact Incentives represent a verified quantity of material that has been produced but has not been physically traded.

The way that LIA Impact Incentives work is simple: farms that are certified to a standard or program that meets the LIA Animal Welfare Standards Benchmark and/or are verified as Deforestation/Conversion-Free (DCF) will be able to sell Impact Incentives for their volume of output. Brands can then purchase these Impact Incentives to address their use of leather or to meet their CSR goals.

An Impact Partnership is a collaboration between brands, on-the-ground organizations (Program Partner), and producers. Through LIA Impact Partnerships, brands provide financial support to Program Partners to help producers to achieve Animal Welfare certification. If an Impact Partnership includes the DCF scope, all farms need to meet the DCF requirements in order to participate.

LIA Impact Incentives and Impact Partnership Incentives can be generated by all sizes and stages of farming, from cow-calf operations to direct and/or full-cycle farms.

## Verification

LIA requires an authorized third-party verifier to confirm that all requirements have been met before the Impact Incentives or Impact Partnership Incentives can be registered. Verification requirements are addressed in the Impact Incentives and LIA Verification Procedures and Checklist(s).

## Acknowledgements

The *LIA Deforestation/Conversion-Free (DCF) Protocol 1.0* would not be possible without the help of the Leather Impact Accelerator Revision International Working Group that worked to review, research, discuss, and approve the revision of the *LIA Deforestation/Conversion-Free (DCF) Protocol 1.0*.

## How to Use this Document

This document sets forth the overall criteria for assessment against the LIA standard benchmark.

The following terms are used to indicate requirements, recommendations, permissions, and possibilities or capabilities:

- “Shall” indicates a requirement;
- “Should” indicates a recommendation (non-binding),
- “May” indicates a permission (non-binding), and
- “Can” indicates a possibility or a capability.

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

## Section A - Deforestation/Conversion-Free (DCF) Protocol Requirements

We recognize that different sectors of the industry in the regions of the world use a selection of terms that vary. The LIA terms align with definitions of the [Accountability Framework Initiative \(AFi\)](#). The terms can be found in [Appendix A](#).

**A1.1** Farms shall meet the AFi definitions of No-Deforestation and No-Conversion.

### **Accountability Framework Initiative's definition of No-Deforestation:**

(Synonym: deforestation-free): Commodity production, sourcing, or financial investments that do not cause or contribute to deforestation (as defined by the Accountability Framework).

- No-deforestation refers to no gross deforestation of natural forests.
- In the context of the Accountability Framework, “deforestation” refers to the 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.
- The AFi recognizes the High Carbon Stock Approach (HCSA) as a practical tool to implement no-deforestation in the tropics, in contexts where the tool has been validated.

### **Accountability Framework Initiative's definition of No-Conversion:**

(Synonym: conversion-free): Commodity production, sourcing, or financial investments that do not cause or contribute to the conversion of natural ecosystems (as defined by the Accountability Framework).

- “No-conversion” refers to no gross conversion of natural ecosystems.
- AFi defines “conversion” as the change of a natural ecosystem to another land use or profound change in a natural ecosystem’s species composition, structure, or function.
  - Deforestation is one form of conversion (conversion of natural forests).
  - Conversion includes severe degradation or the introduction of management practices that result in a substantial and sustained change in the ecosystem’s former species composition, structure, or function.
  - Change to natural ecosystems that meets this definition is considered to be conversion regardless of whether or not it is legal.

**Guidance:**

- “Zero net” approach is not allowed: e.g. a farmer may not cut down 50 hectares of forest in one area, then plant 50 hectares in another area.
- “Legal” deforestation and conversion is not allowed.

**A1.2** The area threshold for minimal levels of deforestation and conversion is no more than 5% of the total property area, up to 20 hectares.

**A1.2.1** Levels of deforestation and conversion that occur after the cut-off date shall be assessed each year, cumulatively over space and time. Multiple small instances of conversion that in total exceed the threshold are considered non-compliant.

**A1.2.2** No deforestation or conversion is allowed for the purpose of expanding the agricultural production area.

**A1.2.3** The definition of maximum area threshold is in alignment with AFi’s definition of minimal level (of deforestation or conversion), see Appendix A.

**A1.3** The deforestation-free default cut-off date is December 31st, 2020.

**A1.3.1** In addition, where earlier legal and/or sector-wide cut-off dates exist, the earlier cut-off dates and their requirements apply.

**A1.4** The conversion-free default cut-off date is December 31<sup>st</sup>, 2020.

**A1.4.1** In addition, where earlier legal and/or sector-wide cut-off dates exist, the earlier cut-off dates and their requirements apply.



## Appendix A – Definitions

LIA has adopted the definitions of the [Accountability Framework Initiative](#). Key definitions are listed below, and further interpretations can be found [on the AFi website](#).

**Conversion:** Change of a natural ecosystem to another land use or profound change in a natural ecosystem’s species composition, structure, or function.

- Deforestation is one form of conversion (conversion of natural forests).
- Conversion includes severe degradation or the introduction of management practices that result in a substantial and sustained change in the ecosystem’s former species composition, structure, or function.
- Change to natural ecosystems that meets this definition is considered to be conversion, regardless of whether it is legal.

**Conversion-free** (synonym: no-conversion): Please refer to the full AFi definition of **no-conversion** provided in this appendix.

**Cut-off date** (related to no-deforestation and no-conversion): The date after which deforestation or conversion renders a given area or production unit non-compliant with no-deforestation or no-conversion commitments, respectively. Within LIA, industry-applicable regional cut-off dates are defined within the LIA regional verification checklists. Considerations will be given to agreements and commitments made by sectors or relevant parts of sectors.

**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 non-forest land use.
- Loss of natural forest that meets this definition is considered to be deforestation, regardless of whether it is legal.
- The Accountability Framework’s definition of deforestation signifies “gross deforestation” of natural forest where “gross” is used in the sense of “total; aggregate; without deduction for reforestation or other offset.”

**Deforestation-free** (synonym: no-deforestation): Please refer to the full AFi definition of **no-deforestation** provided in this appendix.

**Degradation:** Changes within a natural ecosystem that significantly and negatively affect its species composition, structure, and/or function and reduce the ecosystem’s capacity to supply products, support biodiversity, and/or deliver ecosystem services.

Degradation may be considered conversion if it:

- is large-scale and progressive or enduring;
- alters ecosystem composition, structure, and function to the extent that regeneration to a previous state is unlikely, or

- leads to a change in land use (e.g., to agriculture or other use that is not a natural forest or other natural ecosystem).

**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.

- Quantitative thresholds (e.g., for tree height or canopy cover) established in legitimate national or sub-national forest definitions may take precedence over the generic thresholds in this definition.
- The Accountability Framework should not be interpreted as weakening or qualifying any protection or provision of national forestry laws, including when these laws apply to legally classed forests that are tree plantations or presently have little or no tree cover. As stated in Core Principle 3.4, company commitments are additional to applicable law, and when both apply to the same topic, the highest (more protective) standard prevails.
- The AFI advocates that natural forests be distinguished from tree plantations for the purpose of conducting forest inventories and quantifying forest loss and gain. This will facilitate comparability between government forest monitoring and the tracking of supply chain commitments focused on human-induced conversion of natural forests.

**Minimal level** (of deforestation or conversion): A small amount of deforestation or conversion that is negligible in the context of a given site because of its small area and because it does not significantly affect the conservation values of natural ecosystems or the services and value they provide to people.

**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:
  - a) **Primary forests** that have not been subject to major human impacts in recent history.
  - b) **Regenerated (second-growth) forests** that were subject to major impacts in the past (i.e., 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.
  - c) **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.

d) **Forests that have been partially degraded** by anthropogenic or natural causes (e.g., harvesting, fire, climate change, invasive species, and so on) 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.

**Net deforestation:** The difference in forest area between two points in time, taking into account both losses from deforestation and gains from forest regeneration and restoration. Net deforestation is measured with reference to a given geographic area (e.g., a district, state, nation, or globe) and a given timeframe.

- The Accountability Framework specifies that net deforestation is not an appropriate metric for characterizing the forest and land-use footprint of company operations, supply chains, or investments. Rather, companies should utilize the concept of (gross) deforestation, as defined by the Accountability Framework, in setting targets and monitoring outcomes.
- This definition is provided here for context and completeness because it sometimes appears in the lexicon. Some have suggested that net deforestation may be a relevant concept for setting targets and informing land-use planning at the landscape, jurisdictional, or national scale, considering all sectors and all land uses together. To the extent that the net deforestation concept is used in these contexts, the AFI advocates that natural forests be distinguished and tracked separately from tree plantations for the purpose of quantifying forest loss and gain.

**No-conversion** (synonym: conversion-free): Commodity production, sourcing, or financial investments that do not cause or contribute to the conversion of natural ecosystems (as defined by the Accountability Framework).

- “No-conversion” refers to no gross conversion of natural ecosystems, which the Accountability Framework specifies as the appropriate policy and goal on this topic for companies and supply chains.
- The terms “no-conversion” and “conversion-free” are used in favor of “zero-conversion” because “zero” can imply an absolutist approach that may be at odds with the need to sometimes accommodate minimal levels of conversion at the site level in the interest of facilitating optimal conservation and production outcomes (see definition for Minimal Level [of deforestation or conversion]).

**No-deforestation** (synonym: deforestation-free): Commodity production, sourcing, or financial investments that do not cause or contribute to deforestation (as defined by the Accountability Framework).

- “No-deforestation” refers to no gross deforestation of natural forests, which the Accountability Framework specifies as the appropriate policy and goal on this topic for companies and supply chains.
- In the context of the Accountability Framework, deforestation refers to the loss of natural forest (see definition of Deforestation).
- The AFi recognises the High Carbon Stock Approach (HCSA) as a practical tool to implement no-deforestation in the tropics, in contexts where the tool has been validated.<sup>1</sup>
- The terms “no-deforestation” and “deforestation-free” are used in favor of “zero-deforestation” because “zero” can imply an absolutist approach that may be at odds with the need sometimes to accommodate minimal levels of deforestation at the site level in the interest of facilitating optimal conservation and production outcomes (see definition for Minimal Level [of deforestation or conversion]).

**Producer:** The owner or manager of a farm, estate, plantation, or ranch used to produce agricultural products, or of a forest that is managed at least in part for the harvest of forest products. This includes smallholders, producer groups, and production systems owned or managed by communities.

**Production unit:** A discrete land area on which a producer cultivates crops, manages timber, or raises livestock.

**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.

**Sector-wide cutoff dates:** cutoff dates that are widely agreed upon and applied for a particular commodity in a particular geographic area. That geographic area may be a country, a region within a country, or several countries sharing a similar production and conservation context. Sector-wide cutoff dates may arise through various means, including: i) voluntary action of groups of companies comprising a large portion of the given sector context, ii) government policy and enforcement, or iii) combinations of these or other means.

**Zero net deforestation:** No net loss in forest area between two points in time, accounting for both losses from deforestation and gains from forest regeneration and restoration. Zero net deforestation would typically be assessed with reference to a given geographic area (e.g., a district, state, nation, or globe) and a given timeframe.

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<sup>1</sup> For more information on the present application of this tool—including the contexts in which it is being applied, trialed, and prepared for trialing—see the HCSA application and trials dashboard (<http://highcarbonstock.org/further-resources/hcsa-application-and-trials-dashboard>) and the 2018 advice note on application in different contexts (<http://highcarbonstock.org/wp-content/uploads/2018/10/AdviceNote18-1-EC-Membership-GlobalRequirements-070918.pdf>).

- The AFi advocates against the use of zero net deforestation as a target related to the forest and land-use footprint or outcomes of company operations, supply chains, or investments.
- This definition is provided here for context and completeness because it sometimes appears in the lexicon. Zero net deforestation may be a relevant target at the landscape, jurisdictional, or national scale, considering all sectors and all land uses together. To the extent that such a target is set in these contexts, the AFi advocates that the target also be disaggregated to establish separate sub-targets for and tracking of natural forests and tree plantations, so that the intended types of forest conservation, loss, and/or gain are clearly specified.



## Appendix B – References

The following references were used in the development of *LIA Deforestation/Conversion-Free (DCF) Protocol v1.0*:

- [ISEAL Code of Good Practices](#)
- [Accountability Framework Initiative](#)