



Sustainable Leather Foundation’s pathway to no-deforestation and preservation of biodiversity

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Introduction

Within the leather value chain, the risk of deforestation exists, in some geographies, due to land use change and conversion of natural landscapes for agriculture expansion and livestock grazing. The hides and skins of livestock, as a byproduct of meat production, provide the raw material from which leather is manufactured and, without livestock the leather industry would not exist.

¹ United Nations Framework Convention for Climate Change (UNFCCC) Decision 11/CP.7, https://unfccc.int/decisions?such=i&search2=&page=13&order=decision_related_event_date&sort=asc

The responsibility of this upstream element primarily rests with farmers, ranchers and meatpackers. However, consumers should be able to know about the integrity of their leather products and that the leather industry cannot tacitly accept deforestation through opaque or undisclosed raw material sourcing. Responsible sourcing is a governance requirement of the whole leather value chain.

Agriculture, cattle grazing, and farming can have both a negative and positive impact on biodiversity: negative through land conversion, land degradation and loss of habitat, and positive through adequate soil management and control of dominant species that could otherwise eradicate smaller species

The Sustainable Leather Foundation (SLF) believes that through due diligence and respecting the natural balance of ecosystems, the leather industry is well positioned to be a positive driver for a sustainable cycle of production that safeguards against the exploitation of people and finite planet resources. This document will outline the Foundation’s position on how the leather value chain can work together for a more sustainable industry that respects forests and land.

What is Deforestation and Biodiversity?

Deforestation is defined as “the direct human-induced conversion of forested land to nonforested land”.¹

Biodiversity is defined as “the variability among organisms from all sources including terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; it includes diversity within species, between species and of ecosystems “.²

² UN Environment Programme (UNEP) Ecosystem Services Bloom or Bust?: https://www.unepfi.org/fileadmin/documents/bloom_or_bust_report.pdf#:~:text=Biodiversity%20includes%20plants%2C%20animals%20and,part%3B%20it%20includes%20diversity%20within

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Most regions of the world suffer from some degree of deforestation; however the Amazon region is where the large-scale conversion of land to cattle grazing has been a major cause of deforestation for many decades. Given that the Amazon accounts for over 50% of the earth's rainforests, its survival is vital to the future of biodiversity, the natural regulation of the global climate and mankind. The primary drivers of deforestation are:

- Agriculture:
 - Palm Production
 - Soy Production
 - Animal farming
- Infrastructure projects
- Illegal Logging
- Mining
- Forest fires
- Climate change

Many of the above risks interlink or overlap, for example, increased land clearing for agriculture, whether for cattle grazing or other agricultural production, will increase the need for infrastructure and the unintended consequences of adding new settlements.



The wider context of biodiversity includes the loss of natural ecosystems that thrive, not just within forests but also within other ecologically important systems such as grasslands and marine environments – all of which can be impacted directly or indirectly by leather manufacture. Thus, systems for traceability and transparency in leather production are critical to protect these at-risk ecosystems from pollution, exploitation, nutrient overloading or depletion and habitat change.

SLF works to connect partners throughout the value chain for collective action to support no-deforestation value chains. Through building the traceability and transparency of the supply chain, SLF will enable consumers to understand where their products come from and to drive change.

Challenges

Halting deforestation does not have a one-dimensional solution and commitments are sometimes framed in affirmative terms such as “forest positive”, “net positive” or “regenerative”. It is a complex issue that includes conserving biodiversity, carbon stocks and ecosystems, while supporting sustainable livelihoods and increasing equity through respect for human rights.

Human societies and forests are interdependent, not just for assurance of sound planetary resources for future generations, but for the millions of people whose livelihoods depend directly on forests for food, fire and shelter. Globally, society also uses wood in everyday living for furniture and other consumables, and even in the leather industry, bark is used for tanning. Finding a balance that allows for the sustainable use of forests without over-use and depletion is the key to a sustainable future.

It is estimated that human impacts have already led to the loss of around 40% of the world's forests. And we are losing forests at a rate of 10 million hectares per year.³

³ <https://explore.panda.org/forests>

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With agriculture and forestry commodities driving the majority of tropical deforestation, hundreds of companies that produce or source products have already made commitments to halt deforestation associated to their supply chains. Many of these companies, including major brand owners, committed to eliminate deforestation by 2020. However, forest loss is still as high as ever, and in fact was 12% higher in 2020 than the year before and well above the 2010-2015 baseline.⁴

Recognising the scale of the challenge and with a vision of protecting and sustainably managing this essential resource, the Sustainable Leather Foundation is committed to providing a mechanism that works collaboratively with the leather value chain. The stepwise approach includes evaluation first, through robust traceability, and then the encouragement of partnerships with brands, tanneries, meat packers, NGOs and governments to find real solutions for the long term.

Solutions

SLF believes that solutions should take a comprehensive approach, building social, environmental and economic sustainability.

Perhaps the easiest solution would be to eliminate high risk geographies from the supplier base (i.e. “We’ll stop buying raw material from Brazil”) but in reality, that approach does not address the problem at the source or drive any meaningful or measurable positive transformation. This strategy would delegitimize farmers, businesses and communities committed to environmentally sustainable production, and local communities would see significant negative social and economic impacts.

Other unintended consequences of this strategy are either to drive the sale of Brazilian hides underground, through gray channels, with supply chains therefore becoming even more opaque, or it could result in meatpackers having to bury surplus leather in landfills, with a significant environmental impact.

SLF believes that the best way to feasibly reduce the harm to our planet and promote biome-wide transformation is to work directly with the organisations and farms and facilitate transformative change systematically from within high-risk areas.

This could include unlocking financial instruments and incentives to promote soil and pasture management, avoiding the need for further expansion of farming land, cooperative rotation systems to allow regeneration, responsibility around consumer consumption patterns and other collective measures.

Any solution will require full adoption and close collaboration across industries and sectors. The Sustainable Leather Foundation is actively fostering development of relationships with stakeholders for this unified approach.

Tools

The Sustainable Leather Foundation’s tools provide a mechanism to enhance transparency that works throughout the leather value chain. By working with industry and non-industry stakeholders, the SLF toolbox provides metrics, traceability and transparency to actors according to their abilities.

This will provide a critical infrastructure to scale sustainability solutions by providing accurate assessments of current sustainability performance.



⁴ <https://www.worldwildlife.org/places/amazon>

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The Sustainable Leather Foundation's audit standard is built on 5 levels of traceability under which value chain partners are assessed. These levels range from simple manual, documentation-based chain of custody, through to an electronic system with full lifecycle passport, auditable and verifiable information about birth farms, coupled with physical marking (identifiers).⁵

SLF's Dashboard of Transparency will clearly indicate a value chain partner's ability to demonstrate their own traceability on a 1-tier up and 1-tier down approach. Through the electronic system behind the Transparency Dashboard, currently under development, each tier will be connected without the need to disclose commercially sensitive data to other value chain parties.

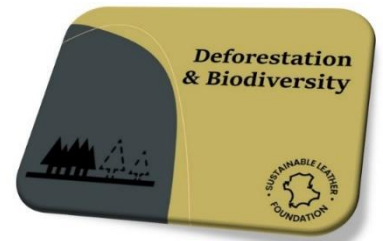
Through value chain adoption of performance metrics and reported auditable and verifiable information, brands, OEMs and retailers will be incentivized to partner with their value-chains to create robust mechanisms and safeguards to ensure their raw material suppliers either do not contribute to deforestation or if they do, remedial plans are put to place to aid cessation.

Partnership

The Sustainable Leather Foundation has set up Collaboration Hubs that are open for any interested stakeholder to participate in the development work on a number of key sustainability risk areas. One of the Collaboration Hubs already created is the **Deforestation and Biodiversity Hub** and a centerpiece of the work within this group of stakeholders is to identify mechanisms by which the industry can enhance visibility and improve governance of value chains.

This hub will work closely with the **Traceability & Transparency Hub** as the two areas are intricately connected. The intention is to work on improving the sustainability impacts of target geographies, with a vision of promoting a sector-wide transformation, decoupling socio-environmental issues from leather production.

By raising awareness of the problem and collectively acting to mitigate it, the Foundation works to provide sustainable, long-term solutions and better outcomes.



SLF also works with stakeholders to define a framework for policies, commitments and procedures to facilitate real problem solving and innovation. To achieve that, we work with expert NGOs such as World Wildlife Fund for Nature (WWF)⁶, National Wildlife Federation (NWF)⁷ and are aligned with other initiatives such as the Accountability Framework Initiative (AFI)⁸ and monitoring tools such as Global Forest Watch Pro⁹ and Trase¹⁰, that support companies in assessing progress toward no-deforestation goals, whilst reporting to platforms like CDP Forests¹¹ to facilitate company disclosure and drive strong accountability.

The partnerships and alliances allow SLF to define policy frameworks, commitments and procedures to drive real problem solving and innovation in sustainability.

The Foundation seeks a pathway to balance that protects people, the planet and is economically viable for the benefit of future generations.

⁵<https://www.sustainableleatherfoundation.com/sustainability-matters/slfs-pathway-to-a-traceable-and-transparent-leather-industry>

⁶ World Wildlife Fund (WWF): <https://www.worldwildlife.org/>

⁷ National Wildlife Federation: <https://www.nwf.org/>

⁸ The Accountability Framework Initiative (AFI): <https://accountability-framework.org/about/about-the-initiative/>

⁹ Global Forest Watch Pro: <https://pro.globalforestwatch.org/>

¹⁰ TRASE – Transparency for Sustainable Economies: <https://trase.earth/>

¹¹ CDP Forests – Disclosure Insight Action: <https://www.cdp.net/en/forests>



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