

Environmental Stewardship in Leather Manufacture



The Leather Working Group (LWG)

What is the LWG?

- The Leather Working Group is a multi-stakeholder group made up of brands, retailers, leather manufacturers, suppliers, traders and technical experts.
- Set up in 2005, the group's primary objectives are:
 - ✓ To develop and maintain an environmental auditing protocol that assesses the environmental stewardship and compliance of leather manufacturers
 - ✓ To promote sustainable and appropriate environmental business practices within the leather supply chain
 - ✓ Create alignment on environmental priorities within the supply chain
 - ✓ Create a framework for environmental improvement within the leather supply chain

The LWG Environmental Audit Protocols



- The protocols provide suggested guidelines for the environmental performance of leather manufacturers.
- The Environmental Tannery Audit has been developed and reviewed over 13 years by leather manufacturers, brands and industry experts.
- Early versions peer reviewed by NGOs including Greenpeace, NWF, WWF (US), Sustainability and academic institutions.
- We continue to engage where value is added with NGOs such as Greenpeace and National Wildlife Federation .

Additional Protocols



- In 2016, we added a Trader Protocol to capture part-processed material being bought and sold through Traders



- In 2017, the Chemical Management Module was introduced to improve the impact of chemistry in the leather manufacturing process.



- We are currently developing a CETP Assessment Tool to manage the risks associated with effluent discharge

Progress

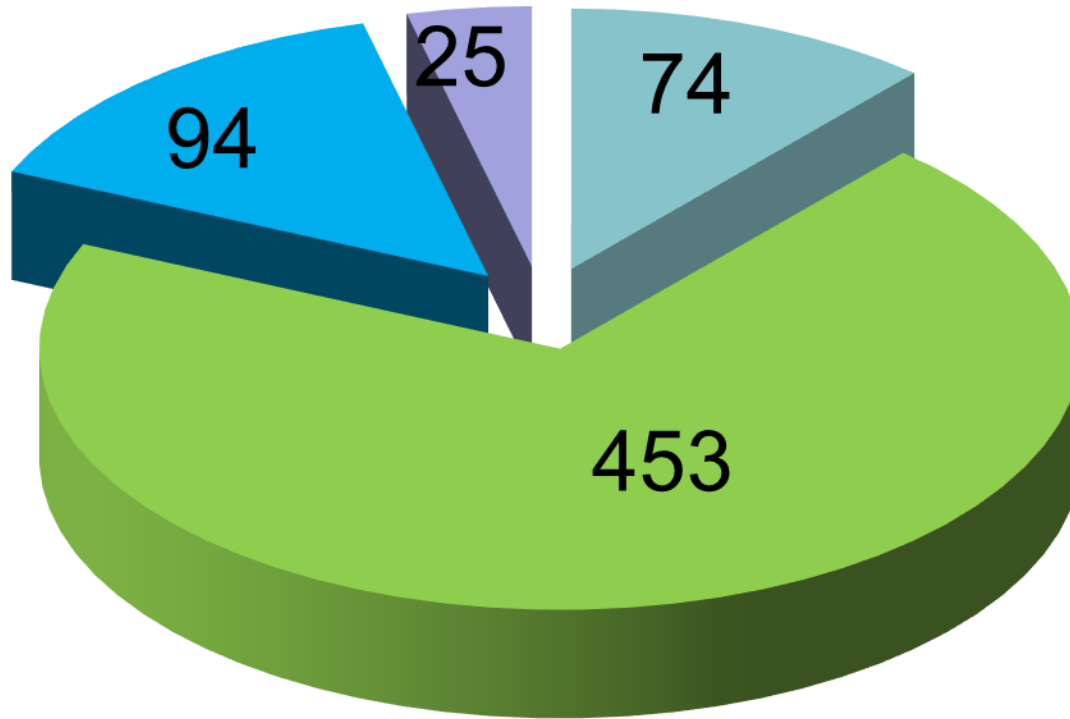


	Sept 2015	Sept 2018	Increase
Brands/ Retailers:	49	71	45%
Suppliers:	30	85	183%
Leather Manufacturers	239	446*	87%
Trader Audits	0	18	100%
CMM Audits	0	14	100%

*This figure includes 416 published audits, 7 unpublished audits and 23 multi audit sites in Multi Audit page on website



Total Number of Companies Involved



Brands
Suppliers

Leather manufacturers
Audited Traders



- The LWG audit takes two days per site
- The audit certification is valid for a period of 24 months
- The leather manufacturer receives a summary report plus the detailed audit notes
- Leather manufacturers become members once audited and can give input to the group
- Who can conduct the audit? An LWG approved auditor capable of meeting the terms of reference and approved by the Executive Committee

Scoring & Medal Awards



- The audit protocol contains 16 Sections
- 11 of those sections are critical scoring sections
- To achieve a minimum “audited” standard of certification, a leather manufacturer must achieve an average score across all sections of at least 50%
- After that the medal award achieved is dependant upon how well the leather manufacturer scores in the “critical” scoring sections:
 - Bronze minimum of 65
 - Silver minimum of 75
 - Gold minimum of 85

Audit Result Summary

	% Score	Rating
Environmental Performance		
	% physically marked	% documentation only
Material Traceability		

Primary processing scope for tannery audit	Category
The following activities also undertaken	
The types of leathers produced are	
Checked on IPE web-site	
The number of sub-contractors used is	
Audit number	Continuous member since

	Max	Minimum requirement				Actual
		Gold	Silver	Bronze	Audited	
General facility details	-	-	-	-	-	
Operating permits	100	85.0	75.0	65.0	0	
Tannery data	100	85.0	75.0	65.0	0	
Environmental management systems	100	85.0	75.0	65.0	0	
Restricted substances	100	85.0	75.0	65.0	0	
Energy consumption	100	85.0	75.0	65.0	0	
Water usage	100	85.0	75.0	65.0	0	
Air & noise emissions	100	85.0	75.0	65.0	0	
Waste management	100	85.0	75.0	65.0	0	
Effluent treatment	100	85.0	75.0	65.0	0	
Emergency plans	100	85.0	75.0	65.0	0	
Housekeeping	100	85.0	75.0	65.9	0	
Non Critical Sections	0					
Manufacturing processes	75					
Beamhouse processes	60					
Post-tanning processes	50					
Finishing processes	50					
Complaints and public relations	20					
Total	1355					
Minimum Award Percentage		85%	75%	65%	50%	



- **Operating permits**
- **Tannery data (supplier ratings and chrome management)**
- **Raw material traceability (gives a separate rating - previously A – C, now a percentage number)**
- **Environmental management systems**
- **Management of restricted substances**
- **Energy consumption**
- **Water usage**
- **Air and noise emissions**
- **Waste management**
- **Effluent treatment**
- **Emergency planning**
- **Housekeeping**
- **Complaints and public relations**
- **Control of manufacturing processes**
 - Beamhouse
 - Post tanning
 - Finishing

Sections in Red	The audit can be failed on a question(s) in these sections
Sections in Orange (and red)	Minimum scores must be achieved to be awarded a bronze, silver or gold medal
All sections including black	An average score of 50% must be achieved for an “Audited” standard.



- The Traceability Section is a stand alone score and is recorded next to the Audit Certificate Award Score as follows:

Audit Result Summary

Company	% Score	Rating
Environmental Performance	00.0	Medal
	% physically marked	% documentation only
Material Traceability	00.0	00.0
The primary processing scope for this tannery audit	Category D – Tanned hides to finished leather	
The tannery also undertakes the following activities	Category D – Tanned hides to finished leather	
The types of leathers produced are	Athletic footwear	
Checked on IPE web-site	Only relevant to China – if noted on IPE web-site give details	
The number of sub-contractors used is	X	

- Traceability is recorded as a direct percentage to show:
 - % of material physically marked and traceable to the slaughterhouse
 - % of material traceable through paperwork only to the slaughterhouse
 - % of material not traceable



- The scores are based on the responses to hundreds of questions throughout the protocol.
- Leather Manufacturers are required to demonstrate how they operate against the protocol and the auditor scores them appropriately as a result.
- If a leather manufacturing scores above 85% in all critical scoring sections but the average score for **all** sections is only above 75% then the score would be Silver not Gold (the overall average must equal the minimum medal award threshold too).

Scope – what the audit does not cover

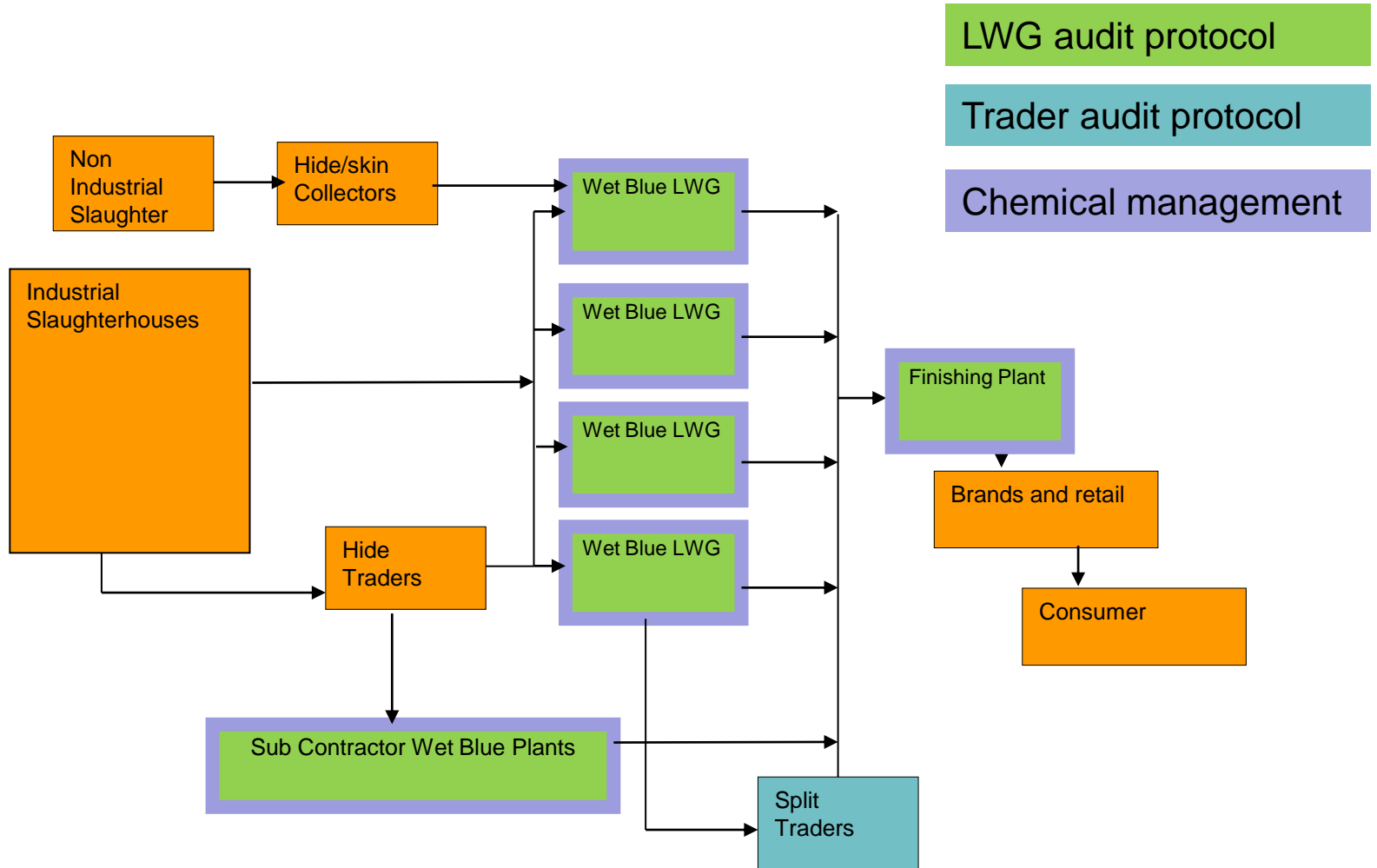


- An LWG audit does not cover any social aspects within a tannery
- An LWG audit does not cover an in depth assessment of health and safety within a tannery
- The audit covers the operations and site where the leather is made and does not provide certification or infer compliance at other sites within the group

What the audit does not guarantee

- The audit is a snap shot in time and as such assesses the tannery at the time of audit.
- The audit lasts 24 months and as such the performance of the tannery may change over time (positively or negatively)
- The LWG does not have a live system of monitoring performance and as such tanneries may have violations during the audit process (which they must declare and will be scored down on at the next audit)
- An LWG audit does not guarantee that a tannery will not have Restricted Substance failures. It is up to the individual brands to manage this

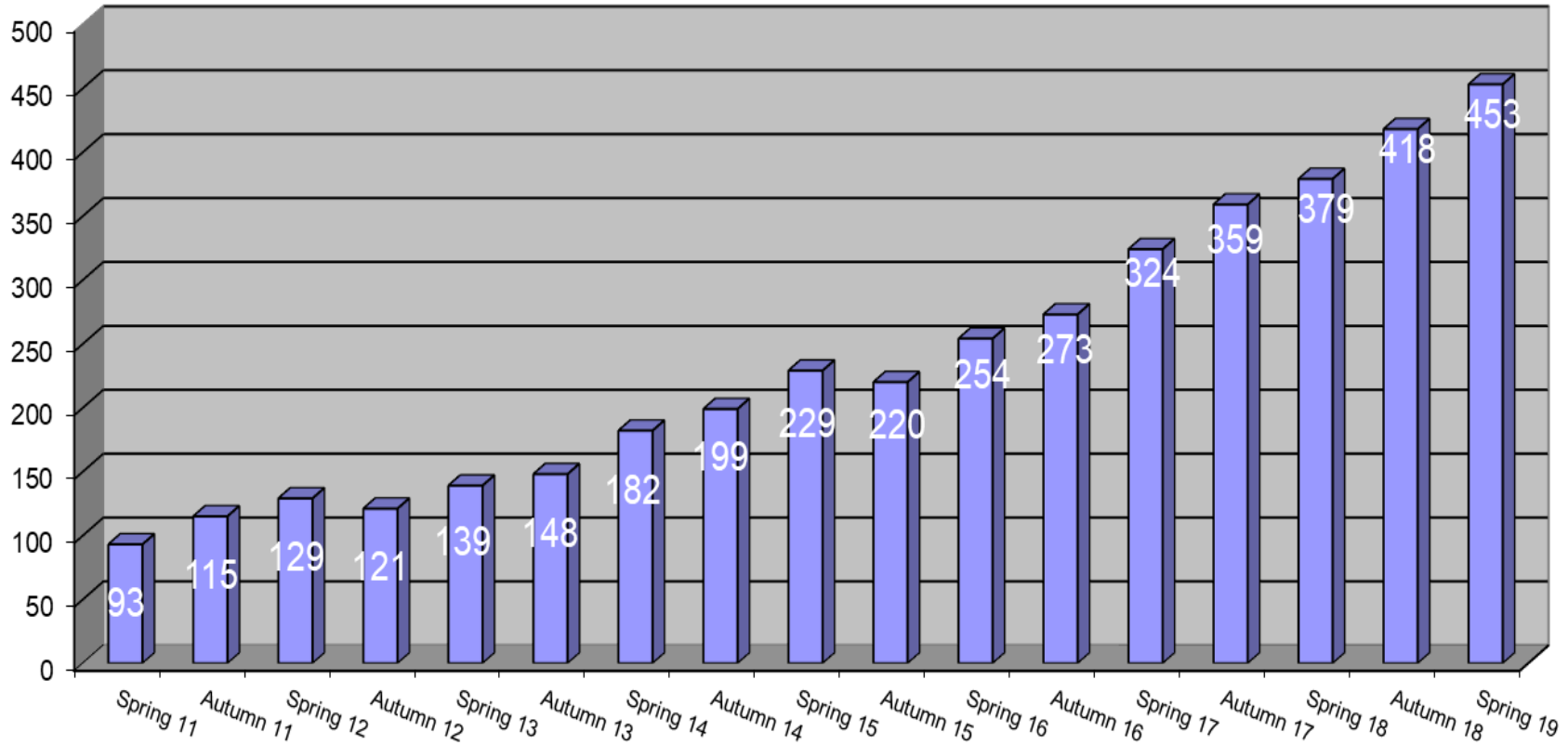
Section 3.0 Tannery Data



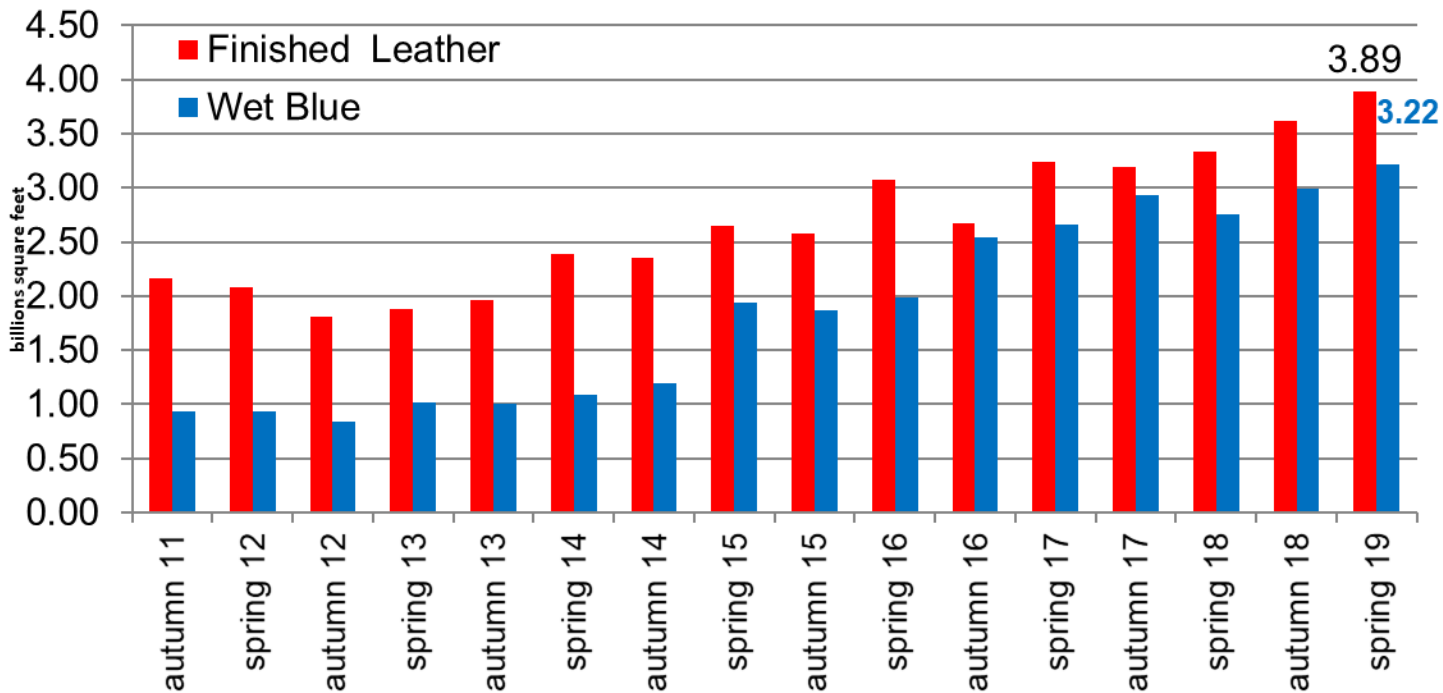
Growth of Audits



Growth of LWG tannery audits



Annual Volume of Audited Leather Feb 2019 (billion/ft²)

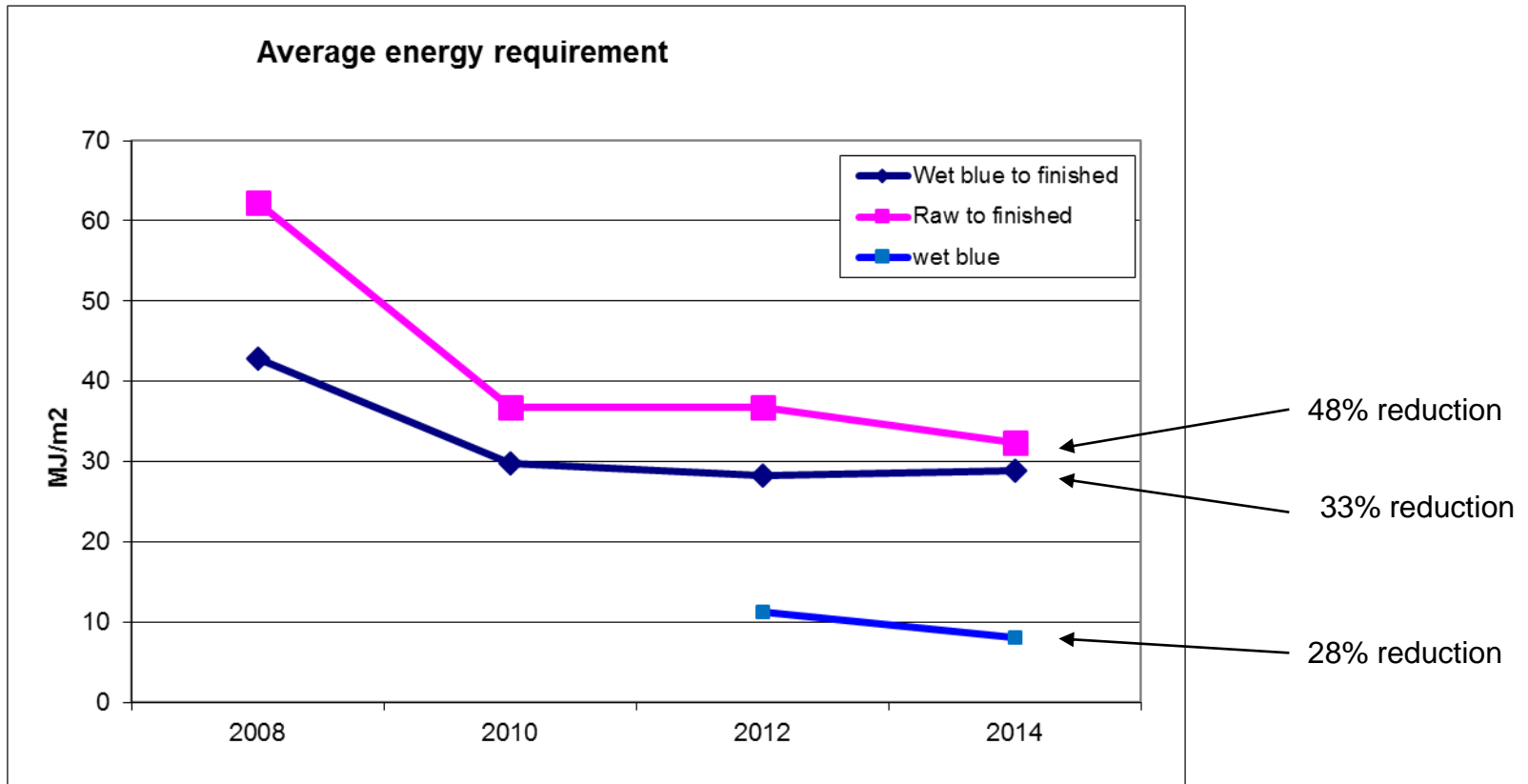


Estimated Annual Global Production excluding pig (billion/ft²)
Source (FAO 2015)

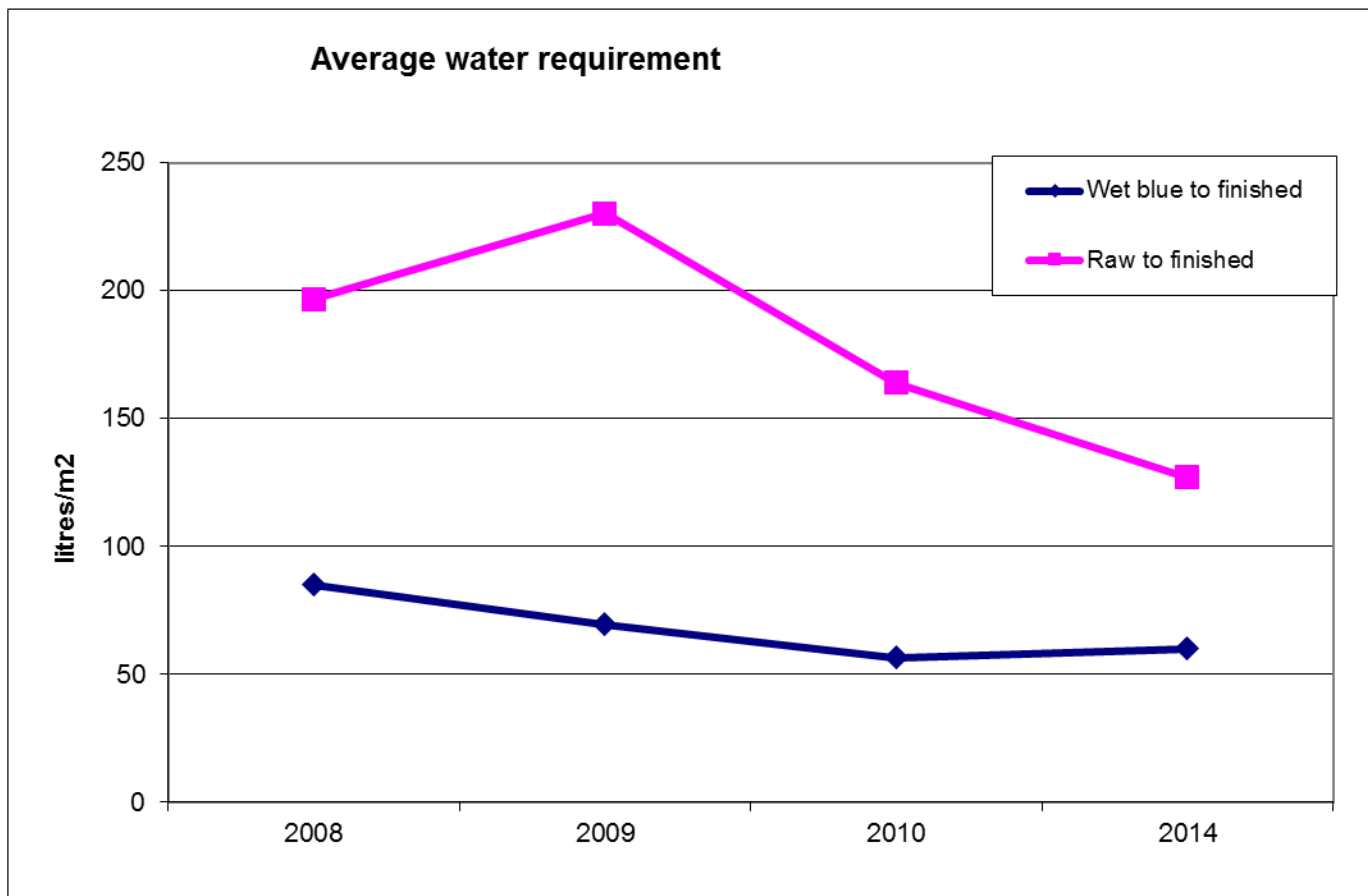
21 billion ft²

LWG Coverage 19% of world finished leather production (excluding pig)

Reduction in average energy consumption



Reduction in average water consumption

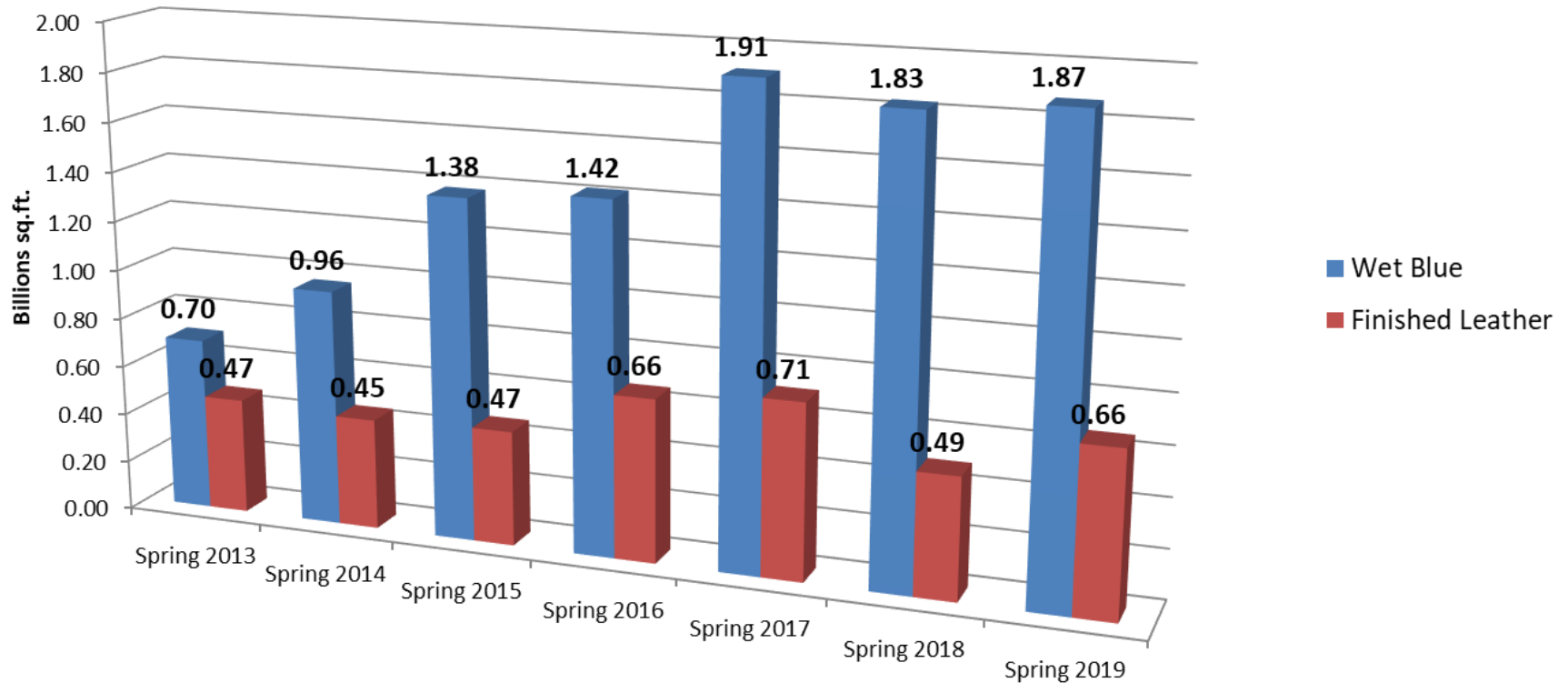


35% reduction

30% reduction

Traceability (ft²)

Material physically marked and traceable to the slaughterhouse



Waste water perspective

- Regional discharge limits will often vary depending on local needs and point of discharge ie, river, sea, in-land lake etc
- LWG perspective is that the final discharge point is where the scores are measured (ETP,CETP,METP)
- Four critical scores: Oxygen Demand (BOD, COD); Suspended Solids (SS); Nitrogen; Chrome VI
- Limits based upon EU BAT document prepared by European industry experts
- Best in class scores silver and gold
- Limits will be lowered in the next version of the protocol

Collaboration and Comparison

LWG collaboration



100

1000

	LWG	ZDHC	Sustainable Apparel Coalition	OUTDOOR INDUSTRY ASSOCIATION	UNIDO	Oeko-Tex 100	Oeko-Tex 1000
Restricted Substances	✓	✓	✓	✓	✗	✓	✓
Material Specific Processes	✓	✗	✗	✗	Handshake icon ✓	✗	✓
Upstream Supply Chain	✓	✓	✗	✗	✗	✓	✗
Sub-Contractor Processes	✓	✗	✗	✗	✗	✗	✗
Chemical Management	✓	Handshake icon ✓	Handshake icon ✓	✓	✓	✗	✓
Manufacturing Health & Safety	✓	✓	✓	✓	Handshake icon ✓	✗	✓
Social & Ethical	Pencil icon	✓	Handshake icon ✓	✓	✗	✗	✓
Waste Water Targets	✓	Handshake icon ✓	✗	✗	Handshake icon ✓	✗	✗



LWG and TOTF have agreed to bring the TOTF self-assessment tool into the LWG programme as a foundational stepping stone for tanneries not yet capable of having a full LWG audit. This is an important development for both organisations as it creates a basis for improvement for all.

Organisation	Scope of Collaboration
ZDHC	<ul style="list-style-type: none"> • MRSL for Leather • Waste Water Limits for Leather • Air Emissions
Textile Exchange	<ul style="list-style-type: none"> • Responsible Leather Assessment Tool – for environmental component • Tanneries Committee • Animal Welfare (within scope of LWG)
Social Labor Convergence Project (SLCP)	<ul style="list-style-type: none"> • Signposting LWG members to a Social Auditing Tool
Footwear Distributors and Retailers of America (FDRA)	<ul style="list-style-type: none"> • Addition of LWG ratings to their Material Exchange Platform
UNIDO	<ul style="list-style-type: none"> • Signposting LWG members to training information

LWG terms of reference

- The Executive Committee is made up of four leather manufacturers, one of which is a small leather manufacturer, four brands, one of which is a leathergoods brand and a supplier
- The LWG hold 2 main member meetings and 1 or 2 regional meetings each year.
- The meetings are held in three main locations (USA, Europe and Asia). March/April each year in Hong Kong and the September/October meeting in either Europe or America.
- The LWG is not an auditing or certification body
- BLC is the contracted facilitator for the group
- The LWG information is available to interested parties on the website

Some of our LWG Brand Members



Some of our LWG Chemical Company Members



Questions



For further information please contact:

Info@leatherworkinggroup.com

www.leatherworkinggroup.com