



LWG17-18-001

Leather Working Group Ltd Membership

For
Brands, Retailers,
Leather Manufacturers,
Traders, Chemical Companies,
Suppliers

April 2017 to March 2018

**Membership of the
Leather Working Group Ltd
Environmental Stewardship Program
for the leather sector**

Situation

With the rising profile and value of world brands there is an increasing need for due diligence on compliance issues and visibility to environmental stewardship practices in the supply chain.

Problem

The process of making leather has traditionally been associated with odour and pollution problems. In the recent past, the industry in some parts of the world has undergone important changes and with respect to environmental protection, improvements have been made. For some retailers and brands there is still a need to be re-assured that their suppliers operate with appropriate sourcing and environmental stewardship principles. Although there are many retailers and brands that conduct audits, the auditing of a leather processor for environmental impact is a specialist task due to the complex chemistries and the potential risks involved.

Solution

The Leather Working Group Ltd was formed in April 2005 to create a protocol to accurately assess the compliance and environmental stewardship practices of tanners and to promote sustainable and appropriate environmental business practices within the leather industry.

The group will endeavour to promote improvement in the leather manufacturing industry by creating alignment on environmental priorities, bringing visibility to best practices and providing guidelines for continual improvement.

It is the group's objective to work transparently, involving Leather Manufacturers, Brands, Retailers and other relevant supply chain representation with input from leading centres of excellence within the leather industry and the utilisation of peer reviews from NGO bodies, academic institutions and other stakeholder organisations.

BLC Leather Technology Centre Ltd (BLC) has been appointed to facilitate the Leather Working Group program to implement, review and monitor the latest environmental auditing protocol, under the direction of the Executive Committee and Technical Sub Group.

The structure and management of the environmental auditing system is continuously reviewed by the management system in place. Representatives of the global Brands, Leather Manufacturers, Suppliers and Chemical companies are invited to join this forum and invest in the development process through a financial contribution and attendance at meetings. The environmental protocol includes an auditing checklist, scoring and reporting mechanisms, a guidance document and agreed structures for audit visits.

The auditing protocol and reporting mechanism has been developed and refined during the early phases of the project in conjunction with the Brand, Leather Manufacturers and Supplier members. A list of the brand and Leather Manufacturer members are provided on www.leatherworkinggroup.com

The LWG does not offer services or information outside of the use of the protocol and the direction of the LWG group

Benefits of membership

for the Brands and Retailers

- Immediate access to an environmental auditing system that has been collaboratively developed by leading experts in the leather industry across the value chain and peer reviewed by NGO and academic stakeholders
- Reduced manpower and cost requirements to conduct environmental audits
- In-depth assessment and measurement of the Leather Manufacturer's technical / environmental process and the ability to define improvement
- A mechanism that supports the promotion of continual improvement in environmental performance
- Support and advice for the implementation of the LWG process

Please note: as part of the brand commitment we ask brand members to disclose their volume of leather purchased, the raw material type and the percentage of material sourced through LWG certified suppliers.

Commitment from the Brands and Retailers

- Brands commit to engage 25% of their leather supply chain within 3 years of membership and 50% within 6 years of membership.
- Brands commit to attend at least one of the two annual meetings held by the LWG
- Brands are required to complete the member survey each year

for the Leather Manufacturers

- Reduced manpower requirements to manage and supervise during environmental audits
- Input and representation for the Leather Manufacturers' during the process
- Reduced costs when preparing for numerous audits from different Brands
- Audits conducted by industry experts and hence realistic expectations and measures set
- A mechanism that supports the promotion of continual improvement in environmental performance

for the Suppliers

- An opportunity to understand directly the environmental objectives set by the brands and the pressures on the leather sectors through third parties
- Input and representation for the suppliers during the process
- Involvement in a forum that supports the promotion of continual improvement in environmental performance
- The opportunity to network and effect positive change in conjunction with industry peers

On-going objectives

The group will continue to manage improvements to the environmental audit protocol, continue to benchmark progress, promote and disseminate the system, monitor the project progress and effectiveness.

Governance

The Leather Working Group Limited is governed under the Memorandum of Association and Articles of Association, Issue 3, dated 2 April 2016 (amended pursuant to a special resolution passed at a general meeting of the Company held on 2nd April 2016).

This document can be accessed here:

<http://www.leatherworkinggroup.com/about.htm>

Constituents of the Leather Working Group Ltd

It is important to note that the group is made up of representative parties from different areas of the product supply chain including major footwear brands, leather manufacturers, suppliers, technical experts and other industry representatives.

Executive Committee

An Executive Committee has been formed from the members of the Leather Working Group Ltd to manage the development, refinement and implementation of the protocol. The structure of the Executive Committee consists of four representatives from the Brands one of which will be a leather goods brand, four from the Leather Manufacturers one of which will be a small leather manufacturer and one representative from the Supplier Members.

Decision making

Decisions on the structure and any key elements of the protocol will be passed by a proportional vote. Voting powers will be; one vote per company, the majority passes the motion.

Timescale

The current membership year is from April to March.

Contracted Facilitator role

BLC Leather Technology Centre Ltd is the contracted facilitator for the Leather Working Group Ltd and will provide management services and techno-environmental input for the duration of the project. BLC project management will consist of communication with forum members, arrangement of meetings, collection of information, refinement of the protocol, presentation of results, publicity, auditing (where contracted) and preparation of audit reports and scoring mechanisms. BLC is not a member of the Executive Committee and does not vote.

The support offered via the contracted facilitator is related only to the LWG programme, the audit protocol, its development and use as an environmental stewardship audit.

Dissemination and promotion

The auditing protocol will be available for free distribution via the web-site to interested parties and promoted by the group. However, we do expect all brands or retailers that choose to use this tool to be paid up and active members of the LWG.

LWG meetings

It is anticipated that there will be at least two meetings over the 12 months period. The majority of these meetings will be designed to coincide where possible with industry events to minimise travel and costs.

Leather Manufacturer audits

The environmental audits of the Leather Manufacturers will be conducted every 18/24 months depending on award levels or brand requirements. Audits can be conducted by approved individual auditors that meet the scope published on the web-site and that have been reviewed and approved by the LWG executive committee.

Confidentiality

The results of all Leather Manufacturer audits will remain the confidential property of the auditee and will not be shared with the Leather Working Group membership unless permission is given to do so.

Leather Manufacturers wishing to have their results published on the LWG web-site may do so providing they pool their data for the benefit of the benchmarking data collection. This data will be held confidentially by BLC as contracted facilitator and no benchmarking information will be published using less than 5 data sets for the averages.

Charges

There will be “fee of entry” to the Leather Working Group Ltd which is defined below. This fee will provide access to the Leather Working Group Ltd for the duration of 12 months.

The fee will cover the management and administration of the project, the web-site, benchmarking, co-ordination of meetings, the development of the process, reporting, plus any refinements, field trials and dissemination costs.

Membership fees for Brands, Chemical Companies, Other Suppliers. This is based on annual gross turnover as below in USD.

○ 0 – 250M	Fee	\$2500 / 12 months
○ 251M – 1BN	Fee	\$4500 / 12 months
○ 1BN – 3BN	Fee	\$7500 / 12 months
○ 3BN - 5BN	Fee	\$14000 / 12 months
○ 5BN +	Fee	\$17000 / 12 months

Leather Manufacturer - audit costs

A Leather Manufacturer becomes a member of the LWG once they have had an audit conducted by a suitable auditor. They must also have submitted their full audit data for benchmarking and have had their audit peer reviewed. Once this is

complete they become a member while their audit certificate is valid. They can also choose to publish their award and contact details on the LWG web-site.

Promotion

All members of the LWG can have their logo published on the members section of the web-site.

Payment

Payment will be 100% of joining fee upon application. VAT will be applied where appropriate.

Legal requirements

As there are many branded suppliers involved in this process it is crucial that this process is open and transparent. During the forum meetings or in the process of collecting data there will at no point be discussions about pricing of product or materials.

Companies currently involved in the group

There are approximately 400 member companies which include brands, leather manufacturers, chemical companies and other suppliers.

For full details please visit www.leatherworkinggroup.com



Acceptance of Contract

Please complete and sign this form which indicates that the terms and conditions applying to the contract specified below are accepted Please refer to our [Articles of Association](#) for more information.

Contract Reference:	LWG16-17-001
Contract Description:	Participation in the Leather Working Group Ltd - environmental auditing protocol and stewardship for leather manufacturers
Brand and Suppliers Fees (USD) (please tick):	Turnover \$0 - 250 million - \$2500 <input type="checkbox"/> Turnover \$250 - 1 billion - \$4500 <input type="checkbox"/> Turnover \$1 - 3 billion - \$7500 <input type="checkbox"/> Turnover \$3 - 5 billion - \$14000 <input type="checkbox"/> Turnover \$5+ billion - \$17000 <input type="checkbox"/>
Proposed Starting Date:	1 April 2017
Duration of LWG membership:	12 months (ending 31 March 2018)
Company Name:	
Company Address:	
Company Contact:	
Position in Company:	
Contact e-mail:	
Purchase Order No:	
Company VAT No (Europe):	
Currency for invoicing:	
Contact for Invoicing :	
Email for Invoicing Contact:	
BRAND INFORMATION:	
1. Volume of leather used per year:	approx.....M ²
2. Raw material types:	<input type="checkbox"/> Cowhide <input type="checkbox"/> Sheep/Goat <input type="checkbox"/> Pig <input type="checkbox"/> Exotics
3. % of leather sourced via LWG suppliers:	approx.....
Signed:	
Date:	

Please send the completed form to info@leatherworkinggroup.com