

Introduction to the

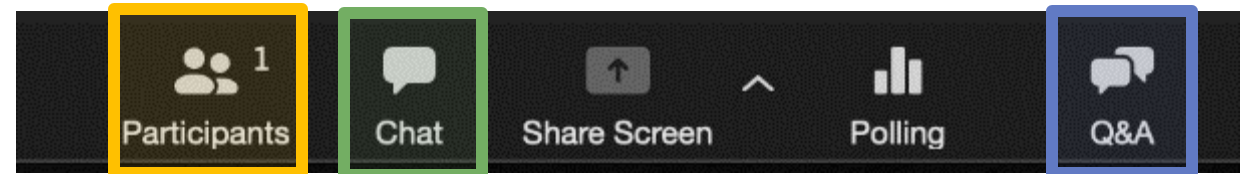
LWG Claims Framework

August 2021

- The Meeting slides & recording will be available in the LWG Member Area in the next few days:
<https://www.leatherworkinggroup.com/meetings/presentations>
- All participants will be automatically muted upon joining the meeting. Only panelists will be able to speak.
- Please rename yourself to include your full name & company in parentheses, e.g.: John Smith (ABC Company Ltd.)

Before we begin

Click "**Participants**", hover over your name, click the "Rename" button, then type and click ok.



To comment, please use the "**Chat**" function.

To ask a question, use the "**Q&A**" function.

Our Agenda

01

LWG Claims Framework

02

Claims best practice

03

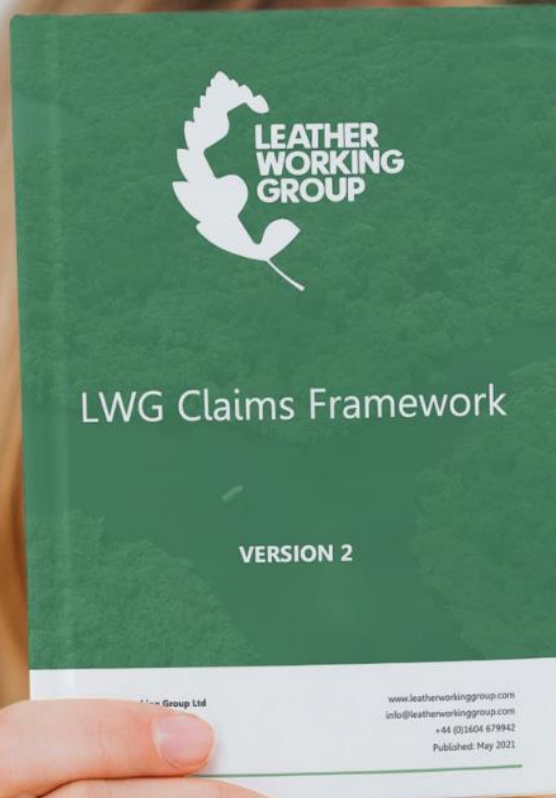
Roadmap to the future

01

Introduction to the LWG Claims Framework

Our Framework

- Launched in 2020
- Formalised our process, more robust criteria
- Easier for brands to prepare their comms
- Easier for LWG to monitor misuse
- Recommendations for further improvement



LWG Claims Framework

Published in 2020, our Claims Framework was developed to give Brand Members of the LWG a guideline for making claims about LWG membership and a process for using the LWG logo for product labelling.

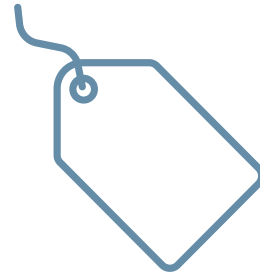
- **Definitions of LWG**
Help explain what the LWG is and what we do to your customers.
- **Logo Specifications**
Make sure your designers follow our logo requirements.
- **Membership Claims**
Tell people about your membership of the LWG.
- **Product-Level Claims**
Add the LWG logo and text claims on product hang tags.
- **Sourcing Commitments**
Guidance on communicating your leather sourcing commitments publicly.

Communication Modes



Online

Web copy
Social media
Newsletters
E-commerce



Physical

Hang tags
Stickers
Packaging
Product descriptions



Traditional

Print
Catalogues
Adverts
Reporting

Types of Claims



Membership Claims

Talking about LWG & your membership to the group



Product-Level Claims

Labelling leather products with the LWG logo



Claims via Retailers

Making Product-Level Claims through retailers

LWG Claims Framework



Criteria	Description	Membership Claims	Product Claims	
			On your <u>own</u> platform	On a <u>retailer</u> platform
Become a Member	Complete & return your membership application form Pay your membership subscription fee Receive certificate of membership from the LWG Admin Office	X	X	X
Display the LWG logo and link	Add the LWG Logo and a link to the LWG website to a consumer-facing website (i.e., on your sustainability policy page).	X	X	X
Submit a Sourcing Declaration	Submit an annual declaration of the % of leather purchased from LWG-certified facilities to the LWG Administration Office.	-	X	X
Submit Artwork	Submit the designs for your on-product labels, tags, packaging, etc to the LWG Administration Office (if applicable).	-	X	X
Brand Approval (through a Retailer)	Retailers must submit the names of the brands they wish to make claims about on their platform/in their brick & mortar stores for approval and sign a license agreement.	-	-	X



Membership Claims

Communicate your membership of LWG to your customers, including:

- What the LWG is
- What membership means
- Why being part of the group is valuable to you

To make an LWG Membership Claim, companies must be a current member of the LWG with a valid certificate of membership.

Membership Claim use cases:

- Websites — Pages on sustainability, CSR ethical trade, materials & sourcing.
- Sustainability/CSR reports
- Marketing materials
- Social media

Basic building blocks of a Membership Claim:

- LWG logo
- Text Claim
- URL of the LWG website



Membership Claims

Communicate your membership of LWG to your customers, including:

- What the LWG is
- What membership means
- Why being part of the group is valuable to you

Suggested Wording

1. We are a member of the Leather Working Group.
2. We joined the Leather Working Group in [Year] to support more responsible leather manufacturing.
3. We are committed to supporting responsible leather manufacturing across the globe and that is why we are proud members of the Leather Working Group.



Membership Claims

Communicate your membership of LWG to your customers, including:

- What the LWG is
- What membership means
- Why being part of the group is valuable to you

Things to avoid

When making Membership Claims, try to avoid claiming or implying that being a member of LWG means that:

- Your brand has been audited and certified by LWG or any of the LWG Audit Standards — We audit and certify leather manufacturers (tanneries)
- All of your leather suppliers are automatically certified by LWG



The Leather Working Group (LWG) certifies leather manufacturing facilities based on environmental performance in areas such as water and energy use, air emissions and waste. Through our partnership with LWG, we source 100% of our leather from gold and silver rated LWG leather manufacturers.

TOMS Shoes

LEATHER WORKING GROUP

The Leather Working Group (LWG) is a group of brands, retailers, product manufacturers, leather manufacturers, chemical suppliers and technical experts that have worked together to develop an environmental stewardship protocol specifically for the leather manufacturing industry. The group promotes improvement in the leather manufacturing industry by creating alignment on environmental priorities by bringing visibility to best practices and providing guidelines for continual improvement. Over 70% of our leather is currently sourced through the Leather Working Group and we aim to increase this to 80% by the end of 2022.

Barbour

Leather

Dr. Martens has a long tradition of making leather shoes. To this day, leather remains our most commonly used animal derived material. The leather we use is a by-product of the food industry. We also nominate and specify tanneries for all our upper footwear leathers and leather goods, meaning we stipulate which tanneries our leather comes from to ensure they have the highest standards, and we are working to nominate and specify from tanneries for all the leather we use (including linings).

We are a member of the [Leather Working Group \(LWG\)](#)

Dr Martens (Airwair)

Mulberry

Q Search

100% of leather from gold, silver or bronze LWG accredited tanneries by AW22.

* In December 2019 we introduced the Portobello, our first 100% sustainable leather bag, crafted from heavy grain leather from a Leather Working Group gold standard tannery and using Epic EcoVerde thread, a recycled polyester fibre and recycled polished stainless steel hardware. * For AW20 76% of the leathers in our collection were sourced from tanneries with environmental accreditation and our Phase 1 target is to source 100% of our leather from gold, silver or bronze LWG accredited tanneries by AW22. * For SS20 48% of our range used leather and suede that is traceable to the country origin, and our Phase 1 target is to achieve 100% traceability by AW21.

Mulberry



The Leather Working Group

The Leather Working Group is made up of brands, suppliers and technical experts in the leather industry. ASOS is committed to using responsibly sourced leather from Leather Working Group-audited tanneries (at Bronze, Silver or Gold level), which use controlled tanning processes that help to reduce the impact of water, waste and chemicals.

ASOS

As of 2005, adidas is an active member of the Leather Working Group (LWG), which is a multi-stakeholder group that promotes sustainable business practices within the leather industry. The LWG has developed stringent standards and audit protocols benchmarked against industry best practices, and checks compliance through independent monitoring. Our participation in the LWG supports the goal to improve the leather manufacturing industry by creating alignment on environmental priorities, bringing visibility to best practices and providing guidelines for continual improvement.

Hides used for our products are sourced from tanneries audited by the LWG with a Gold, Silver and Bronze Rating, and therefore fulfill the highest standards in the industry. The LWG protocol covers 99% of adidas' leather volume, sourced from tanneries across the globe, including those in Asia, who source hides mainly from South and North America. All of the tanneries we sourced leather from had achieved at least Silver rating, and more than 80% of tanneries achieved Gold rating.

adidas



Product-Level Claims

Communicate about LWG at a product-level, such as on hangtags or via e-commerce



To communicate about LWG at a product-level (e.g., on a hangtag or via e-commerce)

Product-Level Claim use cases:

- Websites — E-commerce product descriptions
- Hangtags, swing tickets, packaging, etc.

Requirements for Product-Level Claims:

- Be an LWG Member
- Make a Membership Claim (logo, text claim + URL)
- Submit an annual sourcing declaration (total leather from LWG-certified facilities / total leather purchased = % of LWG sourcing)
- Approval:
 - Submit artwork for hangtags, etc.
 - Submit text claims for e-commerce



Product- Level Claims

Which products can make use of an on-product claim?

Brands may only make use of the LWG logo and an LWG text claim on products that:

1. Contain leather as a prominent material
- and
2. Contain 100% leather from LWG-certified leather manufacturers



Product- Level Claims

Suggested Wording

(for hangtags, e-commerce product descriptions, etc.)

1. We are a member of the Leather Working Group.
2. By purchasing this product, you are supporting responsible leather manufacturing through the Leather Working Group.
3. Our leather products support responsible manufacturing via the Leather Working Group.





Product- Level Claims

Things to avoid

When making Product-Level Claims, brands should not:

- Claim that a product is LWG certified
(We certify leather manufacturers, not products)
- Claims that a product contains “Gold-Rated”
(or silver or bronze) leather
(We certify leather manufacturers, not leather)
- Refer to the ‘Medal Rating’ of their suppliers



Product- Level Claims made via retailers



The role of Retailers

- Brands can make on-product claims through retailers that sell their products.
- **Brands**
The requirements for brands remain the same – you must fulfil all Membership & Product claims requirements within the LWG Claims Framework.
- **Retailers**
Retail companies must confirm the products of the brands they sell meet our claims requirements by submitting a list of brands they sell that would like to make claims on their platform / in their brick & mortar stores.

DETAILS & CARE

Details Width: 3.5 cm

Features Responsibly Sourced Leather; M&S leather products support sustainable manufacturing via the Leather Working Group

Composition 100% leather

Marks & Spencer

Physical & E-Commerce product-level claims



LEATHER WORKING GROUP

SCOTCH & SODA CARES

By purchasing this product, you are supporting responsible leather manufacturing through the Leather Working Group.

www.leatherworkinggroup.com

SCOTCH-SODA.COM

Scotch & Soda
(Footwear license partner Hamm Market Solutions)



LEATHER WORKING GROUP

By purchasing this product, you are supporting responsible leather manufacturing through the Leather Working Group

LEATHER

Our in-house designers create our leather accessories with care for every detail.

Leather is a natural material where variation in colour and texture add to the character and beauty of the product. Colour transfer may occur and will be accelerated by water or rain. Avoid contact with light colours and protect from direct heat and sunlight.

John Lewis

Additional Recommendations

- Make a public declaration of your current LWG sourcing level (including a breakdown of what % of your leather is sourced from Gold, Silver, Bronze & Audited level tanneries)
- Make a public declaration of your target LWG sourcing level (using a time-bound objective)
- Map your leather supply chain, including both Tier 1 & Tier 2 suppliers.

02

Best practice in
claims & labelling

“

[Environmental claims are]... assertions made by firms about the environmentally beneficial qualities or characteristics of their goods and services.

”

— Organisation for Economic Co-operation and Development (OECD)

Types of Environmental Labelling



There are three types of environmental labelling, according to the International Standard Organization (ISO):

- Type I – Third-party labels ([ISO14024:2018](#))
- Type II – Self-declared claims ([ISO14021:2016](#))
- Type III – Product-level lifecycle assessments ([ISO14025:2006](#))

Principles of green claims



01.

Accurate

All claims should be true & accurate

02.

Clear

Claims should be simple and easy to understand.

03.

Meaningful

Use meaningful terms & comparisons

04.

Supported

Use data & evidence to support your claims.

05.

Complete

Consider the full lifecycle & durability of the product.



Legislation & Regulation

EU Sustainable Products Initiative

- The EU Sustainable Products Initiative aims to update the EU Ecodesign Directive to ensure textile and furniture products are sustainable (i.e., more durable, reusable, repairable, recyclable, and energy efficient.)
- This legislation is likely to have a significant impact on product development – from design, to sourcing, to packaging.
- A Directive proposal will be published in late 2021.



Legislation & Regulation

EU Circular Economy Action Plan

- The EU Circular Economy Action Plan aims to reduce waste and facilitate a circular economy.
- The plan may impact product environmental labelling, with new definitions of what can be considered sustainable, based on their end-of-life destination.
- Brands should keep in mind the durability and the end-of-life of their products and consider innovations that allow their products to be repaired and reused.



Legislation & Regulation

EU Product Environmental Footprint (PEF)

- The EU's Product Environmental Footprint Category Rules (PEFCRs) give guidance on how to calculate and report a product's life cycle environmental impacts.
- In future, brands may wish to use the PEFCRs to understand the full environmental impact of their products, across their entire lifespan, to support their claims that a product is more “environmentally friendly” etc.



03

LWG's Roadmap
to the Future of
Claims

Our Roadmap

Enhancing claims and labelling for leather products:

- Increased verification
- More claims options
- Storytelling metrics
- Evidence-based

Supplier Scorecard

- Provide brands with insights into the environmental performance of their suppliers, using data collected during an LWG Audit.

"Leather made by a tannery that uses 30% less energy than X Y Z."

LWG Chain-of-Custody certification

- To verify claims about the provenance of the leather material used in a product.

"This product contains..."

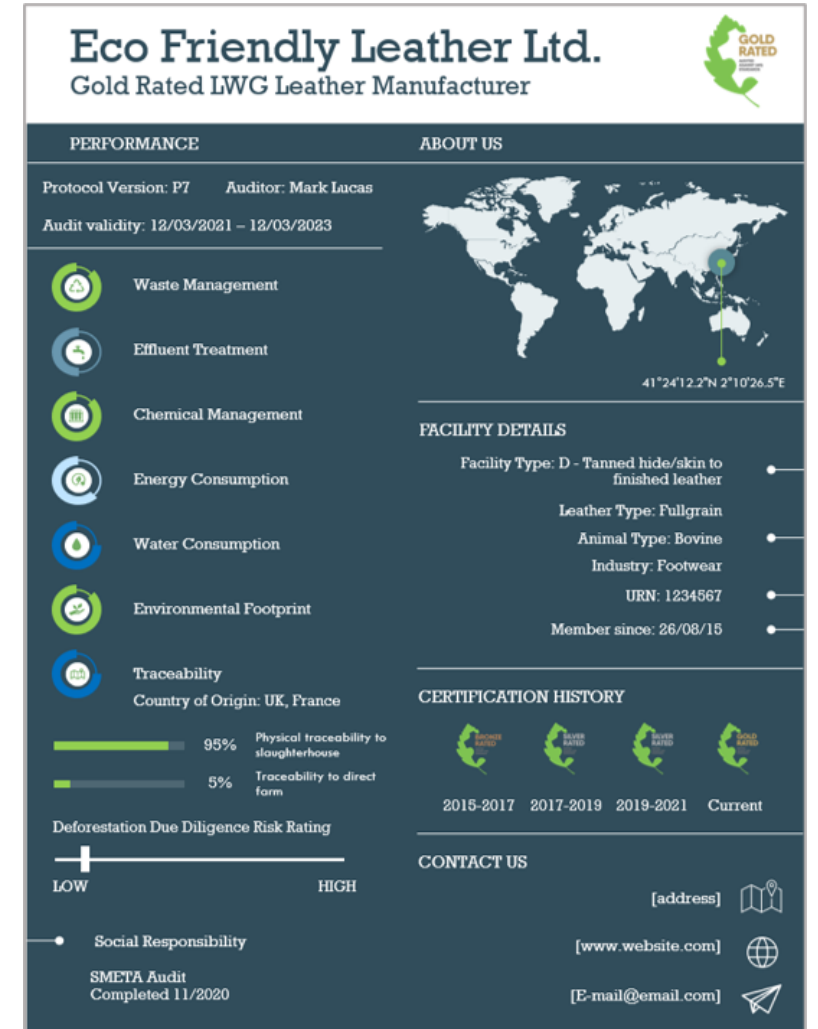
...leather from an LWG-certified leather manufacturer"
...leather from a fully gold-rated LWG supply chain."
... fully traceable and DCF leather."

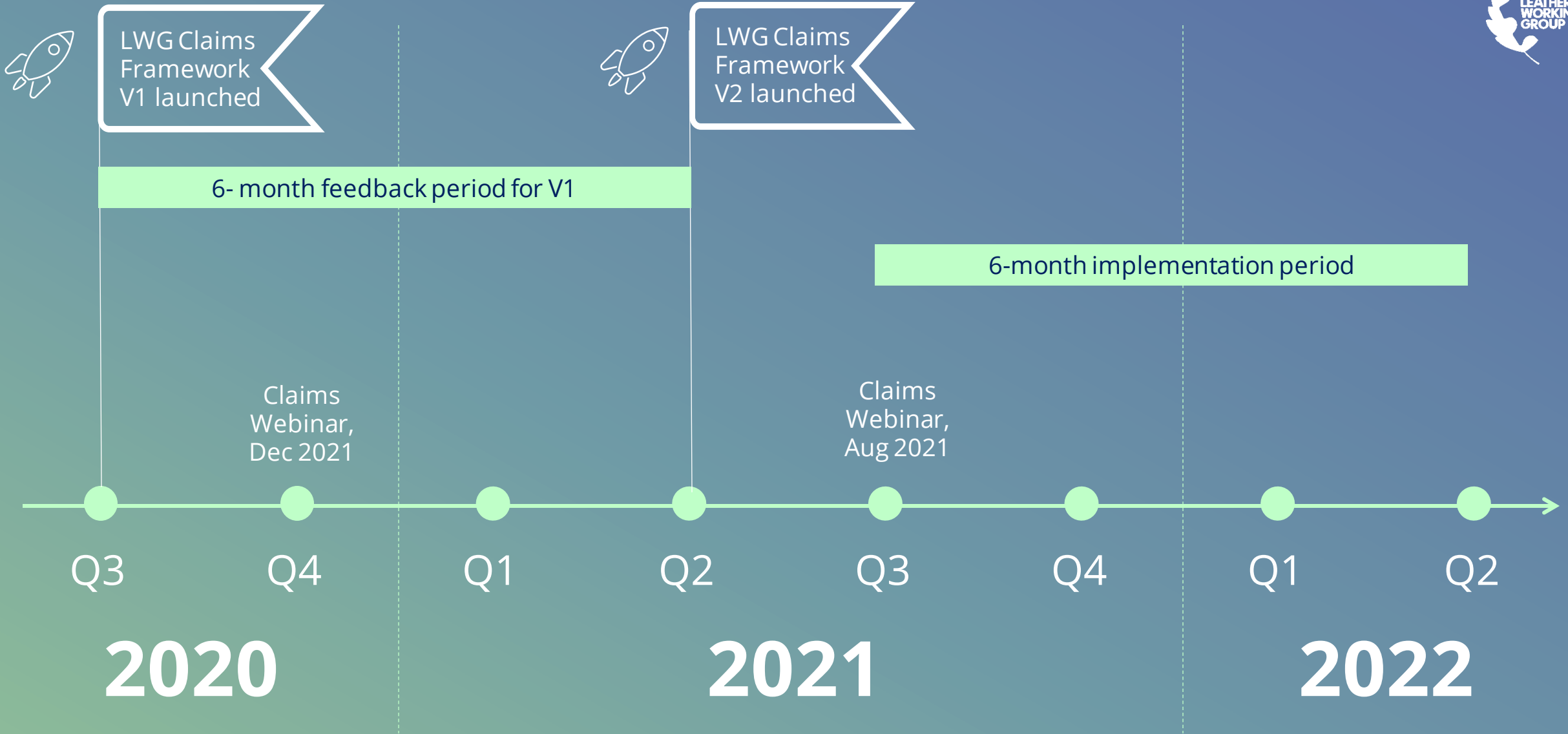
LWG Lifecycle Analysis (LCA) project

- An assessment of LWG-certified tanneries & their environmental impact, which can be used for making comparisons with other data.

Supplier Scorecard

- Voluntary
- Using data collected during LWG Audits
- To empower LWG Leather Manufacturers to communicate performance and achievements in a clear, transparent, and consistent way.
- Support development of consumer messaging, end-to-end environmental claims, and story telling.
- Expected in 2022





What companies can do

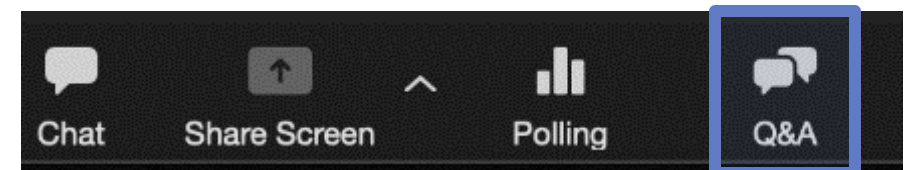
Recommended sourcing guidelines

1. Map your leather supply chain
2. Set targets for your leather suppliers to encourage timebound improvements
 1. **Uncertified:** LWG Tannery of the Future Self-Assessment as first step to certification
 2. **Certified:** Continuous improvement to maintain certification with increasing requirements
3. Expand targets to indirect suppliers

Questions?

Please submit your questions using the 'Q&A' function, rather than in the Chat box.

If we don't get to your question today, it will be added to the event Q&A on the LWG Member's Area.



To ask a question, use the "Q&A" function.

Thank you!

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For further questions, please get in touch via
info@leatherworkinggroup.com