



2022 LWG MEMBER CONFERENCE

Hybrid • September 22, 2022

SESSION 1:
Continuous Improvement



SESSION 1

Continuous improvement

As a world leader in the leather industry, we recognize the need to evolve, grow and change in ways that drive positive impact. The first session of our conference will explore our strategy for change by continuously raising standards, driven by key areas that require action.

- Opening Remarks: The vision for Leather Working Group
Ian Scher, *PrimeAsia*
- The LWG Audit Standard: Bridging the gap between business strategy & environmental operational activities
Guido Zilli, *Gruppo Mastrotto*
- Evolution of the LWG Audit Standards
Stuart Cranfield, *Leather Working Group*
- Q&A Panel Discussion
Panellists: *Christina Trautmann (facilitator), Guido Zilli, Ian Scher, & Stuart Cranfield*
- BREAK (30 MINUTES)



Stuart Cranfield
Head of Operations

Leather Working Group

Evolution of the LWG Audit Standards

Driven by the LWG's global membership, our auditing standards change to address important priorities across the leather supply chain. Stuart Cranfield, Head of Operations at LWG, will give an overview of our plans for further developing and optimizing the LWG Global Audit Standards in the future.

Speaker Profile

Stuart Cranfield joined the LWG team to head up the operations of the group in 2022.

Stuart joined LWG after spending the last 36 years at Clarks, working across multiple locations and functions.

In his previous role, Stuart was central in establishing and managing the social audit program at Clarks and has taken active roles in several multi-stakeholder initiatives including SLCP, CGF SSCI and BSI PAS24000.

Evolution of the LWG Audit Standards

- The Past
- The Present
- The Future

Evolution of the LWG Audit Standards

The Past

Single audit standard

Only for leather manufacturers

Only assessing basic environmental performance



Evolution of the LWG Audit Standards

The Present

The breadth of coverage has increased.

There are now four audit standards, engaging multiple stakeholders in the leather supply chain:

- Leather manufacturers
- Subcontractors
- Commissioning Manufacturers
- Traders



Evolution of the LWG Audit Standards

The Present

The depth of the scope has increased, in the latest revisions:

- Leather manufacturers – inclusion of chemical management, traceability and social audit
- Traders – inclusion of raw material traders

Scaling to reflect the size of the organisation has started to be introduced.

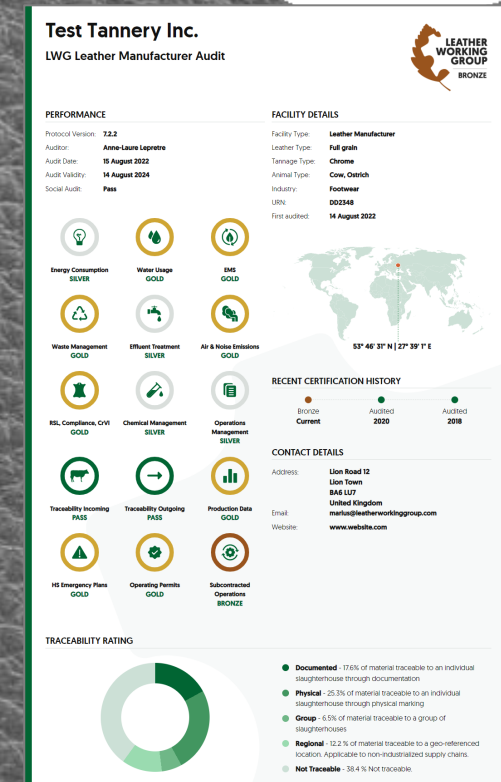


Evolution of the LWG Audit Standards

Improved Information – Leather Manufacturer Scorecard

One of the things we are pleased to be able to introduce with the new Leather Working Group website is the supplier scorecard for leather manufacturers.

This will provide a greater amount of information about the leather manufacturers performance than just the overall medal rating.



Leather Manufacturer Scorecard


By providing the rating for each section within the audit it will enable stakeholders to be more informed about the leather manufacturer's performance.

All leather manufacturers that are listed on the LWG website will be able to access and share their scorecard.

Access to the scorecard is controlled by the leather manufacturer. A brand member wishing to access the scorecard of one of their preferred suppliers must submit a request via the website and will only have access once that is approved by the leather manufacturer.

Test Tannery Inc.

LWG Leather Manufacturer Audit




PERFORMANCE


Protocol Version: **7.2.2**
 Auditor: **Anne-Laure Lepretre**
 Audit Date: **15 August 2022**
 Audit Validity: **14 August 2024**
 Social Audit: **Pass**

FACILITY DETAILS


Facility Type: **Leather Manufacturer**
 Leather Type: **Full grain**
 Tannage Type: **Chrome**
 Animal Type: **Cow, Ostrich**
 Industry: **Footwear**
 URN: **DD2348**
 First audited: **14 August 2022**




Energy Consumption
SILVER




Water Usage
GOLD




EMS
GOLD




Waste Management
GOLD




Effluent Treatment
SILVER




Air & Noise Emissions
GOLD




RSL Compliance, CrVI
GOLD




Chemical Management
SILVER




Operations Management
SILVER




Traceability Incoming
PASS




Traceability Outgoing
PASS




Production Data
GOLD




HS Emergency Plans
GOLD



Operating Permits
GOLD



Subcontracted Operations
BRONZE



53° 46' 31" N | 27° 39' 1" E


RECENT CERTIFICATION HISTORY

● Bronze Current ● Audited 2020 ● Audited 2018

CONTACT DETAILS

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United Kingdom**
 Email: **marlus@leatherworkinggroup.com**
 Website: **www.website.com**

TRACEABILITY RATING



- **Documented** - 17.6% of material traceable to an individual slaughterhouse through documentation
- **Physical** - 25.3% of material traceable to an individual slaughterhouse through physical marking
- **Group** - 6.5% of material traceable to a group of slaughterhouses
- **Regional** - 12.2% of material traceable to a geo-referenced location. Applicable to non-industrialized supply chains.
- **Not Traceable** - 38.4% Not traceable.

Evolution of the LWG Audit Standards

The Future – Audit Standards

The audit standard will be one of the key tools through which Leather Working Group is able to deliver the positive impacts we want to achieve.

It is therefore essential that the standards are aligned with those impacts and that going forward we are able to monitor and measure those impacts.

Evolution of the LWG Audit Standards

The Future – Audit Standards

The audit standard must and will continue to evolve.

It will become data driven:

- To quantify the role it has in delivering the LWG impacts
- To demonstrate credibility as a sustainability standard
- To underpin the sustainable claims of our members



Evolution of the LWG Audit Standards

The Future – Audit Standards

For future consideration:

- Alignment of audit standards
- Production data verification
- Traceability linked to deforestation commitments
- Encouraging the use of renewable energy
- Assessment of social performance
- Inclusion of carbon footprint calculation



Evolution of the LWG Audit Standards

The Future – Certification Process

The role of sustainability standards and the expectations now placed upon them has changed immensely in the time that the Leather Working Group has been in existence.

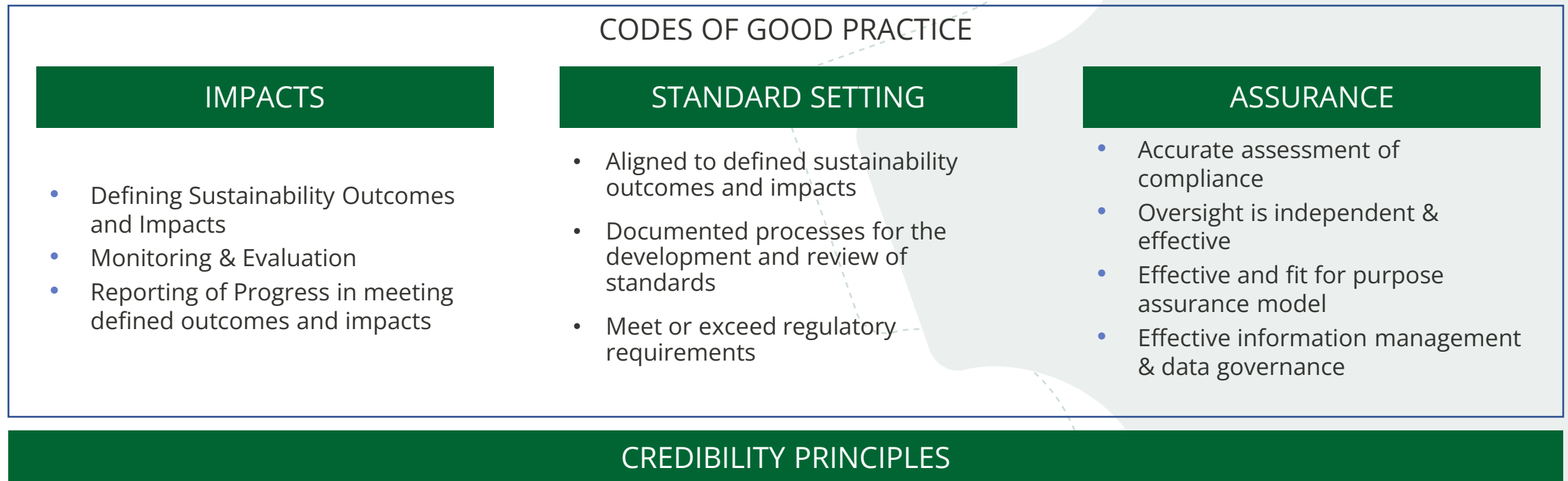
Credible sustainability systems are an integral part of how global markets are delivering on sustainability across sectors and geographies. That has not always been the case. In the twenty years that ISEAL has been leading the conversation around credible practices for sustainability standards and certification, we have witnessed and supported the transformation of these tools and the roles they play.

Where voluntary sustainability standards operated in a few niche sectors and were fighting for recognition as legitimate policy instruments, they now form the backbone of responsible sourcing practices for companies across the supply chain in most sectors — and are being integrated into legislation as effective instruments to fulfil policy objectives.

Evolution of the LWG Audit Standards

The Future – Certification Process

To ensure that the Leather Working Group audit standards and certification processes meet the expectations of our members and stakeholders they will be aligned with the ISEAL Codes for sustainability schemes and standards.



Evolution of the LWG Audit Standards

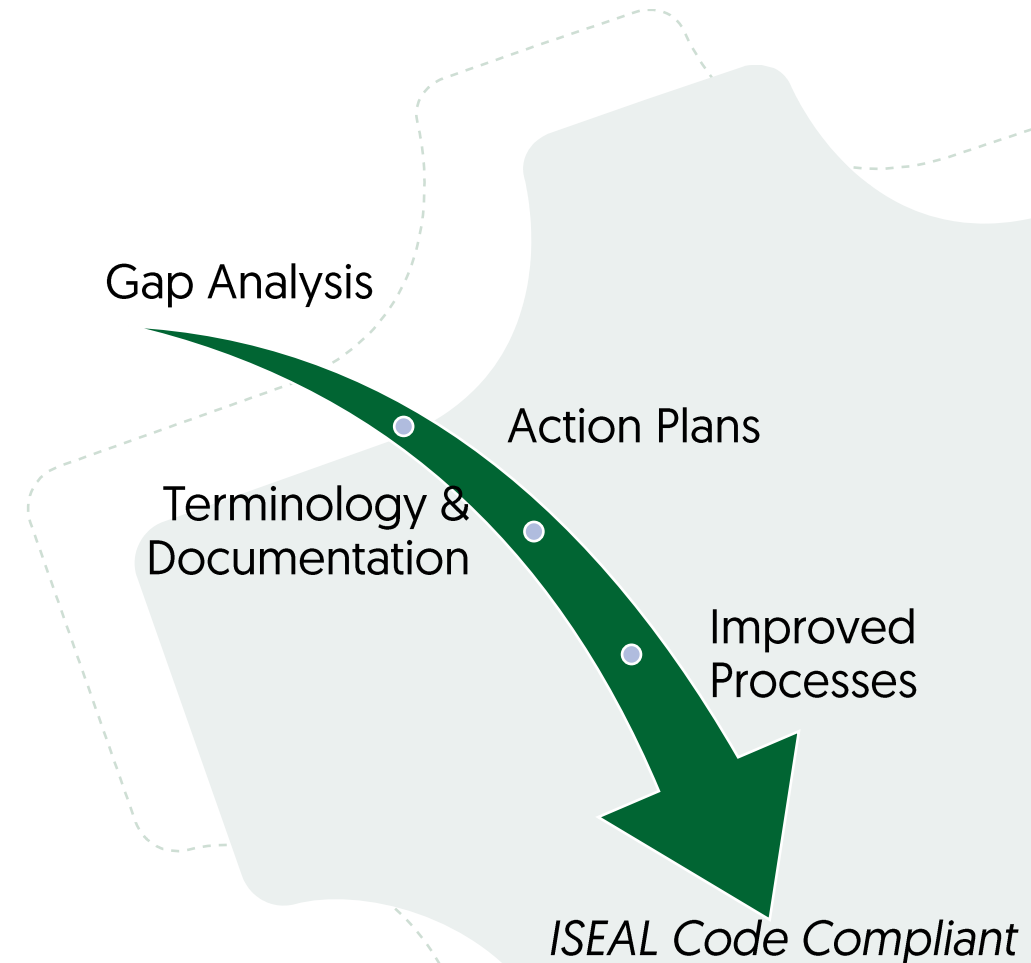
ISEAL – Working towards alignment

Gap Analysis – Completed

Action Plans – Being developed

Terminology & Documentation – Planned

Improved Processes – Planned





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Thank you!