



Annual Report

2020-21



Over more than 15 years the LWG has supported VF's leather suppliers as they worked to deliver better environmental outcomes. As the LWG protocol has developed and become recognised as a leading and credible assessment tool, it has enabled VF's brands Timberland, Vans, and The North Face to engage with their customers in respect to VF's leather supply, the concept of responsibly sourced leather and further opportunities to improve transparency and reduce impact.

Jon Hopper
Director Global Material Supply, VF Corporation



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Foreword

Ian Scher
PrimeAsia and Chair of the LWG Executive Committee

2020 saw the Leather Working Group celebrate its 15th anniversary. Despite the challenges posed by the global pandemic, 2020/21 was a year of both significant growth and evolution for us. The LWG continues to pursue environmental excellence through engagement with the global leather industry – growing to almost 1,200 members. This is testament to the hard work of the LWG and the value it provides to the industry.

Our primary mission has always been to respond to the ever-growing needs of the brands that support and rely on the LWG. The release of the new LWG Leather Manufacturer Audit Standard 7.0 (P7) this year, is a major step towards meeting those requirements and will be vital in achieving our goals.

While continuing to address many critical environmental, social, governance, and compliance issues, our new standard goes further than ever before to incorporate traceability, chemical management, social responsibility, governance and health and safety into its medal rating criteria. It also demands more from our members in terms of managing energy and water usage, air emissions and effluent discharges.

As we worked on developing P7, we also revised and updated some of our additional audit standards covering subcontractors, commissioning manufacturers, and traders, in a move towards making our certifications yet more responsible, accurate, and inclusive.

The LWG, like so many others, had to react to the public health threat brought about by the COVID-19 pandemic. The health and safety of our auditors and members comes above all else and, before the implementation of P7, P6.6 was updated (to P6.7) to allow audits to be done remotely in areas where travel was difficult and there was a perceived threat to our team.

Similarly, in lieu of the usual member meetings, we offered a series of webinars during the year on a multitude of subjects, with particular focus on providing an awareness and understanding of the major changes our members will face with P7.

The LWG Executive Committee dedicated considerable time in 2020/21 to setting key strategies for the future direction of the LWG. Some of these include:

- The development of an LWG Chain of Custody, to provide verified on-product claims, and the expansion of guidelines and engagement for retailers relating to the use of LWG certification at the point of sale.
- Ongoing standard development, including the concept of a carbon footprint calculator to be incorporated into a future P8.0 and further development of an LWG life cycle analysis.
- Continued and closer collaboration with key industry organisations, such as the Sustainable Apparel Coalition (the Higg Index), Textile Exchange, and ZDHC.
- Close working with various non-governmental organisations, such as the World Wildlife Fund (WWF) and the National Wildlife Federation (NWF), on critical issues such as deforestation, not just in South America but across the globe.
- Development of the LWG Traceability Working Group to provide a risk management approach to sourcing the materials.

At the LWG we recognise and respect that our role within the industry has evolved dramatically and that we have a responsibility to fulfil that role appropriately. In doing so, we find ourselves in need of additional resources, and we are extremely grateful to our facilitator, Eurofins BLC, for the people, time, and effort it contributes across the entire spectrum of our work. Its tireless effort towards our needs cannot be understated.

Equally, I must express my thanks and appreciation to the Executive Committee, who give their valuable time free of charge for monthly meetings and strategy calls. An additional thanks to Jon Loxston, Chair of the LWG Technical Sub-Group (TSG), and the members of that group who also freely give so much of their time and effort to the development and maintenance of our audit standards. The same must be said for all our groups: the Supplier Sub-Group, the Trader Sub-Group, the Animal Welfare Group, the Tannery of the Future Sub-Group, and our recently formed Traceability Working Group. The LWG understands the time constraints our members all have in this climate and greatly appreciates all they devote to this organisation.

We look forward to another year of growth and development within the LWG and greater investment into our industry.

Ian Scher
Vice President, Procurement
PrimeAsia Leather Corporation

Foreword

Christina Trautmann LWG Programme Manager



Looking back on my first full year with the Leather Working Group, I am immensely proud of everything we achieved and just how rapidly we were able to evolve and expand our scope to better meet the needs of our members.

Notwithstanding the additional challenges resulting from the coronavirus pandemic, the LWG was successful in making some considerable advancements to broaden the scope of our audit, to become more holistic and focused on environmental, social, and governance (ESG) criteria. We have also started a shift towards a more transparent, data-driven approach, that will enable brands to actively meet their sustainability targets and market their leather products as sustainable.

Our most recent audit standard, launched in February 2021, is a significant step forward and brings with it some exciting and forward-looking developments. Our ongoing audit development process is designed to drive progressive, sustainable improvements within the industry.

Working in partnership with LWG members means we can ensure meaningful developments and support tanners in phasing in new practices and making incremental – but crucial – changes. The certification roadmap clearly sets out developments coming further down the line, allowing members to begin preparing for new or strengthened requirements before they become a critical part of the LWG certification.

As a truly member-led organisation, our strategy is driven entirely by our members' input; without the valuable time, effort, and knowledge they devote to the LWG every year, we would not be where we are today – a major driving force for change, leading the way in improving sustainability in the leather supply chain.

The significant changes we implemented in 2020/21 were all developed as a direct result of member engagement and collaboration. They include:

- A move towards further improving traceability and transparency in the leather supply chain, thanks to the support of the newly formed Traceability Working Group.
- The introduction of a social compliance element into our certification for the very first time, to support manufacturers in ensuring safe and secure working environments for all employees.
- The digitalisation of our processes to provide members with access to a wealth of information and data-driven insights to tangibly demonstrate the positive impact of the LWG.
- Additional focus on consumer-facing communication, including the launch of the LWG Claims Framework to help members reassure consumers that they are committed to environmentally responsible practices.

To close, I would like to take a moment to thank all our members, partners, auditors, and employees, who have worked resolutely to continue driving forward our agenda in the face of a global pandemic. I have been left in awe by the sheer resilience, dedication and quick thinking displayed daily to adapt and adjust our processes, ensuring that the health and safety of our auditors and members was never compromised, while maintaining the high standards of our certification at all times. My sincere thanks to you all.

We have much to look forward to in the 12 months ahead, and I am confident the LWG will continue to be a leading light and a major force for good within the global leather industry.

Christina Trautmann
Programme Manager,
Leather Working Group

About us

At a glance



1,139
LWG members

+40% in 2020/21

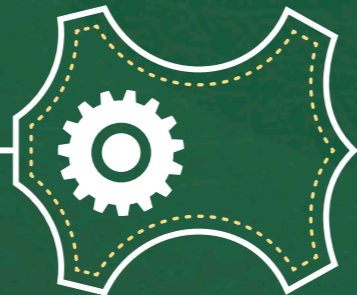
861

Certified facilities
+48% in 2020/21

733 Leather Manufacturers

108 Traders

13 Subcontractors | **7** Commissioning Manufacturers



Certified sites in **53** countries



4

Audit standards



23%
Global finished leather produced in an LWG-certified facility

16 YEARS

since the LWG was founded

5.39 bn sq. ft
of global leather made in LWG-certified tanneries

2.76 bn sq. ft
of fully traceable material used

About us

Who we are and what we do

Since 2005, the Leather Working Group (LWG) has been dedicated to driving improvements in sustainability within the leather industry. We are a collaborative not-for-profit organisation, originally founded by a group of globally recognised brands including adidas, Clarks, IKEA, Nike, Marks & Spencer, New Balance, and Timberland, as well as several leading leather manufacturers from around the world.

Fast forward to 2021 and we are now a significant driver of positive change, responsible for the world's leading environmental certification for the leather manufacturing industry and are proud to have almost 1,200 members worldwide. Our members include brands and retailers, traders, manufacturers, suppliers, associations, and technical experts.

Since our inception, our primary focus has been auditing the environmental performance of leather manufacturers (tanneries) and traders. This has now evolved to be a holistic, ESG certification. We have established strong environmental best practices for the industry, and we continually review and update our audit standards to drive further improvements.

The LWG provides a range of auditing tools designed to assess and connect all actors in the leather supply chain, certifying only those that meet our rigorous standards.

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We see visible progress from the tanners we work with thanks to the formidable LWG audit tool and the network of expertise held by the LWG. We can see tangible success in key performance indicators, but even more so in the mindset of tanners.

Hugues Pichon
Project Director, LVMH

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About us

Working towards the UN Sustainable Development Goals

The United Nations' Sustainable Development Goals (SDGs) form an integral part of the 2030 Agenda for Sustainable Development, adopted by all UN member states in 2015.

The 17 SDGs demand action from both developed and developing countries to work together in building strategies which, alongside tackling climate change and protecting our natural environment, also improve health and education, reduce inequality, and stimulate economic growth.

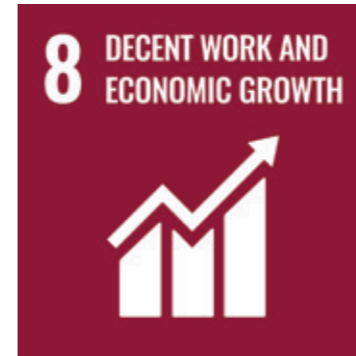
Our flagship certification, the LWG Leather Manufacturer Audit Standard, is designed to carefully assess the facilities of leather manufacturers and delivers against several of the SDGs:



We support leather manufacturers in understanding and implementing waste management systems to reduce pollution and contamination in the air, water, and soil.



We assess leather manufacturers on their water consumption and treatment and disposal of wastewater, with the aim of increasing water usage efficiency and reducing pollution.



In early 2021, we introduced a social compliance requirement to promote safe working environments and protect all workers within the leather supply chain.



The LWG audit standard rewards leather manufacturers that demonstrate environmentally sound and efficient manufacturing processes.



Through our audit standard we aim to reduce the impact of the leather manufacturing industry on the environment and increase the institutional capacity of leather manufacturers and brands to address climate issues.



We drive best practices in wastewater management, to help prevent and reduce marine pollution from leather manufacturing facilities.



The latest version of our audit standard, P7, aims to enable better traceability through the leather supply chain, and drive additional due diligence for sourcing material where risks have been identified, for example, for leather sourced from regions at high risk of deforestation.



We work with the National Wildlife Federation (NWF) and World Wildlife Fund (WWF) to find solutions to traceability and deforestation. We hold partnership agreements with ZDHC, Textile Exchange, and UNIC. We are also supported by the Solidaridad and have joined 1% for the Planet.

Our mission and future direction

Our mission

As the largest multi-stakeholder group for the leather industry, the LWG has been built on collaboration and community effort – both through the direct LWG membership and through valuable, symbiotic partnerships.

As we have grown over time, our scope has evolved and expanded to match the changing landscape of the global leather industry and increased regulation.

However, our overarching objective remains the same: to improve the impact of the LWG supply chain in a holistic way, cementing our audit standards as the global standard for leather manufacturing, covering all elements and actors in the leather value chain.

To achieve this, we are committed to driving further collaboration and communication, promoting the credibility and positive aspects of our certification, and supporting brands and members in making informed, science-based decisions to improve their impact and source their leather responsibly.

Today's consumers demand more from brands and retailers, with a rapidly growing focus on sustainability and environmental responsibility. As the number one recognised certification for responsible leather sourcing, the LWG will continue to provide the information and tools for brands and retailers to make robust and credible sustainability claims.

Our mission and future direction

Building consumer awareness



We aspire to become the number one recognised certification for responsible leather across the globe.

For our members, promoting their membership of the LWG and commitment to our goals can reassure their customers that they invest in environmentally responsible practices, and help consumers to make informed choices about their purchases.

To support members in doing this consistently and accurately, we have worked with them to develop the LWG Claims Framework, giving members guidance on how to make claims about the LWG, their membership, and our audit standards. All members wishing to communicate about the LWG must use this document to ensure all claims are accurate and appropriate, with no misleading language.

Moving forward, we will provide a Supplier Scorecard as part of our website redesign and digital transformation. The scorecard will provide a voluntary option for manufacturers to communicate their LWG audit performance and achievements to brands in a more granular, transparent, and consistent way. In turn, this will support brands in developing a narrative for consumers, and empower manufacturers to visibly demonstrate sustainability leadership. We anticipate launching the scorecard by the end of 2021.

Looking forward, the next major development we are planning will be the creation of an LWG Chain of Custody assessment. This will provide an additional level of supply chain transparency and is vital in ensuring robust and verified claims about products made using LWG leather.



Our mission and future direction

Understanding environmental impact



Consumers today are increasingly conscious of the origins and environmental impact of the products they buy. They have higher expectations that brands will offer environmentally friendly and ethically sourced products.

Responsible and sustainable manufacturing should help foster a healthier, more resilient environment, improve the efficiency of resource consumption, reduce risk within the supply chain, and manage all potential impacts appropriately – including both environmental and social aspects. Manufacturers operating responsibly can drive investment and attract customers by demonstrating their commitment to a more sustainable way of operating.

As a world-leading tool for helping brands make responsible sourcing decisions, the LWG certification has been driving improvements in the leather industry for the past 16 years. However, we recognise that there is more to be done to understand the environmental impact of leather in more detail.

In the next version of our audit standard (P8), we plan to include an integrated facility carbon footprint calculator to help members get a clear picture of the overall impact of their facility and the resulting leather they produce and help to reduce their footprint.

The LWG is also dedicated to working with relevant industry partners to help to increase the understanding of the environmental impact of leather in a holistic way.

This includes understanding:

- The impact from farming,
- Leather's relation to cattle ranching and the status of leather as a by-product,
- The impact of leather manufacturing,
- The physical properties of leather that make it a durable material, and
- How leather compares to alternative materials.

The primary platform where we will discuss these topics will be the new Environmental Impact Working Group, to be kicked off in Q3 2021.





Our mission and future direction

Animal welfare

Animal welfare remains an important topic for our members. The Animal Welfare Group (AWG) is one of the LWG sub-groups dedicated to discussing and developing work that will add value to the LWG and its membership.

Members of the AWG benefit from access to information to help them carry out due diligence on supply chains and make informed decisions related to animal welfare, as well as support from a community of like-minded brands and supply chain representatives facing similar challenges.

The group has developed 26 country profile reports which provide a high-level overview of animal welfare impact factors in specific countries to help brands make informed sourcing decisions. The profiles consider several factors, including (but not limited to) farming practices, transport of animals, traceability systems, and slaughtering practices.

In 2020, **A Guide to Improving Animal Welfare in the Leather Industry** was produced on behalf of the AWG, with input from third party experts in animal welfare, the RSPCA and Progressive Beef. AWG members can use the guide to illustrate good practice in animal welfare to supply chains.

26 animal welfare country profile reports published

23 members represented on the AWG

Looking forward, the AWG would like to build on its knowledge base to give an interactive summary of animal welfare across the globe, as well as providing a checklist for determining animal welfare standards, and an overview of available industry standards and certifications. The group will also be looking in more depth at farming styles and traceability by region and at the resulting differences in environmental impact and will be hosting educational webinars from external experts.



Our mission and future direction

Traceability and supply chain transparency


Traceability has been one of the LWG's top priorities for over a decade. Since 2008 we have actively driven enhanced traceability within the leather industry, after many global brands were challenged to review their supply chain policies following deforestation and cattle ranching concerns.

Today, the transparency of the supply chain is more important than ever as consumers, legislators and NGOs demand sustainable products – the key to which are credible, evidence-based environmental credentials. In 2020, we launched the LWG Traceability Working Group (TrWG), designed to provide our membership with a collaborative platform for engagement and education, as well as drive the evolution of our traceability requirements within our audit standard.

The group will build on the valuable work of our Animal Welfare Group and create a framework for managing regional due diligence, by taking into account the level of traceability that is theoretically possible in each country, as well as identifying areas where additional due diligence is required. Once developed further, we will feed this information into our future traceability developments and provide members with knowledge to help them make informed sourcing decisions and carry out due diligence checks within their supply chains as necessary.

The LWG audit standard is designed to connect the supply chain and increase transparency – from raw to finished leather. Our philosophy is to drive change progressively, by increasing the audit requirements. The incentive is to maintain a medal rating, with gold being the best level possible. The same is true for traceability, where we plan to gradually increase the importance of meeting the requirements in the audit.

Deforestation is a special focus area and the LWG's vision for the future is for a 100% deforestation- and conversion-free leather. We depend on the expert advice from our partner organisations, NWF and WWF, to help us drive this change. We are conscious that there will be many challenges on this journey, and to be successful, it will be very important that the goals we set are realistic and achievable.



Our philosophy is to drive change in the industry progressively, by increasing the audit requirements.

34 members represented in the Traceability Working Group

2.76bn ft² of traceable leather made by LWG leather manufacturers

Our mission and future direction

Collaborations and partnerships

The LWG has been built on collaboration and community effort – both through the direct LWG membership and through valuable partnerships. As a multi-stakeholder group, engaging with our membership and forming partnerships with complementary organisations are central to our success.

Our members and partners include leather manufacturers and traders; brands and retailers; suppliers of chemicals, machinery, and testing; auditors; NGOs; and other multi-stakeholder organisations.

Only through full supply chain engagement can we respond to the challenges faced by the leather industry, ensure maximum value, and minimise duplication of efforts. Some of our partnerships and collaborations are mentioned below, but this list is not exhaustive. These relationships are incredibly valuable, and we are committed to strengthening the existing ones and forging new ones going forward.

We have shared our expertise with the **ZDHC** to support the development of their Manufacturing Restricted Substances List (MRSL) and Wastewater Guidelines, helping to reduce the textile, leather, and footwear industries' chemical footprint on the environment. We have also agreed a partnership with ZDHC to provide free access to the ZDHC Gateway for all LWG-certified leather manufacturers.

Our group recently became a Non-Profit Partner of **1% for the Planet**, a global network of businesses, non-profits and individuals dedicated to connecting funding to environmental causes. Brand members of the LWG can now count their membership fees towards their commitment to donate 1% of their annual sales.

In 2018 the LWG and **Textile Exchange** agreed a memorandum of understanding (MoU) for the purpose of collaborating on the promotion of environmental improvement within the leather industry. Since then, our groups have agreed a membership exchange, allowing full collaboration and access to key resources from each group.

The **Solidaridad Network** has financially supported the LWG Tannery of the Future self-assessment, and the organisation provides feedback and expertise as part of the Tannery of the Future Sub-Group. Their experience is invaluable in driving this project and helping tanneries that are just starting out on their sustainability journey to work towards improving their impact.

We work closely with both the **NWF** and **WWF**, focusing primarily on developing better traceability within the global leather industry, especially regarding deforestation.

In 2020, NWF joined the LWG Traceability Working Group – a committee launched to address traceability within the leather supply chain.

11 long-term partnerships with third parties

3 3 NGO partners and sub-group members



Our mission and future direction

Digitalisation and data analysis

As we continue to grow, it is vital that we digitalise our audit process and improve and expand our digital services to our global membership base.

In 2020/21 we launched the digital training portal, a platform for training and educating members. The portal is primarily the home of the **LWG Tannery of the Future** tool, which has already seen more than 60 registrations. We also held a technical webinar series across different time zones to help members understand more about the new requirements in the latest audit standard.

Looking to the future, we are working towards digitalising the LWG audits to improve the speed and efficiency of the audit process, as well as drive accuracy.

Using our wealth of audit data, we plan to launch the **LWG Supplier Scorecard** to support leather manufacturers in communicating their performance and achievements to customers. As a result, brands and retailers will be able to access additional insights and the **data-driven** results needed to support **science-based target-setting and sustainability claims**.



To provide more value and functionality to members, and better showcase our services to potential members and consumers, we are developing a **new LWG website**, which we plan to launch in late 2021. Whilst our primary audiences are businesses within the leather industry, it is increasingly important that our website also appeals to consumers, with a particular focus on those interested in sustainable fashion.

8,000+ visits to our website each month

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The LWG community enables an effective and collaborative network to engage with other members of the industry, brands, suppliers, and NGOs on all things leather. Sourcing from LWG-audited tanneries is one key part in ensuring our leather supply chain is proactive in its environmental practices and operates with integrity in its operations. We are pleased to see the broadening of the LWG outlook so we can continue to address the many touchpoints of the leather supply chain.

Craig Drew Leather Development Manager, Dr Martens

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Our mission and future direction

Training, engagement and development

By working collaboratively with our members, we aim to support them in taking proactive steps to improve the sustainability of the LWG leather supply chain. Key to this is a commitment to provide more information on important topics, helping members to make informed decisions and carry out additional due diligence where it is recommended.

In 2020 we introduced the **LWG Webinar Series**, giving a more detailed overview of the new requirements in the latest audit standard (P7). Delivered by technical experts, the webinars are designed to provide leather manufacturers with the information they need to prepare for their next audit and to offer context to brands and retailers about what this means for their leather supply chain.

Giving members a line of sight to future changes to the LWG audit requirements is also important in supporting them to be proactive in making improvements. For this reason, we have published a **Development Roadmap** through to Q1 2023, highlighting when we plan to make further changes to the audit standards.

To help educate tanners on responsible manufacturing practices, we have launched a new online training platform. The first module to be released was a digital version of the **LWG Tannery of the Future tool**, which allows leather manufacturers to complete an online self-assessment to benchmark their current performance and help them start to take the necessary steps to work towards full LWG certification.

Vital to our continued development is the contribution and engagement of the **LWG Sub-Groups**, which provide knowledge, time, and expertise on specific topics of value. In 2020, the Technical Sub-Group (TSG) reviewed and updated our flagship auditing standard and developed two new standards for different actors in the leather supply chain.

Our newly launched **Traceability Working Group (TrWG)** helped to develop our work in the realm of traceability and supply chain transparency, as part of Protocol 7.0 and beyond.

Our sub-groups are a vital resource for the group, ensuring we focus our efforts on crucial workstreams to remain a valuable and relevant organisation for our members.

60 registrations on LWG Tannery of the Future platform

+1 new working group on traceability

“

The LWG is a major contributor to our industry's increased focus on sustainable leather manufacturing. 15 years ago, no single organisation was able to clearly define manufacturing practices as good or poor, in terms of their environmental impact, and we were certainly not able to define the processes that meant the resulting leather could be called a sustainable material. With the introduction of the LWG audit protocol, a measurable scale of performance was defined for the first time, classifying the best available technologies and providing the foundation for a continuous improvement process. This was an extremely important effort.

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Dietrich Tegtmeier

Global Head of Business Development and Industry Relations, TFL



Auditing

Introduction to our auditing standards

We have been dedicated to auditing and improving standards in the leather industry for 16 years. Since our inception in 2005, we have introduced several audit standards as well as a self-assessment tool, to connect the leather supply chain and provide a customisable auditing approach for different types of operation.

LWG Leather Manufacturer Audit Standard

The LWG Leather Manufacturer Audit Standard is our flagship certification, originally developed with input from our members to promote environmental best practice across the entire supply chain. Launched in 2006, the LWG Leather Manufacturer Audit evaluates the performance and compliance of leather manufacturers around the world.

In 2021 we released a new version of the LWG audit standard (P7), bringing major changes to how we assess leather manufacturers, and representing a significant step forward to a more sustainable and secure leather supply chain. The audit has evolved to be a holistic, ESG-focused audit, and it now covers all elements of responsible leather manufacturing including environmental management, traceability, chemical management, social responsibility, and governance.



LWG Trader Audit Standard

Our Trader Audit was launched in 2017 and is designed to assess traders of leather at various points in the supply chain. The assessment provides greater transparency into the trading of part-processed and finished material.

LWG Commissioning Manufacturer Audit Standard

The LWG Commissioning Manufacturer Audit Standard was launched in 2020 to assess the performance of companies that buy raw material and commission manufacturing work to be carried out by subcontractors, before selling it on as finished leather. The standard allowed new members of the supply chain to engage with the LWG audit programme and provide greater supplier options to brands and retailers.

LWG Subcontractor Audit Standard

The LWG Subcontractor Audit Standard was released in 2020 in conjunction with the Commissioning Manufacturer Audit. The standard evaluates the environmental performance of manufacturers completing subcontracted work on behalf of other organisations.

Remote audits during COVID-19

Like many other organisations worldwide, the coronavirus pandemic forced us to make temporary changes to our operations.

Travel restrictions and public health concerns made it difficult to deliver on-site audits in many parts of the world. As an initial response, all LWG-audited members with valid certification were granted an automatic 12-month extension in May 2020.

Faced with the continued challenges caused by the pandemic, we launched a remote auditing option for manufacturers who were unable to complete the re-certification process. The remote audit follows the LWG audit standard, but with added evidence requirements. The first stage of the audit consists of remote data gathering and a virtual tour of the site, resulting in a certification that is valid for 12 months. Within a year of this initial remote audit, a second virtual facility tour is required; if all requirements are met, the certification will then be upgraded and extended by a further 12 months.

As travel remains difficult for most parts of the world one year on from the certification extension, we are continuing to offer remote audits to our members. We are confident that this is a robust alternative option during this period.

Auditing

Protocol 7: The evolution to a holistic audit

In February 2021 we published P7, the latest version of our Leather Manufacturer Audit Standard, bringing several major changes to how we assess tanneries and aiming to provide a more holistic assessment of their performance.

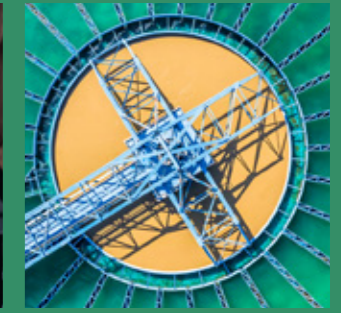
Key changes include new requirements for social responsibility, effluent treatment, material traceability, and chemical management.

After a six-month introductory period, P7 replaced the existing P6.7 on 22 August 2021, becoming mandatory across all audits of leather manufacturing facilities.



With our increased scope and updated requirements, we will provide brands with a more secure, end-to-end supply chain, and reassure consumers that they are supporting responsible manufacturing when they purchase products with the LWG seal.

Christina Trautmann LWG Programme Manager



Chemical management

Previously a standalone assessment, the LWG Chemical Management Module (CMM) has now been fully integrated into the main audit standard.

Our requirements are fully aligned with the AFIRM risk-based restricted substances list for leather, and all LWG-certified members have been granted free access to the ZDHC Gateway to help them demonstrate their MRSL compliance during an audit.

Traceability

Developed in collaboration with the NWF, the traceability section has undergone significant development to become an integrated scored section, with additional due diligence measures to address deforestation due diligence. We have also included additional levels of traceability to start assessing a broader scope for leather traceability.

With the formation of the Traceability Working Group, and continued collaboration with NGOs, we are planning to develop these requirements even further in future versions of the LWG standard.

Social responsibility

Building on the strengthened housekeeping section launched in 2018, we have improved our health and safety requirements and, for the first time, introduced a social compliance section to our flagship audit standard. Rather than develop our own social audit, we will recognise existing social audit programmes to minimise duplication and promote alignment.

As a critical element in responsible sourcing, including social elements within our scope was a natural evolution of audit, following the needs of our membership. We will gradually increase the level of importance of this requirement within the audit, and it will become more critical in P8, which we plan to release as early as Q3 2022.

Effluent treatment

Making sure that leather manufacturers manage all waste and discharges appropriately is a critical part of our assessment to minimise their impact on the environment. We expect a high standard to be met and maintained by all LWG-certified tanners, regardless of the country in which they operate.

In P7, we introduced stricter requirements for the treatment of effluent, with our criteria differentiating between direct discharge from on-site effluent treatment plants and indirect discharge from central and municipal effluent treatment plants, as well as introducing more stringent limits for contaminants.

Structure and governance

Our structure and governance

We are an international, collaborative, and not-for-profit organisation representing members from across the global leather supply chain to help improve the environmental impact of the leather industry auditing and certification.

Our membership boasts almost 1,200 stakeholders across the leather industry, including leather manufacturers, chemical suppliers, brands, and retailers. The LWG membership plays a crucial role in developing our strategy, through their engagement via meetings, advisory sub-groups, and topical surveys.

The LWG Administration Office, based in the United Kingdom, manages the day-to-day operations of the group, overseen by the LWG Programme Manager.

Our passionate and dedicated team of experts amounts to more than 75 years' joint experience in the leather industry:

75+

Christina Trautmann LWG Programme Manager

Having spent several years primarily working in footwear material sourcing for adidas, Christina brings valuable technical experience in the leather supply chain and previously represented adidas on the LWG Executive Committee.

Adam Hughes Facilitator

Adam has worked in the leather and footwear industry for over 30 years, including 10 years in leather manufacturing. He was involved in the creation of the LWG working closely with the founding partners to develop the group.

Mark Lucas

Technical Manager and LWG Auditor

An LWG auditor since 2005, Mark manages the LWG Technical Sub-Group and has been instrumental in the development of the LWG audit standards. Like Adam, Mark has worked in the leather industry for over 30 years.

Leticia Millward

Sustainability Project Manager

Leticia is new to the team and will support on technical topics related to our audit standards and manage all sustainability initiatives, including the new Environmental Impact Working Group. She holds a PhD in Leather Technology from the University of Northampton.

Jennifer Toes

Communication and Events

Jennifer is responsible for the LWG's marketing and communication activities, including webinars, social media, press releases, and advising brands on claims and labelling.

Matt Parker

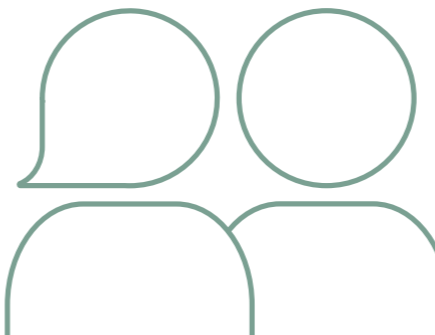
Membership and Administration

Responsible for managing the LWG membership and cultivating new relationships, Matt provides ad hoc, bespoke support to our membership in all areas. Matt also manages the Audit Administration team.

Damien Doyle

Administrator

Damien is also new to the team and is responsible for our audit administration and communicating with our global auditing team.



Executive Committee

The LWG Executive Committee (EC) is the elected governing body of the Leather Working Group, representing members across different sectors of the leather industry.

As a membership-led organisation, impartiality in our governance is a key strength. Committee member companies are democratically elected to their position by other companies in their sector and have the responsibility to represent the sector's interests accordingly.

The committee meets once a month and holds bi-annual strategy meetings. It is responsible for driving the overall strategy and direction of the group and is advised by multiple advisory sub-groups on specific topics.

The committee is currently composed of four brands, four leather manufacturers, and one chemical supplier:

Leather manufacturers

- Industria del Curtido - Silvino Navarro
- Pittards - Jon Loxston
- PrimeAsia Leather Co. - Ian Scher (Chair)
- Tong Hong - Andy Seaward

Brands

- adidas - Erika Benz
- LVMH - Hugues Pichon
- Tempe Inditex - Jose Estevan Fernando Nacher
- VF Corporation - Jon Hopper

Supplier

- TFL - Dietrich Tegtmeier

Structure and governance

Sub-groups

While the Executive Committee is the main strategic, decision-making body of the Leather Working Group, it is advised and supported by several different sub-committees. At least one member of the LWG Executive Committee sits on each sub-group to ensure full transparency and governance of their activities. These LWG sub-groups are dedicated to discussing and developing work that will add value to the Leather Working Group and its membership.

The LWG sub-groups include:

LWG Technical Sub-Group (TSG)

A critical sub-group comprised of dedicated and experienced tanners, brands, suppliers, and auditors, the TSG is responsible for developing the LWG audit standards and governing all technical auditing decisions.

LWG Tannery of the Future Sub-Group (TOTF)

This group is responsible for the management of the 'LWG Tannery of the Future – are you ready for an audit?' self-assessment – a tool for leather manufacturers to take their first steps towards improving their manufacturing processes and working towards an LWG audit.

LWG Animal Welfare Group (AWG)

The AWG is a dedicated group for discussing and developing work on animal welfare that adds value to its members.

LWG Traceability Working Group (TrWG)

The TrWG provides a multi-stakeholder platform for education and engagement on all topics related to the traceability of leather. The insights from this group directly drive the development of our traceability audit requirements.

LWG Supplier Sub-Group (SSG)

The SSG provides a platform for supplier members to make a significant contribution to the LWG objectives and assists in resolving industry issues.

LWG Trader Working Group (TWG)

The TWG provides a platform for the trader sector to make a significant contribution to the LWG objectives and assist in resolving industry issues.

Auditors

The LWG auditors are valuable partners and are key to upholding the high standards and reputation of the LWG.

The LWG Technical Sub-Group approves a limited number of highly qualified, independent expert auditors to conduct LWG audits. LWG auditors are not directly employed by LWG but instead are individually approved to carry out audits on our behalf. The LWG auditing team is international, with auditors based in Europe, Asia, and Oceania. The current team consists of 12 experienced auditors from 10 different countries, with clients based all over the world.

We work in close collaboration with the auditors to ensure they are up to date with changes to the audit standards and audit process. They also provide invaluable feedback on key issues and audit developments. The peer review process, where each audit is reviewed by another LWG auditor, provides an additional level of robustness and consistency to the audit process.

Three new auditors were approved to join the LWG auditing team in 2020, to keep up with the significant increase in the number of audits globally.

Our current auditors include:

- Alfredo Garcia Espantaleon
- Anne-Laure Lepretre
- Balaji Velu
- Catherine Money
- Chris Jacklin
- Jutta Knoedler
- Marivi Galiana
- Mark Lucas
- Ricky Wilby
- Robert Yu
- Viswanathan Munusamy
- Yigit Kaman

Leather Working Group

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