LIA Standard Benchmark Approval Process 1.0

The *LIA Standard Benchmark Approval Process 1.0* replaces *the LIA Standards Benchmark Approval Process 0.1* and is effective as of August 8, 2023.

English is the official language of the *LIA Standard Benchmark Approval Process 1.0* . In any case of inconsistency between versions, reference shall be made to the English version.

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Document Revision

The *LIA Standard Benchmark Approval Process 1.0* will undergo a revision process at least every five years. The next revision is tentatively scheduled to begin in 2027, for completion in 2028. Please note that Textile Exchange may decide to revise earlier at our discretion. You may submit feedback to Textile Exchange at any time; send to LIA@TextileExchange.org. Points of clarification may be incorporated into supplementary and guidance documents prior to 2025. More substantive feedback or suggested changes will be collected and reviewed as part of the next revision of the document.

Revision History

LIA Standards Benchmark Approval Process 0.1, released 2021.01.05

Contents

Introduction

About the Standard Benchmark Approval Process

The objective of this document is to provide an overview of the benchmarking and approval process and guidance on how to apply for benchmarking against one of the standard benchmarks developed through the Leather Impact Accelerator.

About the Leather Impact Accelerator (LIA)

The Leather Impact Accelerator (LIA) is a set of tools that help the industry address the core challenges it faces around leather production. LIA establishes minimum social, environmental, and animal welfare requirements in the leather supply chain, incentivizes farmers and leather producers to meet them, gives brands a way to reward those that do, and encourages transparency along the way. Learn more at www.textileexchange.org/leather-impact-accelerator

About Textile Exchange

LIA is owned and managed by Textile Exchange. Textile Exchange is a global non-profit driving positive impact on climate change across the fashion, textile, and apparel industry. It guides a growing community of brands, manufacturers, and farmers towards more purposeful production from the very start of the supply chain.

Its goal is to help the industry to achieve a 45% reduction in the emissions that come from producing fibers and raw materials by 2030. To get there, it is keeping its focus holistic and interconnected, accelerating the adoption of practices that improve the state of our water, soil health, and biodiversity.

For real change to happen, everyone needs a clear path to positive impact. That's why Textile Exchange believes that approachable, step-by-step instruction paired with collective action can change the system to make preferred materials and fibers an accessible default, mobilizing leaders through attainable strategies, proven solutions, and a driven community.

At Textile Exchange, materials matter. To learn more, visit TextileExchange.org

About Climate+

At Textile Exchange, our goal is to help the fashion and textile industry achieve a 45% reduction in the greenhouse gas (GHG) emissions that come from producing fibers and raw materials by 2030. This is known as Tier 4 of the supply chain, and it accounts for 24% of the industry's GHG impacts. This goal underpins our Climate+ strategy. We call it Climate+, because it goes beyond

accounting for GHG emissions. Instead, it is an interconnected approach that swaps siloed solutions for interdependent impact areas like soil health, water, and biodiversity.

The + is also an acknowledgment that Textile Exchange cannot achieve this goal alone.

The Leather Impact Accelerator contributes directly to the Climate+ goal by addressing:

- Deforestation and conversion at the farming tiers of the bovine leather supply chain, which contribute to GHG emissions, impact soil health, water, biodiversity, and people.
- Animal welfare at the farming and slaughter tiers of the bovine leather supply chain.

The Standard Benchmark Approach

A standard benchmark approach has been adopted to leverage and add value to the standards and programs that are already in use by the industry.

Benchmarks set a minimum threshold for practices and give recognition to those who meet or exceed them.

The intent of this process is to help brands and retailers navigate the landscape of standards used in the bovine leather supply chain by identifying and recognizing standards that meet the threshold set in the LIA standard benchmarks. Hence a brand/retailer will know what issues and practices, at a minimum, will be covered by LIA-approved standards and thereby what can be expected from a farm or facility certified to one of these standards.

The standard benchmark approach is also expected to generate the following outcomes:

- An efficient way for brands/retailers to communicate their expectations clearly and consistently to their supply networks, which may reduce the need for brand-specific requirements and audits;
- The alignment of expectations among standards,
- Improved transparency relative to the operation and performance of standards,
- Greater visibility and uptake of the recognized standards.

The Leather Impact Accelerator (LIA) uses a standard benchmark approach to assess:

- Technical Scopes
- Animal welfare standards used throughout cattle production and slaughter;
- Social standards used from slaughter and throughout the leather production supply chain,
- Environmental standards used throughout the leather production supply chain.

Standard Management Criteria (applies to all standards being benchmarked)
All standards will be required to comply with the Standards Management Criteria, which ensures the standard is developed, audited, and maintained in a robust and credible fashion.

A Standard Owner can apply for a benchmark assessment through the LIA Standard Benchmark Approval Process. Under this process, the standard will be assessed against the relevant scope specific requirements. In practice this means that the Standard Owner will need to provide evidence that the practices addressed in the LIA standard benchmark are covered in its standard.

Any standard that meets one of the LIA standard benchmarks and the Standards Management Criteria shall be listed on the LIA website as a LIA-approved standard.

The ISEAL Good Practices for Credible Benchmarking guide was used as reference in the development of the LIA standard benchmarks to ensure more consistent, accurate, transparent, and robust benchmarking.

How to Use this Document

This document sets forth the overall criteria for assessment against the LIA standard benchmark.

The following terms are used to indicate requirements, recommendations, permissions, and possibilities or capabilities:

- "Shall" indicates a requirement;
- "Should" indicates a recommendation (non-binding),
- "May" indicates a permission (non-binding), and
- "Can" indicates a possibility or a capability.

The abbreviation "e.g." is used to indicate an example, while the abbreviation "i.e." is used to provide clarification of meaning.

Section A - How to Become a LIA-Approved Standard

A1. Eligibility Criteria

A1.1   Only Standard Owners can apply to get their standards benchmarked to LIA.

> **A1.1.1**   A Standard Owner (synonym: Scheme Owner) is defined as the organization that determines the objectives and scope of the standards system, as well as the rules for how the scheme will operate and the standards against which conformance will be assessed. In most cases this is the standard-setting organization. (ISEAL Assurance Code v2 (2018))

A2. Meeting the LIA Standard Benchmarks

A2.1   An applicant shall provide evidence that all *required* benchmarking criteria are met.

A2.2   The Standard Owner is required to provide objective evidence that the standard meets the applicable LIA standard benchmark.

> **A2.2.1**   The LIA standard benchmarks are pass/fail benchmarks: *required* criteria either met or not met.

A2.3   In case details in the standard's documentation are missing or different from the LIA benchmark criterion, the standard can be accepted if the intent of the criterion is covered.

Section B - Roles and Responsibilities within the Standard Benchmark Approval Process

B1. The Role of the Benchmark Leaders

B1.1   The LIA benchmark shall be performed by Benchmark Leaders who execute the Standard Benchmark Approval Process as described in this document. They will verify whether a standard is in alignment with the criteria of the LIA standard benchmark.

        B1.1.1   A Benchmark Leader is assigned for each technical scope (animal welfare, leather production environmental, or leather production social) and for the standards management criteria.

        B1.1.2   The Benchmark Leaders are experts in the field of the LIA-scope they assess.

        B1.1.3   The Benchmark Leaders may be Textile Exchange employees or external contractors.

B1.2   The Benchmark Leaders shall report to LIA Team, who supervises all the benchmarking activities and communication with the Standard Owner.

B1.3   The Benchmark Leaders shall be the key point of contact for any questions related to the benchmark assessment (technical scope or standard management).

B2. The Role of LIA Team

B2.1   The LIA Team leads the Standard Benchmark Approval Process, as described in this document, and oversees the implementation of the work plan. It acts as the liaison between the Standard Owner and the Benchmark Leaders and ensures that all parties involved are provided with updates and relevant information, as necessary.

B2.2   The LIA Team is the key point of contact for any procedural questions, any questions regarding (external) communication, and any issues that might arise during the process.

        B2.2.1   The LIA Team is also the key point of contact for any member or stakeholder inquiries.

B2.3   Based on the benchmark report the LIA Team shall decide on the *provisional approval* of a standard or not as well as decide on the change from *provisional* to final approval following the public comment period.

B3. The Role of the LIA Coordinator

B3.1 The LIA Coordinator is responsible for managing the benchmark process, coordinating communication amongst all process actors, and ensuring all documentation and official correspondence is recorded.

Section C - Application Steps for Full Benchmark Process

C1. Overview

C1.1 Standard Owners shall apply for full benchmarking in the following cases:

1. Initial application for a specific LIA scope;
2. For re-application after non-completion of the standard application, and/or
3. Re-application after the withdrawal of LIA approval.

C1.2 The Standard Benchmark Approval Process shall be carried out in accordance with the following application steps:

1. Application
2. Self-assessment
3. Review #1
4. Virtual meeting
5. Review #2
6. (Corrective Action Plan)
7. Provisional approval decision
8. Public comment period
9. LIA-Approval decision
10. Monitoring and continued alignment

See the full benchmark process flow chart in Appendix A - Standard Benchmark Approval Process Flow Chart.

C2. Application

C2.1 A Standard Owner can apply for full benchmarking by contacting the LIA team at lia@textileexchange.org and will be provided with an application form.

C2.2 The Standard Owner will:

1. Complete and return to the LIA team the application form
2. Provide the relevant standard and annex documents.

C2.3   The LIA team will confirm the application is relevant and will provide the Standard Owner with a self-assessment form to start the benchmarking process.

C3. Self-Assessment

C3.1   The self-assessment is to be carried out by the Standard Owner using the self-assessment form provided by the LIA team.

C3.2   The Standard Owner shall carry out a self-assessment of the standard against:

1. The relevant technical scope(s):
    - o   The benchmark for Animal Welfare Standards
    - o   The benchmark for Leather Production Environmental Standards
    - o   The benchmark for Leather Production Social Standards
2. The Standards Management Criteria

C3.3   Clear and precise justification on how the standard meets each criterion shall be expected in the self-assessment form, including the exact reference to objective evidence for implementation, the document name, page number, and clause covering each criterion.

C3.4   Once the self-assessment is completed and submitted, and the benchmarking fees are paid, Benchmark Leaders shall be appointed, and a benchmarking timeline shall be set and communicated to the Standard Owner. See Certification Fee Structure.

C4. Review #1

C4.1   Once the Standard Owner submits the completed self-assessment, a 1st review will be conducted by the Benchmark Leaders to review the relevant technical scope(s) and the standards management scope.

C4.2   For each criterion, the relevant Benchmark Leader will review the evidence provided by the Standard Owner to verify that it fully meets the respective benchmarking criteria.

C4.3   The Benchmark Leaders take note of any criteria where additional information is needed and/or where they do not agree with the conclusions of the Standard Owner. These comments are supported with-explanations. All these findings are sent back to the Standard Owner in the reviewed self-assessment document and form the basis of the Virtual Meeting.

C5. Virtual Meeting

C5.1   In an online call, the Benchmark Leader shall discuss the findings from Review #1 with the Standard Owner. The meeting's objective is to clarify any questions about the outcome of the desktop review and identify any additional information and/or documents that are

required. It also gives the Standard Owner an opportunity to further clarify the submitted evidence.

C5.1.1 The desired outcomes of the meeting are:

a. Clarity and agreement on any non-alignments;

b. Identify any further information that is needed, and

c. Agree to a plan with a timeline for next steps.

C5.2 The Benchmark Leaders may also recommend discontinuing the Standard Benchmark Approval Process at this point.

C6. Review #2

C6.1 Within the agreed time frame, the Standard Owner shall provide an updated version of the self-assessment document and any additional documentation as agreed.

C6.2 The Benchmark Leader shall review the updated documents and shall produce a benchmark report that clearly outlines any non-alignment(s) with the benchmark criteria and any observations will be prepared.

C6.3 The Benchmark report is reviewed with the LIA Team, and one of the following recommendations will be made:

1. Proceed to the *provisional approval* of the standard;
2. Request the Standard Owner to further improve evidence of compliance through a Corrective Action Plan (CAP), or
3. Recommend discontinuing the Standard Benchmark Approval Process.

C6.4 The decision on how to proceed will be communicated to the Standard Owner.

C7. Corrective Action Plan (CAP)

C7.1 If further non-alignments between the Standard Owner's documentation and the LIA benchmark requirements are found in Review #2, the Standard Owner shall prepare a Corrective Action Plan (CAP).

C7.1.1 The CAP should provide detailed information (actions, timelines, and milestones) on how alignment will be achieved.

C7.1.2 The CAP will only address the *required* criteria.

C7.1.3 The CAP shall not exceed the period of one year from the day of CAP approval.

C7.1.4   Additional fees apply that shall be paid before the CAP process can continue. See Certification Fee Structure.

C7.2   Once the Benchmark Leader(s) and the LIA Team approve the CAP, the Standard will have *provisional approval*.

C7.2.1   During the CAP period, the Standard may be used for LIA claims and to generate Impact Incentives, if applicable. See section C8.2.

C7.2.2   During the CAP period, the Standard may choose to be displayed on the LIA website as "In Progress". See section E.

C7.2.3   The public comment period will commence once the standard is in full alignment with all *required* criteria. See Section C9.

C7.3   If the CAP concludes in non-alignment or the one-year period has passed, the Standard Benchmark Approval Process will be discontinued, and the *provisional approval* will be withdrawn. The Standard may no longer be used for LIA claims and to generate Impact Incentives. The Standard Owner shall inform their stakeholders that the *provisional approval* has been withdrawn.

C8. Provisional Approval Decision

C8.1   The *provisional approval* decision is made by the LIA Team and shall be based on the conclusion of the Benchmark report.

C8.2   The Standard may be used for LIA claims and to generate Impact Incentives, if applicable.

C8.3   The decision shall be communicated in writing to the Standard Owner.

C8.4   The approval decision shall be *provisional* until the end of the public comment period.

C8.5   If the decision is a non-approval, the reasons for the decision shall be clearly documented and communicated to the Standard Owner.

C8.5.1   The Standard Owner may appeal against the decision.

C9. Public Comment Period

C9.1   The *provisional approval* decision shall be published, and all interested parties shall be given the opportunity to comment. The LIA team will identify key stakeholders and inform them of the process.

C9.2   The public comment period shall be open for a minimum of two weeks.

C9.3 Any issues of concern shall be addressed. If necessary, the Benchmark Leaders shall be consulted and any major challenges that are raised shall be brought to the attention of the applicant immediately for clarification and resolution.

C10. LIA-Approval Decision

C10.1 If none of the feedback provided during the public comment period leads to a reconsideration of the approval of a standard or no feedback is provided, the *provisional approval* shall be changed to final approval, and the standard shall be listed on the LIA website as a LIA-approved standard.

C11. Monitoring of Continued Alignment

C11.1 The LIA Team shall investigate any serious complaint or suspected non-alignment of a LIA-approved standard with the applicable LIA standard benchmark. The investigation shall take the form of a desktop investigation. If the LIA Team receives a complaint regarding the non-alignment of a standard with the applicable LIA standard benchmark, the following steps will be taken:

C11.1.1 The LIA Team shall acknowledge, in writing, the receipt of the complaint or report to the party concerned.

C11.1.2 When a complaint is received, the LIA Team will initiate investigative procedures to verify the accuracy of the complaint.

C11.1.3 The LIA Team shall ensure that the details of the complaint are clearly understood and documented, and that any claims or comments made by the complainant are properly authenticated and appropriately documented.

C11.1.4 This authentication shall be verified as being accurate and correct by independent sources, in addition to the complainant. It is the complainant's responsibility to provide information that can be appropriately authenticated.

C11.1.5 It is at the discretion of the LIA Team to appoint the Benchmark Leader or an independent assessor at any stage during the investigation process.

C11.1.6 The LIA Team shall ensure impartiality and preserve confidentiality.

C11.1.7 If the Benchmark Leader or an assessor is appointed, he or she shall carry out a thorough investigation of the complaint and, where possible, provide a resolution for the issues, fully document the complaint process, and provide a detailed report to the LIA Team for any further actions.

Section D - Application Steps for Partial Benchmark Process

D1.1   Standards shall apply for partial benchmarking in the following cases:

        D1.1.1   Significant change(s) or revision of the standard

        D1.1.2   LIA revision

D1.2   "Significant change(s)" is defined as a change to a standard's governance or ownership, or a significant change to its management system, requirements, or normative documents, which could compromise the standard's approval by LIA.

D1.3   The Standard Owner of a LIA-approved standard is required to inform LIA in writing about any significant change(s) and start the partial Standard Benchmark Approval Process within 6 months of the entry into force of the significant change(s).

D1.4   In both cases, the benchmark assessment shall be partial, limited exclusively to the changes made.

D1.5   The partial benchmark is limited exclusively to the changes made to the standard or LIA Benchmark criteria, and the process is simplified:

1. Application: A Standard Owner by contacting the LIA team at lia@textileexchange.org
2. Self-Assessment: As described in Section C but applied exclusively to the changes
3. Review #1: As described in Section C
4. Virtual Meeting: As described in Section C
5. Review #2: As described in Section C
6. (Corrective Action Plan): As described in Section C
7. Provisional Approval Decision: As described in Section C - Application Steps for Full Benchmark Process
8. Public comment period: As described in Section C
9. LIA-approval decision: As described in Section C
10. Monitoring of Continued Alignment: As described in Section C
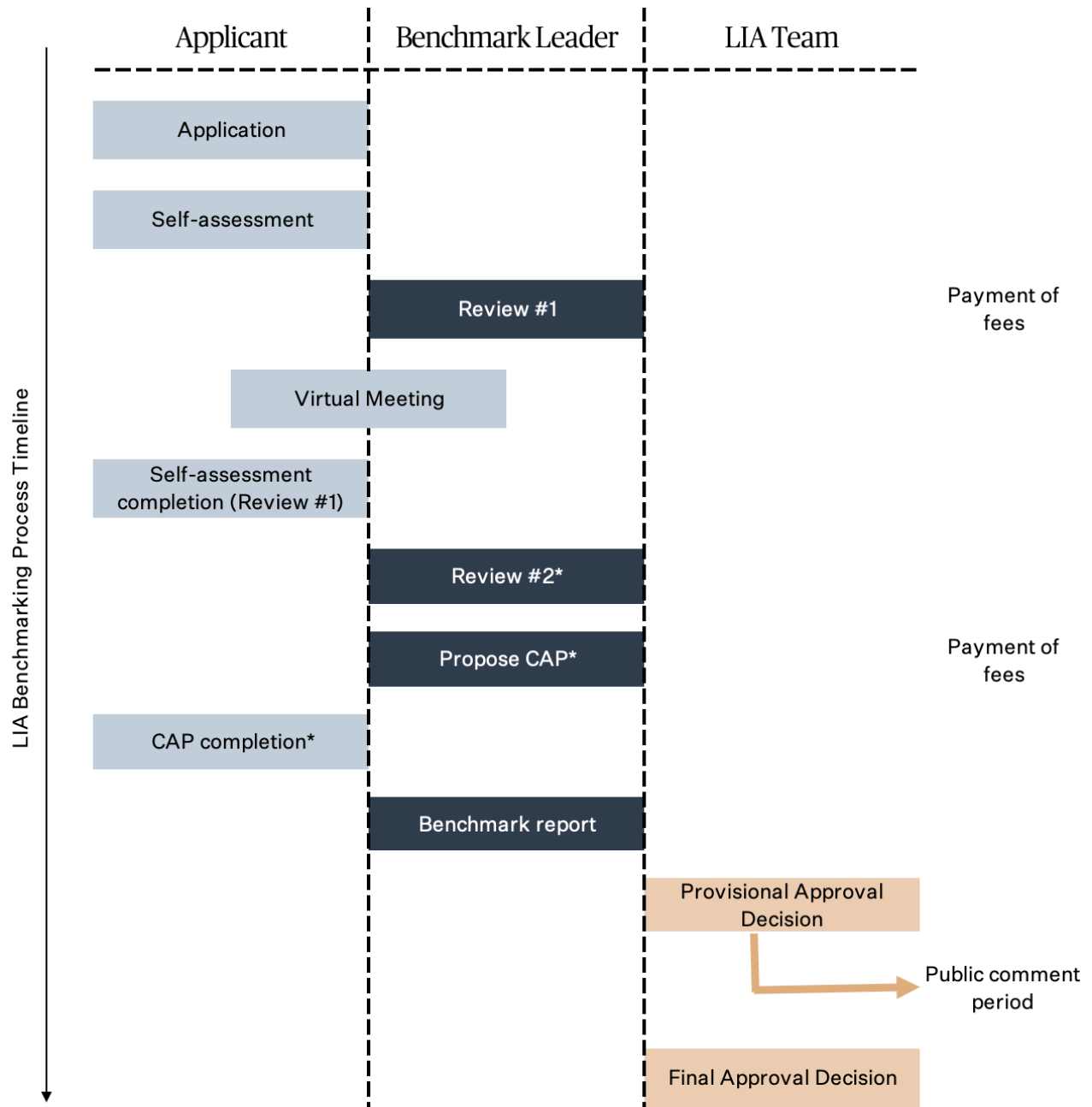
Section E - Status on the LIA Website

E1.1 The Standard Owner may choose how to be displayed on the LIA website, depending on the status of the benchmark of the standard:

E1.1.1 "Approved": Standards that have successfully met the LIA standard benchmark for the respective scope.

E1.1.2 "In Progress": Standards may choose to be displayed as currently undergoing benchmarking to show their commitment to meeting industry expectations. This will include standards with *provisional approval*.

E1.1.3 No Information: Standards may choose not to make public that they have applied for benchmarking. If approval is achieved, the standard will be displayed as "approved."

Section F - Complaints process

All complaints shall follow the Textile Exchange Complaints and Feedback Policy.

Appendix A - Standard Benchmark Approval Process Flow Chart

	Applicant	Benchmark Leader	LIA Team
	Application		
	Self-assessment		
		Review #1	Payment of fees
	Virtual Meeting		
	Self-assessment completion (Review #1)		
		Review #2*	
		Propose CAP*	Payment of fees
	CAP completion*		
		Benchmark report	
			Provisional Approval Decision
			Public comment period
			Final Approval Decision

LIA Benchmarking Process Timeline

* Review #2 can lead to a second revision of the self-assessment and a corrective action plan.