



Textile  
Exchange

# Deforestation-Free Call to Action for Leather

## Supply Chain Mapping Guide



LEATHER  
WORKING  
GROUP

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# Introduction

This document provides specific guidance for brands and retailers on the extent of supply chain mapping required within phase one of the Deforestation-Free Call to Action for Leather. It outlines what is expected and encouraged for supply chain mapping within the Call to Action, and provides guidance on data verification, as well as what to consider when appointing a third-party solution provider for supply chain mapping services.

Supply chain mapping can be a challenging exercise given the sensitivities around sharing data and information. It is important to be aware of this and to engage with supply chain actors including traders to address any concerns around confidentiality, data access and use.

## Scope

The Deforestation-Free Call to Action for Leather applies to bovine leather only.

## How to use this document

This document outlines expected and encouraged actions for brands in the context of the Call to Action. Here is a guide to some of the key terms:

- *Expected* refers to actions that are required for signatory brands.
- *Encouraged* refers to actions that are recommended for signatory brands.
- *Signatory brands*, or in short, *brands*, refers to brands and retailers that have joined the Deforestation-Free Call to Action for Leather.

# Understanding supply chain mapping

## What is meant by supply chain mapping and traceability?

Supply chain mapping and traceability are related terms that often lead to confusion in their interpretation and use. The [Accountability Framework's definitions, as outlined below](#), reflect the common meanings of these terms in the context of soft commodity supply chains and environmental and social compliance.

- **Supply chain mapping** is the process of identifying the actors in your brand's supply chain and the relationships among them.
- **Traceability** is the ability to follow a product or its components through stages of the supply chain, such as production, processing, manufacturing, and distribution.

These terms can be compared and applied as follows:

- Supply chain mapping relates to supply chain actors (suppliers and intermediaries), while traceability relates to identifying batches, and therefore specific transactions, of materials.
- Supply chain mapping and traceability can both be conducted to different extents and levels of granularity.
- Supply chain mapping may be conducted initially to Tier 1 (direct manufacturer) suppliers and subsequently to Tier 2 and Tier 3 suppliers to gain increasingly comprehensive information about your brand's supplier network as a whole.
- Specific products may be traced back to a given direct supplier (such as a product manufacturer) or indirect supplier (such as a finishing or processing leather manufacturer, trader, or slaughterhouse). The origin of the materials may be traced back to farm-level or to an area (such as a country, province, or municipality).
- Supply chain mapping without tracing specific products is a theoretical exercise and should be viewed as context building about potential routes of supply. A level of verification is required to take the exercise to the next stage and link specific materials to products being sourced.

## Are traceability and transparency the same thing?

Simply put, no. But there is a lot of confusion between these terms which leads to them often being used interchangeably.

- Traceability is the ability to follow a product or its components through stages of the supply chain. It is all about tracking data linked to a product or material.
- Transparency, on the other hand, is about disclosure. It can relate to a business directly (disclosure of policies, activities and performance) or indirectly (disclosure of purchasing practices and the impact of sourcing, production and supply chain networks).

- Achieving transparency is critical for businesses to be able to manage social and environmental impacts and risks.
- Often brands use transparency as a synonym for supply chain mapping, which simply means having access to information about your supplier network.
- The specific application of these terms will differ depending on the context of your brand and its objectives.

## Why are supply chain mapping and traceability important?

- Supply chain mapping exercises are a critical first step to your brand's overall supplier engagement activities. For successful supply chain mapping, you need to work together with your suppliers to build trust to enable information sharing.
- Supply chain mapping and traceability can both play important roles in assessing and managing risk and compliance.
- Supply chain mapping can include attribute information about suppliers, such as the supplier's location, workforce characteristics, certifications held, dates and results of audits, and the status of improvement plans.
- Traceability links product volumes to specific suppliers and thus can help companies to attach any attribute data to product volumes.
- Supply chain mapping and traceability can be complementary, however full traceability back to supply origins is not always necessary to adequately demonstrate compliance or manage for non-compliance.
- Defining the objectives and scope of these activities, which are necessary to adequately demonstrate compliance for a given supply chain, is key.
- Businesses should also identify the tools and processes that will be used to map supply chains and achieve traceability, such as certification, commercial supply chain mapping services, blockchain, and more. See Appendix A for guidance notes.

# Supply chain mapping for the Deforestation-Free Call to Action for Leather

Supply chain mapping is built in as a key activity in the Deforestation-Free Call to Action for Leather.

All brands are required to define clear targets to map their bovine leather supply chains to the slaughterhouse stage, including the identification of slaughterhouses supplying raw material for your leather products. Setting supply chain mapping targets will also help to inform the timeline for investments that signatories are required to define.

Your brand may set its own priorities for conducting supply chain mapping, especially when there are multiple direct vendors to the brand. You can prioritize supply chain mapping exercises based on the vendors supplying the highest volumes of leather products and/or their geographic location.

Identifying slaughterhouses will enable your brand to carry out country/regional-level geospatial risk assessments to help identify the proportion of materials that may be at risk of being sourced from regions with cattle-driven deforestation and conversion.

Supply chain mapping is to be used by brands to build information and engagement with suppliers within the initial phase of the Deforestation-Free Call to Action for Leather. It acts as a stepping stone towards the product/material level traceability needed to verify deforestation/conversion-free leather sourcing.

More broadly, you should look to align any supply chain mapping work across your business and consider the following aspects:

- Define the business case for supply chain mapping and how it relates to other materials and products (deforestation and/or conversion may be linked to other product areas).
- Understand how supply chain mapping relates to corporate targets and goals (both current and future).
- Consider how supply chain mapping contributes as part of wider supplier engagement activities to communicate and deliver overall deforestation/conversion-free policy commitments.
- Think about how it will support your business to work toward complying with regulatory requirements.
- Plan how you are going to connect with consumers about your efforts and what level of transparency you are targeting.

## Section A – Supply Chain Mapping Expectations for Brands

### Expected

Start the supply chain mapping process within six months of joining the Deforestation-Free call to Action for Leather.

- Set target date for mapping all of your brand’s bovine leather supply chains to the slaughterhouse stage. This will need to include establishing a timeline with activities and milestones for all stages of supply chain mapping.
- Capture data for all primary transformation stages in the supply chain between finished product to the slaughterhouse. This includes the name, address, geo-coordinates [that relate to production/ processing locations (not a head office)], any relevant unique global IDs, and period of supply per site.\*
- Determine the details of the methodology and internal and external systems to ensure the consistency and quality of data captured as part of the Deforestation-Free call to Action for Leather implementation plan.
- Ensure supply chain mapping is updated/reviewed at least annually.
- Commit to developing product-level traceability (Further guidance on this will be developed to align with the second phase of the Deforestation-Free call to Action for Leather roadmap).

### Encouraged

- Conduct supply chain mapping more frequently to review/update records. This is important as supply chains are dynamic and subject to change, particularly beyond Tier 1 and Tier 2.
- Publicly disclose your supply chain data and/or the extent of supply chain mapping achieved to provide transparency for both consumers and third-party assessments of transparency and disclosure, such as CDP and the Fashion Revolution Transparency Index.

\*Note: Data listed will not be required as part of the Deforestation-Free call to Action for Leather reporting process but indicates the level of detail brands are expected to be capturing from their supply chain.

## Example: Supply chain mapping target and action plan:

[Brand] targets mapping all leather products to the slaughterhouse stage by Q4 of 2024.

Activity	Status	Target	Responsible
<b>Engage internal teams on supply chain mapping objectives and needs</b> Note: It is important to align this with your brand’s overall supplier engagement activities.	Ongoing	KPIs for teams set in Q2 2023	Sustainability team
<b>Conduct supply chain data gap analysis</b>	Partial	Product and Tier 1 complete Tier 2 onwards in Q4 of 2023	Data team
<b>Determine solution/technology to capture data</b>	TBC	Appoint solution provider by Q3 of 2023	Sustainability and data team
<b>Identify Tier 1 product manufacturers</b>	Complete	Conducted annually in Q1 of 2023 – integrate into solution by Q4	Sourcing team
<b>Conduct Tier 1 data verification</b>	Complete	Conduct once data capture complete	Sourcing and sustainability team
<b>Identify finished leather manufacturers</b>	Complete	Conducted annually in Q1 of 2023 – integrate into solution by Q1 2024	Sourcing and sustainability team
<b>Conduct finished leather manufacturer data verification</b>	Complete	Conduct once data capture complete	Sourcing and sustainability team
<b>Identify part processed leather manufacturers (crust/wet-blue/splits)</b>	TBC	Map top five products (by volume) by Q2 of 2024 Complete remaining products by Q4 of 2024	Sourcing and sustainability team
<b>Conduct part processed leather manufacturer data verification</b>	TBC	Complete once data capture is complete	Sourcing and sustainability team
<b>Identify slaughterhouses</b>	TBC	Map top five products (by volume) by Q2 of 2024 Complete remaining products by Q4 of 2024	Sourcing and sustainability team
<b>Conduct slaughterhouse data verification</b>	TBC	Complete once data capture is complete	Sourcing and sustainability team



## Section B – Data Verification Expectations for Brands

### Expected

- Collect timebound first-party declarations that relate to a specific period of supply, number of purchase orders or product range, requiring periodic revision on, at least an annual basis. This will entail collecting declarations from your brand’s immediate suppliers to confirm that supply chain data provided is accurate and applies to production conducted for your organization. Guidance on what is expected for declarations:
  - Declarations are signed by the management of the supplying organization.
  - Declarations are provided by all stages of the supply chain directly providing data to the brand. For example, if data is being provided by both Tier 1 and Tier 2 directly to the brand, then declarations should be requested from both tiers. If data is being collected and aggregated at the Tier 1 stage, declarations must be worded to reflect the extent of the data that is being provided. Declarations can be collected as an attribute of a traceability solution provider service.
- Provide a summary of the method and extent of verification as part of the Deforestation-Free Call to action for Leather reporting process. The scope and frequency of verification can be set by your brand.

### Encouraged

- Conduct verification of supply chain mapping data through second- and third-party systems on a risk-based and sample basis through a combination of announced and unannounced audits.
  - Examples of second-party verification include collecting documentation to verify supply chain mapping data, including copies of shipping documents and/or invoices related to production<sup>1</sup>. It could also involve your brand visiting the supplier to audit supply chain mapping data supplied.
- Examples of third-party verification include engaging a third party, such as an accredited certification body with experience in a relevant supply chain sector, to audit the supply chain data provided. It could also mean engaging a third-party auditing firm, such as KPMG, to conduct a risk-based audit of data and documentation provided by suppliers.
- Example wording for a supplier declaration:

[Supplier name] confirms that all supply chain data provided to [brand], related to leather products supplied for Purchase Orders (PO) [list relevant POs] supplied to [Brand] is true, accurate and up to date for the production conducted on behalf of and supplied to [Brand] (option to include dates of supply). [Supplier name] takes full responsibility for the accuracy of data that suppliers to our business have shared in relation to the materials sourced from their organizations and used in production for [brand].

<sup>1</sup> Commercially sensitive information related to pricing may be removed.

| [Signed & dated by supplier]

## Appendix A - Solution Provider Recruitment Guidance

Capturing data on suppliers, products and materials is an involved and complex process that can involve many departments across an organization. Managing this data manually through internal systems is often reliant on spreadsheets and can create many issues for data quality and security. Investing in automating the process instead comes with many benefits.

There are many providers of supply chain mapping and product traceability solutions. Each provides different features and benefits.

**While Textile Exchange and Leather Working Group do not endorse one specific solution, we offer the following tips on what to consider when selecting a solution provider:**

- Engage all relevant internal stakeholders to identify and document all your business needs:
  - What are the specific questions you need the supply chain mapping data to answer?
  - When do you need them?
  - What decisions are will you be making based on the information the supply chain map provides?
- **Do your research.** Explore the solutions in the marketplace and follow up with existing clients of service providers that are in scope for your requirements to find out:
  - What can you learn from their experience?
  - How well has the solution worked on the “more difficult to reach” areas of the supply chain beyond Tier 2, for smaller volume but high-risk input materials, for highly commoditized inputs?
  - What happens when responses from key supply chain actors are missing or unobtainable?
  - What is their experience with the specific input materials identified in your business needs? It may be that a solution that works well for one material doesn't work so well for another.
  - If your scope will only be covering leather, what is the service providers’ experience in this category?
  - Have they configured their technology specific to leather production and its supply chain stages?
- Include the supply chain respondents in your research:
  - What is their user experience?
  - Do they see any value?
  - How long does it take to complete their required workflow?

- If they are responsible for “cascading” information requests to their suppliers, how well might that work?
- Who is responsible for chasing or following up?
- How many languages is the service and guidance available in?
- **Think about other “system actors”** too, such as your existing internal data systems, your data security teams, and senior management reporting:
  - What level of integration to existing internal systems and processes can the service provider offer?
  - Will this solution pass your information security requirements?
- **Develop a project plan** including a detailed task list clearly identifying who is responsible for which activity. The level of support from the solution provider for planning, communications/engagement, escalation, support and data analysis varies widely from vendor to vendor. In all cases, some of this work will be down to you and your colleagues.
- **Secure the budget**, not just for the investment in the solution/platform, but also for the internal resources required (time and money) to make the project successful.
- **Start small.** Most service providers will offer the option to test or pilot their service. Identify a small number of suppliers but ensure they represent a mix of supplier “types” (long term strategic, recent, tactical), sourcing routes (near-shore and off-shore) and product categories or collections.

# Definitions

**Bovine:** From cattle and/or buffalo.

**Conversion:** Change of a natural ecosystem to another land use or profound change in a natural ecosystem's species composition, structure, or function. Conversion includes severe degradation or the introduction of management practices that result in substantial and sustained change in the ecosystem's former species composition, structure, or function (Accountability Framework)

**Deforestation** Loss of natural forest as a result of: i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation. This definition pertains to no-deforestation supply chain commitments, which generally focus on preventing the conversion of natural forests.

Severe degradation (scenario iii in the definition) constitutes deforestation even if the land is not subsequently used for a non-forest land use. Loss of natural forest that meets this definition is considered to be deforestation regardless of whether or not it is legal.

**Leather:** A hide or skin with its original fibrous structure more or less intact and tanned so it does not rot either with or without hair or wool attached, inclusive of hides or skin split into layers or segmented either before or after tanning, with any surface coating or surface layer no thicker than 0.15 mm.

**Leather product:** Any product that contains at least 50% virgin leather by weight. If the product is a component product such as footwear, furniture or watches at least 50% of the component which should be considered a primary part of the product, such as footwear upper, watch strap or furniture covering.

**No conversion or conversion-free** (Accountability Framework): Commodity production, sourcing, or financial investments that do not cause or contribute to the conversion of natural ecosystems.

- No-conversion refers to no gross conversion of natural ecosystems, which the Accountability Framework specifies as the appropriate policy and goal on this topic for companies and supply chains.
- The terms “no-conversion” and “conversion-free” are used in favor of “zero-conversion” because “zero” can imply an absolutist approach that may be at odds with the need to sometimes accommodate minimal levels of conversion at the site level in the interest of facilitating optimal conservation and production outcomes (see definition for minimal level [of deforestation or conversion]).

**No deforestation or deforestation-free** (Accountability Framework): Commodity production, sourcing, or financial investments that do not cause or contribute to deforestation

No-deforestation refers to no gross deforestation of natural forests, which the Accountability Framework specifies as the appropriate policy and goal on this topic for companies and supply chains.

**Non-compliance** (Accountability Framework): The state of not complying with or fulfilling (or only partially complying with or fulfilling) a given law, standard, commitment, or target. In the context of the Accountability Framework, non-fulfillment of voluntary commitments, non-compliance with applicable



law, and adverse impacts to internationally recognized human rights are all considered instances of non-compliance

**Retailer:** A company that sells products directly to individual consumers. This includes supermarkets, convenience stores, lumber and home improvement stores, home furnishings stores, online retailers, restaurant chains, and the like. Retailers are included with brands for the Deforestation-Free Call to Action for Leather.

**Signatory brands:** Refers to brands and retailers that have joined the [Deforestation-Free Call to Action for Leather](#). Referred to in short as brands.

**Supply chain mapping:** The process of identifying the actors in your brand's supply chain and the relationships among them.

**Third-party verification:** Third-party verification is conducted by an independent entity that does not provide other services to the brand or operation.

**Traceability:** The ability to follow a product or its components through stages of the supply chain, such as production, processing, manufacturing, and distribution.

**Transparency:** Transparency is about disclosure. It can relate to a business directly (disclosure of policies, activities and performance) or indirectly (disclosure of purchasing practices and the impact of sourcing, production and supply chain networks).

**Verified deforestation/conversion-free:** Leather hides will be considered deforestation and/or conversion-free if they are from low-risk sources or if they are sourced from farms that have been third-party verified to be deforestation/conversion-free.