



Standards Benchmark Approval Process 0.1

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The *Standards Benchmark Approval Process* is effective as of January 5, 2021.

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

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Please note that all LIA documents and processes will be piloted during 2021, which will help better understand how they will work in practice. The learnings of the pilot year may lead to adjustments in these documents or processes.

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The *Standards Benchmark Approval Process* will be updated at the end of the 2021 pilot year and will undergo a revision process at least every five years.

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Introduction

About the Standards Benchmark Approval Process

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

About the Leather Impact Accelerator (LIA)

LIA is a framework that sets existing industry tools into a coherent package and enables leather supply chain members – from farmers to retailers – to contribute to a more responsible leather supply chain. To this end, LIA uses benchmarks and protocols to set a minimum threshold for practices at the farm and leather production levels and gives recognition to those who meet or exceed them. Brands can use Impact Incentives to provide direct financial support to farmers that meet LIA benchmarks, and the *LIA Claims Guide* provides support for all LIA participants to make credible claims.

About Textile Exchange



LIA is owned and managed by **Textile Exchange**. Textile Exchange is a global non-profit that works closely with our members to drive industry transformation in preferred fibers, integrity and standards, and responsible supply networks. We identify and share best practices regarding farming, materials, processing, traceability, and product end-of-life in order to reduce the textile industry's impact on the world's water, soil and air, and the human population.

Benchmark Approach

The industry already has many standards in these areas, so a benchmark approach has been adopted to leverage and add value to the standards and programs that are already in use. In addition to benchmarking, LIA includes requirements for traceability systems and verification protocols.

Benchmarks set a minimum threshold for practices and give recognition to those who meet or exceed them. LIA uses benchmarks to assess animal welfare standards at the farm level and environmental and social standards during leather production.

How to Use This Document

In this document, the following terms are used to indicate requirements, recommendations, permissions, and possibilities or capabilities:

- “shall” indicates a requirement
- “should” indicates a recommendation
- “may” indicates a permission
- “can” indicates a possibility or a capability
- “may not” indicates a prohibited action

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 Standards shall meet the following eligibility criteria in order to apply for approval by LIA:

A1.1.1 At least ten certificates/audit reports for single-site audits (for the relevant scope of the application) have been issued.

A1.1.2 The Standard Owner has been operational for a period of at least 12 months.

A1.2 Standard Owners shall submit supporting evidence that they meet the eligibility criteria together with the completed application form.

A2. Meeting the LIA Standards Benchmarks

A2.1 An applicant shall provide evidence that all benchmarking criteria as outlined in the applicable benchmark document for the relevant scope and in the *Standards Management Criteria* are met.

A2.2 In order to successfully pass the benchmark and to be LIA-approved, standards shall prove alignment with all benchmark criteria.

A2.2.1 Standards that do not fully meet all criteria will not be approved, nor will the results of the benchmark be published.

A2.3 The Standard Owner is required to provide objective evidence that the standard meets the applicable LIA standards benchmark.

A2.3.1 The LIA standards benchmarks are pass/fail benchmarks: a criterion is either met or not met, no grades are provided per criterion.

A2.4 In case details in the standard's documentation are missing or different from the LIA benchmark criterion, the standard's formulation can be accepted if the intent of the criterion is covered.

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

B1. The Role of the Benchmark Leader

- B1.1** The LIA benchmark shall be performed by an independent Benchmark Leader, who executes the Standards Benchmark Approval Process as described in this document and verifies whether a standard is in alignment with the criteria of the LIA scope benchmarks.
- B1.2** The Benchmark Leader shall report to LIA Team, who supervises all the benchmarking activities and communication with the Standard Owner.
- B1.3** The Benchmark Leader shall be the key point of contact for any questions related to the benchmark assessment.

B2. The Role of LIA Team

- B2.1** The LIA Team leads the *Standards 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, the Benchmark Leader, and the Benchmark Steering Committee 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 and any feedback from the LIA Benchmark Steering Committee, 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, coordinate communication amongst all process actors, and ensure all documentation and official correspondence is recorded.

B4. The Role of the Benchmark Steering Committee

- B4.1** The Benchmark Steering Committee shall be informed of the assessment of a standard and will have the opportunity to review and comment on the benchmark report before the provisional approval decision of the LIA Team.
- B4.2** The Benchmark Steering Committee shall be consulted for conflict resolution and in case of an appeal procedure.

Section C - Application Steps for Full Benchmark Process

C1.1 Standards 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. or re-application after the withdrawal of LIA approval.

C1.2 The Standards 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. (Review #3)
7. Steering committee review period
8. Provisional approval decision
9. Public comment period
10. LIA-Approval decision
11. Monitoring and continued alignment

See the full benchmark process flow chart in Annex 1 - Standards Benchmark Approval Process Flow Chart.

C2. Application

C2.1 A Standard Owner can apply for full benchmarking through the online application form.

C2.2 In the application process, the Standard Owner will:

1. Select the relevant LIA benchmark scope(s) to be benchmarked against,
2. Complete the information form, and
3. Upload the relevant standard and annex documents.

C3. Self-Assessment

C3.1 The Standard Owner shall carry out a self-assessment of the standard against the:

1. The Animal Welfare Standards Benchmark, or
2. The Leather Production Environmental Standards Benchmark, or
3. The Leather Production Social Standards Benchmark, and
4. Standards Management Criteria

C3.2 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.

C3.3 The application shall be processed once the self-assessment is completed and submitted, and the benchmarking fees are paid. A Benchmark Leader shall be appointed, and a benchmarking timeline shall be set.

C4. Review #1

C4.1 Once the Standard Owner submits the completed Self-Assessment, a 1st review will be conducted by the Benchmark Leader.

C4.2 For each criterion, the Benchmark Leader reviews the evidence provided by the Standard Owner to verify if it fully meets the respective benchmarking criteria.

C4.3 The Benchmark Leader takes 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 by comprehensive 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 a conference call, the Benchmark Leader shall discuss the findings from Review #1 together with the Standard Owner. The objective of the call is to clarify any questions regarding the outcome of the desktop review and what additional information and/or documents are required. The call 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
- c. An action plan with a timeline to address any issues

C5.2 The Benchmark Leader may also recommend discontinuing the Standards 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 as well as any additional documentation as agreed.

C6.2 Once Review #2 has been completed, 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 Benchmark Steering Committee for approval,
2. Request the Standard Owner to further improve evidence of compliance (Review #3) or,
3. Recommend discontinuing the Standards Benchmark Approval Process.

C6.4 The decision on how to proceed is made through a formal signed agreement between the Standard Owner, the Benchmark Leader, and the LIA Team. If no agreement can be reached, Textile Exchange shall refer the matter to the LIA Steering Committee for resolution.

C7. Review #3

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. The Standard Owner, the Benchmark Leader, and LIA Team agree on a timeframe to address the non-alignments within a maximum of one year.

C7.2 The decision to undertake Review #3 will lead to additional fees that shall be paid before the process can continue.

C8. Benchmark Steering Committee Review Period

- C8.1** Members of the benchmark steering committee will have the opportunity to review and comment on the benchmark report. The committee will have access to the benchmark report and the last version of the self-assessment form.
- C8.2** Prior to the review period, the LIA Team will assess if there is any conflict of interest with any of the steering committee members. Any member that may have a conflict of interest shall not be given the opportunity to review and comment on the benchmark report.
- C8.3** All feedback from the Benchmark Steering Committee shall be addressed. If necessary, the Benchmark Leader shall be consulted, and any major challenges that are raised shall be brought to the attention of the applicant immediately for clarification and resolution.

C9. Provisional Approval Decision

- C9.1** The provisional approval decision is taken by the LIA Team and shall be based on the conclusion of the Benchmark report and the feedback provided by the Benchmark Steering Committee.
- C9.2** The decision shall be communicated in writing to the Standard Owner.
- C9.3** The approval decision shall be provisional until the end of the public comment period.
- C9.4** If the decision is a non-approval, the reasons for the decision shall be clearly documented and communicated to the Standard Owner.
 - C9.4.1** The Standard Owner may appeal against the decision.

C10. Public Comment Period

- C10.1** 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.
- C10.2** The public comment period shall be open for two weeks.
- C10.3** Any issues of concern shall be addressed. If necessary, the Benchmark Leader shall be consulted, and any major challenges that are raised shall be brought to the attention of the applicant immediately for clarification and resolution.

C11. LIA-Approval Decision

C11.1 If none of the feedback provided during the public comment period leads to reconsider 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.

C12. Monitoring of Continued Alignment

C12.1 The LIA Team shall investigate any serious complaint or suspected non-alignment of a LIA-approved standard with the applicable LIA standards 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 standards benchmark, the following steps will be taken:

- C12.1.1** The LIA Team shall acknowledge, in writing, the receipt of the complaint or report to the party concerned.
- C12.1.2** When a complaint is received, the LIA Team will initiate investigative procedures to verify the accuracy of the complaint.
- C12.1.3** 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.
- C12.1.4** This authentication shall be verified as being accurate and correct by independent sources, in addition to the complainant. It is the responsibility of the complainant to provide information that can be appropriately authenticated.
- C12.1.5** It is at the discretion of the LIA Team shall appoint the Benchmark Leader or an independent assessor at any stage during the investigation process.
- C12.1.6** The LIA Team shall ensure impartiality and preserve confidentiality.
- C12.1.7** 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 Standards Benchmark Approval Process within nine 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 can apply for partial benchmarking through the online application form
 2. Self-Assessment: Applied exclusively to the changes
 3. Review #1: As described for the full benchmark process
 4. Virtual Meeting: As described in the full benchmark process
 5. Review #2: As described in the full benchmark process
 6. (Review #3)
 7. Benchmark Steering Committee review period: as described in the full benchmark process
 8. Provisional Approval Decision: As described in the full benchmark process
 9. Public comment period: As described in the full benchmark process
 10. LIA-approval decision: As described in the full benchmark process
 11. Monitoring of Continued Alignment: As described in the full benchmark process
- D1.6** Any standard approved during the pilot year of LIA shall be considered approved regardless of any adjustments that may be made to LIA benchmarking requirements, for a period of two years.

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 standards 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.
- 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.”

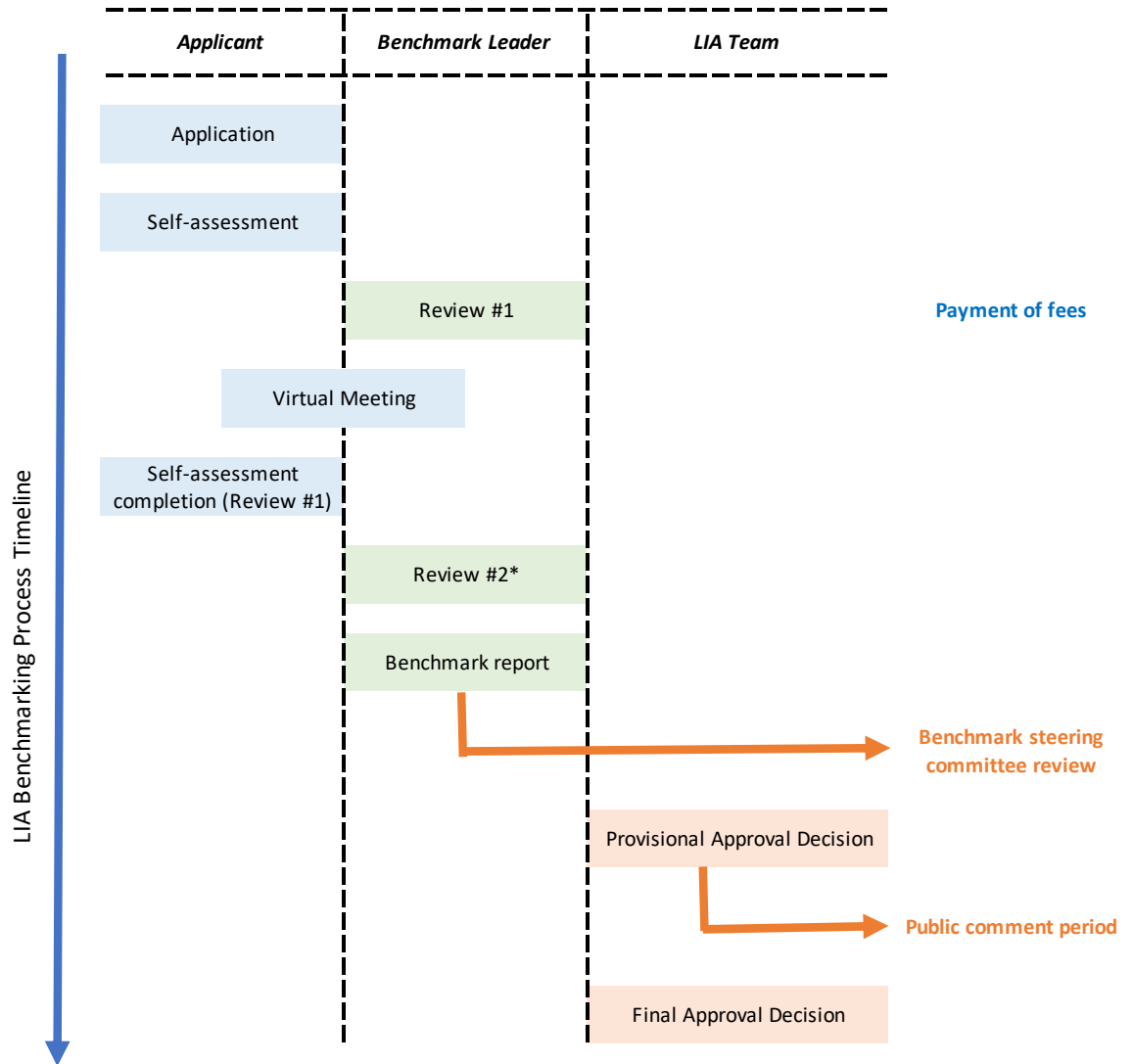
Section F - Sanctioning (to be developed)

F1. LIA Suspension of Approval Procedure

F2. LIA Withdrawal of Approval Procedure

F3. LIA Appeals Procedure - LIA Approval

Annex 1 - Standards Benchmark Approval Process Flow Chart



* Review #2 can lead to a second revision of the self-assessment and a third review process