



# **LEATHER WORKING GROUP**

## **LWG CHAIN OF CUSTODY STANDARD**

**Version 0.6 (draft)**

**This document is a DRAFT for public consultation. We encourage feedback in order to develop the content before publishing the final standard.**

**This document should not be considered final. Requirements will change between public consultation and publication as a result of feedback.**

**[LINK TO FEEDBACK FORM](#)**

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## About LWG

Established in 2005, Leather Working Group (LWG) began as a collaborative initiative among leading footwear, apparel, and upholstery brands, alongside leather manufacturers. Founding members include Adidas, Clarks, Ikea, Nike, Marks & Spencer, New Balance, Timberland, and PrimeAsia Leather Company.

Since then, LWG has grown into the world's largest stakeholder organization dedicated to the leather industry, representing over 2,000 stakeholders across 60+ countries.

Our diverse multi-stakeholder group includes:

- Brands & Retailers
- Leather Manufacturers
- Traders (raw, part-processed, and finished materials)
- Suppliers (e.g., chemical producers, machinery suppliers)
- Industry Groups, NGOs & Associations
- Finished Product Manufacturers

We are committed to delivering value to our stakeholders. Through collaboration, convening, and standard setting, we are collectively creating a transparent leather value chain that achieves positive impacts aligned to the Sustainable Development Goals.

## LWG Vision

Leather Working Group envisages a world where leather is sourced, produced, and used sustainably, protecting people and the planet.

## LWG Mission Statement

Leather Working Group supports and encourages the use of responsibly made leather as a sustainable material by inspiring, educating, and challenging those that produce and use leather. Through collaboration, convening, and standard setting, we are collectively creating a transparent leather value chain that achieves positive impacts aligned to the Sustainable Development Goals.

## Foreword

### Publishing information

This LWG standard was published by Leather Working Group in MM-YYYY. The effective date is MM-YYYY.

### Information about this document

This standard has been developed in accordance with the LWG Standards Development Process. Its development was supported by a multi-stakeholder Technical Task Team and overseen by a Programme Board.

This publication can be withdrawn, revised, or superseded. For information on the status of this standard, visit the LWG website at [www.leatherworkinggroup.com](http://www.leatherworkinggroup.com).

### Relationship to other documents

This standard forms part of the LWG Responsible Leather Sustainability System, which comprises:

- The Leather Production standard
- The Chain of Custody standard
- Decarbonization Framework
- The Responsible Leather Sustainability System certification requirements

### Presentational conventions

This standard contains both requirements and recommendations.

The requirements and recommendations of this standard are presented in roman (i.e. upright) type.

Requirements are expressed in sentences in which the principal auxiliary verb is “shall” and all requirements must be met for minimum compliance with the standard.

Recommendations are expressed in sentences in which the principal auxiliary verb is “should” and recommendations must be met for higher-level compliance with the standard.

*Commentary, explanation and general informative material is presented in italic type and does not constitute a normative element.*

Where words have alternative spellings, the preferred spelling of the Shorter Oxford English Dictionary is used (e.g. “organization” rather than “organisation”).

## Contractual and legal considerations

This standard does not constitute a contract.

Compliance with this standard cannot confer immunity from legal obligation.

## Scope

The LWG Chain of Custody Standard specifies requirements for implementing a segregation model of chain of custody from purchasing raw hides or skins to selling finished leather, through various steps of production, storage, transportation, trading, and subcontracting (where applicable).

This standard defines an approach for companies to handle and trade leather in a way that is traceable and responsibly sourced. Organizations certified against the LWG Chain of Custody standard are audited by a third-party certification body and are subject to periodic surveillance audits.

Chain of Custody certification is mandatory for facilities in scope of the Leather Production Standard, and optional for all others.

This standard is applicable globally for all supply chain facilities including:

- Hide & Skin Traders
- Tanneries
- Subcontractors
- Leather Finishing Facilities
- Leather Goods Manufacturers

This standard does not apply to any facility which processes or trades in fur.

## Normative references

The following documents are referred to in the requirements and recommendations of this standard such that they are necessary for meeting the requirement or recommendation. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

## Terms & Definitions

For the purposes of this standard, the following terms and definitions apply:

**Audit:** Systematic, independent, and documented process for obtaining audit evidence (photos, records, statements of fact or other information which are relevant and verifiable) and evaluating the evidence objectively to determine the extent to which the audit criteria (a set of policies, procedures or requirements) are fulfilled against the relevant standard.

**Batch of leather:** One production drum load of leather.

*Note 1: Batch size varies according to the size of the drum.*

*Note 2: Manufacturing facilities whose incoming material is crust should consider a batch of leather to be the group of hides or skins that are processed together.*

**Certified Material:** Leather that originates from an LWG certified manufacturing site and that has been handled in accordance with the LWG Chain of Custody standard.

**Certified Supplier:** Denotes a company in the leather value chain that holds a valid certificate confirming certification to either the LWG Production Standard or the LWG Chain of Custody Standard.

**Chain of Custody:** A means by which inputs, outputs, and associated attributes are transferred, monitored, and controlled as they move forward through each step in the supply chain (ISEAL, adapted from ISO 22095:2020).

**Due Diligence:** An ongoing, proactive and reactive process through which organizations can identify and assess risks, and design and implement a strategy to respond to identified risks.

**Facility:** Entity in scope of the Chain of Custody Standard audit or Production Standard audit and to whom certification may be awarded.

**Management Representative:** Individual(s) responsible for the implementation of the LWG Chain of Custody Standard (in addition to other tasks).



**Management System:** Set of interrelated or interacting elements of an organization to establish policies and objectives and processes to achieve those objectives (ISO:14001:2015).

**Origin (of the cattle):** Refers to the geographical location of the birth farm where the animal was born and initially raised. For bovine hides and leather this means the geolocation coordinates (latitude and longitude) of all plots of land where the animal(s) were raised prior to slaughter, including any farms, ranches, or grazing areas. **Note:** The origin of the leather is considered to be the location of the slaughterhouse where the animal was slaughtered, and its hide was collected.

**Segregation (Model):** A chain of custody model in which materials with specified characteristics are kept physically separate from materials without the same specified characteristics from initial input to the final output (modified from ISO 22095:2020).

**Site:** Physical location of the Facility that is undergoing an audit.

**Specified characteristics:** A set of production, material and product characteristics that the Chain of Custody is designed to maintain (ISEAL, ISO 22095:2020). **Note:** This could be through recognition by LWG of an existing standard or scheme, or through an audit to confirm the material's or product's characteristics.

**Sub-contracting:** Arrangement whereby one organization contracts with another, independent organization for one or more operations to be undertake, other than processing and/or transformation (with or without payment).

*Note: Organizations within a group of companies are not considered independent of each other and operations undertaken between them are not considered to be sub-contracting arrangements. Alternative definitions of sub-contracting are not accepted.*

**Traceability:** The ability to track and verify the history and location of a material's movement through defined stages of production, processing, and distribution (ISEAL, adapted from ISO 22095:2020).

## 1. Management System & Training

- 1.1 The facility shall demonstrate that it is a registered legal entity with legal permission to operate and shall maintain a list of the name, location, and processes performed at each site.
- 1.2 The facility shall regularly monitor, measure, analyze, and evaluate the performance of its Chain of Custody system by conducting annual internal audits or reviews to evaluate the performance of the system, procedures and conformance with all applicable requirements. The type of audit or review shall be commensurate to the risks identified and defined by the facility and shall cover all processes and sites handling the leather material. The outcome of these audits or reviews shall be documented and reviewed by top management at planned intervals, at least annually.
- 1.3 The facility shall have at least one management representative with overall responsibility and authority for the facility's conformance with all applicable requirements of this Standard.
- 1.4 The facility shall establish and implement communication and training measures that make relevant personnel aware of and competent in their responsibilities relating to the implementation of the LWG Chain of Custody Standard. Documented training records and defined roles and responsibilities shall be maintained.
- 1.5 The facility shall maintain up to date records covering all applicable requirements of this Standard and shall retain them for a minimum of five years.

## 2. Incoming Material

*For facilities in scope of the LWG Leather Production Standard:*

- 2.1 The facility shall have a process in place to ensure that certified material is purchased from an LWG Chain of Custody certified facility; or from a site whose specified characteristics have been confirmed through an audit.
- 2.2 The facility should request, collect and provide supply chain documentation for purchases of certified material to determine the origin of the cattle, in accordance with clause 15 of the LWG Leather Production Standard (Due Diligence for Responsible Sourcing including Deforestation-Free Leather). The origin of the cattle should demonstrate that:

- a) The land has not been subject to deforestation or forest degradation after 31 December 2020.
  - b) The production complies with all applicable laws in the country of origin (e.g., land use, environmental protection, tenure rights).
- 2.3 Based on the outcome of the deforestation due diligence risk assessment, each batch of certified material with zero or negligible risk of deforestation should be identified as such with a unique identifier such as a batch code or equivalent on reception, in addition to the information in 2.5.

*For facilities not in scope of the LWG Leather Production Standard:*

- 2.4 The facility shall have a process in place to ensure that all certified finished or part-processed leather is purchased from an LWG Chain of Custody certified facility.
- 2.5 The facility shall record the following information for each batch of incoming certified leather material received from certified suppliers:
- a) Date material received;
  - b) Details of the supplier (e.g. supplier name, type, location);
  - c) Description of the material;
  - d) Quantity of the material;
  - e) If applicable, unique identifier of the material for:
    - leather material from zero or negligible deforestation risks; and
    - leather material from unknown or non-negligible deforestation risks.
- 2.6 When the facility has material in stock at the time of the initial certification audit, it shall be able to demonstrate that the material or products were purchased from a certified supplier before they can be sold as certified.

### 3. Segregation and Identification

- 3.1 The facility shall have a system in place to ensure that the certified material is physically separated from non-certified material throughout all stages of production. It shall be further separated based on the deforestation risks in accordance with 2.5e).
- 3.2 Segregation shall be achieved by demonstrating physical separation of material during all stages of purchasing, receiving, storing, production, and packing. This separation can be achieved through the following methods:
- a) physical separation: where material is kept in designated separate areas; or

- b) temporal separation: where facilities alternate the production of material for a given order or series of orders.
- 3.3 The facility shall have a system to ensure that the certified material is clearly and accurately identified during all stages of purchasing, receiving, storing, production, and packing (i.e., on pallets, boxes, etc). This shall be achieved through unique identifiers, including stamps, colour codes, signs, labels, tags, barcodes, laser or other marks.
- 3.4 The facility shall identify each point at which there is an opportunity for the certified material or material with specified characteristics in its custody to become mixed with non-certified/non-specified characteristics material or between different types of certified materials and shall put controls in place to ensure segregation of the material is maintained at all times.

## 4. Traceability and Volume Calculations

- 4.1 The facility shall have a traceability system that allows any leather material or finished product containing leather sold as certified to be traced back from sale to either a certified supplier or to a site whose specified characteristics have been confirmed through an audit, in accordance with 2.2 and 2.3.
- 4.2 The traceability system shall allow any material identified as certified, or with specified characteristics, upon receipt to be traced forward from incoming material (point of purchase) to point of sale. Up-to-date records shall be maintained of the description, quantities, suppliers, and destinations of all certified, or specified characteristics material purchased, in stock and sold.
- 4.3 The facility shall maintain records that allow volume calculations of quantities of certified, or specified characteristics material (purchased, in stock, and sold) for a given period. The volume calculation shall take into account inventory levels, waste, rejected products, and materials sold as non-certified/specified characteristics. The volume calculation shall be conducted based on the standardized weight of the material or area (as applicable) and shall specify the equations used.
- 4.4 The facility shall define the expected waste and other factors such as shrinkage and stretching for each production step and shall specify the basis for determining these.

- 4.5 The facility shall regularly submit its updated production data or reconciled total quantities of certified material over an accounting period as specified by LWG using the applicable LWG Data Template.

## 5. Subcontractors

*For facilities in scope of the LWG Leather Production Standard:*

- 5.1 The facility shall have been assessed against clause 2 of the LWG Leather Production Standard.

*For facilities not in scope of the LWG Leather Production Standard:*

- 5.2 The facility shall disclose all subcontractors handling certified material used since the previous audit, excluding transport organisations.
- 5.3 The facility shall keep the names, addresses, LWG certification status, quantities processed or handled, and the specific operations conducted by each subcontractor.
- 5.4 When the facility subcontracts activities to non-certified subcontractors, a written agreement shall be established with the relevant subcontractor which shall include:
- a) requirements to comply with this standard regarding segregation and identification to prevent mixing of the leather material; and
  - b) giving access to the relevant operations for the purposes of verifying that requirements of this standard are met, including all relevant documentation and access to personnel. If this is not possible, the relevant subcontractor shall seek LWG Chain of Custody certification.

**LINK TO FEEDBACK FORM**