



Friday, September 29, 2017

Dear Leather Working Group Executive Committee Members,

The Interfaith Center on Corporate Responsibility (ICCR) is a coalition of 300 faith and values-based investors, representing \$400 billion in assets under management, who have engaged companies on a range of human rights and environmental issues since its founding in 1971. In the early 1990s, ICCR began a major focus on social and environmental sustainability in supply chains. This work has been global in scope covering a range of issues including working conditions in the apparel sector in Bangladesh, forced labor in the seafood supply chains, and environmental and labor conditions in the leather sector.

We commend the Leather Working Group (LWG) for being a pioneer in addressing the serious environmental abuses in the leather sector and in bringing together a significant number of brands, suppliers, and tanners. Your comprehensive approach to due diligence through the use of independent auditors against LWG's Environmental Audit Protocol and the designation of a public rating has improved on-the-ground environmental performance of tanneries that are part of your members' supply chains.

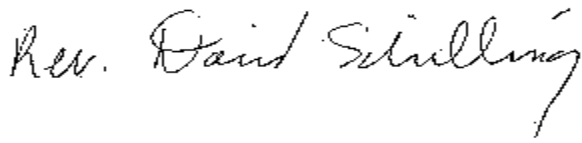
We recognize that when the LWG formed in 2005 the initiative decided to focus on environmental issues and not include labor issues in its scope because founding companies had auditing systems to address labor compliance. However, recent reports, including Transparentem's in-depth investigation of conditions at tanneries in [Hazaribagh, Bangladesh](#) and KnowTheChain's report, "[How footwear companies and luxury brands tackle forced labor risks in their leather supply chain,](#)" highlight pervasive hazardous working conditions and child labor in leather processing in a number of countries including, Bangladesh, China, India and Pakistan. We believe it is essential for LWG to add social compliance to its mandate. These reports have documented systematic labor rights violations, such as, child labor, exposure to hazardous chemicals, low wages, forcing workers to take out loans and forced overtime. Additionally, given the widespread use of migrant, temporary, or non-contract workers, it is difficult for workers to realize their rights. Many of these labor rights violations are early indications of forced labor and represent a material risk for companies and investors alike.

There is very limited information for investors on how companies are assessing and managing salient human rights risks in their leather supply chains, especially at tannery level. While we understand that some individual companies have social compliance systems in place, [reports on labor abuses increase](#), demonstrating a need for these risks to be managed by sector-specific protocols such as the Leather Working Group.

Ahead of your October 3, 2017 meeting in Milan, Italy, we urge you to consider expanding the scope of the LWG's protocol to include labor standards. The Leather Working Group has an opportunity to demonstrate leadership in the field of sustainability, to ensure the rights of workers are respected and to eliminate child and forced labor in leather supply chains.

We welcome a dialogue to provide input and guidance on this important issue.

Sincerely,



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Number of signatories: 62
Total AUM: \$170 billion USD

Signatories:

ACTIAM
Adrian Dominican Sisters, Portfolio Advisory Board
Aquinas Associates
Augustinians
Boston Common Asset Management
Christian Brothers Investment Services
Congregation of St. Joseph
Dana Investment Advisors
Daughters of Charity, Province of St. Louise
Domini Impact Investments LLC
Dominican Sisters
Dominican Sisters ~ Grand Rapids
Dominican Sisters of Hope
ERAFP
Ethos Foundation, Switzerland
Everence and the Praxis Mutual Funds
Felician Sisters of North America
Friends Fiduciary Corporation
Franciscan Sisters of Perpetual Adoration (FSPA)
Human Trafficking Working Group, Sisters of St. Francis, Rochester, MN
Immaculate Heart of Mary Sisters, Immaculata, PA
Maryknoll Fathers and Brothers

Region VI Coalition for Responsible Investment
Responsible Sourcing Network
Rochester Franciscans
School Sisters of Notre Dame
School Sisters of Notre Dame - CPP Shalom/JPIC Office
School Sisters of St. Francis
Seventh Generation Interfaith Inc.
Sisters of Charity of Leavenworth
Sisters of Charity of Saint Elizabeth
Sisters of Charity, Halifax
Sisters of Notre Dame Base Communities Charitable Trust
Sisters of Notre Dame de Namur
Sisters of Providence - MJP
Sisters of Saint Joseph of Chestnut Hill, Philadelphia, PA
Sisters of St. Dominic of Blauvelt, New York
Sisters of St. Dominic of Caldwell, NJ
Sisters of St. Dominic/Racine Dominicans SRI Committee
Sisters of St. Francis Charitable Trust
Sisters of St. Francis of Philadelphia
Sisters of St. Joseph of Boston
Sisters of St. Joseph of Springfield
Sisters of the Good Shepherd

Maryknoll Sisters
Mercy Health
Mercy Investment Services
Midwest Coalition for Responsible Investment
Miller/Howard Investments, Inc.
Natural Investments, LLC
Northwest Coalition for Responsible
Investment
Progressive Asset Management
Province of St. John the Baptist, Order of
Friars Minor

Sisters of the Presentation of the BVM
Socially Responsible Investment Coalition
Society of Jesus, US Central and Southern Province
Trillium Asset Management
Tri-State Coalition for Responsible Investment
T'ruah: The Rabbinic Call for Human Rights
Ursuline Sisters of Tildonk, U.S. Province
Zevin Asset Management