

## SAC Response to ITC Letter

Sent Oct. 14, 2020

Dear Kerry,

Thank you for your letter, dated October 8, 2020.

As an organization committed to collaboration, transparency, and continuous improvement, the SAC welcomes the opportunity to continue to deepen our engagement with the leather industry.

The fundamental purpose of the Higg Materials Sustainability Index (Higg MSI) is to guide apparel, footwear, and home textile designers and developers toward making more sustainable material choices, leveraging independently-verified data and insights. All background life cycle impact assessment data in the Higg MSI comes from ISO-compliant studies and commercial databases, primarily the [GaBi database by Sphera](#). The Higg MSI was designed to continuously evolve. Data is updated twice a year to include new and updated data submissions to reflect best-available information. While we appreciate the concerns you have raised, we are not planning to suspend the score for leather at this time, but look forward to continued dialogue and updating and improving the Higg MSI over time as new data becomes available. To ensure the highest quality and representativeness of Higg MSI data, the SAC regularly engages with industry partners and invites them to submit new and updated LCA data and this invitation remains open to all members of your organization.

As part of the SAC's commitment to collaboration and transparency, we welcome the leather industry's interest in advancing more sustainable practices. We therefore encourage the industry to develop, own and maintain the environmental footprint data of products that can be incorporated into the Higg MSI. Additionally, we invite the leather industry to develop a roadmap to decarbonization of their own materials by 2030 to align with the industry's broader Science Based Target (SBT), and to track and report its progress annually -- thereby enabling apparel and footwear brands to set their baseline accurately and track and report their own progress against their own SBTs.

We are already engaging with the Leather Working Group (LWG) to identify opportunities to improve the background leather datasets and the assumptions that it uses. We would welcome a meeting with you and other representatives from the leather industry to discuss your concerns in greater detail. Please let us know when might be a convenient time for us to set up a joint call with you, as well as representatives from LWG and Cotance.

In the meantime, we welcome the opportunity to respond to some of the concerns you raised in your letter.

- *The score is based on datasets that use data from no later than 2013 and are therefore, not representative of the current status of the leather supply chain. This is particularly relevant to the impact of livestock rearing and the use of economic allocation to determine the environmental burden carried by hides and skins.*

SAC has been in discussion with the LWG to identify credible data sources that can be used to update this information (such as: livestock rearing practices and economic allocation factors) and that can be maintained for annual updates. We welcome data sources that can be used to update the time representativeness of the current cow hide datasets.

- *The data refer to Brazilian and US herds only and as such, do not reflect the varying impacts of the different farming methods used in the rest of the world.*

SAC agrees that it would be beneficial to have more geographical coverage to reflect farming methods in different regions. As mentioned above, we are in dialogue with the LWG to identify potential sources of information that would enable expanded coverage accordingly.

- *The lifespan of cattle is assumed to be five years which, in the case of beef animals, will significantly increase the apparent environmental impact. As the lifespan of a typical beef animal is usually between 12 and 36 months, the apparent impact under the Higg Index will be significantly larger than the real impact.*

The Higg MSI contains several options for cow hides that are built from US and Brazilian cattle models. The dataset for Brazilian cattle, reflecting pasture-raised Brazil cattle, does currently assume that the lifespan of the cattle is 5 years. We have already identified this as an assumption that we will be requesting Sphera to update for this dataset.

- *The score does not differentiate on the type of leather produced, e.g. no account or allocation is made for splitting of hides into grain leather and suedes.*

Given the Higg MSI displays all materials in "per kg" impacts, there are no impact differences from the splitting of hides. Splitting leather increases the surface area of the actual leather product, and the result of this would be reflected in the Higg Product Module. However, the impacts "per kilogram" remain the same since you've changed the surface area but not the mass ratio. (If 1kg of hide is split 50/50, then half the impact would be allocated to each of the splits. But each split weighs 0.5 kilograms and the impacts need to be doubled to be "per kilogram". Mass allocations do not impact a "per kg" result).

- *The use of inappropriate multiplication factors artificially distorts the Eutrophication and Resource Depletion scores for all natural fibres, including leather, compared to synthetic materials.*

This is an incorrect interpretation of the Higg MSI normalization approach. We would encourage closer review of the [methodology document](#). The Higg MSI uses a "reference system" approach to normalization. What this means is that we've calculated the global material production impacts for the apparel and footwear industries and compare the results to this context. Notably, this is the same type of approach that the [European Commission's Product Environmental Footprint normalization methodology](#) uses, albeit for global production as the reference system. In the Higg MSI, 10 points represents the impacts of an average apparel/footwear material for each impact category.

- *The methodology for the assessment of the impact of Chemistry is not transparent, but places a significant burden on leather and all other natural fibres.*

The Chemistry methodology is provided in the [Higg MSI methodology document](#). While it is true that the impact method used is not a standard quantitative LCIA method, the semi-quantitative approach developed and approved by the SAC Chemistry Task Team and Product Advisory Council was done to reduce the differences in scores between different materials. This recognizes that in many instances, chemical inventories and flows in LCAs are incomplete. If the USEtox chemistry LCIA methodology was directly applied, the difference between leather, natural fibers, and synthetic fibers would be orders of magnitude larger than they are in the current version of the Higg MSI.

- *The assessment for climate impact does not take account of advance in climate studies and in particular, GWP\*, which recognises the biogenic, short-lived and circular nature of methane emissions from cattle.*

The Higg MSI uses the IPCC 2013 GWP100a global warming potential (GWP) LCIA impact methodology. This is the most broadly accepted and up-to-date method to measure greenhouse gas emissions. The emission factors are developed and updated by the International Panel on Climate Change (IPCC) climate scientists, with the current emission factors coming from the most recent report, the fifth assessment report (AR5). It is also the methodology recommended by the GHG Protocol and the majority of accounting standards. The IPCC 2013 GWP100a methodology already acknowledges that there is a small difference between the emission factors for biogenic methane and fossil methane and that is included (28 vs 30).

- *The assessment is cradle-to-factory gate only and as such does not recognise the critical use and end-of-life phases of a product. A recent study on wool products found that ‘the number of times a wool garment is worn and length of garment lifetime has comfortably the largest influence on its overall environmental impact’. Similarly, leather products are durable, long-lasting and repairable yet this is disregarded in the current Higg assessment.*

The Higg MSI is a cradle-to-gate assessment that is meant to help brands and manufacturers understand the environmental impacts and hotspots with producing different materials. It does not replace other sourcing considerations, nor does it claim to. Commercial considerations such as quality and price already have wide scale methods available for standardized comparability (ex. ISO, ASTM, AATCC standards) and the Higg MSI is meant to fulfill this for environmental considerations. The Higg MSI is additive to other commercial considerations, it does not replace them. The Higg MSI is only one tool in the Higg Index suite of tools and with the recent launch of the Higg Product Module (PM) we expect to see brands and manufacturers extending their environmental considerations through the product lifecycle. The second edition of the Higg PM, launching next year, will include consideration of use and end-of-life, including material and product quality, repairability, and the use phase. We welcome further conversation on how to include the aspects of durability and repairability of leather into the Higg PM assessment framework.

Ultimately, the SAC shares the leather industry’s desire to enable informed and balanced consideration of the comprehensive view of its materials. We welcome the opportunity to continue to evolve and update the Higg MSI to reflect the best available scientific data to inform decisions.

We look forward to continuing this dialogue, and I hope to hear from you soon about scheduling a joint call with key stakeholders. Take care and be well.

Best,  
Amina