



THE
DEFORESTATION
-free
LEATHER FUND

Join us to build more sustainable leather supply chains. The Deforestation-Free Leather Fund is an opportunity for companies to financially support strategic initiatives to improve the sustainability of leather supply chains. The fund, led by World Wildlife Fund (WWF), will target geographies with natural ecosystems at higher risk of environmental degradation and focus on solutions that contribute to deforestation- and conversion-free (DCF) sourcing from those regions. Drawing on WWF's 20+ years of experience in sustainable supply chains, the fund will give companies the opportunity to support initiatives that improve the traceability, sustainability, and resilience of leather supply chains.

Why do we need a Leather Fund?

- + Cattle production contributes significantly to deforestation through the expansion of pastureland, due to illegal deforestation and conversion of natural habitats, and infrastructure development.
- + The growing global demand for beef drives increased production through deforestation and habitat conversion for pasture which release greenhouse gases (GHG). Cattle are also significant contributors of GHG emissions.
- + When managed appropriately, cattle can actually support the protection of critical ecosystems like grasslands, savannas, and rangelands, and provide ecosystem services, livelihoods, food security, and nutrition for local communities.
- + Leather is a byproduct of the beef and dairy industries and carries a shared responsibility for embedded impacts and emissions in the supply chain.
- + Leather companies have unique leverage within the supply chain to encourage and support more sustainable practices, from added influence on beef operations, tannery practices, and eliminating deforestation and conversion from supply chains.

What are the benefits?

- + The fund will help to accelerate supply chain improvements—enabling companies to deliver on deforestation-free commitments and actualizing more sustainable leather production.
- + Collective action and financial support to make and sustain positive changes increase the likelihood of success in addressing environmental impacts of beef and leather production.
- + While the fund on its own will not have the reach or resources to solve all challenges faced in implementing DCF leather supply chains, it has the potential to accelerate the adoption of important sustainability practices and build a more resilient system for the future.
- + Collective financial resources from companies committed to implementing DCF supply chains can send strong market signals to cattle ranchers, beef producers, and leather processors that deforestation needs to be addressed.
- + Invested prudently, the DCF Leather Fund can demonstrate to producers the value of investing in DCF practices as well as leveraging other much larger sources of funds in legal DCF leather production and more sustainable and resilient production systems.



How the Fund Works

Providing direct financial support at the producer level to enable traceability all the way to cow-calf operations is a critical step in generating the supply of DCF leather, so that eventually only verified DCF supply chains would exist. The Deforestation-Free Leather Fund will support projects in the following areas:

- 1 Traceability systems to verify responsible sourcing:**
Extend or support new or existing initiatives to scale adoption and align effective systems that enable end-to-end traceability in cattle supply chains.
- 2 Farm-level investments to promote the supply of DCF leather:** Direct investments to address farm-level challenges and opportunities to improve leather production.
- 3 Farm regularization to support market access:** Assist farmers to formalize operations, rehabilitate degraded farmland, and establish continuous pathways for improvement.

Fund Governance and Contribution Levels

World Wildlife Fund will oversee the governance and day-to-day management of the fund, aiming to collect \$10 million in its first three years of operation. Two approaches will define contribution levels. For brands and retailers, contributions will be based on annual revenue. For leather processors and manufacturers, contributions will be based on the number of hides processed annually.

For Brands and Retailers

Annual Revenue (USD)	Minimum Annual Contribution Expected (USD)
Below \$100M	\$50,000
Between \$100M and \$1B	\$100,000
Between \$1B and \$5B	\$200,000
Above \$5B	\$250,000

For Leather Processors and Manufacturers

Processing Stage	Contribution Level (per hide)
Wet-blue Tanneries	USD 0.01
Re-tanning and Finishing Tanneries	USD 0.03

To learn more about the Deforestation-Free Leather Fund, contact us at LeatherFund@wwfus.org