2015
Sustainability Report

Unione Nazionale Industria Conciaria

UNIC
Unione Nazionale Industria Conciaria

The Italian Tanners Association is the greater national association in the world of the leather sector. It works since 1946 to promote the Italian Tanning Industry and it is the leader of a group of companies engaged in different field: trade fairs, scientific consultancy, stylistic trends, legislation, publishing and certification.

2015
Sustainability Report

THE 2015 REPORT on the tanning industry is ready. It gives the results of resources consumption, emissions, organisational structure and social aspects. It discusses in depth important questions relating to product ethics, as applied to leather articles. Constant collective and individual commitment to sustainability emerges, based on production processes which adopt the highest standards. Given a broadly static situation as regards production, the commitment by national tanneries to improve environmental efficiency and, in general, the sustainability of leather and its production processes is constant, based on investments that are the equivalent of 4% of revenues. Italy's tanneries have intensified relations with the local communities, for example through open factories and increasing their involvement in social works. They have adopted modern management controls and applies good practices for the safety of the end product, energy saving, reuse of waste and certainty of origin. The interaction sought by the industry with customers and suppliers on the principles of sustainability has led to many shared solutions. Furthermore, ICEC certifications has allowed a sustainability code to be drawn up, unrivalled on the international scene. Ethics has become for us a further requirement of entrepreneurship and communication. As from 2013, the UNIC Social Responsibility and Conduct Code sums up its principles and values, leading to careful corporate social responsibility practices.

Unione Nazionale Industria Conciaria

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The italian tanning industry
Introduction and overall production

THE ITALIAN tanning industry, being European and world leader in terms of value, quality and sustainability of production, is mainly made up of small and medium-sized companies (1,254, employing 17,949 people) which are mainly concentrated within regional districts.

The total annual value of national production is above 5.3 billion euros (+1.5% in 2014), while volumes are close to 127 million square metres for finished leather and 33 thousand tonnes for sole leather (respectively -1.7% and -3.9%).

The recent trend has shown a virtually constant growth in sectorial revenues in the past five years against more unstable quantities, yet overall tendentially stable during this period. From an analysis of the historical series it emerges that the tanning industry in Italy has amply recovered the values prior to the general crisis of 2009, but not the volumes which, in line with those recorded in the year mentioned, have returned to the levels of the end of the Seventies and early Eighties.

Regional figures

THE INDUSTRY is mainly organised into regional clusters, considered to be an international excellence.
The largest district in terms of production (53% of the national total) and employees is located in the Veneto region, in the province of Vicenza, where small and medium-sized firms and large industrial groups coexist side by side, specialised in the production of large bovine leather for furniture, car interiors, footwear and leather goods. The Tuscan tanning area, second-ranking in terms of production (28% of the total) is concentrated around S. Croce sull'Arno and Ponte a Egola (Pisa) and renowned for the high craftsmanship and flexibility and the close relationship with the high fashion brands. Local tanneries work mainly medium-sized bovine hides and calf skins, some of which are used to produce sole leather, a local speciality. The Campania district, ranking third in size (8%) and located in Solofra (Avellino) with some major companies also around Naples, is primarily specialised in sheep and goat leather intended for manufacturing garments, footwear and leather goods. There are also numerous tanneries in Lombardy, mainly in the Magenta area, which are characterised by the processing of sheep and goatskins for haute couture, whose total value is just over 5% of the national one.

Italian Tanning Production
2014

	2014		Var. 2013/2014	
	Volume	Value million of euro	Volume	Value
Leather (thousand sqm)	126,757	5,094	-1.7%	+1.5%
Sole leather (tons.)	32,542	238	-3.9%	+1.7%
Total PRODUCTION	**n.c.**	**5,332**	**n.c.**	**+1.5%**
Total EXPORT*		**4,073**		**+1.6%**

Source: UNIC/ISTAT

*ISTAT official data for tanned leather (including leathers listed in CN Chapter 43 and excluding data related to CN Chapter 41 and 43 which quantity and typology are not identifiable, estimated to be respectively equal to 22.4 e 3.8 millions of € uro in 2014). Re-export is not considered, as well as the national trade (export of leather purchased in other Italian regions, this element explains the eventual inconsistency between export and total revenues in some regions)

Italian tanning industry: data by district
2014

LOMBARDY
Bovine, sheep and goat leather for footwear and leather goods

Workers	995	(var. 13/14: **-4.8%**)
Tanneries	43	(var. 13/14: **-8.5%**)
Output	290 mln €	(var. 13/14: **-4.6%**)
Export*	256 mln €	(var. 13/14: **-10.3%**)

VENETO
Bovine leather for footwear, furniture and leather goods

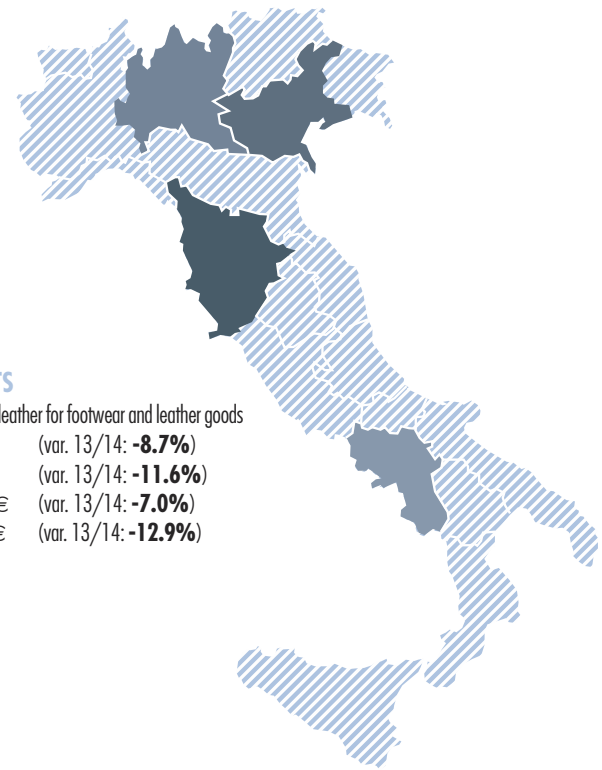
Workers	8,358	(var. 13/14: **+1.0%**)
Tanneries	469	(var. 13/14: **+0.2%**)
Output	2,815 mln €	(var. 13/14: **+3.1%**)
Export*	2,209 mln €	(var. 13/14: **+6.0%**)

TUSCANY
Bovine leather for footwear and leather goods

Workers	5,837	(var. 13/14: **+0.7%**)
Tanneries	539	(var. 13/14: **-0.9%**)
Output	1,511 mln €	(var. 13/14: **+3.0%**)
Export*	1,003 mln €	(var. 13/14: **+5.1%**)

CAMPANIA
Sheep and goat leather for footwear, leather goods, garments

Workers	2,024	(var. 13/14: **-0.8%**)
Tanneries	165	(var. 13/14: **-1.2%**)
Output	440 mln €	(var. 13/14: **-2.5%**)
Export*	179 mln €	(var. 13/14: **-8.6%**)



OTHER DISTRICTS
Bovine, sheep and goat leather for footwear and leather goods

Workers	735	(var. 13/14: **-8.7%**)
Tanneries	38	(var. 13/14: **-11.6%**)
Output	275 mln €	(var. 13/14: **-7.0%**)
Export*	426 mln €	(var. 13/14: **-12.9%**)

Source:
UNIC
ISTAT
Unioncamere
Movimprese

International trade

INTERNATIONAL markets play a fundamental role in the balance sheets of the Italian tanneries, both in terms of export of tanned leather and import of raw materials. As far as export is concerned, its apparent weight on the overall revenues of the industry has shown a tendential increase for over thirty years and is currently equal to 76% of the total turnover.
In 2014 Italian export of leather reached 121 countries for a total value of 4.1 billion euros, an increase of 1.6% compared to the previous year. From a long-term viewpoint the level is at a historic maximum, second only to the all-time peak of 2001.
The EU absorbs over half of the total export and this percentage showed an increase once again last year after 2013 had interrupted five years of constant recovery. The share relating to the Russian-Balkans area also shows a growth (now 7% of the whole) with North America stable (6%). The relative importance of the Far East has declined (in any case still very high, 26%) as well as other destinations (9%). As concern the single countries, China and Hong Kong have represented the main foreign destination of Italian leather since 1995 and they currently account for 17% of the total.
The import of raw materials (raw hides, recovered from the food chain, in addition to wet blue and crust semi-processed leather) is of great importance to the industry, in the light of the fact that Italian livestock structurally covers less than 10% of the raw material need of national tanneries (7% in 2014). The greatest source of supplying is the EU, with a rate of 51% on the total amount. This is followed by Latin America (21%), Africa/Middle East (7%), NAFTA countries of Northern and Central America (7%), Oceania (6%), Russian-Balkans area (5%) and Asia (3%).

The value of Italian tanning industry on EU and world total
2014

Source: UNIC estimates on data from FAO, Intracen data (UN-COMTRADE), Eurostat and industry associations

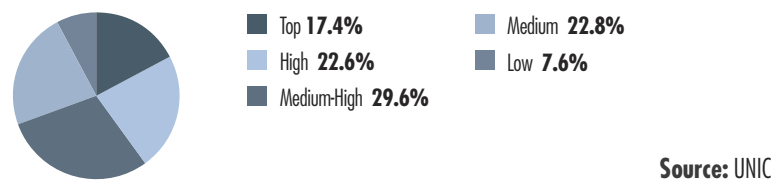
Production by animal, use, client range

THE MAIN typologies processed by Italian tanneries are bovine hides (79% of the total) and sheep/goatskins (20%), the dynamics of availability and procurement of which depend on slaughtering and meat consumption. Less than 1% refers to other species (pigs, reptile, deer, kangaroos, etc.).
Footwear is historically the main intended use of leather (43% of the tanning production), followed by leather goods (bags, wallets, etc. 25%), remarkably increased in recent years thanks to the success of international fashion companies. These are followed, in terms of importance, by upholstered furniture (15%), car interiors (10%) and garments (5%).
In 2014 the industry increased the production of leather for automotive (+6%, fourth year of constant growth) and for leather goods (+1% yet +40% compared to ten years ago). Footwear destination saw a reduction in purchases by 2%, producers of upholstered furniture by 8%.
The analysis of the sales of Italian leather per client bracket (top, high, medium-high, medium, low) records the two top ranges accounting for 40% of the total against 52.4% of the medium and 7.6% of the low. The most intensive growth rates in 2014 were recorded by the high ranges (respectively +4.5% and 2.6%), while the remaining are seen to be stable. These trends appear consolidated in the sector for at least 5 years.

Production by destination sector
% rate in volume (2014 - m^2)

Source: UNIC

Client/Price range
2014



Source: UNIC

The environmental sustainability
Introduction

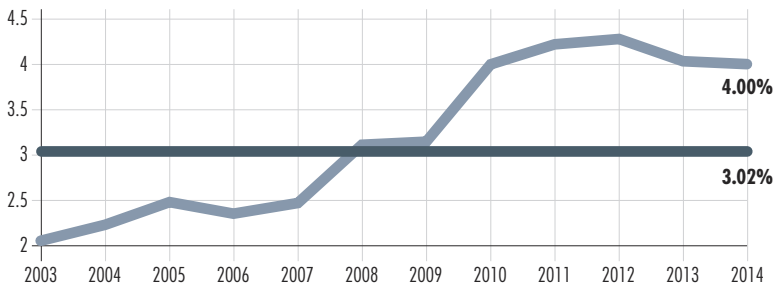
THE COMMITMENT of the tanning industry towards the environment is witnessed by the business capacity for investing in structures and infrastructures which allow the effective use of renewable sources, the depolluting of emissions, the recycling and recovery of the waste produced and the optimisation of processes and consumption.
The performances obtained are the results of the constant focus by the sector on the prevention of pollution, and the search for and application of innovative technologies.
Collaboration with the entire production chain, above all suppliers of chemical products, has consolidated already active involvement, in order to find increasingly efficient solutions for the improvement of the quality of the waste and air emissions and, in general, safeguarding of the area in which the industry is situated.
Growing attention paid to energy saving, also conveyed by the INDECO project, which actively involves some Italian tanneries, is seen in the downturn in energy consumption rates.
In order to report on the efficiency of the processes and the prevention and reduction of pollution, series of data which historically define the “environmental balance” of the industry.
These data, presented both as an average and as performance range as a function of the type of production cycle to which they are referred, offer an exhaustive coverage of the environmental impact of tanning and the economic and financial investments needed for its optimal management.

The costs of sustainability

OVER the years Italian tanneries have invested major economic resources to reach the current levels of environmental efficiency and minimise the impact of their activity and of the articles marketed.
Research and innovation have provided constant support for the commitment of single companies and of the structures, which allow locally the treatment of effluent, manufacturing rejects and waste.
For 2014, the costs, which each firm sustained on average for the management and prevention of the impact on the environment, amount to 4% of the value of the revenues. Both the general costs of management of the environmental aspects and the specific costs allocated to each aspect contribute to this, recorded in terms of staff deployed in the specific activity, consumables, expenses for consultancies and services and investments in research and new technologies.
In terms of weight, the most substantial item in the environmental balance of companies is unquestionably the management of wastewater, which includes the costs of purification and which contributes by over 60%. The expenses, which can be attributed to manufacturing wastes, are equivalent to almost a fifth (18.3%) of the total expenditure. Management of chemical products and the research on new articles intended to improve environmental performances is equivalent to 9.2% of the expenditure.
The amount, which can be referred to general costs, includes the product and system certifications (6.3%), has taken on particular importance, followed by the expenses related to product safety and the analyses of materials (5.2%).

Ratio of environmental costs to total turnover
2003-2014

For 2014, the incidence of environmental costs amounted, in continuity with the previous analysis, to 4% of the turnover.

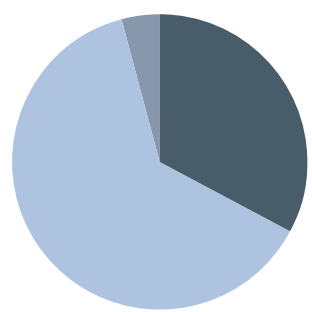


Source: Unic

The consumption of resources

TANNING INDUSTRY uses as **raw material** semi-finished leather or raw hides/skins, which come almost exclusively from the food industry (over 99%) of which they are waste. Hides and skins are likewise a renewable resource, in that breeding for food purposes allows maintaining and constant renewal in time.
The tanning process transforms the raw hide/skin into a product of value for the market. In the tanning process, potential waste is transformed into a raw material for manufactured articles which have always been part of human life and which take on vital importance in defining features of performance, aesthetics and value.
The transformation of the raw hide/skin into leather takes place using natural or processed resources whose consumption depends broadly on the mix of raw materials used in manufacturing in the company and, to a lesser extent, on the type of process. This consideration is an important general basis for understanding and analysing the performances of the single companies, characterised by extensive variability of the processes, which are very often difficult to compare. For tanneries that perform a complete cycle, in fact, the indicators show values decidedly higher than those do to the processes that start from semi-finished leather (e.g. wet blue). The manufacturing processes, including above all the type of tanning, can also have a significant effect on environmental performances.
In order to transform the raw hide/skin into a product which can be used by

Raw Material
2014



In 2014 the sector used one third of raw hides/skins and a little less than 2/3 of wet blue as raw material (in terms of equivalent volume). Processing from crust represent a small portion.

Raw hides/skins **33%** Wet blue **63%** Crust **4%**

Source: Unic

the market in terms of durability, mechanical properties, performances and aesthetic aspects it is necessary to stabilise the organic substance which constitutes it, making it rot proof, maintaining and enhancing the natural features of the skin (e.g. breathability and elasticity) and giving it new ones (colour, effects, etc.). This is obtained mainly through the use of specific **chemical products**, used in aqueous solution, in the wet phases or applied to the surface.

A considerable variety of auxiliary chemicals is used in tanning whose supply is constantly developing thanks to research performed in close synergy between suppliers and tannery.

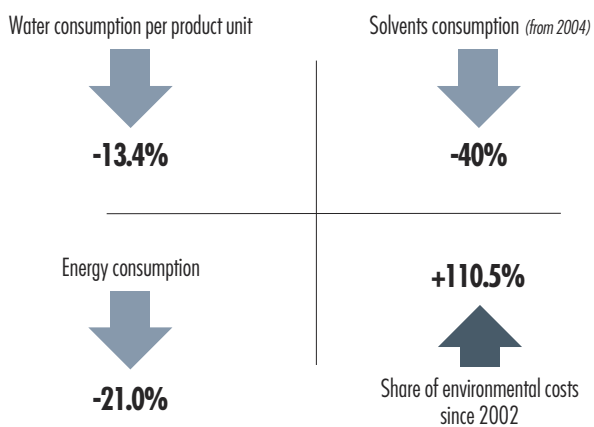
The quantity of chemical products used for making a square metre of leather, on average 2.07 kg, is strongly influenced by the stage of processing of the raw material. The consumption of chemical products per surface unit for firms which start from the semi-finished product is in fact about half of that measured in tanneries, which handle the raw hide/skin to a more or less primary extent. Research and investments are constant both at tanneries and at their chemicals suppliers to find innovative products, which allow the reduction in consumptions and other environmental impact related to their articles, without jeopardising the technical and aesthetic features.

The processes (not including finishing) are mainly carried out in an aqueous phase, in drums. For this reason, the **water supply** has always been an important item of the environmental balance of tanneries. The water is taken from artesian wells or directly from industrial water supply systems, therefore pre-treated before use in the processes in order to eliminate undesirable elements (e.g. iron). Tanneries are focusing increasingly on the use of water, avoiding waste and constantly seeking innovative solutions, both process and technological, for an increasing reduction in consumption.

Among the environmental impacts of the tanning process, maybe the energy consumption is to date the area in which the most significant improvements are possible in terms of efficiency, as indicated by the IND-ECO project (see box), which ended in May 2015.

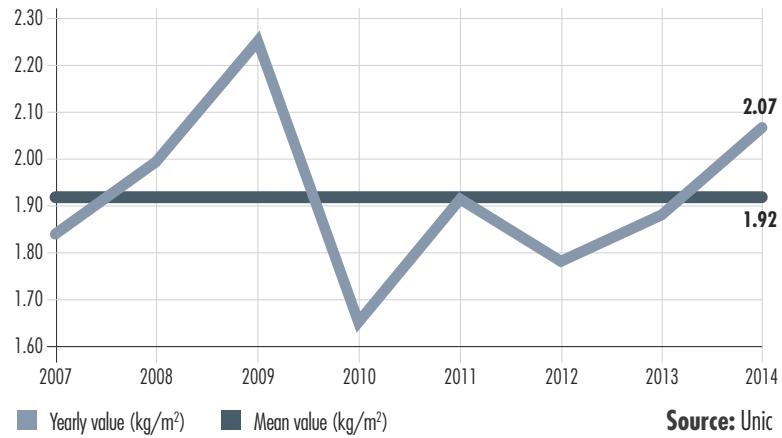
Italian tanneries are increasingly investing in processes and technologies for a more rational and sustainable use of energy and undertake policies aimed at energy saving, obtaining benefits from them not only in terms of the environment but also of costs. The tanning process requires important supplies

Main trends
2003-2014



Consumption of chemicals per product unit
2007-2014

In 2014, the quantity of chemical products used for the realisation of a square meter of finished leather increased slightly. The 2014 value, equal to 2.07 kg / m^2, is just above the average of the last 8 years (1.92 kg / m^2). It is important to note that this figure is subject to severe influence depending on the type of products realised during the year and the subsequent processing required.



Source: Unic

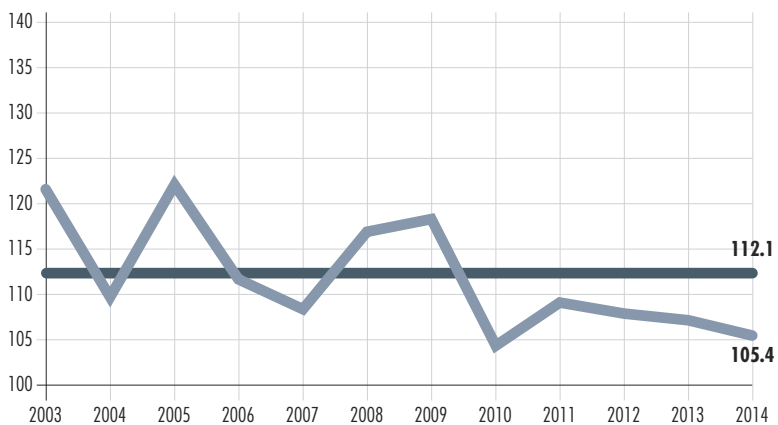
both of heat (mainly from methane gas) and of electrical energy in virtually equivalent amounts. A minimum percentage (around 1%) of consumption expressed in TOE is linked to the fuel used mainly for internal transport.
The operations performed can be linked to four macro areas:

- Installation of energy production systems to optimise costs and consumption, reducing wastage as far as possible (cogenerations, photovoltaic systems, compressors and systems for high-efficiency steam generation).
- Replacement of existing production plants with others that are more technological advanced and able both to rationalise energy consumption and, in general, the consumption of resources and the productivity of processes in terms of lower use of water, chemical products and short processing times.
- Installation of high-efficiency motors and inverters on existing plants.
- Management measures, automation and accurate monitoring of consumption.

Energy consumption also shows variability between companies. The national average figure therefore gives an approximate value linked to the reference production mix. Less important, albeit relevant, is the difference between intended uses of the finished products.
Consumption per unit of production (m^2 of leather or kg of sole leather) undergoes considerable variations also in relation to the quantity of leather produced. Similarly, to other industrial concerns, in fact, there is independent fixed consumption and variable consumption proportional to production. The best results, in terms of specific consumption, are obtained for monthly production rates above 200,000 m^2.
Lower consumption of resources, above all of the fossil type, is translated into lower emissions, also indirect, above all in terms of equivalent CO_2 in the environment.

Water consumption per product unit
2003-2014

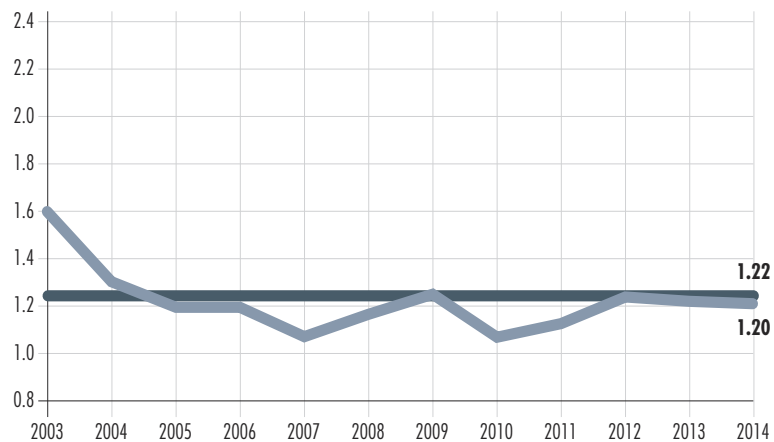
The downward trend in water consumption per unit of output, continuous since 2011, is confirmed. 2014 value (105.4 l / m^2) contributes to the lowering of the average of the past 12 years to 112.1 l / m^2. The tanneries starting from raw hides/skins consume higher amounts of water (on average ca. 125 l / m^2) with respect to competitors who start from semi-finished product (ca. 65 l / m^2).



Source: Unic

Energy consumption per product unit
2003-2014

In 2014, the energy consumption energy going down to 1.20 TOE / 1000 m^2. Thanks to this result, there is also a small decrease in the average of the last 12 years (1.22 TOE / 1000 m^2).



Source: Unic

ENERGY EFFICIENCY IN THE LEATHER SECTOR

IND-ECO PROJECT

In April 2015, the Project "Industry alliance for reducing energy consumption and CO_2 emissions" (IND-ECO), coordinated by UNIC, ended.
The three-year project was co-funded by the European Commission under the program "intelligent Energy Europe". The participants involved were 16, from seven European Countries. The main goal of IND-ECO project was create the best market conditions to facilitate investment in energy efficiency by tanneries and the leather value chain, with a particular emphasis on the footwear industry.

The project has reached two important results:

- The saving of primary energy and the CO_2 equivalent
- The definition of a toolset to support and facilitate in the reference sectors investments to energy efficiency

In more detail, the toolset includes:

- Sectorial benchmarks in terms of energy use
- Energy audits as a basis for developing investment plans
- Scout and assess technical solutions available in the national and international markets to improve the energy efficiency
- Identification and evaluation of potential sources of financing and credit facilities
- Development of model for the Investment Planning to assess the viability of investments
- Project website, newsletters, national and international workshops, videos and publications
- A list of the key areas for improving energy efficiency in the tannery and in the leather supply chain

During the project, the Italian tanneries have been planned 26 investment, 25 of which realized by the end of the project. The results obtained, expressed in terms of energy saving and reduction of CO_2, amounted to:

- 25.312 Million kWh of primary energy
- 7,227 tons of equivalent CO_2

These were the most important energy saving solutions:

- Cogeneration
- New Machinery with higher efficiency then the existing ones
- Inverters/Variable Speed systems for Motors and Drives
- New Boilers/Economisers
- Efficient Compressors
- Heat Exchange
- Energy Efficient Lighting
- Optimisation of Processing
- Photovoltaic systems (especially in the south regions)

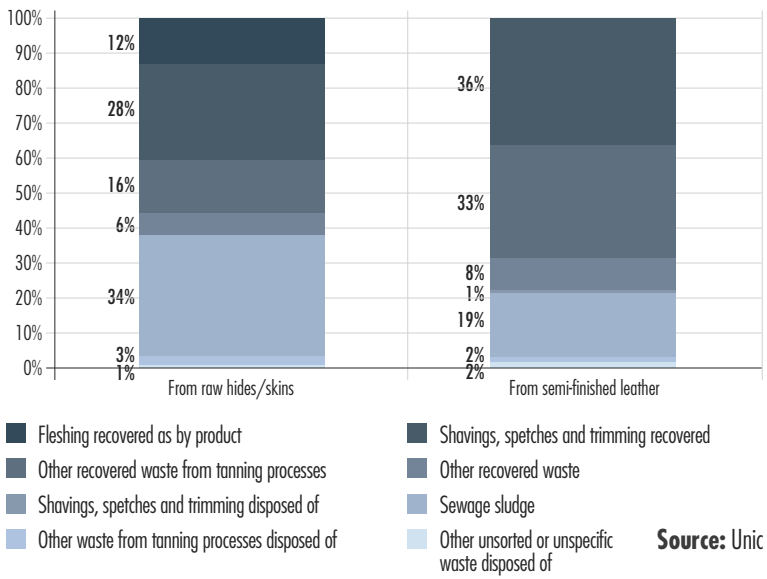
Co-funded by the Intelligent Energy Europe Programme of the European Union

Waste production

THE ORGANISATION inside tanneries, the specialisation of industrial recycling chains and the organic nature of most of the rejects allow excellent performances to be obtained also in waste management.
Raw hides/skins and semi-finished leathers undergo in the tannery a series of chemical and mechanical processes aimed at eliminating the parts in excess, not useful to the finished product. Manufacturing wastes are of different types and nature, with a percentage composition which varies greatly according to the production cycle and the mix of raw materials processed (raw, wet blue, crust). This variability is noted both between companies and over the years as a function of the composition of supplies.
In absolute terms the tanneries who purchase and process raw skins produce much more waste (fleshings, scraps and sludge make up more than 2/3 of the total waste), generated in the initial processes, up to tanning. On average complete cycle, firms produce 2.56 kg of waste per square metre of finished product, against 0.69 kg of firms who purchase semi-finished products.
Analysing in the sample the different composition of the residual products, starting from the raw hide/skin and the semi-finished leather already tanned, a prevalence of organic waste emerges in the first case, generated in the early processing phases and which can be valued as by product or in any case recycled. In both cases the main items are made up of typical waste of the tanning process such as "shavings, scrapings, trimming for recycling" (respectively 28% for those who process raw hides/skins and 36% for those who purchase semi-finished leather), sludges (34% and 19%) and other specific waste from the tanning process (16% and 33%). The percentage of waste recovered stands on average between 62 and 77%. For some types of waste the amount intended for recycling represents almost the total quantities produced: fleshings (98%), lime pit waste, tanned leather - cut scraps (approx. 99%), packaging in paper, plastic and wood (approx. 97%).
The intended purposes (valorisation as by product, waste for recovery or recycling, waste intended for disposal) depend in any case, as well as on the nature and properties of the waste, also on the existence or otherwise in the area in which the tannery operates of organizations or companies specialised in recovery treatments (e.g. recovery and recycling of chrome tanning liquors).

The composition of waste: breakdown by type
2014

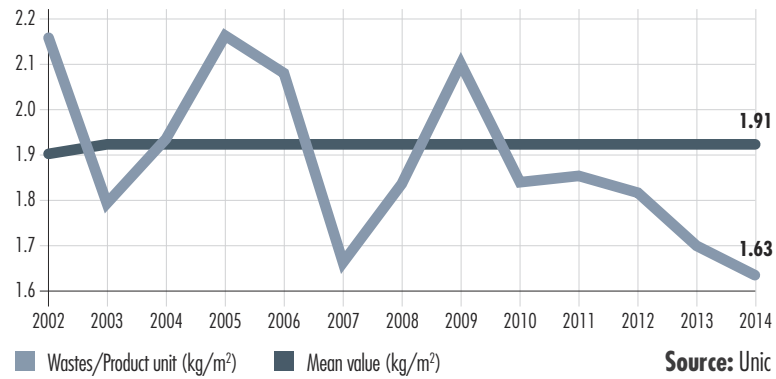
The type of wastes produced is different between companies starting from raw hides/skins or semi-finished leather, both in terms of incidence of the categories of waste and final destination (recovery / disposal).



Source: Unic

Waste production per product unit
2002-2014

In 2014 the amount of waste produced per square meter of finished leather confirms the downward trend, reaching to 1.63 kg / m^2. Excluding from the sample wastes exploited as by-products, the value drops to 1.27 kg / m^2.



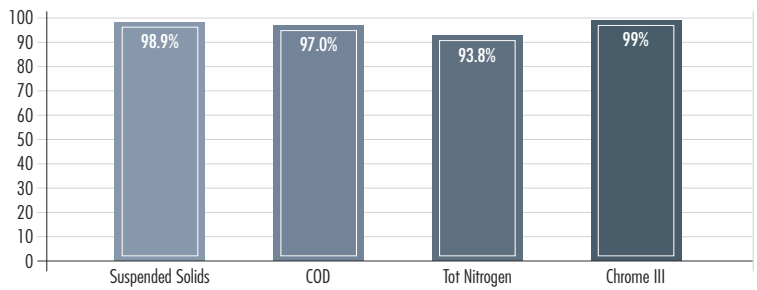
Source: Unic

Wastewater production

THE TANNERY mainly carries out processes in aqueous baths, which generate effluent, which needs to be purified before re-entry into the environment. Water discharges are also produced, albeit in a smaller quantity, in finishing operations, by some scrubbers of emissions in the air and by washing of the spaces.
Most of the wastewater of tanneries, almost all for firms situated in production districts, are conveyed to consortium purifiers after one or more pre-treatments aimed at eliminating coarse waste, which in some cases (where there is separate management of limepit discharges) can be recovered. The consortium purifiers, introduced and developed especially for the purification of tanning effluent, have in time reached a high efficiency of purification (above 93%) for all the main parameters, with the exception of chlorides and sulphates, difficult to subside and impossible to remove biologically. For these parameters the only effective solution is reduction at the source, adopting measures aimed at reducing the presence in the discharges, including: mechanical elimination of salt in the hides/skins or use of fresh hides/skins, use of chemical products with low sulphates content.
The consortium purifiers also perform an important role in the area by treating, as well as tanning effluent, municipal effluent (41%) and discharges from other industrial or similar activities (8%).
Purification of waters is in absolute terms the most important environmental cost item, accounting for over 60% of the total.

Reduction of pollutants in wastewater
2014

The relationship between the concentration of pollutants in output and input to treatment plants shows a slight improvement compared to 2013 for almost all indicators.
The abatement efficiency of Chromium III remains constant, to an excellent (99%).



Source: Unic

Atmospheric emissions

SOME PHASES of the processing of hides/skins generate emissions (dust, vapours, etc.) which, appropriately conveyed and treated in specific abatement systems, are then released into the atmosphere.
The parameters that most characterise the emissions of tanneries are volatile organic compounds (VOC), dust and hydrogen sulphide, in addition to combustion by-products: CO_2 and NOx, generated by thermal power stations powered mainly by methane.
The VOC derive from the finishing operations, in particular spraying, in which chemical products are applied on the surface of the skin through rotating guns. The application takes place in closed booths, in which a vacuum is created in order to be able to aspirate efficiently the emissions produced, avoiding their diffusion in the work environment and conveying them into the scrubbers. The emissions vary significantly as a function of the intended use and of the type of article required, the chemical products and number of "runs" in the booth being several.
The emission factor for 2014, calculated as total consumption of solvents index-linked to the square metres of leather produced was equal to 71 g/m^2.
The dust is produced by some mechanical operations (scraping, abrading) and in a minimal part as particulate from the spray booths. Their emissions are not significant, also given their environmental inertia.
The levels of hydrogen sulphide, while remaining far below the legal limits, maintain unfortunately a concentration above human olfactory sensitivity, with perception of the presence even at the level of micrograms.

Air pollutants per product unit
2014

COV* 71 g/m^2
NOx 0,80 g/m^2
Dusts 0,08 g/m^2
H_2S 0,002 g/m^2

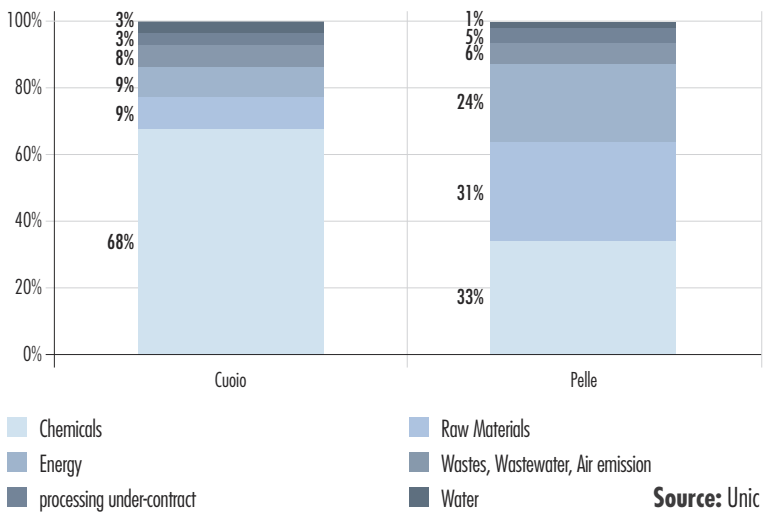
* Emission factor

Leather's Life cycle assessment

THE COMMITMENT by Italian tanneries in promoting and implementing strategies aimed at obtaining results of excellence in terms of environmental sustainability for the tanning industry is increasingly specific.
In 2014, works continued for the Single Market for Green Products (SMfGP) scheme organised by the European Commission (see next page) and the drafting within CEN (for which UNIC acts as technical standards secretariat) of the Product Category Rules (PCR) for calculating the carbon footprint of finished leather for its controls by third-party organisations and certification.
In association with the Scuola Superiore Sant'Anna, University in Pisa, data were collected from 32 Italian tanneries. These data were processed to assess the carbon footprint and some of the main indicators of environmental impact, which characterise leather for the various intended uses.

Source of the CO_2 equivalent
2014

Approximately 2/3 of the total carbon footprint of sole leather and 1/3 of the one due to finished leather derives from chemicals used. For finished leather impact raw materials and energy are also relevant.



Source: Unic

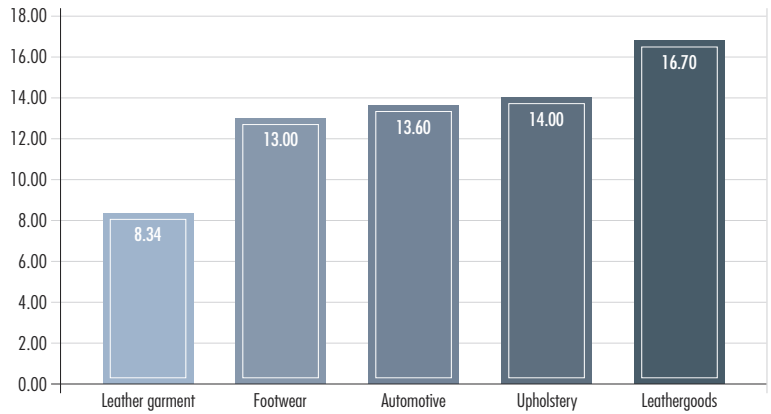
Leather's Carbon Footprint

THE STUDY was carried out following the life cycle assessment approach (LCA) and the rules dictated by the most recent version of the guidelines for the SMfGP initiative and the relative PCR defined to date for the leather pilot. The results provided a benchmark for the environmental effects of Italian tanneries and allowed participant companies to consider their own impact, highlighting the areas in which an effort towards improvement could be required.
The sample (32 firms from the 3 main districts) overall produces 8,344,456 kg of sole leather and 16,693,207 m^2 of leather, covers all the intended uses and the various animal origin (mainly cattle, sheep and goat).
The study presents some limitations to be considered when evaluating the results:

- low availability of primary data (i.e. direct data) on the production of chemical products.
- Low representational value of the data for some intended uses.

Carbon Footprint results for end uses
2014

Kg of CO_2 emitted during the tanning process (agriculture, livestock and slaughter excluded) to produce 1 m^2 of finished leather, depending on its intended use.



Source: Unic

Single Market for Green Products

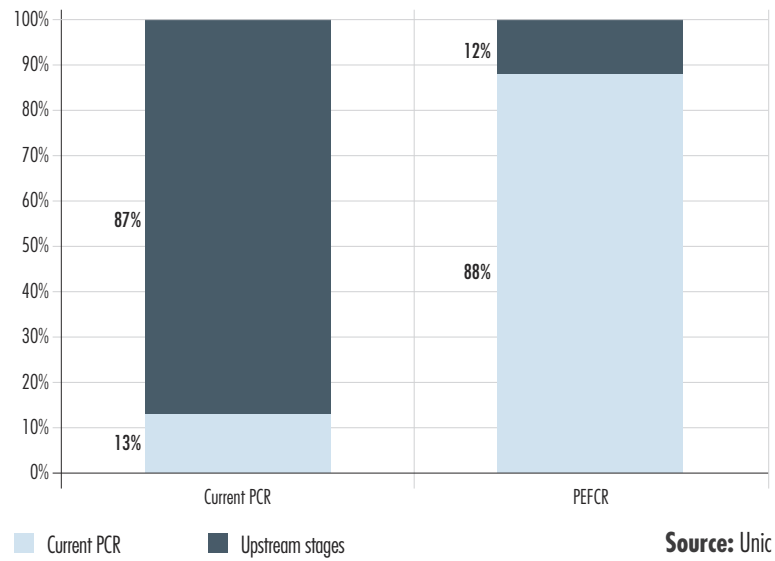
THE WORK by UNIC continues in the coordinating with COTANCE of the leather pilot during the SMfGP (Single Market for Green Products) initiative. The initiative, organised by the European Commission, provides for the development of a global LCA model which defines the Product Environmental Footprint Category Rules (PEFCR) for the assessment of the level of environmental sustainability of a certain product which can act as single element of reference for the market for green products.
There are numerous categories of impact to be analysed during the initiative (climate change, ozone reduction, toxicity, etc.). The definitive model will then maintain only those which are to prove sensitive for the industry. The value of these categories will then be quantified for m^2 of finished product for each intended use.
The model, as established by the Commission itself, is to incorporate the entire product chain upstream of the tannery (agriculture, breeding and slaughtering). In this respect, in July 2014, work by a parallel group started, known as the Cattle Model Working Group (CMWG), composed of representatives of the industries whose products derive from livestock.

- Meat
- Fodder for farmed animals
- Pet food
- Skin
- Dairy products

The main aim was to define the rules for allocation of the impact deriving from the chain upstream on the various products listed above.
During the 6 months of life of the group, UNIC and COTANCE claimed and supported with scientific studies the right of the tanning industry to obtain so-called "zero allocation" (of impact) in that not able to exert any influence on the market and environmental strategies of the processes upstream. Despite the fact this proposal was accepted by all the participants of the CMWG except for meat products the commission rejected this hypothesis. Given the lack of agreement, those in charge of the Commission itself defined a regulation, which laid down that leather take on 0.42% of the impact deriving from agriculture and livestock breeding and 3.5% of that deriving from butchering.
Comparing these values with the percentages of allocation imposed on tanning by the currently most widespread standards (approximately 7% for agriculture and livestock farming) it is seen that this allocation brings in any case an advantage to the sector: no longer burdened with the load of livestock breeding and agriculture, tanners can act both on their own process to improve significantly and transparently the environmental performances of their firm.

PEFCR Scenario
2014

Current PCR allocate to finished leather a large portion of upstream stages impacts. With the PEFCR this portion decreases considerably, contributing minimally to increase finished leather impact.



Source: Unic

The social sustainability
Introduction

SOCIAL responsibility is one of the aspects of sustainability of Italian tanning. It takes the shape of respect for workers' rights, safeguarding of health and safety in the work environment and initiatives in favour of the local community.

The work force plays an essential role in tanning. These are the people, with their work, their experience and their creativity, who allow a waste to be transformed into a material of excellence for manufactured items of value.

Firms regularly valorise the work force through activities of awareness raising and training courses. Actual collective bargaining of the tanning sector has grasped the importance of this, promoting meetings and dialogue between schools and the world of production at local, national and European level.

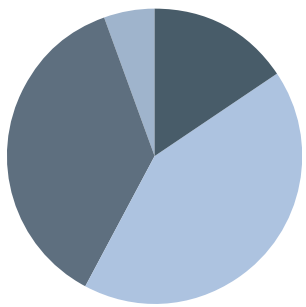
The UNIC code of conduct and social responsibility (see appendix), which sums up the principles and values which inspire the activity of firms in the tanning industry in this respect, allows the firms who adopt it to develop and pursue proper management of the issues linked to the relative corporate responsibilities and report on their performance and inspiration principles to all stakeholders, actively involving the workers. Adoption of the code enables firms to reach internal agreements which valorise efficiency, flexibility and worker participation.

The commitment and the results are tangible also on the subject of health and safety on the workplace. In just over 10 years implementation of management models and added training reduced the total number of accidents (INAIL data) by 59% (-49% number of work days lost).

Human resources

THE PICTURE which emerges from the analysis of the organisational structure of the firms in the industry shows, similar to other manufacturing sectors, a strong component of technical and operative professional figures (81.8%), most of whom are highly specialised. The percentage of management out of the total remains low and which in 2014, with the addition of middle management, stands at 2.4%. The scarcity of jobs of the managerial and coordination type is an indicator of the prevalence, both at national level and in the sample analysed, of small and medium-sized firms.
Female employees represent a fourth of the total work force (26%) with significant differences between the different geographical areas (43% in the North West, 34% in the North East, 17% in central Italy and 19% in the south).
The same variability is also seen in the quota of foreign workers, which represent a fifth of employees at national level (21%), but a third of the work force in Veneto (31%), 17% in Tuscany, just over 6% in Lombardy and virtually absent in the area of Campania.
Distribution by age range shows a percentage of employees under the age of 45 of 57.9%. The presence of young people under 30 years old has increased compared to 2013 (+7%).
The number of workers employed for an indefinite period confirms the stability of the sector in terms of employability. The percentage of contracts for recruitment (including apprenticeships) and supply that corresponds to a significant decrease in definite period contracts has increased compared to 2013.
The importance of valorising resources through training schemes is confirmed and strengthened. Alongside work health and safety and risk prevention training (52% of the total hours supplied), development of skills and professional refresher courses accounted for 48% of the total hours of training at the firms in the sample which, in 2014, were on average equal to 10 hours per employee.

Age groups
2014

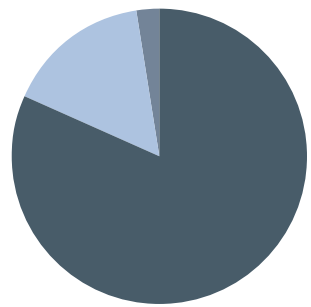


The breakdown of employees by age group shows the greater share in the age group 31-44 years, with a good slice constituted also by workers between 45 and 59 years. The share of young workers (up to 30 years) increased of one percentage point (14.7 in 2013).

Below 30 years of age **15.8%** 31 to 44 years of age **42.1%** 45 to 59 years of age **36.8%**
Over 60 years of age **5.3%**

Source: Unic

Organization's structure
2014



The composition of the staff in the tannery showed a high share of workers of productive character (81.8%), confirming the previous trend.

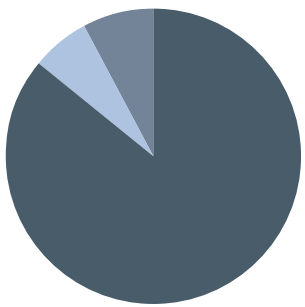
Blue-collar workers **81.8%** White-collar workers **15.8%**
Manager and senior staff **2.4%**

Source: Unic

Industrial relations

INDUSTRIAL RELATIONS, at all levels, have for some time been consolidated by intense corporate dialogue aimed at promoting the competitiveness of the tanning industry and the environmental and social values linked to Italian leather in the various institutional areas.
Industrial representatives share the need for a strong and common commitment to guaranteeing the safeguarding of health and safety and the minimum impact of the activities on the environment, aimed at the continuous improvement of Italian tanneries.
At national level this commitment took shape in the sharing by the trade union of the UNIC code of conduct and social responsibility (see appendix) as a useful tool for developing and pursuing proper management of the issues linked to corporate social responsibility and reporting on their performance and inspiration principles to all stakeholders, actively involving the workers. Adoption of the code, foreseen as a parameter for defining the objective-based bonus, enables firms to reach internal agreements that valorise efficiency, flexibility and worker participation (Art. 16 NCBA).
In the NCBA the parties have further highlighted the constant commitment by the industry in favour of sustainability, introducing it as a parameter for the application of the objective-based bonus, which foresees incentives for employees where the firm has achieved ICEC certification on schemes relating to the environment, health and safety at workplace and product quality.
Human capital is essential for the Italian tanning industry and the combination of experience and youth represents a fundamental resource on which competitiveness in the industry is based. For this reason for some time, employer and trade union representatives have promoted meetings and dialogue between schools and the world of production, in order to guarantee employment for young people and the availability of qualified resources for firms.
Since 2012, with the setting-up of the "National Tanning Observatory", UNIC and trade unions are an active part of the project "European Skills Council – Textile, Clothing, Leather, Footwear", an initiative of the European representatives of both sides of the industries in question (Cotance, Euratex, CEC and Industriall). The project, backed by the European commission, has as objective the promotion and development of skills, as well as employment, in the relevant industries, tackling questions such as training, qualifications and skills of the European work force and the appeal of the industry for young people.
In 2014, a survey carried out on a representative sample (226 firms/4270 workers) noted the presence of trade union representatives in 43.4% of firms, with an average share of trade union members equal to 17%.

Type of employment contracts
2014



The proportion characterizing the number of workers hired on permanent contracts for 2014 also confirms last years' situation. A decrease in the percentage of forward contracts, compared to other types of contract (integration and supply contracts). Apprenticeships are slightly increasing.

Indefinitive-term contract **86.4%** Fixed-term contract **5.8%**
Other (training, project-based, staff leasing) **7.8%**

Source: Unic

In the various regions, the percentage of Union Members shows a significant variability

North-East
Union members 13%

Center
Union members 14%

North-West
Union members 20%

South
Union members 40%

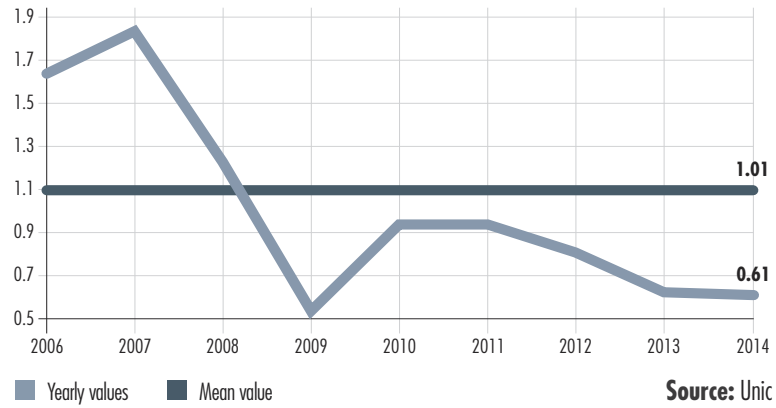
Health and safety in the workplace - Accidents

HEALTH and safety of workers are the subject of constant efforts in tanneries, in accordance with all regulations in force, national and EU, on accident prevention. Production processes and related activities are carried out daily according to organisational models, instructions and good practice in order to safeguard the physical safety of workers and ensure safe and adequate workplaces.
Machinery, plant and equipment are made and controlled to safeguard the health and safety of workers. Participation by employees is promoted, also through their representation, in the process of risk prevention so that they are enabled to perform the tasks assigned in total safety for themselves and for their co-workers. Primary importance is given to the activity of informing and raising awareness of all staff. Education and training are carried out with specific reference to the job performed and are periodically updated. An indicator of corporate commitment in terms of human, instrumental and economic resources aimed at preventing risks in the work environment is the trend in accidents.
In 2014 both the gravity report, which expresses in numerical terms the incidence of accidents on the working population, and the average duration of accidents have decreased.
The positive trend is confirmed by INAIL data (2013, last year available) based on which from 2003 the efforts of the industry have been seen for prevention at the workplace, in terms of:
Total number of accidents: **-59%** | Total number of days lost: **-49%** As further evidence, the firms that show growth benefit from the discount for prevention on the premium owing to INAIL for activities performed aim at continuing improvement of the corporate standards of health and safety at work.

Main trends
2006-2014

Severity ratio (lost days/number of workers)
2006-2014

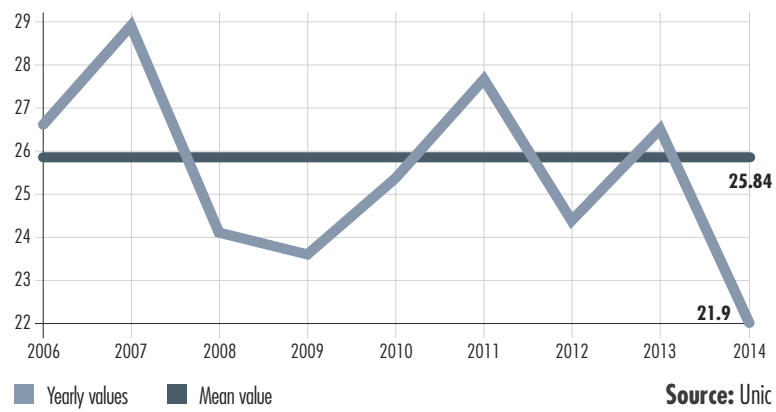
The incidence of injuries among the employed in the sector is declining, confirming the positive trend of the last four years.



Source: Unic

Mean duration (days of absence from work/number of accidents)
2006-2014

In 2014 the average duration of injuries, which indirectly expresses the magnitude of the events occurred, still is significantly lower.



Source: Unic

Relations with the community

INCREASING commitment and attention are paid by firms to ethical and social aspects, also aimed at strengthening and improving the relationship with local communities, in some contexts in close synergy with local governments, to combine industrial growth and sustainable development of the area.
Tanneries promote activities in favour of the community both indirectly by expanding activities and their own technological innovation and that of ancillary industries, and directly through solidarity or volunteering schemes, such as: promotion and safeguarding of culture and the arts, schemes in favour of local institutions (e.g. schools), also in relation to the development of skills of students and teachers, participation in committees or work groups active on issues of interest to the community, initiatives which bring benefits to the quality of life of the local population. In this respect some schemes organised in Tuscany are particularly significant, including the district EMAS declaration, the adding of value to local products and brands and participation in the project for the new sewer system for purification of civil effluent together with the industrial type.
Firms promote these projects directly or via the participant associations. Among the collective activities in recent years, promotion of the culture and knowledge of leather has been identified as the chosen area for intervention. There are two priorities in particular: schemes dedicated to young people, above all in the tanning districts, in order to hand down traditions and cultures to the new generations, and communication work, from the local dimension to international events, aimed at stakeholders.

AMICI PER LA PELLE

IN 2014 TOO, the 4th "Amici per la pelle" competition was held with success, targeting students at middle schools of the 4 tanning districts (Tuscany, Veneto, Campania and Lombardy) with the aim of spreading among the new generations the importance and extraordinary nature of the tanning industry in a fun and interactive way. The educational process, which involved training events dedicated to students and their teachers about leather, production process and supply chain, was made even more interesting by the organised visits to the tannery.
"Pop Art Tan" was the theme assigned to the competition, with participation by more than 1000 students from 9 schools. The students, supported by the teachers, had to create works in leather, inspired by the best-known or symbolic images among those offered by the mass media, also relating to the EXPO 2015 theme "Feeding the planet, energy for life".
The 36 works produced were exhibited at the Lineapelle trade show (February 2015) where the public admired and voted for the winning works.

Milan, Lineapelle February 2015: Amici per la pelle

Ethical issues
The traceability of raw hides and skins

TRACEABILITY of raw hides and skins, representing an issue of growing interest for supply chain stakeholders and operators, presents operatively complex elements both from the technical and from the commercial viewpoints.
Firstly, it has to be considered that, unlike what occurs for example in the case of meat, no country worldwide enforces mandatory legal previsions which oblige operators to create and maintain a tracking system aimed at identifying, for every single raw hide/skin which enters the tannery, the slaughterhouse, the livestock farm and/or the original animal.
At times some information can filter through the supply chain and reaches the tannery. In Europe for example the batches of raw hides and skins exit the slaughterhouses with a commercial document which includes the name of the company where slaughtering took place and the location. The same information appears also on the health certificates that accompany the batches of raw hides and skins entering Europe from non-EU countries. In this respect, it is underlined that only non-EU facilities recorded in the Traces system of the EU Commission are authorised to export into Europe products derived from animals, including raw hides/skins.
The possible intention to obtain more detailed information on the origin of raw materials clashes with the technical problem whereby to date no tested method guarantees at the same time: the identification of the single hide/skin piece, the impossibility of manipulation and fraud on the tracing carrier (tag, brand, etc.) and the complete preservation of quality and quantity, i.e. no damage on the hide/skin (e.g. branding).
There are strong commercial obstacles to the possible intention of having greater information on what happens upstream of the tannery. First of all the slaughterhouse tends to be uninterested in transmitting also on hides and skins the information it may possibly already have on farms and single animals for the traceability of the meat. The raw hide/skin is in fact a by-product, which suffers from a structurally lower supply level than the demand, and this is generally not an incentive for slaughterhouses to invest in tracking products. More-

over, the presence of other operators (curing plants, traders) along the supply chain between the slaughterhouses and the tanneries obstructs the transmission of the previously mentioned information present on commercial documents and health certificates, both for logistic and purely speculative reasons. Another problem is represented by the high movement of live animals between different countries, which undoubtedly complicates the process of proper definition of the origin of the animal. We should not forget finally that, due to the protectionism of some non-EU countries on their raw hides/skins, part of the industry is forced to use semi-processed leather as the starting raw material for their process. The presence of another tannery in the supply chain tends not to simplify the process of searching for the concerned information.

ANIMAL welfare relates to the conditions of breeding, transport and slaughtering of livestock.
A considerable diffusion of rules on this issue can be seen from the regulatory standpoint. At a multilateral level the relevant international organisations are FAO (Food and Agricultural Organisation, 194 member countries) which operates as a centre for research, collection and exchange of information, standards and practices for animal welfare, and the OIE (World Organisation for Animal Health, 180 member countries), the body of major international reference on the issue, which has established specific standards for transport and slaughtering. Moreover, many countries have introduced laws, guidelines, protocols and codes of conduct, often very strict, for governing

REPTILE LEATHERS

ASPETTI SPECIFICI DI SOSTENIBILITÀ

REPTILE leathers represent a niche in the Italian tanning industry, where to date around ten tanneries operate (plus the same number of dealers), some of which are part of major luxury fashion groups. The total turnover of this tanning segment is approximately 100 million euros a year. Despite the limited dimensions, Italy is the most important consumer market of reptile skins in the world and our previously mentioned tanneries are world industry leaders in terms of quality, value and sustainability. UNIC, on this concern, takes an active part in the works of the CITES and is a member of RESP.
CITES (Convention on international trade in endangered species of wild fauna and flora, otherwise known as the Washington Convention, with 178 member states) since 1973 has governed, under the patronage of the UN and through a system of certificates and licences, the imports, exports and re-exports of 34 thousand species of live or dead plants and animals and their parts or by-products. The system guarantees legality, traceability and control of trade. As regards the tanning sector, the skins included in the CITES come typically from reptiles, in particular crocodiles and pythons. In addition to the mentioned system of trade licences/certificates, for the former a further obligation of traceability has been in force for many years through plastic tags (with a single identification code) attached to each individual skin. CITES is also studying a new additional mode of identification for pythons skins. It is important to underline how the implementation of the CITES regulations in Italy is the strictest and most stringent in the world. As well as the obligations mentioned, common to all member countries, in Italy companies dealing with CITES products also have to keep a detention register for these kind of goods (loading/unloading) always at the disposal of the control authority in charge.
Since 2014 UNIC has also been an actively participating member of RESP, a non-profit organisation, which deals with the sustainability of some luxury products and brings together important international fashion brands. The relative working group on reptile skins (IWGRS) is in charge, among other things, of developing more sustainable methods as regards production systems, animal welfare and above all traceability. In this latter respect a system of tracking reptile skins and leather via biometric technologies and mobile reading devices is being trialled; the contribution given by UNIC and its tanneries to this project is highly appreciated.

the conditions of breeding, transport and slaughter. They include the EU, which presents the widest, most stringent and control regulatory structure (Dir. 93/119, Dir. 95/29, Reg. 1255/97, Dir. 98/58, Reg. 882/04, Reg. 1/05, Reg. 1099/09…), and also Australia, New Zealand, USA, Switzerland, Brazil, India, China, etc.
Without considering, as part of this analysis, the health and hygiene aspects, aimed primarily at safeguarding the consumer rather than at the well-being of the animals, the more common regulations include medical registers and controls, adequate environmental conditions (in terms of space, light, air and temperature) for the animal kept on the farm or transported, healthy and sufficient food and a ban on prodding, hitting and other mistreatments.
These regulations, although hides and skins are not the reference subject, in any case have a diversified impact on our supply chain. One negative consequence is the increase of costs that more acceptable ethical methods involve. Contrarily there is often a positive effect in terms of improvement in the quality of the hide/skin, as in the case of the ban on hitting the animal.

MANIFESTO FOR ANIMAL WELFARE

THE ITALIAN TANNING INDUSTRY SUPPORTS

A Healthy and controlled **BREEDING CONDITIONS**, such as to avoid or minimize suffering, pain or injury to the animals. Buildings must be kept clean, and under proper conditions of temperature, air humidity and circulation, noise and light. All animals, even if tethered or confined, must be given the appropriate space for movement, without risk of injury or fall. All animals must be fed a wholesome diet suitable for the species, at opportune intervals and in sufficient quantity. Cruelty, violence or unjustified abuse to animals must be avoided. All animals must dispose of proper care in case of injury or disease.

B **SAFE CONDITIONS** during transfer/transport. Sufficient floor area and height in the means of transport is provided to animals. Water, feed and rest are guaranteed to the animals, appropriate to the species and the intended journey. Journey must be carried out as rapidly as possible and without unjustified delay. Unloading procedures must minimize the risk of injury, slipping or stroke among animals; the transfer to assembly centers must guarantee the same conditions.

C **KILLING CONDITIONS** such as to minimize pain and distress. Animals must receive comfort by being kept clean, properly fed and by being prevented from injury and distress. Killing must be carried out exclusively after the restraint and stunning (except for particular methods prescribed by religious rites), which shall be maintained until the death of the animal. Restraint and stunning procedures must minimize suffering and ensure compliance with current legislation.

Leather product safety and consumer protection

IN ORDER to guarantee the highest quality of articles in leather and safety for consumers, Italian tanneries check on articles and processes daily in order to guarantee adequate performance requirements and chemical characterisation complying with the stringent European and other regulations.
As regards the use and/or content of substances subject to restrictions, Italian tanning meets the obligations laid down for producers of articles by using chemical products and raw materials that comply with regulations and guaranteeing the appropriate communications within the supply chain. The checks carried out on the leather also contribute to careful management, according to the type of article, specifications and process. The industry in fact took steps some time ago to carry out appropriate controls on leathers, also with reference to UNIC specifications (cf. box), a specific reference for restricted substances subject relevant for leather.
One important and delicate aspect, for proper communication along the supply chain, relates to the methods used for the chemical characterisation of the leather and the skill of the laboratories that perform the analyses. For this reason, UNIC has for years worked to draft and regulate test methods and technical specifications applicable to leather within the CEN.
A contribution to maintaining a good level of protection of European consumers also comes from the controls performed by the Italian financial police and the customs to safeguard UNIC markings, thanks to which potential risky consumer items coming from outside Europe and containing hazardous substances in high concentrations are blocked and reported to the competent authorities.
In order to improve the control of the products used, and provide guarantees along the value chain which are effectively practicable, a close relationship is active with chemicals firms and their representatives both to define the minimum requirements that can be requested for skins and to draft good practices and guidelines on specific themes, including: RSL, MRSL, mineral tanning.

SPECIFICATIONS

Leather and chemical substances

The "UNIC Specifications- Leather and chemical substances" supports tanneries in handling obligations regarding leather and chemical substances and the requirements of customers, which are often inapplicable and irrelevant. The document, now in its eighth edition, is an easy-access tool that is updated at least every 6 months in response to the ECHA publishing new SVHCs and which lists:

- the controlled substances within Europe and non-EU countries (with useful references per Country), reference laws and regulations and the concentration and usage restrictions to be followed;
- the recognized testing method, which has to be used
- applicability to the various types of leather (Vegetable leather, Vegetable leather dyed, non-finished leather/aniline, finished leather).

These UNIC specifications have been presented to the leading product buyers.
The document is available online (www.unic.it) o it can be requested to: sustainability@gruppounic.it

THE CHROMIUM IN LEATHER

and its fair value

About 85% of currently produced leather is chrome-tanned. The reason is the superior properties of the resulting leather, given the high stability achieved by the collagen fibers permanently bonded with chromium, and to the economic advantages of this process, which is relatively fast and easily reproducible.

Chromium is omnipresent. Its natural occurrence is in the trivalent oxidation state, usually as chromite. Chromium is an important trace metal essential for living species, especially mammals. Further, it is used in several processes and applications for many consumer goods (alloys for various applications, pigments for paints and dyes, cosmetics, packaging, etc.). Less than 2% of chromium extracted yearly is used in the tanning processes, such as basic Chrome(III) sulfate. The chrome (III) contents of leather excludes a significant risk for human health, according to currently available studies[(1)]. This is mostly due to the low bioavailability of Chrome (III) related to its limited ability to penetrate through the natural barriers of the skin. Further, consumer's safety is guaranteed by the adoption of good manufacturing practices (also indicated by ECHA[(2)]) and supply chain controls, aimed to verify the quality of chrome tanned leather and to test the non-detection of chrome (VI) in leather articles.

Some studies on health risks related to chromium in leather are available1, but they are scientifically debatable. They do not investigate and distinguish leather quality, origin or characteristics. In addition, the allergic skin reactions' issue associated with the use of leather goods, relates mainly to sensitised subjects. Besides, there is no evidence that skin reactions in those subjects are due to CrIII and/or CrVI released from leather and the role of other chemicals has not been thoroughly examined. It is particularly striking that, in controlled studies, there was no correlation between the amount of Cr released and the elicitation of allergic skin reaction.

Rather, from a careful analysis of the data produce, it cannot be excluded that removing chrome (III) from the tanning process will most likely lead to an increased risk for sensitization, because of the higher amounts of organic compounds required to produce leather of comparable quality.

Note

(1) A.Moretto - Hexavalent and trivalent chromium in leather: what should be done? - 2015

(2) ECHA - Committee for Risk Assessment (RAC) Committee for Socio-economic Analysis (SEAC)
Background document to the Opinion on the Annex XV dossier proposing restrictions on Chromium VI in leather articles - 2012

The voluntary certifications
Introduction

THE SUSTAINABILITY of the production processes today represents an important competitive factor for companies and increasing importance is taken up by tools such as third-party certifications issued by qualified independent bodies, able to certify objectively the performances of the firms. Certifying sustainability is complex. Talking about sustainability means in fact tackling multidisciplinary areas (environmental, economic and product aspects, social and ethical factors) also at different levels (product, process, human resources, site, supply chain, etc.).
The tanning sector has for some time gone down the road of voluntary certification to give concrete support to the values and the commitment which firms guarantee both at system and product level.
ICEC, Accredia-credited certification organisation, has certified since 1994 all the types of firms in the leather industry according to the most important international and national standards, in addition to some technical specifications relating to requirements for which the market demands guarantees and which allow further support for firms in adequately promoting products of excellence. The aim is to certify the leather supply chain, up to the end user.

Followed by:
(C) = certifications applicable to tanneries
(M) = certifications applicable to leather manufacturers
(P) = certifications applicable also to other firms in the leather sector (e.g. contractors, chemicals, producers of technologies)

The environmental area

WITHIN the broader concept of sustainability, the environment plays a central role in the current market context.
One of a certified company's key objectives is to ensure its products and processes are more environmentally compatible in terms of efficiency and quality by making a conscious decision to protect the environment.
Environmental certifications based on recognized standards document a production process and its environmental compatibility and so are an important, official recognition of a company's performance in terms of its commitment to the environment when issued by a qualified body.
There are certifications of product or system based on whether the certification concerns the environmental management of the production process (ISO 14001), the environmental declarations of a management system or product (EMAS, EPD, environmental claims), or the environmental parameters used to award the mark of ecological quality of the leather (*Eco-Leather*).
An important development for the future will be certification based on a product's entire life cycle, of which the EPD is one of the first examples. This will allow for broader assessments of environmental impact that will not be limited to a given production facility, such as assessments of environmental footprints (the carbon footprint and water footprint based on the new ISO standards).

Certification
UNI EN ISO14001

"Environmental Management Systems"

ICEC Accreditation
Accredia nr. 019 D
(C) (M) (P)

The certified company's management system is adequate for keeping the environmental impact of its activities under control and is systematically improved in a consistent, efficient and sustainable way.

Validation
EMAS REG. 1221/2009

"Eco-management and auditing system"

ICEC Accreditation
Ecolabel-Ecoaudit
Commission nr. IT-V-0016
(C) (M) (P)

EMAS is mainly focused on improving the environment and offering to the market, control authorities and citizens a useful tool to be informed about a company's environmental performance, i.e. the Environmental Declaration

Product Certification
UNI 11427

"Definition of the performance characteristics of leather with a low environmental impact"

ICEC Accreditation under preparation with Accredia
(C)

The environmental criteria and functional characteristic of eco-friendly leather are being standardized at a national level. In particular, this standard fixes the minimum requirements to be met to obtain the eco-leather logo.

Validation
"Environmental Product declaration"

ICEC Accreditation
Accredia nr. 005 H
(C)

Based on the enforcement of the Product Category Rules (PCR) governing bovine leather, this document helps companies issue their product environmental declarations in compliance with ISO 14025 standard, and with a Life Cycle Assessment approach in accordance with ISO 14040 standard.

Certification
UNI EN ISO 14021

"Environmental claims"
(C) (M) (P)

The environmental improvement being claimed may be the result of a new production process, the installation of new technology, the use of different raw materials, or other aspects implemented by the company. One necessary condition is that it be an actual improvement measured when the ICEC validates the claim.

Social and ethical area

IN AMBITO SOCIALE il Codice di condotta e responsabilità sociale UNIC è lo strumento sviluppato dal settore per perseguire una corretta gestione delle tematiche connesse alla responsabilità sociale di impresa e comunicarne principi ispiratori e performance a tutti i portatori di interesse.
Il documento, condiviso dalle rappresentanze sindacali in sede di rinnovo contrattuale, riprende i contenuti delle principali Convenzioni internazionali in materia di tutela di tutela dei diritti dei lavoratori (ILO) e copre i requisiti dei principali standard volontari sul tema della responsabilità sociale (SA 8000, ISO 26000), inclusi requisiti fondamentali in materia di ambiente, etica commerciale e tutela dei consumatori, declinati per le imprese dell'area pelle.

L'adozione del Codice di condotta e di responsabilità sociale UNIC dà la possibilità alle aziende del settore di addivenire ad accordi interni che valorizzano efficienza, flessibilità e partecipazione dei lavoratori.
Lo standard internazionale OHSAS18001 assicura un'adeguata gestione della tutela della salute e della sicurezza dei lavoratori nei luoghi di lavoro ed un continuo miglioramento delle performance.
Le cogenze che riguardano la tutela della salute e sicurezza del consumatore sono oggetto della certificazione degli adempimenti REACh secondo quanto indicato dal capitolato UNIC, riferimento di settore per il contenuto di sostanze chimiche nelle pelli finite (cfr. pag. 30).

Certification
Code of Conduct and Social Accountability UNIC
(C)

The Code represents an essential tool to make the principles driving the company be known. The document officially identifies the values of conduct and social responsibility adopted by the company. The document is based on the principles of ISO 26.000, SA 8000, the most important international agreements (ILO) concerning the protection of workers' rights, as well as commercial ethics and social and environmental responsibility. The present Code has been approved by the unions.

Certification
OHSAS 18001

"Health and Safety at Work Management Systems"

Accreditation under preparation with Accredia
(C) (M) (P)

The implementation of a H&S at Work Management System helps companies identify and keep under control all risks related to health and safety in the workplace, reduce the number of possible accidents, be compliant with the legislation in force, and constantly improve corporate performances. It also translates into allowances from INAIL (Italian Institute for Insurance against Work Accidents).

Certification ICEC
Technical Specifications TS 416

"REACh management as per UNIC specifications"
(C)

Operational needs and UNIC specifications provide information to companies wanting to obtain certification which concerns the restricted substances and the national limits of the leading destination markets, testing methods, and control procedures based on the type of leather article and the raw material used.

SUSTAINABILITY ATTESTATION

With this certification, ICEC sets out to promote sustainability and the excellence of firms who possess at least one ICEC certification active in three reference areas:

- environmental
- ethical - social
- economic and product.

The certificate is issued free of charge to firms who draw up a "sustainability policy" in which the corporate commitment as a function of the certifications obtained is described.

For information:
www.icec.it - icec@icec.it

Financial and product area

FOR TANNERIES, there are a variety of certification services aimed at promoting greater financial and commercial transparency in a company's activities.
Starting from by the traditional ISO 9001 for the company's management system of organization, the leather industry has developed more specific certifications to promote the technical performance of products and processes, including in terms of how they safeguard the health and safety of the consumer.
The market certainly appreciates the guarantee of a leather's origin based on prevailing international customs regulations, which make it possible to obtain the "Leather from Italy" mark for leather and leather articles.
New certifications are now being issued in order to provide tracking information for raw materials in the leather industry (in terms of origin, slaughterhouse, farm) using a rigorous mathematical approach, and there are also new certifications to verify a company's financial management system to promote the company's reliability (for customers and banks, for example).

Certification UNI EN ISO 9001 **(C) (M) (P)**
"Quality management systems"
ICEC Accreditation Accredia nr. 034A

Certification of a Quality Management System, which guarantees compliance with product-related requirements, is a valid tool both in ongoing product improvement and in providing quality services to the customer. Over time, costs and risk factors have declined drastically through the proper organization of operations and of production processes.

Certification Product certification by destination sector **(C)**
"footwear, leather goods, furnishings, clothing, car interiors"
ICEC Accreditation Accredia nr. 034B

Certification is granted based on compliance with specific international standards for the leather industry or on the technical specifications of the party requiring certification and provides customers with information concerning a product's performance. It includes an assessment of the company's system of quality assurance and the primary standards regarding the safeguarding of consumer health and safety. Testing is conducted at accredited or otherwise qualified laboratories.

Certification ICEC **(C) (M) (P)**
Technical Specifications TS 408
"Financial management system"

The importance for a company to have an efficient financial management system lies in being able to actively monitor operations and not just passively suffer the consequences. It is a valid means of establishing a relationship of trust (with customers and banks).

Certification UNI 11239 "Made in Italy" **(C)**
Made in "Certification of the leather production origin"
ICEC Accreditation Accredia nr. 34 B

Product standard that indicates the country where leather is produced, according to international customs regulations. In order to be recognized Italian origin, finished leather must have undergone in Italy at least retanning, fatliquoring and dyeing processes. If instead all the processes have been carried out in the same country, a "100% made in" can be issued.

Certification ICEC **(C)**
Technical Specifications TS SC410 / TS SC412
"Tracking of raw materials (hides&skins)"

This point to the level of control that tanneries have over their suppliers, including knowledge of the countries of origin of the raw hides and skins and of the slaughterhouses and farms involved. To this end, reliable, mathematical ratings and brief assessments express the level of control over what a tannery purchases in terms of the traceability of the stages required to produce the raw material.

Certification ICEC **(C) (M) (P)**
Technical Specifications TS 406
"Certification of laboratories for leather testing"

This approach was created for the validation of laboratories that work with leather by controlling the management of all aspects in line with the principles of quality and of the specific ISO 17025 standard, such as personnel training, the test environment, instrument management, and the preparation of test reports. These aspects are verified periodically in order to ensure the utmost reliability of the test conducted on leather, including physical, chemical and fastness tests.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Appendix
Code of Conduct and Social Responsability

THE COMPANY that voluntarily complies with the code of conduct and social accountability UNIC must ensure compliance with the relevant legislation in force, including the National Collective Bargaining Agreement of the tanning sector and with the requirements contained in the present document, drawn from the most important international agreements and standards concerning "social responsibility" and applied to the manufacturers and service providers of the leather sector.

The present Code is approved by the following trade unions: FILCTEM-CGIL, FEMCA-CISL, UILTEC-UIL. In order to verify that the requirements needed to obtain declarations of compliance with UNIC's Code of conduct and social responsibility are met and maintained, companies are regularly inspected by a qualified third party (ICEC) charged by UNIC thereof. Further controls are also possible to check that a company's suppliers/contractors meet the provisions prescribed for them.

For the correct interpretation of the requirements of the code refer to the document "Guidelines for the adoption and implementation of the UNIC's Code of conduct and social accountability".

HUMAN RIGHT AND WORKING CONDITIONS

CHILD LABOUR

1.1 The company must not use or support the use of infantile labour.

1.2 The company has in particular to protect employable minors from any conditions that may be dangerous, hazardous or harmful for their health and safety in the workplace, in compliance with the prescriptions of the legislation in force.

FORCED LABOUR

2. The company shall not use or support the use of forced labour, nor ask their staff to deposit any money or original identity documents for conducting of the employment relationship.

DISCRIMINATION

3. The company shall not discriminate upon hiring, remuneration, access to training, advancement, layoff or retirement based on sex, race, national origin, disability, religion, social status, sexual preference, union membership, political affiliation, age and any discriminatory condition.

LABOUR UNION AND BARGAINING

4. The company shall respect the right of all workers to join the union of their own choice and to participate to collective bargaining.

HEALTH AND SAFETY ON THE WORKPLACE

5.1 The company shall provide a safe and healthy workplace and will adopt appropriate measures to prevent and manage work accidents and damage to health during the performance of a job or resulting there from.

5.2 The company shall appoint a managers' representative to implement all issues guaranteeing health and safety in the workplace.

5.3 The company shall ensure that the staff receives an effective training about health and safety at work. Such training is regular, documented and repeated for any new or reassigned staff.

WORKING HOURS

6. The company shall comply with the laws and all dispositions currently in force contained in the National Collective Labour Agreement regarding the working hours for the workers of the tanning industry and related sectors. The mean weekly hours, calculated over a reference 12-month period, shall not exceed 48 effective working hours. The staff will be guaranteed at least 24 consecutive hours' rest every 7 days.

REMUNERATION

7.1 The company shall guarantee that remuneration always corresponds to the standards fixed by the law and to the minimum parameters fixed in the National Collective Labour Agreement for the workers of the tanning industry and related sectors.

7.2 The company shall guarantee that the composition of remuneration and of allowances is clearly and regularly specified.

HUMAN RESOURCES ENHANCEMENT

8. The company shall promote the enhancement of human resources through skills development, corporate culture and employability, including through continuing training initiatives.

ENVIRONMENTAL

9. The company shall fix and maintain procedures and practices aimed at reducing the environmental impact of its activities.

INVOLVEMENT AND DEVELOPMENT OF THE COMMUNITY

10. The company needs to promote community development through dialogue and collaboration with stakeholders, also through representative associations to which he subscribes.

PROFESSIONAL BEHAVIOUR

11.1 The company shall respect the principles of transparency, fairness and good faith in its relationships with the institutions, customers, suppliers, and competitors, and avoid any unfair competitive actions likely to cause damage and violate the principles of the present code.

11.2 The company shall guarantee product quality and consumers' protection.

POLICY AND MANAGEMENT

12.1 The management must formalize a corporate policy for social responsibility so as to guarantee:

a) the commitment to comply with the principles of the code, to maintain compliance with legislation in force and to comply with the agreements signed;

b) the commitment to continual improvement, in particular with reference to the organizational system;

c) to be easily accessed and understood by all employees, including directors and management;

d) to be available to all stakeholders.

12.2 The company shall appoint a representative of management to ensure, independently from other responsibilities, the compliance with all requirements of the present document.

12.3 The company shall ensure that workers choose their representative to facilitate relations with the administration regarding matters of this document.

12.4 The company shall establish and maintain appropriate procedures to assess and select suppliers and contractors based on their capacity to meet the requirements of the present document and give documented evidence thereof.

12.5 The companies must establish and periodically review corporate objectives in relation to the provisions of this Code and to provide procedures for communicating the performances to all stakeholders.

12.6 The companies must ensure that all the requirements of the Code internally are understood and effectively implemented

12.7 In the case of non-compliance or pending disputes on the issues covered in this document and for their resolution the company must prove by objective evidence their adequate management through corrective actions. The company must also develop preventive actions to avoid their recurrence.

12.8 The company will keep a suitable documentation certifying compliance to the requirements of the present document.

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