

UNIONE NAZIONALE INDUSTRIA CONCIARIA

Aderente a Confindustria

20123 Milano, Via Brisa, 3 – Italy

Tel. 02 880771.1 Fax 02 860032

e-mail unic@unic.it

www.unic.it

UNIC Comments to “*Change your Shoes*” project February 2016

INTRODUCTION

The “*Change your Shoes*” campaign has this far produced three reports: “*A tough story of leather*”, “*Una mucca nella scarpa*” (infographic summary of the former apparently available only in Italian), “*Does the shoe fit?*”, and a series of press releases and executive summaries. The first two studies are specifically related to the tanning industry, whilst the third one provides a short overview of the footwear industry, with some references to tanning process. The campaign produced also two videos, one of which shows images of tanning activity.

The first report contains a large number of false claims, which are completely unsupported by official data. Even the data presented as provided by official sources are incorrect, incomplete, confused, contradictory. Moreover, in some cases the author made a selective choice of the data within the same source: as an example, UNIC Sustainability Report was quoted only as regards the market data, but the core of the report related to the performance of the industry in terms of social responsibility, ethics and environmental impact has been completely and voluntarily ignored.

The report completely lacks a scientific approach, every staged evidence seems chosen to demonstrate an aprioristic thesis. The negative and prejudicial opinion against the sector is evident: every aspect is presented with a specific choice of language and through negative metaphors, thus indicating a pre-constituted opinion.

As regards the market and working conditions, many references are related to local press articles, rumors, opinions. Many information are completely out of context and out of the declared scope of the project. The results is that the document reports misleading and contradicting information most of the times, giving an untrue picture of the tanning industry.

The description of the tanning process from a technical point of view is very imprecise and contains many gross mistakes.

The tanning process is a very complicate sequence of chemical and mechanical phases. The production process can be roughly divided into four large phases:

- beam house operations (every superfluous element, such as hair, dirt, grease, flesh etc. is removed from hides and skins);
- drum tanning (mineral, vegetable, organic, oil, mixed) or vegetable tanning in pits (only for sole leather);
- post-tanning operations;

- finishing operations.

Knowledge and experience in this field can be achieved only through a chemical, legislative, and tanning educational training, otherwise the risk of misunderstanding data on the matter can lead to incorrect conclusions and superficial statements.

From a technical point of view, the document shows a general lack of knowledge and competence on the tanning industry and its processes, and a lack of accuracy on supporting the following assertions with robust scientific (and updated) data.

It is clear that the aim of the author was not to describe the real situation, but on the contrary, to find *ad hoc* proofs to support his thesis. Across the whole report, the authors' prejudice against leather because it is a product of animal origin and their ideological bias against multinational businesses in itself appear clearly.

Those critical elements emerge, expressed even in a worse way, in the infographic summary, whilst the study on footwear industry contains gross mistakes as regards the tanning process.

The result is a deliberate and unjustified attack to the leather industry, with severe damage in terms of reputation, and an increase of confusion to the detriment of consumers.

We report here below our detailed objections.

A TOUGH STORY OF LEATHER

PART ONE: the international context

1.1. The animal issue

- *“Entities in the tanning industry claim to play a positive environmental role, because they remove a waste product generated by the meat industry, much in the way of scavengers. But the quantities of money surrounding the leather industry are so substantial that it is difficult to see the industry as one that relies on the production of leftovers by other sectors” (page 3).*

Prejudice against the industry: it is a fact that tanning industry recycles a waste product of meat industry.

- *“[...] leather sector shows that there is a general complaint by owners of tanneries about the dearth of raw material. So the more likely scenario is two sectors, the meat industry and the leather industry, working together as allies to create growth in livestock farming and slaughtering” (page 3).*

Unsupported defamatory accusation.

Box 1. The environmental impact of farming (page 4).

Completely out of context and proof of an ideological prejudice against the leather industry.

1.3. From production to exportation of raw skins

- *“The trend therefore indicates a gradual increase in the share of production by countries in the South, while the North is progressively reducing its commitment to an activity that poses certain environmental issues” (page 7).*
- *“It is a type of production activity that advanced nations are tending to divest themselves of because of the substantial pollution that it generates” (page 8).*

Wrong explanation of a phenomenon, indicating poor knowledge of the sector’s dynamics. The reduction of slaughtering activity in the North is certainly not related to environment protection but to more complex market factors.

1.4. Processing and trading of semi-processed leather

The description of trade barriers is incorrect. The explanation of EU strategy to blackmail developing countries in favor of the EU tanning industry (Box 2 - Kenya’s reasons and opposition from Europe) is untrue and completely unsupported.

- *“EU is a major net importer of wet blue and that its intention is to produce finished leather, because this is the area where the greatest profits can be achieved” (page 11).*

The analysis of the trade flows of the sectors and its conclusions reveal scarce knowledge of the sector. Finished leather has always been the specialization of EU and Italy and has higher added value compared to semi-finished products. That is the reason why every tanning country is competing in that segment.

PART TWO: the Italian context

2.1. The sector in term of size and geographical distribution

- *“[...] the introduction of stricter environmental laws forced companies to make investments that not all of them wished to make or could sustain” (page 15).*

Misleading sentence, that seems to suggest that the majority of Italian tanneries preferred to change raw material rather than to comply with environmental protection legislation. This is false. Every company has to comply with Italian and EU law, which is among the most restrictive in the world. Moreover, wet blue is not substituting the raw hides and skins at all. The alternative use of the two materials

depends on market factors that the author ignores. In a (hypothetical) liberalized world market, almost all Italian tanneries would prefer to buy raw hides and skins and make the whole process in Italy for quality control reasons.

Box 1 (page 18).

There is no link between the two big companies and one of the two was not involved in the tax evasion case of 2011 to which the study refers. The box just refers to “*no available information*”, therefore admitting that every statement is a supposition based on the author’s personal opinions. Mistaken reference to Greenpeace report.

2.5. The emergence of the middlemen

- *“Like a spider in the middle of a vast web, [...] receives orders from every corner of the globe and fills them by activating the tannery within its group that best meets the needs of the customer in terms of price, quality and distance” (page 20).*

Pre-constituted negative opinions on the sector expressed by a specific negative metaphor (“*a spider in the middle of a vast web*”) to describe a multinational business, which is presented as if there was something immoral behind the appearance. This is a general attitude across the report.

PART THREE: the Santa Croce District

3.1. Organizational structure and employment (page 21)

The source of data related to number of companies and employees is missing. We do not agree with numbers. Not even in the most flourishing period of tanning activity the industry in that area could count 12,700 workers. It could be an aggregate of leather-footwear-leather goods. Moreover, the study reports contradicting data.

3.2.-3.3. Size and ownership of companies-Diversification and international expansion

- *“Many families who own tanneries have made their fortunes with skins and are now expanding their activities into other sectors. [...] for example, owns not just three tanneries but also various agricultural farms in Tuscany. Until June 2014, the family also had a major shareholding in the company operating Pisa Airport. They then sold this to a wider Argentinian company, Corporacion America, and we do not know what became of the tidy sum generated by that sale” (page 23).*

The judgement on the personal investments of families running tanning businesses is out of the scope of the project. Normal and legal business operations are described by suggesting illegal or unclear behaviour.

3.4. Procurement, production and sales

- *“In the case of orders from major brands, the goods are always subject to inspection prior to delivery. They are examined either in the tannery by experts sent by the purchaser companies, referred to as ‘pickers’, or at the premises of the brands by their own quality control departments. In some cases, some of the goods are rejected because of defects, and the tannery must then invent a way to resell them. «Discarded items are either kept in the warehouse for resale to someone who is happy with a lower-grade product, or they are coloured black, because black covers everything. If it is not a special item, everything is coloured black” (page 25).*

Defamatory and misleading information. There are defects in tanning production because raw hides are a natural product, with unique characteristics. There are obviously different ranges of production, with different grades. It is just a different target price/segment. The idea suggested here is instead of a product of scarce quality and of a swindle for customers.

3.5. Methods of employment and illegal work

Unsupported opinions, confused and wrong data to suggest the idea that workers are illegally exploited.

- *“So, within the same company, there are workers with tannery contracts and others who, despite doing the same jobs, have support services contracts, which obviously are less costly for businesses and do not envisage any kind of specialization: workers are not trained for the jobs they do, especially in terms of safety. Furthermore, for these workers, overtime pay is shown as travel, so companies do not need to pay PAYE or social security contributions. The system works even better if the cooperative is based in another province, as in the case we uncovered” (page 26).*

There is no evidence of the use of that kind of contract for tanneries.

- *“[...] another even more convenient method is the use of labor supplied by temping companies, also referred to as employment agencies” (page 26).*

Defamatory and unsupported statement. Tanneries require temporary work because theirs is an activity with seasonal dynamics. The conditions and limits of use of temporary employment contracts are settled by the law. The study presents data on temporary jobs to suggest the idea of workers exploitation.

- *“Temp workers are also open to blackmail. If a worker refuses to do what is asked, that worker is not offered any more work and will go hungry” (page 27).*
- *“In 2014, temp workers numbered 3 451, but there were 5 021 contracts concluded: one and half times the number of workers³⁰. This indicates that many workers are employed on a stop-and-start basis for periods that can be very brief” (page 28).*

Incorrect data. The number of temporary workers is wrong. It is impossible that such a high number is referred only to tanneries, it is probably an aggregate of sectors. In

addition, there is a misleading interpretation: considering the seasonal nature of the work in the tanning sector, 1.5 contract per worker is definitely not an indicator of stop-and-start occupation, but exactly the opposite.

- *“From 1 January 2011 to 31 December 2014, Santa Croce (excluding the municipality of Fucecchio) saw inspections of 185 businesses (tanneries and sub suppliers) and a total of 1 024 workers. Of these, 70% were Italian and 30% immigrants. In all, illegal aspects were identified in relation to 217 workers, 116 of whom were totally undeclared. 43% of the individuals working on an undeclared basis were immigrants”* (page 28-29).

Incorrect, incomplete and misleading data. The Labour Directorate of Pisa province confirmed that the data refer to tanning and footwear industry (probably referring to ATECO 151, which includes leather goods). The sample cannot be considered as representative, as the companies to be verified are selected based on a previous analysis of the risk. Irregularities are an exception whilst here they are presented as a standard.

3.6. The lives lived by immigrants

- *“Despite the significant degree of mechanization, processing of skins continues to be a difficult and laborious activity because of the physical effort, noise, humidity and chemical fumes involved. This explains why 80% of persons permanently employed are males, while 16% are immigrants from non-EU nations”* (page 30).

Defamatory and misleading statement. The tanning industry is described as uncomfortable and discriminating, but the rate of men, women and immigrants employed depends on many elements. It is not a matter of uncomfortable job (some operations are considered heavy, as it is in general in the industry) and in fact the percentages of working women on total workforce of other Italian leather clusters are much differentiated. The different assignments of women are not a typical aspect of the tanning industry, but a general feature in many industries.

- *“Graph 4. Workers permanently employed in the tanning district by nationality”* (page 30).

Incorrect graph: 16% is represented as one fourth. This is another example of the high level of impreciseness of the report.

- *“In addition to doing the heaviest, dirtiest forms of work, temp workers also work under worse safety conditions”* (page 33).

Incorrect and defamatory claim.

There is a long description of working conditions of Senegalese (also the single story of one of them) based on interviews, but no scientific value can be attributed to those information as there is no reference to how many people have been interviewed, nor

to how many and which questions have been asked. Only decontextualized sentences are reported. We read five names (Sylla, Mbaye, Mamadou, Diolas, Amina), and their statements are reported again as if it was the standard situation of tanneries.

The conclusion of the paragraph provides an overview of the consequences of the economic crisis, focusing only on immigrants. However, the crisis is a general problem, touching every worker in every sector.

- *“The injustice of the Italian system is clear for all to see every day. Years and years of contributions paid to the national social security system, which will be all but impossible to turn into a pension when you leave, and an unemployment benefit granted only to those who can prove the existence of an employment contract for two consecutive years. These are measures deemed to be inadequate to support those experiencing difficulty after having worked for decades in tanning businesses”* (page 34).

This statement can be referred to everybody, not only to immigrants working in a tannery!

3.7. Salaries and working hours

- *“The salaries brought home by workers depend on the jobs they perform, the basis on which they were hired and the type of contracts applied. For temp workers, the amount depends primarily on the number of hours worked. In terms of hourly pay, few complain. A level-two labourer, which is the most common, often earns between 8.00 and 9.00 euros net, but if the number of hours is limited, the final sum is basically poverty. The story is different for labourers employed directly under permanent contracts, who perform the same work but can be paid up to 200 euros more each month, depending on the type of company they work for. Salaries in the tanning sector are set on the basis of a national agreement concluded between the National Union of Tanneries (UNIC) and the relevant trade unions [...]”* (page 34).

Misleading. A normal situation is described as a problem, implying that it is a matter of exploitation.

The report describes the legal framework for working hours:

- *“[...] the law sets a working week of 40 hours, except in the case of more favorable provisions laid down in collective bargaining agreements. It then adds: «The average duration of the working period may not in any case exceed, for each period of seven days, a total of forty-eight hours, including overtime hours». In other words, overtime may not exceed eight hours a week or 250 hours over the entire year”* (page 35).
- *“In Santa Croce, it is usual to work more than 40 hours a week, to the point that a work day of eight hours is considered to be a crisis. Use of overtime is normal practice, partly for technical reasons and partly for economic reasons”* (page 35).
- *“And Piero notes: «Here it’s another world, we call it the Leather Republic. Now there is a high workload and we’re doing eight hours of overtime a week, so 32 each month. On Mondays and Fridays, we do nine hours and on Tuesdays, Wednesdays and Thursdays we do ten. Obviously this is something that is happening for these months now, and then the other months of the year we work*

eight hours. So, yes, sometimes you're tired in the evening, you feel that it's a pace that sometimes says: we can't keep on like this»" (page 36).

Misleading and defamatory statements. The description refers to a situation that is perfectly within legal limits, but it is described in negative terms.

As a final consideration, industrial relations with trade unions in the tanning sector are consolidate and characterized by a mutually beneficial dialogue. A situation such as the one described in the document, reporting widespread poor working conditions in the sector, has never emerged.

3.8. Accidents

- *"In their lengthy journey from rawhide to finished product, skins pass through many different phases and move through many different firms"* (page 36).

Incorrect and misleading statement. The movement of skins and semi-finished leather through many different factories is not common, nor a routine for all companies and for many processes as the document seems to imply. The description of the sector is not adherent to reality.

- *"Each processing operation entails a potential risk for the health of workers, and, indeed, can become a real threat depending on the choices made by individual operators"* (page 36-37).

Misleading. That is true for all jobs and industrial activities.

- *"In total, there were 176 serious accidents (25%), including one fatal accident, in 2012. The owner of a subcontractor company was struck by a forklift and died of a brain hemorrhage. The previous death occurred in 2004 [...]"* (page 38).

Incorrect and defamatory. The source of the data is missing. The official number declared by INAIL (Italian Workers Compensation Authority), concerning the rate of serious accidents in the tanning sector in the referred period (2009-2013) is much lower. In addition, the frequency index of accidents in the leather sector (number of accidents per 1000 employees, source: INAIL for the period 2003-2005) is much lower than the average in all industrial sectors. The real picture therefore is of a virtuous industry.

The fatal accident happened in 2012 was not related to the tanning sector, but, as declared by INAIL, to a self-employed entrepreneur who provided logistic services to the tanneries. **That means that since 2004 no fatal accident has happened in the tanning industry.**

3.9. Occupational diseases

- *“In addition to accidents, tanneries also have to deal with the problem of occupational diseases” (page 39).*
- *“There have been 493 cases of occupational illness recognized in Santa Croce between 1997 and 2014” (page 39).*
- *“The cases observed show sensitisation towards chromium and its compounds (chrome trichloride and potassium dichromate, a total of 36.4%), colourants (18.2%), formaldehyde and glutaraldehyde (10.6%), and rubber compounds (9.1%)” (page 41).*
- *“[...] Chromium salts are nevertheless one of the listed substances that can cause bronchial asthma” (page 41).*

Incorrect data presented in a misleading way. Incorrect description of the use of chemicals: the chromium compounds reported are not used in the tanning sector, but by the chemical companies.

- *“The Italian Workers Compensation Authority (INAIL), however, recognizes the occupational illness in workers who have been exposed to carcinogenic aromatic amines used above all as colourants in many sectors. In tanning processing and in finishing of skins, there has been documented use in the past of substances evaluated by the IARC as certain or suspected carcinogens for the bladder” (page 40).*

Misleading information. The sale and use of carcinogenic aromatic amines and colorants that can generate them were banned in the EU in 2002.

- *“The cases observed show sensitisation towards chromium and its compounds (chrome trichloride and potassium dichromate, a total of 36.4%), colorants (18.2%), formaldehyde and glutaraldehyde (10.6%), and rubber compounds (9.1%)” (page 41).*

Incorrect, misleading, and out of the scope. Reference to chromium forms are incorrect. Indeed, the chromium form used as tanning agent is not a sensitizer. In addition, the assertion related to colorants is too generic.

3.10. The problem of wastes

- *“For each tonne of rawhide, the industry obtains 200-250 kg of leather, tanned using chromium, which require a total of 15-50 tons of water, 500 kg of chemical substances and 9.3-42 GJ of energy” (page 42).*

Incomplete and misleading. References to the BREF data are not complete. Figures are presented as they were highly impacting. If not placed in the correct context, the assertion sounds denigrating Italian tanning industry and therefore out of the project's scope.

- *“Thus, for each ton of skins processed, we obtain 60-250 tons of waste water to be purified (with 20-30 kg of chromium and 50 kg of sulphide, among others), 1800-3650 kg of solid residues, 2500 kg of sludge, 4-50 kg of solvents in emissions of air” (page 42).*

Incorrect and defamatory. Wrong calculation of impacts per reference unit.

- *“The Aquarno, which is larger, treats 4.5 million cubic metres each year, $\frac{3}{4}$ industrial and $\frac{1}{4}$ civilian” (page 44).*

Incorrect data.

- *“Cuoiodepur produces an annual quantity of 13,000-14,000 tons of dehydrated sludge and Aquarno 20,000 tons” (page 44).*

Incorrect data.

- *“The plant (SGS ndr) treats approximately 100,000 tonnes of material each year, brought in directly by tanneries, from which it extracts fats and proteins resold in the form of products for agriculture and livestock farming” (page 45).*

Incorrect data.

- *“The risk of mutation into hexavalent chromium increases with the quantity of trivalent chromium remaining unbound from within the skin” (box page 42).*

Wrong data, scientifically incorrect and misleading.

A TOUGH STORY OF LEATHER (Executive Summary)

The extreme simplification of the contents of the full report results to be highly defamatory.

Examples: *“The secret of the Santa Croce district: little farms exploit the workers better”, “The deregulation of labour relations: when flexibility promotes illegality”, “Temporary workers represent modern slaves”, “Health at risk, mostly among subcontractors”, “Clear water, but lot of haze”.*

LA MUCCA NELLA SCARPA (THE COW IN THE SHOE)

Slide 1

- *“20% of the carcass value of the animal is obtained selling the hide”.*

Incorrect data. The average value of hides is significantly lower than 20%. Even if it were 20%, this is not enough to justify the slaughtering of animals to produce hides. Therefore, the two reports are also contradicting.

Slide 3

Box – The indication of meat properties and alternative food, suggesting the limitation of meat consumption for health, environmental and equity reasons is completely out of the scope of the project.

- *“To produce a kilo of raw hides or skins, 17,1 mc of water are required”.*

Data not scientifically supported.

Slide 4

It describes the situation of Brazil and refers to the Greenpeace report of 2009 on deforestation. Wrong information, the report has been disproved and the main company involved won a lawsuit against Greenpeace for the defamatory and false information of that report.

The calculation of emissions to state that farming has a high environmental impact and the statement that this impact should be considered as part of the environmental impact of leather have no scientific base.

Slide 5 - box

It is not true that one of the two biggest tanneries in Italy has been mentioned as one of the main buyers of raw hides coming from animals farmed in the Amazon deforestation areas. Not even Greenpeace, in the mentioned report, hazards to make such a false accusation.

Slide 8

Incorrect and defamatory. It is not true that employment of immigrants is high because it is a hard and uncomfortable job. Immigrants, who normally do not have a specialization, are employed in those functions of the tanning process, which do not require any specialized work. This is a normal phenomenon in the job market; there is no racism rationale, as the authors of the report imply, indicating an analogy with the Italian migration from the southern regions during the '60s.

Slide 12

- *“To treat a ton of raw hides or skins, 950-1230 kg of solid wastes are produced”.*

Incorrect data.

Slide 13

The assertions reporting solid wastes, dirty water and polluting gases are general and do not represent the Italian tanneries' environmental impact.

Slide 15

- *"The risk of mutation into hexavalent chromium increases with the quantity of trivalent chromium remaining unbound from within the skin".*

Data are wrong, scientifically incorrect and misleading.

Slide 16

- *"From the ecological point of view, the law of the jungle was in force."*

Incorrect and defamatory. At the time the report refers, there was no legislation in force as regards reduction of environmental impact. The report suggest instead that Italian tanners did not comply with rules.

Slide 17

The data reported are incoherent with the previous ones.

DOES THE SHOE FIT?

- *"Chromium, a toxic chemical, is used in the tanning process for 85 % of the world's leather shoes. The use of chromium often corresponds to severe violations of labour and human rights, since safety and health standards are often ignored in tanneries around the world."*

False assertion.

CHANGE YOUR SHOES – PRESS RELEASE

<http://www.abitipuliti.org/changeyourshoes/2015/07/08/parte-la-campagna-change-your-shoes-bene-il-regolamento-sul-cromo-vi-ma-serve-di-piu/>

- *"The chemical tanning with CrVI is a technique used in the 80-85% of international production of leather".*

False assertion.

- *"Our aim is [...] asking the ban of chromium from leather tanning phase [...]"*.

Evident lack of technical and scientific information about the topic. Any proposal of changing the European legislation is out of the project's scope. The wrong assertions about toxicity of chromium used in tanning process and the confusion between CrIII and CrVI are repeated several times and can be found everywhere in the websites related to the project.

CONCLUSIONS

The correct production of leather, regulated by a proper legislation, at national and EU level, and periodically checked by the authorities, assures the high quality of the Italian leather production and its safety as well.

When the process, as it is in Italy, is performed accordingly to the law in force, the production, and consequently leather, is perfectly safe and ethic.

Milan, 29th February 2016

Bibliography

- UNIC Report di Sostenibilità 2015
- UNIC Relazione del Presidente 2015
- CCNL Contratto collettivo Nazionale di lavoro per i dipendenti del settore conciario
- INAIL data for accidents and diseases
- Benchmarking in the tanning industry - Jakov Buljan, Ivan Král - 2012 - United Nations Industrial Development Organization
- Calculation of a Corporate Carbon Footprint (CCF) for a leather factory with evaluation of internal energy consumption - eco2l
- Ecobilan - leather LCA study - a comparison of tanning technologies
- Integrated Pollution Prevention and Control (IPPC) – Reference document on Best Available Techniques for the tanning of hides and skins – February 2003
- Life Cycle Assessment of Italian and Spanish bovine leather production systems - Notarnicola, Puig, Raggi, Fullana, Tassielli, De Camillis, Rius
- Mass balance in leather processing - J. Buljan, G. Reich, J. Ludvik - UNIDO 2000
- Material flows in the life cycle of leather - Kurian Joseph*, N. Nithya
- Hexavalent and trivalent chromium in leather: What should be done? - A. Moretto 2015