



Spazio Lineapelle - Palazzo Gorani (Milano)

PRESIDENT'S REPORT 2018

UNIC 
ITALIAN TANNERIES

It is an assembly out of our usual patterns that we are about to celebrate, for two reasons: it is the first one that we perform according to the new confederal procedures, which we integrated last year, and it is the first one which is taking place in a prestigious and significant place as Bocconi University, in conjunction with the assemblies of the other 6 associations belonging to Confindustria Moda¹, which will hold the General Assizes here in the afternoon.

We have joined Confindustria Moda, an expression of the textile, fashion and accessory system, two years ago, as aggregate member, aware of the fact that team building is now a mandatory necessity. "UNISONO" is the word chosen to define this meeting, which will see nearly 700 entrepreneurs line up to analyze the changes in the sector and to identify together the paths we should take. According to my habit, I will not dwell on political issues and on the economic measures the industrial class is eagerly waiting for. These topics are discussed every

¹ Anfao (eyewear), Assocalzaturifici, Associazione Italiana Pellicceria, Assopellettieri, Federorafi, SMI - Sistema Moda Italia

day and I would add nothing new to the current debate. The turbulence, the uncertainties on the international scenario, weak consumption trend, a shrinking export are events that have hit us too.

The "numbers" will be illustrated by Luca Boltri, Head of UNIC Economic Department.

We are experiencing difficult times; the situation is complex and there is the reasoned doubt that a structural instead of a cyclical crisis is underway.

What seems to be happening is a real identity crisis; we are disoriented by this massive introduction of alternative materials and requests that distort the values that are intrinsic to our products.

The sector has undergone profound changes within a few years, and we have been forced to give up models and securities we took for granted.

The new market's needs must be interpreted, "playing it by ear", sometimes with courage, other times with reflexivity, on the waves of uncertainty, risking to lose that patrimony of entrepreneurship, made of tradition, technique and innovation,

through which we have built the excellence that the Italian tannery is today.

It would be wrong, however, the one who thought we are resigned to a prospect of decline almost ineluctable for many people, as if we wanted to be simple spectators of a "complexity", which still we cannot fully understand.

It is a tough job the one that awaits us; however, the stakes are our own survival, the defense of what we have been able to conquer.

But let's analyze what represents today one of the more critical elements of that "complexity" we were talking about, which means the "war" against leather, through paradoxical accusations and misleading campaigns, based on incorrect assumptions, sometimes frankly ridiculous.

An aesthetic of the "different" is being exalted, which defaces a product that has always been an expression of naturalness, durability, creativity.

The moment in which leather is questioned, its massive replacement with synthetic materials, of which the negative effects are well known, is proposed.

Contradictions explainable only with superficiality, the illness of the century, a staircase with a single step, which makes no room for knowledge and reflection.

Who are our "enemies", those who have begun to bomb and bomb us every day?

Organizations supported by multinational corporations, carrying the powerful economic interests and then a certain world of fashion and design, that, not without a good dose of hypocrisy, has taken on the role of the guardian of ethics, of protector of the planet.

The flag of "cruelty free" is flown, for example, without considering that every economic activity, even the one that leads to the production of alternative materials, so praised and advertised by the media, deriving from the plant world, have serious consequences on the biosphere, if we consider the effects of pesticides and antiparasitic or the use of water, soil and fuels.

We do know these things very well, as I'm sure our customers do, but they are ready to adapt both to the common sentiment, to the perception so rampant today, and, more likely, to the logic of their margins.

If it were not, today they would be by our side in the defense of the leather, that material which, in symbiosis with their creativity, made them great in the world.

I would not be misunderstood, we paid and we will always pay attention to the environmental protection in the broadest sense of the concept and we are and will always be at the side of our customers, when, with seriousness and commitment, they stimulate us towards processes and products more and more sustainable. We often even anticipate these needs.

We work together for this purpose, not only with them, but with all the institutions, associations, foundations, which deal with the protection and safeguard of the planet, and we are the first ones who wish to isolate and get away from those of us who shows deplorable behaviors, which damage an entire category.

On the contrary, we should ask ourselves how informed consumers are, nowadays so sensitive to the alleged ethical motivations, on our reality.

Looking up online, it is easy to guess that we are flooded with fake news and easy myths that ruin our image. And whether

in Italy the hostility towards us has not manifested clearly yet, in other countries, certain beliefs have taken deep and worrying roots.

They are the few who make a lot of noise, while a silent majority falls pray to swinging feelings. "*There is no such thing as public opinion - Churchill said - there is only published opinion*". And the published opinion is more and more adverse.

We have often wondered whether and how to start a communication campaign and we concluded that it has become necessary.

We have the honor and responsibility to keep the position we have reached, defend the reputation of leather, repositioning the antagonists, who exploit our terms and denigrate us.

We must know how to return to leather what belongs to leather, promoting its knowledge and keeping on the path of a continuous improvement in terms of performance.

Our association has recently entrusted to an important agency, which works at international level, the management of a campaign that should build a strategic path of advertising able to oppose to the prevailing prejudices.

We will also collaborate with "*Leather Naturally*", the working group which brings together over a hundred adherents worldwide, tanners, slaughterhouses, chemical manufacturers, which will promote actions to raise awareness about the issue.

The project will be discussed more deeply at the next 4th *World Leather Congress* on July in New York, of which we are organizers together with the International Council of Tanners and the representatives from the US leather area. We picked a very significant title for the Congress: "*Leather in everyday life*".

Leather virtually covers every daily activity; it has always been part of our lives and we shall not stop emphasizing it.

Testimonies of important players of the leather world will alternate on the stage and we will mainly focus on young people.

At this point, however, I feel compelled to remember the activities that UNIC has been running for years to defend and disseminate our identity.

We respond to the accusations we receive, even in a simplistic way, and that mainly come from those who barely follow us, because the association is not an abstract entity, it is all of us,

criticizing is not enough, we need to participate and act, united and compact.

It is a great job that is done and that is widely recognized and carried as an example. Only in the last few months more than 100 promotional and training courses have been organized, involving over 2,500 people students/managers.

We organize "Roadshows", which only in 2019 have reached the major international cities (Seoul, Tokyo, Shanghai, Canton, London, New York, Madrid, Stockholm, Stuttgart) with the support of ICE and MISE; we collaborate intensely with some large automotive groups and big luxury brands.

Action against improper and unfair use of the leather are put in place every day. We fought for a revision of Law 1112/66, now obsolete, obtaining the possibility of modification with the European Law 2018, through which we will be able to be more incisive in the defense. *"It is always said that consumer power is important, but if we really believe it, then we must put consumers in the condition to use their power well, making sure we give them all the necessary information in order to allow them to make informed choices"*. It's a statement by Eva-Britt Svensson, Swedish politician, dated in 2011. It is an assumption that still

applies today, but Europe is denying us a legislation like the one we obtained at national level and which also other European countries have. COTANCE is very active on this front and we can only hope to get some results soon.

Our publications have lots of followers, from the newsletter (4,500 daily mailings) to the social pages (600,000 views since the beginning of the year), from our magazine to the Sustainability Report.

This is an excellence, able to tell all our operative liveliness.

And then our exhibitions, both in Italy and abroad. More and more popular, more and more authoritative.

LINEAPELLE, a worldwide phenomenon that concentrates on itself all the international leather area's energies. Attractive and competitive in terms of cost, full of side events, such as on the next October, 2- 4, Innovation Square, the "Circularity" Area, the Trend Area, the seminars, while in the February edition, it embraces the technology of SIMAC-Tanning Tech, an added value for the leather supply chain...

Lineapelle is the mirror of us Italian tanners, who did create it and that represent its core. We are capable, we are among the

most competitive suppliers, with high added value in the products and services, not-surprisingly our fair has always been on the podium.

Just a few words also on the new LINEAPELLE SPACE, located in the retrained Gorani's Square, in the heart of the 5VIE Art and Design district, pulsating district of the city, dedicated to hosting installations, exhibitions, meetings and a huge leather archive.

The promotion is also made by emphasizing continuously the tanning industry's historical and consolidated example of circular economy.

It is truly peculiar that those who are always ready to denigrate us, have never lingered on the capacity of our sector to use a waste as a raw material, being able also to recover resources from our own waste in an efficient way.

I proudly claim the decision I strongly wanted and shared with the all the Presidency of entering SICIT's capital, now quoted on the stock exchange, a reality that you all know for sure. It was a strategic choice, a decision we made exclusively in the interest of the entire national category, in order to support and to

promote the company's future investments and to make people feel more strongly the interests of our sector.

The direct and indirect benefit that each member will be or might be able to take advantage of from this operation is enormous in prospective and it is coherent we the needs to solve the greatest issues regarding the tanning waste.

We, as UNIC, have assumed a fundamental role in the epicenter of the circular economy, willing to unite the different claims of the territories, clearly not in order to divide or create fractures.

Circularity is an integral part of the sustainable process we started since quite a long time. I mentioned our annual Sustainability Report before, which celebrates its 17th birthday in 2019, it is almost an adult. This says a lot about what has been done and what is still ongoing.

I always say and maybe you might have heard me say it too, that there is "Who talks about sustainability and who just does it". Here, we do it. We operate with maximum reactivity in the research field and we prove our clients that we are able to solve quickly, with a Guinness world record timing, the problems clients submit us, thanks to our know-how and our passion.

But behind all of this, also another aspect must be emphasized. Continuous research and rapid development of execution of samples and tests make it extremely difficult the anticipated quantification of incidences both of the direct and the structural costs. Furthermore, the lack of programming reduces the possibility of identifying some spaces for economies of scale connected to a healthy industrialization of the activity. The tanning industry's structure is now a "sartorial" reality with an excessive degree of customization. All of this without any economic acknowledgement.

Among our winning factors, we can also mention our ability to attract the young generations, I refer mainly of our children and grandchildren, but also the association performs well in this sense, by involving the next generations in a school orientation and training activity of every order and degree, through a wide range overview and initiatives, from "Amici per la Pelle" contest to the programs that provide a digital upgrading of skills traditionally contextualized in a handcraft dimension.

At this point, I believe I have touched the most sensitive issues for us, which we are going to analyze with our Vice Presidents

through the questions that the journalist Maria Concetta Mattei will be asking.

Before closing, let me remind you of an important result achieved by our association, the certification UNI EN ISO 9001:15 related to its Management System for Quality issued by Italcert.

A significant achievement, that allows us to test the effectiveness and efficiency of our services aiming at improving them and creating more added value for the companies that have chosen us, that support us and that I wish to thank once again.

Milan, 26 June 2019