



# Conceria Settebello

Sustainability Code

Rev. 3 del 25 gennaio 2024



## INTRODUCTION

At Conceria Settebello, we firmly believe that respect for the environment and people is a responsibility for anyone engaged in business, which is why we have prioritized truly sustainable development.

To give voice to our mission and express our commitment, Conceria Settebello has developed its own Sustainability Code, which is shared with all stakeholders in our supply chain.

The Settebello Sustainability Code complements our Ethical Code, delving deeper into the principles, values, and guidelines that the company seeks to uphold from an ESG (Environmental, Social, and Governance) perspective. We recognize that the foundation of any commitment is legality and full compliance with applicable laws and regulations in all aspects of the organization’s operations.

Conceria Settebello requires all actors in its supply chain to adhere to the principles outlined in this Sustainability Code.

Over the years, Conceria Settebello has achieved important certifications in quality, environment, social responsibility, health and safety at work, raw material traceability, and sustainability. These milestones were also made possible by significant investments, such as the installation of cogeneration systems and the adoption of innovative technologies, alongside cutting-edge equipment for resource optimization and process automation.

Today, that commitment continues to drive us toward even more ambitious and significant goals, and this is why Conceria Settebello has appointed an in-house Sustainability Manager to further strengthen our mission.

## HISTORY AND MISSION

Founded in 1957 in Santa Croce sull’Arno (PI), Conceria Settebello produces leather for footwear and leather goods. The name, proudly kept over the years, is inspired by the famous train, a symbol of Made in Italy, which founders Silvano and Lido Brogi used during their early business trips. Over the years, Conceria Settebello has grown by increasing its production capacity and expanding the range of products offered in the market. A key highlight of our operations is the support and assistance we provide, along with close collaboration and ongoing innovation for our clients, thanks to a team with exceptional technical expertise. This is complemented by careful production planning and effective management control for product monitoring and traceability as well as a strong innovative capacity focused on developing a sustainable supply chain. Our approach includes circular economy choices and prioritizes health and safety of worker.

**GOLD RATED**  
AUDITED AGAINST  
LWS STANDARDS  
CON 119

**ICEC**  
Quality Management  
**ISO 9001**  
Product

**ICEC**  
Environmental  
**EMAS**  
Recycling

**ICEC**  
Health, Safety Management  
**ISO 45001**  
System

**ICEC**  
Environmental Management  
**ISO 14001**  
System

**UNIC**  
social  
accountability

**SUSTAINABILITY CERTIFICATION**  
**ICEC**

**ICEC**  
Traceability  
**T**

**Supplier to Zero**  
by © 2014C

**ICEC TS 733**  
Recuperiamo le nostre pelli  
dalla filiera alimentare

**DOWNLOAD OUR CERTIFICATES**

## POLICY

Conceria Settebello, in line with its environmental and social responsibility policies, has committed to the following:

- Protect human rights, worker well-being, and fair working conditions;
- Ensure all workers receive a living wage;
- Prohibit the use of child and/or forced labor;
- Make conscious use of natural resources and optimize the efficiency of materials and resources used;
- Preserve and protect biodiversity and safeguard the functioning of ecosystems;
- Use water responsibly;
- Optimize waste management and minimize waste production.

- Commit to slowing and mitigating climate change;
- Have a positive influence on local communities and future generations;
- Respect animal welfare and minimize environmental impact;
- Promote the sustainable sourcing of materials.

For all the commitments outlined above, Conceria Settebello adheres to the principles of the 2030 Agenda for Sustainable Development. Each year, the company sets specific improvement goals, detailed within the Sustainability Report.



## THE GLOBAL GOALS



# RESPECT FOR HUMAN RIGHTS AND EMPLOYEE RIGHTS IN THE WORKPLACE

## People

*The tannery adheres to the principles of the UNIC (National Union of the Tanning Industry) Code of Conduct and Social Responsibility, with the aim of protecting its workers and all stakeholders, including customers, suppliers, and collaborators. The principles outlined below therefore complement what is already specified in the aforementioned Code.*

For all workers, employment contracts are provided in compliance with the applicable laws. These contracts ensure fair wages, payment terms, deductions, allowances, working hours, leave, notice periods, sick pay, maternity pay, and all other work-related aspects as mandated locally. The use of temporary contracts or outsourced labor is not employed as a means to deny workers their rights and benefits as established by labor laws. Training and apprenticeship contracts are encouraged, with the goal of providing adequate levels of education and development, while ensuring lawful wages.

The workforce includes salaried employees, worker-members, and collaborators (collectively referred to as "Personnel"), for whom the company assumes full responsibility regarding:

- Personnel administration
- Direct relations with workers and the authorities responsible for enforcing labor, safety, and social security laws, as well as with trade unions.

In its relations with personnel, the company guarantees compliance with legal obligations related to labor, health and safety, employment and wages, social security, and welfare. This also includes adherence to national collective agreements approved by relevant bodies, as well as local and company agreements, including supplementary ones, in effect throughout the contract's validity period.

## Child labor

The company will not engage in or facilitate child labor. Child labor is defined as work performed by individuals under the age of 15. However, young workers under the age of 18 will not work night shifts and will not be exposed to dangerous or harmful situations that could jeopardize their physical and mental health or development, either inside or outside the workplace. The company has implemented procedures for age verification and bases its assessments solely on identity documents and educational certificates issued by public authorities.

The company encourages youth employment by supporting high schools in work-study programs and organizing internships for recent graduates.

## Forced Labor

The company will absolutely not tolerate the use of forced labor. At the start of employment, the company will not require employees to hand over identity documents or pay deposits. Neither the company nor any entities providing workers will withhold portions of employees' wages or allowances, nor seize their belongings or documents to coerce them into continuing employment.

Employees will have the right to leave the workplace at the end of normal working hours or in the case of emergencies, whether medical or family-related, and they will be free to terminate their employment by giving the employer reasonable notice, in accordance with applicable laws or international labor standards, whichever is more stringent.

Neither the company nor any temporary employment agencies it uses will in any way support activities related to human trafficking.

## Workplace safety

Conceria Settebello will ensure safe and healthy working environments and will adopt effective measures to prevent potential accidents and safeguard the health and safety of workers on the job.

To this end, the company assesses specific workplace risks and reduces them as much as reasonably possible. The company provides personnel with the necessary protective equipment and devices for various work areas, as required by current laws.

The company ensures access to adequate sanitary facilities and dining areas for workers. Additionally, the company periodically trains staff on safety aspects, standards, and procedures, so that they become familiar with the use of safety devices and the assessment of accident risks, enabling them to identify real causes and implement preventive measures.

The company also ensures that the verification of health and safety standards and guidelines is applied consistently and is committed to maintaining and improving its ISO 45001 safety management system.

## Freedom of association

The company guarantees workers' rights to join trade unions, freely elect their representatives, and their right to collectively bargain with the company. Conceria Settebello will ensure that worker representatives and staff involved in organizing are not subject to discrimination, harassment, intimidation, or retaliation.

## Discrimination

The company will not engage in or promote any form of discrimination or preferential treatment in relation to hiring, remuneration, professional training, promotions, dismissals, or retirement, nor will it base decisions on criteria such as race, social class, nationality, family situation (including marital status and pregnancy), origin, religion, disability, gender identity, sexual orientation, marital status, union membership, political opinions, age, or any other condition that could lead to discrimination. Conceria Settebello is also committed to promoting and implementing a long-term strategy aimed at creating a respectful, inclusive, and equitable work environment.

The company will not tolerate any form of intimidating, offensive, or exploitative behavior, including sexual harassment, gestures, language, or physical contact. The company will treat its employees with dignity and respect. It will not incite or tolerate corporal punishment, mental or physical coercion, or verbal abuse toward employees. With a long-standing commitment to gender equality, Settebello considers diversity, equality, and the promotion of female talent as the foundation of its corporate culture and initiatives.

## Time working

The company will comply with laws and industry standards regarding working hours, public holidays, and vacation time. The normal workweek, excluding overtime, will be as established by law, but in no case will it exceed 48 hours. The working hours and regulations will be outlined in writing in the employee's contract. Employees will have at least one day of rest after six consecutive working days. Overtime will always be voluntary.

Overtime will be used responsibly, considering factors such as duration, frequency, and the number of hours worked by an individual employee or the workforce as a whole. Overtime will not be used as a substitute for regular working hours. It is guaranteed that overtime will always be compensated with the additional pay stipulated by the national collective agreement and will not compromise employees' health and safety.

## Fair Remuneration

The company will respect workers' rights to a fair wage and will ensure that the salary paid for a normal workweek meets legal standards or the minimum standards of the relevant industry.

The company will ensure that the composition of employees' wages and salaries is clearly and properly detailed in writing for each pay period. Additionally, the company will ensure that wage and salary payments comply with applicable laws and that payments are made through traceable

methods, as preferred by the workers.

All overtime work will be compensated with the additional pay stipulated by the national collective agreement.

## Welfare and Well-being

Conceria Settebello is committed to valuing its employees, considering people as the company's greatest asset, and implementing initiatives aimed at enhancing the well-being of both workers and the organization. To support each individual's well-being at work, Settebello strives to foster a supportive, attentive, and stimulating environment.

## Supply Chain Control

The company implements appropriate tools for the control and periodic monitoring of its supply chain regarding social, safety, and environmental aspects.

In particular, suppliers entrusted with carrying out work on behalf of the company are subject to regular and thorough on-site inspections, as well as monitoring and evaluation activities, based on qualification criteria established by Conceria Settebello. Compliance with legal standards is a non-negotiable prerequisite for establishing and maintaining supplier relationships. Chemical suppliers are evaluated and selected based on criteria aligned with a modern Chemical Management System, compliant with the requirements of the ZDHC program, and their ability to meet the product compliance requests required by the tannery.

Leather suppliers are also assessed based on the quality of the information they provide regarding hide traceability and the Animal Welfare certifications held by slaughterhouses and farms.

## RESPECT AND PROTECTION OF THE ENVIRONMENT

The company is committed to complying with all applicable environmental regulations; therefore, it will obtain and maintain all licenses, authorizations, certificates, and approvals required by law. In accordance with applicable environmental regulations, the company will not use any materials that are not fully compliant with relevant norms and standards.

The company further commits to:

- Implementing policies, management systems, or other tools to understand, measure, and analyze the environmental impacts of its activities, facilitating continuous environmental improvements;
- Promoting transparency and accountability regarding the environmental impacts of its activities;
- Adopting the precautionary principle whenever scientific evidence on environmental challenges is lacking, acting with care and caution to minimize potential impacts;
- Making conscious use of natural resources, monitoring where possible its consumption (water, electricity, gas, fuel) and the waste generated;
- Optimizing water management, safeguarding water resources, reducing consumption, and preserving water quality.
- Ensuring proper waste management and minimizing the production of waste and wastewater;
- Protecting biodiversity, safeguarding ecosystem functioning, and respecting flora and fauna protected by national and international laws by applying the strictest standards;
- Maintaining and improving its integrated environmental management system in compliance with ISO 14001, EMAS, and LWG;
- Annually publishing reports on its environmental impacts and the organization's goals in the Sustainability Report.

## REDUCTION OF HAZARDOUS CHEMICAL SUBSTANCES

Conceria Settebello is committed to ensuring that all hazardous chemicals are pre-evaluated, monitored, and, if necessary, eliminated from production processes. To achieve this goal, the company adheres to the Manufacturing Restricted Substances List (MRSL) defined by the ZDHC Zero Discharge of Hazardous Chemicals initiative, which is regularly updated based on advancements in scientific understanding of the hazardous properties of substances. Additionally, the tannery adopts an Addendum to the ZDHC MRSL, which includes further hazardous substances identified through an internal Risk Assessment and in response to client compliance requirements.

The hazardous substances relevant to the entire textile, apparel, footwear, and leather supply chain include both those already subject to mandatory limitations and restrictions under specific regulations (e.g., Reg. n°1907/2006/EC REACH, Reg. 850/2004/EC POPS) and substances with proven health and/or environmental impacts, voluntarily targeted for elimination for ethical and sustainability reasons.

This commitment aims to address the issue of hazardous substances at the source, eliminating them from production and related processes, thus preventing their release into the environment and presence in finished products. The restrictions prohibit suppliers from the intentional use of substances listed in the MRSL, as communicated by the company through specific supplier communications. The Chemical Management System is managed using a computerized system capable of tracking all incoming substances and generating alerts to prevent and manage potential issues.

## RESPECT FOR THE PROTECTION OF PROTECTED SPECIES AND BIODIVERSITY

The company strictly complies with all applicable regulations for the protection of protected species and biodiversity (particularly the CITES regulation and the Washington Convention).

Every plant and/or animal material and/or product incorporating such materials used by the tannery is pre-evaluated to ensure compliance with these regulations. Additionally, the tannery is committed to reducing and, where possible, eliminating the use of ecotoxic substances, while avoiding harm to the planet and threats to biodiversity.

## ENERGY SOURCING

The tannery has always been committed to applying advanced technological solutions for energy savings. Its infrastructure and facilities are designed with careful attention to reducing resource consumption and minimizing energy waste. The company supports investments in the self-production of electricity and thermal energy, as demonstrated by the availability of a modern cogeneration plant. The remaining energy needs are met by sourcing 100% renewable electricity.

Conceria Settebello is also committed to accurately monitoring its energy consumption to keep it under control and plan improvements aimed at reducing its CO2 impact. This monitoring is essential for the accurate assessment of the ecological footprint of its processes and products from a Life Cycle Assessment (LCA) perspective.



## LEATHER SOURCING

The company is committed to:

- Ensuring that leather supplies is not sourced from companies involved in deforestation in the Amazon biome since July 2006, or from companies listed in the embargo register of the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA) ([www.ibama.gov.br](http://www.ibama.gov.br)), or located on Argentina's Native Forest Land protected by the Zoning Law;
- Guaranteeing the traceability of hides from the slaughterhouse and the country of livestock origin to the final customer;
- Ensuring adherence to animal welfare criteria throughout the supply chain, with minimal impact on the environment and biodiversity;
- Ensuring that leather supplies is not sourced from companies that use, either directly or indirectly (via animal feed production), lands of sensitive natural ecosystems (especially forests and grasslands) with high conservation value recently converted to pasture;
- Ensuring that leather is not sourced from grazing operations on lands contested by indigenous groups or protected by federal, state, or local laws, or from companies listed in the Brazilian Ministry of Labor and Employment's embargo register (MTE) ([www.mte.gov.br](http://www.mte.gov.br));
- Minimizing environmental impact and the use of hazardous chemicals throughout all production processes, from raw materials to the finished product;
- Continuously maintaining and improving the management system for the traceability of purchased hides.

## ANIMAL WELFARE

Conceria Settebello recognizes and supports the importance of animal welfare, ensuring compliance with applicable regulations and collaborating with all stakeholders in its supply chain.

The company guarantees compliance with relevant legislation, acknowledges its role in the leather processing supply chain, and is committed to

participating in initiatives to improve animal welfare within its scope. Our leather suppliers are selected based on their adherence to best practices or certifications regarding Animal Welfare.

The company promotes the importance of respecting the 5 Freedoms for farmed animals:

- Freedom from hunger, thirst, and malnutrition;
- Freedom from environmental discomfort;
- Freedom from disease and injury;
- Freedom to express normal, species-specific behaviors;
- Freedom from fear and distress.

## INNOVATION AND INFRASTRUCTURE

Conceria Settebello strongly believes in innovation and is constantly committed to making significant infrastructural and technological investments to continuously improve and enhance the production process, equipment, facilities, and overall company efficiency.

## GOOD CONDUCT

The company is committed to:

- Conducting its activities in accordance with the highest ethical standards, ensuring integrity, transparency, and compliance with applicable regulations;
- Promoting "fair" and unrestrained competition in the market, rejecting all forms of corruption, fraud, money laundering, or illegality;
- Managing financial records and accounting in compliance with current laws and regulations;
- Conducting meetings with public administration and authorities in a fair and transparent manner.

### **Fight against corruption**

The company condemns corruption in all its forms. To this end, it is committed to implementing internal procedures to ensure that its operations comply with laws and regulations related to anti-corruption. The company is committed to adhering to all applicable laws, decrees, regulations, codes, and directives on anti-corruption and to refraining from any actions that could result in violations of its commitments to clients and suppliers.

The company will ensure that all directors, legal representatives, and partners do not engage in any actions that could lead to violations of these regulations. Gifts and invitations may constitute acceptable courtesies within an established business relationship if their significance and value are limited, if they are offered publicly and transparently, if they are intended to express appreciation and recognition, and if no reciprocity is expected in return.

### **Fight against money laundering**

The company ensures compliance with applicable accounting and banking procedures, as well as international treaties and national laws related to money laundering, terrorist financing, and fraud. No actions are permitted that could directly or indirectly support money laundering or terrorist financing. The company is committed to condemning money laundering in all its forms and strictly complying with national and international legislation on the matter. Additionally, it guarantees that it has sufficient and appropriate knowledge of the sources of funds made available for transactions in which it may act as an intermediary.

## **LIST OF SOCIAL AND ENVIRONMENTAL RESPONSIBILITY CONVENTIONS AND DECLARATIONS**

- OECD Due Diligence Guidance for Responsible Supply Chain from Conflict-Affected and High Risk Areas  
<https://mneguidelines.oecd.org/mining.htm>
- Ramsar Convention: [www.ramsar.org](http://www.ramsar.org)
- Geneva Conventions: [www.icrc.org](http://www.icrc.org)
- International Covenant on Economic, Social and Cultural Rights
- International Covenant on Civil and Political Rights
- UN (United Nations) Convention on the Rights of the Child
- UN (United Nations) Convention on the Elimination of All Forms of Discrimination Against Women
- UN (United Nations) Convention on the Elimination of All Forms of Racial Discrimination
- UN Guiding Principles on Business and Human Rights
- UN Sustainable Development Goals
- UNDRIP UN principles in the Declaration of Human Rights and the United Nations Declaration on the Rights of Indigenous Peoples;
- Rio Declaration on Environment and Development: [www.unep.org/rio20](http://www.unep.org/rio20)
- UNCTAD (United Nations Conference on Trade and Development): [www.unctad.org](http://www.unctad.org)
- UNESCO (United Nations Educational, Scientific and Cultural Organization): [en.unesco.org/](http://en.unesco.org/)
- Rotterdam Convention: [www.pic.int](http://www.pic.int)
- The Fundamental Conventions of the International Labour Organisation (ILO)
- The Ethical Trading Initiative (ETI) Base Code
- FLA Workplace Code of Conduct and Compliance Benchmarks
- Voluntary Principles on Security and Human Rights <http://www.voluntaryprinciples.org/>
- Carta dei Diritti Fondamentali dell'Unione Europea
- I principi del Global Compact (Patto Mondiale) delle Nazioni Unite
- Fashion Pact

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