



## LES CIMENTS ARTIFICIELS TUNISIENS



**LaT** The Citizen, Socially and Ecologically Responsible Company

**Entreprise Citoyenne, Socialement et Ecologiquement Responsable**



**United Nations**  
Global Compact

**Communication sur le Progrès (CoP 2021)**



Tunis, le 01/08/2012

H.E. Ban Ki-moon  
Secretary-General  
United Nations  
New York, NY 10017  
USA

Dear Mr. Secretary-General,

I am pleased to confirm that our company "Les Ciments Artificiels Tunisiens (CAT) supports the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption. With this communication, we express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. CAT will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within *one year* of joining the Global Compact, and *annually* thereafter according to the Global Compact COP policy.

Sincerely yours,

General Manager  
Giuseppe Colaiacovo

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05 Mars 2021

To our stakeholders

I am pleased to confirm, once again, that CAT-COLACEM reaffirms its support of the 10 Principles of the UN Global Compact expressed in our letter of adhesion of 01/08/2012.

In this annual communication on progress, we describe our actions to continually improve the integration of the global compact and its principle into our business strategy, daily operations and culture. During the year of 2020, and despite the COVID-19 crisis, the CAT-COLACEM continues to act actively, within the local network of Tunisian companies that are engaged in a policy of social responsibility. Our company has chosen signatory status and will continue to promote the 10 principles of the global compact, putting in place actions to advance the Sustainable Development Goals (SDGs) to ensure the sustainability of these activities.

We also commit to share this information with our relevant stakeholders using our primary channels of communication.

Sincerely Yours

Giuseppe Colaiacovo

Managing Director

## **ABSTRACT**

The COVID-19 crisis is testing humanity and the resilience of the world at a time already marked by acute inequality. The socio-economic impacts of the pandemic hit vulnerable and marginalized groups particularly hard. Without sufficient resources to protect themselves from health risks, access health care or pay for essentials, many will find themselves in precarious situations. With the alarming loss of jobs across the world, the number of people in these situations will inevitably increase.

This crisis has exposed the huge decent work deficits that still remain in 2020. In particular, the crisis highlights the vulnerability of millions of workers and the lack of social protection coverage. At the same time, many small businesses operate in precarious situations and global supply chains are often too weak to be sustainable.

At the same time, the world continues to face a global climate emergency that is straining humanity and livelihoods. Governments and businesses must now reinvent a better future based on bold climate action

Finally, this COVID-19 crisis has increased financial pressures and disrupted business operations and compliance programs. Businesses face increased risks of fraud and corruption throughout the organization and the supply chain, including risks related to illicit financial flows, organized crime, conflicts of interest, pricing abuses, fraudulent financial reports, counterfeit products and corruption, among other criminal practices.

## COMPANY PROFILE

Tunisian Artificial Cements (CAT) is the first cement plant installed in Tunisia, it was founded in 1932 and remained the only cement plant present in Tunisia for 30 years. It was nationalized in 1977 and remained state property until 2000. On May 25, 2000 and within the framework of the privatization policy adopted by the Tunisian public authorities, the company was sold to COLACEM, an Italian cement group which is part of the Financo group which is the Holding of the Colaiacovo families, active in the Core-Business of the production and marketing of cement and concrete, with around 2,000 employees worldwide.

In that year, there was only one furnace in operation with a production capacity varying between 850 and 900 tons of clinker per day. The energy consumption was 1450 kilocalories per kilogram of clinker.

With COLACEM, CAT changed the manufacturing process from wet to dry and brought up to standard the whole of the company. New equipment with advanced technology is now installed. But also CAT-COLACEM invests a lot in various field of sustainable development, i.e : the reduction of emissions to minimal thresholds, the reduction of local impacts and the limitation of the consumption of fuels and raw materials, without forgetting the efforts on other levels, similar to social, health and safety of employees.



## Our Engagements

- Integrate the concept of "sustainable development" at the heart of the logic of our company and in our relations with our interested parties
- Participate as part of our social responsibility, to the extent of our means, and in a way to acting to international, take national, regional and local initiatives aimed at preventing and mitigating the environmental and social impacts of our activities for the improvement of the quality of life of our community
- Pursue the United Nations Sustainable Development Goals in the framework of the 2030 Agenda
- Respect the principles of the United Nations Charter for Human Rights,
- Respect all the regulations concerning environment, health, safety and human rights in all our activities
- Rationalize the consumption of natural resources and mitigate the impact of our activity in the air, in the soil and in water
- Promote energy efficiency and reduce the carbon footprint through the use of renewable energies, alternative fuels and substitute materials
- Continually improve the environmental performance of our business by acquiring the best technologies available and economically bearable,
- Give priority to the health and safety of all our employees and all the people operating on our site
- Develop working conditions for the satisfaction of our employees and our external service providers
- To make available, in all transparency, our progress and our environmental and social performances to all our partners.

### Sustainable development:

The CAT-COLACEM has adopted a Sustainable Development Strategy within the framework of an Integrated Management System, Quality, Health and Safety at Work and Environment.

The cement industry can grow if it has a dynamic vision of the context in which it operates and if it's able to transform its relationships with the community and nature.

Since joining the UN Global Compact, the CAT-COLACEM has decided to locate its strategy and governance within the framework of the **Sustainable Development Goals** (SDG).

## LES 17 OBJECTIFS DE DEVELOPPEMENT DURABLE (ODD)



The priority sustainable development objectives for our company have been identified as indicated below: Goals of numbers **3, 8, 9, 12, 13,** and **17.**

CAT-COLACEM has fully invested in the innovation and transformation of its facilities by adopting the most advanced standards for the protection of workers, the environment and populations.

On the social responsibility front, CAT has set aside important resources for social activities within the factory and in the life of the surrounding community. CAT-COLACEM manages, with great responsibility, the significant environmental impacts of its activities for sustainable development. Our commitment has been materialized by the signing of a pact, with all Tunisian cement plants, for sustainable development. In order to monitor its performances, within the framework of its social



responsibility, CAT-COLACEM has established several objectives, social and environmental, and indicators to control and monitor the achievement and effectiveness of the actions implemented.

These objectives and indicators are given in the table below

	<b>Objectives and indicators monitored</b>
<b>Work organization</b>	The organization of working time
	Absenteeism
<b>Employment</b>	Total workforce and distribution of employees by sex and age and by geographic area
	Remuneration and its development
	Hiring and firing
<b>Health and security</b>	Health and safety conditions at work
	OHS (Occupational Health and Safety Committee) achievements
	Work accidents (Nbre.), in particular their frequency (TF) and their severity (TG), as well as occupational diseases
<b>Environment</b>	Atmospheric emissions (dust and gas)
	Consumption of non-renewable resources
	Control and recovery of different types of waste
<b>Social relations</b>	The organization of social dialogue
	Review of the agreements signed with the base union and the staff representatives
<b>Training</b>	The training policies implemented
	The number and effectiveness of training actions
<b>Equal treatment</b>	Measures taken to promote equality between women and men
	Measures taken to promote the employment and integration of people with disabilities
	Anti-discrimination policy
<b>Promotion and respect of national and international conventions</b>	Respect for freedom of association and the right to collective bargaining
	Elimination of discrimination in matters of employment and occupation
	Elimination of forced or compulsory labor and child labor

In this situation of strong crisis for Covid-19, CAT-COLACEM has expressed a strong social responsibility towards its employees, who represent its main strength and wealth.

For this reason, the company has implemented all the safety measures promulgated by the Tunisian Ministry of Health to limit the risks of contamination from COVID-19, by temporarily stopping the production of cement and by carrying out, to the extent of possible, homework staff.

The company also was donating tens of thousands of dinars to Tunisian institutions to support the weakest categories of the population, who have been seriously affected by the persistence of the emergency.

CAT-COLACEM industrial vision is inspired from sustainability principles and takes the form of a lot of respect for the environment and people, with continued dialogue and support to the community of which it feels an integral part. For this reason, in such disastrous economic and health situation, CAT-Colacem has tried to make its positive contribution to the country, with convincing that only together will it be possible to overcome the crisis soon.

**The main areas of intervention of CAT-COLACEM during the year 2020 affected:**

**-Solidarity committees**

**-Educational associations**

**-Sports associations**

**-Regional development associations**

**-Universities and schools**

**-Associations for the training and integration of disabled persons**

**-Needy families and charities**

**-National organisation for volunteering**

**-Coastal protection association**

**-National body for the fight against COVID-19**

**-Orphan's voice association**

**-Association for the deaf**

**-Institute for the Social Responsibility of Tunisian Companies**

**- Group for the Maintenance and Management of the industrial zone of the Jebel Jelloud**



## HUMAN RIGHTS:

To strive for sustainable development and remain competitive, the CAT-COLACEM considers it essential to put human beings at the center of its concerns



- ♣ Adhere to human rights policies, exercise human rights due diligence, and provide effective remedies through legitimate processes when necessary.
- ♣ Take adequate preventive measures to ensure the health and safety of workers, in particular by: Protect their own workers from risks when they ask them to continue working and ensure basic guarantees, such as paid sick leave, and provide them with safety equipment and equipment.
- ♣ Evaluate the impacts on workers in their supply chain, go beyond the first level, and expect the same from their business partners and suppliers.
- ♣ To prevent and eliminate discrimination, CAT-COLACEM is committed to combating new forms of discrimination, in particular by paying particular attention to the protection of workers' personal data and by providing specific training to staff responsible for complaints mechanisms.
- ♣ Promote a strong culture of ethics and integrity to build trust with consumers, employees, investors, suppliers and other stakeholders by communicating and enforcing policies in a consistent, inclusive and transparent manner.

### Assessment, Policy and Goals

CAT-COLACEM still supports with the strongest possible Article 7 of the Universal Declaration of Human Rights which states, "All are equal before the law and are entitled without any discrimination to equal protection of the law. All are entitled to equal protection against any discrimination in violation of this Declaration and against any incitement to such discrimination. We reaffirm our commitment and we will continue to train our leaders and our people to respect human dignity and strive continuously to build a society in which everyone is treated with dignity and respect.

We will always continue to act for the respect of human dignity and our suppliers are aware of the importance of respect for human rights within their organization and the importance that the CAT-COLACEM gives this factor for the development of its relationships with its suppliers and partners. We will continue to monitor our suppliers' compliance with human rights. Any business partners who do not

effectively manage and improve when necessary will be placed on probation. Each time our company has confirmed that one of its suppliers systematically violates the human rights it will be eliminated from the list of approved suppliers.

**Measurement of outcomes**

**Implementation**

We check with our subcontractors that they have not to work people without social coverage, and we have required for all our contractors to sign a commitment paper in which they undertake to respect human rights and avoid working the childs. In the other side, we have developed the occupational medicine that have established annual medical visits for each worker and monitoring the health of our employees to avoid work-accidents caused by health problems. We have conducted respiratory and audiometry tests for all CAT-COLACEM staff.

**Measurement of outcomes**

Any contravention of human rights will be documented and the responsible partner will be placed on probation and given a timeframe to address and resolve the issue. Continued non compliance will result in rapture of partner relationship. A critical suppliers are annually audit by a Senior management to ensure that they are working within the defined guidelines of human rights.

**LABOUR**



**Assessment, Policy and Goals**

In accordance with Tunisian Employment Law, employees of our company are free to subscribe to labor unions and are allowed to a collective bargaining. Yet as the Employment law specifies, collective bargaining must be engaged in prior to a company strike. Also, CAT-COLACEM acknowledges that when an

individual chooses to accept employment at this company it is with his or her own volition and in no way is coerced.

Our company policy follows the rules set out by the Tunisian Employment code, which among other right states that Tunisian workers have

the right to unionize or join existing labor unions, there is a nominal hour's workweek, and the amount of overtime that employers may request is limited. We supersede these laws because CAT-COLACEM also provides non-wage benefits such as transportation and meals or compensation for these.



Since CAT-COLACEM is firmly against the idea of child labor, we require all companies we deal with, to respect the Employment law in compliance with the Tunisian labor legislation.

As part of its commitments to its employees and stakeholders, CAT-COLACEM ensures:

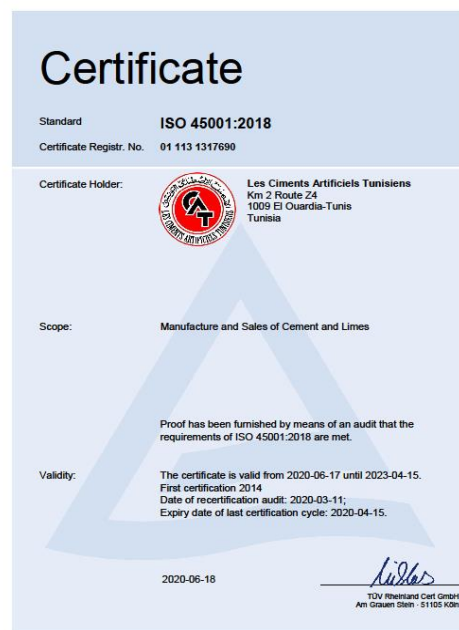
- ♣ Promote respect for ILO labor standards.
- ♣ Ensuring responsible business conduct is vitally important and maintained regardless of the uncertainties ahead.
- ♣ Commitment with suppliers to ensure decent working conditions in supply chains while supporting business continuity by allowing flexibility in delivery.
- ♣ Take effective steps to identify, prevent, mitigate and report on how they address the risks of negative impacts on human and labor rights in their operations and in their supply chains.

♣ Social dialogue between managers and workers is a key element in jointly addressing the impacts of a period of crisis.

♣ Maintain fast and effective open lines of communication with supply chain partners on the status of business operations and future planning

For the control and prevention of workers in our society and all stakeholders on our site, we have established a Corporate Advisory Committee (CAC) and a Health and Safety Committee (HSC) which are responsible for implementing and monitoring programs aimed preserving the health and safety of all employees.

Finally, and to improve its performances, the CAT has set up a management system for health and safety at work. This system has been certified according to the **ISO 45001** (2018) standard during the year 2020.



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## Implementation:

The manner in which our company ensures the application of its policies in the desired form is by company-provided sensitization and by training, as well as workshops outlining labor rights and new employee orientation programs that inform the employee at the time of their employment of labor rights.

Periodic meetings are held to discuss the problems encountered during the work. These meetings are an opportunity for workers to address their grievances. Meetings are assured to employees for Awareness and training on labor rights, health and safety. The Occupational Health and Safety Committee, which meets every two months, analyze and propose actions to prevent accidents and improve working conditions in the factory.



## Training

The CAT-COLACEM considers that training is the mainstay of the development of its activities and that its human resources are the most important element for the success and durability of the company.

For the TAG, training is the driving force of the company's development and contributes to improving the skills of its employees and changing their attitudes to enable them to work in a more rational way





## Measurement of outcomes

Monitoring performance on the issue of labor rights is very important to our company because of the strong relationship between a content workforce and high productivity. The managers of the company try to mitigate all issues with a proactive stance. Until the time of implementation they will not found incidents of violations of the Global Compact Labor principals. The managers look that the lack of an issue is demonstrative of the company's high regard for labor rights and its continuing attempts to educate company employees about their rights.

## ENVIRONMENT



Due to the COVID-19 pandemic, vulnerability to climate change continues to grow. This crisis has highlighted the inadequacy of the global response to climate and biodiversity emergencies.

While the COVID-19 crisis has reduced global carbon emissions and air pollution, these improvements are bound to be short-lived unless companies reaffirm their commitments to sustainable development and ambitious climate action.

### Assessment, policy and goals

CAT-COLACEM is committed to continue in its policy of preserving the environment and controlling its environmental impacts. To control its environmental aspects and reduce the impacts of these activities, CAT-COLACEM is committed to a policy of reducing non-renewable energy resources and CO<sub>2</sub> emissions. We began using waste as fuel for the production of clinker. The project "Partial substitution of fossil fuels with biomass" has been approved by the CDM DNA for Tunisia and was registered as a CDM project. This project has reduced CO<sub>2</sub> emissions significantly. Our company has set up an environmental management system complies with ISO 14001 (2015).



Our company is committed for several years to preserve the environment in order to minimize the impact of its activities on its neighborhood. As a company which could very easily see its livelihood destroyed by the effects of climate change, CAT-COLACEM is on the very forefront of supporting programs that encourage environmental protection. One of our priorities is to protect the natural environment in Tunisia. About the management of our suppliers, we require, before choosing a new subcontractor, a signing of a commitment paper which undertake supplier to respect the environment. Written company policy on environmental issues, including prevention and management of environmental risks Policy require business partners and suppliers to respect the environmental principles and describe specific goals in the area of environmental protection for the upcoming years and especially:

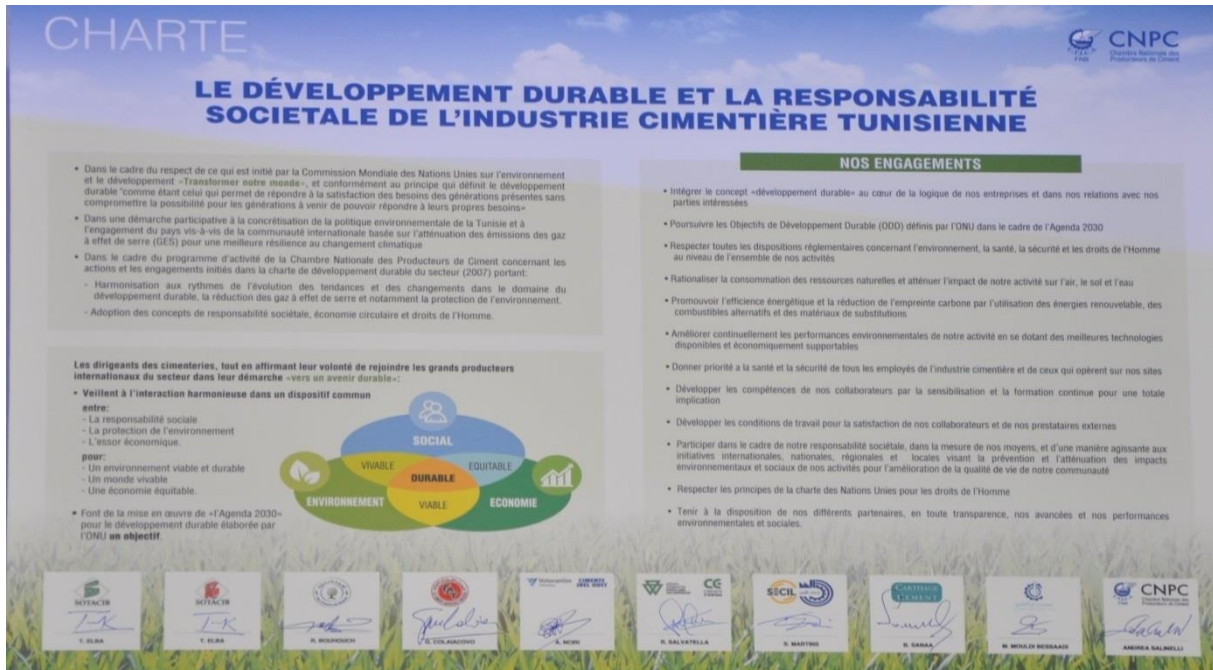
- ♣ Investing in recovery and resilience by moving away from fossil fuels and innovating in resilient and low-carbon solutions.
- ♣ Prioritize green jobs and sustainable growth, the protection of nature and people and the implementation of the 2030 Agenda and the Paris Agreement
- ♣ Participation in activities implemented under the national greenhouse gas reduction program through participation in climate change mitigation and adaptation actions

Our company's commitment is to reduce the impacts of our activities on the climate, to preserving resources and improving its energy performance. With a view to obtaining **ISO 50001** certification, our company has established an energy management system for attend to an efficient energy management.



## Implementation

During the year 2020, CAT-COLACEM signed the 2nd sustainable development charter for the Tunisian cement.



CAT-COLACEM, which chairs the National Chamber of Cement Producers (**CNPC**), has largely contributed to the development of a cooperation agreement between **CNPC** and the Institute for Corporate Social Responsibility in Tunisia (**IRSET**) for the promotion of Corporate Social Responsibility in the cement industry and to take into account the social and environmental impacts of the company's activities to integrate sustainable development issues within the organization and in their interactions with their stakeholders.



CAT-COLACEM is implementing the policies by providing training to its employee, with assistance of the local organizations CITET, ANPE, ANGED and ANME, as well as investing in new energy-saving technology and recycling programs.

Several actions are taken:

- Replacement of part of the fuel (gas) by biomass (olive pomace) with a reduction in CO<sub>2</sub>. Goals and targets related to this action are :
  - Emissions Project duration: 10 years (2012 - 2021)
  - Annual use (olive pomace): 20,000 Tons
  - Annual reduction: 62 000 T of CO<sub>2</sub> equivalent, i.e. a reduction of: 650 000 Tons of CO<sub>2</sub>
- Rehabilitation of the Kharrouba quarry
- Establishment of several conventions to manage the waste which is produced by CAT
- Opacimeter installations at the level of the various mills of the plant
- Realization of awareness actions for waste management
- Installation of a new gas analyzer (ABB) to control its emissions and control its impacts on the environment. Particularly, on neighboring populations
- Rehabilitation of old quarries after exhaustion of reserves of raw materials.
- Activities aimed at improving the energy efficiency of products, services and processes development and diffusion of environmentally and friendly technologies
- Establishment of an energy management system (ISO 50001) to reduce energy consumption
- Contribution in the rehabilitation of the south cost of Tunis Lake located in front of the cement plant
- Programming the installation of a new gas analyzer to be installed in the level of the kiln chimney
- Distribution of rules and responsibilities for management of the environmental protection within the company
- Awareness and training of employees on environmental protection
- Initiatives and programmes to reduce waste materials (e.g. recycling) and consumption of resources (energy, fossil fuels, water, electricity, paper, packaging, etc.)
- Educate providers and outsourcing companies asking them to sign a pledge to respect environment
- Construction of a large green area in front of our factory
- Use of building waste to remodel quarries
- Periodic monitoring of the quality of wastewater discharged by the plant



## Career development

### Measurement of outcomes

- Carrying out of several measurements of atmospheric pollutants emission at the level of furnace chimney
- Monitoring the level of atmospheric emissions for greenhouse gases
- Identification of environmental aspects and periodic measurement of environmental impacts
- Periodic review of results by senior management
- Specific progress made in the area of the environmental protection during the last reporting period
- Renewal of ISO 14001 (2015) certification
- Surveys with neighbors and complaints treatment

## ANTI-CORRUPTION

### Statement affirming anti-corruption :

The COVID-19 crisis has increased pressure on businesses which today face heightened risks of fraud and corruption throughout the organization and supply chain, including flow risks financial illicit, organized crime, conflicts of interest, predatory pricing, fraudulent financial reporting, counterfeit products and corruption



The CAT-COLACEM is committed to furthering the UN global Compact in the area of Anti-Corruption. The country of Tunisia is a party to the UN convention against corruption and both

CAT-COLACEM and its employees are sensitized against the anti-corruption. It must be said that CAT-COLACEM has a zero-tolerance policy for corruption, bribery and extortion. The following company policy according to bylaws can be evidence of this: "It is the policy of CAT-COLACEM to pursue all of its business transactions in an honest and ethical manner. In doing business, CAT-COLACEM punishes any person associated with the company may offer, pay, promise, authorize or receive any bribe, kickback or other illicit payment.

### **Policy, objectives and goals**

Our 2021 goals are to establish a monitoring body and to continue to provide education for all level of employees up to management about corruption as well as what to do if one should encounter it.

CAT-COLACEM will continue to:

- ♣ Promote a strong culture of ethics and integrity to build trust with consumers, employees, suppliers and other stakeholders by communicating and enforcing policies in a consistent, inclusive and transparent manner;
- ♣ Establish or strengthen whistleblower policies and protections to increase detection and reduce the risk of illegal and inappropriate conduct, including retaliation from whistleblowers;
- ♣ Ensure that products and services are manufactured, distributed and sold (or donated) in accordance with relevant policies, laws and regulations and in a manner that respects core values and ethical practices;
- ♣ Reassess goals considering potential changes in business and employee performance due to COVID-19 to reduce pressure and motivation for fraud and corruption;
- ♣ Re-evaluate goals considering potential changes in business and employee performance due to COVID-19 to reduce pressure and motivation for fraud and corrupt behavior;
- ♣ To adopt fair and correct conduct towards customers, suppliers and competitors;
- ♣ To comply with environmental regulations and any other regulations voluntarily subscribed;
- ♣ To maintain the relations dictated by loyalty and integrity with the Public Administration and with all the interested parties;

### **Implementation**

In order to promote the culture of anti-corruption, the parent company (COLACEM) established a guide "**Code Ethique des Entreprises Externes COLACEM**".



## **CODE D'ÉTHIQUE (Anti-corruption)**

**destinée à l'utilisation par les Sociétés étrangères**



In this document, the parent company has clearly defined the vision of the company as well as the means to fight against corruption. Each person has as an absolute principle the respect of the laws and regulations in force, as well as that internal

- Participation in industry initiative or other collective action on anti-corruption
- Control of all business transactions and purchases through a centralized management system (SAP)
- Awareness raising or training of employees about the company's policies regarding anti-corruption and extortion (e.g. mailings, internet, internal communication, etc.)
- Engage in anti-corruption collective action initiatives to help ensure fair competition and a level playing field for all stakeholders

### **Measurement of outcomes**

CAT-COLACEM is pleased to report that there have been no incidents of corruption alleged at the company from either internal or external agencies. Because of the company's zero-tolerance policy, it is obvious that there is a great deal of social and legal pressure not to participate in such acts.

#### Information about how the company deals with incidents of corruption

External audits to ensure consistency with anti-corruption commitment including annual review by senior management. Specific progress made in the area of anti-corruption during the last reporting period. Investigations, legal cases, rulings, fines and other relevant events related to corruption and bribery.

