

# Communication on progress 2017

Implementing UN Global Compact in  
Cooperativa Muratori e Cementisti  
CMC di Ravenna

Period: from May 2016 to May 2017



# 1. Statement by the Chairman

*I am pleased to confirm that CMC continues to support the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.*

*As the new CMC chairman, I'm proud to follow the path traced by my Predecessor and I am committed even to strengthen our attention to CSR issues.*

*The Communication on progress is again for us the chance to describe our philosophy of operating to create labour and to demonstrate a 360° responsibility, not only towards our people, but even towards other fundamental stakeholders such as clients, financial and social community, institutions, health and environment where CMC operates.*

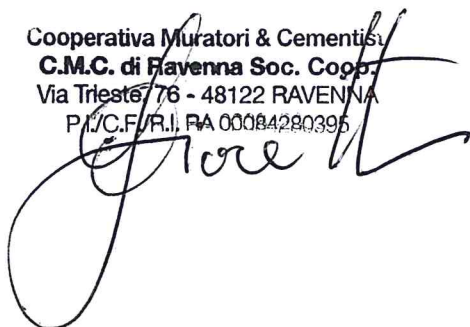
*In this annual Communication on progress, we describe our further steps in the Ten Principles.*

*Yours sincerely,*

*Alfredo Fioretti*

*Chairman*

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## 2. Human rights

### Policy, actions and outcomes:

As a cooperative Company, CMC is based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity, working for the sustainable development of the communities through policies approved by its members.

CMC cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others, they are all entitled to acquire the responsibilities of membership, without gender, social, racial, political or religious discrimination.

The Company established a Quality, Health, Safety and Environment Department (QHSE Dept.), through which CMC ensures, among the others, the diffusion and consolidation of a culture of occupational safety and health at worksites by developing risk awareness and promoting responsible behavior from all personnel. For this purpose, CMC implemented an Occupational Health and Safety management system, certified in compliance with the OHSAS 18001 standard. Annual Audit and Inspection Plans are carried out by external and internal qualified Auditors and Inspectors; the results are submitted to the Executive Management for relevant evaluations and actions. Injury Indexes are periodically calculated according with Italian and OSHA Standards and the trend is evaluated in order to define possible preventive or corrective actions.

Unluckily, just for one day, CMC missed the 2016 goal of the so called "Zero Month", that is a period of 30 days without injuries in all domestic worksites.

Anyway, in 2016, the overall number of injuries (in Italy and abroad) had a relevant reduction: the injury frequency index decreased of 50% compared to 2015. The most recurring cause of injury has been an error by the injured party. That's why the Company started to implement a Behavior Based Safety Protocol, that is a method to reduce injuries on worksites through the reduction or the resetting of unsafe behaviors. In the last September, a kick off meeting was held during which it has been identified a pilot site and in the next months, specific training are going to be provided.

To improve the culture of safety and health, during 2016, CMC provided n. 5,167 hours of health and safety training (classroom hours x n. of participants) and, in February 2017, CMC assigned the prize for the annual competition "Be safe!", that awards the Italian and the foreign CMC worksites that showed the best health and safety performances.

In addition, CMC rating in terms of Section 9 of the B-BBEE Act No 53 of 2003 in South Africa has been renewed even for 2016-17, thanks to CMC dedication in promoting black people and local enterprises empowerment.



### 3. Labour

#### Policy, actions and outcomes:

CMC rejects any form of labour exploitation and child labour.

CMC has a separate Health and Safety Policy directly stated by the CEO of the Company.

CMC employs national expatriate personnel, third country nation personnel, local personnel without any gender, social, racial, political or religious discrimination, as stated in Company Code of Ethics.

All employees have at their disposal integrative health assistance, tax consulting, professional and extraprofessional insurance, scholarships for their children and lot of social activities.

Personnel is selected and managed in accordance with Company Procedures approved by the Executive Management or Human Resources Manager on employee's designation basis, so to avoid the adoption of self-made and arbitrary criteria.

The personnel, without exception, is employed by legal collective or individual agreements defining compensation and work's conditions; wage levels are established on "comparable pay for comparable work" principle basis.

CMC promotes the growth of employee's skills in order to a safer and best practiced approach to the work by educational plan and on-the-job training. Moreover, CMC takes care of the professional growth of its personnel. Specifically, with the ambitious project of CMC University, the company is pursuing the goal of making the transmission of technical and managerial competencies into a structural and organic part of the company. In 2016, CMC provided the total amount of 2,304 training hours for its employees all over the world.

As for occupational data, in 2016, in spite of the deep global recession, CMC has shown a slight increase (about 3%) of labour force.

As for the education level, in line with the last year, about 30% of CMC employees has a degree.



## 4. Environment

### Policy, actions and outcomes:

In the last decades, CMC has always tried to achieve a balance between business initiatives and essential environmental requirements. For this aim, CMC has implemented an Environmental Management System certified in compliance with the UNI EN ISO 14001 standard, that permits to mitigate/minimize all environmental impacts identified for the construction phase of the Projects. Annual Audit and Inspection Plans are carried out by external and internal qualified Auditors and Inspectors; the results are submitted to the Executive Management for relevant evaluations and actions.

CMC has a separate Environment Policy directly stated by the CEO of the Company. An environment risk assessment is arranged on start stage of each Project construction. Environment control measures and responsibilities are pre-established to prevent the environment incident or minimize the effects. Specific procedures are issued to manage the possible environment emergency and the assigned personnel is appropriately qualified.

CMC promotes the growth of employees' skills concerning the environment issues by educational plan and on-the-job training. In 2016, the Company provided about 316 hours of environmental specific training (classroom hours x n. of participants).

As a result of the initiative "M'illumino di meno" of February 2016, by which CMC changed all old luminous bodies with new LED technology devices, the Company has fully achieved the goal of 50% reduction of the annual energy cost and, consequently, has given a tribute to the environmental sustainability plan that CMC has set, since it has determined an annual reduction of 38 tons equivalent of petroleum (TEP) and more than 100 tons equivalent of CO2 annaul emissions. In addition, the use of LED has improved the real enlightenment of the working areas.



## 5. Anti-corruption

### Policy, actions and outcomes:

The Company complies with the Italian Law Decree no. 231/01, that aims to prevent the commission of crimes such as corruption, bribery, fraud, reckless homicide, etc.

According to this Law Decree, since 2003, CMC adopted an Organizational, management and control Model and a Code of Ethics. The Model is part of a wide and complex compliance system that consists of procedures, rules, guidelines, etc. To verify the efficient application of procedures and controls, the Company designated an independent body (Supervisory Board) that does quarterly checks on the processes considered at risk for the commission of crimes. The results of these checks are described in a quarter report that the SB discusses with the Board of Directors.

During 2016, according to the annual audit plan, a total of 36 inspections has been conducted, among which 5 in the Melamchi Water Project Supply, in Nepal and 4 in CMC South Africa Branch in Johannesburg.

In the first months of 2017, upgrade works has started, in order to comply with some new regulatory improvements.

During 2016, CMC provided 456 hours (classroom hours x n. of participants) of anti-corruption specific training.

As almost every year, the Company has organized even in 2017 a special event about anti-corruption, addressed, in particular, to managers. Specifically, in April 2017, the seminar "Anti-bribery and anti-corruption awareness. South African legislation and the Italian Legislative Decree 231/01" was held in Johannesburg. More than 20 managers of the Africa Austral Division were trained.

Moreover, even for this year, CMC has been included, as Company free of infiltration from the Mafia, in the so called "White List" issued by several Government Territorial Offices according to the Italian Laws directives. CMC is committed to select suppliers and subcontractors having the same requirement as well.



## 5. Goals

### Human rights:

Through its Health and Safety Service, CMC want to try again in 2017 to achieve the so-called "Zero Month", that is a period of 30 days without injuries in all domestic worksites.

### Labour:

In spite of a contest of world recession, CMC aims to go on increasing its employment level and focus on expanding its foreign orders portfolio, even to contribute to the development of emerging countries.

### Enviroment:

The Company is going to renew, before the end of 2017, its UNI EN ISO 14001 certification, according to the 2015 upgrade of the Regulation.

In 2017, CMC seeks to organize an important training event addressed to all the Italian Area and Site Managers dealing with the most common obstacles and problems of worksites environmental management.

Before the end of 2019, the Company will establish an award for the best performing sites as regards to environmental management.

### Anti-corruption :

The Company aims to review all its L.D. 231 documents (Organizational Model, Protocols, etc), both in order to comply with the last upgrade of the Decree, and in order to improve the preventive anti-corruption effectiveness of its internal rules.