

Communication on progress 2018

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

Period: from May 2017 to July 2018



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

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. On this basis, CMC developed an Integrated System for Quality, Health and Safety in work and for Environmental Protection, in compliance with the indications of international standards ISO 9001, ISO 14001 e OHSAS 18001.

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 OHSA Standards and the trend is evaluated in order to define possible preventive or corrective actions. All the Certifications in force have been completely confirmed, the due ones have been renewed and moreover the transitions to the new standards for the Quality Management System and the Environmental management System respectively to the rules ISO 9001: 2015 e ISO 14001: 2015 have been made.

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 2017-18, 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.

The total of employees is 6.676 (7590 in 2016); there are physiological variations because they are bound to the organized flexibility typical of construction sites and retirements.

CMC Human Resources are increasingly formed by qualified personnel: workers decrease, whereas the number of graduate personnel and with a certificate of specialization increase. This indicates a reality made of people with good professional qualifications.

CMC has very good relationships with Union Organizations of Ravenna province (principal head office of the Cooperative) and local representatives on national territory. CMC and union Organizations deal together with contents of integrative contract of the company and the construction sites agreements.

3. Labour

June 2018 has been renewed the company integrative contract that will last 3 years.

The contract establishes among the actions for improvement some welfare ventures, for instance new forms of flexibility for the conciliation of the Work-life balance of people and the professional or extraprofessional injury insurance for all employees. Much attention has been given to the families and mother employers, giving some helps for maternity, contributing to the expenses for nursery school and kindergarten, with trainings after the coming back at work, regulating the part-time, and giving the possibility of dividing the hours of parental leave.

Training

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 2017, CMC provided the total amount of 11.891 total training hours for its employees all over the world (+ 22,11% compared to the year 2016 – 9738 total hours).

During the year 2017 some trainings of update about Safety/Environment (n. 94 participants for 848 overall hours) have been made.

4. Environment

Policy, actions and outcomes.

CMC's infrastructures and buildings are aimed at improving the quality of life of the populations all around the world; therefore the protection and defense of the environment and natural resources are closely connected to productive activities.

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. During 2017 over 60% of training hours have been made concerning Quality, Safety and Environment subjects.

The concept of sustainability is associated to the concept of life quality, work quality and therefore to an healthy and safe environment.

4. Environment

In 2017 CMC had the aim to implement the objectives of environmental sustainability established by the Italian State and by the international community about:

- improvement of the performances in prevention of wastefulness and in the use of energetic strategies for the reduction of pollution and of energetic consumption;
- research of the best technologies for a progressive efficiency and energetic and environmental saving of the head office and of the production units.

During 2017 the new figure of the Energy Manager has supported the organization in the projects of costs reduction and of energetic consumptions and promoted the business competitiveness acting on an efficient use of resources (energy, environment, water, materials, wastes etc.) in every phase of production of goods and services and on all the production chain of value of the company.

Moreover in 2017 some activities of sensitization of users have been made with training/information ventures in the company about the energetic themes and the manager figures, in addition to a strong activity of communication also with articles published on the intranet of the company.

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. 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.

The Organization Model 231, with all the documents of the "system 231" adopted as Group constitute the load-bearing infrastructure of the ***Prevention system of corruption***, a system in which CMC has invested a lot and which has allowed to have the certification of conformity to the international standard ISO 37001.

5. Anti-corruption

In 2017, the new **Direction Internal Auditing and Compliance – DIAC** has been inserted in the organizational configuration and it has been placed as staff function at the top of the organization. The DIAC performs an independent and objective activity of *guarantee and advice* to the organs of the company in testing the adequacy, the efficacy and the real operation of the internal control System, in addition to the support to the Cooperative for the achievement of its company aims, through the valuation of the efficacy of governance processes, of risk managing and of operative and normative control.

In May 2018 SGS Italia, the certifying body that CMC uses, issued to the Company the certificate of merit, the Merit Award, because it has obtained **four certifications** of its systems of management.

1. management System for quality ISO 9001,
2. management System for environment ISO 14001;
3. management System for safety and healthy at work OHSAS 18001
4. management System for anticorruption UNI ISO 37001.

5. Goals

Human rights:

Through its Health and Safety Service, CMC want to try again in 2018 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.

One of the purpose of the Board of Directors during the three-year term 2017/2020 is to promote new actions and to activate new ventures about welfare in order to offer concrete solutions and proposals for healthy of business partners and employers.

Training:

the aim for the 2018/2019 is the organization of training moments (seminaries, courses, studying days) for the development of the skills and the professional updating (with particular reference to international contracts, interculturalism, management, safety and environmental management).

5. Goals

Enviroment:

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.

In 2017 CMC adopted the indicators GRI Standard (Global Reporting Initiative) for the writing of its financial statement of sustainability in order to best report its activity and its performances about environmental sustainability and the use of resources as raw materials and materials, energy, water, emissions e wastes. In management of construction site activities CMC will promote with increasing attention behaviors and sustainable actions to avoid wastes and to protect the socio-environmental aspects in the process of development of infrastructures.

Anti-corruption:

Maintaining an updated and effective complex of *Prevention system of corruption*, with tests and continuous monitoring to the sensible processes of the company.

Extending the tests of the managing system to all the executive aspects and managing orders, providers of production chain included.