

- 20 December 2013

To our stakeholders

I am pleased to confirm that CAT-COLACEM reaffirms its support of the 10 Principles of the UN Global Compact.

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

Sincerely Yours

Giuseppe Colaiacovo
Managing Director

HUMAN RIGHTS :

Assessment, policy and goals

- CAT-COLACEM is located in Tunisia and we respect the Tunisian legal requirements of human rights. We reaffirms our support for the Universal declaration of human rights and we to go above and beyond any legal requirements and strive to build a company in which everyone is treated with dignity and respect.

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

One of our goals for 2014 is to ensure that our suppliers , local and international , respect human rights

Any business partners who do not effectively manage and improve when necessary will be placed on probation. After a maximum of 3 years of non compliance they will be replaced by alternative suppliers who are willing to address and support basic internationally accepted human rights.

Implementation

- We will begin consultation with all business partners providing them with a framework and policy to ensure they understand what is required in terms of human rights policies.

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 the partner relationship being terminated. Senior management will audit suppliers annually without any warning to ensure that they are working within the defined guidelines of human rights.

LABOUR:

Assessment, policy and goals

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 hours 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.

The CAT-COLACEM policy, taken from our bylaws is evidence of how strongly we are in favor of labor rights. "In accordance with Tunisian Employment Law employees of CAT-COLACEM are free at any time to engage in labor unions as well as 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.

Additionally, CAT-COLACEM frequently negotiates merger and acquisition deals with foreign companies. Since CAT-COLACEM is firmly against the idea of child labor, we require all companies we deal with, to respect the Employment law prohibiting child labor.

Furthermore on the issue of discrimination, CAT-COLACEM, strongly supports 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.

Implementation

The manner in which CAT-COLACEM ensures that these policies are being applied in the desired form is by company-provided sensibility and diversity education, workshops outlining labor rights, new employee orientation programs that inform the employee at the time of their hire of labor rights. The general direction of the CAT-COLACEM work with the union and staff representatives to find a solution to problems.

Suggestion box are available to workers to address their grievances Awareness sessions and training for employees on labor rights, health and safety are assured.

Measurement of outcomes

At CAT-COLACEM monitoring performance on the issue of labor rights is very important to the company because of the relationship between a content workforce and high productivity. The management at the company tries to mitigate all issues with a proactive stance. As of the time of application there were no incidents of violations of the Global Compact Labor principals. The management feels 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:

Assesment, policy and goals

The CAT-COLACEM is committed to furthering the UN global Compact in the area of Environmental Protection. 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 and before choosing a new subcontractor is required of him signing a commitment to respect the environment.

CAT-COLACEM is very innovative in its application of environmentally friendly policies. To reduce the consumption of fossil energies, and reduce CO2 emissions CAT-COLACEM 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 will allow an annual reduction of 65 000 tonnes of CO2. CAT-COLACEM is committed to the establishment of an environmental management system complies with ISO 14001.

Written company policy on environmental issues, including prevention and management of environmental risks
Policy requiring business partners and suppliers to respect the environmental principles and describe specific goals in the area of environmental protection for the upcoming year

Implementation

CAT-COLACEM is implementing the aforementioned policies by working with employee in the area of education, acquiring assistance from the local organization CITET and ANME, as well as investing in new energy-saving technology and recycling programs. Several actions are taken:

- Awareness raising 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.)
- Activities aimed at improving the energy efficiency of products, services and processes
Development and diffusion of environmentally friendly technologies
- Educate providers and outsourcing companies asking them to sign a pledge to respect
- Establishment of a system of environmental management to identify, monitor and control the environmental performance of the company
- Distribution of responsibilities for environmental protection within the company

Measurement of outcomes

- MONITORING PERFORMANCE
Information about how the company deals with incidents. Investigations, legal cases, rulings, fines and other relevant events related to the Global Compact environmental principles
- Specific progress made in the area of the environmental protection during the last reporting period
- Periodic review of results by senior management
- External audits of environmental performance
- changes that have helped make our company more environmentally friendly and also more socially conscious.

ANTI-CORRUPTION

Assessement, policy and goals

- STATEMENT AFFIRMING ANTI-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.

Our 2013-2014 goals for the company are 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.

Implementation

- Suggestion box
- Awareness raising or training of employees about the company's policies regarding anti-corruption and extortion (e.g. mailings, internet, internal communication, etc.)
- Participation in industry initiative or other collective action on anti-corruption

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

Investigations, legal cases, rulings, fines and other relevant events related to corruption and bribery

Specific progress made in the area of anti-corruption during the last reporting period