



CONSOLIDATED CONTRACTORS COMPANY

UNITED NATIONS GLOBAL COMPACT INITIATIVE

COMMUNICATION ON PROGRESS

YEAR: 2007



STATEMENT OF CONTINUED SUPPORT



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Corporate Profile

Consolidated Contractors Company (CCC) is a contracting company formed in 1952 and incorporated under the laws of Lebanon. The managing office is presently located in Athens, Greece.

CCC is by far the largest Engineering, Procurement and Construction Company in the Middle East and is rated by the ENR magazine as #13 among International Construction Companies. CCC currently operates in 40 countries across 4 continents, employs over 170,000 employees from over 84 nationalities, building some of the most challenging and complex facilities.

Drawing on its over 55 years of successful experience, CCC can provide a full range of projects services, from Project Development, through detailed Engineering, Procurement and Construction, to Start-Up, Operation and Maintenance pertaining to the following:

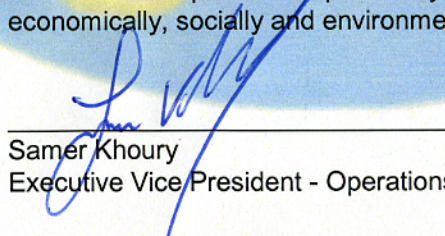
- ❖ Buildings and Civil Engineering Works
- ❖ Oil & Gas, and Water Pipelines
- ❖ Oil & Gas, and Petrochemical Plants and Refineries
- ❖ Power Plants
- ❖ Marine Works
- ❖ Offshore Installations
- ❖ Maintenance of Mechanical Installations and Underwater Structures

Management Commitment to Corporate Social Responsibility and UN Global Compact

We at CCC are committed to the Corporate Social Responsibility as well as to our commitment to the UN Global Compact Initiative. We believe that our commitment to the CSR Policy will help our business grow and flourish in the long term.

In addition, we aim to ensure that business values and behaviour are aligned to balance between improving and developing CCC's business as well as improving the quality of life of the workforce, their families, local communities and the society at large. Issues covered are related to the Environment, Human Rights, Workforce and Labor Relations, Community Involvement, Ethics and Anti-corruption.

Committed Corporate Responsibility is always a work in progress like the rest of CCC's business. Every activity and practice is meant to make a lasting impact, economically, socially and environmentally.


Samer Khoury
Executive Vice President - Operations



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HUMAN RIGHTS: PRINCIPLE 1 - *Business should support and respect the protection of internationally proclaimed human rights*

COMMITMENT

- Our company is committed to insuring that its employees are treated with dignity and given fair rewards in accordance with the Universal Declaration of Human Rights.

SYSTEMS

- Our company has updated its mission statement, codes of conduct and corporate values highlighting Corporate Social Responsibility Initiative as well as good communication throughout CCC. The 10 UNGC Principles have been included in the CCC Mission Statement.
- Company has established a system of controls such as the Score Card System to maintain employment satisfaction and the preference appraisal system to insure employees are rewarded fairly.
- We have implemented a set of policies and procedures to ensure that our projects worldwide implement the human rights protection procedures and priority is being given to such issues.

ACTIVITY

- Copies of the Company Mission Statement, Codes of Conduct and Corporate Values have been printed and have been distributed to all our area offices and projects for distribution to all employees. All offices have been requested to implement procedures according to the Codes of Conduct and obtain feedback from employees.
- We implemented the open door policy to create a family-like environment; we investigate all cases reported by the employees regarding harassment and unjust incidents.
- Senior management conducts frequent visits to Projects to check on compliance and listen to employee complaints and suggestions.
- There is continuous follow-up by our Human Resources and Administration Department, and HSE and Quality Departments to ensure that all projects and offices comply with company policies.
- We provide English language (the common company language) training to ensure better communication between employees. Our employees come from over 84 countries.
- Translators have been employed to further facilitate the integration of the different nationalities employed by the company.

OUTCOME

- Increase awareness about The Ten Principles of the UN Global Compact Initiative and the need for commitment on behalf of all departments.
- UN Global Compact's Ten Principles will be distributed to all our Subcontractors, asking for their commitment in this respect.
- Our belief in the value of the human life is our commitment to continually insuring all our employees' rights, hence, earning a good reputation in the community as the "Family Company".



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HUMAN RIGHTS: PRINCIPLE 2 - *Business should ensure that they are not complicit in human rights abuses*

COMMITMENT

- Our company is committed to avoiding direct and silent complicities. Our policy supports and gives priority to the implementation of International Standards in all areas, especially when it comes to human rights. We refuse all shapes of human rights abuses, and emphasize on keeping an enlightened mentality among employees in this regard, through the continuous education of employees about their rights.

SYSTEMS

- Employment contracts stating the terms and conditions of service are made available to all employees.
- The rules and regulations system implemented insures that all employees (monthly or daily) have health coverage and housing.
- Our internal policy and procedures ensure that our projects implement the human rights protection procedures and priority is given to such issues.

ACTIVITY

- We conduct training sessions for our staff to increase awareness about preventing human rights abuse.
- We abide by international and local labor laws.
- Clear and strict instructions were given to all levels of management, to reject and report any kind of human rights abuse.
- The company has policies to protect workers throughout their employment and has ensured that any arrangements be it for security or otherwise do not contribute to human rights violations.
- We respond immediately, promptly and positively to workers demands through listening to their committees and elected representatives.
- We conduct regular audits to our projects, suppliers and subcontractors to ensure their full compliance with the set policies and procedures.

OUTCOME

- We respect the international guidelines and standards for the use of force. We uphold the policy that all employees are valuable, hence we have become well known in the countries we work in and the communities we work with as the company that takes care of its employees and insure their safety while employed with us.



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LABOR: PRINCIPLE 3 – Business should uphold the freedom of association and the effective recognition of the right to collective bargaining

COMMITMENT

- Our company supports and implements international labor standards, including the support of establishing labor associations.
- Our company is committed to ensuring union-neutral policies and procedures as well as the freedom of employees to join unions or any other labor association.

SYSTEMS

- Our internal policy and procedures ensure the implementation of labor legal requests and details how to deal with such requirements, to achieve the fair resolution and reserve both the company and labor interests.

ACTIVITY

- We have an open door policy; whereby all staff and labor are encouraged to voice their concerns.
- We ask all CCC projects and locations to create labor welfare committees as a way to help workers find the appropriate mechanism to express their needs and concerns. Thus in almost every project there is a labor committee responsible for securing labor requests. These committees also help in diverting any potential tension raising among workers as well as acting as mediators with management.
- When faced with collective bargaining, we recognize the representatives of the committees and address any problem in the interest of the employees and the management.
- In countries where labor unions are not allowed, a plan for the appointment of internal representatives of all nationalities of employees is set in place, and labor needs are discussed with labor representatives.
- We convene continuous meetings with the workers' representatives and openly discuss, in the presence of project managers, all working and living conditions.

OUTCOME

- There has been systematic settlement of all arising disputes in a timely manner, to the satisfaction of the workers.



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LABOR: PRINCIPLE 4 – Business should support the elimination of all forms of forced and compulsory labor

COMMITMENT

- We are committed not to practice any form of forced or compulsory labor under any circumstances. Moreover, we deny any exploitative practices such as forced overtime, debt bondage and punishment work.

SYSTEMS

- The company employment policies and salary schemes are strictly adhered to while considering any employment.
- The employment procedures during the recruitment process insure that all employees are working due to their interest in joining the company and not forced.
- We have implemented a time sheet system for checking and recording all normal and overtime working hours. Supervisors and management review these time sheets.

ACTIVITY

- Employment with the company is based on a mutual agreement signed by both parties; there is no compulsory or bonded labor.
- Employees are free to terminate the contract of employment by giving notice as per the labor law and terms of employment.
- Our remuneration system is closely monitored to ensure that employees are paid above minimum wage level. The employees' written consent is a prerequisite for working overtime hours.

OUTCOME

- Compulsory labor does not exist at CCC. This activity has lead us to be a highly reputed Company in the countries we operate in.



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LABOR: PRINCIPLE 5 – Business should support the effective abolition of child labor

COMMITMENT

- We are committed to the abolition of child labor under any circumstances.

SYSTEMS

- Routine check of labor contracts.
- We have implemented a system for checking and recording that all employees are above 18 years of age.

ACTIVITY/OUTCOME

- We continue to support this principle, despite some laws in some countries where the minimum age for working is less than 18 years of age.
- We request from our subcontractors to take appropriate measures to eliminate the employment of children under the legal age.
- CCC holds its own interviews with the prospective skilled and semi skilled manpower. The choice of the manpower is not subject to the recruitment agent of each country from which the manpower is hired. We send out our own experienced staff to interview prospective candidates and make sure that the selected manpower are of legal age and will fit in their assigned job.



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LABOR: PRINCIPLE 6 – Business should support the elimination of discrimination in respect of employment and occupation

COMMITMENT

- We are committed to equal opportunity and treatment in employment and occupation regardless of race, color, sex, religion, political opinion, national extraction or social origin. Distinctions are strictly based on the inherent requirement of the job, i.e. qualification, skill and experience.

SYSTEMS

- The terms and conditions of employment are consistent with the Band System implemented in the company regarding hours of work, rest, paid holidays, maternity leaves, advancement, social security, occupational health and safety. Our Human Resources Management System (HRMS) keeps up-to-date records of the employees' qualifications, skills, experiences, training and advancements.
- Our evaluation system in terms of personnel evaluation looks into the employee performance, productivity and contribution to the work and company values.
- Our HR Department are continuously looking for new markets in wide range of countries to recruit staff and labor force from.

ACTIVITY

- We employ all nationalities without any discrimination. Employees come from more than 84 nationalities worldwide.
- Employees are selected according to their ability to do the job and advance in their career according to their performance and evaluation, which are viewed and discussed between the employee and his/her supervisor.
- We have a diversified manpower. At one construction site, different ethnicities can be seen and different languages can be heard. To take advantage of such a diversified labor force and to avoid its negative consequences, we have established very strict rules to eliminate any discrimination and to make sure that all employees have Equal Employment Opportunities (EEO), (all employees should have equal treatment in all employment-related actions). For example, during recruitment, to avoid any illegal discrimination, the same standards are applied to judge all candidates.
- We have increased the hiring of local labor from the countries of the projects.
- We have established training centers to train manpower in required trades, to upgrade the employees' skills, and to express our commitment to the local communities.

OUTCOME

- We have received several prizes from governments that showed their appreciation to employing their nationals, e.g. the Yemeni and the Philippines governments among many others.
- Increase in the percentage of employment of local nationals as a way to boost local economies and to promote local development of the societies where we operate.
- Following our policy to train the local community as part of our social responsibility and as a way to ensure the presence of a local pool of labor, training centers have been established in Saudi Arabia, Oman, China, and Jordan, and are considering opening training centers in other countries with the participation of local governments.



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ENVIRONMENT: PRINCIPLE 7 – Business should support a precautionary approach to environmental challenges

COMMITMENT

- We are committed to the Rio Declarations and Kyoto Protocol on Environment and Development in order to achieve sustainable development.
- We are committed to ban or restrict any activity whose impact on the environment is damaging or even uncertain.

SYSTEMS

- We have applied the Triple Bottom Line of Sustainable Development: Economic prosperity, Environmental quality and Social equity.
- We abide by local ecological systems protection rules and regulations.
- We are certified for the ISO 14001:1996 Environmental Management Systems and OHSAS 18001:1999 Occupational Health and Safety Management Systems by Bureau Veritas (third party auditors). Our Health, Safety & Environment (HSE) Plan seeks to promote continuous improvement to the working conditions of our Company activities. Our ultimate goal for HSE improvement is the elimination of losses in all activities involving people, equipment, and material in addition to protecting the environment. We seek to effectively control all hazards and reduce the risk to all personnel to a zero accident level. We are committed to meeting the expectations of the Getting HSE Right Management System (GHSER) adopted by the Company.
- We have implemented a procedure regarding waste management which applies to all areas of work including offices, laboratories, workshops, fabrication yards, welfare facilities and construction sites. By this procedure all responsible staff are assigned to duties for the establishment and maintenance of good waste management standards, carry out regular inspections of the areas under their control to ensure compliance, and finally report back to the HSE manager regarding any concerns with the application of this procedure

ACTIVITY

- The HSE Department has built safety margins when setting standards especially in areas where uncertainty still exists, implemented cleaner production and promoted best available technology.
- Full-time Qualified HSE Managers are designated in every CCC project to coordinate and administer the company's HSE Program with the overall Company Program requirements.
- We conduct toolbox talks and get all employees to participate on energy saving by listening to their suggestions and recommendations.
- We began a water quality, quantity and a wastewater treatment monitoring plans. We also established a chemical / oil spill contingency plan and a hazardous waste and clinical waste control plan. We promoted environmental awareness and training programs.
- Waste bins for the collection of different waste materials were distributed at different office/project locations and guidelines for the collection and handing over to recycling plants of all waste materials are being issued.
- We have started cutting water and electricity consumption and paper usage, and started liquid and solid waste separation in a way that makes it ready for recycling.
- We have established systems for waste control, CO2 emission, and planting trees in the vicinity of our projects wherever appropriate.



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ENVIRONMENT: PRINCIPLE 7 – Business should support a precautionary approach to environmental challenges

- We encourage the “Paperless Office”; maximize electronic correspondence and filing instead of hard copies. Print only what is needed, no waste.
- We encourage the use of recycled paper, preferably with at least 20% post-consumer recycled content.
- We have started recycling plastics, glass, cans and any other recyclable materials at the company’s offices, camps and projects.
- Steel, wood, cables are segregated and disposed to recycling contractors.
- We have notified all staff to make sure to switch off their computers, lights, electric heaters, A/Cs before leaving their offices and rooms.
- We have increased the use of saving energy products such as bulbs, tube lights, AC, heaters and refrigerators (supplied with sufficient thermostat).
- We have installed sewage treatment plants in camps to recycle water.
- We monitor the water consumption to ensure water savings.
- We regularly inspect and maintain all water lines and fittings.

OUTCOME

- Our company received high recognition for its strong HSE Policies and Regulation.
- By managing the waste, we prevented danger to the health and safety of our employees and minimized the impact on the environment and the volumes of unnecessary waste.
- Locate recycling vendors and make arrangements to sell old tyres.
- Locate recycling vendors and make arrangements to send plastic and glass for recycling.
- Chase alternative outlet in case recycling is not available in some countries.
- Target savings on paper usage and.
- Target savings on steel rebar and pipes at building sites fabrication shops, reuse scrap steel rebars for safety barricades and surveying work.
- Target savings on electricity usage in our offices and camps.
- Develop further the use of photo cells solar energy system for water heating.
- Determine KWH consumption and target savings by optimizing economical loading schemes of power generation at the power houses.
- Decrease water usage at our camps, offices and projects. Study the water usage at all company locations and formulate water saving guidelines for implementation.



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ENVIRONMENT: PRINCIPLE 8 – Business should undertake initiative to promote greater environmental responsibility

COMMITMENT

- We are committed to promote a clean environment and implement procedures in compliance with international standards.
- We believe that human activity is changing our climate. By engaging our employees and partners, we think we can make a change.

SYSTEMS

- Our company is certified to ISO 14001 and OHSAS 18001 and has established a company wide HSE Plan to monitor all waste, emissions, water, paper and energy usage, turning off lights when premises not in use, clean and restore all lay down areas.
- We implement procedures and provide guidance on the safety systems design criteria to be followed for our project. These criteria includes identification of safety systems required, selection of associated facilities and defining the safety reviews and procedures that are to be implemented during detailed design, engineering and construction of the project.
- We have ensured the proper implementation of environmental responsibilities and HSE systems. The following are few of the implemented procedures:
 - * HSE Incentive Scheme
 - * HSE Awareness Program
 - * HSE Training of Company Personnel
 - * Site Rules
 - * HSE Inspection and Auditing Program
 - * Near Miss Investigation and Reporting

ACTIVITY

- We continue to endeavor and give priority to reduce power consumption and waste generation in its operations and projects.
- Guidelines for lowering paper/water/power usage are conveyed to all locations and specific methodologies for the reduction of construction fabrication wastes are being formulated.
- We have acquired lube and engine oil recycling equipment, hydraulic baling machine, and waste tyre recycling systems.
- Sewage treatment plans are assembled in the employee camp accommodation areas in which the water produced is used irrigation purposes to increase the green areas around the camps.
- On some projects, Reverse Osmosis plants are installed, and the rejected water is used for dust control or toilets flushing.
- We have planted trees, grass lawns and other plants throughout our camp facilities.
- We ensure that proper restoration of land, roads and sites to their original condition is carried out on completion of the works.



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ENVIRONMENT: PRINCIPLE 8 – Business should undertake initiative to promote greater environmental responsibility

OUTCOME

- Through CSR, we have begun saving on water and electricity, despite the fact that the majority of our projects are in the middle of the deserts.
- Our company earned its trust with our clients for the high-quality and safety measures implemented in our projects. We will continue to implement the highest standards in the health, safety and environment.
- The preventive measures detailed in the HSE plan and the proper training and awareness given to the employees prior to commencing any activity, lead to the good results in the aspect of environmental responsibility.



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ENVIRONMENT: PRINCIPLE 9 – Business should encourage the development and diffusion of environmentally friendly technologies

COMMITMENT

- We are committed to the diffusion of environmentally friendly technologies in all our operations, and to ensure that adverse impact of our operations in the environment is eliminated as much as possible.

SYSTEMS

- Efficient use of existing resources through introduction of solar energy and economical use of power supply.

ACTIVITY

- We have designated a full-time Qualified HSE Manager to coordinate and administer the company's HSE Program with the overall Company Program requirements.
- HSE Seminars, Workshops and Induction Courses are set-up for all employees (old and new) as part of their orientation. Environmental Awareness Seminars are implemented to insure all employees understand and implement environment-friendly activities.
- To reduce CO2 emissions, we are in the process of changing the fuel supply used for boilers in camps from diesel to gas.

OUTCOME

- We ensure shutting down the diesel operated plant, equipment and machinery when idle or not in use.
- Our company has been recognized as an environmentally friendly company by Environmental Auditors.
- The Plant, Machinery & Equipment Department is considering the utilization of equipment that have less fuel consumption and low CO2 emissions.



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ANTI-CORRUPTION: PRINCIPLE 10 – Business should work against corruption in all its forms, including extortion and bribery

COMMITMENT

- We are committed to the United Nations Convention Against Corruption.

SYSTEMS

- Our company Code of Ethics and Policy Statements is adopted on all company offices and projects.
- We have internal and external audit systems in place and management monitoring procedures to ensure the prevention of bribery and corruption.
- Statements on corruption and the penalty for corruption as well as periodic bulletins on anti-corruption and legal consequences for corruption are issued to all employees.
- Training sessions are conducted to increase awareness of our staff about the importance of fighting corruption.

ACTION/OUTCOME

- Internal controls have been strengthened to ensure transparent policies and systems. The company is set-up where every department has a system and standard procedures to follow, hence making it harder for corruption activities to co-exist.
- Internal memos clearly defining the legal consequences for corruption and formal meetings on the subject are conveyed to the relevant employees.
- Employees suspected of being involved in corruption are investigated by gathering information from all parties concerned. When found guilty, legal actions were taken against them including the dismissal from post. If evidence is not sufficient for legal action, employees are put under surveillance until a decision can be made.