

Puebla, Pue., December, 18th, 2013.

COMMUNICATION ON PROGRESS

OF:TEK 88/13.

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

Through this letter, Ernesto JUAREZ CAJICA, CEO of TEKALT, S.A. DE C.V. will continue to fully support the Global Compact and its principles. In order to renew our membership we will be sending the communication on progress report and the strategies applied in order to ensure the commitments of this initiative.

Tekalt, S.A. de C.V. is a construction company of Electric Power Substations and member of CMIC (Mexican Chamber of Construction) which places business ethics above all commercial considerations. As members of the United Nations Global Compact this year our main approach was to continue the awareness of the ten principles amongst the workforce. We will briefly describe our strategies and the outcomes we obtained.

- **Human Rights**

Our main goal was to continue awareness at various positions of our company in order to fully understand the first two principles of the Global Compact.

Implementation

After last year's consultation with a law firm we decided to spread the information in our offices with pamphlets and in our capacitation program we introduced the notion of Human Rights and how to respect these principles in a day to day basis. For instance, we specifically reinforced the Respect of Freedom of Sexual Preferences and Religion.

Measurement of outcomes

The first meeting our workforce was distracted and barely paying attention, however it changed when we decided there will be a zero tolerance if any employee is harassed or bothered by their Sexual Preference or Religion. The workforce took more seriously the meeting; we implemented quizzes, posters and pamphlets for further reading and reinforcement of these concepts.

- **Labour**

Tekalt has a strong commitment to its workforce therefore each worker had a personal contract with the company as well as a Union Contract (SUTERM) in which compensations such as food, transportation, health insurance and bonuses were outlined and detailed. This

year we reinforced our Health and Security program by following the norms ruling in our line of work. We did a study of illumination and promoted better procedures of work done in high altitude as well as order and cleanliness in our stations of work.

Implementation

Formal procedures were reinforced and an annual capacitation program is running, as of today 56 new workers have been trained and received the necessary advice to use the safety equipment properly. The illumination study was of great value since our office was outdated but we quickly corrected the issues.

Measurement of outcomes

These new programs have been of great help and we continue with zero accidents since we started business in 1997 that represent a serious death threat.

- **Environment**

Our major footprint is the consumption of fossil fuels therefore we implement a strict maintenance program to our fleet in order to reduce emissions.

Implementation

Mexican law requires two emission analyses per year per vehicle however our maintenance program was created to go a step further by revising the car at least three times per year.

Measurement of outcomes

This has proven to not only environmentally friendly but also cost effective since repairs and automotive failures dramatically decreased. We also decrease the paper usage in the office by 24%, we didn't meet our last year goal but we will continue to reach this goal for 2014. Similarly our providers now give us digital invoices and no paper is consumed for this activity.

- **Anti-Corruption**

We started to raise awareness of our zero tolerance policy towards corruption by creating posters and pamphlets, talks were also given to some workers that were suspicious of wrong doing. Finally we start to implement the new requirement of Mexican Laws that try to fight money laundry.

Implementation

After we start dispersing information of corruption we receive tips of suspicious behavior and decided to confront the workers with specific talks. The administrative personnel



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decided to keep them under observation but as of today they were just rumors. On the other hand, we started to report any loans the enterprise accepts by letting know the government according to Federal Law. This will reduce the money laundry that has been affecting our country for decades.

Measurement of outcomes

The committee performed an outstanding audit reviewing the corruption cases we faced this year. Although we received information from various sources the committee decided to act with caution and did not hurry any decisions and decided to have those employees under strict supervision. This was a stressful situation, yet we hope it will be taken as an example of our zero tolerance policy.



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