

International Framework Agreement to promote and protect worker's rights

To be signed between Italcementi Group and the Building and Wood Workers International (BWI) to promote and protect worker's rights .

Italcementi Group is the fifth largest cement producer in the world. It has a worldwide presence in 22 Countries, in 4 continents, through an industrial network of 62 cement plants, 15 grinding centres, 5 stand alone terminals, 610 concrete batching units and 139 aggregates quarries. In 2007, Italcementi Group consolidated revenues amounted to more than 6 million euros. Italcementi Group has a staff of over 23.000 and its headquarter is in Bergamo, Italy.

The BWI is the Global Union Federation grouping free and democratic unions with members in the Building, Building Materials, Wood, Forestry and Allied sectors. The BWI groups together around 350 trade unions representing around 12 million members in 135 countries. The BWI's mission is to promote the development of trade unions in the building and wood industries throughout the world and to promote and enforce workers' rights.

The agreement is based on the signatories' joint commitment to respect basic human and trade union rights, acknowledging the fundamental principals of human rights as defined in the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work as well as relevant ILO Conventions and jurisprudence and the OECD guidelines on Multinational Companies. The parties also commit themselves to achieving continuous improvements within the areas of working conditions, health and safety standards at the workplace and positive democratic industrial relations and fair collective bargaining procedures with representative trade unions.

This agreement relates to all Italcementi Group operations. The Italcementi Group will secure compliance with the principles set out in this agreement and committs itself to promote the same principles with its subsidiaries, contractors, subcontractors and suppliers. This agreement shall not in any way reduce or undermine existing labour relations practices or agreements relating to union rights or facilities already established by any BWI affiliate or group of affiliates or any other union within Italcementi Group.

The company recognises that corruption, bribery and unfair anti-competitive actions distort markets and hamper economic, social and democratic development.

In this spirit the Italcementi Group and the BWI shall work together to verify the effective application by all Italcementi Group activities and undertakings of the following requirements.

BWI model IFA Page 1

1. Freedom of association and the right to collective bargaining are respected

All workers shall have the right to form and join trade unions of their own choice. These unions shall have the right to be recognised for the purpose of collective bargaining in conformance with ILO Conventions 87 and 98. Workers' representatives shall not be subjected to any discrimination and shall have access to all necessary workplaces in order to carry out their duties as representatives (ILO Convention 135 and Recommendation 143). The company shall take a positive attitude to trade union activities. The company will follow the most expeditious process in the event that BWI affiliate requests union recognition.

2. Employment is freely chosen

There shall be no use of forced or compulsory labour, including bonded labour. Workers shall not be asked to surrender passports, identity papers or valuables (ILO Conventions 29 and 105).

3. No discrimination in employment

All workers shall have equality of opportunity and treatment regardless of their ethnic origin, gender, religion, political opinion, nationality, social origin or other distinguishing characteristics. Workers shall receive equal pay for work of equal value (ILO Conventions 100 and 111). Migrating and posted employees must enjoy at least the same conditions as the national work force.

4. Child labour is not used

Child labour shall not be used. Only workers above the age of 15 years, or over the compulsory school-leaving age if higher, shall be employed (ILO Convention 138). Children under the age of 18 shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children (ILO Convention 182).

5. Living wages are paid

Workers shall be paid wages and benefits for a standard working week that will enable them and their families to enjoy a reasonable standard of living which are more favourable than the minimum conditions established by national legislation or agreements. All workers must be provided with clear verbal and written information about wage conditions, as well as specific information regarding every payment period (ILO Conventions 131 Minimum Wage Fixing, 1970, C.95 Protection of wages, 1949, C. 94 Labour Clauses (Public Contracts), 1949). Deductions shall not be made from wages unless otherwise stated in national law or collective agreements. Information regarding pay and deductions should be provided to workers each time wages are paid, and these should not be changed other than by written consent of the individual worker or by collective agreement.

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6. Hours of work are not excessive

Hours of work shall comply with appropriate national legislation, national agreements and industry standards but in no circumstances should be unreasonable. Overtime shall not be excessive, shall not be demanded on a regular basis and shall always be remunerated at a premium rate. All workers shall be given a minimum of a one day weekly rest period.

7. Health and Safety of Workers

A safe and healthy working environment shall be provided. Best occupational health and safety practice to prevent injuries and ill health shall be promoted and shall be in compliance with ILO Convention 155 Occupational Safety and Health Convention, 1981 and ILO Convention 167 on Safety and Health in Construction, 1988 and the ILO Guidelines for Occupational Health Management Systems.

All workers shall also be given Personal Protective Equipment, at no cost to themselves, and training on occupational hazards and their prevention. Workplace Health and Safety Committees shall be established and workers shall have the right to elect Health and Safety Representatives. Trade Unions shall be encouraged to appoint and train Health and Safety Representatives.

Italcementi group will promote health and safety culture towards suppliers, contractors and sub-contractors.

8. Welfare of workers

At every work site the company shall provide an adequate supply of wholesome drinking water; sanitary and washing facilities; facilities for changing and for storage and drying of clothing; accommodation for taking meals and for shelter.

When workers are offered living accommodation, this shall be planned, built and maintained to provide reasonable housing conditions. The company shall provide health education and an HIV/AIDS awareness raising and prevention programme in accordance with the ILO Code of Practice on HIV/AIDS and the World of Work in countries with particular risks.

9. Skills training

All workers shall have the opportunity to participate in education and training programmes including training to improve workers skills to use new technology and equipment.

10. The employment relationship is established

The company shall respect obligations to all workers under labour and social security laws and regulations arising from the regular employment relationship (Social Security Minimum Standards Convention C102). In locations where conditions permit, efforts shall be made to offer fixed employment opportunities and directly employ all labour. All workers shall receive a written contract of employment. The company encourages contractors and sub-contractors to respect obligations to all workers under labour and social security laws and regulations.

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11. Follow up

The Italcementi Group will ensure that appropriate translations of the agreement are available at all workplaces and should include suppliers, contractors and subcontractors. The agreement will also be made public on the Company's website and Intranet.

- a) Both parties recognize that effective local monitoring of this agreement must involve the local management, the workers and their representatives, health and safety representatives and local trade unions.
- b) To enable local workers and union representatives of BWI affiliated unions to play a role in the monitoring process, they will be given adequate time for training and involvement in the monitoring process. The company will ensure that they are provided with information, access to workers, and rights of inspection necessary to effectively monitor compliance with this agreement.
- c) A reference group shall be set up, composed of representatives of Italcementi, and of the concerned BWI affiliated union(s) in the home country of the company, the European Works Council (EWC)-Coordinator and a BWI coordinator. It will meet at least once a year, or when necessary, to evaluate reports on compliance and to review the implementation of the agreement.

Italcementi Group shall make the necessary resources available for the implementation of the agreement.

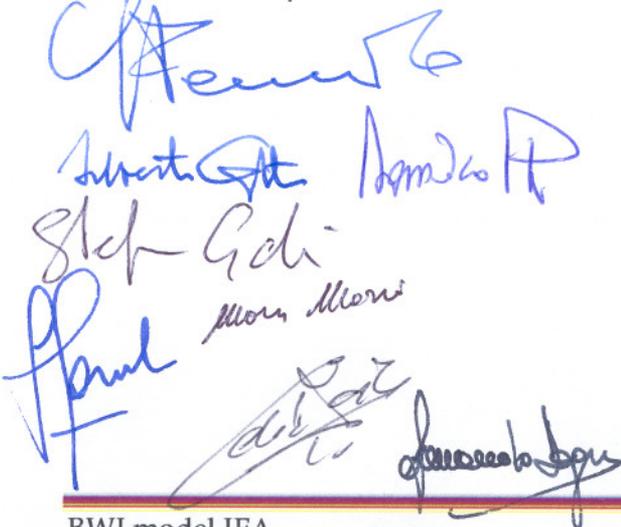
Signatories agree that any difference arising from the interpretation or implementation of this agreement will be examined jointly, for the purpose of clarification

DURATION

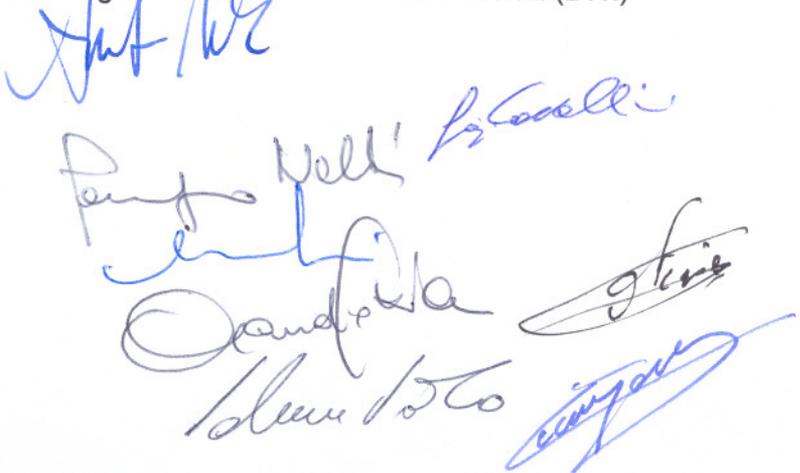
This agreement is effective from today's date, with a mutual three month notice of termination. Within February 2009 the signatories of this agreement will meet in order to evaluate the dissemination and application of this agreement and to define the implementation mechanisms and confirm the (already established) composition of the reference group as mentioned in c)

Bergamo, 17 June 2008

(Signature)
Italcementi Group



(Signature)
Building and Wood Workers International (BWI)



Explanatory notes:

- EWC (Comitato Aziendale Europeo – CAE)
- The International Labour Organisation (ILO) was established in 1919, in recognition of the need to protect the fundamental rights of all workers. There are 174 member states of the ILO. All member States of the ILO have an obligation to observe the principle of freedom of association simply by virtue of their membership and formal acceptance of the ILO Constitution. The adoption of the ILO Declaration on Fundamental Principles and Rights at Work and its follow-up 1998, has recently strengthened this obligation.
- In the para on "Child labour shall not be used. Only workers above the age of 15 years". This might be reduced to 14 years in the case of developing countries, see C.138.
- The relevant ILO Conventions on wages are C. 131 Minimum Wage Fixing 1970, C.95 Protection of wages 1949, C. 94 Labour Clauses (Public Contracts) 1949.
- In the context of working hours each State should promote the adoption of the principle of the progressive reduction of normal hours of work as laid down in ILO Conventions Hours of Work (Industry) Convention, 1919, (No.1), Forty Hours Week Convention, 1935 (No. 47) and Reduction of Hours of Work Recommendation, 1962 (No. 116). This means that normal hours of work shall be progressively reduced without any reduction of wages of the workers.
- Overtime compensation could be financial or in the form of time off.
- For the Building, Construction, Wood, Forestry and Allied industries the following ILO standards are especially important: C.155 Safety and Health at Work, C.161 Occupational Health Services, C.162 Asbestos 1986; C.167 Safety and Health in Construction 1988; ILO Code of practice for health and safety in forest work; ILO Code of practice on safety in the use of synthetic vitreous fibre insulation wools (glass wool, rock wool, slag wool).

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