

**International Frame Agreement between
SALINI-IMPREGILO S.p.A.
and
BWI, FENEAL UIL, FILCA CISL and FILLEA CGIL**

An international company operating as a contractor in complex large-scale infrastructure projects, **Salini Impregilo S.p.A.** results from the merger of the two major Italian construction companies (Impregilo S.p.A. and Salini S.p.A.).

BWI is an international trade union and organizes workers of the construction, building, wood and forestry industries and of the allied trades and industries. **BWI** represents 320 affiliates in 125 countries around the world.

Salini Impregilo S.p.A. and BWI along with the Italian federations Feneal-UIL, Filca-CISL and Fillea-CGIL:

- recognize that the industrial sustainable development of the construction industry is in the interest of both the company and its workers;
- recognize the need for open democratic industrial relations and for fair collective bargaining procedures for union and company representatives;
- recognize that corruption, bribery and anti-competitive practices distort market rules and hamper economic, social and democratic development;
- highlight the need to promote and monitor the implementation of the fundamental principles of Human Rights as defined in the *"Universal Declaration of Human Rights"* (1948), the *"ILO Declaration on Fundamental Principles and Rights at Work"* (1998), the *"ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy"* (2000) and the *"OECD Guidelines for Multinational Enterprises"* (2011).

The parties commit themselves to working along these guidelines in order to achieve social justice and sustainable development, both within the activities and companies/consortia of Salini Impregilo, and with its contractors, subcontractors and suppliers.

In this spirit, Salini Impregilo S.p.A. and BWI are going to work together to assess the implementation of the following social criteria within all of the activities and companies of Salini Impregilo S.p.A..

Free Choice of Employment

There shall be no use of forced labour, including bonded labour and involuntary prison labour. (ILO Conventions 29 and 105).

Workers shall not be required to lodge deposits, visas or other immigration fees, transportation costs, and recruiting or hiring fees. Workers shall be required to surrender their passports and other travel or identity documents only if necessary to fulfil the national requirements in the country of destination and not for any other purpose. The company agrees that migrant workers shall be recognized the right to legal redress in the country of work and the right to organize and join trade unions. The company also agrees that migrant workers shall be provided with detailed information about their living and working conditions in the destination country in a language they can understand before leaving their country of origin.

"Non Discrimination"

All workers shall be given the same opportunities and treatment, regardless of their ethnicity, colour, gender, religion, political ideas, nationality, social status and other distinctive features. All workers shall receive equal pay for work of equal value (ILO Conventions 100 and 111). Migrants and posted workers shall enjoy at least the conditions applicable to the local national workers.

Child Labour

Child labour shall not be used. Only workers above the age of 15, or over the compulsory school-leaving age if higher, shall be employed.

(ILO Convention 138) The minimum age for admission to any type of employment or work which by its nature or the circumstances in which it is carried out is likely to jeopardize the health, safety or morals of young persons shall not be less than 18 years, according to the ILO Convention 182.

Freedom of Association and Collective Bargaining

All workers shall be given the right to form and join trade unions, and to collective bargaining (ILO Conventions 87 and 98).

Salini Impregilo S.p.A. shall adopt a positive approach to union activities and an open attitude towards union organizing. Subject to the prior on-site consent of the contractor/company/consortium, the company shall grant union representatives access to the building site.

Whenever a BWI affiliate seeks the recognition of a union, Salini Impregilo S.p.A. shall follow the most effective procedures. Salini Impregilo S.p.A. shall also allow its employees to join trade unions and ensure that workers' representatives shall not be discriminated against and shall have access to all workplaces necessary to carry out their representation functions (ILO Convention 135 and Recommendation 143).

Living Wages

Workers' wages shall comply with the applicable laws and collective agreements. They shall therefore be fair and non discriminatory, and sufficient for workers to cater for the fundamental needs of a decent life in the social context where they live and work.

The company shall seek to enhance the minimum conditions prescribed by law for the members of the most disadvantaged groups, including through collective bargaining.

Any wage deduction shall be previously agreed by the worker concerned, unless it is prescribed by national regulations, or by national, company and/or territory-based bargaining. All workers shall be provided with both written and verbal information on wage conditions.

Working Hours

The amount of working hours shall comply with national regulations and collective agreements.

Overtime work shall be voluntary whenever possible, shall not be demanded on a regular basis and shall always be paid at a premium rate, without prejudice to the fact that one rest day a week shall always be guaranteed.

Working Conditions

According to the ILO Conventions 155 and 167 and to the OECD Guidelines on Multinational Companies (2011), a safe, healthy and sustainable working environment shall be provided. The best health and safety practices will be promoted and shall comply with the ILO Guidelines for Occupational Health Management Systems, in coordination with contracting and subcontracting companies within the same construction site.

Training on safety and risk prevention at the work place shall be provided to all workers on a regular basis.

Environmental Issues

Salini Impregilo commits itself to respecting the international Conventions on environmental impact and to safeguarding workers and local people who might be concerned by the effects of the activities or projects carried out by the company, its contractors or subcontractors.

Specialized Vocational Training

All workers shall be granted the opportunity to take part in educational and training programmes, including special training to develop the necessary skills about new technologies and machinery.

Workers' Welfare

Consciousness shall be raised about any risk of endemic diseases which might originate within the workplace and implement a prevention programme as prescribed by the ILO HIV-AIDS codes of practice.

In case employees are offered accommodation near the construction site, this shall be designed, built and maintained to provide reasonable housing conditions.

Employment relations

Employers' obligations towards employees are prescribed by laws and regulations on employment and social security and originate from the compliance with a regular labour contract.

Salini Impregilo commits itself to promoting and abiding by the fundamental principles of Human Rights as provided by the *"Universal Declaration of Human Rights"* (1948) and the *"ILO Declaration on Fundamental Principles and Rights at Work"* (1998). In particular, Salini Impregilo commits itself to implement the *"ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy"* (2000) and the *"OECD Guidelines for Multinational Enterprises"* (2011).

Salini Impregilo S.p.A. considers the respect of workers' rights to be a fundamental component of sustainable development and its subcontractors and suppliers shall also recognize and meet the above-mentioned criteria.

The company shall pay any social security and pension contributions as required under applicable legislation in the place where the worker works, except when more favourable individual conditions apply. The company shall raise the awareness of its consortia and subsidiaries in order to avoid that workers are classified as self-employed although they are assigned typical employee tasks (bogus self-employment).

Implementation and Assessment

Salini Impregilo S.p.A. shall provide all construction sites and workplaces with information on the Agreement, both in written (in the local language and/or dialect) and verbal form.

All Parties are made highly aware of their responsibilities to disseminate the contents of the Agreement among all activities of Salini Impregilo S.p.A. as thoroughly as possible.

Salini Impregilo S.p.A. HR representatives and the delegates of the signatory federations will be part of an advisory/monitoring group. At least once a year – or when the need arises – the group shall meet in order to assess and review the implementation of the Agreement. Before opening a construction site, Salini Impregilo S.p.A. shall discuss site-related activities with the signatory organizations, as long as doing so does not hinder the need for confidentiality of the commercial phase. Salini Impregilo S.p.A. shall make the necessary resources available for the BWI representative to be able to perform his/her functions.

Each organization shall communicate the names of its representative in the working group.

With the prior consent of both Parties, the annual review of the Agreement may be integrated in the Salini Impregilo S.p.A. annual report. The Parties agree that any dispute arising from the interpretation or execution of the Agreement will be jointly discussed for the purpose of its settlement.

Terms of the Agreement

The Agreement shall remain in force until one of the Parties terminates it with a written notice to the other Party at least 3 months in advance. Not earlier than 2 years after signing the Agreement, any Party may request to review it.

The Parties have read, confirmed and signed the Agreement.

Milan, 13th October 2014

SALINI IMPREGILO S.p.A.

BWI

FENEAL UIL

FILCA CISL

FILLEA CGIL