



SHIPPING & CHARTERING - MULTIMODAL LOGISTICS

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# CORPORATE SUSTAINABILITY REPORT AS PER SA 8000 PERIOD 2019-2020

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## 1. Company history and activities

BAGGIO S.p.A. TRASPORTI COMBINATI, which for many years was registered in the Authorized Inter-provincial List of freight forwarders of Venice before its suppression, was established as a joint stock company on 5 January, 1994, but has its roots in much further back in time. It was indeed in 1934 that BAGGIO family established its first transport company (Fig. 1).

Today the organization carries out the typical shipping activities, coordinating, organizing and managing transport by road, rail, sea and air of all kinds goods, using vehicles owned by third parties. Its forwarding work takes in all continents.

In the last decade BAGGIO has experienced a remarkable growth, becoming a major industry player.

When this document was produced, BAGGIO has 15 employees (including 3 part-time).



**Fig. 1. Nineteen thirties, a BAGGIO truck**



**Fig. 2. Sea Service**

BAGGIO's work is summarized below.

In summary, the BAGGIO's work is divided into three production departments, each specialized in a particular sector according to the types described below:

1. Sea/Air Service,
2. Land Service,
3. Project Planning Service.

### 1. Sea/Air Service

With its experience gained in the specific field of shipments, BAGGIO daily moves goods by container ships, conventional ships (e.g. in Fig. 2) and planes. Abroad, BAGGIO avails itself of an extensive network of correspondents, which guarantees a high level of service and competitive prices.

A long, significant and specific experience in the shipping world allows BAGGIO to load complete vessels to and from all points of origin and destination.



BAGGIO also cooperates with leading airlines and operators, offering air transport services to and from all destinations, both for small packages and for plant and equipment.

The services can be consolidated or use direct flights, depending on customers' needs.

BAGGIO also offers a combined sea/air service that successfully combines the cost-effectiveness of sea transport with the speed of air transport.

## 2. Land Service

The Land Service is the typical transport on wheels that is carried out by BAGGIO exclusively by coordinating a network of third party hauliers able to reach all the countries of Europe (EC and non-EC) and Asia.

If necessary, making use of valid suppliers specialized in the sector, BAGGIO is able to move over-sized and over-weight loads by road, the so-called exceptional transports (e.g. in Fig. 3).



Fig. 3. Land Service

## 3. Project Planning Service



Fig. 4. Project Planning Service

Given its long experience, acquired over the years in international freight forwarding and transportation, BAGGIO often receives commissions for genuine “turn-key projects based on door-to-door services”.

These commissions can span even several years and, in addition to a work of various and continuous shipping and transport services (Sea / Land / Air) they also involve a continuous work of expediting (e.g. in Fig. 4).

In these cases, BAGGIO regularly places its own staff at the locations where the materials are received, to coordinate the landing at the port of destination, customs clearance and forwarding to the premises of the end receiver.

The clients are almost always construction companies and oil companies increasingly engaged in remote places in the world.

This corporate sector allows for medium-term planning, provides more security than others, and a continuity to our organization as a whole.



Lastly, the three services mentioned above can exploit the Ro-Ro (Roll-on/Roll-off) as the transport mode.

The Ro-Ro service is the combined land-sea-land transport using trailers hired for the purpose (e.g. in Fig. 5).

Depending on the case, standard semi-trailers can be used or lowered-deck trailers, equipped for oversized and overweight loads.

BAGGIO's customers are found worldwide.

**Fig. 5. Ro-Ro transport mode**

The organization vaunts significant customers in Italy, throughout Europe, North America (the United States), Middle East, the Arabian Peninsula and North Africa.

Our customers - both Italian and non - are companies belonging to various sectors and other shipping companies that rely on BAGGIO in mutual business relationships. The main sectors served include the following:

- Oil & Gas,
- Urban Mobility,
- Civil and Port Infrastructure,
- Power Generation and Transmission,
- Renewable Energy,
- Mining and Metals,
- Commodities,
- Shipbuilding.

Except in wholly exceptional cases, the offer is not addressed to individuals.

PROCUREMENT therefore regards:

- freight-forwarding services with various means;
- road haulage services;
- trailer freight services;
- services at customs;
- port services;
- goods transport services by sea and air;
- insurance services of various types;
- other (management and maintenance/remote updating of the company's information system, hardware and software, consulting services, etc.).

BAGGIO operates on one shift, 5 days per week from Monday to Friday.

The tasks of the employees are mostly office work and contacting external personnel (especially via e-mail and telephone) who are customers, suppliers and correspondents.

BAGGIO initially adopted a **Social Accountability management system in conformity with the SA 8000:2008 standard**, and carried out in May 2017 the transition to the new SA 8000:2014 standard. This system is part of a broader integrated system (SI "Sistema Integrato") in which also the aspects related to Quality, Environment, Occupational health and safety are managed.

In the phase of **system planning**, attention was paid to the involvement of the key stakeholders so that they could actively participate in implementing the Social Accountability system together with the company's Management.

The involvement of **company's staff**, and their participation in the implementation of the SI, were made possible thanks to numerous moments devoted to spreading information, awareness and training, organized during working hours, and dedicated to describing the standards, their requirements and their practical impact on corporate life.

Two other categories of interested parties that BAGGIO believes strategic in applying the SA 8000 standard, are **Customers** and **Suppliers**: the attention that we reserve to the needs of our customers is reflected in the commitment to respect towards human resources across the whole service-delivery cycle - a value to which the market places increasingly greater importance.

## 2. Control of Suppliers and Subcontractors

In complying with the SA 8000 standard, attention has been paid to the ability of Suppliers and Subcontractors to meet the requirements of the standard, not only because it is expressly required by the standard itself, but because of the real possibility - involving players up the production supply chain - to extend the respect of fundamental recognized principles to an international level.

The difficulty in receiving fully reliable information on the social accountability policy directly from Suppliers has led the company to seek information on their compliance with the requirements of the standards from other sources, to build a complete map of the criticality of our Suppliers. This has involved sending many requests for information to several organizations regarding how they manage issues relating to the workers' conditions and rights.

**The implementation of the Social Accountability system** has thus continued, passing through the following stages:

- adaptation to the requirements of the SA 8000 standard;
- establishment of a control plan Suppliers and Subcontractors;
- Review of management and external communication;
- setting several objectives relating to Social Accountability and Occupational health and safety.



### 3. Conforming to the requirements of the standard SA 8000

- **Child Labour:** the organization uses only workers who are at least 16 years and who are not under the obligation of compulsory education. The company does not use, and does not permit the use of, child labour.
- **Forced labour:** all those who the company employs work voluntarily.
- **Health and safety:** safety is placed firmly at the centre of the company to ensure a safe and healthy workplace for workers or anyone else who might be involved in the company's activities. Suitable resources are allocated to favour the prevention of accidents or other causes of hazards.
- **Freedom of association and right to collective bargaining:** all workers is respected have the freedom to form or join trade unions of their choice, and the right to collective bargaining.
- **Discrimination:** equal opportunities are guaranteed to those who work in the company, and no form of discrimination is allowed.
- **Disciplinary procedures:** a disciplinary code is in effect that describes the existing disciplinary practices, which aim, in the respect for personal integrity, to promote respect and spirit of collaboration among workers.
- **Working hours:** the ordinary working week is 39 hours, in keeping with the provisions of the National Collective Agreement. Overtime is carried out only in exceptional circumstances and for a short period.
- **Remuneration:** all workers receives remuneration commensurate to the quantity and quality of their work, and in all cases sufficient to assure a dignified quality of life.

### 4. Preparation of a Suppliers and Subcontractors control plan

BAGGIO has defined and implemented procedures for the selection of Suppliers based on their ability to meet the requirements of the standard, and the means of implementing the internal review as a Management tool to periodically test the effectiveness of the implemented system against the requirements of the rule, assessing its suitability and appropriateness.

### 5. External communication and Management Review

BAGGIO has adopted an external communication plan to make the data concerning the company's performance regularly known to the parties. The employees have been notified that they can all submit complaints to the certification body or to the SAAS (Social Accountability Accreditation Services) should actions or behaviours of the company not comply with the standard SA 8000. This document is also drafted to meet external communication requirements. In addition to providing Management with a useful tool for internal review, this document helps the various stakeholders understand the company's policy for Social Accountability and the nature of the real commitments that BAGGIO has taken on, certifying its system in accordance with the SA 8000 standard.

In order to ensure the opportunity to contact the certification body or the SAAS and submit comments, the addresses are listed below.



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<p><b>SGS ITALIA S.p.A.</b> Via Colombara 115 30176 Malcontenta Venezia Italy Tel. +39 041 290 25 09 Fax. +39 041 538 16 04 e-mail: <a href="mailto:sa8000@sgs.com">sa8000@sgs.com</a> <a href="mailto:laura.liqi@sgs.com">laura.liqi@sgs.com</a></p>	<p><b>SAAS - Social Accountability Accreditation Services</b> 9 East 37<sup>th</sup> Street, 10<sup>th</sup> Floor New York, NY 10010 USA Tel. +1 212 391 21 06 Fax. +1 212 684 15 15 e-mail: <a href="mailto:saas@saasaccreditation.org">saas@saasaccreditation.org</a></p>
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There have been, and there are, many internal Management Reviews at BAGGIO. To facilitate the Reviews, a set of significant and relevant indicators has been defined which can highlight the achievement of targets and the definition of further objectives.

The indicators used in the internal Review are the backbone of this document, which the management has chosen as a privileged form of communicating data and information regarding the company's performance to the standard's requirements.

**Below our goals for 2020 regarding Social Accountability and Occupational health and safety.**

#### 6. Objectives relating to Social Accountability

1. Maintenance of certification to the SA8000:2014 standard.
2. Continuing monitoring of Suppliers with regard to their compliance with the SA 8000 standard, with particular attention to Asian Suppliers (e.g. India).
3. Maintenance or further depletion of leave/holidays by employees, remaining from previous years, also following a specific holiday plan.
4. Continuing the monitoring of overtime use.

BAGGIO is also committed to managing the personnel and its activities in respect of the points shown in the following table (**SA 8000 Principles**).

<p><b>CHILD LABOUR</b></p> <ul style="list-style-type: none"><li>• <b>not to employ persons under the age of 16</b></li><li>• <b>to ensure under 18s receive qualified training</b></li></ul>	<p>Do not use child labour in making any product or providing any services, where child labour is taken to mean the employment of persons under the age of 16 who are unable to go to school and/or have a lifestyle appropriate to them. Ensure that any under-age workers are in a condition for learning, professional growth and development, suitable health and safety and relevant training.</p> <p>This means respecting the ILO Conventions 138, ILO 182 and Recommendation 146, as well as Legislative Decree No. 345/1999 supplemented by Legislative Decree No. 262/2000, Law 25/1955, Law 977/1967 and Law 451/1994.</p>
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<p><b>FORCED LABOUR</b></p> <ul style="list-style-type: none"> <li>• <b>not employ those who are not free to terminate their employment contracts by law</b></li> </ul>	<p>Do not use non-volunteers (prisoners, people who owe the company money), who undergo non-legal restrictions to their freedom to withdraw from work (confiscation of documents, salaries not paid and kept as deposits), and who are not protected by a form of contract.</p> <p>This means respecting the ILO Conventions 29, ILO 105, as well as Law 300/1970, Law 108/1990, Law 297/1982, and Legislative Decree No. 152/1997. It means not using illegal labour, especially in the form of illegal hiring, and ensuring, within the law, the use of permits by Workers.</p>
<p><b>HEALTH AND SAFETY</b></p> <ul style="list-style-type: none"> <li>• <b>ensure a safe working environment</b></li> </ul>	<p>Guarantee employees a safe and healthy working environment with suitable services and tools for the control and protection of materials and hazardous situations in accordance with existing regulations. Hence, the obtaining of BS OHSAS 18001 certification as a guarantee of continuous improvement, and the transition in September 2020 to the standard UNI ISO 45001 If canteens and accommodation are provided to Employees, these must be healthy, safe and compliant with local regulations regarding environment and safety.</p> <p>This means respecting the ILO Convention 155, as well as Legislative Decree No. 81/2008, Law 638/1983, Legislative Decree No. 493/1996, EEC Directive 89/391 EEC Directive 94/33, and EEC Directive 91/383.</p> <p>Specifically, following the contents of Legislative Decree No. 81/2008 means conforming to this requirement. It is necessary to pay attention to the proper use of PPE, where required, the presence at the workplace of the emergency team and safeguards (fire extinguishers, First-Aid box), professionally perform risk analysis and training which is understandable and effective for all workers, and undertake corrective actions following reports and recommendations.</p>
<p><b>REMUNERATION</b></p> <ul style="list-style-type: none"> <li>• <b>assure their workers receive salaries that allow them a dignified life-style</b></li> </ul>	<p>Guarantee its workers wages which comply with all relevant local laws, including those on minimum wages, and which allow them to live in dignity.</p> <p>This means respecting the ILO Conventions 100, ILO 131, as well as Law 300/1970, Law 297/1982, Law 863/1984, Law 230/1962, and Law 92/2012.</p>
<p><b>FREEDOM OF ASSOCIATION</b></p> <ul style="list-style-type: none"> <li>• <b>do not prohibit, impede or penalize trade-union activities</b></li> </ul>	<p>Guarantee workers the freedom to be part of trade union associations if they wish, and to negotiate publicly and according to law, without fear of interference or restrictions.</p> <p>This means respecting the ILO Conventions 87, ILO 135, ILO 98 and Law 300/1970, the inter-confederal agreement on the creation of unitary union representatives 20/12/1993, EEC 09/12/89.</p> <p>In practice, the freedom to join a union must be ensured not by exerting pressure on those who join, not discriminating them in the tasks and development processes, recognizing the elected representatives as privileged partners, providing them with the places and time to carry out trade union activities.</p>



<p><b>DISCRIMINATION</b></p> <ul style="list-style-type: none"> <li>• <b>select workers based on skills and abilities</b></li> <li>• <b>treat all workers equally, offering them equal opportunities and conditions</b></li> </ul>	<p>Select the workers regardless of age, sex, race, religion, political beliefs and spiritual orientations. Employ workers based on their job skills, avoiding all discrimination. It is necessary to guarantee equal gender opportunities with no differentiation between those of different religion, race, political or spiritual orientation.</p> <p>This means respecting the ILO Conventions: 100, 111, and 159, the UN Convention on the elimination of all forms of discrimination against women, as well as Law 300/1970, Law 903/1977, Law 125/1991, Law 40/1998, Law 53/2000, Legislative Decree No. 151/2001, EEC Directive 75/117, EEC Directive 76/207, and Law 108/1990.</p> <p>Avoid the two most common types of discrimination by the Management: that of not giving women leadership roles unless out of proven and indisputable merits and skills, and that of taking on immigrants only at lower levels despite their level of education and language proficiency. BAGGIO is also committed to acting against discrimination between workers: by race, religion, geographical origin, to be discouraged through specific training and other initiatives.</p>
<p><b>DISCIPLINARY PRACTICES</b></p> <ul style="list-style-type: none"> <li>• <b>show respect for workers in actions, words, and behaviour</b></li> </ul>	<p>BAGGIO undertakes to treat all workers with dignity and respect, strictly excluding the use of any type of unusual and/or corporal disciplinary practice. The disciplinary practices of suppliers must comply with all applicable local laws and regulations for workers in use.</p> <p>This means respecting the ILO Convention 29 and Law 758/1994.</p> <p>Attention should be given to phenomena of “mobbing”, i.e. psychological pressure and conditioning with verbal and gestural allusions, to not to use as “punishing tools” unfavourable working conditions, and to not hastily and simplistically adopt disciplinary practices.</p>
<p><b>WORKING TIMETABLE</b></p> <ul style="list-style-type: none"> <li>• <b>do not make staff work more than 40 hours a week or ask for more than 12 hours' overtime, agreed with the workers</b></li> <li>• <b>do not make a habit of ask for overtime work</b></li> </ul>	<p>Working hours must comply with the number of hours required by the national labour agreement; overtime, when necessary, should be rewarded in appropriately and not exceed 12 hours per week. Employees must still be guaranteed at least one day off a week.</p> <p>This means respecting the ILO Conventions 98 and 181, and Law 300/1970, Law 196/1997, Law 264/1958, Law 409/1998 and Law 92/2012.</p> <p>It is important to plan the work carefully, seeking to streamline processes, to fully forecast the required staff, so as not to force employees to work excessive overtime and to ensure they can enjoy their planned time off.</p>
<p><b>INTEGRITY IN BUSINESS</b></p>	<p>All BAGGIO’s workers must conduct honest and fair behavior in all aspects of the work, and demand the same behavior from each participant.</p> <p>This means respecting Law 190/2012.</p>

<b>MANAGEMENT SYSTEM</b>	<p>Suppliers of BAGGIO must be invited by the Management to commit to:</p> <ul style="list-style-type: none"> <li>• extending the knowledge of the requirements of standard SA 8000 and joining the same project to their own suppliers, being aware of the need to develop culture and awareness on issues of social accountability to make all efforts in this regard effective and efficient;</li> <li>• accurately and completely recording all the suppliers with whom they interact on an ongoing basis to strengthen control along the supply chain;</li> <li>• informing the company's internal staff on the requirements of the SA 8000;</li> <li>• if needed, making any corrective actions required.</li> </ul>
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## 7. Objectives related to Occupational health and safety

- Transition from the BS OHSAS 18001 standard to the new UNI ISO 45001:2018 by September 2020. This objective shall be managed in a coordinated manner with a further strengthening of the MOGC 231, in order to obtain a single and homogeneous set of procedures.
- Continued health surveillance based on the health protocol by our Company Doctor.
- Monitoring data and information on any accidents, incidents and near misses.

## 8. Child labour

The company does not intend to use, or encourage the use of, child labour. Appropriate remedial plans are adopted to ensure support to children in situations defined as child labour. These plans mainly provide support to children to attend school and provide that they are not exposed to situations that are hazardous, unsafe or harmful to health, or liable to affect their harmonious development.

To facilitate the acquisition of specific skills and in collaboration with local Colleges and Universities, the company can receive boys and girls as interns. In the work in which they are employed, these young workers are not exposed to situations that are hazardous, unsafe or harmful to their health.

## 9. Child Employees

The company has no staff under the age of 16.

## 10. Young Employees

In compliance with current national and international regulations, BAGGIO has always advocated the importance of work as a means of growth and personal and professional development, and for acquiring technical skills. It has therefore always fostered bringing young people into the business world by offering internships and apprenticeships, which have favoured the acquisition of specific skills and their finding jobs. The assigned tasks have never exposed young workers to harmful or hazardous situations that could endanger their harmonious development.



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### **11. Forced or compulsory labour**

All those who work for the company do so voluntarily.

The company does not allow work done by those it employs to be extracted under the threat of any penalty. To ensure the fully voluntary nature of work supply, BAGGIO is committed to ensure that all workers are fully aware of their rights and duties pertaining to their employment contracts, copies of which are given to anyone who requests one.

### **12. Deposit**

No worker has ever left on deposit at the company any money or original documents.

### **13. Occupational diseases**

The phenomenon is effectively absent in BAGGIO. Cases of illnesses have never been found that were caused by poor conditions of safety or healthiness on BAGGIO's premises.

### **14. Prevention and training**

The improvement of health and safety indices is closely related to the prevention and awareness-raising activities, the organization of training courses, and the purchase and distribution of personal protective equipment.

### **15. Occupational health and safety in the non-production areas of the company**

The attention of BAGGIO in the field of Occupational health and safety does not end in the production areas, but also extends to non-production ones (archives, storage rooms, toilets), which are assured safety and cleanliness.

### **16. Complaints**

No complaints have been reported of physical, verbal or sexual abuse from the company to workers or between workers (complaints can also be submitted anonymously, as illustrated in Sect. 5 of this document).

### **17. Working timetable**

The ordinary working hours are Monday to Friday, from 08:30 to 12:30 and 14:00 to 18:00. The working week is 39 hours and is determined by the provisions of national sectoral collective agreement.

Possible changes in the distribution of hours during the week are agreed upon with the workers, as well as the planning of holidays, leave and permits.

Overtime work is carried out only during exceptional short circumstances which cannot be resolved by hiring new staff. Overtime is paid at 30% above the ordinary rate.

## 18. Remuneration

BAGGIO pays its workers wages that are not less than the minimum rates defined in the Collective Agreement of the sector. The resulting incomes thus meet the basic needs of workers and provide them with some discretionary income.

The schedules accompanying payroll indicate the various items comprising remuneration. No withholdings are made for disciplinary purposes. The average wages paid to employees are in line with the provisions of national contracts and are higher than the poverty threshold established at the national level.

## 19. Integrated System for Quality, Environment, Occupational health and safety, and Social Accountability

BAGGIO has adopted a management system of Social Accountability in conformity with the standard SA 8000, with certificate issued on 31/05/2013 (standard in 2008 edition), and afterwards (May 2017) converted to the new SA 8000:2014 standard.

The company was certified on May 2013, after less than two years from the time the company management, believing in the importance of attaining recognition and certification of its Social Accountability, began its path of adjustment towards this international standard, involving workers and other stakeholders in creating the new management system.

**The Social Accountability Management System completed the Integrated System for Quality, Environment, Occupational health and safety and Social Accountability of BAGGIO, which had previously already obtained, from the third-party body SGS ITALIA S.p.A., certifications of compliance with the requisites of the international standards ISO 9001 (Quality), ISO 14001 (Environment) and OHSAS 18001 (Health and safety at work). Transition to the new standards regarding Quality (ISO 9001:2015) and Environment (ISO 14001:2015) took place between February and May 2017. Transition from the BS OHSAS 18001 standard to the new UNI ISO 45001:2018 took place on September 2020.**

With the adoption of the Integrated System, the company is committed to respecting, among other things, all the requirements of Social Accountability set by the SA 8000 standard, national laws in force and applicable to its field of activity and operational reality, and the provisions of international instruments expressly referred to by the standard.

BAGGIO also agrees to consider continuous improvement as a guiding principle of business planning and management relating to the requirements of the SA 8000 standard.



**BAGGIO S.p.A. Trasporti Combinati supports Anvolt,  
the Italian National Association of Volunteers for Fighting Cancer**