

# CONDITIONS OF SUPPLY AND SUBCONTRACTING

## TABLE OF CONTENTS

1. Baggio S.p.A. Trasporti Combinati
  - 1.1 Company history
  - 1.2 Activities
  - 1.3 BAGGIO's Policy for Quality, Environment, Occupational health and safety, and Social Accountability
  - 1.4 BAGGIO Code of Ethics
2. Field of application
3. Updating and reissue criteria
4. Services characteristics
  - 4.1 Regulatory compliance
  - 4.2 Care of the goods transported
  - 4.3 Performance consistency
5. Technical features of the service
  - 5.1 BAT (Best Available Technologies)
  - 5.2 Safety data sheet for products, substances and hazardous compounds
6. Goods delivery procedures
  - 6.1 Identification of products and packaging
  - 6.2 Transport regulations for safety and the environment
7. Transport documents
8. Requirements and rules of conduct for road haulage
  - 8.1 Rules of conduct and requirements for Drivers
  - 8.2 Rules to adopt in an emergency
9. Supplier/Contractor Social Accountability requirements
10. Legal requirements for waste-transport and waste-disposal Suppliers

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00	02/02/2012	First issue			
01	30/06/2016	General revision due to update to the standard SA 8000:2014			
02	10/06/2020	General revision due to update from the standard BS OHSAS 18001:2007 to UNI ISO 45001:2018			

## 1. Baggio S.p.A. Trasporti Combinati

Baggio S.p.A. Trasporti Combinati (hereinafter simply BAGGIO) operates in the freight forwarding and international transportation sector, with particular attention to door-to-door shipments of plant/machinery, large supplies, project cargo etc. The company's transport and international shipment services also take in a whole range of services to customers which aim at catering to their increasing needs while coping with an increasingly specialized and competitive market. Professionalism and foresight, which are the basis of BAGGIO's management policy, have allowed the company to successfully carry forward its business from one generation to the next.

### 1.1 Company history

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.



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

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).

### 1.2 Activities

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.



**Fig. 2. Sea Service**

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

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).



**Fig. 4. Project Planning Service**

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).



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

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.

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.).

Since 1999, BAGGIO has adopted a certified Quality Management System according to **UNI EN ISO 9001** (in the various editions of 1994, 2000, 2008 and now 2015) for the **design, management and coordination of domestic and international, also multimodal, freight-forwarding services**. For these services, the clientele consists of both Italian and non-Italian companies of various sectors, and other shipping companies that rely on BAGGIO in a relationship of mutual correspondence.



SHIPPING & CHARTERING - MULTIMODAL LOGISTICS

Always sensitive to environmental issues, BAGGIO implemented an Environmental Management System as per **UNI EN ISO 14001** (2004 edition, and now 2015) which, subject to compliance with mandatory regulations, has allowed it to systematically control all the significant impacts of its business.

The Management has also been committed to this by making available human, instrumental and financial resources to pursue the objectives of improving health and safety in the workplace as an integral part of corporate business, and as a strategic commitment with respect to the more general aims of the company, by implementing an Occupational health and safety Management System as per **UNI ISO 45001** (2018 edition). By also understanding that the value of transparency in labour relations is the first step towards achieving significant results for the company as a whole, BAGGIO has chosen to go beyond the basic compliance with laws that regulate labour relations, by implementing a management system of Social Accountability under the **SA 8000** standard (2008 edition and now 2014) thus ensuring that everything is actually documented, kept active, communicated and accessible in a comprehensible form to all personnel, including the managers, supervisors and operating staff - whether directly employed, contracted or otherwise representing the company - and that it is publicly available.

### **1.3 BAGGIO's Policy for Quality, Environment, Occupational health and safety and Social Accountability**

In accordance with the requirements of the relevant standards, BAGGIO has laid down a **Policy for Quality, Environment, Occupational health and safety and Social Accountability**. This policy, which BAGGIO submits to periodic reviews, is published on the company's website at

**[www.baggio.it](http://www.baggio.it)**.

The Suppliers and Sub-contractors are invited to view them.

### **1.4 BAGGIO's Code of Ethics**

BAGGIO has adopted its own Code of Ethics which is published in the company's site at

**[www.baggio.it](http://www.baggio.it)**.

Also the Code of Ethics is subject to periodic reviews and updates.

The Suppliers and Sub-contractors are invited to view it.

## **2. Field of application**

This document applies to the services provided to BAGGIO.

## **3. Updating and reissue criteria**

Each edition of this document is identified by a two-digit revision marker. The reason for each update is stated on the first page, and the changes are highlighted in italics and a vertical line in the margin of the lines and areas containing the changes,

*such as, for e.g., in this paragraph.*

Updates are performed by BAGGIO, who will update the file on its website.

#### **4. Services characteristics**

##### **4.1 Regulatory compliance**

The services provided to BAGGIO must comply with the applicable regulations in force in the countries where the services are provided.

##### **4.2 Care of the goods transported**

The services provided must ensure the utmost care of the goods transported, which must be handled with greatest caution, identified to distinguish them from others, and properly, checked, stored and maintained.

The transported goods must be kept free from damage and/or loss.

Any damage or loss must be reported immediately to BAGGIO in writing. At the same time, the appropriate insurance coverages are activated.

##### **4.3 Performance consistency**

Suppliers shall not implement process changes that could alter the technical and/or performance characteristics of the services provided without having previously informed BAGGIO. Such notifications must be made early in good time to allow BAGGIO to make an appropriate evaluation.

#### **5. Technical features of the service**

##### **5.1 BAT (Best Available Technologies)**

The services must be provided using the best technologies available on the market, guaranteeing compliance with the quality parameters predefined by the Supplier in keeping with the corporate quality policy.

##### **5.2 Safety data sheet for products, substances and hazardous compounds**

Transported goods which are products, substances or hazardous preparations must be accompanied with a safety data sheet drawn up as per Regulation (EC) No 1272/2008, as amended, and along with all additional information required for a complete risk assessment.

## 6. Goods delivery procedures

### 6.1 Identification of the products and packaging

Each package must have a clearly-visible label, bearing the addressee's information.

Packages must be suitable for containing the product without causing leakage, and comply with applicable regulations on transportation. They must therefore be solid, water-resistant and have a suitable closing system.

In the case of products, substances or hazardous preparations, each individual container must have security labelling.

### 6.2 Transport regulations for safety and the environment

Suppliers undertake to ensure suitable conditions so that, during transport, none of the materials will be released into the environment whether into the atmosphere, water course, and/or as spillage into the soil. They must also fulfil regulatory requirements regarding the authorization of the vehicles used.

Every vehicle must be loaded with load units divided by product. The loading units must be stowed on the vehicle to allow them to be offloaded by a lift truck, crane or other lifting equipment, thus eliminating or minimizing the need for manhandling and allowing the materials to be offloaded in safety.

Transport must be carried out in the best conditions of hygiene, technique and safety to ensure proper product conservation.

## 7. Transport documents

All deliveries must be accompanied by appropriate transport documentation according to the country/-ies of origin, transit and destination.

## 8. Requirements and rules of conduct for road haulage

### 8.1 Rules of conduct and requirements for Drivers

- a) During operations carried out on behalf of BAGGIO, **the road haulage contractor is responsible for** any damage that may be caused to BAGGIO's staff and assets, to customers and/or to third parties.
- b) It is mandatory to respect the Highway Code and the rules of circulation (in Italy the Codice della Strada).
- c) Drivers who perform loading/unloading operations must follow these guidelines:
  - **park their vehicle outside the loading/unloading bay** so as not to obstruct internal traffic; turn off the engine;
  - carry out **identification**;
  - submit the **documents** relating to the operations to carry out;
  - give notice, as a preventive measure, of all and any problem perceived with the vehicle driven;
  - drive their own vehicle to the zone indicated by the staff and turn off the engine;

- allow the operations of loading/unloading to the staff, who use common lifting equipment (forklift, pallet truck);
  - **wait in the truck cabin** until the operations have ended and only then go to receive the related documents; before leaving the area, carefully check the information on the documents they receive; if Drivers leave in their vehicles without having raised/submitted explicit complaints/issues/reports, they will be considered as having given implicit confirmation of the correctness of the operations carried out within;
  - drive slowly when preparing to leave and when exiting the area.
- d) All manoeuvres in the area should be made at **walking pace** and in any case paying **maximum attention to the presence of pedestrians** and any other vehicles/obstacles.
- e) **Compliance is required with the rules on the use of personal protective equipment and general hygiene**; behaviour not complying with the above requirements may result in the suspension of the operations in progress and prohibition of access to the area.
- f) **During loading/unloading operations NO SMOKING, EATING AND/OR DRINKING IS ALLOWED.**
- g) **It is absolutely forbidden to carry out any work or maintenance to the vehicle** while it is in the loading/unloading areas. Climbing onto the roof of the vehicle is allowed exclusively for operations related to loading/unloading, and only then with the use of the necessary Personal Protective Equipment.
- h) **The noting of unforeseen risks** must be **reported immediately** as well as the inability to operate in accordance with these provisions.
- i) **It is absolutely forbidden to enter the range of movement of the other motor vehicles.**
- j) For any situation of suspected danger of any kind, drivers must immediately suspend the operations and notify the personnel.
- k) **It is absolutely forbidden to leave vehicles unattended and walk to other areas** of the loading/unloading bays unless specifically requested by the entrusted staff.

## 8.2 Rules to adopt in an emergency

- a) In an emergency situation near the vehicle, follow the instructions of staff in charge.
- b) If an emergency occurs in an area other than the loading/unloading bay, immediately move the vehicle so as not to impede traffic and/or the passage of emergency vehicles. Leave the keys in the ignition lock. Follow the instructions of the personnel in charge.
- c) If a disaster occurs that directly involves the vehicle, stop the engine and try to act as per the training received. If the action proves ineffective, alert the staff at reception and follow the instructions of the personnel responsible.

## 9. Supplier/Contractor Social Accountability requirements

In carrying out its activities, BAGGIO make a preliminary assessment and selection of its Suppliers and Contractors, who are also subjected to a periodic re-evaluation process.

This method is intended to ensure that Suppliers and Contractors have the necessary quality and reliability requirements, and maintain them over time, substantially respecting Human- and Workers' rights.

Among the yardsticks adopted by BAGGIO is also the ability of Suppliers and Contractors to meet the requirements of the international standard SA 8000. In particular, they should not engage in, or tolerate, situations that may constitute a violation of the Workers' rights.

Examples of violations are:

- the use of forced labour;
- limitations to the freedom of association and the right to collective bargaining;
- discrimination of workers based on race, caste, national origin, religion, disability, gender, sexual orientation, trade union membership, political affiliation, or age;
- corporal punishment, mental/physical coercion, verbal abuse;
- recourse to non-voluntary overtime;
- wages below the legal minimum standards.

BAGGIO requires of its Suppliers a real commitment towards social accountability, which must include formal commitments regarding:

- a) compliance with all the requirements of the international standard SA 8000 (asking the same commitment of their Suppliers in turn);
- b) participation in the monitoring activities that BAGGIO undertakes;
- c) prompt implementation of remedial and corrective actions regarding any non-conformities with the standard SA 8000, e.g. if any of the violations listed above occur;
- d) promptly notification of BAGGIO of any important business relationship with other Suppliers.

If a BAGGIO Supplier/Contractor take recourse to home work or otherwise receive movements or sell goods and/or services of Suppliers/Subcontractors who are classified as home Workers, it should ensure that such home Workers have access to protection levels which are similar to those accessed by directly-employed staff as per the requirements of the international standard SA 8000.

Among the commitments required are:

- a) establishing written purchasing contracts which have a legal value and which require compliance with minimum criteria;
- b) ensuring that the requirements of the written purchasing contracts are understood and implemented by the Workers and all other parties involved in such contracts;
- c) maintaining comprehensive records on the company premises, which shall include:
  - the identities of home Workers,
  - the amounts of goods provided/services supplied, and/or hours worked by each home worker;
- d) implementing the monitoring activities - also frequent - whether pre-planned or on unannounced basis, to check compliance with the terms of the written purchasing agreements.

BAGGIO reserves the right to make inspections at its Suppliers' premises to acquire reasonable information and to check on the overall compliance with the requirements of this paragraph.



SHIPPING & CHARTERING - MULTIMODAL LOGISTICS

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## 10. Legal requirements for waste-transport and waste-disposal Suppliers

In carrying out its activities, BAGGIO makes a preliminary assessment and selection of its Suppliers, who are also subjected to a periodic re-evaluation process. This method is intended to ensure that Suppliers and Contractors have the necessary quality and reliability requirements, and maintain them over time, substantially respecting Human- and Workers' rights.

Among the yardsticks adopted by BAGGIO is also the ability of suppliers and contractors to meet the requirements of the international standard ISO 14001. In particular, they should not engage in, or tolerate, situations that may violate the respect for the environment and reducing pollution.

BAGGIO only operates with waste-transport and waste-recycling companies registered in the accredited **waste-management register** as per the reference EWC code. BAGGIO reserves the right to request copies of these authorizations and to not confer wastes in any way if such authorization is not valid.

The same means of transport used by the disposer must be authorized by the competent bodies as per their EWC code, and BAGGIO reserves the right to request a copy of the authorizations before conferring the waste and/or its transport to them.

Examples of violations are also:

- transport of unauthorized waste;
- disposal of unauthorized waste;
- waste mixing;
- the dispersal of waste into the environment;
- the violation of Legislative Decree No. 152/2006 and subsequent amendments.

BAGGIO requires a real commitment from its Suppliers to respect the Environment, which must include formal commitments regarding:

- a) compliance with the requirements of the international standard ISO 14001 (and, in turn, requiring of its Suppliers the same commitment);
- b) participation in monitoring activities undertaken by BAGGIO for environmental protection activities;
- c) the prompt implementation of remedial and corrective actions in respect of any non-conformities of the requirements of Legislative Decree No. 152/2006, as amended.

BAGGIO reserves to perform inspections at its Suppliers' premises to acquire reasonable information and verify overall compliance with the requirements of this paragraph.