

# PAGANELLA GROUP CODE OF ETHICS



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# *Code of Ethics*

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*(Pursuant to Legislative Decree  
231/2001)*

APPROVED BY: Roberta Paganella

DATE: 03/01/2019

SIGNATURE:

**Paganella S.p.A.**  
Via C. Colombo, 1  
46100 Mantova  
C.F. (e P.I.) 00498550206

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## INTRODUCTION

With the entry into force of Legislative Decree No. 231/2001, our legislation established the administrative liability of entities <sup>1</sup> when specific offences take place in the interest or to the advantage of said entities by persons holding top managerial positions in their organisation or by persons under their direct management and coordination. However, the legislation establishes that an entity may be exempted from administrative liability if it can prove the existence of specific conditions before the offence took place, including the adoption of a Code of Ethics against the specific offences established by the Decree.

In order to take advantage of the exemption from administrative liability pursuant to Legislative Decree No. 231/2001, and in accordance with its guiding principles, the Paganella Group adopted this Code of Ethics with the purpose of:

- **promoting a cooperative approach toward its stakeholders<sup>2</sup>.** The Paganella Group acknowledges the importance of ethical and social liability as well as of environmental protection in managing the Group's business and activities and, to this end, promotes management that aims at balancing the legitimate interests of its stakeholders and the community in which it operates. Therefore, the Code is based on the ideal of cooperation and respect that affect the interests of all parties involved;
- **preventing unethical conduct when doing business** that may compromise the relationship of trust between the Paganella Group and its *stakeholders*. To this end, it is specified that anyone, individual or organisation, attempting to benefit from the cooperation of others by exploiting contractual and non-contractual power positions, is deemed to implement unethical conduct and this generates hostile attitudes towards the Paganella Group;
- **increasing the Group's good reputation and image**, true and essential intangible assets that

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<sup>1</sup> Art.1 of Legislative Decree 231/2001. "[...] The provisions contained therein apply to entities having legal status and to companies and associations even without legal status. They do not apply to the State, territorial public entities, other non-economic public entities as well as entities carrying out functions of constitutional importance [...]"

<sup>2</sup> The Paganella Group's stakeholders include its human resources (employees and contractors), clients, Shareholders, suppliers, public administration agencies, the community at large and, in a broader sense, all those involved directly and/or indirectly in the Group's activities.

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promote:

- externally, the investments of shareholders, the loyalty of clients, the possibility to attract the best human resources, the peace of mind of suppliers and the reliability of creditors;
- internally, the decision-making and effective implementation of decisions without friction and an organisation of work without bureaucratic checks and the excessive use of authority.

Consistently with the purposes described above, the Code of Ethics was

split into two sections:

➤ **the first section is dedicated to:**

- **the "general principles"**, detailing the general principles of conduct to be followed by Employees, Corporate Bodies, Consultants, and External Contractors;
- **the specific conduct asked** to be implemented by Employees, Corporate Bodies, Consultants, External Contractors in the relationships with the various parties so as not to incur in the criminal offences

- established by Legislative Decree 231/2001;

- in relation to which theoretical/potential areas of risk have been assessed based on the preparatory analyses for the introduction of the organisation, management and control model pursuant to Legislative Decree No. 231/2001, of which the Code of Ethics is an integral part.

➤ **the second section is dedicated to the notification of any breach** of the Code and to the Disciplinary System.

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## ETHICAL VISION

The Paganella Group operates in the transportation and logistics sector, introducing itself to its clients, operators, users and end customers as a solid and reliable partner, capable of meeting their needs and expectations. The Group is inspired by specific fundamental values:

- operating according to the principles of prevention and traceability, so as to provide a product/service that is constantly safe and guaranteed in terms of its characteristics;
- streamlining the company management in all its areas;
- recognising as essential the role of training and the fact of involving all personnel;
- Integrating in its effectiveness and efficiency goals the principles of sustainable development and the prevention of accidents in the workplace, which are essential prerequisites for a responsible and long lasting presence on the market.

## 1. FIRST SECTION: GENERAL PRINCIPLES

The Paganella Group deems both its image and its reputation assets that must be protected and developed also through the full dissemination, sharing and compliance with the ethical and behavioural principles contained in this code.

In carrying out its activities, it finds its inspiration in the ethical principles stated below, with which it demands compliance by the all those involved in their tasks.

### **1.1 Compliance with the Law and the Fight against Corruption**

Compliance with the law, transparency and management fairness are the ethical principles from which the Paganella Group draws inspiration and from which its code of conduct originates, in order to compete effectively and fairly on the market, improve client satisfaction, increase the corporate value and develop the skills and professional growth of its human resources.

**To this end, the Group carries out its activities in compliance with EU, national and international regulations, rejecting corruption and any illegal practice.**

Consequently, as part of their professional activity, Employees and Corporate Bodies, as well as

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Consultants, External Contractors, Partners, suppliers and clients, and anyone who has relationships with the Company shall diligently comply with the laws and regulations in force.

No conduct in violation of current legislation, this Code of Ethics or corporate regulations, implemented by the corporate governance bodies, top management and - in general - by all employees and contractors in carrying out the tasks or assigned duties, even if motivated by the pursuit of the Company's interest, shall be deemed justified and thus it will be subjected to penalties.

The Paganella Group shall not start or continue any relationship with any party that does not wish to comply with this principle. Employees and Corporate Bodies must be aware of the laws and related code of conduct.

## 1.2 Honesty

Honesty is the basic principle at the basis of all Paganella Group's activities and therefore it drives its initiatives, its reports, and its communications: it is an essential part of the company's management.

The relationships with "stakeholders" are based on fairness, cooperation, loyalty and mutual respect.

## 1.3 Transparency, Completeness and Truthfulness of Information

The Paganella Group acknowledges the fundamental value of providing correct information to Shareholders, stakeholders, management and control bodies and competent departments with regard to significant facts concerning corporate and accounting management.

Employees and External Contractors are required to provide complete, transparent, truthful, understandable and accurate information, so that, in establishing relationships with the Group, stakeholders and anyone else who may come in contact with the company can make independent decisions, aware of the interests involved and of the possible alternatives and the relevant implications.

## 1.4 Fairness in Corporate Management

The Paganella Group pursues its corporate purpose in compliance with the law, the Articles of

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Association and corporate regulations, ensuring the proper operation of the corporate bodies and the protection of the proprietary and participatory rights of its shareholders, safeguarding the integrity of the share capital and assets.

## 1.5 Confidentiality of Information

The Paganella Group ensures the confidentiality of the information it holds, as well as compliance with the regulations on personal data and refrains from seeking confidential data through illegal means.

All the information available to the Group is processed in compliance with the confidentiality and privacy rules of the interested parties, in accordance with the regulations in force.

In particular, Corporate Bodies, Employees, Consultants, External Contractors and Partners are required not to use and disclose confidential information acquired regarding the business of the Company for purposes not related to carrying out their duties.

## 1.6 Personal Respect

The Paganella Group promotes respect for the physical, moral and cultural integrity of the person. For this reason, it safeguards workers against psychological violence, and fights off any attitude or behaviour that is discriminatory or harmful to the person, including beliefs and personal preferences (for example insults, threats, isolation or excessive intrusiveness, and professional limitations).

Sexual harassment is not allowed and behaviour and words that may harm the person's feelings must be avoided (for example, the display of images with explicit sexual reference, insistent and continuous sexual allusions).

Employees or External Contractors of the Paganella Group who believe to have been subjected to harassment or discrimination for reasons related to age, sex, sexuality, race, health status, nationality, political opinions and religious beliefs, and more may report their case to their superior or directly to the Management, and ultimately to the Oversight Body.

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## 1.7 Professionalism and valorisation of the human resources

The Group deems of crucial importance the performance of services by employees and contractors of the Group carried out with due diligence, competence, professionalism and efficiency, also in order to provide clients and those with whom the Group has business relationships with high quality services such as to ensure regular and continued service.

The Group defines work organisation as work carried out based on respect of the tasks and skills established by the company organisation chart, with prohibition of authoritarian acts and acts not related to the performance of the corporate procedures.

To this end, the Group is committed to promote the skills of its resources, providing them with suitable training, professional upgrades and development tools.

## 1.8 Remuneration policies

The Group guarantees work conditions respectful of individual dignity and work environments in compliance with current regulations, and applies to its employees wages in line with the provisions of the legislation and applicable employment contracts. Remuneration, allowances, benefits and incentives are consistent with the professional skills and tasks assigned.

## 1.9 Impartiality and Fairness

The Group deems the impartiality of remuneration a fundamental value in every relationship, both in-house and external, and considers the individual, with his/her values and rights, values to be protected.

The Paganella Group is committed to ensure that the exercise of authority within the hierarchical relationships is always inspired by criteria of fairness and correctness and does not condone abuse of any kind. In particular, it ensures that authority is not turned into the exercise of power that is detrimental to the dignity and independence of the Employee or External Contractor and that work organisation choices safeguard the value of the Employees or External Contractors.

## 1.10 Free Competition and the Fight against Private Corruption

The Paganella Group acknowledges the importance of free competition in the reference market as a fundamental factor for constantly developing and improving the company. Corporate Bodies,

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employees, contractors and members of Corporate Bodies are forbidden to accept assignments and gifts from suppliers or partners, except for what expressly authorised by the Management. Likewise, any behaviour, promise or action that may lead the staff of Clients and suppliers to violate their duty of loyalty and fairness, in order to obtain an advantage on behalf of the companies of the Group shall be avoided.

## 1.11 Preventing Conflict of Interest

In carrying out each activity, it is mandatory to avoid situations, even potential ones, of conflict of interest meaning situations in which a member of the Corporate Bodies, an Employee, a Consultant, or an External Contractor pursues an interest different from the one of the Paganella Group and from the balancing of the interests of the stakeholders takes personal advantage of business opportunities of the company.

## 1.12 Traceability of Operations and Transactions

Every operation and transaction of the Paganella Group must be properly recorded, authorised, verifiable, legitimate, consistent and appropriate. To this end, all actions and transactions must be properly recorded and it must be possible to check the decision-making, authorisation and implementation process. Therefore, adequate support documentation must be provided for each operation so that verifications can be carried out at any time to certify the characteristics and reasons for the operation and identify who authorised, carried out, recorded and checked said operation.

The operating procedures are described in the "Organisational Model" and related "protocols".

## 1.13 Separation of Duties

The Paganella Group guarantees the application of the principle of separation of duties, so that no person or role can be completely autonomous in an economic and financial transaction:

- unlimited powers are granted to no one;
- the powers and responsibilities are clearly defined and known within the organisation;
- authorisation and signature powers are consistent with the assigned organisational responsibilities;



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- the control system must document the implementation of the verifications carried out, including supervision.

## 1.14 Conflict of Interest

Every member of the Corporate Bodies, every employee/contractor of the Companies of the Paganella Group is required to avoid all situations and activities in which a conflict with the Company's interests may arise or which may interfere with his/her ability to make impartial decisions in the best interests of the company and in full compliance with the provisions of the Code. In addition, each member must refrain from obtaining personal advantages through the use of corporate assets or business opportunities of which he or she becomes aware while performing his or her duties<sup>3</sup>.

Any situation that may represent or give rise to a conflict of interest must be promptly communicated by each employee/Contractor to his or her superior or corporate contact. In particular, all employees and contractors are required to avoid conflict of interest between their personal and family financial activities and the duties they perform within the structure to which they belong. By way of example, but not limited to, the following situations give rise to a conflict of interest:

- ECONOMIC INTEREST OF the employee or contractor or his/her family members in activities concerning the position of suppliers, clients, competitors, lenders and, in any case, with external parties with whom they seek to do business;
- USE of information acquired in the performance of activities on behalf of the Companies of the Group for his/her own benefit or for the benefit of third parties and in any case in conflict with the company's interests;
- ACCEPTANCE of business mediation or brokerage tasks on behalf of third parties for transactions concerning the companies of the Group;
- EXPLOITATION of the functional role in order to pursue interests contrary to the corporate

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<sup>3</sup> Article 2105 of the Civil Code states as follows: - *Obligation of loyalty* - "Employees must not carry out business, on their own behalf or on behalf of third parties, in competition with that of the employer, nor disclose information regarding the organisation and production methods of the company, or make use of them in such a way as to be detrimental to it".

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interests;

- IMPLEMENTATION of work activities or acceptance of corporate positions of any kind and even indirectly, at clients, suppliers, competitors and third parties in general, in contrast with the interests of the Companies of the Group.

Anyone who becomes aware of or operates in a situation of possible conflict of interest is required to immediately inform his/her superiors, specifying the situation/relationship that could potentially affect the impartiality of his/her conduct.

For the directors, this obligation is in addition to that established by Article 2391 of the Civil Code.

## 1.15 Accounting Records

The Paganella Group complies with the rules of accurate, complete and transparent accounting, in accordance with the criteria specified in the relevant legal provisions, including those of civil and tax provisions, as well as the Accounting Principles in force.

In the activity concerning the accounting of events related to management, employees and contractors are required to scrupulously comply with current legislation and internal procedures so that each transaction is not only correctly recorded but also authorised, verifiable and legitimate.

Employees and contractors are required to act with transparency towards the Management, Administrative Manager, Board of Statutory Auditors and Oversight Body, providing them with the utmost cooperation in carrying out their respective verification and control activities.

Adequate documentation supporting the activity carried out is stored on file for each transaction in order to allow:

- ease of accounting operations;
- the identification of the various levels of responsibility;
- the accurate reconstruction of the transaction, also to reduce the probability of interpretative errors.

Each posting must reflect exactly the results of the supporting documentation. It is the duty of each employee to ensure that the documentation is easily traceable and kept according to logical criteria.

Employees who become aware of omissions, falsifications, or negligence in the accounting or

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documentation on which the accounting records are based, are required to report the facts to their superior or to the competent department.

## 1.16 Corporate Communications

The Paganella Group is committed to ensure that its corporate communications <sup>4</sup> are carried out fairly and truthfully, in compliance with the law and preserving the interests of the Shareholders. To this end, the Sole Director and the members of the Board of Statutory Auditors in order not to deceive the shareholders or the public and to avoid obtaining an unfair profit for themselves or others are prohibited from:

- reporting material facts that do not correspond to the truth (even if under assessment);
- omitting information whose disclosure is required by law on the economic and financial statements of the Companies of the Group.

The Group acknowledges the essential role and, consequently, special protection to the inspection activities carried out by the Shareholders' Meeting, Board of Statutory Auditors, Independent Auditors and the Oversight Body, stopping any conduct that may result in a refusal or implementation of work aimed at hindering the verification or shifting attention away from facts and activities of interest to the Companies of the Group.

In order to ensure the correct and complete performance of monitoring and auditing activities, it is prohibited:

- to conceal documents or use other suitable devices to prevent or hinder the performance of the monitoring or auditing activities legally attributed to shareholders and statutory auditors;
- to be involved in any illegal conduct of the person responsible for the monitoring/auditing aimed at certifying the falsehood or concealing information on the economic, and financial statement of the Companies of the Group.

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<sup>4</sup> communicating financial statements, reports and other corporate communications required by law and addressed to shareholders or the public.

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## 1.17 Relationships with Suppliers

The selection of suppliers <sup>5</sup>of goods and services must be made according to objective and documented criteria. The management of relationships with suppliers must be based on the principles of good conduct in force within the Group and based on this Code, complying with the provisions of the laws on relationships with the Public Administration.

In the selection of suppliers and subcontractors, in addition to the price and quality of the product or service, the companies of the Group verify, through documented proof, that the requirements of moral reliability and technical-professional suitability are met along with the availability of financial and organisational resources, operational capacity, know-how, etc., as well as the existence and effective implementation of adequate corporate quality systems.

The purchasing process must be based on the search for maximum transparency and impartiality towards each Supplier meeting the requirements. Therefore, where possible, for the type of product or service to be acquired, those responsible for the process of selecting a supplier must ensure, at each selection, effective and adequate competition.

Employees and Recipients of the Code are required to comply with contractual conditions and legal provisions in managing relationships with suppliers and sub-carriers.

Supply processes are based on conduct that aims at building fundamental and reciprocal loyalty, transparency and collaboration and to maintain relationships in line with good business practices.

## 1.18 Relationships with the Public Administration and with entities that carry out activities of public utility or public interest

Relationships concerning the activities of Companies of the Group with public officials or public service appointees (who operate on behalf of the Public Administration, both central and peripheral), as well as with public service licensees, must be undertaken and managed in full and strict compliance with the laws and regulations in force, with the principles established by the Code of Ethics and in internal protocols and procedures, so as not to compromise the integrity and reputation of both parties. To this end, any commitment made with Public Administrations and

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<sup>5</sup> Suppliers are defined as all persons and companies from which the Paganella Group purchases goods and services for the performance of its business, including sub-carriers.

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Public Institutions is reserved exclusively to the appointed and authorised departments, which will carry them out in due compliance with the laws and the principles of the Code of Ethics and in full compliance with the protocols and internal procedures.

The Group prohibits its employees, contractors or representatives and, generally, all those who operate in its interest, name or on its behalf, from accepting, promising or offering, even indirectly, undue money, gifts, goods, services or favours from relationships occurred with public officials, persons in charge of Public Service or employees, in general, of the Public Administration or other Public Institutions, or private individuals, that may affect their decisions, with the goal of obtaining favourable treatment or undue performance or for any other purpose.

Any employee who receives, directly or indirectly, requests or offers money or favours of any kind (including, for example, free gifts or presents of no marginal value) unduly made to, or by, those who work on behalf of the Group in the context of relationships with public officers, officers responsible for a Public Service or employees in general of the Public Administration (Italian or other foreign countries) or other Public Institutions, or with private individuals (Italian or foreign), must immediately report this fact to the competent internal superior to take the consequent measures.

Any relationship with State institutions is, therefore, exclusively limited to communication in a transparent, rigorous and consistent manner, aimed at documenting the Group's activities, answering to requests or investigations (interrogations, investigations), or in any case making known the position of the Companies of the Group on relevant issues.

## 1.19 Use of Public Funds

In relation to the request for public funds<sup>6</sup> to the State/European Union/other public entity and their use, the Group undertakes to follow the procedure to obtain funds and their proper use, in compliance with the law, the provisions of this Code of Ethics and internal procedures, also in order to avoid possible damage to the corporate image.

Employees, Corporate Bodies and contractors are therefore prohibited from:

- using the funds received to promote initiatives aimed at implementing works or carrying out

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<sup>6</sup> Grants, financing, contributions, soft loans and other disbursements of the same type.

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- activities of public interest with purposes other than those for which they were obtained;
- using/submitting false statements or documents or omit due information in order to obtain funds unduly;
- promising/giving a Public Officer, for him or for a third party, undue remuneration in cash or other benefits in exchange for an act of office necessary to obtain funds;
- promising/giving to a Public Officer, for him or for a third party, an amount money or other benefit in order to make him omit/delay an act of office or to perform an act contrary to the official duties to facilitate access to funds;
- misleading or deceiving the State/other public entity in order to obtain the funds;
- altering (in any way) the operation of a IT/telematic system or acting (without right and in any way) on data/information/programs contained in a IT/telematic system or related to it in order to obtain funds or to increase the amount of funds already obtained.

## 1.20 Participation in Tender Procedures called for by the Public Administration

In participating in tenders, the Group carefully assesses the appropriateness and adequacy of the requested services, with particular reference to technical and financial conditions, and promptly identifies any anomaly, if applicable.

The Companies of the Group also undertake to correctly prepare/participate in the tender procedure, in compliance with the law, the provisions of this Code of Ethics and internal procedures, also in order to avoid possible damage to the Group's corporate image.

Employees, Corporate Bodies and contractors are therefore prohibited from:

- promising/giving a Public Officer, for him or for a third party, undue remuneration in cash or other benefits in exchange for an act of office necessary to allow the Companies of the Group to advance in the tender procedure;
- promising/giving to a Public Officer, for him or for a third party, an amount of money or other benefit to make said Public Officer omit/delay an act of office or to perform an act contrary to the official duties to facilitate the advancement of the Companies of the Group in the tender procedure;
- preventing or affecting, with violence or threat, or with gifts, promises, collusion or other fraudulent means, the tender in public auctions or in private bids on behalf of public

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administrations;

- altering (in any way) the operation of a IT/telematic system or acting (without right and in any way) on data/information/programs contained in a IT/telematic system or related to it in order to facilitate the advancement of the Companies of the Group in the tender procedure;

## 1.21 Relationships with Supervisory, Control and Judicial parties

The Group's relationships with the parties in charge of supervision and control are based on maximum collaboration in full respect of their role, with the commitment to promptly implement their requirements.

The Group undertakes to provide all the information requested by the parties in charge of supervision and control of the services provided, in a complete, correct, adequate and timely manner. To this end, in the communications to the aforementioned authorities required by law, the Sole Director, Statutory Auditors and employees of Companies of the Group are prohibited from:

- disclosing material facts that do not correspond to the truth (even if the subject matter of assessments) on the financial, economic and asset situation of the Companies of the Group;
- hiding with other fraudulent means, in whole or in part, facts that should have been disclosed on the financial, economic and asset situation of the Companies of the Group.

The Group draws up and implements, for this purpose, and appropriate internal communication procedures and collection, processing and transmission of the information requested by such parties. In the event of participation in legal proceedings, the Group undertakes to adopt a correct conduct in legal proceedings, in compliance with the law, the rules of this Code of Ethics and internal procedures, also in order to avoid possible damage to the company's image.

In judicial proceedings in which one of the Companies of the Group is a party, employees, Corporate Bodies and contractors of the company are prohibited from:

- promising/giving to a Public Official (e.g. a judge, a clerk of the court or another officer) for him or for a third party, undue remuneration in cash or other benefits in exchange for an act of office to obtain an advantage for the company in the legal proceedings;
- promising/giving to a Public Official (e.g. a judge, a clerk of the court or another officer) for

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him or for a third party, undue remuneration in cash or other benefits in order to make said Public Official omit/delay an act of office or to perform a deed contrary to the official duties in order to obtain an advantage for the company in the legal proceedings;

- misleading the State/other public entity with stratagems or tricks in order to obtain an advantage for the company in the legal proceedings;
- altering (in any way) the operation of a IT/telematic system or acting (without right and in any way) on data/information/programs contained in a IT/telematic system or related to it to obtain an advantage for the company in the legal proceedings.

## 1.22 Relationships with Trade Unions, Political Parties and Public Organizations

The relationships with political parties, trade unions and other associations bearing interest are held by authorised Company Representatives or persons appointed by them, in compliance with the provisions of this Code, as well as the Articles of Association and special laws, with particular regard to compliance with the principles of fairness, cooperation, impartiality and independence. Any form of involvement in political activities must in any case take place on a personal basis, at one's own expense and in compliance with the law.

The Group does not provide contributions of any kind, directly or indirectly, to trade unions, nor to their representatives or candidates, refraining from any kind of pressure on public representatives (consultancy contracts, acceptance of hiring recommendations, etc.).

Forms of institutional cooperation are possible if the purpose is consistent with the Group's mission or if they refer to projects of public interest for which the allocation of resources is clear and possible to document and there is express authorisation from the relevant Corporate Bodies.

## 1.23 Environmental Protection and Sustainable Development

The environment represents a primary asset that the Group safeguards, in compliance with the principles of sustainable development and to this end it plans its activities by seeking continuous balance between economic initiatives and social and environmental needs, and implementing operating procedures to mitigate the risk of damage and environmental offences in the logistics and transport stages.

## 1.24 Occupational Health and Safety Protection



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The Group disseminates the culture of safety and risk prevention in the workplace to all its employees. To this end, it identifies the following fundamental principles at the basis of its choices and measures for safeguarding health and safety in the workplace:

- the assessment of all health and safety risks;
- the planning of prevention, focused on an approach that integrates consistently technical production condition prevention at the company as well as the factors affecting the environment and the organisation of work;
- the workers' health monitoring;
- adequate information and training for workers;
- the appropriate instructions for workers;
- the participation and consultation of workers' safety representatives
- the planning of measures deemed appropriate to ensure the improvement of safety levels over time, including through the adoption of codes of conduct and good practices;

The entire Group, both at the managerial and operational levels, must comply with these principles in preparing resolutions and, subsequently, in their observance and implementation.

## 1.25 Tobacco, Alcohol and Drugs

The Paganella Group requires that each employee or Contractor personally contributes to maintain the work environment respectful of the sensitivity of others, and comply with all applicable regulations including the Roadway Code. During the work activity and at the workplace, it is prohibited and will therefore be considered consciously accepting the risk of injury in the following cases:

- operating under the effects of alcohol, drugs or substances with similar effects;
- taking or providing for any reason drugs during work.

The Group is committed to promote the social actions established in this field by current legislation.

## 1.26 Use of Company Access to the Internet

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The Group undertakes to avoid the use of the company's access to the IT network and web connectivity services for reasons not strictly related to business reasons and, in particular, prohibits its use to own or distribute illicit material or material that exposes the user to the risk of a criminal offence.

Consequently, also in order to avoid detriment to the company's image, the use of IT procedures that, by means of special "filters", prevent the Group's Employees from accessing Internet sites with contents that are not appropriate to the company's business was planned.

## 1.27 Compliance with the Regulations included in the Code of Ethics

The companies of the Group ensure the widest dissemination of the Code of Ethics among their employees. The companies require that their employees know and comply with the provisions of the Code of Ethics and that, compatibly with individual possibilities, they promote the knowledge of the Code of Ethics among newly hired employees as well as among third parties interested in applying it when dealing with them for business reasons.

In particular, employees are required to:

- refrain from a conduct contrary to the regulations of the Code of Ethics and demand compliance with them;
- contact their superiors or the entities assigned to them in case of need for clarification on how to apply them;
- promptly report to their superiors and company contacts any news, directly identified or reported by others, regarding possible violations of the Code of Ethics and any request made to them to violate it;
- cooperate in monitoring possible violations with the offices appointed to this task.

## **2. SECOND SECTION: OVERSIGHT BODY, VIOLATIONS AND DISCIPLINARY SYSTEM**

### **2.1 Oversight Body**

An internal body, named the Oversight Body (acronym ODV), is established and to which is entrusted the task of continuously monitor the effective operation and compliance with the Model, as well as its updates.

The Oversight Body constantly monitors the effective implementation of the Model, and to this

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end:

- it carries out inspections according to predetermined methods and approved by the body itself;
- it monitors compliance with the rules of conduct by employees, including those with managerial positions, and by each recipient of the Model;
- it has access to all documents concerning the Model;
- it may request information from anyone operating on behalf of the Company in the fields of risk and sensitive processes identified in the Model;
- it receives the information specifically identified as mandatory by the Model;
- it proposes penalty procedures following the violation of the rules of conduct identified in the Model;
- it submits the Model to periodic review, with regard to its real effectiveness and effective ability to prevent the occurrence of offences, and to update it, proposing appropriate amendments to the Sole Director;
- it expresses an opinion on the adequacy and suitability of the amendments to the Model;
- it receives any reports of irregularities or legal violations ("ethical alert") and manages the assessment and decision-making process.

## 2.2 Reports of Legal Violations and of the Code of Ethics (Ethical Alert)

It is the task of each employee, top manager, middle-manager with management and control roles, member of the corporate bodies or contractor, to check, within the scope of their competence and skills, the fairness of the processes in which they are called to participate, giving immediate communication to their immediate superior, to the Sole Director or directly to the Oversight Body (via a dedicated e-mail) of any irregularity classifiable as a "significant irregularity" and therefore of offences, violations of civil law (including negligence, fraudulent conduct of a contract, violation of an administrative law), violation of protocols, legal risks, hazards to safety, health or the environment and/or the cover-up of one of these: anonymous reports to the OdV are prohibited, without prejudice to the guarantee of confidentiality by the OdV, with processing of the report in a confidential and private manner.

Therefore, the Group established appropriate channels of communication through which the

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concerned parties may submit their notification on the Code or any violations thereof, in full compliance with the right to public discussion and the utmost confidentiality, without prejudice to legal obligations. The notification may be submitted via e-mail. [odvpaganella@gmail.com](mailto:odvpaganella@gmail.com). The person who submitted the notification, in accordance with the so-called "Whistleblowing" Law No. 179 dated 30 November 2017 is protected from any disciplinary measures or retaliation by superiors, for violations made in good faith and on the basis of reasonable belief.

## 2.3 Disciplinary System and Penalty System

### 2.3.1 Disciplinary Offences pursuant to the 231/01 Organisational Model

The conduct of employees in violation of the individual rules of conduct specified in this Code of Ethics will constitute disciplinary offences.

The following violations constitute disciplinary offences:

- 1) failure, incomplete or untruthful management of documents and records, as required for sensitive processes;
- 2) any violation of the requirements contained in this Code and in the aforementioned documents (procedures and instructions);
- 3) the hindering of verifications, the unjustified hindering of access to information and documentation by the persons in charge of checking procedures and decisions, including the Oversight Body, or any other conduct suitable for the violation or circumvention of the control system;
- 4) the omission or violation of any requirement aimed at ensuring health and safety in the workplace;
- 5) the omission or violation of any requirement aimed at ensuring compliance with environmental regulations;
- 6) the violation of the rules of the Roadway Code, with particular reference to the rules concerning the protection of the safety of people and the environment (e.g.: failure to comply with speed limits, traffic lights, failure to comply with driving and rest shifts, overtaking on prohibited road and freeway sections);
- 7) unjustified violations of other provisions of the Code of Ethics.

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## 2.3.2 Type of Penalties for Employees

The penalties will be ordered by the Sole Administrator, the disciplinary procedure may also be initiated upon notification of the OdV. No disciplinary procedure according to the Organisational Model may be filed, nor any disciplinary penalty for violation of the Model may be imposed, without prior notification to the OdV. The penalties that can be ordered for the employees are among those established by the CCNLLs applied at the company, in compliance with the procedures established by article 7 of Law No. 300 dated 30 May 1970 (Workers' Statute), the CCNL of the reference sector and any special applicable regulations. Therefore, in accordance with the article of the CCNL "Disciplinary Measures", the following penalties were established:

1. **verbal warning**
2. **written warning**
3. **fine up to the amount of 4 hours of remuneration and/or charging of fines received;**
4. **suspension from work and suspension of the remuneration for a period from one to ten days**
5. **dismissal without notice.**

## 2.3.3 Method of Application of Disciplinary Penalties for employees

All the provisions pursuant to art. 7 of Law 300/1970 in relation to the Employee's dispute of the charge (with the exclusion of directors) remain unchanged and are hereby referred to in order to allow the Employee to defend himself/herself and provide any explanations.

In terms of verification of the violations, the powers already conferred to the company's management remain unchanged within the limits of the respective competence.

1. **Verbal warning:** the employee who commits, due to negligence or inexperience, a slight violation of the procedures and recommendations established by this Model and by company procedures is subjected to the penalty of a verbal warning;
2. **Written warning:** the employee who commits a repeated offence as described in the previous point 1 is subject to the penalty of a written warning;
3. **Fine of up to 4 hours of remuneration, and suspension from service and remuneration:** the employee is subject to one of these penalties if, by way of example, commits one of the offences under consideration:

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- a. the employee commits multiple violations of the provisions of this Code of Ethics, of the protocols for preventing the risk of offences before they are identified and notified;
  - b. the employee who, due to negligence or imprudence, commits violations capable of damaging the safety of other employees in relation to the requirements and procedures of the SGSSLL pursuant to Legislative Decree 81/08;
  - c. the employee who due to negligence or imprudence, commits violations that may cause damage to the environment in violation of the established regulations and procedures;
  - d. the aforesaid penalties are applied in relation to the seriousness of the violation, in compliance with the opinion of the Sole Administrator, after consultation with the employee's hierarchical managers and the OdV, and the results and decisions are recorded.
  - e. Suspension from work and suspension of remuneration for a maximum of ten days may also be applied in the event of a repeated violation, beyond the third time in the same calendar year and in any of the violations that gave rise to a fine.
4. **Charging of the fines received** with particular reference to fines for failure to comply with the Roadway Code.
5. Without prejudice to the right of any other legal action, the Company may **dismiss the employee without notice** when, by way of example:
- a. the employee commits repeated violations, beyond the third time in the same calendar year, and any of the violations that gave rise to suspension from work and remuneration in accordance with the previous point;
  - b. commits violations of this Code of Ethics and company procedures, even if not aimed at committing offences, which in fact determined or facilitated such offences being committed by another person;
  - c. commits one or more offences covered by this Code of Ethics, even if just an attempt.

## 2.3.4 Penalties for Managers

For violations of the regulations of conduct identified in the Code committed by a manager, the disciplinary measures established by the national collective bargaining instruments shall apply. In

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this case, the penalties shall be ordered by the Sole Director with notification to the OdV.

## 2.3.5 Measures against Directors

In the event of violations of the Model by the Sole Director, the OdV will inform the Board of Statutory Auditors, which will take the appropriate actions, as established by current legislation.

## 2.3.6 Measures against External Contractors and Suppliers

Any conduct adopted by External Contractors or suppliers in contrast with the guidelines of conduct specified in this Model and such as to entail the risk of committing an offence specified in the Legislative Decree 231/2001 may result in the termination of the contractual relationship, without prejudice to the request for compensation of damages if such conduct results in actual damages, such as in the case of application of the measures established by the Decree ordered by a judge.

**END OF DOCUMENT**

