

HUMAN RIGHTS GUIDELINES



Approved by the board of Ghella S.p.A. on 18 April 2019

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1. INTRODUCTION

MISSION Build excellence in a sustainable and innovative way

VISION Leave a better World to the next generations

In line with the principles expressed in our *Code of Ethics* and *Anti-Corruption Guidelines*, Ghella S.p.A. with all its subsidiaries (hereinafter referred as “Ghella”) are committed to put the pursuit of transparency and ethical behaviours in all its activities.

Ghella recognises and encourages all its affiliates to formally adopt provisions outlined by the UN Universal Declaration of Human Rights and the International Labour Organisation (ILO) Conventions.

Ghella is aware of the importance and value of preserving its long-standing reputation in the construction industry. This requires not only a shared sense of compliance and ethical behaviour among all its workforce and partners, but also a set of rules, principles and controls aimed at ensuring its business is conducted with integrity, transparency and rigorous compliance with the laws and the internationally recognised ethical principles.

Drawing on international best practices, Ghella has adopted a set of comprehensive Human Rights guidelines applicable worldwide, thus addressing the global nature of its business.

This approach puts Ghella in the best position to prevent Human Rights abuses.

2. PURPOSE OF THE HUMAN RIGHTS GUIDELINES

The purpose of the Human Rights Guidelines (hereinafter referred as “Guidelines”) is to clearly express Ghella’s commitment to respect fundamental Human Rights, since dignity and respect for people are at the core of its corporate culture.

It is also meant to offer Ghella’s workforce, contractors and partners a set of guidelines (principles, controls, etc.) for identifying and preventing potential infringements to Human Rights, thus providing the tools to avoid any Human Rights abuses occurring within Ghella’s control.

By producing and publishing this document, Ghella aims to:

- Provide the means to integrate responsibility to respect Human Rights within its employees and affiliates, as well as all third parties with whom it deals or does business;

- Meet stakeholders' expectations on this matter, by sharing externally Ghella's commitment to the protection of people's rights;
- Set the basis for a continuous monitoring of its operations in the area of Human Rights protection, by implementing processes aimed at identifying potential gaps related to areas at risk.

3. RANGE OF APPLICATION

This document, approved by the Board of Ghella, is addressed to the workforce of Ghella and all its direct and indirect subsidiaries, whether they be executives or employees, and shall be applied in conjunction with legal requirements and regulations locally in place.

For a detailed guidance on *general standards of behaviour*, these guidelines should be applied in conjunction with the latest version of Ghella's "*Code of Ethics*".

These guidelines are also aimed at external stakeholders to inform them about the principles followed by Ghella to respect Human Rights practices in its operations.

Ghella and all its subsidiaries in all geographical locations, shall adopt this document, without exceptions, from the issued date.

These Guidelines are also publicly available on Ghella's website and communicated internally and externally to all employees, business partners and other relevant parties.

4. REFERENCES

4.1. EXTERNAL REFERENCES

The following list contains the main legal references pertaining the respect of Human Rights:

- UN - International Bill of Human Rights, which comprises the following:
 - Universal Declaration of Human Rights;
 - International Covenant on Civil and Political Rights;
 - International Covenant on Economic, Social and Cultural Rights.
- ILO – International Labour Organisation core conventions (eight fundamental conventions);

- UN – Convention on the Right of the Child;
- European Convention on Human Rights;
- ILO Declaration on Fundamental Principles and Rights at Work UNICEF – Children’s Rights and Business Principles.

Furthermore, the main widely accepted non-binding principles issued by International Organisations are:

- UN – Global Compact Principles & “A Guide for Businesses: How to develop a Human Rights Policy”;
- OECD – Guidelines for Multinational Enterprises;
- UN – Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework;
- ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy.

The company commits to comply with other relevant local laws and regulations promulgated by the countries in which it operates, as well as with any new or updated legislation that may be introduced from time-to-time.

4.2. INTERNAL REFERENCES

The following list contains the main internal references pertaining the respect of Human Rights:

- Code of Ethics;
- Organisational Model according to Italian Legislative Decree 231/2001;
- Anti-corruption policy;
- Anti-corruption guidelines;
- Health and Safety Policy;
- Human resources management policy.

5. ROLES AND RESPONSIBILITIES

Ghella’s Management Board is responsible for ensuring compliance with these Guidelines.

Managers and executives shall also serve as role models in implementing and observing these Guidelines, by ensuring that the workforce is familiar with these Guidelines and with the Code of Ethics and strictly observes the provisions therein.

The Compliance and Sustainability Unit is responsible to, *inter alia*:

- Support and assist the functions/units of Ghella and of its affiliates in the adoption and communication of the present document's requirements;
- Plan and coordinate the due diligence process and the annual reporting regarding the commitments made in this document;
- Provide regional & Compliance Managers with assistance and specific policies on Ethics matters;
- Track the outcome of the analysis carried out by regional Compliance Managers about whistleblowing reports on human rights matter;
- Review the present document (The Human Rights Guideline) to incorporate any changes to national or international laws and regulations, statutes, treaties, rules and widely accepted ethical principles, to which reference as best practice is made in the document.

Due to Ghella's international nature, regional Compliance Managers are assigned to support the Compliance and Sustainability Unit by dealing with cases brought to their attention under the relevant local laws. Regional Compliance Managers will:

- Investigate cases brought to their attention respecting confidentiality;
- Assess the legal implication of the case;
- Advice on any actions to be taken;
- Seek external legal advice where appropriate;
- Prepare annual reports for the Compliance and Sustainability Unit.

All revisions to this document shall be subject to approval by the Board of Directors of Ghella.

6. GHELLA'S GLOBAL HUMAN RIGHTS PRINCIPLES

6.1. WORKERS' HUMAN RIGHTS PROTECTION

Recognising the importance of its people, Ghella pays close attention to the working environment in which they operate and fosters a corporate culture where nobody feels threatened, discriminated against, exploited or left alone.

For this reason, Ghella is keen to act against any form of Human Rights' abuse in line with the standards set by the ILO, as outlined in the following sections.

6.1.1. Forced labour & human trafficking

Ghella firmly believes that employment must be chosen freely, so it does not tolerate any form of forced labour (obtained from any person under the threat of prosecution or penalty) and does not seize documents or money from workers to retain them against their will. Ghella forbids any type of forced labour, prison labour, bonded labour, or any other modern form of slavery and human trafficking, extending such provisions to its business partners, in accordance with provisions set out by ILO convention n°. 29 – Forced Labour Convention and ILO convention n°. 105 – Abolition of Forced Labour Convention.

6.1.2. Child labour

Ghella is committed to protecting children's rights (including rights to education) by rejecting their involvement in its operations in compliance with applicable laws. Adhering to the provisions outlined by ILO convention n°. 138 – Minimum Age Convention.

Ghella does not hire any children under the minimum age established by ILO Convention no. 138 and will never hire children under the local age for employment or mandatory school leaving.

Additionally, Ghella prohibits the worst forms of child labour, not tolerating any work where, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children as outlined by the ILO convention n°. 182 – Worst Forms of Child Labour Convention.

6.1.3. Freedom of association

Ghella supports the rights of its workforce in relation to their freedom of association. Ghella respects its employees' choice to take part and/or form workers' Organisations or Trade Unions without incurring in episodes of intimidation, reprisal or harassment, in compliance with the provisions set by the ILO convention n°. 87 – Freedom of Association and Protection of the Right to Organize Convention. Whenever local laws and regulations restrict such rights, Ghella is committed to facilitate the development of parallel means for its workforce to express the above-mentioned rights.

Furthermore, Ghella is committed to establish a constructive dialogue with employees' representatives, so to create the basis for mutual respect and trust, by granting them protection and facilities, in accordance with provisions set out by the ILO convention n°. 135 – Workers' representatives Convention.

6.1.4. Diversity, non-discrimination and equal opportunity

Ghella truly respects diversity and equal opportunities and proactively promotes them. Ghella fosters all differences, being aware of the value added by working in an environment where people from different backgrounds can bring their experiences, beliefs, ideas and views.

Adhering to the provisions outlined by the ILO Convention n°. 111 - Discrimination (Employment and Occupation) Convention, Ghella fights against “any distinction, exclusion or preference made based on race, skin colour, gender, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation”.

6.1.5. Working and remuneration conditions

Ghella knows the importance of secure employment for workers and the society as a whole, and for this reason it favours permanent, open ended and direct employment.

Ghella has set internal rules for the recruitment of resources working on limited/fixed term contracts.

Ghella values its people, and its remuneration policies intend to fairly reward work and respect the concept of equal remuneration between men and women workers for work of equal value, in accordance with the provisions outlined by the ILO convention n°. 100 – Equal Remuneration Convention. Furthermore, the minimum compensation for Ghella’s employees cannot be set lower than the minimum threshold defined by collective labour contracts and law regulations in place in each country. Each worker is put in the position to easily understand the underlying relationship with Ghella, including employment conditions and wages.

6.1.6. Working hours

Ghella respects its workers’ right to rest and leisure, and ensures this is attained while being compliant to applicable laws and aligned to the market. That is why all resources are entitled to reasonable rest breaks, holiday leaves and any other relevant contractual agreements.

Furthermore, with reference to weekly working hours and overtime, Ghella is committed to respect local legislations and ensures those are shared with the competent trade unions representatives.

With reference to overtime, which is never forced, and is used responsibly, Ghella diligently considers its extent, its frequency, as well as the hours worked by individual resources and the workforce as a whole.

6.1.7. Health & safety

Ghella fosters the health and safety of its workforce and the community of which it is a part. It firmly believes that its activities must not put anybody at risk. For this reason, the company is committed to eliminate risks of serious harm related to its operation (including mental health harm), designing activities with a preventive security approach, so to minimize the causes of hazards inherent in the working environment, keeping people safe.

In order to preserve the health of its people, the company provides them with all the necessary facilities aimed at ensuring activities are carried out in a healthy, safe and sustainable working environment, in accordance with, among other things, the provisions set out by ILO convention n°. 167 – Safety & Health in Construction Convention.

In aiming to prevent hazards, Ghella provides its workforce with specialised training, endorsing and disseminating a safety culture within its business.

6.1.8. No harsh and inhumane treatment or harassment

Ghella firmly condemns and does not condone any type of harassment, both physical, verbal (including, inter alia, insults, comments, gossiping), sexual and psychological, either direct, indirect or explicitly, via email and/or social media.

Furthermore, Ghella does not tolerate threats, bullying or intimidation, and severely condemns those who threaten the dignity of others and their right to work in a friendly and fair environment. Such provisions apply also outside of working hours.

Finally, Ghella condemns any omissions (i.e. Fail to act) in impeding or reporting such behaviours.

6.2. PROTECTION OF COMMUNITIES

Ghella is aware that its business may have a direct impact on the communities in which it operates. Therefore, the company takes full responsibility for setting up its activities on a basis of mutual respect and cooperation with local communities.

6.2.1. Engagement with local communities

Ghella is committed to engage with local communities by means of constructive dialogues and consultations, with the aim to improve their living conditions and avoid any actions that might harm their health and safety or infringe their rights.

Ghella is open to respond to questions and issues reported by the local communities where it operates since it believes that it is easier and more efficient to address local issues at local level.

Furthermore, in line with standards set by the construction industry, Ghella is committed to take responsibility for its environmental and social footprint, carrying out dedicated impact assessments. Whenever its operations have the potential to cause inconvenience to local communities, Ghella is committed to engage with them and to respect their rights, and to propose free and detailed consultation activities.

6.2.2. Indigenous and tribal people (minorities rights)

Ghella is committed to foster the respect of Human Rights in all their declinations and in all places where it operates. For this reason, in accordance with the provisions outlined by ILO Conventions n°. 107 - Indigenous and Tribal Populations

Convention and n°. 169 - Indigenous and Tribal Peoples Convention, Ghella aims to preserve the rights of those who, by way of example, have a traditional life styles, or minorities with a culture and lifestyle different to other segments of the national population.

In such context, Ghella guarantees compliance with applicable laws and regulation when it comes to land acquisition, which shall always be fairly compensated after adequate information is provided to the land owners.

Furthermore, Ghella fosters the preservation of such peoples' serenity and safety, and for this reason it always promotes open dialogue and consultations with them to reach potential agreements. In such context, Ghella considers resettlement as the very last solution.

6.2.3. Environment protection

Ghella is committed to respect applicable laws regarding environmental protection and, for the benefit of all its stakeholders, aims to minimise its environmental impact in the areas where it operates.

Ghella considers fostering a sustainable business of paramount importance and it is aware that achieving this means reducing the negative impact on the local communities affected by its operations. Hence, Ghella promotes the inclusion of environmental commitments in its design activities and the spreading of environmental values and principles among its workforce by means of dedicated training.

6.2.4. Zero tolerance for corruption

Ghella actively fights corruption, as it considers it one of the main threats to democracies and institutions. Therefore, Ghella rejects any kind of corruption and promotes a zero-tolerance culture for such behaviours, as clearly stated in its Code of Ethics, as well as in both its Anticorruption Policy and Global Anti-corruption Guidelines.

6.2.5. Right to information and privacy

Ghella aims at promoting transparency in the way information is provided to all its stakeholders and does not tolerate discriminatory or disrespectful communications, or those communications that might harm the privacy of its stakeholders.

7. KEY PRINCIPLES WHEN ENTERING INTO RELATIONSHIPS WITH THIRD PARTIES

Ghella requires the third parties with whom it operates (e.g. business partners, suppliers, etc.) to demonstrate good practices in their own management of Human Rights' issues. For this reason, Ghella has progressively included relevant documents in its regulatory framework aimed at cascading its own Human Rights commitments to all its partners.

Internally, Ghella has developed a Code of Ethics that clearly underlines the company's commitment towards such matters, aligning its procedures and guidelines to the provisions of the United Nations Universal Declaration of Human Rights, as well as to national and international laws and conventions.

When dealing with third parties, Ghella aims at favouring those who are able to guarantee not only high quality and professional standards, but also share and commit to its credo and values, including respect for Human Rights.

Accordingly, Ghella enters into agreements with third parties only after their acceptance, inter alia, of the international standards on Human Rights matters, as well as the specific requirements outlined in Ghella's guidelines and procedures, e.g. Ghella's Code of Ethics.

As a standard practice in this sector, Ghella includes specific contractual clauses into consortium contracts, aimed at aligning all parties in their commitment to respect and promote Human Rights, especially in areas such as HR, procurement, health, safety and environment.

8. REPORTING FOR EMPLOYEES: HOW TO REPORT A BREACH

Ghella is committed to promote transparent and honest communication among its workforce and partners, with the aim to create a common ground for mutual respect and compliance with laws and regulations.

Anybody who is willing to report a potential violation to the principles contained in this document or an infringement to applicable laws, should report them to the relevant regional Compliance Managers using the available reporting channels as described in Ghella's Whistleblowing procedure.

Ghella ensures that employees reporting a breach ("whistleblowers") will not have to deal with any reprisal nor retaliatory action, since Ghella is committed to protect and value such actions, which are duly followed up through investigations and corrective actions.

Furthermore, Ghella ensures that any report will be treated confidentially to guarantee the safeguard of whistleblowers.

9. IMPLEMENTATION AND MONITORING

Ghella ensures full compliance to laws, regulations and best practices outlined in this document.

For this reason, not only does the company monitor the implementation of its Global Human Rights Guidelines within its activities, but it also actively promotes its underlying principles among its affiliates and relevant third parties.

To this end, internal processes aimed at implementing and monitoring the activities described in this document are defined in specific sections of relevant local procedures. Such sections formally regulate, among others, the criteria to be used to identify the activities to be monitored, the roles or process owners in charge of carrying out such monitoring activities, the flows of information and reporting related to the monitoring activities carried out.

10. COMMUNICATION AND TRAINING

The present document shall be circulated to internal and external stakeholders through specific communication initiatives.

Ghella guarantees that training initiatives will be recurrently and periodically carried out in order to ensure that the Guidelines are properly understood by all its workforce (including, but not limited to, e-learning training modules).

11. GLOSSARY

CHILDREN'S RIGHTS AND BUSINESS PRINCIPLES (UNICEF): it is the first comprehensive set of principles to guide companies on the full range of actions they can take in the workplace, marketplace and community to respect and support children's rights. Based on existing standards, initiatives and best practices related to business and children, these Principles seek to define the scope of corporate responsibility towards children;

CODE OF ETHICS: Code of Ethics (latest version) adopted by Ghella S.p.A. and its subsidiaries;

CONVENTION ON THE RIGHTS OF THE CHILD (UN): the United Nations Convention on the Rights of the Child (CRC or UNCRC) is a legally-binding international agreement setting out the civil, political, economic, social and cultural rights of every child, regardless of their race, religion or abilities. The Convention defines a child as any human being under the age of eighteen, unless the age of majority is attained earlier under national legislation; Nations that ratify this convention are bound to it by international law and compliance is monitored by the UN Committee on the Rights of the Child;

DISCRIMINATION: any distinction, exclusion, restriction or preference based on race, colour, descent or national or ethnic origin which has the purpose or effect of nullifying or impairing the recognition, enjoyment or exercise, on an equal footing, of Human Rights and fundamental freedoms in the political, economic, social, cultural or any other field of public life;

EUROPEAN CONVENTION ON HUMAN RIGHTS: the European Convention on Human Rights (ECHR), formally the Convention for the Protection of Human Rights and Fundamental Freedoms, is an international treaty to protect human rights and political freedoms in Europe. It is the first Council of Europe's convention, adopted in 1950 and come into force in 1953. All Council of Europe member states are party to the Convention and new members are expected to ratify the convention at the earliest opportunity;

GHELLA'S MANAGEMENT SYSTEM: Ghella's internal set of procedures, policies and guidelines (any internal documentation);

GLOBAL COMPACT (UN): the United Nations Global Compact is a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals, aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption;

GUIDELINES FOR MULTINATIONAL ENTERPRISES (OECD): the OECD Guidelines for Multinational Enterprises are recommendations addressed by governments to multinational enterprises operating in or from adhering countries. They provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognized standards. The Guidelines are the only multilaterally agreed and comprehensive code of responsible business conduct that governments have committed to promoting;

GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS (UN): the Guiding Principles on Business and Human Rights: Implementing the "Protect, Respect and Remedy" Framework are a set of 31 principles directed at States and companies that clarify their duties and responsibilities to protect and respect human rights in the context of business activities and to ensure access to an effective remedy for individuals and groups affected by such activities. The Guiding Principles were developed by John Ruggie, and do not constitute an international instrument that can be ratified by States, nor do they create new legal obligations. Instead, they clarify and elaborate on the implications of relevant provisions of existing international Human Rights standards, some of which are legally binding on States, and provide guidance on how to put them into operation;

HUMAN RIGHTS: Human Rights are inalienable rights every person possesses simply as a member of the human race. Such rights are based on the recognition of the dignity, freedom and equality inherent in all human beings and include, *inter alia*, the rights set out in the International Bill of Human Rights and principles related to the fundamental rights outlined in the ILO Conventions (which include, among others, the freedom of association and protection of the right to organize, as well as matters such as forced labour, child labour and non-discrimination);

ILO CONVENTIONS: ILO is the only tripartite U.N. agency that, since 1919, brings together governments, employers and workers of 187 member States, to set labour standards, develop policies and devise programs promoting decent work for all women and men. The ILO was established by the Versailles Peace Treaty in 1919, its primary task to draft

Conventions on labour standards and oversee the development of international labour law. The list of International Labour Organisation Conventions totals 190 laws which aim to improve the labour standards of people around the world. Since the Declaration on Fundamental Principles and Rights at Work of 1998, there are eight fundamental Conventions (on prohibition of forced labour, child labour, the right to organize in a trade union and to suffer no discrimination) which are binding upon every member country of the International Labour Organisation. The other Conventions are binding upon member countries which have chosen to ratify them;

ILO DECLARATION ON FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK: adopted in 1998, the Declaration commits Member States to respect and promote principles and rights in four categories - freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation - whether or not they have ratified the relevant Conventions;

ILO TRIPARTITE DECLARATION OF PRINCIPLES CONCERNING MULTINATIONAL ENTERPRISES AND SOCIAL POLICY: also known as “MNE Declaration”, is a non-binding instrument that contains recommendations on how enterprises should apply principles deriving from ILO Conventions and Recommendations. It provides guidelines on how enterprises should apply principles deriving from international labour standards concerning employment, training, conditions of work and life, and industrial relations. Its principles are intended to guide multinational enterprises (whether they are of public, mixed or private ownership), governments, and organisations of employers and workers in home countries as well as in host countries;

LEGISLATIVE DECREE N°. 231/2001: the Italian Legislative Decree 8 June 2001, no. 231 “Discipline of the administrative liability of legal entities, companies and associations”, and subsequent amendments and integrations, introduced into Italian law a regime of administrative liability for Italian companies in relation to offences committed, in Italy or abroad, on behalf or for the benefit of such companies;

231 MODEL: the model concerning the organisation, management and controlling activities of Ghella pursuant to Legislative Decree 231/2001;

SUBSIDIARY: any company directly or indirectly controlled by Ghella S.p.A., in Italy and abroad;

UN INTERNATIONAL BILL ON HUMAN RIGHTS: the International Bill of Human Rights consists of the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights and its two Optional Protocols.