

CLN POLICY ON WORKING CONDITIONS

CLN upholds the principle that all its employees should have decent working conditions. Working conditions refers to the working environment and all existing circumstances affecting labour in the workplace, including salaries/wages and working benefits, working hours, physical aspects, legal rights and responsibilities and the exchange of information on working conditions.

CLN Group requires the provision of decent working conditions and respect for our employees. CLN Group strives for the satisfaction of our employees, recognizing that they are our greatest resource, and promotes a workplace where employees can voice their concerns and have a good work-life balance. Furthermore, it is fundamental for us to prevent any discrimination in the workplace and to promote a culture of social responsibility, and to minimize the environmental impact of our business.

Our Working Conditions Policy is governed by the Board of Directors of the CLN Group, represented by the Chief Executive Officer.

INTERNATIONAL REFERENCES

This Policy supports the following treaties of International and European Law and applies their founding principles:

1. The International Bill of Human Rights of the United Nations (UN)
 - a) Universal Declaration of Human Rights;
 - b) International Covenant on Civil and Political Rights;
 - c) International Covenant on Economic, Social and Cultural Rights.
2. The core conventions of the International Labour Organization (ILO) - no. 29, 87, 98, 100, 105, 111, 138, 182 - and the Declaration on Fundamental Principles and Rights at Work.
3. The United Nations Convention on the Rights of the Child.
4. The European Convention on Human Rights.

The latest versions of the following business standards and voluntary initiatives have also been taken into consideration:

1. The principles of the UN Global Compact.
2. The Guidelines of the Organization for Economic Cooperation and Development (OECD) for Multinational Enterprises.
3. The ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy.

4. The "UN Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework".

INTERNAL REFERENCES

The following internal documents are linked to and support the principles set out in this Policy:

1. CLN Group Code of Ethics
2. CLN Group Equality and Diversity Policy
3. CLN Labour and Human Rights Policy
4. CLN Group Whistleblowing Policy

OUR COMMITMENTS

Transparent communication

At the time of hiring, employees must receive complete and transparent information on the contracts governing the employment relationship.

CLN seeks to promote open communication and participation regarding working conditions with all interested parties in accordance with local legislation.

Full compliance with local legal requirements

CLN Group companies are required to adhere fully to national legislation and local rules and regulations regarding working conditions such as those relating to wages/salaries, mandated benefits, working hours, overtime compensation, structured relations with employees representatives and exchange of information.

Employee satisfaction survey

On a regular basis, the CLN Group companies must record the level of satisfaction of their employees, respecting their anonymity, and should collect suggestions and requests coming from the various departments of the organization and the relevant collective bargaining organisation.

Compensation for atypical or extraordinary work

CLN Group companies are required to compensate employees for overtime or atypical working hours in full compliance with local legislation. Furthermore, CLN Group requires the use of forms of compensatory rest in cases of activity beyond normal working hours and/or holidays to ensure the right level of recovery of our employees.

Remuneration process communicated to employees

CLN Group companies must make available to any employee that requests them full explanations related to methodology behind their salary calculation, salary payment process and explain any opportunities for salary advancement.

Granting of paid annual leave

CLN Group companies are required to adhere to national legislation regarding paid annual leave.

Rest periods

CLN Group companies are required to meet local regulations regarding rest periods for its employees, and to ensure such rest periods allow adequate recovery from the particular work activity carried out. As a minimum CLN employees must receive 24 hours rest within a time frame of 7 consecutive days.

Flexible organisation of work

Flexible working refers to non-traditional working arrangements that take into account an employee's personal needs.

Employees can make a request for flexible working to their line manager in order that the overall impact to the business can be assessed. In this instance, the line manager's decision will be final in the mutual best interest of the employee and the Company. CLN Group's policy is to facilitate dialogue regarding work flexibility and to promote mutually beneficial solutions, whilst being careful to ensure the relevant tasks can still be carried out in the most efficient manner.

The right to collective bargaining regarding working conditions

CLN employees have the right to join collective bargaining organisations such as labour unions and workers councils and to communicate their grievances regarding working conditions through their collective bargaining organisation.

Forced labour, child labour and young workers

In accordance with CLN Group's Labour and Human Rights Policy, forced or compulsory labour and child labour is not tolerated in any CLN Group company. The age of employment for young workers must meet or exceed legal regulations and labour laws. In any case any employee under the age of 18 years of age must be reported to CLN Group Human Resources department together with the circumstances of their employment, in order that such employment can be independently assessed.

RECIPIENTS OF THIS POLICY

This Policy on Working Conditions is intended as a commitment to all CLN employees. All CLN Group companies are required to comply with the Policy

COMMUNICATION AND TRAINING

This Policy must be circulated to all employees by the local Human Resources department. Training initiatives or other interactive communication sessions must be carried out locally in order to ensure that the Policy is properly understood and implemented. Local management should allow employees to communicate openly with them regarding working conditions and management practices without fear of reprisal.

POLICY APPLICATION

The behavior of all CLN Group employees must conform to the principles dictated by this Policy both in the context of the workplace and during external work-related events (meetings, social events, transfers).

REPORTING CONCERNS

Any behavior which is inconsistent with this Policy should be reported to CLN Group Human Resources department.

REVISION

This Policy will be revised periodically to ensure its adequacy and effective implementation. All revisions shall be subject to approval by the Chief Executive Officer of CLN Group.

Rivoli, 23rd January 2020

A handwritten signature in blue ink, appearing to read "Gabriele Perris Magnetto".

Gabriele Perris Magnetto
Chief Executive Officer