

SIAPI ETHICAL CODE

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SIAPI ETHICAL CODE

Introduction

The document named “Ethical Code” or “Code” clearly expresses the fundamental ethical values which are at heart of the Company culture and rules the ensemble of the rights, duties and responsibilities that Company SIAPI s.r.l. (afterwards “SIAPI”) and its employees assume towards the stakeholders with whom they interact in the business management and in the daily activities.

The Code has been adopted by the Company Director with the endorsement of its employees and co-operators, in order to guarantee an endowed and appropriate working-place and the improvement of the relationships, so that they reach the highest level of transparency, reliance and mutual respect.

The Ethical Code is composed of three parts:

- **Ethical Principles**
- **Norms and Rules of Behaviour**
- **Rules of Implementation**

The scheduled values and principles represent the basis of SIAPI culture, which displayed since its foundation the Mission of:

“being the first in Europe in the market of the special wheels for grinding operation, for the glass polishing, for the metal superfinishing, assuring constant innovation and profitability in the long term for the customers, the employees and the Society; producing high quality products that exceed the customers’ expectations, acting in the highest care of the health and safety of the employees, in compliance with the conservation of the Environment.

The Code is binding for the behaviours of all SIAPI employees and partners.

The Company demands that the Code principles are observed by all the co-operators, Customers, Suppliers, Advisers with whom SIAPI comes into contact, in the accomplishment of its strategies and activities.

The Code provides disciplinary measures proportioned to the gravity of eventual behaviours non-conforming to the prescriptions.

SIAPI devotes itself to the divulgation of the Ethical Code through an appropriate activity of internal and external promulgation towards all the business partners.

1 - ETHICAL PRINCIPLES

1.1 - Legitimacy

Aiming at preserving the employees' health and safety, SIAPI is enriching its Quality Management System, according to ISO 9001, with a Health and Safety Management System oriented to the OHSAS 18001 Regulation; following the same logic, they are introducing an Environmental Management System for the conservation of the Environment, according to the ISO 14001 Regulation.

1.2 - Current Regulations

All the above mentioned regulations take into account a strict monitoring of the observance of the existing Rules and Regulations. All the employees, Suppliers, and the external partners are bound to the severe respect of the Management System Procedures for the Quality-Environment-Health and Safety, of the Rules and Regulations in force both in Europe and in the countries where they will operate, of the Ethical Code and of the internal Company restrictions, bringing them into force with equity and correctness.

1.3 - Enhancement, development and Integrity of the Human Resources

SIAPI promotes the development of the Human Resources, enhances the capabilities and aspirations of its employees, in the whole respect of their physical, moral and cultural Integrity. SIAPI guarantees a healthy and safety working environment, respects the dignity of the people and encourages propositivity, participation, responsibility undertaking and team-work.

1.4 - Honesty, Loyalty and Correctness

SIAPI commits itself to act in a honest and correct way in the relationships with third parties, avoiding misleading information and behaviours that can acquire undue profit from the weakness or leak of knowledge of other people. The relationships with the Customers, Suppliers, business-partners and other stakeholders and the relationships with the employees must be characterized by correctness, cooperation, loyalty and mutual respect.

1.5 - Transparency

All the Company activities and relationships with the stakeholders must be realized guaranteeing clearness, completeness, uniformity and promptness of information, following all the Regulations and trade practices, without encouraging the benefits of any group of interest or individual.

1.6 - Confidentiality

SIAPI and its employees guarantee the confidentiality of the information and of the personal data which are object of treatment and the protection of the information acquired in relation to the working activities.

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The obtained information won't be used for Siapi own interest in order to derive undue profit or to carry on procedures conflicting with SIAPI laws and values.

Therefore, SIAPI co-operators are bound not to employ restrained information for purposes that are extraneous to the professional practices of the Company.

1.7 - Equal Opportunities

The professional growth of the employees and partners are based on the principle of Equal Opportunities. The recognition of the results, of the capabilities and professional potentials represent the essential principles for the promotions and increases in salaries, guaranteeing the transparency and clearness on the evaluation methods and on the communication practices.

In its relationships with the stakeholders, SIAPI avoids each form of discrimination, of any kind (age, sex, sexuality, state of health, marital status, ethnic group, political opinion, religion).

1.8 - Absence of conflict of interests

SIAPI puts into effect the essential measures to prevent and avoid attempted bribery conflicts of interest. To that end, the employees and partners assure that each business decision is taken in behalf of the company, avoiding any condition of conflict of interest between business practices and personal or familiar interests.

1.9 - Creativity, Innovation and Quality

Coherently with Its Mission, SIAPI, with a structured process, develops a precise collection of the marketing data through visit reports of the customers, customer satisfaction surveys, information from the marketing associations and confrontation with the competitors.

All these data are analysed to anticipate revolutionary solutions thanks to the development of new products and/or services, that can satisfy the explicit or implicit needs of the existing or potential customers.

1.10 - Responsibility towards the Environment and promotion of the sustainable development

SIAPI considers the conservation of the Environment as a fundamental resource and believes that it must be one of the purposes of the corporate strategy, oriented to the values of the environmental and social sustainability. Therefore, the Company devotes to operate with the intention of reducing its impact on the environment, looking for the best balance between business interests and environmental resources, safeguarding the last mentioned for the present and future generations.

SIAPI hence dedicates itself to prevent any risk for the population and for the Environment, respecting the current regulations and introducing additional solutions able to reduce the impact on the Environment.

1.11 - Responsibility towards the Community

SIAPI acts holding in high esteem the demands of the Community and contributes to the social, economic and cultural development.

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1.12 - Complex of fundamental values

- **Moral values:** integrity, honesty, impartiality, responsibility, seriousness.
- **Cooperation values:** team spirit, loyalty, tolerance towards the critics, open-mindedness, predisposition to listening.
- **Performance values:** competence, flexibility, creativity, innovation, quality.
- **Communication values:** respect, sense of belonging, opening, transparency, dialogue.
- **Professional growth:** analysis of the requirements, continuous training.
- **Safeguard of the health and safety:** constant monitoring of the working processes

2 – NORMS AND RULES OF BEHAVIOUR

2.1 - RULES OF BEHAVIOUR IN THE RELATIONSHIPS WITH THE EMPLOYEES

The value of a person and the enhancement of the professional and relational capabilities are considered as strategical resources which can be fundamental for the competitive growth of SIAPI on the global market. In order to assure the respect and the adhesion to the ethical values, fundamental in the management of the relationships with the employees, SIAPI inspires to the following rules of behaviour.

2.1.1 - Recruiting and introduction of new workpeople

Siapi selects the staff and promotes its improvement in agreement with the Company requirements; they formulate the staff requirements so that they are coherent with the corporate strategies and executive plans. The process of recruiting and introduction of new workpeople is structured with the intervention of external specialists.

2.1.2 - Professional Development

Year by year the Direction carries out an evaluation of the performances and of the expectations of the staff through individual interviews; consequently, the Direction fixes new purposes both for the executional level and for the individual growth.

2.1.3 - Safety, Health and Environment

After the implementation of the Management System oriented to the ISO 14001 e OHSAS 18001 international regulations, all the business partners are involved in the processes of constant monitoring and development.

2.1.4 - Quality and safety of the products

Aiming at guaranteeing the life, quality and safety in the employment of its products, SIAPI has started in the year 1995 the creation of a Quality Management System oriented to the Norm ISO 9001.

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Among the most important SGQ rules in the production processes, Siapi promotes the ones that make reference to the trials, checkings and testing of the products. To that end, SIAPI has obtained on the year 2005 the oSa certification (Organisation for the Safety of Abrasives) which guarantees high levels of controls and in-house testing of the products and of the cycle of production.

2.1.5 - Conflict of interest

Actually, all the eventual situations that can cause a conflict of interest between the employees and the Company are being carefully analysed, trying to find out the most suitable solutions to obtain the highest level of transparency.

2.1.6 - Protection of the privacy

The protection of the Privacy is guaranteed at all levels by the use of specific procedures, both inside and outside the Company, in the charge of the designed Responsible.

2.1.7 - Safeguard and correct use of the Company properties

On all SIAPI equipments and machines is being carried out a census on appropriate files and their safeguard is guaranteed by a scheduled maintenance.

Through a constant training and education, SIAPI promotes the correct employment of the machines.

2.1.8 - Transparency and preciseness of the accountancy

The management of the economic and financial resources of the Company is carried out with a structured process that, basing on an annual forecast, includes trimestral controls of the trend shiftings in comparison to the previous years.

All the financial parameters and an evaluations of the risks are being employed for the short-term and long-term forecasts.

2.1.9 - Anti-Recycling Rules

SIAPI undertakes to respect all the rules and regulations, national and international, in the subject of Recycling. SIAPI employees must not establish relationships or be involved or mixed into financial/business operations whether they know that the interlocutor has been involved into illegal practices like recycling of money derived from criminal activities.

2.2 - RULES OF BEHAVIOUR IN THE RELATIONSHIPS WITH CUSTOMERS AND PARTNERS

SIAPI promotes the development of partnerships with its own customers to which they must assure the highest level of satisfaction, quality and innovation, respect, transparency and trust.

Therefore, SIAPI commits itself to satisfy as much as possible the customers' and partners' requirements and expectations, supplying high quality products and services, realized in compliance with the best price conditions and with the safeguard of the principles of Social Responsibility, Safety and Conservation of the Environment.

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2.2.1 - Contractual conditions with the customers

All the steps in the development of commercial relationships with the customers are carefully monitored, both while issuing quotations and while checking the received purchasing orders, to assure that the products and services will be supplied in compliance with the customers' requests.

2.2.2 - Customer satisfaction

Every year SIAPI submits to all the customers a questionnaire to evaluate their satisfaction.

The results of this survey are later analysed and compared to the ones of the previous years to verify the trend and to eventually decide for corrective or preventive actions.

2.2.3 - Communication

Through periodical gatherings of the Distributors, scheduled customers' visits, and participation to congresses and Fairs of the corporate field, SIAPI maintains a constant contact with its market and with the competitors.

2.2.4 - Sensitization on the theme of the Social Responsibility

All the themes relative to the Corporate Social Responsibility are introduced in the information and training projects and in any other occasion, for example with the introduction of a Environment System Management, SIAPI developed, during the meetings with the co-operators the themes of the conservation of the Environment both inside the Company and in the surrounding area.

2.3 - RULES OF BEHAVIOUR IN THE RELATIONSHIPS WITH THE SUPPLIERS

The Quality System Management takes into account the structured processes able to guarantee the uniformity of the opinions, both in the selection phase of the Suppliers and in the phase of the constant evaluation of their performances.

The respect of the rules and regulations and the organization of the processes of the same Suppliers represent the fundamental standards of evaluation, together with the performances of the products and services. This monitoring is introduced and supported with documentary evidence in the reassessment made by the Direction.

2.4 - RULES OF BEHAVIOUR IN THE RELATIONSHIPS WITH THE PUBLIC ADMINISTRATION

SIAPI has always been oriented towards the highest level of transparency in the relationships with all the stakeholders and with the Public Administration, aiming to obtain, in the future years, positive opinions and valuable results of co-operation.

The chief executive participates personally to the activities of the Associations in which SIAPI takes part.

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2.5 - RULES OF BEHAVIOUR TOWARDS THE ENVIRONMENT

The Environmental Policy has been defined in Management Procedures of the integrated Systems Quality-Environment-Health and Safety and is spread both inside and outside the Company and to all the involved parts, through a structured communication during the commercial/business procedures and in the meetings, congresses and and/or fairs.

The real implementation of the Environmental Policy is guaranteed by the rules of the ISO 14001 system through a suitable personnel training, internal audits and the control of the Institutions for the Certification.

3 - RULES OF IMPLEMENTATION

1. Anyone is bound to observe and let respect the present Code.
2. The observance of the principles, regulations and norms of behaviour indicated in the Code, their constant spreading and application is essential and integral part of the contractual obligations of each co-operator and employee.
3. The violation of the norms will represent a non-compliance with the commitments deriving from the work-relationships and/or disciplinary procedure, with all the relative consequences according to the existing law, also making reference to the conservation of the work-relationship.
4. SIAPI undertakes to follow and to apply with uniformity and impartiality, disciplinary sanctions proportioned to the seriousness of the Code violations and in compliance with the current dispositions regarding the regulation of the work relationships.
5. The single punishable violations and the applicable sanctions will be established in a proper document to be stucked up in a place accessible to everyone and in compliance with what indicated on the national collective bargaining.