

code of ethics

of the Lamberti group



lamberti
chemical specialties

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Implementation, Control and Monitoring Procedures

INTRODUCTION

The group of companies which comprises Lamberti S.p.A. and its subsidiaries (also referred to below as “Lamberti” or the “Group”) is an international reality that operates in a large number of institutional, economic, political, social and cultural contexts which are experiencing continual and rapid development.

The purpose of this Code of Ethics (also referred to below as the “Code”) is to sum up the rules of conduct which the Group has always placed at the base of the running of its affairs, in order to spread within its business reality those values and rules of conduct to which the Group constantly makes reference.

The adoption of this Code therefore aims to meet the needs and expectations of all the internal and external parties which the Group deals with. In this regard it is emphasised that in no way may the pursuing of the company’s interest disregard compliance with the regulations in force and the content of the Code.

The Code of Ethics is subdivided into three sections:

1. Charter of Ethics: formalises the Values, Vision and Mission which constitute the foundations of the Group culture;
2. Rules of Conduct: highlights the areas of responsibility and the conduct to adopt in order to be compliant with the Group’s style;
3. Implementation, control and updating: identifies those in charge of implementing the Code of Ethics and explains how to apply the defined Values and standards of conduct in order that they be established as everyday practice.

ADDRESSEES AND AREA OF APPLICATION

Even considering the cultural, social and economic diversity of the different countries in which the Group operates, the

part one

Code applies to all companies in the Lamberti Group in Italy and abroad and is therefore binding regarding the conduct of all Collaborators.

For every Group company, the collaborators are *members of the Board of Directors, employees* (executives, office workers and labourer personnel) and all those people who, with various qualifications, act in the name of or on behalf of the interest or to the benefit of the Lamberti Group, independently of the legal qualification of the working relationship (for the purposes of example project workers, temporary employees, temporary workers).

charter of ethics

The 5 Lamberti values

Person, winning spirit,
integrity

Innovation and
creativity

Work together

Sustainable industrial
development

Financial soundness
and independence

Vision

Mission

THE 5 LAMBERTI VALUES

The work of our company has always been typified and upheld by a particular style, made up of values in which we believe and which inspire us. Now that the company is growing, not only in Italy but also abroad, it seemed important to us to carry out an analysis first, extremely briefly, in order to put the **5 Lamberti values** down "in black and white". For all of us, these values must be a concrete reference for working at any level and in any role. The values have allowed our Group to get to where it is now, and we are convinced that they will continue to ensure us a path of growth and development.

Best wishes to you in your work,

Carlo Lamberti Paolo Lamberti

1. Person, winning spirit, integrity

Believe in every **person** and develop him or her, establishing relationships based on mutual respect and integrity of conduct. Develop potential, professionalism and skills in everyone.

Make the pride of belonging to a **winning** international group **grow** in everyone.

Build an **organization** able to attract and retain talent; use reward systems which develop growth, the spreading of skills, continual improvement, delegation and **team-work**.

2. Innovation and creativity

Promote excellence in technologies and in product applications which are original, proprietary and able to **generate value**.

Support initiatives and projects which are directed to the innovation of company products and processes **in synergy** with all partners: client, suppliers and other third parties which collaborate with the company.

3. Work together

Work **"together"** committing ourselves to get to know our mutual needs and requirements inside out, in order to seize all **opportunities for growth**.

With cross-functional working teams, develop relationships based on contiguity and effectiveness, working towards the achievement of **shared objectives**, with a results orientation and a **global vision**.

4. Sustainable industrial development

Design, conduct and **develop industrial activities** to realize technological, process and product **development**, ensuring the **safety** of people, respect for the **environment** and protection of the **community**.

5. Financial soundness and independence

Create value and maintain conditions for the development of the company over time, ensuring its **financial soundness** and autonomy.

VISION

We wish to be a company which expresses, through its people, values of innovation for which the distinctive feature is the ability to integrate chemistry with industrial effectiveness. All this should take place with continual research and market comparisons in order to find various and adequate solutions to complex problems in continual evolution, consistent with the requirements of sustainable development.

MISSION

To position ourselves as one of the global leaders in the field of a number of speciality chemicals used in industrial sectors with high potential, to facilitate their production processes or improve their finished products.

part two

rules of conduct

Shareholders

Lamberti Group
Collaborators

Partnerships

Clients

Suppliers of Goods
and Services

Banks

Public Administration

Competitors

The Community

Mass-media

Non profit organizations

The Environment and Safety

In doing this, to succeed in establishing partnerships with the most important clients, and where possible / appropriate, with suppliers.

To combine control of the technologies used with the right level of service, setting ourselves the objective of meeting the interests of shareholders, personnel, clients and suppliers, including through permanent organizations in the different geographical areas of interest, in full respect of the environment and the community.

1. SHAREHOLDERS

1.1 Sustainability of the business

In the Lamberti Group, business risk is protected against by means of policy which safeguards the soundness of the Group in the medium to long-term, to promote financial competitiveness and respect for the ecosystem at the same time.

1.2 Corporate Governance

Lamberti observes high standards of good corporate governance to safeguard its value and reputation, in the interest of shareholders and all stakeholders.

1.3 Transparency and fairness of intra-group operations

The Company ensures for all Group shareholders fairness, clarity and equal access to information, to prevent undue use of information.

Lamberti carries out intra-group operations at fair market value, complying with fundamental fairness criteria and procedural criteria for the purposes of transparent, objective valuation. Consideration related to exchanges of services and/or goods between companies in the Group is therefore defined according to market conditions and must always be justifiable.

2. LAMBERTI GROUP COLLABORATORS

2.1 Representativeness and collaboration

Lamberti collaborators are expected to act with rigour and professional commitment in order to safeguard the Group's reputation, by establishing relationships based on trust and reciprocal collaboration with all internal or external parties dealt with.

In the everyday carrying out of their activities, all collaborators must ensure that they respect high standards of con-

duct by enhancing the reliability, effectiveness and excellence which typify the style of the Group.

2.2 Honest, transparent conduct

Collaborators are required to shape their activities to honest conduct which is compliant with the commitments, procedures, regulations and rules in force, and with sharing the mission of the Lamberti Group.

Belief of acting to the benefit of Lamberti may in no way whatsoever justify behaviour which is contrast with the principles dictated by this Code of Ethics, for which widespread compliance is of fundamental importance to the good operation and prestige of the Group.

2.3 Conflict of interest

Conflict of interest occurs when a Lamberti collaborator uses his or her own position for personal advantage or when personal interests come into conflict with the interests of the Group. All collaborators must therefore avoid any investment, interest or involvement which interferes or may interfere with their ability to consider in an impartial manner or to make decisions on behalf of Lamberti.

Collaborators must report any situation in which their personal interest may be in conflict with the interest of the Group.

For the purposes of example, but not limited to these, the following constitute a conflict of interest:

- accepting money, favours or benefit from corporate bodies and/or legal entities which intend to close financial agreements with Lamberti;
- carrying out working activities of any type at the premises of clients, suppliers or competitors, such to compromise the performance of work for Lamberti;

- taking or encouraging decisions when performing one's role in the company, for the purpose of benefitting a next of kin or a relative.

2.4 Handling of information

- **Transparency and accuracy of information:** collaborators must guarantee truthfulness, transparency, accuracy and completeness of documentation and information yielded during the carrying out of the activities they are responsible for. The Company condemns any behaviour aimed at changing the accuracy and truthfulness of data and information included in the financial statements, reports or other corporate communications provided for by law and directed to the public, the supervising authorities, the board of statutory auditors and the auditors.
- **Confidentiality of information:** in strict compliance with the regulations in force, collaborators must ensure the utmost confidentiality regarding information which is strategic, confidential or related to the intellectual property of the Group. The Company ensures the proper management of confidential information and requires its collaborators to maintain the strictest secrecy regarding all confidential information pertaining to the Company or third parties.
- **Personal data protection:** the Company protects personal data acquired during the carrying out of its activities related to collaborators and third parties. Lamberti handles such data in compliance with the regulations in force and the moral protection of people.

2.5 Traceability and fairness of operations

All operations and transactions, meaning in the broadest sense of the term, must be authorized and recorded in compliance with principles of honesty and impartiality. It rests with all Lamberti collaborators to operate with due diligence and to ensure that the activities carried out be

supported with documentary and/or computer verification, including in order to permit the adequacy and legitimacy of operations, as well as to identify who has authorized them, carried them out, recorded them and checked them.

The Lamberti Group promotes the principle of fair conduct in business activities in order that, including with the possible collaboration of third parties, any conduct favouring the laundering, receiving and employment of assets or benefits of unlawful origin, both nationally and internationally, be prohibited. For this purpose, Lamberti collaborators involved in the carrying out of sensitive processes must adhere to rules of conduct which comply with the Group's provisions.

2.6 Gifts and benefits

It is forbidden to offer or receive money, gifts or benefits to/from third parties (public administration, clients, suppliers etc.), including vicariously, for the purpose of acquiring special treatment of any type whatsoever connected with the conducting of business, or which may affect the independent judgement of a counter-party, guaranteeing an interest and/or benefit for the Group.

Acts of commercial politeness, such as free gifts or forms of hospitality, are allowed on condition that they be duly authorized in advance by the department in charge, if they are of moderate value and in all cases if they are such as to not compromise the integrity or reputation of either of the parties.

2.7 Use of company assets

Lamberti people are required to act diligently to protect company assets (material and immaterial), using them appropriately and adopting conduct which prevents their inappropriate use by third parties.

The use of computerised work tools must be compliant with the “Code of Ethics for the use of Internet services” and the “NETIQUETTE regulations” adopted by the Group.

2.8 Collaboration with supervising authorities

The relationships which the companies belonging to the Lamberti Group establish with auditors, company bodies and the surveillance board are shaped by loyalty, compliance with the law, and mutual collaboration, in order to guarantee proper and complete carrying out of control and audit activities.

2.9 Integrity and physical and moral protection of people

The companies which belong to the Group encourage the spreading of a culture of conscious safety, by means of disclosure of the nature of risks and by encouraging responsible behaviour by all collaborators, in order to protect their health and safety, particularly with preventive actions.

For this purpose the Company carries out action of a technical and organizational nature, as regards:

- the continual analysis of risks, aimed at preventing them and/or fighting them at their source;
- adoption of the best technologies which are suitable for preventing the arising of risks pertaining to worker safety and/or health;
- control and updating of working methods;
- training and communication initiatives.

Lamberti people are required to adopt strict compliance with the rules and obligations derived from the health, safety and environmental regulations, and also to comply with all measures required by the internal procedures and regulations.

The Lamberti Group therefore ensures a working environ-

ment which is compliant with the health and safety rules in force, by means of the monitoring, management and prevention of risks connected with the carrying out of its working activities. In addition, it undertakes to maintain a working environment which is untroubled, stimulating and proactive, by safeguarding the right to working conditions which respect people's dignity.

2.10 Development of people

The Group has adopted appropriate measures in the selection, hiring and internal development stages, in order to ensure that all Lamberti staff benefit from equal treatment which is based on merit criteria and is free of all discrimination.

All collaborators are required to carry out their activities in a very responsible, honest and diligent manner, in compliance with company policies, procedures and rules.

2.11 Planning of company targets

Lamberti undertakes to set annual targets, both general and individual, focused on results which are possible, specific, concrete, measurable and related to the time provided for their achievement.

3. PARTNERSHIP

3.1 Representation

The Lamberti Group develops partnerships with opposite parties with a consolidated reputation and experience, and establishes such relationships in compliance with the principles of this Code.

In order to protect the style of the Group, within the defined contractual relations all partners are required to act with professional rigour as well as to act in compliance with the regulations in force.

3.2 Honest, transparent and collaborative conduct

Partners are required to have undamaged conduct compliant with their commitments, and to promote full and effective collaboration with the Lamberti Group. Therefore, whatever the nature and duration of their contract of employment, the relations must be shaped for the utmost transparency and effectiveness by ensuring the traceability and possible reconstruction of the activities carried out.

The Lamberti Group undertakes to maintain total secrecy regarding information on its partners and to use the aforesaid information only for strictly professional reasons and in all cases after written permission has been given.

In no event may the pursuing of the interest of the Group be set above compliance with the law and the content of this Code, on penalty of termination of the existing contract.

3.1 CLIENTS

3.1.1 Quality and innovation

The Lamberti Group guarantees its clients the best fulfilment of the commissions entrusted to it and is constantly orientated to put forward increasingly state of the art and innovative solutions, as part of integration, quality, effectiveness, efficiency and cheapness.

3.1.2 Negotiation and contractual fairness

The Lamberti Group has the overriding objective to meet its client needs fully, including in order to create a sound relationship inspired by general values of fairness, honesty, efficiency and professionalism.

Contracts stipulated with clients, and generally all communications addressed to them, are shaped by criteria of simplicity, clarity and completeness, avoiding recourse to any

misleading practices. If unexpected events arise, the Group undertakes not to exploit situations of dependence or weakness of the opposite party.

3.2 SUPPLIERS OF GOODS AND SERVICES

3.2.1 Objective evaluation

The supplier selection process takes place on the basis of objective and documentable criteria, in accordance with the principles of fairness, cheapness, quality, innovation, collaboration and ethics.

3.2.2 Fair negotiation and contractual equity

The Lamberti Group establishes contracts with its suppliers in a manner which is fair, complete and transparent, and attempts to prevent circumstances which could affect the established relationship considerably.

If unexpected events arise, the Group undertakes not to exploit situations of dependence or weakness of the opposite party and expects its suppliers to behave in exactly the same way.

During the contract stage, the individual suppliers state that they agree with the principles stated in this Code and commit to comply with them. **Infringement of the principles established in it constitutes breach of contract, on penalty of termination of the existing contract.**

4. BANKS

Financial backers are bodies which provide financial support for Lamberti's investment decisions

4.1 Transparency of information

Lamberti guarantees truthfulness and timeliness of informa-

tion requested by banks, such that their investment decision be based on a truthful representation of the Group's balance sheet, economic and financial situation.

4.2 Respect for commitments

In the face of financial backing received, Lamberti shall rigorously respect the commitments made with the suppliers of financing and comply punctually with the agreed due dates.

5. PUBLIC ADMINISTRATION

Public Administration means all parties which carry out a "public function" or a "public service" and with which the Lamberti Group interacts. For the purposes of example but not limited to this: the Surveillance Board, the Ministry of the Environment and the Territory, the Ministry of Health, the Fire Brigade, Arpa (Regional Environmental Protection Agency), Customs, the European Community, the territorial authorities.

5.1 Fair relationships

Those parties entrusted with representation functions for the public administration or foreign officials or those belonging to international organizations shall be inspired by principles of fairness, transparency and lawfulness, without jeopardizing the integrity or reputation of the Lamberti Group in any way.

5.2 Gifts and benefits

Members of the Board of Directors, employees and all those who act for Lamberti with various qualifications, may not offer money, gifts or benefits of any nature to public administration representatives, either Italian or foreign, their next of kin or relatives, from which an interest or benefit for the Group may be obtained.

Acts of commercial politeness, such as free gifts or forms

of hospitality, are allowed on condition that they be duly authorized in advance by the department in charge, if they are of moderate value and in all cases if they are such as to not compromise the integrity or reputation of either of the parties.

The hiring of former employees of the public administration, or of next of kin or relatives of its representatives, is subject to careful assessment by the offices assigned to this.

5.3 Grants and funding

The Lamberti Group condemns any behaviour aimed at obtaining from the public administration (European Community, states, local authorities) any type of grant, funding or other disbursement of the same type by means of statements and/or documents which are not true or through omitted information aimed at misleading the supplying body. The Company also ensures that any grants or funding obtained be employed for the purposes for which they were requested and granted.

6. COMPETITORS

The Lamberti Group has adopted a commercial policy which is opportune for ensuring market competitiveness, operates in compliance with the laws and regulations in force on competition, and prohibits the adoption of methods of unfair competition.

7. THE COMMUNITY

7.1 Mass-media

The communication of data or information connected with the Lamberti Group and addressed to the mass-media may only be disclosed by the holders of company posts commissioned to do so, or with their authorization.

In all cases, external communication shall be shaped to comply with information rights and must therefore be truthful, complete and unbiased.

All forms of pressure on the media, aimed at obtaining favourable attitudes from the media, is prohibited, as is the use of misleading advertising tools.

7.2 Non profit organizations

The Group promotes non profit activities in order to evidence its commitment to become active to satisfy widespread interests deserving of appreciation from the ethical, legal and social point of view, of the communities in which it operates. Donations to charitable organizations and institutions are allowed only if they have the purpose of providing social benefits and evidencing the social and civil responsibility of the Lamberti Group.

7.3 The Environment and Safety

The Lamberti Group has always pursued the objective of developing its industrial production by adopting the most appropriate measures to protect the environment in order to benefit the community and future generations, in particular by means of the certified environmental management system.

Lamberti has joined *Responsible Care*, the world-wide chemical industry's voluntary programme based on the implementation of principles and behaviour pertaining to employee health and safety and environmental protection.

implementation, control and monitoring procedures

Surveillance Board

The body delegated to keep watch on the application of the Code is the Surveillance Board (also referred to below as “SB”), constituted in Lamberti S.p.A. and in the Italian subsidiaries, in accordance with the Model of organization, management and control for the prevention of crime pursuant to legislative decree 231/2001 and related laws. The SB coordinates the bodies and functions authorized for the proper implementation and adequate control and monitoring of the content of the Code of Ethics. The companies belonging to the Group shall state, using those methods considered most appropriate, the e-mail address and postal address for communicating with the SB.

Obligations of addressees

The addressees of this Code have committed themselves to comply with the content of this Code and to have it complied with, without making any distinctions or exceptions in Italy or abroad. In no way may acting to the benefit of the Group justify the adoption of conduct in contrast to the regulations and to the Rules of Conduct of the Code.

All addressees are required to operate in order that these rules be adequately applied, both within the Group and in general by all parties it deals with. The company bodies and executives also have the duty of being the first to provide examples of consistency between the rules of the Code and their daily conduct. The addressees are required to cooperate with the SB when carrying out their assigned activities, by guaranteeing free access to all documentation considered useful.

Reporting

The addressees of this Code are required to report any infringement of the Code to the SB, preferably *not anonymously*. All information flows shall be addressed to the SB by means of the electronic mailbox (OdV@lamberti.com) or by means of other means of communication provided for by the same

board. The SB shall take steps to assess any report promptly, including by consulting the sender, the party responsible for the presumed infringement and any party potentially involved. The SB shall ensure confidentiality regarding the identity of the reporter, with the exception of legal obligations, as well as protection from any type of retaliation.

Communication and training

All addressees have been made aware of this Code by means of special communications. In order to strengthen the sharing of the Code of Ethics, the SB shall consult the appropriate functions to incite appropriate training courses to allow the clarification of all aspects related to the application of the Code of Ethics.

Disciplinary action

The SB is responsible for the task of checking and ascertaining any infringements of the duties provided for in this Code. Since compliance with the content of this Code must be considered an essential part of Lamberti’s contractual obligations pursuant to and by effect of the regulations in force (art. 2104 of the Civil Code “employee diligence”), in the event of infringement of the rules of the Code, the authorized functions which have disciplinary power shall give expression to disciplinary proceedings:

- for employees and executives, reference is made to the existing penalty system provided for by the applicable CCNL national collective bargain agreements for the chemicals sector, dismissal included;
- for the company bodies, all appropriate action provided by law may be applied, removal from office included;
- for all those who, with various qualifications, act in the name of or on behalf of or for the benefit of the Lamberti Group, independently of the legal qualification of the working relationship, disciplinary action will be specified according to the seriousness of the infringement, claims for compensation or cancellation of existing contracts included.



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