

The CANNON Group is based on the following **values**:

✓ Independence

Independence from big multinational corporations, banks, shareholder funds and bases that may distract resources or indicate policies other than those defined by the management fully involved in the company's activity.

The strategy is built from the bottom and not imposed from above; the competence is an essential basic attribute for its formulation.

✓ Integrity

Integrity means not only being honest, but also completely dedicated, at all levels of skill and responsibility, to carry out one's own work with excellence, without distractions and deviations from the tasks assigned according to the company's objectives.

✓ Internationality

Internationality means to speak our customers' language in every way: mentality, technologies, needs.

The decision-making process is generated and shared by the companies' representatives in the various countries where Cannon is present, to better understand the customers' needs and to competently grasp beforehand developments and opportunities in the global market.

We are present in over 40 countries with a multilingual and multicultural structure.

✓ Innovation

We invest 5% of our turnover in research and development. Every year.

Innovation is the continuous research and attitude to deal with new applications and developments arising on the market. New applications and developments that we believe we are able to implement, that differ from the existing products and that generate continuous value for the market as well as for ourselves.

We have filed over 350 patents in 40 years.

Having no worry for short term profit, CANNON can launch long-term investment strategies and programs by taking on some development risks.

However, it is clear to us that generating value means also generating profitability.

Profitability for our future, to remain independent, global and innovative. To continue relying on these principles that create wealth for our companies, customers, suppliers and families who get the benefits. Principles that are based on the awareness of the essential elements for an ethical development of our business; principles that are reflected in the Code of Ethics of the Cannon Group.

In 2012 the structural framework and the commitment of the Cannon Group were outlined in the document "Process of QUALITY, SAFETY, MACHINERY DIRECTIVE in the Italian companies of the CANNON Group".

Furthermore, CANNON has set up a joint Intercompany organization with a regulation (ISAQC: Intercompany - Safety - Environment - Quality - Cannon) with the task of promoting the culture of Quality, Health and Safety in the workplace and on the product, the Environment and the relative improvement of the organizational structure in subsidiaries.

The ISAQC members have received adequate training on quality and occupational health and safety as well as auditing techniques to be a Cannon control body for the application of OSH and Quality issues in the various subsidiaries.

It is therefore firm intention of Cannon S.p.A. Management to improve further by implementing the multi-site Quality Management System and the Corporate Health and Safety Management System, according to the respective international reference standards, through certification and control by accredited bodies, progressively extending it to all the companies in the Group.

Furthermore, the Management of Cannon S.p.A recognizes the importance of respecting the environment and promotes the adoption of the environmental management system by the Group Companies, according to the international reference standards, in relation to the specific nature of their business and organizational structure.

The Cannon **QUALITY POLICY** can be summarized in the following points:

1. *The continuous search for "the new"*
 - Anticipate customer needs by strengthening the technological development process.
2. *Consider the customer first*
 - Ensure that customers' requirements and expectations are defined and satisfied.
3. *Optimize the operating result by pursuing the organizational development and growth of the people involved*
 - Anticipate the identification of critical issues for quality improvement.

The above-mentioned principles of QUALITY POLICY are implemented through the following **commitments**:

- ✓ To know your operational context by defining the factors affecting the quality objectives and the needs and expectations of customers and relevant stakeholders, whether stated or not, defining and translating them systematically into requirements, including mandatory ones. To maintain a high level of understanding of the market needs by all staff, creating the conditions for the identification of new needs. To make customers aware of the procedures for the correct use of our products.
- ✓ To continually seek solutions, processes, operating methods that allow being at the leading edge from the point of view of technology and organization in all activities affecting quality aspects.
- ✓ To consider the business related risks through a systematic identification, assessment, and management approach, in order to prevent negative results and increase positive ones.
- ✓ To maintain a proactive role by the Management and all top managers in promoting the continuous improvement of the quality management system by adopting the process approach combined with the *risk-based thinking*. Such process approach is oriented to management by objectives and for the prevention of non-conformity, in order to guarantee the constant compliance of products and services with the expected requirements, ensuring the availability of the necessary resources.
- ✓ To give opportunities and incentives to employees and collaborators through training, involvement and exhaustive internal communication, in order to know one's own role, the company organization, the technical, methodological and safety aspects of products, processes and working environment, encouraging to actively contribute to the implementation and maintenance of the Quality Management System for continuous improvement.

Cannon considers the **OCCUPATIONAL HEALTH AND SAFETY** and the environmental protection an indispensable duty, a continuous commitment and a constant component of its own mission.

Cannon recognizes the occupational health and security management as an integral part of its own and all subsidiaries' business.

All activities of Cannon and its subsidiaries must always be performed in compliance with the current legislation on occupational health and safety, respecting the contents and principles applicable to activities, products and services.

All subsidiaries are required to undertake the promotion of any initiative to prevent accidents and / or injuries at work and occupational diseases in every activity, to pursue a continuous improvement in the health and safety management on the sites. This also through the identification, assessment and management of risks associated with their own organization and the definition of the necessary control measures and objectives for their reduction, with reference to the joint guidelines for the whole Cannon Group.

In a transparent relationship with all stakeholders in the health and safety management systems (customers - suppliers - collaborators - bodies ...) Cannon promotes the adoption of the Organizational Model pursuant to the Legislative Decree 231/01 and of the occupational health and safety management system according to the international reference by the subsidiaries. To this aim, Cannon issued the Group's Code of Ethics and adopted a corporate certification of the health and safety management system in compliance with the international reference standard.

Cannon has established a system of delegations in the Group companies by creating a structure for the distribution of tasks and related responsibilities, to share its awareness and understanding of the decisive value of monitoring, maintaining and improving the occupational health and safety management and the compliance with applicable legal requirements and other related ones signed by the Group's companies.

To accomplish these commitments, specific objectives are formulated for each Company at the operational level, which comply with this policy and are measurable, monitored and periodically updated.

The **CANNON POLICY**, circulated through posting on site and electronic publication accessible to all Italian companies, is supported at all levels through internal communication, so that its contents are correctly understood and applied.

The Policy is a reference framework for the Italian companies of the Group and is available to all stakeholders through publication on the Group website.

The "ISAQC" Group body oversees the efficiency, suitability, application and compliance with this policy, within the Group's Italian companies, through Intercompany Audits.

In the periodic Management system review, the Policy is assessed and, if necessary, updated to ensure its continuing suitability to the evolution of the organization and its reference context.

The Management _____