

<b>Cannon S.p.A.</b> 	<b>CANNON POLICY</b>	Rev. 2 of 25.06.20	Page 1 of 2
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The CANNON Group is based on the following **values**:

- ✓ Independence  
Independence from big multinational corporations, banks, shareholders' funds and teams 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 on a "bottom-up" and not on a "top-down" model; 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 in advance developments and opportunities on 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.

Since it does not have to worry about 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) that has the task of promoting the culture of Quality, Health and Safety in the workplace and of the product, the Environment and the related improvement of the organizational structure of 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 the firm intention of the Management of Cannon S.p.A. to further improve by implementing the multi-site Quality Management System and the Corporate Health and Safety Management System, according to the current international reference standards, through certification and control by accredited bodies, progressively extending it to all Group's Companies.

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's Companies, according to the international reference standards, in relation to the specific nature of their business and organizational structure.

Most of the Group's current products and research activities are based on the motto "Smart Technology, Save Energy".

In the individual behavior and day-to-day business of companies, the focus is on saving energy, the correct management of waste products, discharges and emissions.

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

1. *The continuous search for "the new"*
  - Anticipating the needs of customers and other relevant stakeholders by strengthening the process of development of both technology and workers' competence and awareness.
2. *Consider the Client first!*
  - Ensuring that clients' requirements and expectations are defined and met.
3. *Optimize the operating result by pursuing the organizational development and growth of the people involved*
  - Anticipating the identification of critical issues for improving the quality of products and services.
4. *Consider occupational health and safety and environmental protection an essential duty*
  - Ensuring the compliance to mandatory requirements.

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

- ✓ Know your operating environment, defining the factors affecting the quality and health and safety objectives and the needs and expectations of customers, workers and relevant stakeholders, expressed or not, systematically defining and translating them into requirements, including mandatory ones. Maintain a high level of attention to the identification of new needs and expectations. Make customers aware of the procedures for the correct use of our products.
- ✓ Continuously search for solutions, processes, operating methods that allow being at the leading edge in terms of technology, prevention to provide safe and healthy working conditions, and organization in all activities affecting quality and health and safety.
- ✓ Consider the risks associated with your business through a systematic approach of identification, assessment and management, in order to prevent negative results and increase positive ones.
- ✓ Recognize the management system for quality and occupational health and safety as an integral part of one's own behavior.
- ✓ Maintain a proactive role throughout the organization in promoting the continuous improvement of the quality and health and safety management system through the adoption of the process approach combined with *risk-based thinking*, based on goal-oriented management and prevention of non-conformities, accidents, in order to ensure the constant compliance of products and services with the expected requirements and prevent occupational injuries and diseases.
- ✓ Provide opportunities and stimulation to employees and contractors through training and education, involvement, appropriate internal communication, to know their role, company organization, technical, methodological and safety aspects of products, processes and work environment in order to actively contribute to the implementation and maintenance of the quality and health and safety management system.
- ✓ Encourage consultation and participation of workers and worker representatives.

In order to achieve these commitments, specific operational objectives are formulated for each Company, consistent with this policy, measurable, monitored and periodically updated.

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

All subsidiaries are required to promote every initiative to prevent, in every activity and process, non-conformities, accidents and/or injuries at work and occupational diseases, to pursue a continuous improvement of management, also through the identification, assessment and management of risks associated with their organization and the definition of the necessary control measures and objectives for their reduction, with reference to the Cannon Group's unified guidelines.

In a transparent relationship with all involved stakeholders (customers - suppliers – employees and contractors - bodies ...) Cannon promotes the adoption of the Organizational Model pursuant to the Legislative Decree 231/01 and of the quality and occupational health and safety management system according to the international standards of reference within the subsidiaries. To this aim, Cannon has issued the Group's Code of Ethics and adopted the multi-site and corporate certifications of the quality and health and safety management systems in compliance with the current international standards.

Cannon has established a system of delegations in the Group's 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 provisions signed by the Group's Companies.

The **CANNON POLICY**, circulated by means of posting on the premises and electronic publication accessible to all Italian Companies, is supported at all levels through internal communication, so that the contents are correctly understood and applied.

This Policy is a reference framework for the Italian Companies of the Group and is available to all stakeholders through publication on the Group's website.

The "ISAQC" Group body supervises the effectiveness, suitability, application and compliance with this policy, within the Group's Italian Companies, through Intercompany Audits.

On the occasion of the periodic management system review by the Top Management, the Policy is reviewed and, if necessary, updated to ensure its continued adequacy with the evolution of the organization and the reference context.